

BOARD OF DIRECTORS' MEETING

Due to the COVID-19 public health emergency, members of the public are encouraged to attend this meeting remotely utilizing the Zoom meeting information, or video live stream option, noted below. All in-person meeting attendees are required to observe appropriate social distancing, and are required to wear face coverings, while in the Pease Development Authority building. Due to room size constraints there will be a limit on the total number of people in the meeting room at one time; the PDA respectfully asks attendees to exit the meeting room if you have no additional business. Face coverings will be available for those who need them.

Please note that this meeting will be video / audio recorded.

Watch Meeting Via Live Stream: https://townhallstreams.com/towns/pease_dev_nh

or

Join Zoom Meeting:

<https://us02web.zoom.us/j/83031577798?pwd=WENUK1FzeFFpVVRPQURCZzA0cmo1dz09>

Meeting ID: 830 3157 7798
Passcode: 998360

Dial by your location:
1-929-205-6099 US (New York)

Any member of the public having difficulty accessing the Zoom meeting listed above during the public meeting should e-mail: zoom@peasedev.org.

AGENDA

- I. Call to Order:
- II. Non-public Session: (Anderson)
- III. Vote of Confidentiality: (Ferrini)
- IV. Acceptance of Meeting Minutes: Board of Directors' Workshop of March 11, 2021 and Board of Directors' Meeting of March 18, 2021 * (Loughlin)
- V. Public Comment:
- VI. Committees:
 - A. Report:
 1. Golf Committee*
- VII. Old Business:
 - A. Approvals:
 1. Pease Aviation Partners, LLC (d/b/a Million Air Portsmouth) at 53 Exeter Street – FBO Application * (Fournier)

2. Pease Aviation Partners, LLC (d/b/a Million Air Portsmouth) at 53 Exeter Street – Conceptual Site Plan Approval * **(Lamson)**
3. 30 New Hampshire Ave. – Authorization to sell PDA owned building and to enter long-term ground lease with Spyglass, LLC * **(Levesque)**

VIII. Finance:

- A. Executive Summary *
- B. Reports:
 1. FY2021 Financial Report for the Eight Month Period Ending February 28, 2021 *
 2. Cash Flow Projections for the Nine Month Period Ending December 31, 2021 *
 3. Capital Improvement Plan FY 2021 – FY 2027 *

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

- A. Reports:*
 1. PlaneSense, Inc. – Right of Entry regarding Building 222, 96 Flightline Road

X. Leases:

- A. Reports:*
 1. Allegiance Fundraising Group - 222 International Drive
 2. Northeast Credit Union - 100 International Drive, Suite 260

XI. Contracts:

- A. Approval:
 1. Airport Digital Communications Upgrade * **(Fournier)**

XII. Signs:

- A. Reports: *
 1. Stewarts Ambulance – 119 International Drive
- B. Approvals:
 1. Farley White Pease LLC – 90/100 Arboretum Drive – * **(Loughlin)**

XIII. Executive Director:

- A. Reports:
 1. Golf Course Operations
 2. Airport Operations
 - a) Air Force Open House Update (September 2021)
 - b) US Customs Telecom/IT support expenditure
 - c) Portsmouth International Airport at Pease (PSM)
 - d) Skyhaven Airport (DAW)
 - e) Noise Line Report
 - (i) March 2021 *
- B. Approvals:
 1. Bills for Legal Services * **(Ferrini)**

XIV. Division of Ports and Harbors:

A. Reports:

1. Port Advisory Council - Minutes of March 10, 2021 *
2. Commercial Mooring for Hire – Friends Forever, Inc. *
3. Commercial Mooring for Hire – Bayview Marina – 6 Moorings; Esther’s Marina – 3 Moorings; Gingrich – 1 Mooring; Great Bay Marine – 73 Moorings; Great Bay Yacht Club – 11 Moorings; Hampton River Board Club – 2 Moorings; Island Club New Castle, Inc. – 1 Mooring; Kittery Point Yacht Club – 8 Moorings; Lamprey River Marina – 6 Moorings; Metivier – 1 Mooring; Mud Cove Board Yard – 1 Mooring; Portsmouth Yacht Club – 14 Moorings; Pull and D.B. Inc. 1 Mooring; Sagamore Landing condominium Association – 1 Mooring; Southend Yacht Club – 1 Mooring; Split Rock Cove Family Trust - 1 Mooring; Szmyd – 1 Mooring; Warpath Family Farm – 1 Mooring; Wentworth by the Sea Dockside Condominium Association - 1 Mooring; Wentworth by the Sea Marina – 2 Moorings *
4. Commercial Mooring for Hire – Great Bay Marine – 5 Moorings *
5. Commercial Mooring Transfer – Lyons to Love *
6. Commercial Mooring for Hire – Point of View Condominium Association *
7. Foreign-Trade Zone #81 Annual Report

B. Approvals:

1. Reappointment of Captain Richard C. Holt, Jr. - Class I Pilot * **(Levesque)**
2. Appledore Marine Engineering – Regulatory Approvals for Main Wharf Dredging Improvements * **(Lamson)**

XV. New Business:

XVI. Upcoming Meetings:


Audit Committee	May 17, 2021 @ 8:30 a.m.
Board of Directors	May 20, 2021 @ 8:30 a.m.

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

XVII. Directors’ Comments:

XVIII. Adjournment:

XIX. 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



RIGHT TO KNOW UPDATE: Effective January 1, 2018, RSA 91-A, the Right to Know Law was modified to include that "If a member of the public body believes that any discussion in a meeting of the body, including in a nonpublic session, violates this chapter, the member may object to the discussion. If the public body continues the discussion despite the objection, the objecting member may request that his or her objection be recorded in the minutes and may then continue to participate in the discussion without being subject to the penalties of RSA 92-A:8, IV or V. Upon such request, the public body shall record the member's objection in its minutes of the meeting. If the objection is to a discussion in nonpublic session, the objection shall also be recorded in the public minutes, but the notation in the public minutes shall include only the members name, a statement that he or she objected to the discussion in nonpublic session, and a reference to the provision of RSA 91-A:3, II, that was the basis for the discussion."

MOTION

Director Anderson:

The Pease Development Authority Board of Directors will enter non-public session pursuant to NH RSA 91-A:3 for the purpose of discussing:

1. Sale or Lease of Real or Personal Property [RSA 91-A:3, II (d)]; and
2. Consideration of Legal Advice provided by Legal Counsel [NH RSA 91-A:3, II (l)].

NOTE: Roll Call vote required.

MOTION

Director Ferrini:

Resolved, pursuant to NH RSA 91-A:3, the Pease Development Authority Board of Directors hereby determines that the divulgence of information discussed and decisions reached in the non-public session of its April 15, 2021, meeting related to the sale or lease of property and the consideration of legal advice from legal counsel are matters which, if disclosed publically, would 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.

NOTE: Roll Call vote required.



MOTION

Director Loughlin:

I make a motion to approve the minutes of the Pease Development Authority Board of Directors Workshop meeting dated Thursday, March 11, 2021 and meeting dated Thursday, March 18, 2021.

NOTE: Roll Call vote required.

**PEASE DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS MINUTES**

Thursday, March 11, 2021

Public Workshop Meeting commenced at 10:00 a.m.

BOARD OF DIRECTORS' WORKSHOP SESSION

Pursuant to NH RSA 91-A:2 III (b) PDA Chairman Kevin Smith has declared COVID-19 an emergency condition and has waived the requirement that a quorum be physically present at the Board meeting in accordance with the Governor's Executive Order 2020-04, Section 8, as extended by Executive Order 2021-02, and Emergency Order #12, Sections 3 and 4. PDA Directors will be participating remotely and will identify their location and any person present with them at that location. Please note that this meeting will be video / audio recorded.

- Presiding: Kevin H. Smith, Chairman
- Present: Peter J. Loughlin, Vice Chair; Erik Anderson; Thomas Ferrini; Steve Fournier; Margaret F. Lamson; and Neil Levesque
- Attending: Pease Development Authority ("PDA") staff on the Zoom meeting were Executive Director Paul E. Brean ("Brean"); PDA Deputy Director / General Counsel Anthony I. Blenkinsop ("Blenkinsop"); Engineering Manager Maria Stowell ("Stowell"); Andrew Pomeroy, Manager Aviation Planning & Regulatory Compliance; IT Director Greg Siegenthaler ("Siegenthaler"); Raeline A. O'Neil, Legal Executive Assistant and members of the public.

I. Call to Order:

Chairman Smith ("Smith") called the meeting to order at **10:06 a.m.**

Smith welcomed the PDA Board of Directors, PDA Staff, members of the public to the meeting. The Board of Directors confirmed their presence on the call, physical location, and advised if there were any other individuals present with them:

Chairman Kevin Smith was located in Londonderry, NH with no other individual(s) present in the room.

Vice Chair Peter Loughlin ("Loughlin") was located in Portsmouth, NH with no other individual(s) present in the room.

Erik Anderson ("Anderson") was located in Portsmouth, NH with no other individual(s) present in the room.

Thomas Ferrini ("Ferrini") was located in Dover, NH with no other individual(s) present in the room.

Steve Fournier ("Fournier") was located in Dover, NH with no other individual(s) present in the room.

Peggy Lamson ("Lamson") was located in Portsmouth, NH with no other individual(s) present in the room.

Neil Levesque ("Levesque") was located in Springfield, NH with no other individual(s) present in the room.

PDA IT Director Greg Siegenthaler was the moderator for the meeting who advised that meeting was being audio recorded.

II. Pease Aviation Partners, LLC (d/b/a Million Air Portsmouth) Application to become an Fixed Base Operator (FBO):

A. FBO Application

Presenting on behalf of Million Air were Roger Woolsey CEO (“Woolsey”); Charles Suma COO (“Suma”) and Jennifer Gomes VP (“Gomes”) who were located in Houston, TX.

Suma started the workshop and asked that the PowerPoint presentation be shared as a visual for “walk through purposes” indicating its compliance with the Minimum Standards requirements.

Slide 1: Suma spoke to a general view of Million Air application / plans for the construction / operation of a full service FBO operation (slide included rendering of the location). The project would be accomplished in two phases. Phase 1 would be a fuel farm and use of an existing building as the FBO while FBO and hangar would be built onsite. The fuel farm would be first and then the building (all phases would have to go before the Technical Review for compliance with all environmental regulations).

Suma indicated the purpose of the PowerPoint is to provide an overview of how Million Air would comply / exceed the Minimum Standards. The left side of the PowerPoint indicated the Minimum Standard and the right side indicated how Million Air proposed to comply. Gomes will be the individual to walk through the technical components of the presentation.

Slide 2: Fuel Farm – Gomes spoke of the storage requirements and how Million Air would have 90,000 gallons of Jet A fuel and 15,000 gallons of Avgas and the number of vehicles for refueling purposes to start. Gomes also spoke to a fuel accountant to meet the requirement for inventory management - this is done at all stations as well. Woolsey stated that Million Air is indicating exceeding the Minimum Standard of the allocated equipment for this program. Gomes indicated that a full equipment list has been provided as well. Woolsey indicated that this would be Phase 1.

Slide 3: De-icing – Gomes made reference to the number of and type of trucks / equipment utilized for this purpose.

Slide 4: Ground Handling – Gomes talked to the requirements for arrivals / departures and its ability to move aircraft up to 75,000 gross weight. Gomes spoke of its line team and the martialing (212) which is military hand signals (the highest standard for movement) and being stage ready for aircraft. Gomes further indicated that it is a Million Air requirement to have 3 agents to move aircraft in and out of hangar.

Slide 5: Customer Service – Gomes talked to Million Air’s high standards for customer service and spoke to amenities provided in all locations (i.e.; facility; lounge area; refreshments; flight planning area for crew; restrooms; sales counter for pilot supplies). Gomes further indicated the temporary facility would have 3,000 sq. ft. and the new FBO would be 6,000 sq. ft.

Slide 6: Line Service – Gomes indicated this gets more into the equipment (i.e.; inflation of aircraft tires, window servicing, Nitro Carts etc.) and at all locations apply for international trash license (done through the Dept. of Agriculture). Gomes stated regarding larger aircrafts who require maintenance will be directed to Gamma Aviation Aircraft Maintenance.

Director Anderson (“Anderson”) asked if Million Air has cargo experience or is it a feature of proposal with capability; Gomes affirmed. Gomes indicated that it takes care of cargo at other locations and something it would want to do at PSM as well. Woolsey indicated it sees this in Portsmouth and further indicated that Million Air is part of a city’s sales team and helps with transportation of items. Woolsey spoke of its collaboration with local governments; knowledge of large / small aircraft freight.

Slide 7: Hangar Space – Gomes spoke of the hangar space in Phase 1 of project being 17,000 sq. ft. and in Phase 2 being 12,000 sq. ft. of hangar space.

Slide 8: Aircraft Recovery – Gomes spoke of having the equipment and personnel sufficient to remove a disabled aircraft up to 12,500 (at other facilities have received call outs for assistance) and the equipment utilized is contained in the list. Suma indicated at other locations, Million Air has received calls from airport operators for assistance in moving disabled aircraft off the runways / taxiways.

Slide 9: Collection of Fees – Gomes indicated that at every location there is an accountant who manages the collection of fees (total FBO) from aircraft utilizing facility.

Slide 10: Snow Removal – Gomes stated it would have a pick-up truck with plow; it has had conversations with Piscataqua Landscaping regarding services for snow removal and landscaping maintenance. Woolsey spoke to discussions with PDA engineering regarding snow areas for movement due to ramp size, parking areas etc. and feel it has adequate sizing available at the facility.

Slide 11: Minimum Land and Facility Requirements – Gomes spoke of requirements for the current location (2.65 ground area; hangar space – 17,000 in Phase 1 and 12,000 in Phase; office space; paved apron; fuel storage being 90,000 Jet A Fuel and 15,000 Avgas; parking - Phase 1 16 spots at the property and an additional 16 spots leased; in Phase 2, 30 spots off-street parking requirement met by leasing of existing facilities or new construction).

Slide 12: Minimum Management and Staffing Requirements – Gomes stated that at a minimum there would be 3 line service staff with 2 overnight; at least 2 customer service agents per shift; a general manager and a fuel accountant. All locations are open 24/7, 365 days a year. Employees are provided uniforms and PPE to perform their jobs safely and efficiently; employees have the option to participate in health, dental and 401k programs. Gomes indicated staffing may be adjusted over time.

Slide 13: Minimum Hours of Operation – Gomes stated the minimum requirements indicate hours of operation for staffing are 7:00 a.m. to 10:00 p.m.; however, it is open 24/7 and it is not closed on holidays.

Slide 14: Minimum Insurance Requirements – Gomes indicated that the coverage amounts are included in the application and the group is insured as a network.

Slide 15: Service Standards / Permitted Services – Gomes stated it will handle charter operations and will refer aircraft maintenance (over and above filling of tires) to Gamma Aviation. Suma indicated

this varies between the business aviation charters and the larger charter flights (i.e.; 737, 757, 767); Woolsey indicated it has a 135 as well and Million Air is also customer and it values all communication comps - all dispatched on handling side at Corp. Headquarters which is 24/7 365 days as it has worldwide operations (very sophisticated).

Slide 16: Rates & Charges for Services – Gomes talked of the fee schedule for Portsmouth outlined in the application; charter rates quoted individually; and that military rates are through contract.

Slide 17: State Registration – Gomes stated that it will maintain registration with NH DOT (Div. of Aeronautics) and comply with all required licenses / certifications.

Slide 18: Concerns About Financing – Gomes spoke to the LLC and the previous questions posed; this is common as it aligns the business with state and local regulations. Woolsey indicated Million Air has been in business since 1986/1987 and have never failed any time when they have been granted a lease. Woolsey spoke to financing of projects as well as equity; through the corporate structure has plenty of capital (financing, bond raising or equity). Woolsey indicated it is capable of putting the entire capital into Phase 1 and Phase 2 of this project (whether it be debt, equity, or financing) and indicated there may not be a need of financing for this project.

Director Levesque (“Levesque”) asked if it would use equity to pay for commitments; Woolsey indicated that is a consideration. Woolsey indicated that he did not believe there was anything in the minimum standards that indicated it cannot use debt / equity, but at this time from where it sits and how it is thinking at this time (85% sure) may use pure equity to fund the project and not finance. Levesque affirmed that there is nothing in the minimum standards, but in order to meet the minimum standards it is necessary to meet the need to be able to pay for these commitments; if go out for bonding that takes a considerable amount of time. Woolsey affirmed and stated that is why it is not thinking of doing financing, it would be done out of equity. Levesque indicated Woolsey stated it had the capacity to pay for this without bonding and with equity; PDA is unable to confirm this ability. Levesque asked if the company would be willing to provide certified financial statements to that effect as that would be helpful. Levesque indicated that in order to meet the commitments it has to have the money and PDA does not have anything to show that Million Air has that capacity. Woolsey indicated it would satisfy whatever is requested, whether it is by letter from its financial institution verifying it has a certain amount of funds; or the financial institution is backing the project; there are many ways this can be done. Levesque indicated the need for more than Million Air’s track record; that it would be up to Million Air to determine what it thinks is needed to provide in order to show this. Woolsey affirmed and indicated it would follow through with that (financial ability).

Director Lamson (“Lamson”) asked about amounts of insurance maintained, specifically pollution liability with Allied World. Gomes responded there is \$10 million in pollution liability. Lamson further asked about ability to do cargo at other airports and types of cargo (asked specifically to Syracuse, NY and Albany, NY airports). Woolsey indicated they do cargo and specifically in Albany they do horses. Woolsey indicated it had to build special ramps and holding areas in order to get livestock loaded/unloaded. Also in Mississippi do cargo for gamma rays and cargo for Boeing aircraft; previously stated that ground personnel use martialing and are advanced as have been trained by the Blue Angles. Million Air is certified as “hot fuel” meaning it has the ability where aircraft keep the engines running (F16 or C130) to be fueled. Woolsey indicated it does training exercises in coordination with the military where C130s will back in an unload/load cargo while fueling. Lamson asked if they do a lot of cargo along with the military contracts; Woolsey affirmed. Woolsey further

stated that it operates all of its properties 24/7, 365; they can operate in a disaster and be considered part of first responders (i.e.; Hurricanes/Ice Storms/Warming Facilities etc.) and they have a desire to have all properties open, safe and ready providing ready infrastructure and are prepared to provide assistance with disaster relief.

Chairman Smith ("Smith") asked that additional questions to be held until the end of the presentation.

Gomes spoke to the remaining five slides showing photos of other facilities at various locations (Houston, White Plains, NY; and the newest facility in Austin).

Suma indicated at the Austin facility took the same approach as it anticipates for Portsmouth with a Phase 1 and 2. It put in a fuel farm, temporary facilities and completed a ramp in order to open operations while construction was being done. Suma indicated as the facility and hangars were being built, it had customers at the facility and what Million Air learned through this process was the customer saw the progression and returned. Suma indicated a project such as this is done in two phases in order to get things up and running, get it cultivated and to show what the Million Air brand is.

Suma indicated that the presentation to the Board was concluded.

Smith returned to the Board for questions.

Anderson asked of financial considerations and the facilities across the franchise; this facility is a single LLC (standalone) and asked if any financial statements could be referenced showing what Million Air singularly owns or would it be across the whole financial franchise / spectrum of Million Air. Woolsey indicated it would stick to what is applicable for this operation. He further indicated that every location it owns is a separate LLC and a corporate structure was designed with this in mind; will work to satisfy showing financial performance or financial ability to exercise this operation. Suma indicated this is typical at airports due to the number of buildings / infrastructure; to create LLCs - this is not an uncommon business tool being utilized.

Director Loughlin ("Loughlin") asked to the reference in Phase 1 of 17,000 sq. ft. hangar space and in Phase 2 to a 12,000 sq. ft. and if he were correct in understanding that once the 12,000 sq. ft. hangar is built Million Air won't be leasing the 17,000 sq. ft. hangar. Woolsey indicated a decision has not been made either way, but current thinking is to continue leasing (there are further aspirations). If at that time (24 month period or sooner) there isn't a better use for the large hangars not being used at PSM, it may want to lease and rehabilitate those. Woolsey indicated it is going to work hard at improving and increasing the tenant base in Portsmouth. Woolsey further stated if it is not available to utilize those hangars as they may be under consideration by other entities, Million Air may ask to build additional hangars. Woolsey spoke to other locations where there has been a need to increase hangar space due to increased usage; feels the model is successful and can add if necessary, but does not want to over extend to fast. Woolsey affirmed that there is not a plan to immediately exit the 17,000 sq. ft. hangar facility.

Loughlin asked of grant assurances and as a practical matter, with or without fueling contract, is PSM big enough to support two FBO facilities. Woolsey stated he doesn't know why fueling is in anyone's language as it is not applicable to what it is asking, what it would be building or doing; rather

Million Air is building for what it believes it can be turned into. Woolsey indicated it is excited about the opportunity and thinks there is an opportunity to expand the customer base.

Woolsey indicated at other locations they have been asked to rehab facilities / terminal in an effort to bring the airport up to adequate levels so that they receive federal funding.

There were no further questions by the Board. Deputy Director / General Counsel Anthony Blenkinsop (“Blenkinsop”) indicated that this was an opportunity for Million Air to present its application to the Board and answer any questions.

B. FBO Historical Summary

Blenkinsop indicated that the Board was provided with a summary of the prior FBO application history and related documents located by PDA in order to provide additional information on submittals made back in January regarding the prior FBO approval process.

III. Directors’ Comments:

Lamson thanked Blenkinsop for providing the history regarding the prior FBO.

Smith thanked Million Air for its time and the presentation.

Anderson asked going forward from this workshop, in context to next week’s Board meeting, is it projected that this issue will be concluded in any type of restructured motion or how is it foreseen.

Smith indicated that this agenda item was postponed from last meeting to this one and that is where PDA will resume. The purpose of the current workshop and information provided was in an effort to provide the Board with enough information so it could move forward with this matter and bring it to some resolution; that will have to be decided at the next Board meeting (Thursday, March 18th).

Blenkinsop indicated that the Board meeting on the 18th would have a non-public meeting from 8:00 a.m. to 9:00 a.m. to cover a number of issues, with the public meeting commencing at 9:00 a.m.

IV. Upcoming Meetings:

Board of Directors

March 18, 2021 @ 8:00 a.m.

V. Adjournment:

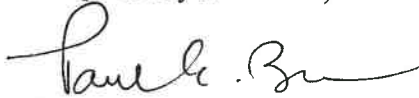
Director Lamson moved the motion and Director Anderson seconded to adjourn the Board meeting. Meeting adjourned at **10:53 a.m.**

Discussion: None. Disposition: Resolved unanimously for; motion carried.

VI. Press Questions:

There were no questions from the press.

Respectfully submitted,



Paul E. Brean
Executive Director

P:\BOARD MINUTES\2021\Bd Minutes for Workshop of March 11, 2021.docx

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

Thursday, March 18, 2021

Pursuant to NH RSA 91-A:2 III (b) PDA Chairman Kevin Smith has declared COVID-19 an emergency condition and has waived the requirement that a quorum be physically present at the Board meeting in accordance with the Governor’s Executive Order 2020-04, Section 8, as extended by Executive Order 2021-04, and Emergency Order #12, Sections 3 and 4. PDA Directors will be participating remotely and will identify their location and any person present with them at that location. All votes will be by roll call. Members of the public may participate by using the access information provided. Please note that this meeting will be video / audio recorded.

Presiding: Kevin H. Smith, Chairman
 Present: Peter J. Loughlin, Vice Chair; Erik Anderson; Thomas Ferrini; Steve Fournier; Margaret F. Lamson; and Neil Levesque
 Attending: Paul E. Brean, Pease Development Authority (“PDA”) Executive Director; Anthony I. Blenkinsop, Deputy Director /General Counsel; Maria Stowell Engineering Manager; Irv Canner, Finance Director; Geno Marconi, Division of Ports and Harbors (“DPH”) Director; Scott DeVito, Pease Golf Course General Manager; Greg Siegenthaler PDA, IT Director and Raeline A. O’Neil, Legal Executive Assistant.

I. Call to Order:

Chairman Smith (“Smith”) called the meeting to order at **8:02 a.m.**

Smith welcomed the PDA Board of Directors, PDA Staff, members of the public to the meeting of the Board of Directors and asked the Directors to confirm their presence on the call, physical location, and advised if there were any other individuals present with them:

Chairman Kevin Smith was located in Londonderry, NH with no other individual(s) present in the room.

Vice Chair Peter Loughlin was located in Portsmouth, NH with no other individual(s) present in the room.

Thomas Ferrini was located in Dover, NH with no other individual(s) present in the room.

Erik Anderson was located in Portsmouth, NH with no other individual(s) present in the room.

Steve Fournier was located in Dover, NH with no other individual(s) present in the room.

Peggy Lamson was located in Newington, NH with no other individual(s) present in the room. Director Lamson (“Lamson”) was having difficulties connecting to the call and was assisted by PDA IT personnel to connect to the Zoom meeting.

Neil Levesque was located in Manchester, NH with no other individual(s) present in the room.

II. Non-public Session:

Director Loughlin **moved** the **motion** and Director Lamson **seconded** that **the Pease Development Authority (“PDA”) Board of Directors enter non-public session pursuant to NH RSA 91-A:3 for the purpose of discussing (1.) Sale or Lease of Real or Personal Property [RSA 91-A:3, II (d)]; and (2.) Consideration of Legal Advice provided by Legal Counsel [NH RSA 91-A:3, II (l)].**

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

The non-public discussions commenced at **8:04 a.m.** via Zoom.

Director Fournier **moved** the **motion** and Director Lamson **seconded** that **the Board of Directors return public session at 8:55 a.m.**

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

The meeting recessed until 9:00 a.m. at which time the public session resumed.

III. Vote of Confidentiality:

Director Levesque **moved** the **motion** and Director Lamson **seconded** that **resolved, pursuant to NH RSA 91-A:3, the Pease Development Authority (“PDA”) Board of Directors hereby determines that the divulgence of information discussed and decisions reached in the non-public session of its March 18, 2021, meeting related to the sale or lease of property and the consideration of legal advice from legal counsel are matters which, if disclosed publically, would 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: None. Disposition: Resolved by unanimous (7-0) roll call vote for; motion carried.

Smith asked for those individuals on the Zoom meeting to mute themselves unless they are speaking in an effort to minimize feedback.

PDA IT Director Greg Siegenthaler was the moderator for the meeting and he advised that meeting was being audio / video recorded and asked individuals to please follow the guidelines for the duration of the meeting:

1. In an effort to minimize background noise, we ask that all members of the public keep their microphones muted, and PDA Board members and staff are encouraged to stay on mute when not speaking during the meeting. Additionally, we ask members of the public to turn off their video camera or webcam unless they

- intend to speak during the meeting. This will help to optimize the available network bandwidth for the meeting.
2. For members of the public wishing to speak during the public comment portion of the meeting, please press *9 on your phone to 'raise your hand', or press ALT+Y on your computer keyboard, or tap the 'raise hand' button on your tablet. The moderator will see your 'hand' and prompt you to make your comment. It is requested that no public comment be longer than 3 minutes.
 3. This is a public meeting. If any member of the public causes a disruption to the meeting that would not allow the meeting to continue, the moderator will request that the Chair temporarily recess the meeting so that the disruption may be addressed. The moderator will then inform the Chair when the meeting may continue. If the Board is unable to continue the meeting due to the disruption, the Chair may elect to suspend the meeting to a later date/time, to be noticed in accordance with State law.
 4. Once again, this meeting is being audio and video recorded. Following the meeting, a copy of the recording will be available for playback at www.townhallstreams.com

IV. Acceptance of Meeting Minutes of January 21, 2021 & January 28, 2021:

Director Anderson **moved** the **motion** and Director Lamson **seconded** to **approve the minutes of the Pease Development Authority Board of Directors meetings dated Thursday, January 21, 2021 and Thursday, January 28, 2021.**

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

V. Public Comment:

Ned Denney ("Denny"), CEO of Port City Air (PCA), thanked the Board and indicated Million Air's application process has been challenging and the decision would not be an easy one. Denney spoke of two competing proposals (Million Air and PCA) and choosing between them would be a big decision which would impact jobs, economy and the future of the airport. Denney indicated that PCA has achieved rapid growth and has invested heavily at the airport (employs over 100 people) and is proud of its track record. He further stated that PCA's operations help to support local tourism and the Board's decision would impact PCA and the local tourism industry. Denney asked the Board to make sure it has all the necessary information to make a decision (proof of capability; financial ability and past performance). Denney also asked the Board if it should pause to consider PCA's application to increase its capacity and capabilities and to make a more environmentally friendly use of the Exeter Street location. Also, to consider fairness to PCA when airport regulations only allowed PCA to pump fuel after its commitment to the airport was proven through completing construction of a fuel farm and nearly the completion of the FBO and hangar facility. Denney indicated that PCA has applied to build more facilities that the airport needs with a \$1 million bond for collateral for each phase of construction and PCA has already segregated the first \$1 million dollars in an account to support these phases of construction. Denney indicated that in fairness to the Board, who has asked

Million Air of its capabilities, financial strength and an opinion of whether there is enough business at the airport to warrant a second FBO, to his knowledge the Board is still waiting on those answers. In fairness to the airport, staff and surrounding community relying on customer traffic for jobs, commerce and the Board to protect the future growth plan. PCA is grateful for the Board's time and consideration and hopes to work together in the future to continue to grow and support the airport and surrounding community.

VI. Old Business:

A. Approvals:

1. **Pease Aviation Partners, LLC (d/b/a Million Air Portsmouth) at 53 Exeter Street – FBO Application**

Smith recognized Director Levesque (“Levesque”) prior to the motion being read. Levesque indicated his friend, Jim Demers, had been hired by a potential competitor to the applicant in the next agenda item. Twenty years ago Mr. Demers briefly employed Levesque’s wife and he sits on the Advisory Board of the NH Institute of Politics where Levesque is employed. The Advisory Board makes no fiduciary decisions regarding the institute and Levesque has no financial interests or ties in the interest of the applicant, the competitor or that of Mr. Demers. NH is a small state which has allowed Levesque to have personal relationships with many people / businesses in government and sees his relationship in no way as a conflict.

Director Fournier did not have the correct motion in front of him and asked that another Director be recognized for the motion.

Director Lamson **moved** the **motion** and Director Fournier **seconded** that **in accordance with the recommendation of the Pease Development Authority (“PDA”) Airport Committee, the PDA Board of Directors finds that the Fixed Based Operator (“FBO”) application of Pease Aviation Partners, LLC d/b/a Million Air Portsmouth (“PAP”), dated January 7, 2021 (the “Application”), to become a FBO at Portsmouth International Airport at Pease pursuant to the Minimum Standards for Commercial and Noncommercial General Aviation Operators dated August 16, 2007 (“Minimum Standards”), satisfies said Minimum Standards and:**

1. **Approves the Application;**
2. **Authorizes PAP to become a FBO at Portsmouth International Airport at Pease (“PSM”) in accordance with and subject to the Minimum Standards; provided, however, that the commencement of FBO operations by PAP at PSM shall be subject to and contingent upon:**
 - a. **Site plan, subdivision, and any other requisite approvals and permits for use of a temporary facility and construction of PAP’s proposed facility at 53 Exeter Street, consistent with project phasing;**
 - b. **Execution of a lease agreement for the property at 53 Exeter Street, subject to separate PDA Board approval, on terms and conditions substantially similar to those set forth in the Letter of Intent dated January 7, 2021, attached hereto, including such other terms as the Executive Director shall deem necessary and appropriate; and**

- c. **Verification by the Executive Director that all provisions of the Application and requirements of the Minimum Standards to act as an FBO remain satisfied in full force and effect at such time as PAP shall commence providing FBO service;**

all in accordance with the memorandum of Paul E. Brean, Executive Director, dated January 14, 2021.

Discussion: Smith turned the gavel over to Vice Chair Loughlin in order to offer an amendment to the motion which was shared; Smith spoke of the amended changes shown in **red**. The amendment is not substantive but tightens up the existing motion.

Chairman Smith **moved** the **motion** and Director Ferrini **seconded** that **in accordance with the recommendation of the Pease Development Authority (“PDA”) Airport Committee, the PDA Board of Directors finds that the Fixed Based Operator (“FBO”) application of Pease Aviation Partners, LLC d/b/a Million Air Portsmouth (“PAP”), dated January 7, 2021 (the “Application”), to become a FBO at Portsmouth International Airport at Pease pursuant to the Minimum Standards for Commercial and Noncommercial General Aviation Operators dated August 16, 2007 (“Minimum Standards”), satisfies said Minimum Standards and:**

1. **Conditionally approves the Application subject to paragraph 2 below; and**
2. **Conditionally authorizes PAP to become a FBO at Portsmouth International Airport at Pease (“PSM”) in accordance with and subject to the Minimum Standards; provided, however, that such authorization, and the commencement of FBO operations by PAP at PSM, shall be subject to and contingent upon:**
 - a. **Site plan, subdivision, and any other requisite approvals and permits for use of a temporary facility and construction of PAP’s proposed facility at 53 Exeter Street, consistent with project phasing;**
 - b. **Execution of a lease agreement for the property at 53 Exeter Street, subject to separate PDA Board approval, on terms and conditions substantially similar to those set forth in the Letter of Intent dated January 7, 2021, attached hereto, including such other terms as the Executive Director or PDA Board of Directors shall deem necessary and appropriate; and**
 - c. **Verification by the Executive Director that all provisions of the Application and requirements of the Minimum Standards to act as an FBO remain satisfied in full force and effect at such time as PAP shall commence providing FBO service;**

all in accordance with the memorandum of Paul E. Brean, Executive Director, dated January 14, 2021.

Loughlin indicated he also had an amendment to the motion and asked how to handle procedurally.

Smith asked that one amendment be addressed at a time and voted on; Smith indicated apprehension of taking up multiple amendments at the same time.

Director Ferrini (“Ferrini”) agreed with Smith in that taking up more than one amendment at a time would be inappropriate. However, if Loughlin’s motion is substantively different than Smith’s it would be appropriate for him to speak about it in the context of the discussion of Smith’s amendment to the motion. Smith indicated this was a good idea.

Loughlin appreciated the amendment provided by Smith in an effort to address some concerns that have been raised at a previous meeting, but feels it puts “the cart before the horse”. Loughlin indicated when appropriate he would like to make a motion to “defer” action until certain benchmarks are met. Loughlin indicated that his motion would address wetland issues, financial statements and site administrative review and asked that action be deferred until [the Board] has received results in those three areas.

Levesque addressed Smith’s motion on the table and stated “conditionally” approved still means that it is approved and the Board would be approving of a project or application that has two things for discussion. Levesque indicated that PDA has learned that the environmental issues on its property are giant, impacting the residents of the Seacoast community in many ways (i.e.; PFAS). Levesque spoke of being opposed to the filling in wetlands and doing further environmental damage to this property. Levesque further stated he understood that this would provide conditional approvals that would then be addressed, but what happens when a Board approves (conditionally or otherwise), it is basically saying it was looked at and the Board is okay with it. Levesque again stated he is not okay with doing further environmental damage to PDA property and the applicant has submitted a proposal that would do just that. Levesque stated that the regulators are not liable for the environmental damage to the property (the people of NH are, as well as the Board). Secondly, in order to meet the Minimum Standards the applicant proposed a series of things it was willing to do which cost money. When Levesque asked in a public session for a certified financial statement or anything to show that it has the money, it has not been delivered and therefore he does not believe it meets the Minimum Standards. Levesque indicated that because of these two issues he will vote against the Motion; and will be voting for the amendment Loughlin has spoken of until those two items are met.

Director Lamson (“Lamson”) indicated Levesque brought up some very good points and the biggest one is the environmental issues that have been a problem since day 1. Lamson indicated that she has a fiduciary responsibility and needs to know about the dollars and cents and would vote against the Motion.

Smith reminded everyone that the discussion is the amendment to the existing motion.

Anderson indicated he is in agreement with Levesque’s comments and with respect to this particular Motion, he is not sure he can support it; but the amendment provided strengthens the Motion which may provide some comfort to him. Anderson is not sure if it strengthens the intent and if it would be a benefit under item 2. To indicate “Conditionally” authorizes... as in item 1 and not sure if it strengthens at section 2 b. where it indicates “... Executive Director” to add “or

the Board of Directors” shall deem necessary and appropriate. Smith indicated he would be open to these suggested changes made by Anderson (shown above in the amended motion in blue).

Blenkinsop indicated that regarding the Executive Director language, the Board would have to approve the lease and if the Board did not like the terms it wouldn't approve it. Further the authorization in item 2 already says "...subject to and contingent upon..." and not sure if "Conditionally" would be needed. Smith indicated he is not necessary a fan of redundancy but is okay if it is spelled out very clearly in both cases.

Loughlin indicated that the motion written at this time is what Levesque referenced being an approval of wetlands filling, financial assurances and administrative approvals and feels the Board should defer and he would be opposed to the motion.

Lamson indicated when Seacoast Helicopters came to the Board regarding filling of wetlands, she was very much against the request.

Smith indicated if no further discussion on the amendment Loughlin would call the roll and asked the Board to keep in mind that this would be a vote on the amendment to the existing Motion only, not on the application. Blenkinsop asked if this would also include Anderson's proposed further amendments; Smith affirmed.

	Yes	No
Anderson	X	
Ferrini	X	
Fournier	X	
Lamson		X
Loughlin		X
Levesque		X
Smith	X	

Disposition: Resolved by roll call vote (4-3) for; motion carried to amend the motion as requested by Chairman Smith and Director Anderson (in red or blue above).

Smith asked Loughlin if he would like to make a further amendment; Loughlin affirmed and indicated:

Director Loughlin **made a further amendment** to the **motion** and Director Anderson **seconded** that the Pease Development Authority Board of Directors hereby defers action on all applications for development until a certified financial statement has been provided by the developer and in instances where the application will require NHDES wetland approval until that approval has been issued by NHDES and that all necessary administrative approvals have been granted.

Discussion: Fournier asked if procedurally this would be tabling it to date certain.

Ferrini spoke to Fournier's concerns, he doesn't think this is an amendment.

Smith indicated he would call the roll seeing no further discussion and asked Loughlin to read it one more time for the Board

	Yes	No
Anderson	X	
Ferrini		X
Fournier		X
Lamson	X	
Loughlin	X	
Levesque	X	
Smith		X

Disposition: Resolved by roll call vote (4-3) for; motion carried to amend the motion as requested by Director Loughlin.

Chairman Smith **moved** the **motion** and Director Lamson **seconded** the request for a **Consultation with legal counsel** and move into non-public before the Board moves on to the motion; this commenced at **9:36 a.m.**

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

Chairman Smith **moved** the **motion** and Director Lamson **seconded** that **the Board of Directors** come out of **Consultation with Counsel**, at **9:59 a.m.**

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

Vote of Confidentiality:

Director Levesque **moved** the **motion** and Director Lamson **seconded** that **Resolved, pursuant to NH RSA 91-A:3, the Pease Development Authority (“PDA”) Board of Directors hereby determines that the divulgence of information discussed and decisions reached in the non-public session of its March 18, 2021, meeting related to the sale or lease of property and the consideration of legal advice from legal counsel are matters which, if disclosed publically, would 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.**

Disposition: Resolved by unanimous (7-0) roll call vote for; motion carried.

Director Loughlin **moved** the **motion** and Director Lamson **seconded** to **withdraw the motion to amend previously made (by Loughlin) and was voted on and instead substitute a new motion.**

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

Director Loughlin moved the motion and Director Anderson seconded that **the Pease Development Authority Board of Directors defer action on all applications for development until a certified financial statement has been provided by the developer and instances where the application will require NHDES wetlands approval until that approval has been issued by NHDES and until all necessary administrative approvals have been granted.**

Discussion: Fournier indicated at the beginning of the motion it was indicated to suspend all development and assuming it is not meant all development on Pease. Smith asked for clarification.

Loughlin though he was creating something broader than this one application that all other applications at Pease that are similarly situated would require advanced wetlands approval and financial statements.

Blenkinsop asked the Board to think about the implications to Pease before voting on that motion.

Loughlin indicated he could tailor it to this application but was trying to not be specific to this application.

Fournier indicated that by voting on this the Board is deferring all development at Pease until such time... if you have this motion you are doing it for every development we have on Pease. Fournier indicated that he did not think that was the intent but was also not sure PDA could do that for everyone else.

Loughlin reworded the motion to indicate deferred action on the pending fixed base operator application. Smith asked if it were to all FBO applications, not just Million Air; Loughlin affirmed.

Smith asked if there were further discussions; Blenkinsop stated before voting on a motion that has broad impact to Pease and to development at Pease... on a motion that is not written, but being made verbally, it is making it difficult for all members to understand and think through the implications. Blenkinsop stated that if there is a need for more time on this before granting or considering such a motion, he encouraged the Board to think about postponing this agenda item to the April meeting so that this can be thought through and addressed in a way so it is given the attention it requires before voting on something where the implications aren't fully understood.

Smith asked what the procedure would be if the Board were going to postpone voting on this; currently the Board has a motion to defer that Loughlin has offered and seconded which would take the place of the amended motion offered by Director Fournier/Lamson with Smith's and Anderson's amendment. Blenkinsop indicated that perhaps a better course in terms of understanding the implications would be instead of voting in an affirmative way on Loughlin's motion, would be to postpone this matter until the April meeting.

Lamson agreed with Blenkinsop.

Ferrini asked if the Board is postponing the postponement as it creates too many reiterations. He stated the proper action, understanding Loughlin's intent, would be to vote Loughlin's motion down with the understanding that this will be placed on the agenda in April in order to address the concerns raised.

Anderson indicated he doesn't interpret Loughlin's motion as something the Board cannot vote on as it places something on the applicant to produce financial consideration and has the applicant getting in touch with NH DES on some of the mitigation / environmental issues that carry concern. The way in which the motion has been framed places a signature of the issue by the Board of Directors of concerns that have been raised; he doesn't have a problem voting on this.

Smith again asked for clarity on Loughlin's motion that it would be deferring all FBO applications, existing and future, until financial statements are produced, they have proper wetlands approvals and approved administratively; Loughlin affirmed. Smith indicated to Ferrini's point the Board needs to vote on Loughlin's motion and if it fails then the Board can bring up the matter of postponement.

Smith indicated that it was his intent to vote against the motion; if it does fail he intended to offer a further amendment addressing concerns within the motion as amended by the Board.

Fournier expressed a concern of the Board putting in a requirement that is not in the documents already; meaning if [the Board] is going to require something as financial documents as well as environmental studies before everything then that should be an amendment to the Minimum Standards, not a motion on the record. Fournier indicated the Board would be changing its policies and rules, the Board should then go back to the Minimum Standards and change those and indicated he would be voting against the motion. Fournier indicated this would be changing the rules, asking for additional information from one applicant.

Lamson spoke of the need to be extremely cautious regarding the Minimum Standards and the Board's attorney (Anderson Kreiger) has indicated the same. Lamson indicated while she agreed with Loughlin she also stated the Board may be getting itself into hot water if the Board does not follow comments from Ferrini and Fournier regarding the Minimum Standards.

Smith called the roll regarding the motion before the Board; Smith clarified that it is Loughlin's motion to defer all FBO applications, existing and future, pending certified financial statements being produced, having wetlands approvals and all administrative matters approved.

	Yes	No
Anderson	X	
Ferrini		X
Fournier		X
Lamson		X
Loughlin	X	

Levesque	X	
Smith		X

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

Smith asked with the assistance of counsel, Blenkinsop, to address Loughlin's concerns and incorporate them in the motion that has been amended. Blenkinsop indicated for clarity in item 2 a. it states, all "Site plan, subdivision, and any other requisite approvals and permits for use of a temporary facility and construction of PAP's proposed facility at 53 Exeter Street, consistent with project phasing." Smith asked if the Board could spell out specifically, financial statements, wetlands approvals and administrative approvals; Blenkinsop affirmed. Blenkinsop further stated the more specific the language the potential that something is left out while being more general it encompasses requirements. Smith asked if added, "including but not limited to..."; Blenkinsop affirmed.

Smith stated that at item 2 a. the Board insert (in red) "Site plan, subdivision, and any other requisite approvals, including **but not limited to production of certified financial statements, NH DES wetlands approval and all administrative approvals** and permits for use of a temporary facility..." Blenkinsop indicated that the financial statements the Board is looking for and want to talk about fit better under 2 b. (when finalizing the lease agreement – financial assurances, bonding etc.). Blenkinsop indicated that the language, as suggested by Smith works under 2 a.

Levesque indicated that the conditional approval is still an approval; Smith indicated it is conditionally approved.

Loughlin asked if were possible to make a motion to table to a time certain to the next meeting so whatever wording the Board would like to have included can be inserted.

Smith indicated a tabling motion takes precedence and asked for a second, which was done by Fournier.

Director Loughlin **moved** the **motion** and Director Fournier **seconded** to **table the motion to a time certain to the next meeting**.

Disposition: Resolved by unanimous (7-0) roll call vote for; motion carried.

2. Pease Aviation Partners, LLC (d/b/a Million Air Portsmouth) at 53 Exeter Street – Conceptual Site Plan Approval

Director Lamson **moved** the **motion** and Director Fournier **seconded** that **the Pease Development Authority Board of Directors hereby approves the concept plan for Pease Aviation Partners, LLC (d/b/a Million Air Portsmouth) ("PAP") at 53 Exeter Street, as submitted by PAP and attached hereto and incorporated herein; all in accordance with the memorandum of Maria J. Stowell, Engineering Manager, dated January 13, 2021.**

Discussion: Fournier made second for parliamentary inquiry, should this not be tabled as well. Smith indicated that motion could be made.

Director Fournier **made** the **motion** and Director Anderson **seconded** that **this motion be tabled to the next meeting.**

Disposition: Resolved by unanimous (7-0) roll call vote for; motion carried.

Lamson asked the Board to read Stowell's memo to the Board regarding this subject as it is spelled out.

3. Lonza – Site Plan Approval Waiver

Director Loughlin **moved** the **motion** and Director Lamson **seconded** that **the Pease Development Authority Board of Directors hereby approves of and authorizes that in accordance with PDA Land Use Controls Part 403.03(a), which allows the Board to waive any portion of the site review regulations under stated conditions, Lonza be granted a reinstatement of its 2019 site review approval for rear yard infrastructure related improvements at 101 International Drive, provided that within one year of the date of this approval Lonza obtains a building permit and begins work on the project; all in accordance with the terms and conditions set forth in the memorandum from Maria J. Stowell, P.E. Manager - Engineering, dated March 8, 2021.**

Discussion: Anderson asked for an explanation why construction had been delayed. Stowell indicated Lonza has a complicated approval process and believes due to the other items (i.e.; vaccine) Lonza had been working on, it did not have the funds in place / in time. Stowell indicated that Lonza had gone ahead and obtain the building permit, earlier than needed.

Disposition: Resolved by unanimous (7-0) roll call vote for; motion carried.

VII. Finance:

A. Executive Summary

Finance Director Irv Canner ("Canner") indicated there were four items for discussion and one which required an approval being that of bank signatories.

B. Reports:

1. FY2021 Financial Report for the Seven Month Period Ending January 31, 2021

Canner indicated the operating revenues are slightly above budget and there are variances by revenue streams. Canner indicated that the fuel sales are lower than budgeted due to construction at the Portsmouth Fish Pier ("PFP") and there is an offset by fee revenues at the Golf Course. Canner stated that the golf fees represent approximately 50% of the fee revenue. Canner indicated that operating expenses are under budget by approximately 13%; payroll / personnel services are under budget primarily due to the seven open positions (payroll down approximately

6%). Canner spoke to variances due to timing differences and reporting period; also spoke to operating income, how it is achieved and how it helps the cash flow.

Canner indicated in January, the Revolving Line of Credit (RLOC) was at \$6 million and as of today it has been reduced to \$2.5 million; PDA being under budget regarding projected interest expense. Canner spoke to \$20 million in capital expenditures being offset by \$13 million in grant fund.

Canner indicated in February the Board will see a lower line of credit and the accounts receivable will be down due to lower construction activity.

Canner spoke to impacts due to COVID at the airport (i.e.; pay-for-parking; enplanements - January apprx. 5,000).

Canner indicated that Skyhaven Airport continues to produce a positive operating income due mainly to fuel sales.

Canner stated that the Golf Course closed in November and the data remains relatively consistent with 13% more in rounds played (62,000 rounds in 2020 versus 55,000 rounds in 2019). Canner also stated that COVID has impacted Grill 28 sales with a reduction of approximately 15%.

Canner indicated that the unrestricted fund at the Division of Port & Harbors (“DPH”) is holding its own in terms of operating income and DPH’s cash flow is consistent with what has been stated in prior periods and the collection of mooring revenues in January and February.

2. Cash Flow Projections for the Nine Month Period Ending November 30, 2021

Canner indicated PDA should hit a high point during the summer of approximately \$8 million for construction taking the short-term RLOC down to \$3.2 million due to \$10.6 million in capital expenditures; the use of funds would be between the runway and the terminal which represents about \$9.6 million.

Canner spoke to keeping a \$1.5 million fund balance for working capital needs and the sources of funds would be the in / out of the RLOC (in May have to draw down in the amount of \$3 million and another \$1.5 million) there would be excess cash that would draw down the RLOC as well. The interest environment is holding its own and PDA’s cost of capital remains at 2.85% with the RLOC which is favorable.

Canner indicated that the unrestricted funds for DPH is driven down as it collects its revenues primarily in January and February.

Canner stated that DPH is hoping to bring back the PFP fuel operation in late fall and spoke of the fund balances for Harbor Dredging; RLF and Foreign Trade Zone (FTZ).

Canner informed the Board that PDA is in a position to manage the construction activity at the PFP and PDA's \$15 million RLOC seems to be sufficient to take PDA through.

3. **Revolving Loan Fund for the Six Month Period Ending December 31, 2020**

Canner indicated that this is brought to the Board twice a year and it is consistent with the requirements from the Economic Development Administration ("EDA"). The total capital basis was \$1.2 million (loans outstanding of approx. \$881,000 a working capital of \$354,000). Canner reminded the Board that this was at the end of January and spoke of the loans outstanding of participant. Canner indicated that the overall purpose of this RLF was jobs created and jobs saved, which has proved to be successful over course of time.

Canner informed the Board that last month PDA received a letter from the EDA relative to RLFs and there has been an enactment of the Reinvigorating Lending for Future Act authorizing the EDA to release its federal interest in certain RLFs. Canner indicated that if PDA accepts this there will be a reduction in the administrative burden to file reports to the EDA. This will be presented to the RLF and then bring it back to the Board for approval. Canner indicated that there would be no changes to the internal operations and Provident Bank would continue to serve as the administrator with no impact to the participants or the operating procedures of the fund.

Lamson thanked Canner for the presentation and the RLF has been wonderful for the individuals who are out on the seas.

C. **Approvals:**

1. **Updated Corporate Resolution – Bank Accounts**

Director Lamson **moved** the **motion** and Director Levesque **seconded** that **the Pease Development Authority ("PDA") Board of Directors hereby authorizes Director Thomas Ferrini to endorse all checks, drafts, depository agreements and/or other related bank documents in accordance with the powers previously granted by this Board to the Treasurer, Executive Director, General Counsel, and Manager of Engineering of the PDA concerning PDA bank accounts, and consistent with bank resolutions previously adopted; the authority hereby conferred shall be and remain in full force and effect until written notice of the revocation is presented.**

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:

Thomas Ferrini	Treasurer
Paul E. Brean	Executive Director
Anthony I. Blenkinsop	Deputy Director/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;

Further, the Board respectfully revokes such authority of former Director Robert Allard and retired PDA General Counsel Lynn Marie Hinchee;

All in accordance with a memorandum from Irv Canner, Finance Director, dated February 24, 2021.

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

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

A. Reports:

1. **PlaneSense, Inc. – Right of Entry regarding Hampton Avenue & Aviation Avenue**
2. **Port City Air – Right of Entry for Portion of Hangar 227 for Storage of Two Vehicles**

Brean stated in accordance with the “Delegation to Executive Director: Consent, Approval and Execution of License Agreements,” PDA entered into two Rights of Entry:

1. Name: PlaneSense, Inc.
License: Right-of-Entry
Location: Corner of Hampton Street and Aviation Avenue
Purpose: Site Inspection Purposes
Term: Through May 31, 2021
2. Name: Port City Air
License: Right-of-Entry
Location: Portion of Hangar 227 (14 Aviation Avenue)
Purpose: Storage of Two Vehicles
Term: Through March 1, 2021

IX. Leases:

A. Reports:

1. **Sublease between 100 International, LLC to ONBRAND24, LLC**
2. **Sublease between 119 International Drive, LLC to Stewart’s Ambulance Service, LLC**
3. **Sublease between 119 International Drive, LLC to EOFlow, Inc.**
4. **Sublease between Cinthesys Real Estate Management, LLC to Bauer Hockey, LLC**

Brean reported that in accordance with the “Delegation to Executive Director: Consent, Approval of Sub-Sublease Agreements” PDA approved the following leases with:

- A. Tenant: OnBrand24 , LLC

- Space: 9,059 square feet at 100 International Drive
 Use: Office and Related Use
 Term: One (1) Years Commencing February 1, 2021
- B. Tenant: Stewart's Ambulance Service, LLC
 Space: 4,270 square feet at 119 International Drive
 Use: General Office and Related Use
 Term: Five (5) Years with one (1) Five (5) year option
 Commencing January 1, 2021
- C. Tenant: EOFLOW, Inc.
 Space: 2,285 square feet at 15 Rye Street
 Use: General Office and Related Use
 Term: Five (5) Years
- D. Tenant: Bauer Hockey, LLC
 Space: 5,000 square feet at 68 New Hampshire Avenue
 Use: Dead Storage of it Marketing Materials and No Other Uses
 Term: Two (2) years and three (3) months Commencing February 1, 2021

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 all of these instances, Director Lamson was consulted and granted her consent.

X. Contracts/Agreements:

A. Reports:

- 1. Fishnet Media, LLC – PDA Website Work**
- 2. Fishnet Media, LLC – Pease Golf Course Website Work**
- 3. Sandwich / Salad Unit – Pease Golf Course**

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

1. Project Name: PDA Website Update
 PDA Obligation: \$4,875.00
 Summary: Update the PDA website to optimize user experience; prioritize flight arrival and departure information; Update "News and Events" section to promote Facebook; Create new Careers page; design and develop new "Policies and Procedures" link to promote information (Lost and Found Policy; Drone Information and Policy; Badging Office Info., etc.)

2. Project Name: Pease Golf Course Website Update
 PDA Obligation: \$9,875.00
 Board Authority: Director Ferrini on February 5, 2021
 Summary: Website update for the Pease Golf Course

3. Project Name: Pease Golf Course Sandwich / Salad Unit
 PDA Obligation: \$2,762.00
 Summary: Replacement of Bev-Aire Sandwich / Salad Unit purchased in 2011

B. Approvals:

1. Turf Products LLC – Golf Course Large Rough Mower

Director Fournier moved the motion and Director Anderson seconded that the Pease Development Authority (“PDA”) Board of Directors hereby authorizes the Executive Director to enter into a contract with Turf Products LLC to purchase a Toro Groundmaster, 4500-D (T4) large rough mower with universal sunshade, golf ball guard, and golf netting mounting bracket for use at the PDA Golf Course for a purchase price of \$69,440.41, as outlined in the memorandum from Scott DeVito, PGA General Manager dated March 2, 2021.

Furthermore, in accordance with the provisions of RSA 12-G:8 VIII, the Board justifies the waiver of the RFP requirement for said purchase as follows:

- Turf Products, LLC is the only New England area authorized Toro golf products distributor and, as such, the Golf Course has only received bids from Turf Products the last several replacement cycles.
- Turf Products, LLC extends their Government Services Administration pricing to the PDA.
- Both current large rough mowers are Toro machines and the purchase of the new Toro equipment will allow use of an estimated \$6,000 - \$8,000 of replacement parts currently in inventory, as Toro designs its equipment to use common parts compatible with other Toro units.
- Staff is trained to maintain and repair Toro equipment.
- The new Toro rough mower will be Tier 4 emissions compliant.

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

2. Two Golf Utility Cars

Director Anderson moved the motion and Director Lamson seconded that the Pease Development Authority (“PDA”) Board of Directors hereby approves of and authorizes the Executive Director to enter into an agreement with Country Club Enterprises of Wareham, MA for the purchase of two (2) Club Car Carryall 502 utility cars for use by the PDA Golf Maintenance Department in a total amount not to exceed \$19,500; all in accordance with the memorandum from Scott D. DeVito, PGA General Manager, dated March 2, 2021.

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

3. Addendum to Contract with Five Star Golf Cars for Twenty (20) Additional Golf Cars for 2021 Season and Surcharge for Single Rider

Director Ferrini moved the motion and Director Lamson seconded that the Pease Development Authority (“PDA”) Board of Directors hereby approves of and authorizes the Pease Golf Course to negotiate and execute an addendum to the Five Star Golf Cars and Utility Vehicles (“Five Star”) contract for an additional twenty (20) golf cars for the 2021 Season (April 23 through October 11) at an amount not to exceed \$35,993.20; and to implement a \$10 per round surcharge, on top of the daily golf car rental rates, for players requesting an individual golf car; all in accordance with the memorandum from Scott DeVito, PGA General Manager dated March 10, 2021.

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

4. AIP Grant to Resurface the Airport Perimeter Road (aka Lowery Lane)

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

1. Authorize the paving of Lowery Lane to be done under the current Pike Industries contract for an estimated amount of \$300,000 (the exact amount will be based on the actual quantity of pavement);
2. Accept FAA AIP funding and associated NH Department of Transportation funding, anticipated to cover 90% and 5% respectively of the project costs, when the grant becomes available later in the year, with PDA’s contribution constituting the remaining 5% share; and
3. Execute any and all documents necessary to use funds (estimated to be \$300,000) to complete the work in accordance with the proposed schedule.

all in accordance with the memorandum from Maria Stowell, Engineering Manager dated March 4, 2021.

Discussion: Lamson asked Stowell when it was named Lowery Lane; Stowell indicated it came from the earliest AIP maps but it should be spelled “Lowry” without the “e”. Lamson asked Stowell if she would look into the beach heather (endangered ground species) that is over in the area of McIntyre (suggested fencing around the area).

Disposition: Resolved by unanimous (7-0) roll call vote for; motion carried.

5. Dan Fortnam - Extension and Revision of Air Development Consulting Service Agreement

Director Loughlin **moved** the **motion** and Director Lamson **seconded** that the Pease Development Authority (“PDA”) Board of Directors hereby approves of and authorizes the Executive Director to negotiate and enter into an air service agreement with Daniel Fortnam for a period of three (3) years commencing April 1, 2021 through March 31, 2024, with two (2) one year options exercisable at the discretion of the Executive Director; all in accordance with the memorandum of Andrew B. Pomeroy, Manager, Aviation Planning and Regulatory Compliance, dated March 8, 2021.

In accordance, with the provisions of RSA 12-G:8, VIII the Board waives the RFP requirement based upon the following justification:

- A. Daniel Fortnam has a long history representing Portsmouth International Airport at Pease (“PSM”), and has very well established relationships with Allegiant Airlines and other service providers; he is an independent and cost effective consultant known through the industry as the Air Service Development representative to Pease.

Discussion: Director Anderson asked how a potentially five (5) year commitment was determined; what was the previous arrangement with Mr. Fortnam (would this be an increase or decrease). Anderson offered an amendment (shown in red) to the motion to state “...exercisable at the discretion of the Executive Director **or the Board of Directors**” so the Board can weigh in through the course of this five year commitment.

Brean indicated that the contract was originally a six month contract and formalized by PCA and PDA with a 50/50 cost share for a short period of time. The contract was successful in getting air service approximately 13/14 years ago and since that time there have been six month extensions and PDA has seen growth from the contract. Brean indicated that the three (3) year with two (2) option mirrors what PDA with most of its contracts currently. Brean indicated regarding compensation it is the same as last year; also there had been a commission on enplanements and cargo tonnage so in addition to last year’s flat fee PDA also paid approximately \$6,300 in commissions for the number of enplanements and cargo as the original agreement was written. Brean stated this prepares PDA better for the future and puts PDA on a more consistent financial forecast with 2% increase over three years; in the option years PDA would negotiate a new rate. Brean also informed the Board that in January the Board approved a motion for Voltaire Air (development company) with a \$17,000 fee that PDA did not move forward with (this was to complete a small community air service application with the Department of Transportation).

Smith asked if he was offering that amendment; Anderson affirmed and indicated it would be for an improvement of the motion so it would read, “...exercisable at the discretion of the Executive Director **or the Board of Directors**”.

Director Anderson moved the motion to amend and Director Loughlin seconded that the Pease Development Authority (“PDA”) Board of Directors hereby approves of and authorizes the Executive Director to negotiate and enter into an air service agreement with Daniel Fortnam for a period of three (3) years commencing April 1, 2021 through March 31, 2024, with two (2) one year options exercisable at the discretion of the Executive Director or the Board of Directors; all in accordance with the memorandum of Andrew B. Pomeroy, Manager, Aviation Planning and Regulatory Compliance, dated March 8, 2021.

In accordance, with the provisions of RSA 12-G:8, VIII the Board waives the RFP requirement based upon the following justification:

- A. Daniel Fortnam has a long history representing Portsmouth International Airport at Pease (“PSM”), and has very well established relationships with Allegiant Airlines and other service providers; he is an independent and cost effective consultant known through the industry as the Air Service Development representative to Pease.

Discussion: Fournier indicated he is against the amendment as PDA has an Executive Director for a reason; if you put “or the Board” who executes it. It needs to be clear, he did not think the Board should be in this position.

Ferrini agreed with Fournier and further stated that by using the word “or” there is not a requirement that the Board be involved and is effectively of no consequence.

Smith called the roll on the amendment only.

	Yes	No
Anderson	X	
Ferrini		X
Fournier		X
Lamson	X	
Loughlin	X	
Levesque		X
Smith		X

Disposition: Resolved by (3-4) roll call vote for; motion to amend failed.

Disposition on original motion: Resolved by unanimous (7-0) roll call vote for; motion carried.

XI. Signs:

A. Reports:

1. Laborie Medical Technologies, Corp. – 180 International Drive

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

Entity:	200 International Limited Partnership
Location:	180 International Drive
Summary:	Change out of the Medtronic signs and replacing them with in-kind signs that identify Laborie. Renderings are attached depicting the proposed minor signage changes referenced above.

The Delegation to Building Inspector: Consent and Approval of Minor Revisions to Existing Signs also requires the consent of one member of the PDA Board of Directors. In this instance, Director Loughlin was consulted regarding the sign change on March 4, 2021.

B. Approval:

1. City of Portsmouth – Water Treatment Plant – 97 Grafton Road

Director Anderson **moved** the **motion** and Director Lamson **seconded** that **the Pease Development Authority (“PDA”) Board of Directors hereby approves of the proposed new sign for the City of Portsmouth’s Water Treatment Plant located at 97 Grafton Drive; all in accordance with the memorandum of Maria J. Stowell, P.E., Engineering Manager, dated March 15, 2021.**

Discussion: Loughlin asked if it were the City of Portsmouth Water Treatment Plant at Pease or is it the Pease Development Authority Water Treatment Plant. Stowell indicated that PDA owns all of the original infrastructure, but since then the City has made a lot of renovations to it (they may own new tanks put in); PDA owns what was transferred from Air Force.

Anderson indicated the City has an obligation to take care of that facility; Stowell affirmed. Anderson asked when this would go online with all the restoration/improvements at the facility; Stowell indicated this summer and further indicated that the filters have been in place for the Smith and the Harrison wells for quite a few years. Stowell indicated that regarding the Haven Well it is anticipated that too will become active this year (summer).

Lamson indicated that regarding the Haven Well there are many individuals concerned with the Haven Well coming online.

Disposition: Resolved by unanimous (7-0) roll call vote for; motion carried.

XII. Executive Director:

A. Reports:

1. Golf Course Operations

Golf Course General Manager Scott DeVito (“DeVito”) indicated the driving range opened on Wednesday, March 17th, and anticipates opening 18 holes on Friday, March 26th. The state guidelines for restaurants have been updated and Grill 28 can now seat up to 10 people to a table (increasing its capacity and business improving).

DeVito indicated at the last Golf Committee meeting there had been discussion regarding availability to sign up for tee times up to fourteen (14) days in advance for membership. DeVito indicated no change to the software, but as of April 19th will transition to taking phone calls in order to schedule tee times at an earlier time, rather than midnight.

DeVito indicated maintenance has put down seed to recoup some of the damaged areas on the course. DeVito stated that staff will be working with the City of Portsmouth to get the irrigation system online early next month, but that he anticipates there may be some restrictions this year. DeVito indicated that EJ Chea has come up with a water conservation program that he has been working on for a number of years which would transition some of the areas on the course to more natural areas that don't play and will be shutting the irrigation off in these areas in an effort to decrease water usage. There are multiple programs within the system to reduce consumption on a daily basis (i.e.; rain sensors to turn off the system if getting rain while system is on; hand watering during day versus having irrigation cool the surface off; drought resistant products). DeVito indicated that staff are working with the City and trying to utilize up-to-date technology at the course for water conservation.

Brean thanked the Board for supporting the capital equipment purchase requested by the golf course delayed last year due to COVID.

2. Airport Operations

a) Portsmouth International Airport at Pease (PSM)

Brean indicated that PSM is holding its own regarding enplanements; through February there have been 9,197 enplanements which is a 53% decrease from February of 2020. This breaks down to a 45% charter decrease and a 57% scheduled service decrease (throughout the industry, other airports are down 78%). Brean did indicate that future travel bookings have increased and announced summer/seasonal service to Nashville TN and St. Pete FL (northbound market for Floridians to enjoy social distance vacations in New England), and continuing year round service to Punta Gorda and Sanford / Orlando.

Brean stated that through the Coronavirus Response (CRRS) Act, PSM will be receiving \$1.4 million of aid and anticipate an approximate savings of \$70,000 in PDA portions of AIP projects that have been included in the bill.

Brean informed the Board stated that the Air National Guard received its 12th and final KC-46 on February 4th; the squadron is at full capacity and actively flying missions out of Portsmouth.

b) Skyhaven Airport (DAW)

Brean indicated Andrew Pomeroy ("Pomeroy") is working closely with the City of Rochester Planning Board pertaining to developments off the airport area that will impact the airport and the navigation easements into the airport.

Brean stated that through the Coronavirus Response (CRRS) Act, DAW will be receiving

\$13,000 in relief aid and anticipate an approximate savings of \$5,000 in some of the scheduled projects at Skyhaven.

c) Noise Line Report
(i) January & February 2021

Brean indicated that there were no noise inquiries at either airport during the months of January and February, 2021.

B. Approvals:
1. Bills for Legal Services

Director Fournier **moved** the **motion** and Director Lamson **seconded** that the Pease Development Authority (“PDA”) Board of Directors approves of and authorizes the Executive Director to expend funds in the amount of \$20,851.00 for legal services rendered to the Pease Development Authority to Sheehan Phinney Bass & Green for services from December 1, 2020 – December 31, 2020 in the amount of \$870.00 for Tradeport General Representation; December 1, 2020 – December 31, 2020 in the amount of \$319.00 for Ports & Harbors Matters; December 1, 2020 – December 31, 2020 in the amount of \$12,035.00 in support of MS4 and CLF settlement implementation; and January 1, 2021 – January 31, 2021 in the amount of \$7,627.00 in support of MS4 and CLF settlement implementation.

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

Director Fournier excused himself from the meeting at 11:07 a.m. as he had another appointment.

2. Allegiant Airlines - Marketing

Director Anderson **moved** the **motion** and Director Lamson **seconded** that the Pease Development Authority (“PDA”) Board of Directors authorizes the Executive Director to use unmatched marketing funds, not to exceed \$100,000, specifically for air service route development and to expend said funds for the purpose of promoting Allegiant Airline’s air passenger service from Portsmouth to Nashville, TN and Clearwater, FL; all in accordance with the memorandum of Andrew B. Pomeroy, Manager Aviation Planning and Regulatory Compliance, dated March 9, 2021.

Discussion: None. Disposition: Resolved by unanimous (6-0) roll call vote for; motion carried.

3. Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act

Director Ferrini **moved** the **motion** and Director Anderson **seconded** that the Pease Development Authority (“PDA”) Board of Directors hereby approves of and authorizes the Executive Director to accept Coronavirus Response and Relief Supplemental

Appropriations Act (Public Law 116-260) (CRRSA) Grant(s) for which Portsmouth International and Skyhaven Airports are or may become eligible. This approval includes the authority to execute any and all documents necessary or appropriate to accept the CRRSA Grant(s) on an expedited basis and to use said grants for any purpose for which airport revenues may be lawfully used, in accordance with the FAA’s Policy and Procedures Concerning the Use of Airport Revenues.

Discussion: None. Disposition: Resolved by unanimous (6-0) roll call vote for; motion carried.

**4. Town of Newington Transportation Alternative Program (TAP)
Grant Application – Letter of Support**

Director Lamson withdrew this request from the agenda as it was not approved at the Newington Town meeting held on Saturday, March 13th.

XIII. Division of Ports and Harbors:

A. Reports:

- 1. Port Advisory Council – Minutes of December 9, 2020**
- 2. Port Advisory Council - Minutes of January 13, 2021**
- 3. Portsmouth Fish Pier – Change Order #5 / H.L. Patten**
- 4. Cianbro Corp. – Right of Entry – Market Street Terminal**
- 5. Commercial Mooring Transfer – Pike to Noyes**
- 6. Commercial Mooring Transfer – Chong to Collins**
- 7. Commercial Mooring Transfer – McLaughlin to McLaughlin**
- 8. Commercial Mooring Transfer – Chong to Nudd**
- 9. Commercial Mooring Transfer – Bohley to Naples**
- 10. Commercial Mooring Transfer – Randall to Adams**
- 11. Commercial Mooring Transfer – Thurlow to Thurlow**
- 12. Commercial Mooring Transfer – Ouellette to O’Neil**
- 13. Commercial Mooring Transfer – Armano to Merrow**
- 14. Report on the Commercial Fishermen Days at Dover DMV for the 2021 Season**

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

Director Marconi mentioned the packet contained two sets of minutes (December 9, 2020 and January 13, 2021) of Port Advisory Council.

Marconi spoke to the Change Order at the PFP in the amount of \$11,000 for the purchase for two hydraulic hoists (\$5,500/ea.) to replace the electric chain hoists (between \$4,200/ea. - \$4,700/ea.). Marconi indicated this was at the recommendation of the commercial fishermen and through the due diligence of staff determined the savings of the two different types of hoists (life expectancy / replacement costs, maintenance (the electric chain hoists isn’t made for outside) and

feel will reduce maintenance / replacement costs.

Marconi spoke to Cianbro's Right of Entry for trans-loading of construction materials for the PNSY super flood basin project. Earlier in the project there had been a trans-loading of dredge materials for the project but was informed by the Navy of 20,000 additional yards of additional materials to be removed at the construction site. Marconi indicated that the Navy is strict on the handling of the dredge materials which will be transported up to Turnkey in Rochester, also had Ransom review the type of material being removed and DPH indicated it was appropriate for the handling of the material through DPH.

Marconi indicated items 5 through 13 are Commercial Mooring Transfers; the Code Administrative Rules allows mooring transfers which must remain commercial use and cannot be used for general. Marconi spoke of the process and review that the requests go through,

Marconi spoke to the report on the Commercial Fishermen Days held at Dover DMV which has been held for the past few years cooperatively with NH Fish & Game and DMV. Marconi indicated that it is easier for the fishermen this way for in order to obtain a commercial mooring there needs to be a commercial fishing license. The event was held on a Saturday when the DMV was closed and have received good feedback from the fishermen handling registration in this manner.

Lamson thanked Marconi for the information forwarded to her concerning the Little Bay Bridges.

Anderson indicated the registration day is tremendous for the commercial fisherman as it is "one stop shopping", it has alleviated something that used to take multiple trips which has been consolidated into one event.

B. Approvals:

1. Right of Entry Extension - Juliet Marine Systems, Inc. "Ghost Boat"

Director Ferrini **moved** the **motion** and Director Levesque **seconded** that **the Pease Development Authority ("PDA") Board of Directors hereby approves of and consents an extension of the Right of Entry ("ROE") for Juliet Marine Systems, Inc. ("Juliet"), under the same terms and conditions in the ROE dated May 16, 2019, for the use of the facilities at the Market Street Terminal for the purpose of storage, and the eventual loading (onto a ship), of the 60' vessel known as the "Ghost boat" for a period of twelve (12) months commencing May 1, 2021, on a month to month basis, or until April 30, 2022; all in accordance with the memorandum of Geno J. Marconi, Division Director, dated February 24, 2021**

Discussion: None. Disposition: Resolved by unanimous (6-0) roll call vote for; motion carried/failed.

2. Expansion of the Piscataqua River's Uppermost Turning Basin Project

Director Levesque moved the motion and Director Anderson seconded that the Pease Development Authority ("PDA") Board of Directors hereby authorizes the Executive Director to execute a Project Partnership Agreement (PPA) between the Army Corps of Engineers and PDA for the "Portsmouth Harbor & Piscataqua River Navigation Improvement Project, New Hampshire and Maine" (the "Project"), submitted to the Division of Ports and Harbors ("DPH") related to the expansion of the Piscataqua River's Uppermost Turning Basin, and to commit funds for the Project pursuant to the PPA; all in accordance with the Memorandum of Geno Marconi, Division Director, dated March 8, 2021.

Discussion: Ferrini asked in what manner PDA would see the tracking of this project in an effort to understand timing and expenditure; Marconi indicated when the PPA is executed a check will be written upfront for approximately \$6+ million. Marconi indicated that at the end of the project (as is the experience with all DPH dredging projects) it takes about a year to close out all of the paperwork there. During this time it will be determined if there are any rebates to be received (i.e.; receiving money back from Hampton and Rye projects), in addition there is \$2.5 million post construction and operating and maintenance contribution (the request for that payment is a year and a half after construction is completed - anticipated to be March 2022).

Lamson asked if this were the same procedure done over the years; Marconi affirmed.

Disposition: Resolved by unanimous (6-0) roll call vote for; motion carried.

XIV. New Business:

XV. Upcoming Meetings:

Port Committee	April 1, 2021 @ 8:00 a.m.
Audit Committee	April 12, 2021 @ 8:30 a.m.
Golf Committee	April 12, 2021 @ 9:00 a.m.
Finance Committee	April 12, 2021 @ 9:30 a.m.
Board of Directors	April 15, 2021 @ 8:30 a.m.

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

Smith indicated that it is his intention to have the next Board of Directors' meeting held as an "in-person" meeting.

Lamson asked if the Finance Committee meeting would be held at the PDA offices or would it be as a Zoom meeting; Smith indicated he would get back to her with a response.

XVI. Directors' Comments:

Smith thanked the Board for its patience during the meeting as it worked through, and continues to work through, the Million Air project. Smith indicated an appreciation of the respect amongst Board members and their opinions.

XVII. Adjournment:

Director Lamson **moved** the **motion** and Director Loughlin **seconded** to adjourn the Board meeting. Meeting adjourned at **11:22 a.m.**

Discussion: None. Disposition: Resolved (6-0) for; motion carried.

XVIII. Press Questions:

There were no questions from the press.

Respectfully submitted,



Paul E. Brean
Executive Director

PEASE DEVELOPMENT AUTHORITY
Monday, April 12, 2021

GOLF COMMITTEE
AGENDA

Time: 9:00 a.m.
Place: 55 International Drive, Pease International Tradeport
Portsmouth, New Hampshire


AGENDA

- I. Call to Order
- II. Acceptance of Meeting Minutes: November 16, 2020 *
- III. Public Comment
- IV. Old Business
 - A. Reports
 - 1. Advanced Tee time
- V. New Business
 - A. Reports
 - 1. Grill 28 Improvements/Concession Fee, April – June 2020 *
 - 2. Patio Covering Concept
 - 3. September Air Show
- VI. Public Comment
- VII. Upcoming Meetings

Finance Committee	April 12, 2021 @ 9:30 a.m.
Board of Directors	April 15, 2021 @ 8:30 a.m.

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

- VIII. Adjournment
- IX. Press Questions

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



MOTION

Director Fournier:

In accordance with the recommendation of the Pease Development Authority (“PDA”) Airport Committee, the PDA Board of Directors finds that the Fixed Based Operator (“FBO”) application of Pease Aviation Partners, LLC d/b/a Million Air Portsmouth (“PAP”), dated January 7, 2021 (the “Application”), to become a FBO at Portsmouth International Airport at Pease pursuant to the Minimum Standards for Commercial and Noncommercial General Aviation Operators dated August 16, 2007 (“Minimum Standards”), satisfies said Minimum Standards and:

1. Conditionally approves the Application subject to paragraph 2 below; and
2. Conditionally authorizes PAP to become a FBO at Portsmouth International Airport at Pease (“PSM”) in accordance with and subject to the Minimum Standards; provided, however, that such authorization, and the commencement of FBO operations by PAP at PSM, shall be subject to and contingent upon:
 - a. Site plan, subdivision, and any other requisite approvals and permits for use of a temporary facility and construction of PAP’s proposed facility at 53 Exeter Street, consistent with project phasing;
 - b. Execution of a lease agreement for the property at 53 Exeter Street, subject to separate PDA Board approval, on terms and conditions substantially similar to those

set forth in the Letter of Intent dated January 7, 2021, attached hereto, including such other terms as the Executive Director or PDA Board of Directors shall deem necessary and appropriate; and

- c. Verification by the Executive Director that all provisions of the Application and requirements of the Minimum Standards to act as an FBO remain satisfied in full force and effect at such time as PAP shall commence providing FBO service;

all in accordance with the memorandum of Paul E. Brean, Executive Director, dated January 14, 2021.

NOTE: Roll Call vote required.

To: Pease Development Authority Board of Directors

From: Paul E. Brean, Executive Director *peb*

Date: 1/14/2021

Subj: Pease Aviation Partners, LLC d/b/a Million Air Portsmouth Fixed Base Operator Application

Via application dated January 7, 2021, Pease Aviation Partners, LLC d/b/a Million Air Portsmouth ("PAP") has applied to establish itself as a Fixed Base Operator ("FBO") at the Portsmouth International Airport at Pease ("PSM"). The application is attached hereto. An FBO is a commercial enterprise which has been granted a right by an airport authority to operate at an airport and provide aviation services, such as fuel, airplane parking, hangar space, deicing, snow removal, line services, and the like. As the application provides, PAP is part of an FBO system that operates throughout North America. PAP's application details its proposed FBO development and services at PSM. PAP would be a second FBO at PSM. The current FBO, Port City Air ("PCA") did provide a response to the FBO application, which was provided to the Airport Committee and is also included herein.

The Pease Development Authority ("PDA") has adopted Minimum Standards and Requirements for Full-Service Fixed Base Operators which have been in effect since 2007. The PDA Minimum Standards for Commercial and Noncommercial General Aviation Operators are attached hereto (see Article 2). The Minimum Standards define the minimum standards for the conduct of commercial and noncommercial general activities at PSM and state the privileges and restrictions associated with operating an FBO at PSM. Specifically the Minimum Standards set forth the minimum standards that must be met for facilities, land area, improvements, services required, equipment, personnel, operating requirements, and hours of operation.

The Minimum Standards also set forth the PDA's general aviation development goals:

- a. Ensure that general aviation activities at the Airport are conducted in a safe, fair, and equitable manner, in accordance with PDA, state, and federal standards;
- b. Promote first-class general aviation services and facilities; and
- c. Assist private developers in promoting business interests at the Airport

These goals are consistent with the Federal Aviation Administration's ("FAA") objectives in encouraging the development of minimum standards by airport sponsors for commercial services providers at airports. Specifically, the FAA recognizes that a sponsor's establishment of minimum standards contributes to non-discriminatory treatment of airport tenants and users, and helps the sponsor avoid granting an exclusive right. As long as minimum standards are reasonable and not unjustly discriminatory, the Airport is protected against charges that it has violated grant assurances.

Further, the FAA notes that minimum standards typically promote safety at airports, maintain a higher quality of service, protect airport users, enhance the availability of services, promote orderly airport development, provide clear distinctions between adequate services levels, and prevent disputes between aeronautical providers.

In conjunction with submitting its application pursuant to the Minimum Standards to operate an FBO, PAP is seeking to lease and develop a parcel of Airport land at 53 Exeter Street. PAP intends to implement its development in two phases. The first phase includes approvals for and construction of the fuel farm, as well as approvals for the temporary use of the existing hangar located at 120 Aviation Avenue for other FBO functions. FBO operations are intended to commence with the completion of this phase. Approvals for and construction of the new access driveway, building and other improvements at 53 Exeter Street would be part of the second phase. Upon completion of the second phase, PAP intends to cease use of the temporary facility. Both phases are intended to be completed within 30 months.

PAP's site/subdivision plans are attached hereto for reference. PAP is seeking conceptual approval of these plans at the January Board meeting via a separate agenda item. Upon receipt of final site plan and subdivision approval (consistent with project phasing), and subject to Board authorization, PAP will enter into a long-term ground lease with the PDA, make a substantial investment in infrastructure and development and commence operations. The lease would be consistent with the letter of intent between PDA and PAP, dated January 7, 2021 ("LOI"), which is included in this packet, as well as other terms deemed necessary by PDA staff.

Section 1.03 of the Minimum Standards, in conjunction with Article 2, sets forth the FBO application requirements and procedures. Consistent therewith, on January 12, 2021, the Airport Committee reviewed the application and recommended to the Board that it:

- 1) Find that the application satisfies the Minimum Standards; and
- 2) Approve the application and authorize PAP to become a FBO at PSM in accordance with the Minimum Standards.

As such, I respectfully request that at its meeting on January 21, 2021, the PDA Board of Directors approve PAP's FBO application and authorize PAP to become a FBO at Portsmouth International Airport at Pease in accordance with and subject to the Minimum Standards, with commencement of FBO operations being subject to and conditioned upon: 1) land use approvals and permits, consistent with planned project phasing; 2) execution of a lease agreement consistent with the LOI and such other terms deemed necessary and appropriate; and 3) verification that all provisions of the Application and requirements of the Minimum Standards to act as an FBO are satisfied at such time as PAP shall commence providing FBO services.

MOTION

Director Fournier:

The Pease Development Authority Airport Committee finds that the Fixed Based Operator (“FBO”) application of Pease Aviation Partners, LLC d/b/a Million Air Portsmouth (“PAP”), dated January 7, 2021 (the “Application”), to become a FBO at Portsmouth International Airport at Pease pursuant to the Minimum Standards for Commercial and Noncommercial General Aviation Operators dated August 16, 2007 (the “Minimum Standards”), satisfies the Minimum Standards and recommends that the PDA Board of Directors approve the Application and authorize PAP to become a FBO at Portsmouth International Airport at Pease; all in accordance with the Minimum Standards and the memorandum of Paul E. Brean, Executive Director, dated January 8, 2021.

NOTE: Roll Call Vote Required.

To: Airport Committee

From: Paul Brean, Executive Director *P.B.*

Date: 1/8/2021

Subj: Pease Aviation Partners, LLC d/b/a Million Air Portsmouth Fixed Base Operator Application

Via application dated January 7, 2021, Pease Aviation Partners, LLC d/b/a Million Air Portsmouth ("PAP") has applied to establish itself as a Fixed Base Operator ("FBO") at the Portsmouth International Airport at Pease ("PSM"). The application is attached hereto. An FBO is a commercial enterprise which has been granted a right by an airport authority to operate at an airport and provide aviation services, such as fuel, airplane parking, hangar space, deicing, snow removal, line services, and the like. As the application provides, PAP is part of an FBO system that operates throughout North America. PAP's application details its proposed FBO development and services at PSM. PAP would be a second FBO at PSM.

The Pease Development Authority ("PDA") has adopted Minimum Standards and Requirements for Full-Service Fixed Base Operators which have been in effect since 2007. The PDA Minimum Standards for Commercial and Noncommercial General Aviation Operators are attached hereto (see Article 2). The Minimum Standards define the minimum standards for the conduct of commercial and noncommercial general activities at PSM and state the privileges and restrictions associated with operating an FBO at PSM. Specifically the Minimum Standards set forth the minimum standards that must be met for facilities, land area, improvements, services required, equipment, personnel, operating requirements, and hours of operation.

The Minimum Standards also set forth the PDA's general aviation development goals:

- a. Ensure that general aviation activities at the Airport are conducted in a safe, fair, and equitable manner, in accordance with PDA, state, and federal standards;
- b. Promote first-class general aviation services and facilities; and
- c. Assist private developers in promoting business interests at the Airport

These goals are consistent with the Federal Aviation Administration's ("FAA") objectives in encouraging the development of minimum standards by airport sponsors for commercial services providers at airports. Specifically, the FAA recognizes that a sponsor's establishment of minimum standards contributes to non-discriminatory treatment of airport tenants and users, and helps the sponsor avoid granting an exclusive right. As long as minimum standards are reasonable and not unjustly discriminatory, the Airport is protected against charges that it has violated grant assurances.

Further, the FAA notes that minimum standards typically promote safety at airports, maintain a higher quality of service, protect airport users, enhance the availability of services, promote orderly airport development, provide clear distinctions between adequate services levels, and prevent disputes between aeronautical providers.

In conjunction with submitting its application pursuant to the Minimum Standards to operate an FBO, PAP is seeking to lease and develop a parcel of Airport land at 53 Exeter Street. PAP's site/subdivision plans are attached hereto. PAP plans to seek conceptual approval of these plans at the PDA Board of Director's meeting on January 21, 2021. Upon receipt of final site plan and subdivision approval, and subject to Board authorization, PAP will enter into a long-term ground lease with the PDA, make a substantial investment in infrastructure and development and commence operations.

Section 1.03 of the Minimum Standards, in conjunction with Article 2, sets forth the FBO application requirements and procedures. Based on PDA staff's favorable review of this application, I respectfully submit this application for Airport Committee review and ask that you recommend to the PDA Board of Directors that it:

- 1) Find that the application satisfies the Minimum Standards; and
- 2) Approve the application and authorize PAP to become a FBO at PSM in accordance with the Minimum Standards.



January 7, 2020

Paul Brean
Executive Director
Pease Development Authority
55 International Drive
Portsmouth, NH 03801

Re. Application Procedure

On behalf of REW Investments, via its assignee Pease Aviation Partners, LLC d/b/a Million Air Portsmouth ("PAP"), I am pleased to submit to the Pease Development Authority ("PDA") the following application procedure to establish a fixed base operation at Portsmouth International Airport at Pease ("PSM"), located within the Pease International Tradeport ("FBO") ("Airport").

Application as per 1.03 of PSM Minimum Standards for Commercial and Noncommercial General Aviation Operators

Name and address of the applicant:

Pease Aviation Partners, LLC, a Texas limited liability company
7555 Ipswich Road
Houston, TX 77061

Proposed land use and /or services to be offered:

The proposal is that PAP would construct and operate a full service FBO (all services as per article 2 of PSM Minimum Standards for GA) as follows:

During Phase I of the construction, Million Air will operate from the facility at 120 Aviation Avenue. Transitioning to the new FBO building in Phase II (See attached conceptual design).

Aircraft Fuel and Oil Sales

1. A permanent fuel farm storage facility is to be constructed. It will contain 90,000 gallons of Jet-A and 15,000 gallons of 100LL (Avgas).
The FBO will also contain storage for a selection of lubricants to meet the needs of general aviation.
2. Million Air will have 3 X 10,000-gallon Jet-A refuellers and 2 X 1,000-gallon Avgas refuellers available for the operation.
3. Our full-time fuel accountant is trained in inventory management and will provide such report to the airport for auditing. These dispensing reports will be stored for a minimum of 12 months.



Aircraft Deicing

Million Air will have 2 deicing trucks on site utilized by our trained line service persons. Our supervisor will then complete the PDA required forms and submit within 1 hour of the deicing event.

Ground Handling

1. Our line service professionals are fully trained in the military style 212 marshalling technique to guide aircraft safely in and out the parking areas. Million Air will have a follow me pick up truck equipped with two-way radio allowing control tower communication on the ramp frequency.
2. Million Air's "stage ready" policy has our agents ready with tie down ropes and wheel chocks for every arrival. We track all incoming GA flights through our internal CSI system and are prepared for their arrival.
3. Our equipment list provides for the necessary tugs and tow bars needed to pull aircraft. With a focus on safety, it is Million Air's policy to have 3 agents present at every hangar move, no exceptions.

Customer Services

1. During Phase I, the temp facility will provide 3,000 sq ft of space. This includes a passenger facility with lounge area, refreshments, TV, and Phone access. Phase II will see a 6,000 sq ft new FBO that will house an impressive passenger facility. It will include 5-star level lounge areas with access to refreshments, TV service and public telephones if needed.
2. Heated and Air-Conditioned Crew Areas will be included in both the temp location and the new facility
3. Restroom facilities available in the temp facility and in Phase II upgraded to luxury restroom facilities with touchless flush, touchless faucets, and touchless soap dispensers.
4. 2 crew cars and a crew minivan on site as courtesy transportation.
5. The flight planning facility will feature high speed internet accessible computers pre-loaded with common use planning tools and a wireless printer for crews with their own devices. A large charging area will also be available for passengers and crew
6. Million Air sales counter will feature several for sale items to include pilot supplies, flight planning equipment, survival equipment, aircraft equipment and manuals.

MILLION AIR

Line Service

1. Our trained team will have a nitrogen cart to inflate aircraft tires and specialized aircraft cleaning products (Celeste) to clean aircraft interiors and windows.
 - a. We will apply (as we have in our other locations) for an International Trash License from USDA.
 - b. Million Air has contracted with Gama Aviation Aircraft Maintenance company to provide onsite routine and preventative aircraft maintenance (such as repair of aircraft tires, service aircraft braking systems, change aircraft engine oil, recharge oxygen systems, replace engine starters, and recharge aircraft batteries).
2. An equipment list is provided below of ground support items. This includes everything needed for normal aircraft turnaround, including energizers and starters, GPUs and Fire Extinguishers.
3. Our Lektro Tugs are capable of moving aircraft up to and beyond 75,000 pounds gross weight.

Hangar Space

The temp facility provides 17,000 square feet of Hangar space.

The new FBO design has included a hangar of 12,000 square feet to provide transient, temp, and long-term aircraft storage.

Aircraft Recovery

Our tugs, nitro cart and fully trained team are equipped to move a disabled aircraft of up to 12,500 pounds gross take of weight. They would accomplish this with communication through the ATC control tower and Airport Operations Team.

Collection of Fees

Our qualified team includes a full-time fuel accountant who is dedicated to manage collection of landing, parking and fuel flowage fees from aircraft using the FBO.

Snow Removal

Million Air will have a pickup truck, F250 with snow blade for light removal. We will also contract the services of Piscataqua Landscaping for snow removal and summer landscape maintenance. The area where removed snow will be stored is noted on the attached conceptual designs.

As a term of the Agreement, PDA would grant PAP reasonable access to all common use Apron areas adjoining the Leased Premises for fueling operations and other purposes related to the operation of the FBO.



Proposed date for commencement of the activity and term:

The Proposed Lease Agreement shall be effective upon PDA board approval and execution, approximately late spring 2021. The lease term shall be for a base term of forty-seven (47) years, commencing on the Effective Date (the "Term").

Facilities and/or amount of land to be leased:

Initially during Phase I, a lease of corporate aircraft hangar at 120 Aviation Avenue (see attached scope of business during Phase I).

Additionally, also in Phase 1, a permanent fuel farm facility on the land area (2.65 acres to the west of existing hanger 227) generally described as 53 Exeter Street (collectively the "Leased Premises" or "Premises"). Final lot dimensions and access areas to be determined through survey work and/or subdivision and site plan review process.

Phase 2 will see this land developed with new permanent 6,500 Square ft FBO and Hangar facilities (see attached concept designs). The FBO will be staffed 24 hours per day and will have a permanent full time General Manager, Customer Service team, Line Service team and Fuel Accountant.

Cost of building facilities and method of financing:

- Phase 1 - \$20,000 per month lease of facility at 120 Aviation Avenue
\$2,500,000 cost of new permanent fuel farm on land at 53 Exeter Street.
\$6,000,000 cost of fuel trucks and ground equipment
- Phase 2 - \$8,000,000 Additional development of new permanent FBO and Hangar at 53 Exeter Street.

Financial responsibility and ability of the entity to carry out the activity:

With more than 30 years of experience and 31 current Fixed Base Operations, Million Air is uniquely qualified to design, develop, and operate on a global level. The Million Air system is operated throughout the US, Canada, and the Caribbean, comprised of 1,000 employees and more than 800 aircraft within the leasehold of our facilities which sets the stage for enhancing the service standards of the industry.

The structure of Million Air starts with Roger Woolsey who purchased Million Air in April of 2002 and moved the headquarters to Houston TX.



The group is divided into several sections as shown in Exhibit A. Under REW Investments, 7 FBOs are directly owned and 2 are managed on behalf of the Airport. The remaining FBOs (Interlink) are franchised locations set up similarly to Chick-Fil-A, Inc.

Each of the owned locations are incorporated in the state they operate in. This is done for ease of compliance with local and state regulations. See diagram on Exhibit A

Financial responsibility will be solely with Pease Aviation Partners, LLC which is owned by REW Investments Inc. Financing will be established through a bond financing program.

Names and qualifications of key personnel to be involved:

CHIEF EXECUTIVE OFFICER

Mr. Roger Woolsey is the Owner and CEO of Million Air Interlink (MAI) and REW Investments Inc. (REW). Mr. Woolsey is an entrepreneur that has successfully launched several companies, all in the aviation sector. Woolsey is clearly a visionary and charismatic leader, with a passion for results and quality. He has been featured in and quoted in numerous books, magazines, and news media outlets. Woolsey served as a bank board member, frequent guest speaker for both Universities and corporate keynote addresses. He holds the highest pilot rating available, the Airline Transport License, and is a Licensed Insurance Agent with authority to practice in 14 states. Alumnus of the University of Arkansas, USAF War College, Harvard Business School's Executive Education (Achieving Breakthrough Service, Executive Finance for Senior Leaders, and Owner President & Management (OPM-37)).

CHIEF OPERATING OFFICER

Charles "Chuck" M. Suma serves as Chief Operating Officer in the Houston Headquarters Office, providing strategic leadership and managing all operations of the company. Chuck is a senior level executive with 40 years of experience in the design, manufacturing, sale, and support of Business Aviation Aircraft. He joins the Million Air family following an impressive 30 years with Piper Aircraft. Chuck has served on the Board of Directions for the Aircraft Owners and Pilot Association (AOPA), National Business Aircraft Association, National Aviation Transportation Association, AOPA Air Safety Foundation, and National Chamber of Commerce. Additionally, he has served as the Chairman of the General Aviation Manufacturers Association (GAMA) and Air Safety Investigation Committee.

EXECUTIVE VICE PRESIDENT, FBO OPERATIONS

Jennifer A. Gomes has a 15-year multi country track record of delivering outstanding customer service in conjunction with seamless business operations. She was responsible for one of the largest single sourced fueling operations in the world, with over 800 daily departures at Charlotte Douglas International Airport. She coordinated an international airline startup in

MILLION AIR

Singapore organizing full operations above and below wing with resources and employees from over 6 countries. Jennifer joined Million Air as the General Manager in Tallahassee where she revitalized the front and backend operations to create a culture of safety, pride, ownership, and mutual respect. This transformation was recognized in the 2020 AIN FBO Survey, for one of the most improved FBOs in 2019.

GENERAL MANAGER

Colonel Jeffrey N. Stout U.S.A.F. (Ret) has over 39 years of experience in general aviation and military aviation. Stout completed a 26-year career with the United States Air Force before joining Million Air. Stout has served as a pilot, aircraft commander and instructor pilot in KC-135, U-2 and T-38 aircraft. Jeff is a New Jersey native and holds a Bachelor of Science degree in Aeronautical Science and a Master of Applied Science degree in Aeronautical Science and Aviation Management. He holds an FAA Airline Transport pilot's license and was a USAF command pilot.

Specific types and amounts of insurance to be maintained:

Coverage	Carrier	Policy Number	Expiration	Limit
Property (\$100M)	Starr Surplus Lines	SLSTPTY1137682 0	11/01/2021	\$100,000,000 any one occurrence plus applicable sub-limits
Inland Marine	New Hampshire Insurance Co.	01-LX- 012419522-1	11/01/2021	\$14,147.936 Scheduled contractors equipment limit
Automobile	New Hampshire Ins Co.	01-CA- 019046558-9	11/01/2021	\$1,000,000 CSL any one accident \$1,000 deductible each for collision & comprehensive
Work Compensation	Starr Specialty Insurance Co.	1000003895	11/01/2021	Workers Compensation: Statutory Employers Liability: \$1M/\$1M/\$1M
Pollution Liability	Allied World Assurance Company (U.S.)	0312-5337	11/01/2023	\$10,000,000 each incident limit/coverage section aggregate limit
D&O/EPL/Fiduciary/Crime	QBE Insurance Corporation	10041721	11/01/2021	\$1,000,000 limit of liability – each claim \$3,000,000 policy aggregate limit
Aviation General Liability	USAIG Lead, AIG, W. Brown, QBE & Starr	Various	11/01/2021	\$100,000,000 CSL any one occurrence plus applicable sub-limits

Number of aircraft to be provided:

N/A



Tools, equipment, services, and inventory:

Fuel Farm inventory capacity of Jet-A and 100LL (see conceptual designs). Initial Jet A storage for 60,000 gallons with space for an additional 30,000 gallons in the farm area. Rolling storage capacity of 30,000 for a total of 120,000 gallons. During growth mode as the operation increases rolling storage would be utilized to increase total volume.

During Phase I build, all runoff water will be collected and separated through an oil water separator. Both the water and any oil residue will be pumped into trucks and removed from the site using ACV Enviro.

During Phase II build, an outlet pipe from the water side of the separator will be installed to allow release of clean water into storm drains, after testing.

Million Air REW is a World Fuel Service branded operation in all locations and this provides us security of an uninterrupted fuel supply from the refinery. Unlike FBOs who buy on the open market directly, we have an exclusive agreement with World Fuel Service to ensure Million Air is priority every time when needed. World Fuel also assists with providing replacement equipment during repairs and through their extensive global network have immediate access to vendors.

In addition, the following equipment will be used to provide aeronautical services. Where possible we have selected an electric option in line with our company pledge to reduce our carbon footprint in 2021.

- 3 New 10,000-gallon Jet A tanker trucks
- 2 New 1,000-gallon Avgas trucks
- Multiple sets of Air Stairs. (TLD Products)
- 1 De-Icing truck with high lift boom (78') Elephant Beta-15
- 1 De-Icing truck with 48' lift for regional jets. (Vestergaard)
- Multiple 400hz GPUs. (AGE 6000 Series)
- 50-gallon LOX cart. (Essex Industries)
- 2 push tugs. (Jetporter JP100S and Eagle XM-30)
- 1 catering truck with scissor lift
- 1 forklift capable of lifting 5,000lbs
- 1 K-Loader
- Multiple tow bars
- Lav carts. (AERO LC270-RJ3E Electric Lavatory Service Cart)
- 2 crew cars
- 1 crew van
- Multiple engine stands, including a B5 stand
- 1 beltloader (NBL-Electric)



- 1 baggage tug and 5 baggage carts. (TUG JST-Electric)
- 1 pickup truck F250 with snow blade (contract services with Piscataqua Landscaping)

Number of persons to be employed:

Employees to cover 24hr operations
3 Line service and 2 customer service per morning and evening shift
2 Line service employees overnight
1 General Manager
1 Fuel Accountant

21 Total Employees

Hours of operation:

24-hour operations

Additional Information:

What course of action will Million Air take should they not secure the Military Contract in 2021?

Million Air is committed to an operation at PSM and will continue with the Phase II build of the FBO without the military contract. We would look to grow the GA business and use our close connections with the commercial airlines to attract divert, charter, and fuel stop options for PSM. Million Air has many network wide agreements (for example, NetJets, Vista Jet, Solaris etc.) and our customers choose the Million Air brand when possible. PSM today does not capture this market and the current FBO is not part of our national branding programs.

What is the backup plan for equipment should Million Air have a break down?

Million Air has agreements in place with American Airlines to rent equipment at MAGSA rates in these situations. We will also be using C&G Truck and Heavy Repair Inc. to perform maintenance on the equipment. Additionally, through our network we can reposition equipment from our ALB and HPN locations within hours if needed.

What happens if there is an environmental spill?

Million Air will use the services of ACV Enviro who are a national company with a local facility near Portsmouth. They are available 24/7 and have a 30-minute response time to the airport.

How many parking spots are needed for the FBO?

A traffic analysis was performed using the 2018 and 2019 average flight arrivals to KPSM and an evaluation of Million Air staffing number. The following graph for GA traffic (Including PSM tenant Plane Sense, who have their own hangar facility) shows a daily average of 14 flights.

MILLION AIR



We can assume the following:

- 6 employee parking spots
- 2 crew cars
- 2 rental cars
- 1 crew van
- Passengers – 6 parking spots
- Additional peak times spots – 3

Total Parking Spot requirement - 20

Upon receipt of this application, please forward to the Pease Development Authority Airport Committee for consideration at the next scheduled meeting of the Authority.

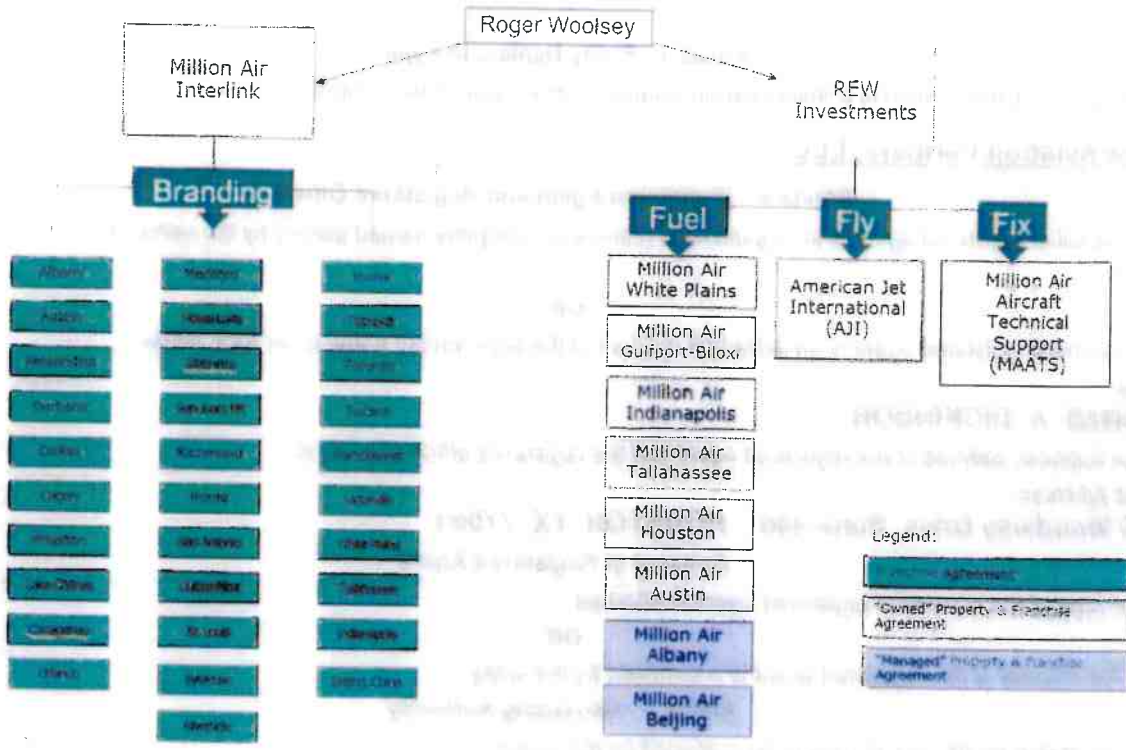
Sincerely,

Charles Suma, COO

Minimum Standard	Phase 1	Phase 2
Aircraft Fuel and Oil Sales		
1) Storage and Into-plane - Jet A and 100LL and Lubricants	3 X 30,000gal Double walled Jet A Storage, 5000gal 100LL Storage	3 X 30,000gal Double walled Jet A Storage, 5000gal 100LL Storage
2) Min Two 5,000+ gal Jet A dispensing Trucks	2 X 10,000 Gallon Skymark Refueler Tanker Trucks	3 X 10,000 Gallon Skymark Refueler Tanker Trucks
3) Min. Two 500+ gal 100LL dispensing trucks	2 X 1000 Gallon Skymark Avgas Refuel Trucks	2 X 1000 Gallon Skymark Avgas Refuel Trucks
4) Min 12 Month fuel dispensing reports (note 139 records 24 mo)	TFBO Software used in all locations	TFBO Software used in all locations
Aircraft Deicing		
1) Min One Deicing vehicle - heated glycol	1 De-Icing truck with installed heater system (see Equipment List)	2 De-Icing truck with installed heater system (see Equipment List)
2) Report forms (PDA)	Yes	Yes
Ground Handling (Aircraft Guidance, Parking and Tiedown)		
1) Aircraft Guidance - Radio equipped - Follow me	Yes, Pick up truck (See Equipment List)	Yes, Pick up truck (see Equipment List)
2) Tie-Down Facilities and Equipment	To be installed 3 tie-down hooks (See Equipment List)	4 tie-down hooks near Hangar (see Equipment List)
3) Equipment Capable of Towing Aircraft	Eagle and Leckto Tugs (See Equipment List)	Eagle and Leckto Tugs (see Equipment List)
Customer Service		
1) Passenger Facilities - Passenger Lounge, equipped as per Pg 6	3000 Sq Ft Office space	6500 Sq Ft State of the art New FBO Facility
2) Conveniently located crew lounge	Yes (see attached plans - Temp FBO 1 & 2)	Yes (see attached concept designs)
3) Restroom facilities for passengers and crew	Yes (see attached plans - Temp FBO 1 & 2)	Yes (see attached concept designs)
4) Courtesy Transportation	2 Mercedes and 1 mini van	2 Mercedes and 1 mini van
5) Flight Planning facility	Yes (see attached plans - Temp FBO 1 & 2)	Yes (see attached concept designs)
6) Aviation sales - Pilot supplies	Yes (see attached plans - Temp FBO 1 & 2)	Yes (see attached concept designs)
Line Service		
1) Equipped for aircraft service including domestic and international waste etc.	International Trash License obtained	International Trash License obtained
2) GSE - including energizers and starters, GPU etc.	2 GPUs and 2 Air Starts (see Equipment List)	1 GPUs and 2 Air Starts (see Equipment List)
3) Equipment to move min 75,000 lbs. aircraft	Lecktro Tug (see Equipment List)	Lecktro Tug (see Equipment List)
Hangar Space		
1) Min 12,000 sq.ft.	Existing 17,000 Sq Ft Hangar (see attached Plans FBO 1 & 2)	New State of the Art 12,000 sq ft Hangar
Aircraft Recovery		
1) Equipment, personnel and material to removed a disabled aircraft min 12,500 lbs.	Nitro Cart and universal Tow bar, Eagle Tug. (see Equipment List)	Nitro Cart and universal Tow bar, Eagle Tug. (see Equipment List)
Collection of Fees		
1) Personnel to collect fees	Staffed 24 hours	Staffed 24 hours
Snow Removal Services		
1) Owned, leased or contracted SRE for Parking Apron Managed by FBO	Owned F250 with plow blade attached. Local company contract for snow removal	Owned F250 with plow blade attached. Local company contract for snow removal
Minimum Land and Facility Requirements		
1) Min ground area lease (determined PDA)	1.46 Acres	2.65 Acres
2) Min 1 Hangar - 12,000 sq.ft. of aircraft storage space	17,000 Sq Ft Existing Hangar	New Hangar to be constructed 12,000sq ft
3) Office/terminal facility - Min 2,000 sq ft	3000 Sq Ft Office space	6500 Sq Ft Office Space
4) Management of Paved Apron not less than 150,000 sq.ft.	Combination of in front of the FBO and other agreed areas nearby agreed by "airport"	Combination of in front of the FBO and other agreed areas nearby agreed by "airport"
5) Permanent fuel storage min 36,000 gal Jet A, 5,000 Gal 100LL (Compliant)	New Permanent Fuel Farm build (see conceptual design)	New Permanent Fuel Farm build (see conceptual design)
6) Paved off Street Parking outside ARA but within leased premises (per PDA)	Combination of 16 current parking spots and additional overflow to be shuttled to FBO	30 Parking Spots at new FBO
Minimum Management and Staffing		
1) On-Site Manager	General Manager (Salaried)	General Manager (Salaried)
2) Adequate number Trained Qualified Staff	Staffing to allow 3 Line Service, 2 customer service each shift (Total staff 21)	Staffing to allow 3 Line Service, 2 customer service each shift (Total staff 21)
3) Uniforms and Protective clothing and PPE	Company Provided	Company Provided
Minimum Hours of Operation		
1) min 7:00a.m. - 10:00a.m. Daily	24Hr operation	24Hr operation
Minimum Insurance Requirements		
1) Conform PDA RMP	Yes through Epic Brokers	Yes through Epic Brokers
Minimum Service Standards-Permitted Services		
1) Additional services? Min standards for those.	None	Food Truck Options
Rates and Charges for Services		
1) Rates and Charges for services filed with PDA	GPU: \$25/Hour LAV: \$75 per hole Ramp Fees: \$450 waived with 450 gal fuel Potable Water \$35 flat rate Belt Loader \$85 De-Icing: Type 1 \$ 18 per gallon, Type 4 \$20 per gallon	GPU: \$25/Hour LAV: \$75 per hole Ramp Fees: \$450 waived with 450 gal fuel Potable Water \$35 flat rate Belt Loader \$85 De-Icing: Type 1 \$ 18 per gallon, Type 4 \$20 per gallon
NH STATE Registration (NHDOT, etc.)	NH Business Permit, Fuel Farm build	NH Business Permit, Required construction permits
Application as per 1.03 of PSM Minimum Standards for GA	Please see attachment (Application Procedure)	Please see attachment (Application Procedure)

EXHIBIT A

Structure of Million Air



Secretary of State
P.O. Box 13697
Austin, TX 78711-3697
FAX: 512/463-5709



**Certificate of Formation
Limited Liability Company**

Filed in the Office of the
Secretary of State of Texas
Filing #: 803791270 10/09/2020
Document #: 1000969550002
Image Generated Electronically
for Web Filing

Filing Fee: \$300

Article 1 - Entity Name and Type

The filing entity being formed is a limited liability company. The name of the entity is:

Pease Aviation Partners, LLC

Article 2 – Registered Agent and Registered Office

A. The initial registered agent is an organization (cannot be company named above) by the name of:

OR

B. The initial registered agent is an individual resident of the state whose name is set forth below:

Name:

THOMAS A DICKINSON

C. The business address of the registered agent and the registered office address is:

Street Address:

7660 Woodway Drive, Suite 460 HOUSTON TX 77063

Consent of Registered Agent

A. A copy of the consent of registered agent is attached.

OR

B. The consent of the registered agent is maintained by the entity.

Article 3 - Governing Authority

A. The limited liability company is to be managed by managers.

OR

B. The limited liability company will not have managers. Management of the company is reserved to the members.

The names and addresses of the governing persons are set forth below:

Manager 1: (Business Name) **REW Investments, Inc.**

Address: **7555 Ipswich Road Houston TX, USA 77061**

Article 4 - Purpose

The purpose for which the company is organized is for the transaction of any and all lawful business for which limited liability companies may be organized under the Texas Business Organizations Code.

Supplemental Provisions / Information

[The attached addendum, if any, is incorporated herein by reference.]

Organizer

The name and address of the organizer are set forth below.

Roger Woolsey 7555 Ipswich Road, 7555 Ipswich Road, Houston, TX 77061

Effectiveness of Filing

A. This document becomes effective when the document is filed by the secretary of state.

OR

B. This document becomes effective at a later date, which is not more than ninety (90) days from the date of its signing. The delayed effective date is:

Execution

The undersigned affirms that the person designated as registered agent has consented to the appointment. The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument and certifies under penalty of perjury that the undersigned is authorized under the provisions of law governing the entity to execute the filing instrument.

Roger Woolsey

Signature of Organizer

FILING OFFICE COPY

Business Information

Business Details

Business Name: MILLION AIR PORTSMOUTH	Business ID: 856584
Business Type: Trade Name	Business Status: Active
Expiration Date: 11/20/2025	Last Renewal Date: Not Available
Business Creation Date: 11/20/2020	Name in State of Formation: Not Available
Date of Formation in Jurisdiction: 11/20/2020	
Principal Office Address: 7555 Ipswich Road, Houston, TX, 77061, USA	Mailing Address: 7555 Ipswich Road, Houston, TX, 77061, USA
Business Email: lwilliams@millionair.com	Phone #: 713-640-4020
Notification Email: NONE	Fiscal Year End Date: NONE

Principal Purpose

S.No	NAICS Code	NAICS Subcode
1	OTHER / FBO Ops 48 Transportation 190 Other support activities for air transportation	

Page 1 of 1, records 1 to 1 of 1

Trade Name Information

Business Name	Business ID	Business Status
---------------	-------------	-----------------

Trade Name Owned By

Name	Title	Address
PEASE AVIATION PARTNERS, LLC (/online/BusinessInquire/TradeNameInformation? businessID=689573)	Business	Good Standing

Trademark Information

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

No records to view.

[Filing History](#) [Address History](#) [View All Other Addresses](#)

[Businesses Linked to Registered Agent](#) [Return to Search](#) [Back](#)

[Contact Us](#)

[\(/online/Home/ContactUS\)](#)

Version 2.1 © 2014 PCC Technology Group, LLC, All Rights Reserved.

**MINIMUM STANDARDS
FOR COMMERCIAL AND NONCOMMERCIAL
GENERAL AVIATION OPERATORS**

PORTSMOUTH INTERNATIONAL AIRPORT AT PEASE
PEASE INTERNATIONAL TRADEPORT
PORTSMOUTH, NEW HAMPSHIRE

Dated: November 13, 1997

Revised: August 17, 2006

Revised: August 16, 2007

CONTENTS

<u>Article</u>	
1	<u>Introduction</u> <ul style="list-style-type: none">1.01 Statement of Purpose1.02 Definitions1.03 Application Procedure
2	<u>Minimum Standards and Requirements for Full-Service Fixed Base Operators</u> <ul style="list-style-type: none">2.01 Full-Service Fixed Base Operator Required Services2.02 Minimum Standards for Required Services2.03 Minimum Land and Facility Requirements2.04 Minimum Management and Staffing Requirements2.05 Minimum Hours of Operation2.06 Minimum Insurance Requirements2.07 Minimum Service Standards-Permitted Services2.08 Rates and Charges for Services2.09 State Registration
3	<u>Minimum Standards and Requirements for Limited-Service Specialty Operators</u> <ul style="list-style-type: none">3.01 Limitations on Limited-Service Specialty Operators3.02 Limited-Service Specialty Operator Permitted Services3.03 Minimum Standards for Permitted Services3.04 Minimum Land and Improvement Requirements3.05 Minimum Insurance Requirements3.06 Multiple Permitted Services3.07 Sub-operators3.08 Rates and Charges for Services3.09 State Registration
4	<u>Aircraft Sales</u> <ul style="list-style-type: none">4.01 General4.02 Minimum Service Standards
5	<u>Noncommercial Operators</u> <ul style="list-style-type: none">5.01 Permitted Activities5.02 Prohibited Activities5.03 Flying Clubs
6	<u>Aircraft Fractional Ownership Management Companies</u> <ul style="list-style-type: none">6.01 Definitions6.02 Aircraft Fractional Ownership Management Company Authorized Services6.03 Minimum Standards for Aircraft Fractional Ownership Management Company Authorized Services6.04 Minimum Land and Facility Requirements

- 6.05 Minimum Management and Staffing Requirements
- 6.06 Insurance
- 6.07 State Registration
- 6.08 Aircraft Hangar Space Subletting Services

ARTICLE 1

INTRODUCTION

1.01 STATEMENT OF PURPOSE

These Minimum Standards define minimum standards for the conduct of commercial and noncommercial general aviation activities at Portsmouth International Tradeport at Pease (the "Airport"). This document states the privileges and restrictions associated with each category of activity and sets forth the minimum standards for facilities, land area, improvements, services required, equipment, personnel, operating requirements and hours of operation.

The general aviation development goals of the Pease Development Authority (the "PDA" or the "Authority") are to:

- a. Ensure that general aviation activities at the Airport are conducted in a safe, fair, and equitable manner, in accordance with PDA, state, and federal standards.
- b. Promote first-class general aviation services and facilities.
- c. Assist private developers in promoting business interests at the Airport.

The operating standards outlined in this document are the minimum requirements that must be met by Commercial Operators as a condition of their right to conduct stated commercial activities on the Airport and by Noncommercial Operators as a condition of their right to lease premises on the Airport.

1.02 DEFINITIONS

As used in these Minimum Standards, the following terms will have the following meanings:

- a. "Aircraft" means any aeronautical device including, but not limited to, powered aircraft, gliders, ultra lights, kites, helicopters, gyroscopes, gyro copters, ground effect machines, and balloons.
- b. "Airport" means the entirety of Airport.
- c. "Apron" means a paved area suitable for aircraft parking.
- d. "Building" means the main portion of each structure; all projections or extensions there from; any additions or changes thereto; and all garages, outside platforms and docks, carports, canopies, eaves, and porches. Paving, ground cover, fences, signs, and landscaping shall not be included.

e. "Commercial Operator" means an Entity engaging in an activity that involves, or makes possible, the offering for sale of a general aviation service for the purpose of obtaining earnings, income, compensation, or profit, whether or not such objective is accomplished. All commercial operators must be duly registered with the New Hampshire Department of Transportation, Division of Aeronautics.

f. "Entity" means any person, proprietorship, association, firm, joint venture, partnership, limited liability corporation, corporation, other business organization, or any combination of the above.

g. "Equipment" means all machinery, together with the necessary supplies, tools, and apparatus necessary to the proper conduct of the activity being performed.

h. "Exclusive Right" means a power, privilege, or other right excluding or debarring another from enjoying or exercising a like power, privilege, or right. The granting of an Exclusive Right to conduct a commercial aeronautical activity on an airport developed or improved with federal funds is expressly prohibited.

i. "FAA" as used in this document shall mean the Federal Aviation Administration.

j. "Full-Service Fixed Base Operator" means a general aviation Commercial Operator that is required to offer for sale to the public a range of basic and essential general aviation services and products as specified in Article 2. Additionally, a Full-Service Fixed Base Operator may be permitted to provide for sale other specialized general aviation services as specified in Article 3.

k. "General Aviation" means that portion of civil aviation, which encompasses all facets of aviation except air carriers holding a certificate of public convenience and necessity from the Federal Aviation Administration and large aircraft commercial operators.

l. "Improvements" means all buildings, structures, and facilities including paving, ground cover, fences, signs, and landscaping constructed, installed, or placed on, under, or above any leased area by or with the concurrence of a Lessee and the Airport. Plans and specifications for all Improvements must be approved by the PDA and must meet development standards established by the PDA.

m. "Lease" means a contractual agreement between the PDA and an Entity in which the PDA leases or subleases real property and grants rights and privileges on the Airport to the Entity for the purpose of conducting stated general aviation activities, which agreement is defined in writing and enforceable under law.

n. "Leased Premises" means the entirety of the ground area leased to an entity including all buildings, improvements, and fixed and removable structures identified as the premises in the lease.

- o. "Lessee" means an entity having a valid lease with the PDA.
- p. "Limited-Service Specialty Operator" means a commercial operator that is permitted to offer for sale one or more of the permitted services listed in Article 3, but is not a Full-Service Fixed Base Operator.
- q. "Line Service" means routine day-to-day servicing necessary for the safe operation of an Aircraft and may include recharging batteries, oxygen, braking, and lubrication systems; cleaning Aircraft windows, etc.
- r. "Noncommercial Operator" means an entity or governmental agency, which maintains a facility or provides a general aviation service solely for its own benefit, and not for the benefit of the public. Such noncommercial operators are specifically prohibited from offering general aviation products or services for sale to others.
- s. "Sublease" means a sublease on the Airport granted to an entity by a lessee and approved by the Airport for the use of all or part of the property leased by the Airport to the lessee.
- t. "Sub-Operator" means an entity engaged in any of the general aviation services that a Limited-Service Specialty Operator may provide, which services are provided under a sublease with a Full-Service Fixed Base Operator having a valid Lease with the Airport.
- u. "Tie down" means the paved area on the airport suitable for the parking of aircraft wherein suitable aircraft tie down points have been installed.

1.03 APPLICATION PROCEDURE

Any entity wishing to establish a commercial or noncommercial general aviation activity on the airport shall be furnished a copy of these minimum standards and shall be required to make an application in writing to the PDA Executive Director detailing the following:

- a. The name and address of the applicant.
- b. The proposed land use and/or services to be offered.
- c. The requested or proposed date for commencement of the activity and the term.
- d. The facilities and/or amount of land to be leased.
- e. The cost of building facilities and the method of financing, if applicable.
- f. The financial responsibility and ability of the entity to carry out the activity.

- g. The names and qualification of key personnel to be involved.
- h. The specific types and amounts of insurance to be maintained.
- i. The number of aircraft to be provided, if applicable.
- j. The tools, equipment, services and inventory.
- k. The number of persons to be employed.
- l. The hours of operation.

Upon receipt of the application, it shall be referred to the Pease Development Authority Airport Committee with the recommendations of the Executive Director and considered at the next scheduled meeting of the Authority.

ARTICLE 2

MINIMUM STANDARDS AND REQUIREMENTS FOR FULL-SERVICE FIXED BASE OPERATORS

2.01 FULL-SERVICE FIXED BASE OPERATOR REQUIRED SERVICES

A Full-Service Fixed Base Operator shall provide the following aeronautical services:

- a. Aircraft fuel and oil sales
- b. Aircraft deicing
- c. Ground handling (aircraft guidance, parking, and tie down)
- d. Customer services
- e. Line service
- f. Hangar Space
- g. Aircraft recover
- h. Collection of fees
- i. Snow removal

2.02 MINIMUM STANDARDS FOR REQUIRED SERVICES

a. Aircraft Fuel and Oil Sales

1. Storage and into-plane dispensing of Jet A and 100LL fuel together with a selection of lubricants of sufficient ratings, grades, quality, and quantity to meet the needs of general aviation aircraft using the airport.

2. A minimum of two metered, filter-equipped fueling trucks for dispensing jet fuel, of which at least one has a capacity of not less than 5,000 gallons, which meet all applicable safety requirements.

3. A minimum of two metered, filter-equipped fueling trucks for dispensing 100LL gasoline, of which at least one has a minimum capacity of 500 gallons, which meet all applicable safety requirements.

4. Maintain fuel dispensing reports on file for a minimum of 12 months, and have such reports available for auditing at any time by the Authority.

b. Aircraft Deicing.

1. A minimum of one deicing vehicle capable of applying heated propylene glycol to general aviation aircraft using the Airport.

2. Complete forms provided by the PDA documenting the type and amount of deicing fluid used and the location of the deicing event. Submit completed forms to the PDA Engineering Department within one hour of completion of the deicing event.

c. Ground Handling (Aircraft Guidance, Parking, and Tie Down)

1. Aircraft arrival and departure guidance on the apron to include a properly marked and lighted follow me vehicle capable of two way radio communications with the Air Traffic Control Tower on ramp net frequency.

2. Tie down facilities and equipment, including ropes, chains, or other types of restraining devices and wheel chocks for transient aircraft.

3. Equipment capable of towing aircraft into and out of the hangar(s).

d. Customer Services

1. Passenger facilities for checking in general aviation passengers and baggage, together with a comfortably appointed lounge area with public telephone, light refreshments, current periodicals, and TV service.

2. Conveniently located, heated, and air conditioned lounge area for crews.

3. Restroom facilities for passengers and crews.

4. Courtesy transportation for passengers and crews to general aviation facilities, the air carrier terminal, and downtown locations.

5. A fully equipped flight planning facility with direct communication to the FAA Flight Service Station, local air traffic control, and National Weather Service briefers; adequate supplies of VFR and IFR navigational charts; and other necessary flight planning equipment.

6. An aviation sales counter offering for sale a reasonable variety of pilot supplies, navigation and flight planning equipment, survival equipment, and aircraft and equipment manuals.

e. Line Service

1. Proper equipment for: inflating aircraft tires, cleaning aircraft windows and interiors, servicing aircraft lavatories, and disposal of aircraft waste (domestic and international). A full-service FBO may provide qualified personnel and equipment to repair aircraft tires, service aircraft braking systems, change aircraft engine oil, recharge oxygen systems, replace engine starters, and recharge aircraft batteries.

2. Adequate ground support equipment for normal turnaround of aircraft, including energizers and starters, ground power units, and fire extinguishers.

3. Adequate towing equipment to move aircraft up to 75,000 pounds gross weight safely and efficiently.

f. Hangar Space

A minimum of 12,000 square feet of hangar space to meet public demand for transient, temporary, and long-term aircraft storage.

g. Aircraft Recovery

Equipment, material, and personnel sufficient to remove a disabled aircraft of up to 12,500 pounds gross takeoff weight.

h. Collection of Fees

Personnel to collect landing, parking, and fuel flowage fees from aircraft using the FBO.

i. Snow Removal Services

Adequate owned, leased or contracted equipment to remove snow from the parking apron managed by the FBO.

2.03 MINIMUM LAND AND FACILITY REQUIREMENTS

a. Lease a minimum ground area determined by the PDA.

b. One aircraft hangar with not less than 12,000 square feet of aircraft storage space.

c. An office/terminal facility of not less than 2,000 square feet adequate to accommodate an office, pilot lounge, passenger lounge, telephone, and restroom facilities. This facility may be attached to/part of the aircraft hangar.

d. Management of paved apron area of not less than 150,000 square feet for general aviation parking and tie downs with access to the aircraft hangar. Management responsibilities include installation and maintenance of tie down equipment, sweeping/FOD control, and snow removal.

e. Permanent fuel storage for a minimum of 36,000 gallons of jet fuel and 5,000 gallons of 100LL. The fuel storage tanks shall comply with all applicable federal, state, local, and PDA rules and regulations pertaining to installation, maintenance, operation, fuel handling safety, and environmental protection.

f. Paved off-street parking outside the airport restricted area, but within the leased premises, for the minimum number of paved parking spaces approved by the PDA.

The facility requirements may be met by leasing existing facilities or by new construction. Where existing facilities are to be leased, the foregoing criteria will be used as a general measure of the adequacy of such existing facilities.

All improvements shall be constructed or leased in areas designated for general aviation use in the currently approved Airport Master Plan and shall be in conformance with local laws, ordinances, and regulations and such future property development and design standards as may be adopted by the PDA.

2.04 MINIMUM MANAGEMENT AND STAFFING REOUIREMENTS

a. The activities of a Full-Service Fixed Base Operator on the Airport shall be supervised by an on-site manager who shall at all times be responsible for conducting, in a first-class manner, the services required and permitted herein and in the Full-Service Fixed Base Operator's Lease.

b. An adequate number of properly trained, qualified and, where applicable, licensed staff shall be on duty during required minimum hours of operation, or on call during other times, to provide the level of service specified herein.

c. All employees shall wear uniforms and protective clothing and equipment as appropriate or necessary.

2.05 MINIMUM HOURS OF OPERATION

A Full-Service Fixed Base Operator shall be staffed adequately to provide the required services between the hours of 7:00 a.m. and 10:00 p.m. daily. At all other times, the required services must be available on an on call or prior notice basis.

2.06 MIMIMUM INSURANCE REQUIREMENTS

A Full-Service Fixed Base Operator shall be required to carry insurance in conformance with the PDA's risk management requirements.

2.07 MINIMUM SERVICE STANDARDS-PERMITTED SERVICES

A Full-Service Fixed Base Operator may provide any or all of the permitted services listed in Article 3 and shall be subject to the minimum standards and requirements for Limited Service Specialty Operators set forth in Article 3 of these Minimum Standards.

2.08 RATES AND CHARGES FOR SERVICES

Rates and charges shall be determined by the Full Service Fixed Base Operator and shall be reasonable, competitive, and applied fairly to all users of such services. All rates and charges will be filed with the Airport Manager.

2.09 STATE REGISTRATION

All Full-Service Fixed Base Operators must maintain a current registration with the New Hampshire Department of Transportation, Division of Aeronautics, as required.

ARTICLE 3

MINIMUM STANDARDS AND REQUIREMENTS FOR LIMITED-SERVICE SPECIALTY OPERATORS

3.01 LIMITATIONS ON LIMITED-SERVICE SPECIALTY OPERATORS

The PDA may enter into separate agreements with a Limited-Service Specialty Operator or a Limited-Service Specialty Operator may enter into a Sublease with a Full-Service Fixed Base Operator. In either case, such services will be permitted only in areas designated for such uses on the currently approved Airport Master Plan. Such specialized limited services shall specifically exclude:

- a. The sale of aviation fuel.
- b. Aircraft deicing services.

Any Commercial Operator desiring to perform the services listed in subparagraphs a. or b. above must enter into a Lease with the Airport as a Full-Service Fixed Base Operator and fulfill the obligations of such an operation.

3.02 LIMITED-SERVICE SPECIALTY OPERATOR PERMITTED SERVICES

A Limited-Service Specialty Operator may provide one or more of the following permitted services:

- a. Nonscheduled and Air Charter Services and, as an adjunct to such services, (i) the sublease of aircraft parking space within the hangar facility owned or leased by said Nonscheduled and Air Charter Service Operator, but only if such sublease is allowed explicitly under the applicable lease with PDA or is otherwise approved by PDA, and (ii) the provision of general management services as described in Section 3.03a3 below for aircraft occupying subleased hangar space in accordance with (i) above.

- b. Aircraft Engine and Airframe Overhaul and Repair
- c. Avionics and Instrument Repair
- d. Flight Instruction and Aircraft Rental

3.03 MINIMUM STANDARDS FOR PERMITTED SERVICES

Except as provided in this subsection, Limited-Service Specialty Operators offering the permitted services listed above shall be subject to the minimum standards individually specified

in the Limited-Service Specialty Operator's agreement with the Airport. The following minimum standards shall apply:

a. Nonscheduled and Air Charter Services

1. A Limited-Service Specialty Operator offering nonscheduled and air charter services shall provide the following services and Equipment at least 8 hours per day, 7 days per week and on call at all other times:

- (1) An Aircraft charter or air taxi operation certificated under FAR Part 135.
- (2) Not less than one single-engine Aircraft available for charter or air taxi purposes. All such Aircraft shall be equipped for flight under IFT conditions and shall meet the requirements of FAR Part 135.
- (3) A sufficient number of qualified FAA commercial/instrument or airline transport rated pilots to provide the services required hereunder.
- (4) Adequate services and Equipment for providing passenger check in, handling luggage and ticketing, and suitable courtesy ground transportation.

2. The aircraft hangar space sub-letting service allowed under Section 3.02a(i) shall require a minimum sublease term of ninety (90) consecutive days or greater and a minimum of 3,000 square feet of available hangar space, exclusive of the space occupied by aircraft owned and/or operated by the sublessor Nonscheduled and Air Charter Service Operator.

3. The general management services allowed under Section 3.02a(ii) may include: general walkaround visual aircraft inspection, maintenance record review and development of maintenance plans, preparation of damage history report, airworthiness directive searches, review/preparation of market studies, charter performance analysis, investment and capital model development and analysis, acting as agent to obtain aeronautical services available from other FBOs at the Airport, pilot services (pilot search, pilot pool development, drug testing administration, payroll services, safety and compliance overview assessment and management, and proficiency testing) and other similar general aircraft management and consulting services. The general management services authorized under Section 3.02a(ii) shall not include aircraft maintenance or aircraft inspections that would require the possession of an Airframe and/or Powerplant certificate issued by the FAA or that would require oversight from a holder of an Airframe and/or Powerplant Certificate, brokerage services in connection with any sale of aircraft and/or any of the services authorized under Article 2 and/or Sections 3.02b through d unless such services are authorized pursuant to a written agreement with PDA and otherwise comply with all applicable requirements of these Minimum Standards.

4. All general management services allowed under Section 3.02(ii) shall be provided pursuant to a written agreement with the aircraft owner/operator and by duly qualified personnel pursuant to valid and current licenses or certificates to the extent required by FARs or other applicable provisions of law.

5. Aircraft Fractional Ownership Companies which have been authorized to conduct business at the Airport under the provisions of Article 6 of these Minimum Standards may offer aircraft hangar space subletting services in accordance with Sections 3.02a(i) and 3.03a2 of Article 3.

b. Aircraft Engine and Airframe Overhaul and Repair

A Limited-Service Specialty Operator offering Aircraft engine and airframe overhaul and repair shall provide the following services and Equipment at least 8 hours per day, 5 days per week, with on call service available on one additional day per week:

1. Sufficient Equipment, supplies, and spare parts as required for certification as an FAA-approved repair station, in accordance with FAR Part 43 and FAR Part 145.

2. Uniformed, efficient, and trained personnel in sufficient numbers to meet demand for the services offered, but never less than one person currently FAA certificated as both an airframe and engine mechanic, and (except for FAA certificated repair stations) Aircraft inspector, and one other person not necessarily FAA certificated.

3. A minimum of 5,500 square feet of maintenance shop area.

c. Avionics and Instrument Repair

A Limited-Service Specialty Operator offering avionics and instrument repair shall provide the following services and equipment at least 8 hours per day, 5 days per week, with on-call service available on one additional day per week:

1. Sufficient Equipment and supplies and have available sufficient parts as required for certification as an FAA-approved repair station.

2. Sufficient uniformed, efficient, and trained personnel to meet the minimum standards set forth herein for this type of specialty operation, but never less than one person appropriate to the work performed.

d. Flight instruction and Aircraft Rental

A Limited-Service Specialty Operator offering flight instruction or aircraft rental shall provide the following services and Equipment at least 8 hours per day, 5 days per week, with on-call service available during the remaining two days per week:

1. A flight training school authorized to provide IFR and multi-engine flight instruction in accordance with FAR Part 61.
2. Availability for use for flight training or Aircraft rental at least two certificated and currently airworthy Aircraft. Such Aircraft can be owned or leased.
3. Make available as many flight and ground instructors as needed to meet demand.

3.04 MINIMUM LAND AND IMPROVEMENT REQUIREMENTS

A Limited-Service Specialty Operator offering any permitted service shall be required to:

- a. Lease a minimum ground area determined by the PDA.
- b. Provide a Building of not less than 1,500 square feet equipped with suitable heating, lighting, air conditioning, accommodations for an office and customer lounge, restrooms, and public telephone.
- c. Manage a paved Aircraft parking apron of sufficient size for the activities contemplated, with paved access to the Airport taxiway system and suitable tie down Equipment for all owned or leased Aircraft.
- d. Provide paved off-street parking outside the airport restricted area, but within the Leased Premises, for the minimum number of paved parking spaces approved by the PDA.

The facility requirements may be met by leasing existing facilities or by new construction. Where existing facilities are to be leased, the foregoing criteria will be used as a general measure of the adequacy of such existing facilities.

All improvements shall be constructed or leased in areas designated for general aviation use in the currently approved Airport Master Plan and shall be in conformance with local laws, ordinances, and regulations and such future property development standards as may be adopted by the PDA.

3.05 MINIMUM INSURANCE REQUIREMENTS

A Limited-Service Specialty Operator shall be required to carry insurance in conformance with the PDA's risk management requirements.

3.06 MULTIPLE PERMITTED SERVICES

A Limited-Service Specialty Operator shall be permitted to provide two or more of the permitted services listed in this Article only where it can be demonstrated to the satisfaction of the PDA that the services are in the public interest.

The minimum standards for Limited-Service Specialty operators providing multiple services shall be the same as those established for the individual services outlined herein. Where the individual minimum standards are repetitious, the provisions will not necessarily be cumulative. In such cases, applicable minimum standards will be determined and agreed upon between the Limited-Service Specialty Operator and the PDA in their agreement.

3.07 SUB-OPERATORS

A Sub-Operator shall conduct its business on the Airport in compliance with the same minimum standards and the same terms and conditions as are applicable to the Operator. A copy of all Subleases shall be provided to the Airport Manager.

3.08 RATES AND CHARGES FOR SERVICES

Rates and charges shall be determined by the Limited-Service Specialty Operator and shall be reasonable, competitive and applied fairly to all users of such services. All rates and charges will be filed with the Airport Manager.

3.09 STATE REGISTRATION

All Limited Service Specialty Operators must maintain a current registration with the New Hampshire Department of Transportation, Division of Aeronautics, as required.

ARTICLE 4

AIRCRAFT SALES

4.01 GENERAL

Any Entity wishing to sell new or used Aircraft shall be required either to (1) enter into a Full-Service Fixed Base Operator agreement and meet the requirements of this class of service provider or (2) enter into a subcontractor arrangement with an Entity that has a valid Full-Service Fixed Base Operator agreement with the Airport.

4.02 MINIMUM SERVICE STANDARDS

If Aircraft sales services are offered by an Entity, that Entity shall meet the following requirements and provide the following services at least 8 hours per day, 5 days per week, and shall offer on-call services on at least one additional day per week.

- a. Obtain a sales franchise or dealership agreement with an accredited Aircraft manufacturer, if the sale of new Aircraft is proposed.
- b. Employ as many qualified pilots (current and rated) as needed to demonstrate all the models being offered for sale.
- c. Establish an inventory of all new and used Aircraft for sale and provide a quarterly inventory report to the Airport Manager stating all Aircraft transactions.

ARTICLE 5

NONCOMMERCIAL OPERATORS

5.01 PERMITTED ACTIVITIES

A Noncommercial Operator may undertake the following activities:

- a. The parking on the Leased Premises of any Aircraft owned, leased, or operated by the Noncommercial Operator, and the housing on the Leased Premises of any function necessary to the permitted noncommercial activities.
- b. The maintenance and servicing of its own Aircraft, which shall include overhauling, rebuilding, repairing, inspection, and licensing.
- c. Using public Airport facilities and navigational aids and facilities for purposes of noncommercial landings, takeoffs, and taxiing.
- d. The acquisition, sale, exchange, or disposal of any Aircraft engines, motors, instruments, devices, supplies, and accessories associated with any Aircraft owned, leased, or operated by the Noncommercial Operator, as incidental to its noncommercial activities on the Airport.
- e. The location, construction, erection, maintenance, and removal of Improvements on the Leased Premises (including hangars, shops, and related office space) in accordance with the PDA Land Use Controls and applicable provisions of federal and state law for the purpose of carrying out noncommercial activities.
- f. Aircraft must have a current New Hampshire aircraft registration.

5.02 PROHIBITED ACTIVITIES

- a. The rights and privileges granted to Noncommercial Operators are expressly limited to noncommercial aviation activities, as defined above. These rights and privileges specifically exclude the sale of aviation services, the sale of Equipment or supplies, and repairs of any type whatsoever on aircraft other than those owned or leased by the Noncommercial Operator.
- b. Noncommercial Operators shall not be permitted to acquire, store, or dispense fuel in connection with the operation of Aircraft other than the Aircraft owned, leased, or otherwise operated by the Noncommercial Operator.

5.03 FLYING CLUBS

a. Exempt Flying Clubs

A flying club shall be exempt from the requirements of these Minimum Standards if that flying club meets the following conditions. Violation of such conditions shall be grounds for termination of a flying club's exempt status.

1. The flying club must be a non-profit New Hampshire corporation or partnership.
2. Each member of the flying club must be a bona fide owner of the Aircraft or be a member of the corporation or a partner in the partnership operating the flying club.
3. The flying club may not realize a profit from the operation, maintenance, or replacement of its Aircraft.
4. Flying club Aircraft may not be used by other than bona fide members for rental and by no one for commercial operations.
5. Flight instruction may not be given in flying club Aircraft except when such instruction is given by a Commercial Operator based on the Airport authorized to provide flight instruction or by an instructor who does not receive remuneration in any manner for such service.
6. The flying club shall file with the Airport Manager a copy of its bylaws, articles of incorporation, partnership agreement, or other documents supporting its existence; a complete and current list of the flying club's membership including names of officers and directors; evidence that ownership of flying club Aircraft is vested in the flying club; and the operating rules of the flying club. The books and other records of the flying club shall be available for review at any reasonable time by the Airport Manager or his/her representative.
7. Flying club Aircraft must have a current New Hampshire aircraft registration.

b. Non-Exempt Flying Clubs

Non-exempt flying clubs shall be considered commercial aeronautical activities and shall be subject to these Minimum Standards.

ARTICLE 6

AIRCRAFT FRACTIONAL OWNERSHIP MANAGEMENT COMPANIES

6.01 Definitions

In addition to the Definitions set forth in Section 1.02, the following terms will have the following meanings for purposes of this Article 6 of the Minimum Standards:

a. "Aircraft Fractional Ownership Management Company" shall mean an entity that is conducting aircraft flight operations and providing aeronautical services in accordance with 14 CFR Part 91, Subpart K, and, if applicable, Parts 121 and 135.

b. "Fractional Ownership Aircraft" shall mean (i) an aircraft owned or leased by an Aircraft Fractional Ownership Management Company or by an affiliated asset holding company and used in connection with the provision of Program Services by said Company; (ii) an aircraft owned or leased in part by an Aircraft Fractional Ownership Management Company or by an affiliated asset holding company and for which an undivided interest of at least the minimum percentage allowed by applicable federal aviation regulations is owned or leased for a multi-year term by a separate entity or entities unrelated to the Aircraft Fractional Ownership Management Company owner or lessee and which aircraft is subject to a Program Services multi-year contract with the Aircraft Fractional Ownership Management Company; and/or (iii) an aircraft previously owned or leased by an Aircraft Fractional Ownership Management Company or by an affiliated asset holding company that is now wholly owned or leased to an entity or entities separate from the Aircraft Fractional Ownership Management Company and which aircraft is subject to a Program Services multi-year contract with the Aircraft Fractional Ownership Management Company.

c. "Program Services" shall mean the services required to be provided by an Aircraft Fractional Ownership Management Company to the owner(s) or lessee(s) of a Fractional Ownership Aircraft pursuant to a multi-year contract. "Subpart K" shall mean the regulations set forth in 14 CFR Part 91, Subpart K, as the same may be amended from time to time, applicable to the provision of Program Services at the Airport.

6.02 Aircraft Fractional Ownership Management Company Authorized Services

a. An Aircraft Fractional Ownership Management Company may conduct the following aeronautical services at the Airport, but only to or for the benefit of the Fractional Ownership Aircraft for which the Aircraft Fractional Ownership Management Company owns or leases in whole or in part and/or for which it is obligated or authorized to provide Program Services:

1. Sale and/or leasing of aircraft and interests in aircraft.

2. Aircraft fuel and oil sales and inter-plane dispensing of the same.
3. Aircraft deicing.
4. Ground handling (aircraft guidance, parking, and tie down).
5. Aircraft hangaring.
6. Customer services (checking in passengers and baggage).
7. Aircraft maintenance and servicing (inflate and repair aircraft tires, service aircraft braking systems, change aircraft engine oil, recharge oxygen systems, replace engine starters, recharge aircraft batteries, repair and overhaul avionics systems, clean windows and interiors, service lavatories and dispose of aircraft waste, and conduct general aircraft turnaround activity).
8. Collection of fees (collection of all aircraft landing, storage and other fees due to PDA).
9. Snow removal at designated apron areas of the premises leased by said Company.

b. An Aircraft Fractional Ownership Management Company may conduct the following aeronautical services at the Airport for non-Fractional Ownership Aircraft or for the benefit of owners of aircraft operating at Pease who do not otherwise contract with said Aircraft Ownership Management Company for the provision of Program Services:

1. Provision of flight crew (pilot, co-pilot, and/or attendant(s)) and flight management services (including flight planning and coordination with FAA Flight Service Station and air traffic control).
2. Aircraft maintenance, servicing, and hangaring but only with respect to aircraft for which said Company is providing the services listed in subsection 6.02(b)(1).
3. Sale of new aircraft pursuant to a manufacturer authorized agreement or used aircraft.
4. Servicing of aircraft sold by said Company in accordance with subsection 6.02(b)(3).

c. An Aircraft Ownership Management Company may contract with a Fixed Base Operator authorized by PDA to operate at the Airport to perform any of the services listed in subsections 6.02 (a)(2) through (8), (b)(2) or (b)(4) and, with respect to snow removal activity, with a snow removal contractor authorized by PDA.

6.03 Minimum Standards for Aircraft Fractional Ownership Management Company Authorized Services

a. General

The conduct by an Aircraft Fractional Ownership Management Company of any services authorized in Section 6.02 shall be in accordance with Subpart K; any other pertinent requirements of law; and standards or directives of the PDA relating to safety, environmental or Airport operating requirements.

For services provided under Section 6.02(a) the additional requirements set forth in subsections (b) through (1) of this Section 6.03 must be met to the extent not covered by or inconsistent with Subpart K. For services provided under 6.02(b) the additional requirements set forth in subsections (g) and (h) of this Section 6.03 must be met.

b. Fueling

1. Fueling trucks used to dispense fuel must be metered and filter-equipped and meet all applicable safety requirements.

2. Reports reflecting all fuel dispensed into aircraft must be maintained on file at the Airport for a minimum of 12 months and such reports shall be available for audit at any time by the Authority.

c. Aircraft Deicing

1. Application of heated propylene glycol or any other appropriate substance to aircraft for deicing purposes must be accomplished through appropriate equipment and at areas approved by PDA.

2. Complete forms provided by PDA documenting the type and amount of deicing fluid used and location of each deicing event must be submitted to the PDA Engineering Department within twenty-four (24) hours of completion of the deicing event.

d. Ground Handling

1. Aircraft tie-down must be effected through appropriate ropes, chains or other types of restraint devices, or by wheel chocks.

2. Equipment capable of towing aircraft into and out of the hangar must be utilized.

e. Customer Service

1. Facilities, equipment and staff must be provided to ensure that all required security and safety standards are met.

2. Management or Operations Standards or Specifications must be developed and implemented that provide for: flight planning with direct communication to the FAA Flight Service Station, local air traffic control, and national weather service briefers; and adequate supplies of VFR and IFR navigational charts or electronics flight books or other similar electronic chart system.

f. Snow Removal

1. Adequate equipment to remove snow from the apron under control of said Company shall be utilized and all snow removal activity shall be coordinated and not conflict with PDA Airport snow removal operations.

g. Provision of Flight Crew and Flight Management Services

1. All such services shall be available to persons or entities with whom the Company has contracted under Section 6.02(b) and must be performed by personnel having appropriate licenses and/or certificates and in accordance with applicable federal aviation law requirements and must be supported with the facilities and equipment listed in subsections 2-5, below.

2. Conveniently located, heated, and air conditioned lounge area for crews.

3. Restroom facilities for passengers and crews.

4. Courtesy transportation for passengers and crews to general aviation facilities, the air carrier terminal, and downtown locations.

5. A fully equipped flight planning facility with direct communications to the FAA Flight Service Station, local air traffic control, and National Weather Service briefers; adequate supplies of VFR and IFR navigational charts; and other necessary flight planning equipment.

h. Aircraft Maintenance and Aircraft Servicing

1. Maintenance and servicing activity authorized under Section 6.03(b)(2) and (4) shall be limited to aircraft for which said Company is providing aeronautical services as specified in Section 6.03(b) and shall include: general repair and overhaul of avionics systems,

changing engine oil, recharging oxygen systems, replacing engine starters, recharging batteries, servicing braking systems, repairing and/or inflating tires, cleaning windows and interiors, servicing lavatories and disposal of aircraft waste (domestic and international).

2. All such services shall be conducted by qualified, licensed personnel and with proper equipment in compliance with all applicable requirements of law and with PDA Airport operating and environmental directives.

6.04 Minimum Land and Facility Requirements

- a. Lease a minimum ground area determined by the PDA.
- b. One aircraft hangar with not less than 12,000 square feet of aircraft storage space.
- c. An office/terminal facility of not less than 2,000 square feet adequate to accommodate an office, pilot lounge, passenger lounge, telephone, and restroom facilities. This facility may be attached to/be part of the aircraft hangar.
- d. Management of paved apron area of sufficient size to accommodate the Company's operations for aircraft parking and tie downs with access to the aircraft hangar. Management responsibilities include installation and maintenance of tie down equipment, sweeping/FOD control, and snow removal.
- e. If the Company elects to provide fuel and is authorized by PDA to construct such a facility on its leased premises, permanent fuel storage tanks for jet fuel. The fuel storage tanks shall be of a capacity permitted by agreement with PDA and comply with all applicable federal, state, local, and PDA rules and regulations pertaining to installation, maintenance, operation, fuel handling safety, and environmental protection.
- f. Paved off-street parking outside the airport restricted area, but within the leased premises, for the minimum number of paved parking spaces approved by the PDA.

The facility requirements may be met by leasing existing facilities or by new construction in accordance with a lease/operating agreement with PDA. Where existing facilities are to be leased, the foregoing criteria will be used as a general measure of the adequacy of such existing facilities. All improvements shall be constructed or leased in areas designated for aviation use in the currently approved Airport Master Plan and shall be in conformance with local laws, ordinances, and regulations and such future property development and design standards as may be adopted by the PDA.

6.05 Minimum Management and Staffing Requirements

- a. The activities of every Aircraft Fractional Ownership Management Company on the Airport shall be supervised by an on-site manager who shall at all times be responsible for

conducting, in a first-class manner, the services required and permitted herein and in said Company's lease/operating agreement with PDA.

b. An adequate number of properly trained, qualified and, where applicable, licensed staff shall be on duty during specified hours of operation, or on call during other times, to provide the level of service specified herein.

c. All employees shall wear uniforms and protective clothing and equipment as appropriate or necessary.

6.06 Insurance

An Aircraft Fractional Ownership Management Company shall carry insurance in conformance with the PDA's risk management requirements.

6.07 State Registration

An Aircraft Fractional Ownership Management Company shall maintain a current registration with the New Hampshire Department of Transportation, Division of Aeronautics, as required.

6.08 Aircraft Hangar Space Subletting Services

Aircraft Fractional Ownership Companies which have been authorized to conduct business at the Airport under the provisions of Article 6 of these Minimum Standards may offer aircraft hangar space subletting services in accordance with Sections 3.02a(i) and 3.03a2 of Article 3.

SITE

**MILLION AIR
PORTSMOUTH FACILITIES
CONCEPTUAL DESIGN
53 EXETER STREET
PORTSMOUTH, NH**



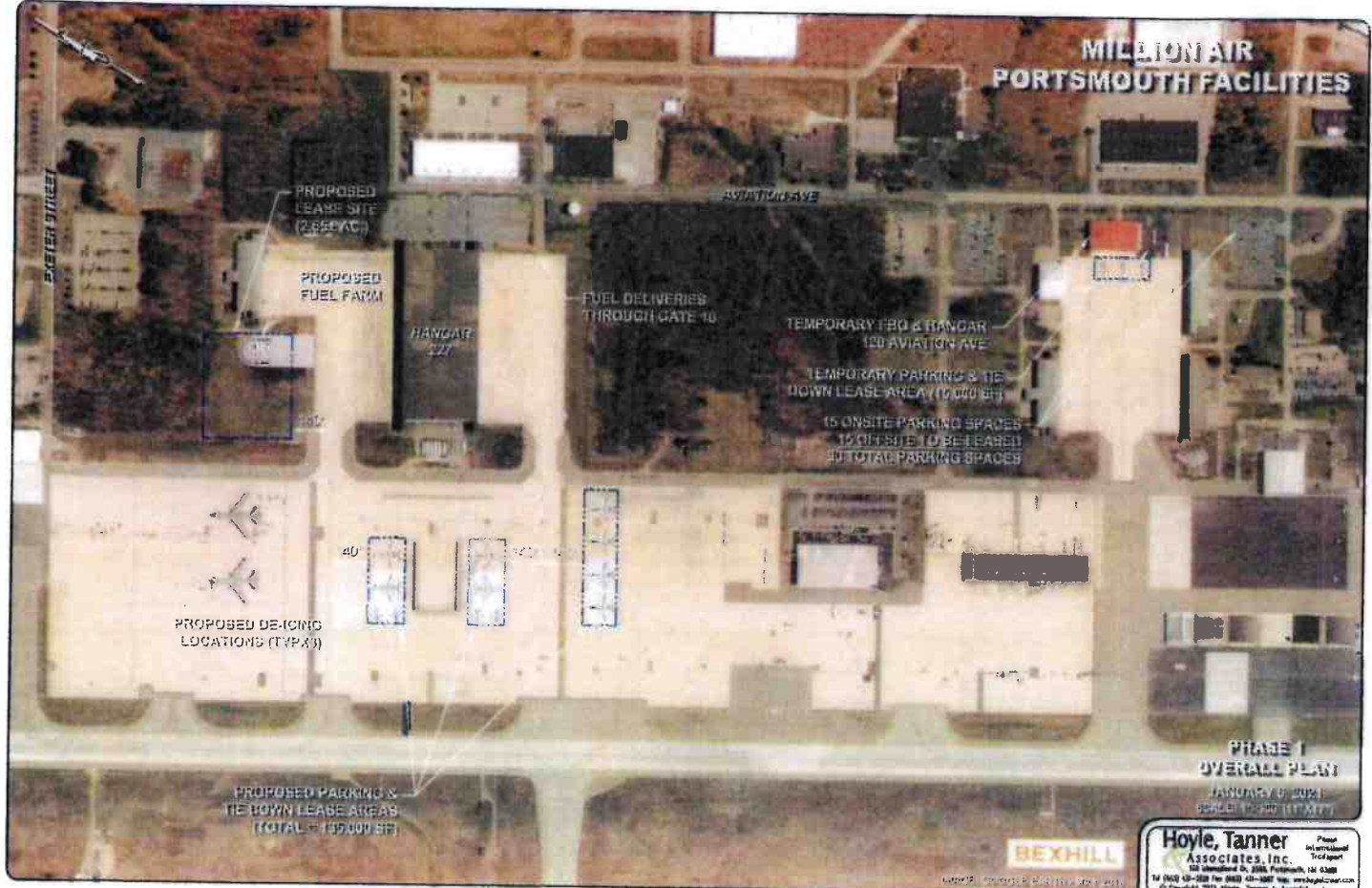
JANUARY 0, 2021
SCALE: 1"=1000' (11"X17")



IMAGE: GOOGLE EARTH - 1/1/2021

Hoyle, Tanner Professional
Engineers
Architects
Associates, Inc.
100 International Dr., Suite 200, Portsmouth, NH 03801
Tel: 603-431-2222 Fax: 603-431-2222 Web: www.hoyletanner.com
© Copyright 2021 Hoyle, Tanner & Associates, Inc.

MILLION AIR PORTSMOUTH FACILITIES



PHASE I
OVERALL PLAN
JANUARY 6, 2011
SCALE: 1"=200' (NOT TO SCALE)

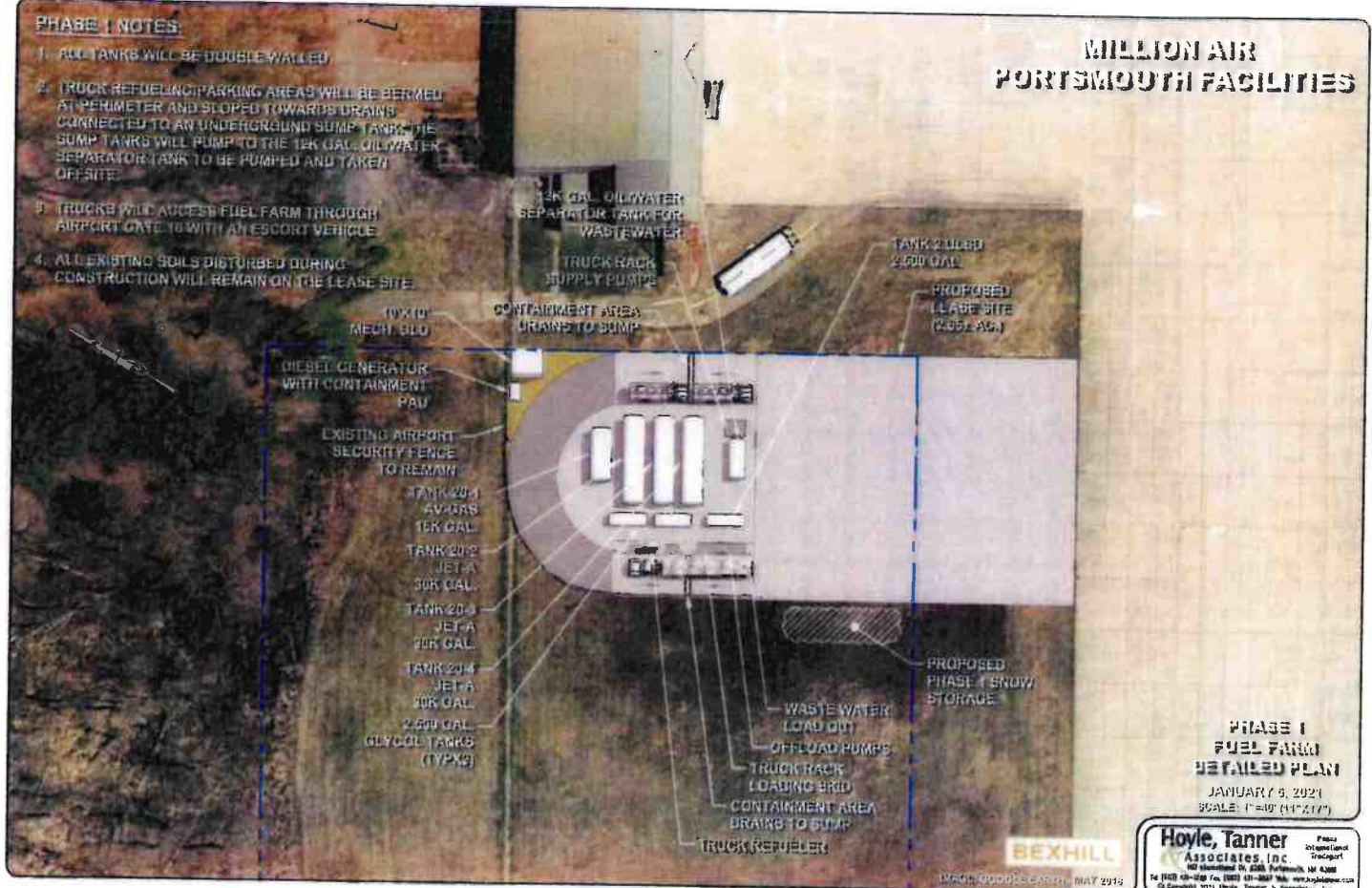
BEXHILL

Hoyle, Tanner
Associates, Inc.
120 Woodland St., 3000, Portsmouth, NH 03801
Tel: (603) 431-2500 Fax: (603) 431-2507 Web: www.hoyletanner.com
© Copyright 2011 Hoyle, Tanner & Associates, Inc.

MILLION AIR PORTSMOUTH FACILITIES

PHASE I NOTES:

1. ALL TANKS WILL BE DOUBLE WALLED
2. TRUCK REFUELING/PARKING AREAS WILL BE BERMED AT PERIMETER AND SLOPED TOWARDS DRAINS CONNECTED TO AN UNDERGROUND SUMP. THE SUMP TANKS WILL PUMP TO THE 15K GAL. OIL/WATER SEPARATOR TANK TO BE PUMPED AND TAKEN OFF-SITE.
3. TRUCKS WILL ACCESS FUEL FARM THROUGH AIRPORT GATE 10 WITH AN ESCORT VEHICLE
4. ALL EXISTING SOILS DISTURBED DURING CONSTRUCTION WILL REMAIN ON THE LEASE SITE.



PHASE I
FUEL FARM
DETAILED PLAN
JANUARY 15, 2021
SCALE: 1"=50' (11" X 17")

Hoyle, Tanner
Associates, Inc.
100 Sandhill Dr. 208, Portsmouth, NH 03801
Tel: (603) 431-2000 Fax: (603) 431-2002 Web: www.hoyletanner.com
© Copyright 2021 Hoyle, Tanner & Associates, Inc.

BEXHILL
MADE POSSIBLE BY THE BIAF 2015

MILLION AIR PORTSMOUTH FACILITIES

NOTE:
A SHUTTLE WILL PROVIDE SERVICE
BETWEEN THE FBO AND THE 16
REMOTE LEASED PARKING SPACES.

AVIATION AVE

TEMPORARY FBO & HANGER

120 AVIATION AVE

16 EXISTING
PARKING SPACES
PAINT 2 ACCESSIBLE PARKING
STALLS & LOADING AREA.
EXISTING ADA SIGNS & RAMP
TO REMAIN

16 PARKING SPACES
TO BE LEASED

HAMPTON STREET



TEMPORARY PARKING & TIE
DOWN LEASE AREA (15,000 SF)

PHASE I
TEMPORARY FBO
DETAILED PLAN

JANUARY 9, 2013
SCALE: 1" = 50' (HORIZONTAL)

BEXHILL

Hoyle, Tanner
Associates, Inc.
100 Woodland Ct., 2005 Portsmouth, NH 03801
Tel: 603-281-2800 Fax: 603-281-0187 Web: www.hoyletanner.com
© Copyright 2013 Hoyle, Tanner & Associates, Inc.

MILLION AIR PORTSMOUTH FACILITIES

FULL BUILD NOTES:

1. TRUCKS WILL ACCESS FUEL FARM THROUGH AIRPORT GATE 16 WITH AN ESCORT VEHICLE IN THE FULL BUILDING CONDITIONS.
2. ALL EXISTING SOILS DISTURBED DURING CONSTRUCTION WILL REMAIN ON THE LEASE SITE.
3. THE SITE GATE AND ALL BUILDING DOORS SHALL BE COORDINATED WITH THE AIRPORT'S ACCESS CONTROLS.



**FULL BUILD OUT
OVERALL PLAN**

JANUARY 6, 2021
SCALE: 1" = 200' (11/21/21)

BEXHILL

Hoyle, Tanner Professional
Engineers
Associates, Inc.
10 Woodland St., Suite, Portsmouth, NH 03801
Tel: 603-431-2000 Fax: 603-431-2002 www.hoyletanner.com
© Copyright 2021 Hoyle, Tanner & Associates, Inc.

MILLION AIR PORTSMOUTH FACILITIES



ZONING

REPORT ZONE	REQ'D	PROVIDED
MIN. LOT AREA	0A	2,992 AC.
MIN. LOT FRONTAGE	0A	0'2"0"
MIN. FRONT YARD	0A	99' FT.
MIN. SIDE YARD	0A	292' FT.
MIN. REAR YARD	0A	99' FT.
MIN. OPEN SPACE	0A	12%

PARKING

TOTAL = 31 SPACES

WETLAND DATA

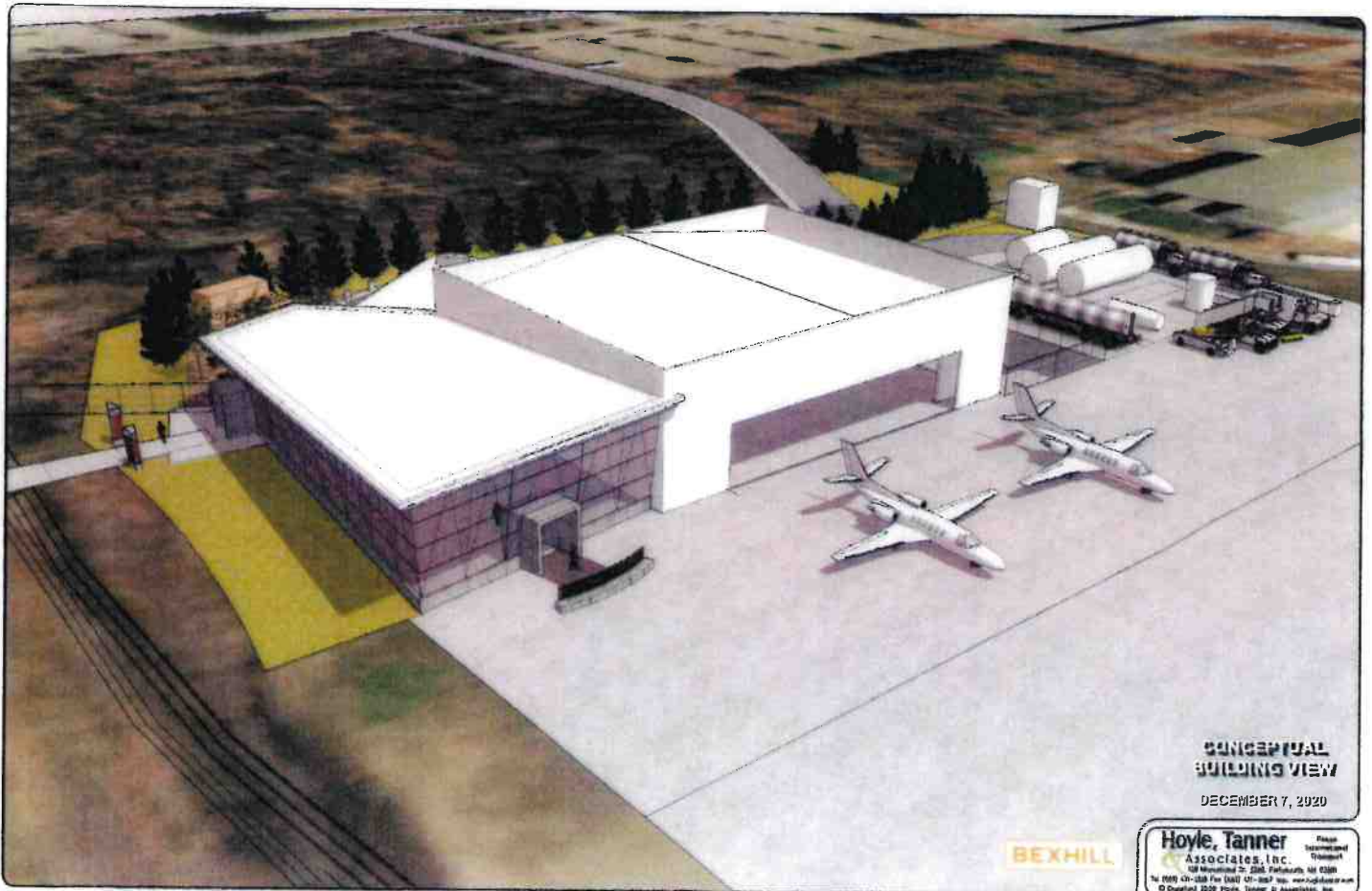
TOTAL WETLANDS COVERAGE = 7,192 SQ. FT.
TOTAL BUFFER IMPACT = 17,299 SQ. FT.

FULL BUILD OUT DETAILED PLAN

JANUARY 5, 2021
SCALE: 1"=100' (11"X17")

Hoyle, Tanner
Associates, Inc.
Professional
Engineers
100 Water Street, 20th Floor, Portsmouth, NH 03801
Tel: 603-431-2000 Fax: (603) 431-2001 Email: info@hoyletanner.com
© Copyright 2021 Hoyle, Tanner & Associates, Inc.

PHOTO: GOOGLE EARTH - MAY 2019

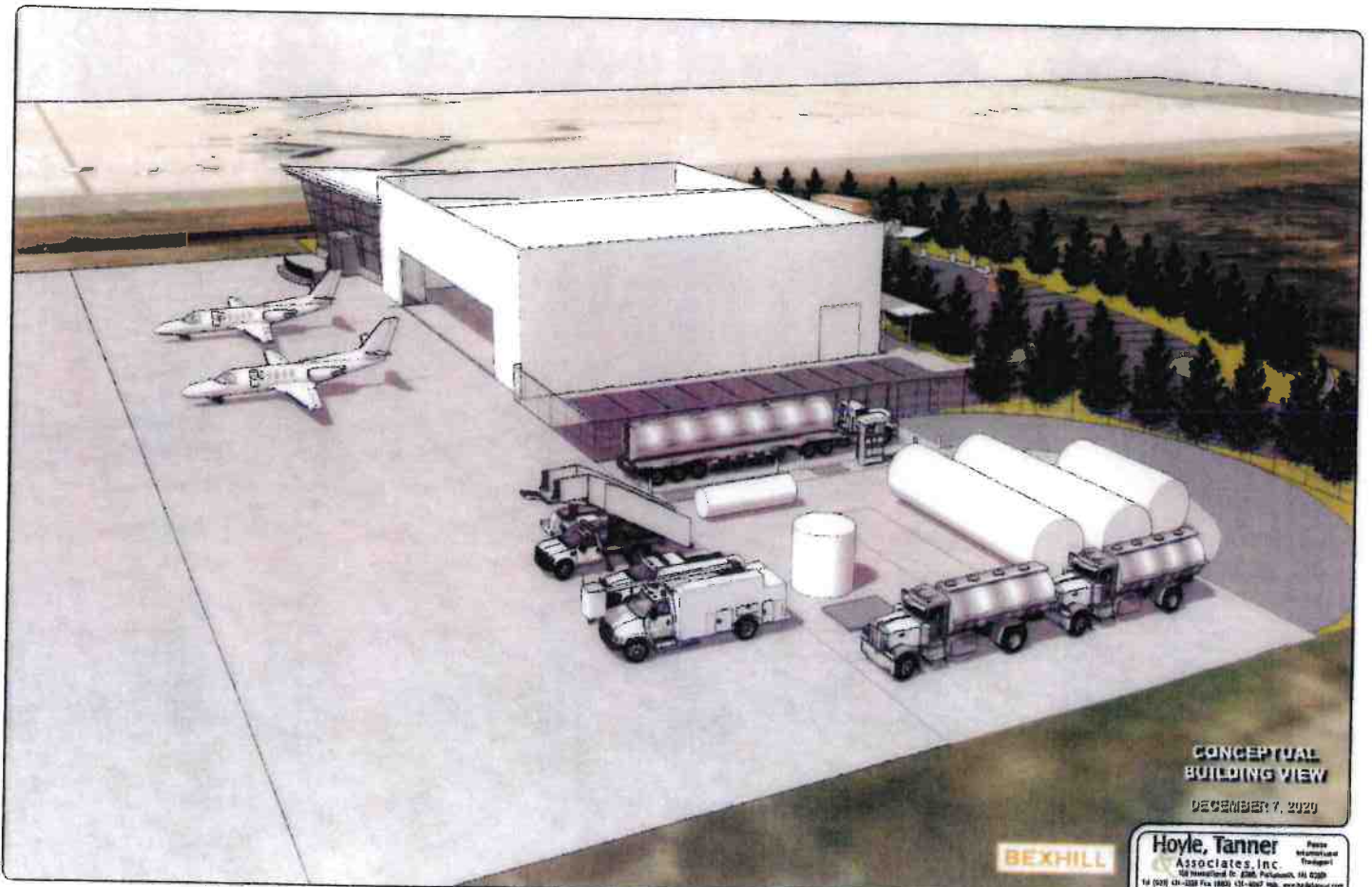


**CONCEPTUAL
BUILDING VIEW**

DECEMBER 7, 2020

BEXHILL

Hoyle Tanner
Associates, Inc.
128 Mountain Dr. 2205, Portsmouth, NH 03801
Tel: 603-431-2288 Fax: 603-431-8857 www.hoyletanner.com
© Copyright 2020 Hoyle, Tanner & Associates, Inc.



CONCEPTUAL
BUILDING VIEW
DECEMBER 7, 2020

BEXHILL

Hoyle, Tanner
Associates, Inc.
138 Woodland Dr. E. 2280, Parkville, MO 64078
1-816-221-4100 Fax 1-816-221-4967 Web: www.hoyletanner.com
© Copyright 2020 Hoyle, Tanner & Associates, Inc.



CONCEPTUAL
BUILDING VIEW
DECEMBER 7, 2023

BEXHILL

Hoyle, Tanner PLANNING
ARCHITECTURE
ENGINEERING
Associates, Inc.
100 International Dr., Suite 200, Perkasie, PA 19370
Tel: (215) 412-2800 Fax: (215) 412-2807 www.hoyletanner.com
© Copyright 2023 Hoyle, Tanner & Associates, Inc.



CONCEPTUAL
BUILDING VIEW
DECEMBER 7, 2020

BEXHILL

Hoyle, Tanner
Associates, Inc.
120 MacArthur St. Suite 4000
Ft. Lauderdale, FL 33301
Tel: 954-333-0222 Fax: 954-333-0887 Web: www.hoyletanner.com
© Copyright 2020 Hoyle, Tanner & Associates, Inc.



CONCEPTUAL
BUILDING VIEW

DECEMBER 2020

BEXHILL

Hoyle, Tanner
Associates, Inc.
300 Memorial Dr., #200, Portsmouth, RI 02871
Tel: 401-833-7500 Fax: 401-833-7501 www.hoyletanner.com
© Copyright 2020 Hoyle, Tanner & Associates, Inc.



CONCEPTUAL
BUILDING VIEW
DECEMBER, 2019

BEXHILL

Hoyle, Tanner
Associates, Inc.
Professional
Engineers
180 Mainland Dr., #300, Portsmouth, NH 03801
Tel: 603-424-2222 Fax: (603) 424-8888 Web: www.hoyletanner.com
© Copyright 2019 Hoyle, Tanner & Associates, Inc.



CONCEPTUAL
BUILDING VIEW
DECEMBER 7, 2018

BEXHILL

Hoyle, Tanner
Associates, Inc.
Parks
Management
Firm
100 Boulevard St., 20th Floor, New York, NY 10038
Tel: (212) 431-2000 Fax: (212) 431-4000 www.hoyletanner.com
© Copyright 2018 Hoyle, Tanner & Associates, Inc.

MEMORANDUM

From: Port City Air, Inc.
Date: January 11, 2021
Subject: Equal protection issues related to Million Air's application

Introduction.

Port City Air prepares this memorandum to identify the preferential treatment that Million Air asks of the Pease Development Authority, and to advocate for equal protection. The PDA required Port City Air to meet the PDA's Minimum Standards for Commercial and Noncommercial General Aviation Operators (the "Minimum Standards"), make major capital investments in buildings and equipment, and nearly complete its permanent facility before it could operate as a fixed-base operator ("FBO") or sell fuel from its interim location. Million Air wants FBO status to pump fuel far earlier in its application process than Port City Air was allowed, and without meeting the Minimum Standards, so it can bid on a military fuel contract.

The reason behind Million Air's rush for approval.

The military accounts for over 76% of the current annual fuel need at Portsmouth International Airport ("KPSM"). The Defense Logistics Agency awards and administers the military fuel contract at KPSM. It only selects one vendor to sell fuel to the military. To bid on that contract, a bidder must either be a FBO at the airport, or it must produce a contract with an established FBO to provide the fuel. Since the PDA decides who operates as an FBO at the airport, or who has an "operational presence" at KPSM, the PDA effectively decides who can bid on the contract.

The military fuel contract permits—but does not guarantee—business in Portsmouth. The Defense Logistics Agency awards the contract, but it does not decide where aircraft land. Mission planners within the various military branches decide where aircraft land. Traditionally, aircraft flying long-haul routes over the Northeast stopped in Bangor, Maine. Port City Air has captured significant market share by offering exceptional service and investing far beyond the Minimum Standards to provide the fast, efficient, and concierge-level service that earns repeat business. Port City Air's efforts benefit the PDA and the Seacoast economy.

Port City Air, using its local network and relationships with local branches of government agencies such as U.S. Customs and Border Protection, ensures that crews can visit Portsmouth at any hour of any day and have the services, facilities, specialized ground-handling equipment, crew cars, food, and hotel reservations to make the most of their stay.

With PDA-endorsed FBO status, or even an endorsement of "operational status," Million Air could bid on the military fuel contract without any of the necessary infrastructure in place to meet the minimum standard or properly service the contract. That means low or no financial risk to Million Air, but a potential loss for the PDA and the Seacoast economy.

Equal protection through consistent process.

For equal-protection reasons and to ensure fair competition, the law directs that the PDA should treat all FBO applicants the same. The State and Federal Constitutions require equal

protection under the laws. N.H. Const. Pt. 1, art. II; U.S. Const. amend. XIV. Equal protection means the government, including governmental bodies like the PDA, must treat similarly situated persons (including companies) the same unless an adequate basis exists for different treatment.

Here, where both Port City Air and Million Air are or seek to be FBOs at the airport, they are similarly situated so the PDA should treat them the same. That means the PDA should not give Million Air procedural shortcuts that it did not provide to Port City Air because doing so would amount to an anti-competitive, unfair advantage that violates the PDA's own rules and processes.

The PDA applied a rigorous process to Port City Air.

The PDA set forth and documented its requirements of Port City Air when it became an FBO at the airport. In a 1998 memorandum, attached as **Exhibit 1**, the PDA spelled out the "conditions [Port City Air] needs to meet prior to becoming a full service FBO, i.e. before Port City may sell fuel". **Ex. 1** at 2. The memorandum laid out the minimum standards that Port City Air had to meet. Of note, Port City Air had to:

- 1) Secure 12,000 square feet of hangar space but was not allowed to count hangar space already leased for other purposes (in Port City Air's case, its Part 145 repair station that had been operational at KPSM for three years in 12,000 square feet of leased space within a 24,000 square foot hangar). **Ex. 1** at 2.
- 2) Remove "shade shelters," which are large aircraft shelters. **Ex. 1** at 2.
- 3) Commence construction operations for its permanent facility, which included obtaining a fully approved site plan, building permits, signed lease with the PDA, a signed contract with the contractor, and a construction bond/site review agreement. **Ex. 1** at 2.

Again in 2000, the PDA, as demonstrated by the letter attached as **Exhibit 2**, confirmed the above-described arrangement and provided further clarification. The PDA did not allow Port City Air to commence operations as an FBO, even though Port City Air had interim premises (which had been fully operational for over five years as KPSM's only Part 145 repair station), until it:

- 1) Met the Minimum Standards. **Ex. 2** at 2-3.
- 2) Commenced construction of the permanent facility, including "provision of evidence that Port City Air has placed a non-refundable order for the steel required to complete construction of the Facility, or the posting of a guarantee to ensure the Commencement of Construction of the Facility in such form as is acceptable to and has received the prior approval of the PDA Board of Directors;" **Ex. 2** at 2-3.
- 3) Incorporated all the Airport Committee's recommendations.

The PDA's later communications show that the PDA withheld fueling permission until even later in the process than the 1998 letter or 2000 memorandum required. In July 2002, the PDA determined that Port City Air had met the Minimum Standards, but it did not permit fueling

operations for another eight months, until Port City Air had almost completed construction of its permanent FBO facility. The letters proving that sequence are attached as **Exhibit 3**.

In general, it has consistently been the PDA's practice to apply a lengthy, highly detailed review process to all of Port City Air's requests related to new facilities or facility upgrades, including upgrades to Port City Air's fuel farm and lease expansion. Port City Air began the application process for its lease expansion in September of 2018, which it recently completed in September 2020. Port City Air applied for its fuel farm renovation in July of 2020 and the site and technical review process is still ongoing. While Port City Air fully supports and respects the PDA's review process, it is unfair and inequitable for the PDA to grant Million Air FBO or "operational status" on a faster and more expedited timetable than the PDA offered Port City Air even to improve existing facilities.

Million Air seeks preferential treatment.

Million Air requests a different, preferential arrangement. It does not want to be required to make the same capital investment before obtaining FBO status. Million Air explicitly states that it wants to terminate its Lease if it "is precluded from completing construction of the fuel farm before such date that would permit [Million Air] to bid for the upcoming military fuel contract." See Million Air's Letter of Intent ("LOI") at 8. Million Air proposes to "commence construction of the fuel farm, followed by the FBO building and hangar" "[i]mmediately upon execution of the Agreement." LOI at 5. Further, it proposes a two-phase operations plan, where it would operate out of an interim premises. LOI at 5.

Million Air's proposal is different, preferential, and unfair because, unlike the rules and procedures applied to Port City Air:

- 1) Million Air would be allowed to establish an "operational presence" on the field without having invested any meaningful resources at KPSM.
- 2) Million Air could immediately construct a fuel farm on a timeline that permits it to service the military fuel contract. The PDA is currently requiring Port City Air to follow a one-plus year process to simply renovate a pre-existing fuel farm.
- 3) Million Air could begin fueling aircraft without commencing construction of its permanent facility; making a non-refundable order for steel to build its facility or posting a guarantee to ensure construction; or nearly completing construction of its permanent facility. The PDA required Port City Air to meet those steps before it could sell fuel.
- 4) Million Air could run its first operational phase without meeting Minimum Standards. Million Air's LOI only proposes that Phase II will meet the Minimum Standards. LOI at 5 ("Construction/Operating Phase").
- 5) Million Air's proposed interim hangar space is currently full of long-term storage aircraft. The proposed sublease does not grant exclusive rights to the hangar and there is no guarantee that the hangar space could be used to service FBO customers. The PDA would not allow Port City Air to count hangar space used for another purpose (a repair station) towards the Minimum Standards' 12,000 square-foot requirement.

- 6) Million Air would obtain FBO status, the only credential necessary to bid on the military fuel contract, before beginning construction or making any capital investment. The PDA only granted FBO status to Port City Air after it made capital investments, met the Minimum Standards with an interim facility, and nearly completed its permanent facility. See Ex. 3.

The PDA also required Port City Air to incorporate recommendations by the airport committee before it could sell fuel. Here, Million Air submitted a 55-page FBO application on January 7, 2021, which was not provided to the Airport Committee until mid-day on January 8. That left only one business day for the Airport Committee to review the FBO application and make recommendations before potentially granting the FBO application.

This hurry-up timeline precludes the Airport Committee from conducting a meaningful review of the application. It also precludes any meaningful opportunity for public review or comment.

The preferential treatment poses a risk to the PDA and Seacoast economy.

Approving Million Air's request for preferential treatment would permit Million Air to bid on the military fuel contract before it meets either the Minimum Standards or the heightened bar necessary to earn and keep repeat business with military customers. If Million Air fails to meet the concierge-level service that Port City Air provides, military customers could return to Bangor, Maine, or visit other locations in the Northeast such as Rome, New York, where Million Air has a new facility with its own military fuel contract.¹ If that happens, Million Air could still attract market share while Portsmouth would lose its military customers and the direct and indirect revenue it brings to the Seacoast community and the state.

The erosion of the PDA's Minimum Standards and FBO admission program would not likely stop with the Letter of Intent or the FBO application. By throwing out the Minimum Standards and hastening the PDA's regulatory processes, Million Air could win the military fuel contract without any assets in place. In that event, KPSM's success will depend on Million Air's success, creating an environment where the PDA risks having to make more concessions to Million Air or lose airport traffic.

Conclusion.

The Minimum Standards that were applied to Port City Air ensured that Port City Air was fully ready to service aircraft before it received PDA approval. Million Air proposes to become a PDA-permitted FBO or to claim operational footing at KPSM with little or no investment, and without having any assets in place. That would permit Million Air to win the military contract without any guarantee that it could support or keep KPSM's current level of military business. That unequal application of the law benefits Million Air but hurts Port City Air and puts the PDA and the Seacoast economy at risk.

¹ Million Air advertises its Rome, NY location as having a "DLA Approved Aviation Fuel and Ground Services" arrangement. See <https://www.millionair.com/locations/rme/>.

MEMORANDUM FOR THE DIRECTOR

DATE: 10/15/54
SUBJECT: [Illegible]

MEMO



Exhibit 1

[Illegible text block]

PEASE DEVELOPMENT AUTHORITY

Airport Management Department, Pease International Tradeport
36 Airline Avenue, Portsmouth, New Hampshire 03801
(603) 433-6536 Fax: (603) 334-6135 TDD: Relay NH 1-800-735-2964



Memo

To: Richard Collier, Port City Aircraft Repair, Inc.
From: Mark Rowell *Mark Rowell*
Subject: Full Service FBO
Date: May 15, 1998
CC: George Meyer, George Bald, Jerry Dexter, Lynn Hummel

I have attached a list of conditions Port City Aircraft Repair, Inc. needs to meet prior to becoming a Full Service FBO and an outline of the process you need to follow. These documents are not intended to replace anything in the PDA Minimum Standards for Commercial and Noncommercial General Aviation Operators dated November 13, 1997.

I have also attached a diagram of the southern end of the General Aviation Area with the site you might want to focus on highlighted. Please keep in mind our interest in developing the 20± acre lot to the south of the apron. We would be happy to review any preliminary layout you might have before you invest a lot of time in it only to find it is unworkable/unacceptable.

CONDITIONS

Conditions Port City Aircraft Repair, Inc. needs to meet prior to becoming a full service FBO, i.e. before Port City may sell fuel:

A minimum of 12,000 s.f. of suitable temporary hangar space and 2,000 s.f. of suitable/properly equipped temporary office/terminal space (ADA compliant) leased at \$3.25 per s.f.. Note: Bldg 110/307 is less than 2,000 s.f. (1,300 s.f. \approx) so some office facilities would need to be located elsewhere, perhaps in Hangar 213. Also, 5,500 s.f. of Hangar 213 is required to meet the minimum standards for Port City's limited service specialty operation and should not be applied to the 12,000 s.f. of hangar required of a full service FBO.

A minimum of 30 temporary vehicle parking spaces.

Removal of the three southernmost shade shelters.

Installation of tie-downs on the aircraft parking apron.

Construction of the permanent hangar and or office/terminal facility must be underway to include an approved site plan, a building permit, a signed lease with the PDA, a signed contract with the contractor, and a construction bond/site review agreement.

All required insurance must be in place.

All required equipment in place to include:

- 2 - jet fuel trucks (1 5,000 gal min)
- 2 - 100LL trucks (1 500 gal min)
- 1 - deicing vehicle
- 1 - follow me vehicle
- 1 - tow vehicle and tow bars (75,000 lbs capacity)
- Energizers
- Starters
- Ground power units
- Fire extinguishers
- Aircraft recovery equipment (for aircraft up to 12,500 lbs)
- Snow removal equipment/contract
- Equipment to inflate tires, service potable water, service lavatories, dispose of domestic and international waste, cleaning aircraft windows and interiors

Necessary staff to meet minimum standards and required hours of operation must be hired, trained (to include FAR Part 139 fueling training), and available.

05/25/98 10:28 FAX 803 430 1199
PORT CITY AIR
0002

PROCESS

1. Develop a draft layout/site plan of the permanent facility to include:

- Hangar location and size
- Office/terminal location and size
- Aircraft parking apron location (150,000 s.f. minimum)
- Vehicle parking lot location and size (30 vehicles minimum)
- Access road location
- Security fence location

2. Submit the draft layout/site plan along with a time line and business plan to the PDA for staff review.

3. Develop the final layout/site plan, time line and business plan based on PDA staff comments and recommendations.

4. Present the layout/site plan, time line and business plan to the Airport Committee of the PDA Board.

5. Negotiate an LOI with the PDA. The LOI will address the requirements listed under **CONDITIONS** as well as the proposed layout and lease outline for permanent facilities.

6. Present the LOI to the Marketing Committee of the PDA Board.

7. Present the LOI to the PDA Board.

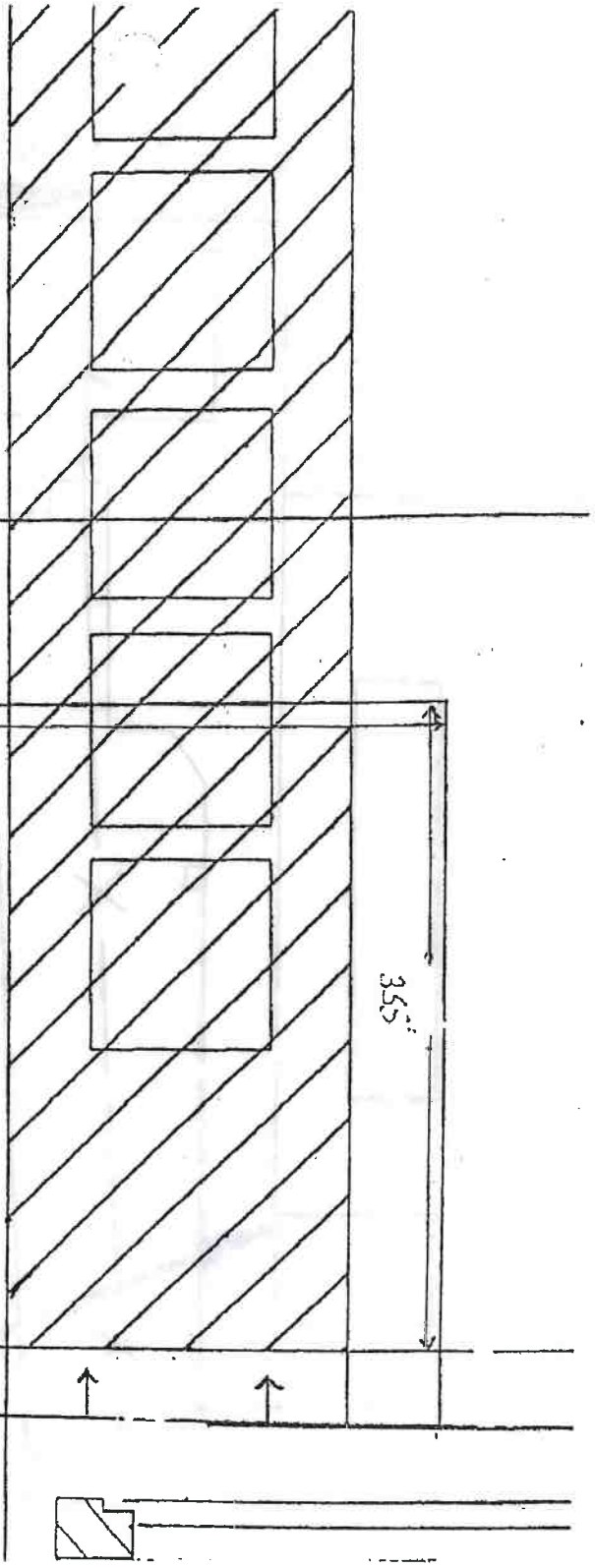
8. Submit the site plan to the Base Conversion Agency for 60 day review process for areas construction in Areas of Special Notice.

9. Schedule a public hearing with the Pease Technical Review Committee and then the PDA Board of Directors to approve the site plan.

10. Satisfy **CONDITIONS** from page 1.

OMETER

North



355'

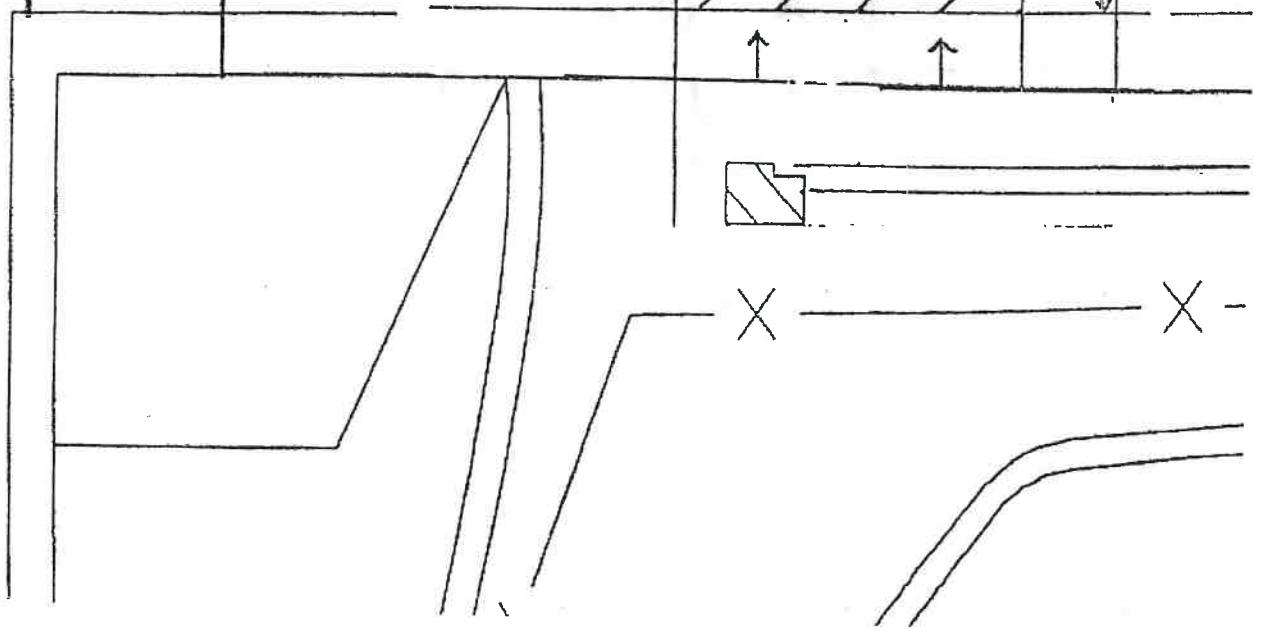
90'

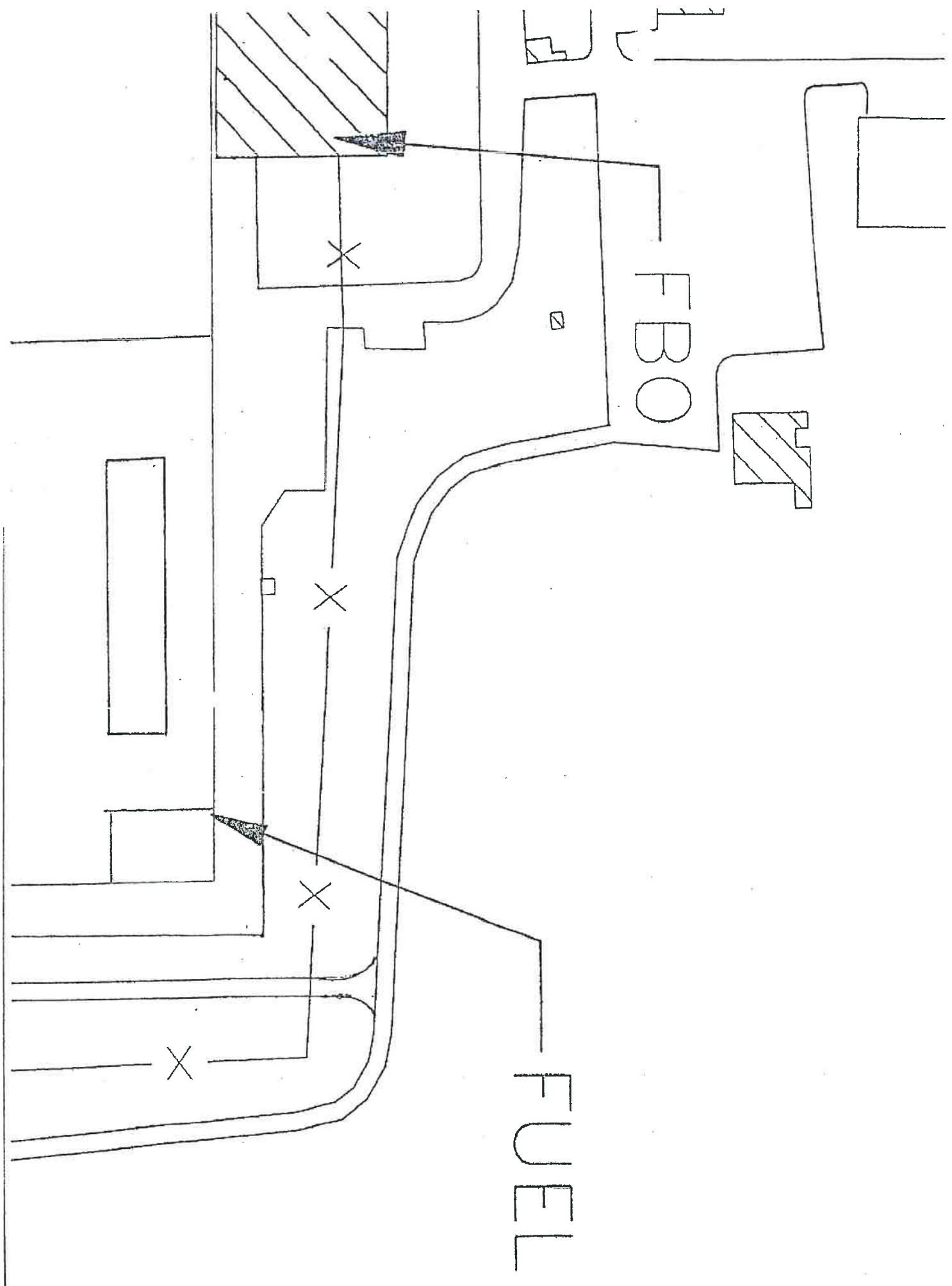
515'



X

X





As a result of the Public Accounting Oversight Board's ("PCAOB") proposed amendments to the auditing standards, the Board of Directors of the Registrant is required to conduct an internal control audit. The Board of Directors has approved the proposed amendments to the auditing standards and the Registrant is in compliance with the requirements of the Sarbanes-Oxley Act of 2002.

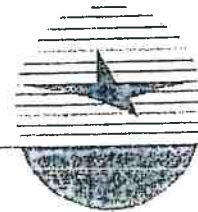
Exhibit 2

When approved by the Board of Directors, the terms set forth in this letter shall constitute a binding agreement between the Registrant and the issuer of the securities. The Registrant agrees to provide the issuer with the information requested in the letter and to cooperate with the issuer in the preparation of the securities offering documents.

The issuer shall be bound by the terms of this letter and shall not be permitted to modify or amend the terms of this letter without the prior written consent of the Registrant.

This letter shall be binding on the issuer and the Registrant from the date of its execution. The issuer shall be bound by the terms of this letter and shall not be permitted to modify or amend the terms of this letter without the prior written consent of the Registrant.

PEASE DEVELOPMENT AUTHORITY



360 Corporate Drive, Pease International Tradeport, Portsmouth NH 03801
(603) 433-6088 Fax: (603) 427-0433 TDD: Relay NH 1-800-735-2964

DRAFT
June 19, 2000

Richard B. Collier, President
Port City Aircraft Repair, Inc.
44 Durham Street
Portsmouth, NH 03802-3021

Dear Mr. Collier:

On behalf of the Pease Development Authority ("PDA"), we are pleased to submit the following outline of terms and conditions of a proposed agreement with Port City Aircraft Repair, Inc. ("Port City") for aviation development at Pease International Tradeport ("Pease"). It is the intent of Port City and PDA that this proposed agreement shall, upon execution, be forwarded to the PDA Board of Directors for approval at its meeting on June 22, 2000. Please note that following approval by the PDA Board of Directors, the application to become a full service Fixed Base Operator will require approval of the PDA Airport Committee.

When approved by the PDA Board of Directors, the terms set forth in this letter shall constitute a Memorandum of Understanding ("MOU") between the parties reflecting our mutual commitment in principle to conclude with due diligence and in good faith an appropriate Lease and/or Sublease (the "Agreement" and/or "Sublease") based upon these terms and such other mutually acceptable terms and conditions as are necessary and appropriate.

The central business terms of our understanding and upon which I am prepared to make a presentation to the PDA Marketing Committee are as follows:

Landlord: Pease Development Authority

Tenant: Port City Aircraft Repair, Inc. d/b/a/ Port City *AIR*

Subleased Premises: For and in consideration of the rents and covenants to be paid and performed by Port City and subject to the terms and conditions set forth herein, PDA agrees to lease and/or sublease to Port City and Port City agrees to lease and/or sublease from PDA the land area described below, which land area is located in the Airport Zone and is shown on the plan (designated as "Second FBO") attached hereto as Attachment No. 1:

A certain parcel of land located on the General Aviation Apron ("Subleased Premises" or "Premises"). The Subleased Premises are estimated to contain [*] +/- square feet excluding any required access road.

Port City at its option and sole expense may conduct a field survey to measure precisely the area square footage of the Subleased Premises. The square footage for the Subleased Premises shall be adjusted to reflect accurate certified survey

results, provided, however, that any such adjustment shall be effective only as of the first day of the next month following submission of the certified field survey to PDA and that Port City shall not be entitled to any retroactive benefits, including rent adjustments. Following receipt of the certified survey results, the Parties shall execute an acknowledgment reflecting the revised area square footage. Failure to execute such an acknowledgment shall not effect either the validity of the Sublease or the effective date of any adjustment to the Annual Ground Rent.

**Right to Use
Apron Area:**

Port City shall have the right in connection with its lease/sublease to certain apron space consisting of 150,000 +/- square feet, which space shall not be part of the Subleased Premises or Interim Premises.

Interim Premises:

Until such time as Port City has completed construction and is in receipt of Certificate of Occupancy of the Facility, as defined below, PDA agrees to lease and/or sublease to Port City and Port City agrees to lease and/or sublease from PDA the land and buildings described below, which land and buildings are located in the Airport Industrial Zone, as more particularly shown on the plan attached as Attachment No. 2:

Building 110 consisting of 1,300+/- square feet and Hangar 213 (also known as 44 Durham Street) consisting of 28,400+/- square feet.

As a condition precedent to its execution of a lease and/or sublease for occupancy of the entirety of Hangar 213, Port City shall provide PDA with a letter from High-Tech Aircraft Corporation ("High-Tech") confirming High-Tech's consent to relinquish its License with PDA and to enter into a sublease agreement with Port City for the portion of Hangar 213 it presently occupies. Port City agrees to enter into a sublease agreement with High-Tech should High-Tech elect to continue occupying a portion of Hangar 213.

Port City at its option and sole expense may conduct a field survey to measure precisely the building area square footage of the Interim Premises measured from the outside edge of the outside walls. The square footage for the Interim Premises shall be adjusted to reflect accurate certified survey results, provided, however, that any such adjustment shall be effective only as of the first day of the next month following submission of the certified field survey to PDA and that Port City shall not be entitled to any retroactive benefits, including rent adjustments. Following receipt of the certified survey results, the Parties shall execute an acknowledgment reflecting the revised building area square footage. Failure to execute such an acknowledgment shall not effect either the validity of the Sublease or the effective date of any adjustment to the Building Area Rent.

**Sublease Term and
Term
Commencement:**

The Agreement shall be effective upon execution and shall continue for a base

Richard B. Collier, President
Port City Aircraft Repair, Inc.
June 19, 2000
Page 3


~~OPEN~~
~~ISSUES~~
Page 7

term of twenty (20) years (the "Base Term") commencing on the earlier to occur of the following events: (i) occupancy of all or any portion of the Subleased Premises or Interim Premises, or (ii) October 1, 2000 (the "Term Commencement Date"), with three (3) successive ten (10) year options to extend the Base Term. In no event shall the Base Term and all option periods extend beyond fifty (50) years from the Term Commencement Date.

Port City's right to exercise its options to extend the Base Term of its Sublease shall be contingent upon the completion of all phases of its planned improvements to the Subleased Premises which improvements are more particularly described hereafter. Further, the Sublease Agreement shall provide that in the event Port City does not construct the Expanded Facility within a mutually agreed period of time, the PDA may require that a portion of the Subleased Premises reserved for construction of the Expanded Facility be removed from the Sublease Agreement returned to the PDA for future development.

**Site Plan and
Design Permitting:**

Notwithstanding the requirements on the Minimum Standards, Port City has agreed that it will undertake and continue with due diligence and at its sole expense construction of [*] +/- square feet of new hangar facilities, with related paving, utilities, landscaping, drainage and associated site improvements (the "Facility") for establishment, operation and maintenance of a fixed base aircraft operation, to include the provision of basic aeronautical services to aircraft and related ground service equipment that may be based on and/or transit the Airport.

Port City has indicated its present intent to undertake at its sole expense the construction of an additional hangar consisting of [*] +/- square feet with related paving, utilities, landscaping, drainage and associated site improvements (the "Expanded Facility") in connection with the establishment, operation and maintenance of a fixed base aircraft operation, which shall include the provision of basic aeronautical services to aircraft and related ground service equipment that may be based on and/or transit the Airport.

Port City acknowledges that PDA's willingness to enter into a Sublease is contingent upon Port City establishing a time line for the construction of the Facility which is acceptable to PDA.

1. Port City shall be solely responsible for the development of plans and specifications for any proposed renovations at the Premises and for making any required submission and obtaining any necessary approval, including subdivision approval, in accordance with the provisions of the PDA Land Use Controls. PDA agrees to use its best efforts (without

obligation on the part of PDA to incur any expenses) to assist Port City in such process.

2. The following is a partial list of issues identified and required to be addressed by Port City and PDA during the negotiation of the Agreement in connection with Port City's proposed development of the Subleased Premises:

- A) Conformance with ALP;
- B) PDA Reservations of Access to Apron/Taxiways;
- C) Adequacy of Parking;
- D) Siting for Noise Mitigation;
- E) Siting for Air Traffic Control Tower Line of Sight;
- F) Subdivision and Site Plan Approval;
- G) Construction of Access from Grafton Drive;
- J) Area of Special Notice Approval;
- K) Deicing Restriction;
- L) Construction Access;
- M) Permanent Road Access;
- N) Location of Fuel Farm/Right of PDA to Relocate Fuel Farm at no additional cost to Port City;
- O) Removal for the Facility of Shelter #'s 1, 2, and 5;
- P) Removal for the Expanded Facility of Shelter #'s 3 and 4, subject to a ground rent credit following receipt of a certificate of occupancy for the Expanded Facility not to exceed \$30,000 per shelter; and
- Q) Installation of utilities, as required.

Building Area Rent: The Building Area Rent due for the Interim Premises, Building 110 and Hangar 213, during the Base Term of the Agreement will be \$3.25 per square foot. The Building Area Rent due for Hangar 214 during the Base Term of the Agreement will be \$2.00 per square foot. Building area rent for the Interim Premises will commence on the Term Commencement Date.

Annual Ground Rent: The annual ground rent ("Ground Rent") per acre for the Subleased Premises during the Base Term of the Agreement will be as follows:

- Years 1 - 5
[commencing on
Certificate of
Occupancy] an annual amount equal to \$.30 per square foot
- Years 6 - 10 an annual payment equal to \$35 per square foot
- Years 11 - 15 and

Richard B. Collier, President
Port City Aircraft Repair, Inc.
June 19, 2000
Page 5

02 PDA SHARES
DEMO COST/SHEETER

50% of the
each five year period
thereafter, including
any applicable option
period

60,000 / better to # 2

an annual payment equal to the per square foot rate for
the previous five year period plus CPI adjustment

The Ground Rent will be based upon the total area of the Subleased Premises,
estimated at[*] +/- square feet, and is subject to adjustment upon final
determination of the exact acreage of the Subleased Premises.

**Escalation
Adjustment:**

CPI Adjustment: As of each adjustment date, the Building Area /Ground Rent shall be adjusted to reflect the change in the Consumer Price Index for All Urban Consumers applicable to the Boston area (base year 1982-1984=100) published by the United States Department of Labor, Bureau of Labor Statistics (the "Index").

On the first day following the expiration of the fifth year of the Base Term of the Agreement and on the first day of each fifth year thereafter (the "Adjustment Date(s)") Building Area /Ground Rent subject to escalation adjustment shall be adjusted as follows:

For the first adjustment, the basis for computing such adjustment shall be the Index most recently published prior to the beginning of the first year of the Base Term ("Beginning Index"). If the Index most recently published prior to the first Adjustment Date ("Extension Index") has increased over the Beginning Index, the rental rates for Building Area /Ground Rent for the one year period commencing as of such Adjustment Date shall be equal to the result obtained by multiplying the rental rate in effect on the Adjustment Date by a fraction, the numerator of which is the Extension Index and the denominator of which is the Beginning Index.

**Condition
of Subleased
Premises:**

Except as otherwise provided herein, Port City shall take the Subleased Premises in an "as is" condition without warranty or representation of any kind; provided, however, Port City shall have no liability or responsibility to PDA for environmental impacts and damage caused by the use of the United States of America - Department of the Air Force ("Air Force" or "Government") of Hazardous Substances on any portion of Pease, including the Subleased Premises. Port City and PDA acknowledge the obligation of the Air Force to indemnify PDA and Port City to the extent required by the provisions of Public Law No. 101-511 Section 8056.

Taxes/Fees/Services: In accordance with the provisions of the Municipal Services Agreement by and between the PDA and the City of Portsmouth with an effective date of July 1,

Richard B. Collier, President
Port City Aircraft Repair, Inc.
June 19, 2000
Page 6

1998, Port City shall pay to PDA a municipal services fee to include the cost of providing police, fire and public works services.

Utilities:

PDA will bring utility lines at reasonable capacities to the points existing as of the Term Commencement Date or such other points as may be designated by PDA. Port City will be responsible for installing and paying for all utilities, including electric, gas, telephone, water and sewer from such points to the Subleased Premises.

Net Lease:

The Agreement shall be triple net to PDA and all costs associated with the use, occupancy, maintenance and insurance of the Premises shall be borne by Port City.

Use:

Full Service Fixed Base Operator and maintenance facility (consistent with the present use by Port City of a portion of Hangar 213)

Sublease and Assignment:

Port City may, subject to Condition 20 of the lease between the PDA and the Air Force ("Master Lease"), without the approval of PDA, assign its rights under the Agreement to or enter into a sublease of the Interim and/or Subleased Premises with an affiliate (i.e., any corporation that controls, is controlled by or is under common control with Port City). For purposes of the preceding sentence, the term "control" shall mean ownership or other beneficial interest in at least fifty-one percent (51%) of the voting stock or other voting interest of a corporation. All other assignments shall be subject to approval of PDA.

PDA shall not unreasonably withhold its consent to any sublease or assignment if: (1) the use of the Interim and/or Subleased Premises associated with any sublease(s) or assignment(s) is permitted under the Agreement, (2) the sublease(s) are consistent with the terms and conditions of the Agreement; provided, however, that Port City may rent the subleased area at rentals deemed appropriate by Port City, (3) Port City remains primarily liable to PDA to pay rent and to perform all other obligations to be performed by Port City under the Agreement, and (4) the proposed sublessee is financially and operationally responsible. In the event the Building Area /Ground Rent for the Interim and/or Subleased Premises exceeds the rental charged to Port City under the Agreement, Port City shall remit fifty percent (50%) of such excess to PDA upon receipt by Port City; provided, however, that any rental received by Port City during a period in which no rental is due to PDA shall be paid in its entirety to PDA.

*Clarify Assignments
Not A Problem*

Environmental Protection:

Port City acknowledges that Pease has been identified as a National Priority List (NPL) Site under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) of 1980, as amended. Port City acknowledges that

Richard B. Collier, President
Port City Aircraft Repair, Inc.
June 19, 2000
Page 7

PDA has provided it with a copy of the Pease Federal Facility Agreement ("FFA") entered into by EPA, and the Air Force on April 24, 1991, as amended, and agrees that it will comply with the terms of the FFA to the extent the same may be applicable to the Subleased Premises and that should any conflict arise between the terms of the FFA and the provisions of the Agreement, the terms of the FFA will take precedence.

RSA 422:23?
Port City shall comply with all federal, state and local laws, regulations and standards that are or may become applicable to Port City's activities at the Premises. Port City shall not assume any liability or responsibility for environmental impacts and damage caused by the Air Force's use of Hazardous Substances on any portion of Pease, including the Premises. The parties acknowledge the obligations of the Air Force to indemnify PDA and Port City to the extent required by the provisions of Public Law No. 101-511, Section 8056.

To the extent the same is available and applicable, PDA will furnish the following data to Port City: relevant maps, diagrams, surveys, drawings, engineering studies and plans related to the Premises, including but not limited to, the Environmental Baseline Survey; approved airport layout plan; existing property drawings and plans; Health and Safety Plans; Construction Work Plans and planning and engineering studies conducted for the PDA or for others, including available studies conducted for the Air Force, and pertaining to Pease and or the Premises. PDA makes no warranty or representation, actual or implied, as to the accuracy of any material to be furnished to the Port City.

Brokerage: Each party warrants to the other that it has had no dealing with any real estate broker or agent in connection with the negotiation of this letter or the Agreement.

Repairs and Maintenance: Throughout the term of the Agreement, and without cost to PDA, Port City shall take good care of the Subleased Premises and related improvements, including sidewalks, curbs, apron areas designated for Port City's exclusive use, and shall keep the same in good order and condition, and shall promptly at its own cost and expense, make all necessary repairs thereto. Port City's obligation hereunder shall also include grounds maintenance and restoration and snow removal from the Subleased Premises, including any apron areas designated for Port City's exclusive use.

*Repair?
body condition
5000
25'x25'*
Minimum Standards: Port City and its sublessees' use of the Subleased Premises shall be subject to compliance with Minimum Standards as the same are from time to time promulgated by PDA. Notwithstanding any provision of the Agreement to the contrary, Port City may not commence operations as a fixed base operator in the Interim Premises until such time as the following conditions have been met:

Richard B. Collier, President
Port City Aircraft Repair, Inc.
June 19, 2000
Page 8



1. All requirements of the Minimum Standards, including submission of a time line for satisfying same;
2. Commencement of Construction of the Facility, which shall be deemed to include the provision of evidence by Port City that it has placed a non-refundable order for the steel required to complete construction of the Facility, or the posting of a guarantee to ensure the Commencement of Construction of the Facility in such form as is acceptable to and has received the prior approval of the PDA Board of Directors;
3. The incorporation of the recommendations, if any, of the Airport Committee.

Restrictions on

Aircraft Operations: Port City is aware of PDA's efforts to promulgate proprietary regulations that will include certain restrictions on aircraft operations. Port City has agreed to comply with all such future rules and regulations, and will agree and obtain the agreement of its successors in interest, in accordance with the provisions of 14 CFR Part 161, to voluntary operating restrictions which are reasonably consistent with the aircraft operation restriction provisions incorporated herein as Attachment No. 3.

Neither this letter, nor the MOU constitutes a reservation of the Premises, an option to lease and/or sublease the Premises, or an offer to lease and/or sublease the Premises, and no legal obligation shall arise with respect to the Premises or lease thereof until a Lease and/or Sublease Agreement is executed by the Parties.

I believe this proposal addresses the terms as discussed to date. It is my hope that you will be in a position to advise us of your commitment to Pease by executing this original and the enclosed copy in the space provided and returning the original to my attention. If you have any questions, please give me a call.

Sincerely,

George R. Meyer
Executive Director

GRM/mhg

cc. David R. Mullen
Lynn Marie Hinchee
Gerald H. Dexter
Mark Rowell

Richard B. Collier, President
Port City Aircraft Repair, Inc.
June 19, 2000
Page 9

I have read the foregoing and it correctly states the terms upon which we will proceed to negotiate a mutually acceptable Lease and/or Sublease Agreement for the Premises with PDA, subject to the PDA Board of Directors, the PDA Airport Committee and any other governmental approvals that may be required.

Port City Aircraft Repair, Inc.

Date

By:
Its duly authorized:



Faint, illegible text at the top of the page, possibly a header or title.

Faint, illegible text in the upper right quadrant.

Faint, illegible text in the middle section of the page.

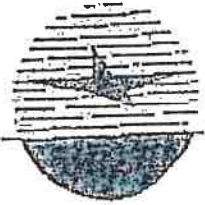
Exhibit 3

Faint, illegible text and possibly a signature or stamp in the lower right quadrant.

7-26-2002

PEASE DEVELOPMENT AUTHORITY

Airport Management Department, Pease International Tradeport
36 Airline Avenue, Portsmouth, New Hampshire 03801
(603) 433-6536 Fax: (603) 334-6135 TDD: Relay NH 1-800-735-2864



July 26, 2002

Mr. Edward Stead
7 Hutchins Cove Dr.
Kittery, ME 03904

Via FAX: 207-439-6866

Dear Mr. Stead:

This letter confirms that Port City Aircraft Repair, Inc. currently meets the minimum land and facility requirements to operate as a full-service fixed base operator on an interim basis until construction of the permanent facilities is completed.

Sincerely,

Mark K. Rowell
Airport Manager

3-28-2003

PEASE DEVELOPMENT AUTHORITY

Airport Management Department, Pease International Tradeport
36 Airline Avenue, Portsmouth, New Hampshire 03801
(603) 433-6536 Fax: (603) 334-6135 TDD: Relay NH 1-800-735-2964



March 28, 2003

Mr. Richard Collier
General Manager
Port City Aircraft
44 Durham Street
Portsmouth, NH 03801

Dear Mr. Collier

Subject to Port City's ongoing obligations to comply with its Sublease and all applicable rules and regulations in connection with its FBO operations, this will serve to confirm that Port City Aircraft may commence aircraft fueling operations, effective March 28, 2003.

Please do not hesitate to contact me with any questions by calling (603) 433-6536.

Sincerely,

Kim (Bill) Hopper, A.A.E.
Airport Operations Manager

cc: George R. Meyer, Executive Director
Mark Gardner, Staff Attorney
Mark K. Rowell, Airport Manager
Pease Airport Operations Division
Deputy Chief William Hartkopf, Pease ARFF

January 7, 2021

Charles Suma, COO
Pease Aviation Partners, LLC
7555 Ipswich
Houston, Texas 77061

Re: Letter of Intent

Mr. Suma:

The Pease Development Authority (“PDA”) is pleased to submit to REW Investments, Inc. and Pease Aviation Partners, LLC d/b/a Million Air Portsmouth (“PAP”) the following outline of terms and conditions of a proposed agreement with the PDA for aviation development at Portsmouth International Airport at Pease, located within the Pease International Tradeport (“Airport”).

If approved by the PDA Board of Directors, the terms set forth in this letter shall constitute a Letter of Intent (“LOI”) between the parties reflecting our mutual commitment in principle to conclude with due diligence and in good faith one or more agreements, including an appropriate Lease and Operating Agreement (collectively, the “Agreement” and/or “Lease”), based upon these terms and such other mutually acceptable terms and conditions as the parties may deem necessary and appropriate.

Without limitation of any other provision of this LOI, the general understanding of the parties is that PAP would sublease, on a short-term basis, an existing hangar and adjoining office space from a current tenant of PDA, subject to any required change of use approvals. During the term of the sublease, PAP would construct and operate a Fixed Base Operator (“FBO”), fuel farm, and hangar on the Leased Premises (defined below). As a term of the Agreement, PDA would grant PAP reasonable access to the common use apron areas adjoining the Leased Premises for purposes related to the operation of the FBO.

The central business terms of our understanding include the following:

Landlord: Pease Development Authority (see NH RSA 12-G)

Tenant: Pease Aviation Partners, LLC, a Texas limited liability company

Leased Premises: The land area generally described as 53 Exeter Street in Attachment A hereto (collectively the "Leased Premises" or "Premises"). Final lot dimensions and access areas to be determined through survey work and/or subdivision and site plan review process.

Without limitation of the foregoing, the understanding of the parties is that PAP would construct and operate an FBO, fuel farm, and hangar on the Leased Premises. Additionally, as a term of the Agreement, PDA would grant PAP reasonable access to all common use Apron areas (shown as apron areas on Attachment A) adjoining the Leased Premises for fueling operations and other purposes related to the operation of the FBO.

**Lease Term
and Term**

Commencement: The Agreement shall be effective upon execution ("Effective Date"). The lease term shall be for a base term of forty-seven (47) years, commencing on the Effective Date (the "Term").

**Annual Ground
Rent and
Additional Rent:**

The annual ground rent ("Ground Rent") per acre for the Leased Premises during the Term of the Agreement will be as follows:

Years 1- 5	an annual amount equal to \$.35 per square foot
Years 6 - 47	an annual payment equal to the per square foot rate plus an annual adjustment equal to the lesser of CPI or 3%, not to exceed 12% in any five (5) year period.

The Ground Rent will be based upon the total area of the Leased Premises (including any contiguous Ramp), as described in Attachment A, is subject to adjustment upon final determination of the exact acreage of the Leased Premises through survey work and/or subdivision and site plan review process.

**Airport Related
Fees:**

If applicable, PAP shall be responsible for the collection, disbursement and reporting of Landing Fees, Parking Fees and Fuel Flowage Fees in accordance with PDA policies and procedures.

Airport Use Fees: With respect to any additional use of the Leased Premises requested by PAP, and specifically with reference to the conduct of future commercial and non-commercial general aviation activities at the Airport, such use shall be subject to the execution of an appropriate agreement which shall include a provision for the payment of established fees and charges that may be generally applicable at the Airport.

Condition of Leased Premises: Except as otherwise provided herein, PAP shall take the Leased Premises in an "as is" condition without warranty or representation of any kind; provided, however, PAP shall have no liability or responsibility to PDA for environmental impacts and damage caused by the use of the United States of America - Department of the Air Force ("Air Force" or "Government") of Hazardous Substances on any portion of Pease, including the Leased Premises. PAP and PDA acknowledge the obligation of the Air Force to indemnify PDA and PAP to the extent required by the provisions of Public Law No. 101-511 Section 8056.

Taxes/Fees/Services: In accordance with the provisions of the Municipal Services Agreement by and between the PDA and the City of Portsmouth with an effective date of July 1, 1998, PAP shall pay to PDA a municipal services fee to include the cost of providing police, fire and public works services.

Utilities: PDA will bring utility lines at reasonable capacities to the points existing as of the Term Commencement Date, or such other points as may be designated by PDA. PAP will be responsible for connecting to such points, wherever they may be, as necessary for its use of the Leased Premises, and for installing and paying for all utilities, including electric, gas, telephone, cable, water and sewer from such points to the Leased Premises. In addition, depending on the requirements of site review, PAP shall be responsible for installing any necessary or required connections of the Leased Premises to the PDA's stormwater discharge system at the points existing within the Airport as of the Term Commencement Date, or such other points as may be designated by the PDA, wherever they may be. PDA shall provide PAP reasonable access to the Airport prior to entering into the Agreement so that PAP may ascertain appropriate utility and stormwater connection points.

Net Lease: The Agreement shall be triple net to PDA and all costs associated with the use, occupancy, maintenance and insurance of the Premises shall be borne by PAP.

Right to Use Apron Area: PAP shall have the right in connection with its Lease to use certain common use apron areas, which space shall not be part of the Leased Premises, and such apron areas shall meet all requirements of the Minimum Standards.

**Right to Use
Airport:**

Subject to the provisions and additional restrictions as may be set forth in the Lease for the Premises, PAP shall have in common with other authorized Airport users the right to use the entrances, exits and roadways designated by PDA for common use at the Airport. PAP shall also have in common with other airfield users the right to use the runway, taxiways and available common apron areas of the Airport.

**Surrender of
Leased Premises
at Termination:**

PDA to assume ownership of the FBO facility and related improvements at termination of the Lease.

**Pease International
Airport Access
Requirements:**

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

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

Sublease:

Subject to PAP securing change of use/site review approval, PDA would consent to PAP's entry into a sublease with Executive Hangar LLC for the hangar and adjoining office space, located at Portsmouth Airport, and as described in Attachment B hereto ("Subleased Premises"). The sublease would be for a temporary term coextensive with the Construction/Operating Phase, defined below. PAP would conduct FBO operations out of the subleased space until the new FBO is completed.

Site Plan and

Design Permitting: PAP would undertake and continue with due diligence and at its sole expense subdivision, site planning, design, permitting, and construction on the Premises of not less than 12,000 +/- square feet of new hangar space, and up to an additional 2,000 square feet of FBO Facilities and a Fuel Farm in support of the permitted uses, which shall meet or exceed all minimum standards set by PDA, with related paving, utilities, landscaping, drainage and associated site improvements, (the "Facility") for establishment, fueling aircraft and servicing customers of those aircraft for General Aviation, Military, Cargo and Commercial operations. Additionally, PAP would plan, design, permit, and construct the access road to the Leased Premises as shown on Attachment A, including any necessary security gate required by the PDA, which road would be a common use access area owned by the PDA.

Phased Approach: PAP has developed a two-phase approach to the development, which phases are detailed below as the **Construction/Operating Phase** and the **Operating Phase**.

**Construction/
Operating Phase:** During the Construction/Operating Phase, PAP would (i) operate an FBO out of the Subleased Premises, and (ii) construct an FBO facility that complies with the minimum standards for an FBO as described in Attachment C hereto. Immediately upon execution of the Agreement, PAP would commence construction of the fuel farm, followed by the FBO building and hangar, as well as the access road. This phase shall take no longer than thirty (30) months from the execution of the Agreement.

Operating Phase: PAP would operate the new FBO and related facilities under the terms of the Agreement.

Anticipated Timeline:

PAP acknowledges that PDA's willingness to enter into a Lease is contingent upon PAP establishing a time line for the **Construction/Operating Phase** and the **Operating Phase** that is acceptable to PDA and consistent with the terms and conditions set forth above.

1. PAP shall be solely responsible for the development of plans and specifications for any proposed renovations at the Premises and for making any required submission and obtaining any necessary approval, including subdivision approval, in accordance with the provisions of the PDA Land Use Controls. PDA agrees to use its best efforts (without obligation on the part of PDA to incur any expenses) to assist PAP in such process.
2. The following is a partial list of issues and costs identified and required to be addressed by PAP and PDA during the negotiation of the

Agreement in connection with PAP's proposed development of the Leased Premises:

- A) Conformance with ALP;
- B) PDA Reservations of Access to Apron/Taxiways;
- C) Adequacy of Vehicle Parking;
- D) Siting for Noise Mitigation;
- E) Siting for Air Traffic Control Tower Line of Sight;
- F) Subdivision and Site Plan Approval;
- G) Installation of utilities, as required;
- H) Area of Special Notice Approval;
- I) Construction Access;
- J) TSA approval, as the same may be required;
- K) Protection of monitoring wells;
- L) Coordination of Air Force PFAS Remediation;
- M) Location of Fuel Farm and Fuel Farm Operations;
- N) Protection of stormwater, surface water, and ground water quality;
- O) Impacts to wetlands and wetlands buffer;
- P) Soils management;
- Q) Site dewatering;
- R) Airport security and access control; and
- S) Changes to Airport Layout Plan.

Use: PAP will develop the Leased Premises to service General Aviation, Military, Cargo and Commercial operations meeting all PDA minimum Standards for such use.

Sublease and Assignment:

PAP may, without the approval of PDA, assign its rights under the Agreement to or enter into a sublease of the Leased Premises, or any part thereof, with an affiliate (i.e., any corporation that controls, is controlled by or is under common control with PAP). For purposes of the preceding sentence, the term "control" shall mean ownership or other beneficial interest in at least fifty-one percent (51%) of the voting stock or other voting interest of a corporation; provided the minimum net worth of the controlling or affiliated entity is not less than \$500,000.00. All other assignments or subleases shall be subject to approval of PDA.

Environmental Protection:

PAP acknowledges that Pease has been identified as a National Priority List (NPL) Site under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) of 1980, as amended. PAP acknowledges that PDA has provided it with a copy of the Pease Federal Facility Agreement ("FFA") entered into by EPA, and the Air Force on April 24, 1991, as amended,

and agrees that it will comply with the terms of the FFA to the extent the same may be applicable to the Leased Premises and that should any conflict arise between the terms of the FFA and the provisions of the Agreement, the terms of the FFA will take precedence.

PAP shall comply with all federal, state and local laws, regulations and standards that are or may become applicable to PAP's activities at the Premises. PAP shall not assume any liability or responsibility for environmental impacts and damage caused by the Air Force's use of Hazardous Substances on any portion of Pease, including the Premises. The parties acknowledge the obligations of the Air Force to indemnify PDA and PAP to the extent required by the provisions of Public Law No. 101-511, Section 8056.

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

To the extent the same is available and applicable, PDA will furnish the following data to PAP: relevant maps, diagrams, surveys, drawings, engineering studies and plans related to the Premises, including but not limited to: the Environmental Baseline Survey; approved airport layout plan; existing property drawings and plans; Health and Safety Plans; Construction Work Plans and planning and engineering studies conducted for the PDA or for others, including available studies conducted for the Air Force, and pertaining to Pease and or the Premises. PDA makes no warranty or representation, actual or implied, as to the accuracy of any material to be furnished to the PAP.

Brokerage:

Each party warrants to the other that it has had no dealing with any real estate broker or agent in connection with the negotiation of this letter or the Agreement.

Repairs and Maintenance:

Throughout the term of the Agreement, and without cost to PDA, PAP shall take commercially reasonable care of the Leased Premises and related improvements, including sidewalks, curbs, parking apron areas designated for PAP's exclusive use, and shall keep the same in good order and condition, and shall promptly at its own cost and expense, make all necessary repairs thereto. PAP's obligation hereunder shall also include grounds maintenance and restoration and snow

removal from the Leased Premises, including any apron areas designated for PAP's exclusive use.

Restrictions on

Aircraft Operations: PAP is aware of PDA's efforts to promulgate proprietary regulations that will include certain restrictions on aircraft operations. PAP has agreed to use commercially reasonable efforts to comply with all such future rules and regulations, and will agree and obtain the agreement of its successors in interest, in accordance with the provisions of 14 CFR Part 161, to voluntary operating restrictions which are reasonably consistent with the aircraft operation restriction.

Airport Minimum Standards:

PAP's use of the Leased Premises shall be subject to its compliance with Minimum Standards (Attachment C) as the same are from time to time promulgated by PDA.

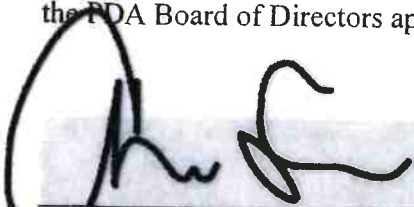
Termination Rights: PAP shall have the right to terminate the Lease upon thirty (30) days written notice to PDA in the event that PAP is precluded for a period of three (3) consecutive months or longer during the Construction/Operating Phase from proceeding with construction of the Facility as a direct result of (A) the issuance of an order or other adjudication of a state or federal court or determination of a governmental body of competent jurisdiction, or (B) exercise by the FAA, Air Force, EPA and NHDES of their rights under the Deed and/or FFA. In the event that PAP is so precluded from proceeding with construction directly as the result of any of the events listed in (A) and (B) above, irrespective of whether the period is long enough to provide PAP with a right of termination, any remaining established dates or milestones for payment or construction shall be extended by the time equal to the period of preclusion provided that PAP provides PDA with notice of any claim for extension within thirty (30) days of the occurrence of such event.

The execution of this LOI does not constitute a reservation of the Premises, an option to lease the Premises, or an offer to lease the Premises, and no legal obligation shall arise with respect to the Premises or lease thereof until a Lease Agreement is executed by the Parties.

Sincerely,

Paul E. Brean
Executive Director

I have read the foregoing and it correctly states the terms upon which we will proceed to negotiate a mutually acceptable Lease Agreement for the Premises between PDA and PAP, subject to the PDA Board of Directors approval, and any other governmental approvals that may be required.



Charles Suma, COO



Attachment A

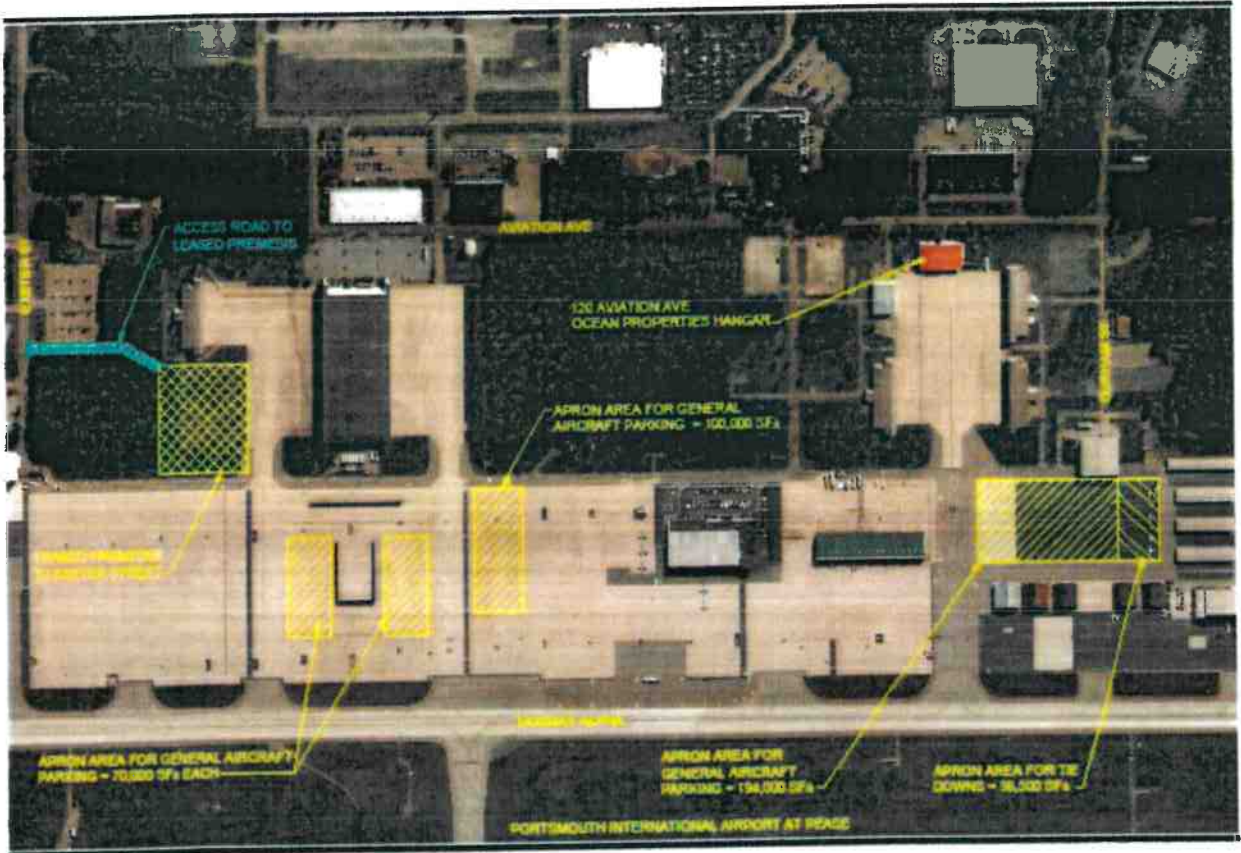


Exhibit A

DESIGNED BY: MRM DATE: 11/02/20 SCALE: 1"=500'

Attachment B

BUILDING SUB-LEASE AGREEMENT

This Aircraft Hangar ("Agreement") is made this ___ day of _____ ("Effective Date") by and between Design Box, LLC, via its assignee Pease Aviation Partners, LLC d/b/a Million Air Portsmouth ("PAP"), (herein called "OCCUPANT") and Executive Hangar LLC, (herein called "LESSOR").

WITNESSETH

In consideration of the rent and the mutual covenants contained herein, and expressly subject to the terms, provisions and restrictions contained within LESSOR's lease agreement with Pease Development Agency (herein PDA), LESSOR has let and demised and, by these presents, does hereby lease and demise unto OCCUPANT and OCCUPANT does hereby rent and take from LESSOR the SPACE described in Section 1 below, TO HAVE AND TO HOLD the same for the term herein provided, subject to all the following terms and provisions.

SECTION 1: IDENTIFICATION OF SPACE

The SPACE is the building and hangar located at 120 Aviation Avenue, Portsmouth NH 03801

SECTION 2: COMMON AREAS

In addition to the SPACE identified and described herein above, OCCUPANT shall have access to and the right to use common areas at the airport including common parking areas and driveways.

SECTION 3: TERM

The term of this Agreement shall be for **24** months, beginning on the ___ day of October 2020, and ending on the 31st day of March 2022 ("Initial Term"). OCCUPANT is granted an option to renew this Agreement for one additional term of 6 (six) month(s) ("Renewal Term"). OCCUPANT shall notify LESSOR in writing of OCCUPANT'S intention to exercise the renewal option not more than sixty (60) days and not less than thirty (30) days before the expiration of the Initial Term ("Option Exercise Period"), otherwise the option shall automatically terminate. OCCUPANT shall be entitled to exercise the option if OCCUPANT is not then in default under the Agreement at any time during the Option Exercise Period. Subject to LESSOR'S right to adjust the Rent as set forth in Section 4 below, all terms and conditions of this Lease shall remain in full force and effect for the duration of the Renewal Term.

SECTION 4: RENT

OCCUPANT agrees to pay the amount of \$1,111.00 per month as rent for the use of the Space payable in advance on the first day of each month ("Rent"). Not less than sixty (30) days before the expiration of the Initial Term, LESSOR shall provide OCCUPANT with written notice of the amount of Rent for the SPACE for the Renewal Term. The existence and amount of any increase in Rent in the Renewal Term shall be solely within the discretion of LESSOR, at the then existing Market Rates for space of such quality.

SECTION 5: SECURITY DEPOSIT

Upon execution of this Agreement, OCCUPANT shall deposit with LESSOR a sum equal to a minimum of one (1) month's Rent as a security deposit ("SECURITY") for the performance by OCCUPANT of the terms of this Agreement. LESSOR may use, apply, or retain the whole or any part of SECURITY so deposited for the payment of any Rent or other sum as to which OCCUPANT is in default or which LESSOR may expend or may be required to expend by reason of OCCUPANT'S default under this Agreement. In the event OCCUPANT has complied with all the terms of this Agreement, SECURITY shall be returned promptly to OCCUPANT after the date fixed as the end of this Agreement and after return of possession of SPACE to LESSOR. LESSOR shall hold SECURITY in accordance with applicable law, and, if so, permitted by law, LESSOR shall have the right to commingle SECURITY with LESSOR'S funds, to invest that amount and to retain any investment earnings as LESSOR'S sole property.

SECTION 6: USE OF PREMISES

The SPACE described herein is for the purpose of operating a Fixed Base Operation (FBO), with regards to the Office Space and Hangar. Under no circumstances shall OCCUPANT engage in aircraft heavy maintenance.

SECTION 7: LEGAL COMPLIANCE

a. Subject to Section 6 above, OCCUPANT may not use or permit any part of the SPACE to be used for (1) any activity non-aviation related; (2) which is a nuisance or is offensive, noisy, or dangerous; (3) any activity that violates any applicable law, regulation, zoning ordinance, governmental order, Landlord rule, or this Agreement.

b. "Hazardous Material" means any pollutant, toxic substance, hazardous waste, hazardous material, hazardous substance, solvent, or oil as defined by any federal, state, or local environmental law, regulation, ordinance or rule existing as of the date of this Lease or later enacted.

c. OCCUPANT shall not use, generate, store, or dispose of, or permit the use, generation, storage, or disposal of Hazardous Materials on or about the Leased Premises or Building except in a manner and quantity necessary for the ordinary performance of OCCUPANT'S business, and then in compliance with all applicable laws. If OCCUPANT breaches its obligations under this subparagraph, LESSOR may immediately take any and all action reasonably appropriate to remedy the same, including taking all appropriate action to clean up or remediate any contamination resulting from OCCUPANT'S use, generation, storage, or disposal of Hazardous Materials. **OCCUPANT SHALL DEFEND, INDEMNIFY, AND HOLD HARMLESS LESSOR AND ITS REPRESENTATIVES AND AGENTS FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, LIABILITIES, CAUSES OF ACTION, SUITS, JUDGMENTS, DAMAGES, AND EXPENSES (INCLUDING REASONABLE ATTORNEY'S FEES AND COST OF CLEAN UP AND REMEDIATION) ARISING FROM OCCUPANT'S FAILURE TO COMPLY WITH THE PROVISIONS OF THIS SUBPARAGRAPH.** This indemnity provision shall survive the termination or expiration of this Agreement.

d. **LESSOR SHALL DEFEND, INDEMNIFY, AND HOLD HARMLESS OCCUPANT AND ITS REPRESENTATIVES AND AGENTS FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, LIABILITIES, CAUSES OF ACTION, SUITS, JUDGMENTS, DAMAGES, AND EXPENSES (INCLUDING REASONABLE ATTORNEY'S FEES AND COST OF CLEAN UP AND REMEDIATION) ARISING FROM CONTAMINATION RESULTING FROM THE USE, GENERATION, STORAGE, OR DISPOSAL OF HAZARDOUS MATERIALS IN THE SPACE THAT OCCURRED BEFORE THE EFFECTIVE DATE OF THIS AGREEMENT.**

SECTION 8: MAINTAINING SPACE

During the Term, LESSOR shall maintain the SPACE and appurtenances in good repair and tenantable condition, including, but not limited to, the maintenance and repair of the plumbing, heating, electrical, air conditioning and ventilating equipment and fixtures to the end that all such facilities are kept in good operative condition except in case of damage arising from a willful or negligent act of the OCCUPANT'S agent, invitee, or employee.

SECTION 9: INSURANCE

OCCUPANT shall, at its sole cost and expense, procure and maintain through the term of this Agreement a policy or policies of insurance insuring OCCUPANT against any and all liability for injury to or death of a person or persons and for damage to or destruction of property occasioned by or arising out of or in connection with the use or occupancy of the SPACE (including the contractual liability of OCCUPANT to indemnify LESSOR contained herein), the limits of such policy or policies to be as follows:

a. Workers Compensation (statutory limits) and Employer's Liability Insurance as required by law with a limit of \$1,000,000.00 per occurrence.

b. Comprehensive Aviation General Liability including airport Premises Liability and endorsed to cover liability assumed by OCCUPANT under this Agreement, including such liability arising out of the use of Aircraft with a limit of \$25,000,000.00 combined single limit per occurrence.

c. Comprehensive Automobile Liability applying to all owned, hired, and non-owned vehicles entering upon the SPACE or otherwise utilizing OCCUPANT'S rights of ingress and egress to the SPACE, with a limit of \$500,000.00 per occurrence combined single limit when driven on the Leasehold ramp area.

d. Aircraft Liability Insurance (Bodily Injury, including Liability to passengers and Property Damage) including non-owned aircraft liability, with an overall combined single limit of \$50,000,000 per occurrence.

The limits and type of insurance required above may be furnished through one or more primary and/or umbrella policies. OCCUPANT hereby agrees to maintain endorsements on its liability insurance policies to provide coverage for the obligations assumed by OCCUPANT pursuant to this Agreement subject to the indemnity obligations herein. OCCUPANT'S insurance policy or policies shall contain a provision whereby OCCUPANT'S insurer waives any right of subrogation against LESSOR, its agents, employees and its affiliated or subsidiary companies subject to the indemnity obligations herein. LESSOR, its agents, employees and its affiliated or subsidiary companies shall be named as additional insured and shall provide that LESSOR must receive at least ten (10) days prior written notice of any cancellation of OCCUPANT'S insurance coverage. Prior to commencement of this Agreement, OCCUPANT shall deliver to LESSOR certificates or binders evidencing the existence of the insurance required herein, and renewals thereof as required shall be delivered to LESSOR at least (30) days prior to expiration of the respective policy terms.

If OCCUPANT shall fail to comply with the foregoing requirements relating to insurance, LESSOR may obtain such insurance and OCCUPANT shall pay to LESSOR in demand as additional Rental the premium cost thereof plus interest at the maximum contractual rate which could legally be charged in the event of a loan of such payment to OCCUPANT, such interest to accrue continuously from the date of payment by LESSOR until repaid by OCCUPANT.

SECTION 10: CASUALTY; INDEMNITY; FORCE MAJEURE

In the event the SPACE or the means of access thereto shall be damaged by fire or other casualty, LESSOR may terminate this Agreement upon written notice to OCCUPANT. LESSOR and OCCUPANT mutually agree to release, indemnify and hold one another, and all their respective officers, directors, employees and agents, harmless from and against any and all liabilities, damages, delays, losses, claims or judgments of any kind whatsoever, including all costs, attorneys' fees, and expenses incidental thereto, which may be suffered by, or charged to, one another by reason of any loss or damage to any property or injury to or death of any person arising out of or by reason of any breach, violation, negligent performance, or non-performance by one another's servants, employees or agents of any covenant, obligation or condition of this Agreement or by any act or failure to act of those persons. Neither Party shall be liable to the other Party for its failure to perform this Agreement or for any loss, injury, damage or delay of any nature whatsoever resulting therefrom caused by any act of God, fire, flood, accident, strike, labor dispute, riot, insurrection, war or any other cause beyond that Party's control. Except as otherwise provided herein, LESSOR shall not be liable to OCCUPANT for any loss, damage, destruction, theft, death or personal injury caused by or resulting from any act or omission of any co-licensee, transient or other occupant of LESSOR'S leased premises at the Airport or by any owner or occupant of adjoining or contiguous property.

SECTION 11: TERMINATION

a. Unless OCCUPANT validly exercises its option to renew this Agreement as set forth in Section 4 above, this Agreement shall terminate at the conclusion of the Initial Term.

b. In addition, LESSOR may terminate this Agreement during the course of the term upon the occurrence of any of the following, each of which shall constitute a material breach of the Agreement by OCCUPANT:

- (i) Rent is not paid by the 5th day of any month during the Term.
- (ii) OCCUPANT has failed to comply with any material condition of this Agreement and has not reasonably corrected the compliance failure within five (5) days after receipt of written notice of such compliance failure from LESSOR.
- (iii) If the OCCUPANT operations as an FBO moves to another location or ceases to operate as an FBO for any reason.

c. Except as otherwise provided in this Agreement, all fixtures, improvements, equipment and other property bought, installed, erected, or placed in the SPACE by OCCUPANT shall remain the property of OCCUPANT. OCCUPANT shall have the right to remove these fixtures, improvements, equipment and other property prior to the expiration or termination of this Agreement, however, OCCUPANT shall be responsible for any damage caused by such removal. Title to fixtures, improvements, equipment and other property not removed as of the expiration or termination of this agreement, shall vest in LESSOR.

SECTION 12: LIMITATIONS

a. The OCCUPANT agrees to abide by and comply with all present and future rules, regulations and orders of LESSOR and the Airport Authority affecting the control, operation, and use of the SPACE and the Airport generally.

SECTION 13: UTILITIES

a. All Utilities are included in the Rent.

b. OCCUPANT shall comply with all rules and regulations, which the Airport requires, any governmental agency or authority, or any utility company may establish for the use, proper functioning and protection of any such utility or service.

c. Unless directly caused by gross negligence of LESSOR, LESSOR shall not be liable under any circumstances for loss or injury to property or persons occurring through, in connection with, or incidental to the furnishing of UTILITIES. LESSOR shall not be liable for any stoppage or interruption of UTILITIES caused by third parties or by acts of God, nor for needed repairs that LESSOR is unaware of, and no offset or deduction from rent shall occur by reason of such interruption.

SECTION 14: CONDUCT BY OCCUPANT

a. In the event that the hangar, the office facility, or any of the equipment affixed thereto or stored therein should be damaged as a result of any act of OCCUPANT, or its agents, servants, employees, invitees or contractors, OCCUPANT shall, upon demand, pay to LESSOR the cost of all required repairs, including structural repairs. LESSOR and OCCUPANT shall commit no act of waste and shall take good care of the office facility and the equipment affixed thereto and stored therein and shall, at its sole cost and expense in the use and occupancy of the office facility, conform to all laws, orders and regulations of all agencies having jurisdiction over the premises.

- b. OCCUPANT agrees that it shall not, without LESSOR'S prior written consent:
- (i) make any permanent alterations, additions or improvements in or about the office facility, or change locks or keys on any doors; OCCUPANT shall bear the sole cost of alterations.
 - (ii) do anything in or near the facility which will increase the rate of fire insurance on the office facility;
 - (iii) permit the accumulation of waste or refuse matter in or near the office facility except in containers provided therefor;
 - (iv) mortgage, pledge, assign or encumber this Agreement in whole or in part; or
 - (v) sublease any portion of the SPACE or assign this Agreement.
 - (vi) store any hazards material any items that are non-aviation related or not consumable by the aircraft operation
 - (vii) operate any business that is not related to the aviation operation
 - (viii) store any personal items or use facility/designated space for any other use other than intended office use to conduct aviation operation.
 - (ix) have a contractor on the grounds without first checking-in with LESSOR

SECTION 15: NOTICE

All notices and other communications required or permitted under this Agreement shall be in writing and deemed delivered: (i) one day after deposit with any overnight mail service which maintains delivery records addressed as follows, or (ii) five days after being deposited into the United States Mail, postage prepaid and addressed as follows or (iii) upon email, telecopy or facsimile transmission to the number set forth below. In the event of telecopy or facsimile transmission the printed machine confirmation showing receipt at the numbers listed below shall be deemed prima facie proof of receipt:

To LESSOR:

Company Name : Executive Hangar LLC
Address : 120 Aviation Avenue Portsmouth, NH
03801
Attn : Greg Mahanna
Email: gmahanna@aaminc.biz

To OCCUPANT:

Pease Aviation Partners, LLC
7555 Ipswich Road
Houston, TX 77061
Attn: Roger Woolsey, CEO

SECTION 16: SEVERABILITY AND NON-WAIVER

If any part of this Agreement is for any reason found to be unenforceable, all other parts remain enforceable unless the result materially prejudices either party. If either Party fails to require the other to perform a term of this

Agreement, that failure does not prevent the party from later enforcing that term and all other terms. If either Party waives the other's breach of a term, that waiver does not waive a later breach of this Agreement.

SECTION 17: DISCLAIMER OF LIABILITY

OCCUPANT HEREBY DISCLAIMS, AND LESSOR HEREBY RELEASES OCCUPANT FROM, ANY AND ALL LIABILITY WHETHER IN CONTRACT OR TORT (INCLUDING STRICT LIABILITY AND NEGLIGENCE), FOR ANY LOSS, DAMAGE OR INJURY OF ANY NATURE WHATSOEVER SUSTAINED BY LESSOR, ITS EMPLOYEES, SUBLEASES, AGENTS OR INVITEES DURING THE TERM OF THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO LOSS, DAMAGE OR INJURY TO THE SPACE OR OTHER PROPERTY OF LESSOR UNLESS SUCH LOSS, DAMAGE, OR INJURY IS CAUSED BY OCCUPANT'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. THE PARTIES HEREBY AGREE THAT UNDER NO CIRCUMSTANCES SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR INDIRECT, CONSEQUENTIAL, SPECIAL OR EXEMPLARY DAMAGES, WHETHER IN CONTRACT OR TORT (INCLUDING STRICT LIABILITY AND NEGLIGENCE), SUCH AS, BUT NOT LIMITED TO, LOSS OF REVENUE OR ANTICIPATED PROFITS OR OTHER DAMAGE RELATED TO THE LEASING OF THE HANGAR UNDER THIS AGREEMENT. IN NO EVENT WILL A PARTY'S LIABILITY TO THE OTHER PARTY EXCEED THE PROCEEDS AVAILABLE UNDER ANY APPLICABLE INSURANCE POLICIES COVERING SUCH LOSS, DAMAGE, OR INJURY.

SECTION 18: GOVERNING LAW; WAIVER OF JURY TRIAL; JURISDICTION; FORUM SELECTION

a. This Agreement shall be construed and interpreted in accordance with the laws of the State of New Hampshire

b. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

c. All Parties hereto consent to the jurisdiction of New Hampshire state courts, as the exclusive venue for any dispute arising from or related to this Agreement. All Parties waive and agree not to raise any defense that any such court is an improper or inconvenient forum, or any other defense related either to the jurisdiction of Texas state courts or to the venue selected in this Agreement.

SECTION 19: INTEGRATION

This Agreement constitutes the entire agreement between the Parties, and of its effective date supersedes all prior independent agreements between the Parties related to the leasing of the SPACE. Any change or modification hereof must be in writing signed by both Parties.

SECTION 20: SUCCESSORS BOUND

This Agreement shall be binding and shall inure to the benefit of the heirs, legal representatives, successors and assigns of the parties hereto, to the extent this Agreement is assignable according to its terms.

SECTION 21: SUBORDINATION OF AGREEMENT

This Agreement shall be subordinate to the provisions of any existing or future agreement between the Airport and the United States government relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal funds for the development of the Airport.

SECTION 23: INDEPENDENT CONTRACTOR

Each Party shall be and act as an independent contractor and not as partner, joint venture or agent of the other.

IN WITNESS WHEREOF: the parties hereto have set their hand the date first written above.

For LESSOR:

By: _____

Print Name: _____

Print Title: _____

Date: _____

For OCCUPANT:

By: _____

Print Name: _____

Print Title: _____

Date: _____

Attachment C

ARTICLE 2

**MINIMUM STANDARDS AND
REQUIREMENTS FOR FULL-SERVICE FIXED
BASE OPERATORS**

2.01 **FULL-SERVICE FIXED BASE OPERATOR REQUIRED SERVICES**

A Full-Service Fixed Base Operator shall provide the following aeronautical services:

- a. Aircraft Fuel and Oil Sales
- b. Aircraft Deicing
- c. Ground Handling (Aircraft Guidance, Parking, and Tie Down)
- d. Customer Services
- e. Line Service
- f. Hangar Space
- g. Aircraft Recovery
- h. Collection of fees
- i. Snow Removal Services

2.02 **MINIMUM STANDARDS FOR REQUIRED SERVICES**

a. **Aircraft Fuel and Oil Sales**

1. Storage and into-plane dispensing of Jet A and 100LL fuel together with a selection of lubricants of sufficient ratings, grades, quality, and quantity to meet the needs of general aviation aircraft using the airport.

2. A minimum of two metered, filter-equipped fueling trucks for dispensing jet fuel, of which at least one has a capacity of not less than 5,000 gallons, which meet all applicable safety requirements.

3. A minimum of two metered, filter-equipped fueling trucks for dispensing 100LL gasoline, of which at least one has a minimum capacity of 500 gallons, which meet all applicable safety requirements

4. Maintain fuel dispensing reports on file for a minimum of 12 months, and have such reports available for auditing at any time by the Authority.

b. Aircraft Deicing.

1. A minimum of one deicing vehicle capable of applying heated propylene glycol to general aviation aircraft using the Airport.

2. Complete forms provided by the PDA documenting the type and amount of deicing fluid used and the location of the deicing event. Submit completed forms to the PDA Engineering Department within one hour of completion of the deicing event.

c. Ground Handling (Aircraft Guidance, Parking, and Tie Down)

1. Aircraft arrival and departure guidance on the apron to include a properly marked and lighted follow me vehicle capable of two way radio communications with the Air Traffic Control Tower on ramp net frequency.

2. Tie down facilities and equipment, including ropes, chains, or other types of restraining devices and wheel chocks for transient aircraft.

3. Equipment capable of towing aircraft into and out of the hangar(s).

d. Customer Services

1. Passenger facilities for checking in general aviation passengers and baggage, together with a comfortably appointed lounge area with public telephone, light refreshments, current periodicals, and TV service.

2. Conveniently located, heated, and air conditioned lounge area for crews.

3. Restroom facilities for passengers and crews.

4. Courtesy transportation for passengers and crews to general aviation facilities, the air carrier terminal, and downtown locations.

5. A fully equipped flight planning facility with direct communication to the FAA Flight Service Station, local air traffic control, and National Weather Service briefers; adequate supplies of VFR and IFR navigational charts; and other necessary flight planning equipment.

6. An aviation sales counter offering for sale a reasonable variety of pilot supplies, navigation and flight planning equipment, survival equipment, and aircraft and equipment manuals.

e. Line Service

1. Proper equipment for: inflating aircraft tires, cleaning aircraft windows and interiors, servicing aircraft lavatories, and disposal of aircraft waste (domestic and international). A full-service FBO may provide qualified personnel and equipment to repair aircraft tires, service aircraft braking systems, change aircraft engine oil, recharge oxygen systems, replace engine starters, and recharge aircraft batteries.

2. Adequate ground support equipment for normal turnaround of aircraft, including energizers and starters, ground power units, and fire extinguishers.

3. Adequate towing equipment to move aircraft up to 75,000 pounds gross weight safely and efficiently.

f. Hangar Space

A minimum of 12,000 square feet of hangar space to meet public demand for transient, temporary, and long-term aircraft storage.

g. Aircraft Recovery

Equipment, material, and personnel sufficient to remove a disabled aircraft of up to 12,500 pounds gross takeoff weight.

h. Collection of Fees

Personnel to collect landing, parking, and fuel flowage fees from aircraft using the FBO.

i. Snow Removal Services

Adequate owned, leased or contracted equipment to remove snow from the parking apron managed by the FBO.

2.03 MINIMUM LAND AND FACILITY REQUIREMENTS

- a. Lease a minimum ground area determined by the PDA.
- b. One aircraft hangar with not less than 12,000 square feet of aircraft storage space.
- c. An office/terminal facility of not less than 2,000 square feet adequate to accommodate an office, pilot lounge, passenger lounge, telephone, and restroom facilities. This facility may be attached to/part of the aircraft hangar.
- d. Management of paved apron area of not less than 150,000 square feet for general aviation parking and tie downs with access to the aircraft hangar. Management responsibilities include installation and maintenance of tie down equipment, sweeping/FOD control, and snow removal.
- e. Permanent fuel storage for a minimum of 36,000 gallons of jet fuel and 5,000 gallons of 100LL. The fuel storage tanks shall comply with all applicable federal, state, local, and PDA rules and regulations pertaining to installation, maintenance, operation, fuel handling safety, and environmental protection.
- f. Paved off-street parking outside the airport restricted area, but within the leased premises, for the minimum number of paved parking spaces approved by the PDA.

The facility requirements may be met by leasing existing facilities or by new construction. Where existing facilities are to be leased, the foregoing criteria will be used as a general measure of the adequacy of such existing facilities.

All improvements shall be constructed or leased in areas designated for general aviation use in the currently approved Airport Master Plan and shall be in conformance with local laws, ordinances, and regulations and such future property development and design standards as may be adopted by the PDA.

2.04 MINIMUM MANAGEMENT AND STAFFING REQUIREMENTS

a. The activities of a Full-Service Fixed Base Operator on the Airport shall be supervised by an on-site manager who shall at all times be responsible for conducting, in a first-class manner, the services required and permitted herein and in the Full-Service Fixed Base Operator's Lease.

b. An adequate number of properly trained, qualified and, where applicable, licensed staff shall be on duty during required minimum hours of operation, or on call during other times, to provide the level of service specified herein.

c. All employees shall wear uniforms and protective clothing and equipment as appropriate or necessary.

2.05 MINIMUM HOURS OF OPERATION

A Full-Service Fixed Base Operator shall be staffed adequately to provide the required services between the hours of 7:00 a.m. and 10:00 p.m. daily. At all other times, the required services must be available on an on call or prior notice basis.

2.06 MINIMUM INSURANCE REQUIREMENTS

A Full-Service Fixed Base Operator shall be required to carry insurance in conformance with the PDA's risk management requirements.

2.07 MINIMUM SERVICE STANDARDS-PERMITTED SERVICES

A Full-Service Fixed Base Operator may provide any or all of the permitted services listed in Article 3 and shall be subject to the minimum standards and requirements for Limited Service Specialty Operators set forth in Article 3 of these Minimum Standards.

2.08 RATES AND CHARGES FOR SERVICES

Rates and charges shall be determined by the Full Service Fixed Base Operator and shall be reasonable, competitive, and applied fairly to all users of such services. All rates and charges will be filed with the Airport Manager.

2.09 STATE REGISTRATION

All Full-Service Fixed Base Operators must maintain a current registration with the New Hampshire Department of Transportation, Division of Aeronautics, as required.



MOTION

Director Lamson:

The Pease Development Authority Board of Directors hereby approves the concept plan for Pease Aviation Partners, LLC (d/b/a Million Air Portsmouth) ("PAP") at 53 Exeter Street, as submitted by PAP and attached hereto and incorporated herein; all in accordance with the memorandum of Maria J. Stowell, Engineering Manager, dated January 13, 2021, attached hereto.

Note: Roll Call vote required.



MEMORANDUM

To: Paul E. Brean, Executive Director *peb*
From: Maria J. Stowell, PE, Engineering Manager *Maria*
Date: January 13, 2021
Subject: Proposed FBO at 53 Exeter Street

Pease Aviation Partners, LLC ("PAP") is requesting concept approval to build a facility to operate as a Fixed Base Operator (FBO) at PSM and has submitted the attached drawings in support of its request. To meet its obligations as an FBO, PAP is proposing to construct a facility at 53 Exeter Street that would include:

1. An approximately 18,500 square foot building to house hangar space, offices, and customer services;
2. Aircraft parking and tie-down apron;
3. A fuel farm with tank configuration and sizes as shown on the attachment (Phase 1 Fuel Farm Detailed Plan);
4. Fuel truck parking;
5. Employee and customer parking;
6. Outdoor entertainment area;
7. Security fencing, vehicle circulation, and other associated improvements;
8. Subdivision of an approximately 2.65 acre lot.

PAP intends to implement the development in phases. The first phase includes approvals for and construction of the fuel farm, and approvals for the use of the existing hangar located at 120 Aviation Avenue for other FBO functions (Phase 1 FBO Detailed Plan).

The proposed fuel farm would be constructed with safeguards to prevent spills from entering the stormwater system or surface waters. Fuel storage tanks would be double walled. The truck parking area would drain to a collection system that could be pumped. Details of the system, including how to remove collected stormwater will be addressed during Site Review. During Phase 1, access to the fuel farm would be through the existing airport Gate 16 (Phase 1 Overall Plan).

The use of the existing hangar at 120 Aviation as an FBO will trigger a Change of Use requiring site review. A 1993 Board interpretation of the PDA Land Use controls provides for administrative review when a proposed building addition or site changes are considered unlikely to have impact on traffic, safety or intensity of use. PAP has indicated how parking will be accommodated through the use of

a shuttle to available parking on an adjacent lot¹. Any extra traffic on Aviation Avenue should be negligible. Utilities are adequate, the use is compatible with other uses in the area, and there would be no impact on the site features. For these reasons, I anticipate that this review will be accomplished administratively.

Approvals for and construction of the driveway, building and other improvements at 53 Exeter Street would be part of a Phase 2 effort (Full Build Out Overall Plan and Full Build Out Detailed Plan). The Phase 2 landside entrance to the new facility would be from Exeter Street. PAP would construct a new driveway adjacent to the Exeter Street Terminal Parking Lot C. The land containing the driveway would not be a part of the leasehold, but would remain as a common use feature for future development. Fuel deliveries would continue to be routed through Gate 16 to preclude mixing with Terminal traffic on Exeter Street.

The driveway construction would impact wetlands and wetland buffers. At this time PAP has estimated the following impacts: 7,150 square feet in wetlands and 17,200 square feet in wetland buffers. If the Board accepts the concept plan, PAP would need to obtain a wetland permit from the State, as well as a Conditional Use Permit from the PDA Board.

Some of the proposed parking and driveway areas are situated directly adjacent to wetland buffers. At this conceptual stage, it is not assured that these areas can be constructed, or that snow storage and stormwater treatment can be provided, as conceived without further buffer disturbances. Should these facilities (and others that may be identified during site review) disturb the buffer or not be in full compliance with the Land Use Control Requirements or other applicable laws, PAP acknowledges that the conceptual site plan is subject to modification and size reduction.

As to lot dimensional requirements, this site is in the Airport Zone where dimensional requirements are not applicable and shall be subject to approval by the Board. Site data, including lot size, setbacks and open space are shown PAP's concept plan.

If PAP's concept is approved, detailed site plans will be completed and submitted for Site Review and Subdivision approval. Because it is situated in the Airport Zone, the project would go before the Pease Technical Review Committee and then to the PDA Board acting as a planning board for final approval. The wetland buffer Conditional Use Permit application would go before the PDA Land Planning and Capital Improvements Committee and then the full PDA Board for final approval.

Staff believes that PAP has a sufficient understanding of PDA's requirements and objectives so that its concept plan can be brought to the PDA Board for approval. At next week's meeting, please seek the Board's concurrence.

¹PDA controls the vacant lot at 42 Durham Street. The lot would be licensed to PAP for this temporary parking use at a rate consistent with other PDA parking rights of entry. Board approval of the concept plan would include consent to license all or a portion of 42 Durham Street to PAP for satellite parking.

SITE



**MILLION AIR
PORTSMOUTH FACILITIES
CONCEPTUAL DESIGN
53 EXETER STREET
PORTSMOUTH, NH**

JANUARY 6, 2021
SCALE: 1"=1000' (11"X17")



Hoyle, Tanner Pease International Tradeport
& Associates, Inc.
100 International Dr., #360, Portsmouth, NH 03801
Tel (603) 431-2520 Fax (603) 431-8087 Web: www.hoyletanner.com
© Copyright 2021 Hoyle, Tanner & Associates, Inc.

IMAGE: GOOGLE EARTH - MAY 2016

MILLION AIR PORTSMOUTH FACILITIES

EXETER STREET

AVIATION AVE

PROPOSED
LEASE SITE
(2.65± AC.)

PROPOSED
FUEL FARM

FUEL DELIVERIES
THROUGH GATE 16

HANGAR
237

TEMPORARY FBO & HANGAR
120 AVIATION AVE

TEMPORARY PARKING & TIE
DOWN LEASE AREA (15,000 SF)

15 ONSITE PARKING SPACES
15 OFFSITE TO BE LEASED
30 TOTAL PARKING SPACES

140'

140'

140'

140'

PROPOSED DE-ICING
LOCATIONS (TYPX3)

PROPOSED PARKING &
TIE DOWN LEASE AREAS
(TOTAL = 135,000 SF)

PHASE I
OVERALL PLAN

JANUARY 6, 2021
SCALE: 1"=300' (11"X17")

BEXHILL

IMAGE: GOOGLE EARTH - MAY 2013

Hoyle, Tanner & Associates, Inc.
Pease International Tradeport
100 International Dr., #360, Portsmouth, NH 03801
Tel (603) 431-2520 Fax (603) 431-8067 Web: www.hoyletanner.com
© Copyright 2021 Hoyle, Tanner & Associates, Inc.

PHASE 1 NOTES:

1. ALL TANKS WILL BE DOUBLE WALLED.
2. TRUCK REFUELING/PARKING AREAS WILL BE BERMED AT PERIMETER AND SLOPED TOWARDS DRAINS CONNECTED TO AN UNDERGROUND SUMP TANK. THE SUMP TANKS WILL PUMP TO THE 12K GAL. OIL/WATER SEPARATOR TANK TO BE PUMPED AND TAKEN OFFSITE.
3. TRUCKS WILL ACCESS FUEL FARM THROUGH AIRPORT GATE 16 WITH AN ESCORT VEHICLE.
4. ALL EXISTING SOILS DISTURBED DURING CONSTRUCTION WILL REMAIN ON THE LEASE SITE.

**MILLION AIR
PORTSMOUTH FACILITIES**



BEXHILL

IMAGE: GOOGLE EARTH - MAY 2013

**PHASE 1
FUEL FARM
DETAILED PLAN**

JANUARY 6, 2021
SCALE: 1"=40' (11"X17")

Hoyle, Tanner & Associates, Inc.
 Pease International Tradeport
 100 International Dr., #360, Portsmouth, NH 03801
 Tel (603) 431-2520 Fax (603) 431-8067 Web: www.hoyletanner.com
 © Copyright 2021 Hoyle, Tanner & Associates, Inc.

MILLION AIR PORTSMOUTH FACILITIES

NOTE:

A SHUTTLE WILL PROVIDE SERVICE
BETWEEN THE FBO AND THE 15
REMOTE LEASED PARKING SPACES.

AVIATION AVE

TEMPORARY FBO & HANGER

15 PARKING SPACES
TO BE LEASED

15 EXISTING
PARKING SPACES

PAINT 2 ACCESSIBLE PARKING
STALLS & LOADING AREA.
EXISTING ADA SIGNS & RAMP
TO REMAIN

120 AVIATION AVE

HAMPTON STREET



TEMPORARY PARKING & TIE
DOWN LEASE AREA (15,000 SF)

PHASE I
TEMPORARY FBO
DETAILED PLAN

JANUARY 6, 2021
SCALE: 1"=50' (11"X17")

BEXHILL

IMAGE: GOOGLE EARTH - MAY 2018

Hoyle, Tanner
& Associates, Inc. Pease
International
Tradeport
100 International Dr., #360, Portsmouth, NH 03801
Tel (603) 431-2520 Fax (603) 431-8067 Web: www.hoyletanner.com
© Copyright 2021 Hoyle, Tanner & Associates, Inc.

FULL BUILD NOTES:

1. TRUCKS WILL ACCESS FUEL FARM THROUGH AIRPORT GATE 16 WITH AN ESCORT VEHICLE IN THE FULL BUILDING CONDITIONS.
2. ALL EXISTING SOILS DISTURBED DURING CONSTRUCTION WILL REMAIN ON THE LEASE SITE.
3. THE SITE GATE AND ALL BUILDING DOORS SHALL BE COORDINATED WITH THE AIRPORT'S ACCESS CONTROLS.

**MILLION AIR
PORTSMOUTH FACILITIES**

EXETER STREET

AVIATION AVE

PROPOSED PARKING
& TIE DOWN AREA
(25,000 SF)

FUEL DELIVERIES
THROUGH GATE 16

PROPOSED
FBO, HANGAR
& FUEL FARM
PROPOSED
LEASE SITE
(2.55± AC.)

HANGAR
227

TEMPORARY FBO,
HANGAR, PARKING &
TIE DOWN AREA TO BE
MOVED TO LEASE SITE

PROPOSED DE-ICING
LOCATIONS (TYPX3)

PROPOSED PARKING &
TIE DOWN LEASE AREAS
(TOTAL = 135,000 SF)

**FULL BUILD OUT
OVERALL PLAN**

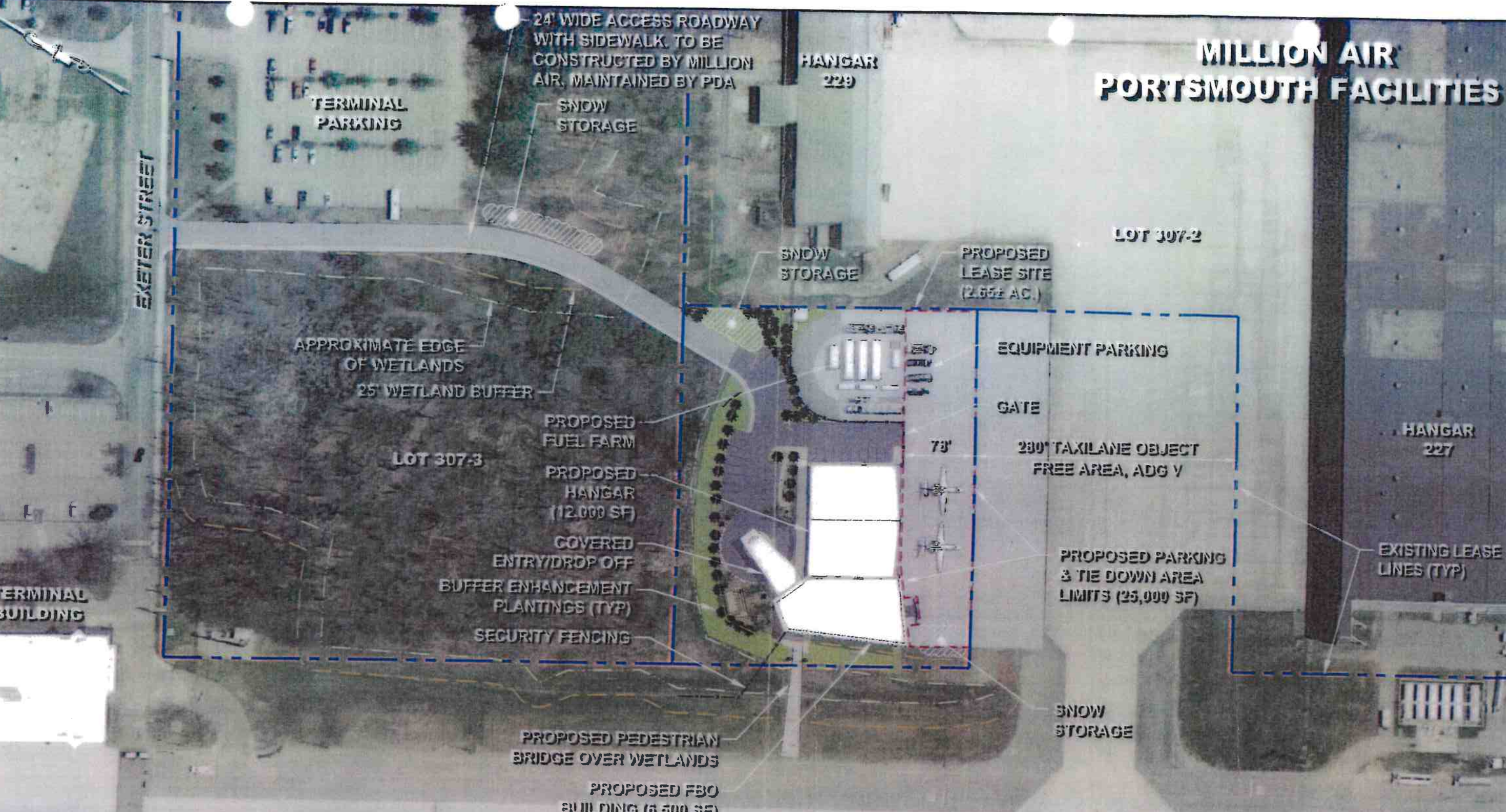
JANUARY 6, 2021
SCALE: 1"=300' (11"X17")

BEXHILL

IMAGE: GOOGLE EARTH - MAY 2019

**Hoyle, Tanner
& Associates, Inc.**
Pease International
Tradeport
100 International Dr., #360, Portsmouth, NH 03801
Tel (603) 431-2520 Fax (603) 431-8087 Web: www.hoyletanner.com
© Copyright 2021 Hoyle, Tanner & Associates, Inc.

MILLION AIR PORTSMOUTH FACILITIES



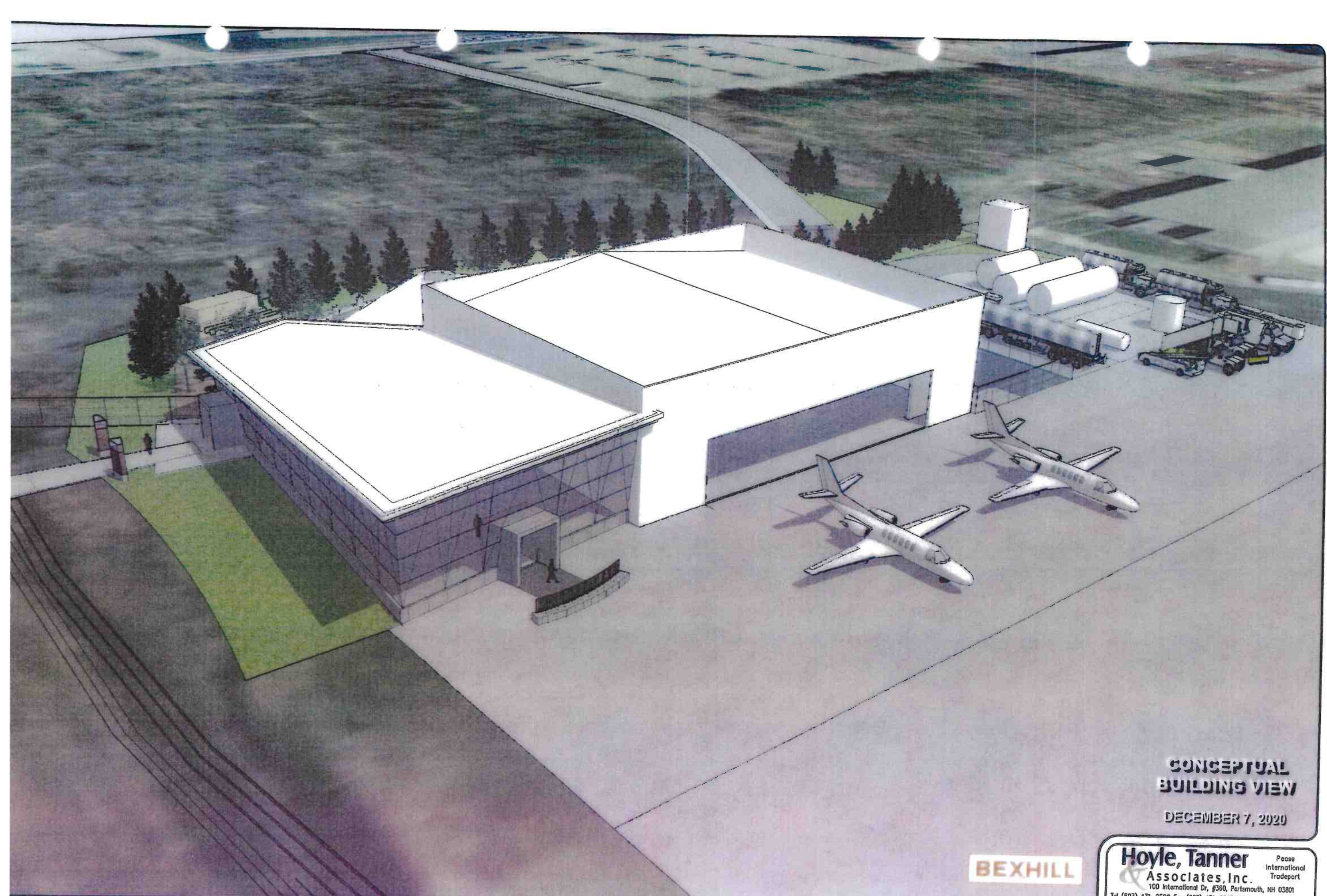
REQUIREMENT	REQ'D	PROVIDED	NOTES
PORT ZONE	NA	2.65± AC.	PARKING
N. LOT AREA:	NA	NONE	TOTAL = 30 SPACES
N. LOT FRONTAGE:	NA	39± FT.	WETLAND DATA
N. FRONT YARD:	NA	65± FT.	TOTAL WETLAND IMPACT = 7,150± SF
N. SIDE YARD:	NA	65± FT.	TOTAL BUFFER IMPACT = 17,200± SF
N. REAR YARD:	NA	10%	
N. OPEN SPACE:	NA		

**FULL BUILD OUT
DETAILED PLAN**
JANUARY 6, 2021
SCALE: 1"=100' (11"X17")

BEXHILL

IMAGE: GOOGLE EARTH - MAY 2013

Hoyle, Tanner & Associates, Inc.
Pease International Tradeport
100 International Dr., #360, Portsmouth, NH 03801
Tel (603) 431-2520 Fax (603) 431-8067 Web: www.hoyletanner.com
© Copyright 2021 Hoyle, Tanner & Associates, Inc.

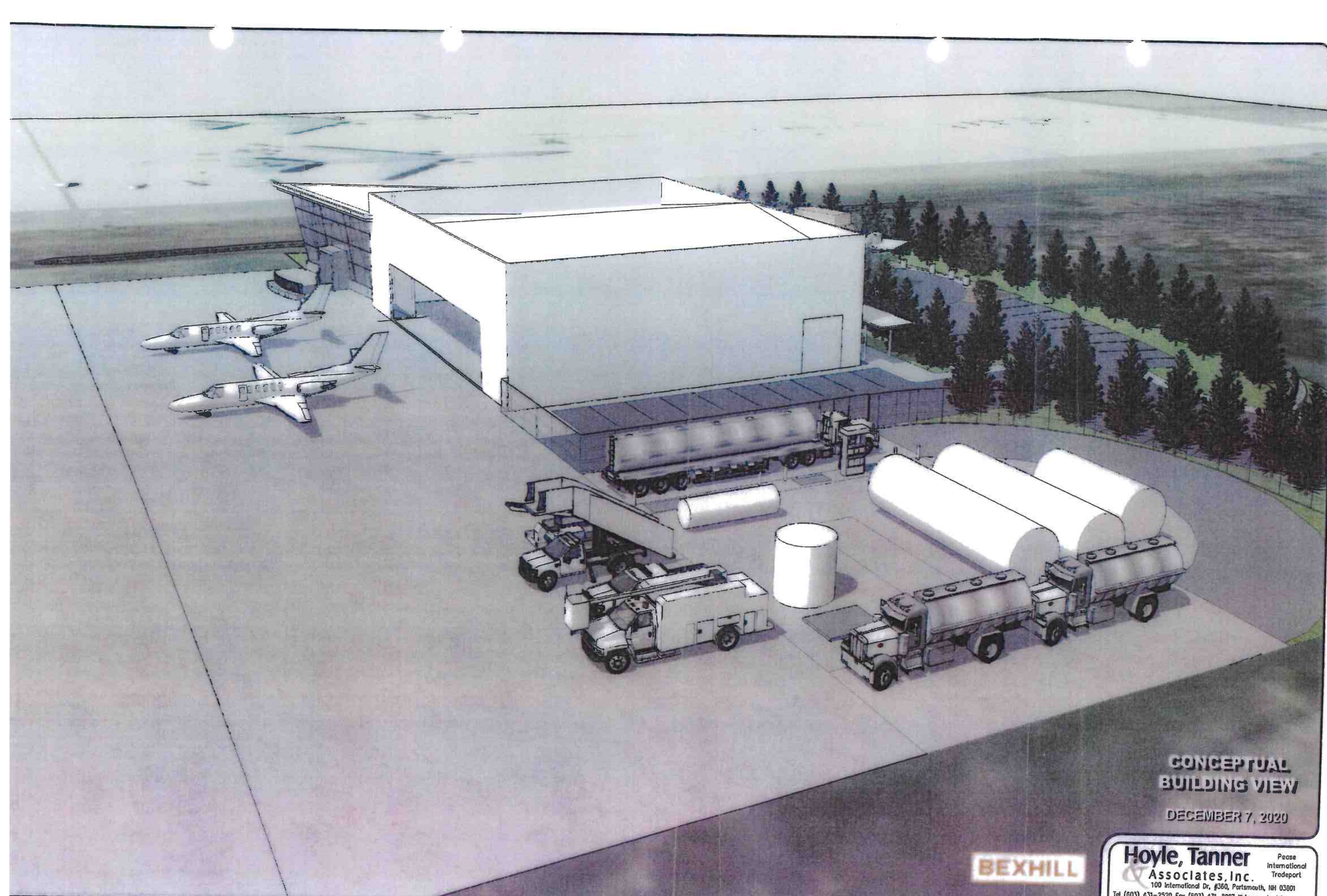


**CONCEPTUAL
BUILDING VIEW**

DECEMBER 7, 2020

BEXHILL

Hoyle, Tanner & Associates, Inc. Pease International Tradeport
100 International Dr, #360, Portsmouth, NH 03801
Tel (603) 431-2520 Fax (603) 431-8067 Web: www.hoyletanner.com
© Copyright 2020 Hoyle, Tanner & Associates, Inc.

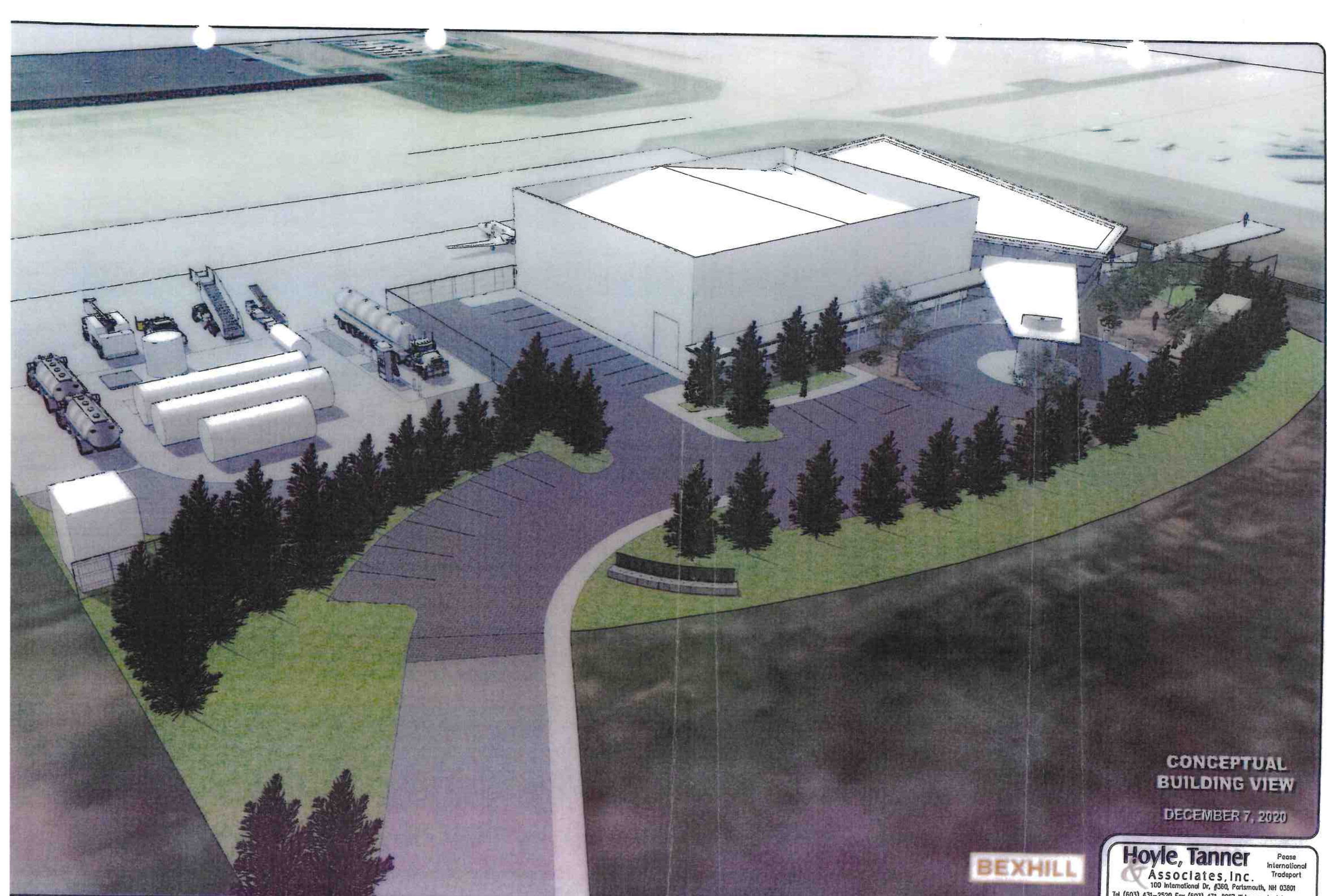


**CONCEPTUAL
BUILDING VIEW**

DECEMBER 7, 2020

BEXHILL

Hoyle, Tanner & Associates, Inc. Pease International Tradeport
100 International Dr., #560, Portsmouth, NH 03801
Tel (603) 431-2520 Fax (603) 431-8067 Web: www.hoyletanner.com
© Copyright 2020 Hoyle, Tanner & Associates, Inc.



CONCEPTUAL
BUILDING VIEW

DECEMBER 7, 2020

BEXHILL

Hoyle, Tanner & Associates, Inc. Pease International Tradeport
100 International Dr., #360, Portsmouth, NH 03801
Tel (603) 431-2520 Fax (603) 431-8067 Web: www.hoyletanner.com
© Copyright 2020 Hoyle, Tanner & Associates, Inc.



**CONCEPTUAL
BUILDING VIEW**

DECEMBER 7, 2020

BEXHILL

Hoyle, Tanner & Associates, Inc. Pease International Tradeport
100 International Dr., #360, Portsmouth, NH 03801
Tel (603) 431-2520 Fax (603) 431-8067 Web: www.hoyletanner.com
© Copyright 2020 Hoyle, Tanner & Associates, Inc.



CONCEPTUAL
BUILDING VIEW

DECEMBER 7, 2020

BEXHILL

Hoyle, Tanner
& Associates, Inc. Pease International Tradeport
100 International Dr., #360, Portsmouth, NH 03801
Tel (603) 431-2520 Fax (603) 431-8067 Web: www.hoyletanner.com
© Copyright 2020 Hoyle, Tanner & Associates, Inc.



CONCEPTUAL
BUILDING VIEW

DECEMBER 7, 2020

BEXHILL

Hoyle, Tanner & Associates, Inc. Pease International Tradeport
100 International Dr., #360, Portsmouth, NH 03801
Tel (603) 431-2520 Fax (603) 431-8067 Web: www.hoyletanner.com
© Copyright 2020 Hoyle, Tanner & Associates, Inc.



CONCEPTUAL
BUILDING VIEW

DECEMBER 7, 2020

BEXHILL

Hoyle, Tanner & Associates, Inc. Pease International Tradeport
100 International Dr., #360, Portsmouth, NH 03801
Tel (603) 431-2520 Fax (603) 431-8067 Web: www.hoyletanner.com
© Copyright 2020 Hoyle, Tanner & Associates, Inc.

MOTION

Director Levesque:

The Pease Development Authority (“PDA”) Board of Directors hereby approves the Letter of Intent between the PDA and Spyglass Development, LLC (“Spyglass”) and authorizes the Executive Director to sell the 36,000 square foot PDA owned building located at 30 New Hampshire Avenue to Spyglass for \$1,750,000.00, contingent upon:

- 1) The FAA granting a release of the building from Federal grant assurances and other airport obligations; and
- 2) Execution by the parties of a long-term PDA ground lease for the premises at 30 New Hampshire Avenue of up to 74 years, with the final leased lot size of not less than 6 acres subject to the determination of the Executive Director and any requisite land use approvals;

And further authorizes the Executive Director and General Counsel to negotiate and execute documents necessary or in furtherance of the sale and lease, including but not limited to, the Lease Agreement; all on substantially the same terms and conditions as set forth in the memorandum of Paul E. Brean, Executive Director, dated April 6, 2021, attached hereto.

NOTE: Roll Call vote required.

N:\RESOLVES\2021\Spyglass - 30 NH Ave Sale and Lease 4-15-2021.docx

MEMORANDUM

TO: PDA BOARD OF DIRECTORS

FROM: PAUL E. BREAN, EXECUTIVE DIRECTOR *Peb*

SUBJECT: SPYGLASS DEVELOPMENT, LLC/PDA – 30 NEW HAMPSHIRE AVE.

DATE: APRIL 6, 2021

History:

The PDA leased the subject premises at 30 New Hampshire Avenue to Ingersoll-Rand Energy Systems Corp (the “Lease”) in September 1996. At that time, the premises consisted of a 36,000 square foot building owned by the PDA and contiguous land area. The building had been substantially improved by an EDA grant (which was released in 2019) and the lease was for period of not more than 11 years (including available options). The premises are within the Business Commercial Zone and the Airport District and subject to the Municipal Services Fee. The 30 New Hampshire Avenue parcel is 8.49 +/- acres in size.

In February 2002, the lease was assigned to Spyglass Development, LLC (a Kane Company affiliate) and the Lease was amended in the following salient ways: (1) to define and subdivide the premises to consist of the existing building and an 8.26 acre lot; (2) to permit Spyglass to design and construct at its sole cost and expense a 16,500 square foot addition to the Premises; (3) to identify a new lease term of 25 years expiring September 2020; and (4) identify a new rent structure applicable to building area rent at a blended rate for existing and new construction.

Additional amendments to the Lease were executed in September 2006, December 2008, and November 2011.

In August 2012, the parties negotiated a major amendment to the Lease to extend the term through July 2022 and to fix the building area rent to that date. Additional included amendments brought the Lease into conformity with Deed references.

In 2018, the parties negotiated another amendment to the Lease to reflect a reduction in the square footage of the ground area by approximately 2 acres and an extension of the Lease term to July 2027 (with the possibility of another 5-year extension through July 2032) subject to certain conditions. This Lease amendment converted building rent to ground area rent and provided Spyglass with additional years on the Lease at a reduced rent, while protecting the PDA’s ability to utilize the property for future Airport development and PDA office needs, which PDA had noted as a priority at the time.

Proposal for Building Purchase/New Lease:

In the summer of 2020, Spyglass approached PDA staff to inquire about the parties again amending the Lease to provide Spyglass with a longer term given its desire to enter into a long-term lease with a tenant. If able to secure a longer term, Spyglass was interested in investing in significant capital improvements to the property in the form of interior and exterior upgrades, HVAC improvements, roof work, and site work improvements, with a projected cost upwards of \$5 million. Additionally, Spyglass is contemplating constructing new commercial square footage on the site.

Given the potential for a long-term lease, the desire to make significant capital improvements to the property, and as Spyglass already owns the 16,500 square foot building on the premises, the parties discussed the possibility of PDA selling its 36,000 square foot building to Spyglass, and the parties entering into a new 74-year ground lease for the property at 30 New Hampshire Avenue, as is presently authorized by the FAA. Spyglass sought two appraisals of the building and provided those appraisals to the PDA, the higher of which valued the building at \$1,550,000. I asked real estate specialist Jeff Donohoe to review the appraisals on behalf of the PDA. His review and comments resulted in both appraisers adjusting their appraisals upward, with the higher appraisal coming in at \$1,750,000. See attached, revised higher appraisal.

While back in 2017/2018 the PDA had viewed this parcel as appropriate for future airport parking, as well as a location for PDA offices, and was hesitant to agree to a significant lease extension, PDA now believes the sale of the building and entry of long-term ground lease to be in the PDA's best interests moving forward. Specifically, the Airport currently has sufficient surface parking and believes if additional parking is needed in the future, a parking deck or garage would be preferable to another surface lot. Furthermore, the national trends indicated the anticipated increase in the use of ride-sharing services will, over time, continue to cut into long-term revenue parking at airports. Regarding PDA offices, the facility at 30 New Hampshire Avenue would not be ideal for PDA Maintenance given its large fleet of equipment, without significant capital expenditures. Additionally, given the 2020 departure of Granite State College from 55 International Drive, the PDA has sufficient space there for its headquarters, airport badging, and necessary classroom space. Ultimately, should the PDA require new or additional office space in the future, there are other appropriate locations within the Tradeport/Airport to consider. That being said, PDA staff is considering whether it is beneficial to the PDA to withhold any of the parcel's 8.49 acres from the lease to accommodate a future airport access loop road or improvements to New Hampshire Avenue. Any such withholding would not exceed an area totaling 2.5 acres along the parcel's eastern and/or northern boundaries and would require a lot line adjustment.

In order to facilitate the potential sale of PDA's building at 30 New Hampshire Avenue the first step in the process was to seek a release of the building from federal grant assurances and other airport obligations from the FAA, through its regional office in Burlington, MA. At the Board's November 19, 2020, meeting it authorized the submittal of a release request to the FAA. The release request was submitted via letter dated November 20, 2020. See attached, FAA release request (correspondence only). The release request contained the two appraisals obtained by Spyglass and FAA has been advised of the revisions to both. The FAA has informed PDA that a release needs the waiver of the National Emergency Use provision from the Department of Defense followed by a federal register notice thereafter. While that process is playing out, and should be completed in the near future, the FAA has provided an intent of release stating the FAA is in agreement with the release but that the required process needs to take place (NEUP and Fed Reg.). See attached, Intent of Release. In addition, in February, Spyglass and the PDA executed a non-binding letter of intent regarding the sale and lease. See attached, Letter of Intent.

At this juncture, while waiting for final FAA authorization, Board approval of the letter of intent and authorization to sell the building for the higher appraised value and to negotiate and finalize a ground lease of up to 74 years, is appropriate. As mentioned, based on staff review and discussions with Spyglass, it is possible that a portion on the northern and/or eastern edge of the parcel would be held out of the lease to provide additional area for construction of a potential future loop access road for the Airport Terminal.

Required Action:

I am asking the Board to approve the parties' letter of intent, and contingent on receipt of FAA release authorization, authorize the sale of the PDA building at 30 New Hampshire Avenue for the higher appraised value and negotiate and finalize a long-term ground lease of the property (final parcel size based on PDA needs and subject to any required lot line adjustment) for a term of up to 74 years.

cc: Anthony I. Blenkinsop, Deputy Director / General Counsel
Irving Canner, Finance Director

November 20, 2020

Ms. Gail Lattrell, Director
Federal Aviation Administration, Airports Division
New England Region, ANE-600
1200 District Ave.
Burlington, MA 01803

RE: Pease Development Authority Release Request for a portion of a building at 30 New Hampshire Avenue at the former Pease Air Force Base, Portsmouth, New Hampshire

Dear Ms. Lattrell:

REQUEST FOR RELEASE OF AIRPORT PROPERTY

1. WHAT IS REQUESTED

The Pease Development Authority (“PDA”), as authorized by its Board of Directors (the “Board”), requests a release of certain non-aeronautical revenue producing property from Federal grant assurances and any other airport obligations. Specifically, the Board requests that the 36,000 sf building owned by the PDA located at 30 New Hampshire Avenue, within the Airport Business and Commercial Zone¹ of the Pease International Tradeport, be released from its grant assurances and airport obligations to the FAA. (See Exhibit A, Pease International Tradeport Zoning Map with Business and Commercial Zone shaded blue and Site Map showing building). The building is located in the City of Portsmouth and is utilized for non-aeronautical purposes. The release is requested to facilitate the potential sale of the building to Spyglass Development, LLC (“Spyglass”), the entity that currently leases the premises at 30 New Hampshire Avenue and owns the other 16,500 sf of the building, if determined to be in the best interests of the PDA and PSM. No release of PDA owned land is being sought.

¹ The Airport Business and Commercial Zone is intended primarily for uses involving business, commercial and trade-related enterprise. The area subject to the Airport Business and Commercial Zone consists of approximately 503.5 acres and is bounded as described in PDA Zoning Ordinance, 303.05(a).

Page Two

November 20, 2020

RE: Pease Development Authority Release Request for a portion of a building at 30 New Hampshire Avenue at the former Pease Air Force Base, Portsmouth, New Hampshire

2. WHAT AGREEMENT(S) WITH THE UNITED STATES ARE INVOLVED

The United States Air Force's determination to support a public benefit transfer for airport purposes of the majority of the former Pease Air Force Base to the PDA is set forth in its Record of Decisions dated August 1991, as supplemented in April 1992, April 1997 and February 1999.

The FAA was a cooperating agency with the Air Force. In each instance, the supplemental ROD's supported the inclusion of additional revenue generating property required to offset expected business losses due to airport operations and to facilitate implementation of the PDA development plan. Major components of the plan have not changed since the 1991 ROD and include the Airport, light industry, commerce center, office and a research park, hotels, retail, and a golf course. All revenue from the non-aeronautical development, including that within the Business and Commercial Zone, is committed to make PSM financially viable.

The property within the Business and Commercial Zone was conveyed by the United States of America to the Pease Development Authority pursuant to the powers and authority contained in 49 U.S.C. §§ 47151-47153 (formerly known as the Surplus Property Act of 1944 (58 Stat.765), as amended). By Quitclaim Deed made and entered into on October 15, 2003 and Quitclaim Deed dated September 16, 2005, including all exhibits thereto, (the "Deeds"), the Government, acting by and through the Secretary of the Air Force, did grant to PDA the land and improvements located within the Business and Commercial Zone.

The PDA owned building at 30 New Hampshire Avenue, which was included in the transfer from the Federal government, was improved in the early to mid-1990's by an EDA grant. The EDA grant was released in 2019. (See Exhibit B, EDA map and Release).

November 20, 2020

RE: Pease Development Authority Release Request for a portion of a building at 30 New Hampshire Avenue at the former Pease Air Force Base, Portsmouth, New Hampshire

3. WHY THE RELEASE, MODIFICATION, REFORMATION OR AMENDMENT IS REQUESTED

The Pease Development Authority supports its public airport by initiating economic opportunity and creating private sector employment at the unique facilities available at the Tradeport, while preserving the New Hampshire seacoast's quality of life and environment. (See NHRSA 12-G). The PDA seeks a release in order to sell the fee interest in PDA owned building at 30 New Hampshire Avenue to Spyglass, the current lessee of the building. Spyglass desires to enter a new long-term lease of the premises with the PDA so that it may enter into a long-term sublease with a sub-tenant. If able to secure a longer lease term from the PDA, Spyglass is interested in investing in significant capital improvements in the property to bring the premises up to date and make it more appropriate for subtenant use. Specifically, Spyglass intends to perform interior and exterior upgrades, HVAC improvements, roof work, and site work improvements, with a projected cost over \$5 million.

4. WHAT FACTS AND CIRCUMSTANCES JUSTIFY THE REQUEST

Property in the Business and Commercial Zone has been developed with non-aeronautical uses. This development has resulted, by in large, from long-term ground leases between the PDA and developers. The premises at 30 New Hampshire Avenue has been leased since the mid-1990's. The original building at 30 New Hampshire Avenue was the 36,000 sf building which was transferred from the Air Force to the PDA. The building was improved with an EDA grant in the early to mid-1990's prior to being leased. In 2002, the lease was assigned to Spyglass, the current tenant, who constructed (and owns) a 16,500 sf addition to the building.

The PDA owned portion of the building is in need of capital investment at this time given its history as an Air Force era building, the passage of time since EDA improvements in the early 1990's, and the unique building layout. Given other capital projects at PSM, including the complete runway reconstruction and the terminal expansion in 2020, the PDA is not presently in a position to invest in such improvements, nor does it anticipate being in such a position over the coming decade. Spyglass is interested in purchasing the PDA-owned portion of the building, entering a long-term ground lease of up to 74-years with the PDA, and making these improvements, so that it may enter into a long-term sublease. The sale of the building at fair market value will provide an infusion of cash to the PDA and the entry of a long-term ground lease will provide the PDA with a consistent and dependable income stream from this property for decades to come.

Page Four

November 20, 2020

RE: Pease Development Authority Release Request for a portion of a building at 30 New Hampshire Avenue at the former Pease Air Force Base, Portsmouth, New Hampshire

Additionally, the improvements to the building and the site work will update and transform a highly visible commercial property at the Pease International Tradeport and entrance to PSM.

5. WHAT REQUIREMENTS OF STATE OR LOCAL LAW OR ORDINANCE SHOULD BE PROVIDED FOR IN THE LANGUAGE OF A FAA ISSUED DOCUMENT IF THE REQUEST IS CONSENTED TO OR GRANTED

Subject to the requirements of the Deed, the Board has provided a vote acknowledging the authorization to make this request to the FAA. (See Exhibit C, Board motion).

6. WHAT PROPERTY OR FACILITIES ARE INVOLVED

The 36,000 sf building in question is located at 30 New Hampshire Avenue, a 8.49 acre parcel in Portsmouth, New Hampshire. The premises at 30 New Hampshire Avenue is the subject of a lease from the PDA to Spyglass. In the early 2000's Spyglass constructed a 16,500 sf addition to the building. The current lease expires in July 2022, but contains two 5-year extension options, which could result in the current lease extending through July 2032.

7. HOW THE PROPERTY WAS ACQUIRED OR OBTAINED BY THE AIRPORT OWNER

Consistent with #2, above, the Federal Government, acting by and through the Secretary of the Air Force, transferred the land within these zones to the PDA via the Deeds.

8. WHAT IS THE PRESENT CONDITION AND WHAT PRESENT USE IS MADE OF ANY PROPERTY OR FACILITY INVOLVED

As set out in #6 above, the 36,000 sf PDA owned portion of the building is connected to the 16,500 sf building owned by Spyglass. The PDA owned portion of the building is somewhat dated given its history as and Air Force building, and the entire structure is in need of capital investment to update the structure and make it attractive for tenants in the

Page Five

November 20, 2020

RE: Pease Development Authority Release Request for a portion of a building at 30 New Hampshire Avenue at the former Pease Air Force Base, Portsmouth, New Hampshire

current market. The entire building and 6.26 acres² of the parcel at 30 New Hampshire Avenue is presently leased to Spyglass by the PDA. Spyglass currently subleases the premises to FlexEnergy, an energy company.

9. WHAT USE OR DISPOSITION WILL BE MADE OF THE PROPERTY OR FACILITIES

As set out in #1 above, the purpose of the release is to facilitate the potential sale of the 36,000 sf PDA owned building and improvements to Spyglass if the Board determines it is in the best interest of PSM to do so. Proceeds from the sale will be used to support the PDA and PSM. Concurrent with the sale, the PDA would enter into a long-term ground lease of up to 74 years with Spyglass, conditioned on its significant capital investment in the property in the early years of the lease.

10. WHAT IS THE APPRAISED FAIR MARKET VALUE OF THE PROPERTY OR FACILITIES - APPRAISALS OR OTHER EVIDENCE REQUIRED TO ESTABLISH FAIR MARKET VALUE

Spyglass had two appraisals of the PDA owned building performed in September 2020. The higher of the two appraisals, performed by RMA Associates, is for \$1,550,000, which is the anticipated sales price. Both appraisals are attached hereto (See Exhibit D, Cushman & Wakefield and RMA Associates appraisals).

11. WHAT PROCEEDS ARE EXPECTED FROM THE USE OR DISPOSITION OF THE PROPERTY AND WHAT WILL BE DONE WITH ANY NET REVENUES DERIVED

The net revenues to be derived from a sale of the 36,000 sf PDA building (anticipated to be the \$1,550,000 appraised value) will be committed to the development, maintenance, and operations of PSM and the remaining Airport Property located at the Pease International Tradeport.

² A new long term ground lease would be for the 8.49 acre parcel minus a small area of the parcel (approximately 0.5 acre in size) along the northern edge of the parcel to facilitate a potential future airport access loop road.

Page Six

November 20, 2020

RE: Pease Development Authority Release Request for a portion of a building at 30 New Hampshire Avenue at the former Pease Air Force Base, Portsmouth, New Hampshire

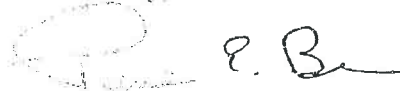
12. A COMPARISON OF THE RELATIVE ADVANTAGE OR BENEFIT TO THE AIRPORT FROM SALE OR OTHER DISPOSITION AS OPPOSED TO RETENTION FOR RENTAL INCOME

The benefit of the release requested is the ability to sell a PDA owned, Air Force vintage building, to its existing tenant, which also owns a connected 16,500 sf portion of the building. Concurrently, the PDA would enter into a long-term ground lease of up to 74 years, contingent on the investment of significant capital improvements being made to the building and parcel over the initial years of the lease. As such, the PDA would receive a cash payment for the building, the long-term ground lease revenue, and an improved building at the conclusion of the lease term. Current (2020) rental rates under long-term leases for land in these zones developed at the Tradeport are a blended rate of \$18,245 an acre per year.

Should the PDA retain ownership of the 36,000 sf building, it will require the investment of funds for capital improvements over the coming years given the passage of time since the EDA grant improvements were performed.

The FAA's consideration of this request is greatly appreciated. Please advise if you require any additional information from us to complete this Request for Release of Airport Property.

Sincerely,



Paul Brean
Executive Director

cc: PDA Board of Directors
Anthony I. Blenkinsop, Deputy General Counsel
Maria J. Stowell, Engineering Manager
Irving Canner, Finance Director



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

New England Region

1200 District Avenue
Burlington, MA 01803

December 11, 2020

Paul Brean
Executive Director
Pease Development Authority
55 International Drive
Portsmouth, NH 03801

Dear Mr. Brean:

This Letter of Intent to Release Airport Property, more specifically, to dispose of a former Air Force building located at 30 New Hampshire Avenue at Pease International Tradeport. This letter is being issued in response to your letter, dated November 20, 2020, and supporting documentation requesting the Federal Aviation Administration (FAA) to release the Pease Development Authority (hereinafter referred to as "Sponsor") from its obligation to retain the building. This property is located within the business district of Pease International Tradeport. The land upon which this building lies will be retained by the Pease Development Authority and leased to Spyglass International.

The FAA is authorized to grant a release of disposal of airport property if it is determined that (1) the property to which the release relates no longer serves an aeronautical purpose, and (2) the release will not prevent accomplishing the purpose for which the property was made subject to the terms, conditions, reservations, or restrictions, and is necessary to protect or advance the interests of the United States in civil aviation.

The FAA finds that the disposal of the building at 30 New Hampshire Avenue is no longer required for current or future aeronautical purposes. The release therefore would not prevent the accomplishment of the public airport purpose for which the airport facilities were obligated and remains airport property. It will provide the airport with a new non-aeronautical revenue source to support the airport. Accordingly, this Letter of Intent represents a decision by the FAA to dispose of the building to Spyglass Development, LLC.

The Airport provided a release request document dated November 20, 2020. FAA is in the process of reviewing the release documentation. The review process will take approximately three to four months to properly complete the release and disposal of this building. Upon satisfactory review of documentation, the FAA will move forward with approving the release, which will require a waiver from the National Emergency Use Provision from the Department of Defense and a Federal Register Notice. Once those elements are completed, the FAA will issue an approval letter for the release of the building.

If you need further assistance or have any questions, please contact me at (781) 238-7618.

Sincerely,

Jorge E
Panteli

Digitally signed by
Jorge E Panteli
Date: 2020.12.11
10:23:58 -05'00'

Jorge E. Panteli
Compliance and Land Use Specialist

CC: Gail Lattrell – FAA
Luke Garrison – FAA
John Kirkendall – FAA

February 1, 2021

Mr. Michael Kane
Mr. John Kane
The Kane Company
210 Commerce Way, Suite 300
Portsmouth, NH 03801

Re: 30 New Hampshire Avenue, Portsmouth NH

Dear Michael and John:

On behalf of the Pease Development Authority (“PDA”), we are pleased to submit the following outline of terms and conditions of a proposed agreement with Spyglass Development LLC (“Spyglass”) for (1) sale to Spyglass of the 36,000 square foot of building area at 30 New Hampshire Avenue transferred in fee to the PDA by the Air Force on September 16, 2005 (the “Original Building”) and (2) a lease to Spyglass of an 8.49 lot on which the Original Building and a 16,500 square foot addition constructed by Spyglass at its sole cost and expense (the “Addition”) are located.

If approved by the PDA Board of Directors, and upon receipt of any other required governmental approval, the terms set forth in this letter shall constitute a Letter of Intent (“LOI”) between the parties reflecting our mutual commitment in principle to conclude with due diligence and in good faith a new lease agreement (the “Agreement” and/or the “2021 Lease”) to replace the existing lease (the “Lease”) dated September 6, 1996 and previously amended on February 18, 2002 (Amendment No. 1), February 21, 2006 (Amendment No. 2), December 22, 2008 (Amendment No. 3), November 1, 2011 (Amendment No. 4), August 1, 2012 (Amendment No. 5) and August 1, 2017 (Amendment No. 6), by and between PDA and Spyglass and a Purchase Agreement for the Original Building based upon these terms and such other mutually acceptable terms and conditions as are necessary and appropriate.

The central business terms of our understanding and upon which I am prepared to make a presentation to the PDA Board of Directors are as follows:

Lessor/Seller: Pease Development Authority

Lessee/Buyer: Spyglass Development LLC

Leased Premises: For and in consideration of the rents and covenants to be paid and performed by Spyclass and subject to the terms and conditions set forth herein, PDA agrees to lease to Spyclass and Spyclass agrees to lease from PDA the land area described below, which land area is more particularly shown on the plan attached as Exhibit A:

The land area consisting of 8.49 acres as shown on the plan entitled "Subdivision Plan, 30 New Hampshire Avenue, Pease International Tradeport, Portsmouth, New Hampshire" recorded at the Rockingham County Registry of Deeds on February 28, 2002 as Plan No. D-29647.

Sale Premises: The 36,000 square feet of building area transferred in fee to the PDA by the Air Force on September 16, 2005 (the "Original Building"). [Note: to the extent PDA has an interest pursuant to the Lease in the Addition, appropriate documents may be executed to clarify that title to the Addition will remain with Spyclass, subject to any obligations at the termination of the 2021 Lease.]

**Lease Term and
Term**

Commencement: The 2021 Lease shall be effective upon execution and shall continue for a base term of 25 years with additional option terms of 49 years for a total term not to exceed 74 years. Ground Area Rent for the 30 New Hampshire land area shall commence on the later to occur of the following, (i) 60 days following receipt by PDA from the Federal Aviation Administration (FAA) of a Release Deed, or other written confirmation permitting sale, for the Original Building (ii) execution of the 2021 Lease, except as otherwise agreed by the Parties.

The 2021 Lease shall be expressly subject to and conditioned upon Spyclass's receipt of fee transfer of the Original Building.

**Annual Ground
Rent:**

The annual Ground Area Rent for the entirety of the Leased Premises, will be \$18,430 per acre per year¹ with the first adjustment commencing on the first day following the expiration of the first year in accordance with

¹ \$18,430 is PDA's estimate for the base year ending 12/31/21 of the fair market value annual per acre rent for business commercial zone property at the Tradeport. Consistent with its current practice, the PDA has presented this valuation to the FAA as part of PDA's justification for extending long term leases to the maximum 74 year term. The actual annual rent rate per acre will be calculated based on the current average in use as of the Term Commencement Date.

the provisions of the 2021 Lease. Thereafter Ground Area Rent for the entirety of the Premises will be adjusted every year as provided below:

- Years 1-25: Annual adjustment at lesser of CPI or 3% with a 12% cap over 5 years.
- Year 26: Appraisal to FMV increase only.²
- Years 27-50: Annual adjustment at lesser of CPI or 3% with 12% cap over 5 years.
- Year 51: Appraisal to FMV increase only.
- Years 52-74: Annual adjustment at lesser of CPI or 3% with 12% cap over 5 years.

All rent contemplated shall be payable in each case in equal monthly installments of one-twelfth thereof in advance on the first day of each month without offset, unless otherwise agreed by the Parties.

The annual Ground Rent for the Leased Premises will be based on the total acreage of the Premises, including setbacks and open space, but excluding any contiguous wetland area of more than 0.5 acres. The actual chargeable acreage of the Premises will be determined on the basis of field survey/wetlands delineation of wetlands conducted by a qualified soil scientist or as otherwise agreed by the Parties.

Fair Rental Value Rate” means the Fair Rental Value Rate determined by licensed real estate appraisers with MAI designation having at least ten (10) years’ experience in the appraisal of commercial real estate at Pease International Tradeport; one such appraiser to be designated by each of Lessor and Lessee. In determining fair rental value rate, each appraiser shall comply with all applicable Federal Aviation Administration Guidelines which currently require the utilization of Federal Aviation Administration Compliance Guidance Letter dated August 27, 2018 and the orders, statutes, regulations and other matters therein or incorporated thereby by reference and shall be based on appropriate comparables, including the most recent land rental rates, for all properties located within the Business and Commercial zone of the Pease International Tradeport. If either party shall fail to designate its appraiser by giving notice of the name of such appraiser to the other party within fifteen (15) days after receiving notice of the name of the other party’s appraiser, then the appraiser chosen by the other party shall determine the Fair Rental Value Rate and his/her determination shall be final and conclusive. If the

² At FMV appraisal in years 26 and 51, if the then current per acre rate exceeds FMV by more than 12%, annual rent adjustments will be suspended for a period of 5 years.

appraisers designated by Lessor and Lessee shall disagree as to the Fair Rental Value Rate, but if the difference between their estimates of Fair Rental Value Rate shall be five percent (5%) or less of the greater of the estimates, then the average of their estimates shall be the Fair Rental Value Rate for purposes hereof. If the appraisers designated by Lessor and Lessee shall disagree as to the amount of Fair Rental Value Rate, and if their estimates of Fair Rental Value Rate shall vary by more than five percent (5%) of the greater of said estimates, then they shall jointly select a third appraiser meeting the qualifications set forth above, and his/her estimate of Fair Rental Value Rate shall be the Fair Rental Value Rate for purposes hereof if it is not greater than the greater of the other two estimates and not less than the lesser of the other two estimates. If said third appraiser's estimate is greater than the greater of the other two estimates, then the greater of the original two estimates shall be the Fair Rental Value Rate for purposes hereof; and if the estimate of the third appraiser shall be less than the lesser of the other two estimates, then the lesser of the original two estimates shall be the Fair Rental Value Rate for purposes hereof. Lessor and Lessee shall pay for the services of its appraiser, and if a third appraiser shall be chosen, then Lessor and Lessee shall each pay for one-half of the services of the third appraiser.

Purchase Price: One Million Seven Hundred and Fifty Thousand Dollars (\$1,750,000.00) subject expressly to the terms of a mutually satisfactory Purchase and Sale Agreement (the "PSA") and execution of the 2021 Lease.

Sale Conditions: Prior to transfer of fee interest in the Original Building to Spyclass and in addition to the requirement for execution of the 2021 Lease, the following shall apply:

1. The Closing Date shall be the date of execution of the 2021 Lease;
2. PDA shall convey title by quitclaim deed.
3. A Release Deed or other written confirmation from the Federal Aviation Administration (FAA) authorizing the PDA to dispose of the airport property at 30 New Hampshire Avenue.

**Condition
of the
Premises:**

Except as otherwise provided, Spyclass shall take the Premises in an "as is" condition without warranty or representation of any kind; provided, however, Spyclass shall have no liability or responsibility to PDA for

environmental impacts and damage caused by the use of the United States of America - Department of the Air Force ("Air Force" or "Government") and/or PDA of Hazardous Substances on any portion of Pease, including the Premises. Spyglass and PDA acknowledge the obligation of the Air Force to indemnify PDA and Spyglass to the extent required by the provisions of Public Law No. 101-511 Section 8056. Additional environmental conditions with respect to the Premises shall be substantially as shown in Exhibit B; provided, however, that enhanced environmental protection provisions, including but not limited to compliance with any established TMDL or stormwater retrofits may be applicable to the Premises.³

**Taxes/
Fees/Services:**

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

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

³ In connection with the litigation pending in the United States District Court for the District of New Hampshire (*CLF v. PDA, et. al.*, Case No. 1:16-cv-00493-SM), PDA has entered into a settlement which may result in enhanced environmental protection provisions. It is anticipated that the Tradeport will be subject to an MS4 permit and Spyglass will be obligated to comply with all permit provisions.

but outside the Airport District and the remaining property shall be subject to the Municipal Services Agreement.

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

Net Lease: The Agreement shall be triple net to PDA and all costs associated with the use, occupancy, maintenance and insurance shall be borne by Spyglass.

Surrender of Premises: On the expiration or termination of the 2021 Lease, Spyglass shall surrender to PDA the Premises, including all buildings and improvements located thereon, broom clean and in good order, condition and repair, reasonable wear and tear and damage by casualty or eminent domain excepted, together with all alterations, decorations, additions and improvements that may have been made in, to or on the Premises; provided, however that Spyglass shall be allowed to remove its personal property or any improvements held in fee by Spyglass to the extent such personal property or improvements can be removed without damage Premises or Spyglass repairs at its sole cost and expense any such damage to the reasonable satisfaction of PDA. The Premises, including the buildings and improvements thereon, shall be delivered free and clear of all subtenancies, liens and encumbrances, other than those, if any, existing upon execution of the 2021 Lease. If requested to do so, Spyglass shall execute, acknowledge and deliver to PDA such instruments of further assurance as in the opinion of PDA are reasonably necessary to confirm or perfect PDA's right, title and interest in and to the Premises including said building and improvements. On or before the end of the term, Spyglass shall remove all of its personal and other property allowed to be removed hereunder, and all such property not removed shall be deemed abandoned by Spyglass and may be utilized or disposed of by PDA without any liability to Spyglass. Spyglass's obligation under this provision shall survive the expiration or termination of the 2021 Lease.

Use: Engineering, machining, welding, brazing metal forming, assembly, testing, office administration, computer support, management and sales related to consulting services, research and development activities, manufacturing, sales and service and for no other uses without PDA's prior written consent.

Alterations: Spyclass shall not place or construct any improvements, changes, structures, alterations or additions (collectively "Alterations") in, to or upon the Premises without PDA's written consent.

Sublease and Assignment: Lessee shall not have the right to delegate any of its responsibilities or obligations under the Lease provided, however, that this provision shall not be construed to prevent Lessee from fulfilling any of its responsibilities or obligations through a contractor, sublease, agent or assign. Lessee may not enter into any sublease of the Leased Premises without Lessor's prior written approval. A building space lease which includes an appurtenant right to use land area for parking or other purposes shall not be deemed to be a sublease of land area for purposes of this Section

Environmental Protection: In accordance with Exhibit B which supersedes and replaces Article 25 of the Lease.

Brokerage: Each party warrants to the other that it has had no dealing with any real estate broker or agent in connection with the negotiation of this Letter of Intent or the 2021 Lease.

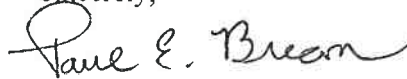
FAA Grant Assurances: The 2021 Lease, as amended, shall be subordinate to the provisions and requirements of any existing or future agreement between the Lessor and the United States, relative to the development, operation or maintenance of the airport including, but not limited to, Federal Airport Improvement Project Grant Assurances as the same are deemed applicable to Portsmouth International Airport at Pease and the Lease as amended.

This letter does not constitute a binding agreement of the Parties. This letter does not alter, amend or waive any rights and obligations of the Parties under the Lease, as amended. This letter does not constitute a reservation of the Premises, the Original Building or the Addition; an option to lease or purchase the Premises, the Original Building or the Addition; or an offer to lease or purchase the Premises the Original Building or the Addition, and no new legal obligation shall arise with respect to all of any portion of these until the 2021 Lease is executed by the Parties.

The Kane Company
Spyglass Development LLC
February 1, 2021
Page 8

I believe this proposal addresses the terms as discussed to date. It is my hope that you will be in a position to advise us of your commitment to PDA by executing this original and the enclosed copy in the space provided and returning the original to my attention. If you have any questions, please give me a call.

Sincerely,

A handwritten signature in cursive script that reads "Paul E. Brean". The signature is written in black ink and is positioned above the printed name and title.

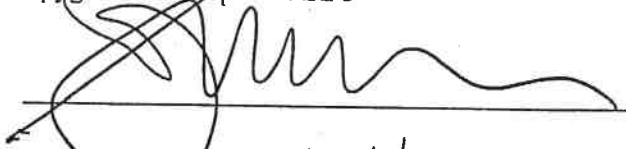
Paul E. Brean
Executive Director

The Kane Company
Spyglass Development LLC
February 1, 2021
Page 9

I have read the foregoing and it correctly states the terms upon which we will proceed to negotiate a mutually acceptable Lease Amendment for the Premises with PDA, subject to the approval of the PDA Board of Directors and any other governmental approvals that may be required.

2/3/21
Date

Spyglass Development LLC


Print: Michael Kane
By its duly authorized: member

cc: Anthony I. Blenkinsop, Deputy Director and General Counsel
Irving Canner, Director of Finance

EXHIBIT A

Plans Depicting the Leased Premises

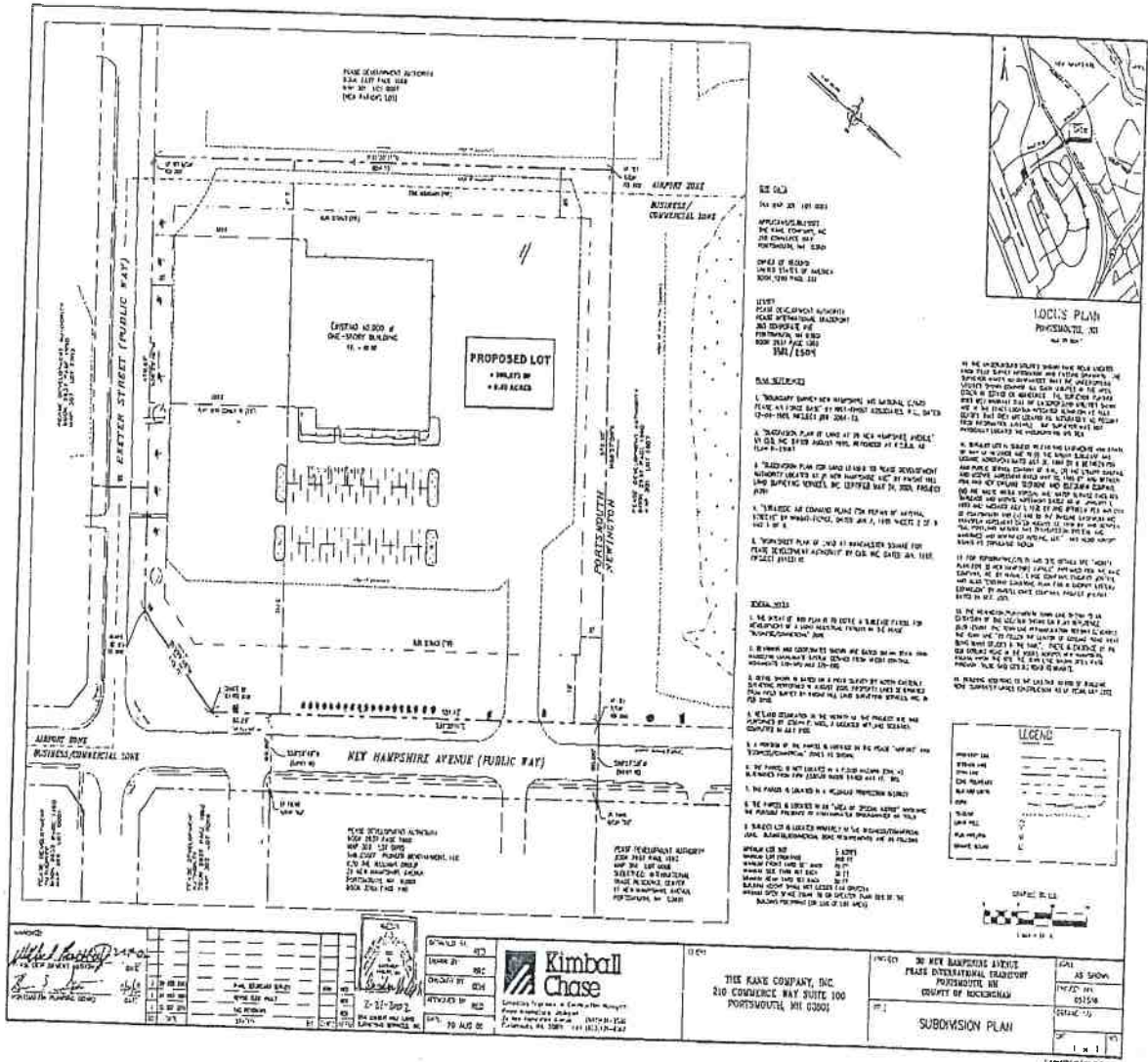


EXHIBIT B

ARTICLE 25 ENVIRONMENTAL PROTECTION

ARTICLE 25.

ENVIRONMENTAL PROTECTION

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

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

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

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

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

25.4. Notwithstanding any other provision of this Lease, Lessee and its sublessees and assignees do not assume any liability or responsibility for environmental impacts and damage caused by the use by the Air Force of toxic or hazardous wastes, substances or materials or PFAS (as defined below) on any portion of the Airport, including the Leased Premises. The Lessee and its sublessees and assignees have no obligation to undertake the defense, remediation and cleanup, including the liability and responsibility for the costs of damages, penalties, legal and investigative services solely arising out of any claim or action in existence now, or which may be brought in the future by any person, including governmental units against the Air Force, because of any use of, or release from, any portion of the Airport (including the Leased Premises) of any toxic or hazardous wastes, substances or materials or PFAS prior to the Occupancy Date. Furthermore, the parties recognize and acknowledge the obligation of the Air Force to indemnify the Lessor and Lessee to the extent required by the provisions of Public Law No. 101-511, Section 8056 and/or Public Law No. 102-484, as amended.

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

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

25.5. As used in this Lease, the term "Hazardous or Regulated Substances" means any hazardous or toxic substance, material or waste, oil or petroleum product, or per- or polyfluoroalkyl substance, including without limitation perfluorinated compounds and their precursors, (collectively, "PFAS"), that is or becomes regulated by any local governmental authority, the State of New Hampshire or the United States Government. The term "Hazardous or Regulated Substances" includes, without limitation, any material or substance which is (i) defined as a "hazardous waste," under New Hampshire RSA ch.147-A, (ii) defined as a "hazardous substance" under New Hampshire RSA ch.147-B, (iii) oil, gasoline or other petroleum product, (iv) asbestos, (v) listed under or defined as hazardous waste pursuant to Parts

Env-Hw 100 or Env-Hw 400 ("Hazardous Waste Rules") of the New Hampshire Code of Administrative Rules, (vi) designated as a "hazardous substance" pursuant to Section 311 of the Federal Water Pollution Control Act (33 U.S.C. §1317), (vii) defined as a "hazardous waste" pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act, 42 U.S.C. §§6901 et seq. (42 U.S.C. §6903), or (viii) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §§9601 et seq. (42 U.S.C. §9601), (ix) defined as "perfluorinated compounds" or "precursor" to a perfluorinated compound pursuant to New Hampshire RSA ch. 125-C, and (x) so defined in the regulations adopted and publications promulgated pursuant to any of such laws, or as such laws or regulations may be further amended, modified or supplemented.

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

25.6. Lessor's rights under this Lease specifically include the right for Lessor to inspect, at all reasonable times and upon reasonable notice, the Leased Premises and any buildings or other facilities thereon for compliance with Legal Requirements, including but not limited to Environmental Laws and occupational health and safety laws, whether or not the Lessor is responsible for enforcing them. Such inspections are without prejudice to the right of duly constituted enforcement officials to make such inspections. Lessor agrees to comply with Lessee's reasonable requirements and procedures with regard to access to the Leased Premises, and if applicable the rights of the tenants under the building space leases.

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

25.8. Lessor and Lessee acknowledge that the Airport has been identified as a National Priority List (NPL) Site under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), as amended (42 U.S.C. §6901 et seq.). Lessee acknowledges that Lessor has provided it with a copy of the Pease Federal Facility Agreement ("FFA") entered into by EPA, and the Air Force on April 24, 1991, and Modification No. 1 thereto, effective March 18, 1993, and Lessee agrees that it will comply with and be bound by the terms of the FFA to the extent the same may be applicable to the Leased Premises and that should any conflict arise between the

terms of the FFA and the provisions of this Lease, the terms of the FFA will take precedence. The Lessee further agrees that the Lessor assumes no liability to the Lessee or any sublessee(s) or assignee(s) of Lessee should implementation of the FFA interfere with their use of the Leased Premises. The Lessee and its sublessee(s) and assignee(s) shall have no claim on account of any such interference against the Lessor, Air Force, EPA, State, NHDES, or any officer, agent, employee or contractor thereof, other than for abatement of rent.

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

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

(1) to conduct investigations and surveys, including, where necessary, drilling, soil and water sampling, testpitting, testing soil borings and other activities related to the Pease Installation Restoration Program ("IRP"), the FFA or any order issued to Air Force by EPA or NHDES or by a court of competent jurisdiction addressing Hazardous or Regulated Substances (collectively, "Order") (the term IRP as used herein refers to the broad Department of Defense-wide program to identify, investigate and clean ups contaminated areas on military installations as described in the Department of Defense Instruction Number 4715.7);

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

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

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

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

subcontractor thereof.

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

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

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

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

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

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

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

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

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

25.18. Prior to the storage, mixing, or application of any pesticide, as that term is defined under the Federal Insecticide, Fungicide, and Rodenticide Act, the Lessee, its sublessees and assignees shall prepare a plan for storage, mixing and application of pesticides ("Pesticide Management Plan"). The Pesticide Management Plan shall be sufficient to meet all applicable Legal

Requirements. The Lessee, its sublessees and assignees shall store, mix and apply all pesticides within the Leased Premises only in strict compliance with the Pesticide Management Plan. The pesticides will only be applied by a licensed applicator in accordance with Legal Requirements.

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

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

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

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

25.22. In addition to the environmental compliance obligations set forth in the Lease Agreement, Lessee and its sublessees and assigns agree to comply with the provisions of any

The Kane Company
Spyglass Development LLC
February 1, 2021
Page 18

current or subsequently implemented Legal Requirement relating to the management, treatment or control of stormwater, including but not limited to Total Maximum Daily Limits (TMDLs) established under either Environmental Laws or other Legal Requirements and applicable to any watercourse or watershed at the Tradeport and the Leased Premises.

END OF ARTICLE 25

EXHIBIT E
LIST OF ENVIRONMENTAL LAWS AND REGULATIONS

- Air Quality:
- (a) Clean Air Act & Amendments, 42 U.S.C. 7401 et seq.
 - (b) 40 CFR Subchapter C
 - (c) RSA ch. 125-C, Air Pollution Control, and rules adopted thereunder
 - (d) RSA ch. 125-I, Air Toxic Control Act, and rules adopted thereunder
- Hazardous Materials:
- (a) Hazardous Materials Transportation Act, 49 U.S.C. 1801 et seq., and Department of Transportation Regulations thereunder
 - (b) Emergency Planning and Community Right-To-Know Act, 42 U.S.C. 11001 et seq.
 - (c) 49 CFR Subchapter A
 - (d) RSA ch. 277-A, Toxic Substances in the Workplace, and rules adopted thereunder
- Hazardous Waste:
- (a) Resource Conservation and Recovery Act (RCRA) of 1976 and RCRA Amendments of 1984, 42 U.S.C. 6901 et seq.
 - (b) Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) of 1980, as amended, 42 U.S.C. 9601 et seq.
 - (c) 40 CFR Parts 260-271, 300, 302
 - (d) RSA ch. 147-A, Hazardous Waste Management and rules adopted thereunder
- Water Quality:
- (a) Federal Water Pollution Control Act (Clean Water Act) and Amendments, 33 U.S.C. 1251 et seq.
 - (b) Safe Drinking Water Act, as amended, 42 U.S.C. 300f et seq.
 - (c) 40 CFR Subchapters D and N
 - (d) RSA ch. 146-A, Oil Spillage in Public Waters, and rules adopted thereunder
 - (e) RSA ch. 485, New Hampshire Safe Drinking Water Act, and rules adopted thereunder
 - (f) RSA ch. 485-A, Pollution and Waste Disposal, and rules adopted thereunder

APPRAISAL REPORT



**FLEX OFFICE/INDUSTRIAL BUILDING
(WAREHOUSE PORTION OF THE ENTIRE BUILDING)**

LOCATION

**30 NEW HAMPSHIRE AVENUE
PORTSMOUTH NH 03801**

OWNER OF RECORD

SPYGLASS DEVELOPMENT LLC

CLIENT

THE KANE COMPANY

PREPARED BY

**RMA ASSOCIATES
25 YORK LANE
LEE, NH 03861**

**RMA GROUP FILE #332020
VALUE ESTIMATE AS OF
SEPTEMBER 16, 2020**



January 14, 2021

The Kane Company
210 Commerce Way, Suite 300
Portsmouth, NH 03801

RE: Flex Office Industrial Building
30 New Hampshire Avenue
Portsmouth, New Hampshire
RMA Group File #322020

Dear Mr. Kane:

In accordance with your request for appraisal services, we have completed an appraisal on the real estate referenced above. This appraisal is presented in an *Appraisal Report* format. This appraisal report summarizes our *Assignment Results*. It is prepared in accordance with the 2020-2021 Edition of the Uniform Standards of Professional Appraisal Practice (USPAP). It also conforms to Title XI of FIRREA.

The purpose of this appraisal is to conclude an opinion of the most probable "as is" *market value of the fee simple interest* of the subject property. Support for this market value is documented in the attached appraisal report. This letter of transmittal is not an appraisal report, but a component thereof.

As a result of our investigation and analysis of the data contained in this report, we find the most probable "as is" *market value of the fee simple interest*, as of September 16, 2020 for the warehouse portion of the subject property (not the entire property), based upon the scope of work outlined on pages 8-9, to be:

**("AS IS")
(ONE MILLION FIVE HUNDRED AND FIFTY THOUSAND
DOLLARS)
(\$1,750,000*)**

***Extraordinary Assumptions (An extraordinary assumption is defined by USPAP as an assumption, directly relating to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusion):**

- 1) The subject section of the building totals 36,000SF of space.

***Hypothetical Conditions (A hypothetical condition is defined by USPAP as a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the appraisal results, but is used for the purpose of analysis.):**

- 1) The subject value assumes that there is no existing lease agreement in place between the owner and Flex Energy.

Probability of Value Change:

The estimated market/use values of the property appraised in this report are estimated as of the aforementioned date. Constantly changing economic, social, political and physical conditions have varying effects upon real property values. Even after the passage of a relatively short period of time, property values may change substantially and require a new appraisal.

The value indicated is subject to the General Assumptions and General Limiting Conditions located at the end of the report.

Sincerely,



Robert P. Concannon, MAI
Chief Appraiser – NHCG-657

TABLE OF CONTENTS

ASSIGNMENT ELEMENTS	6
DEFINITION OF MARKET VALUE.....	7
SCOPE OF WORK.....	8
HAZARDOUS CONDITIONS	10
COMPETENCY STATEMENT	10
DESCRIPTION OF THE MUNICIPALITY	11
DESCRIPTION OF MARKET AREA.....	12
DESCRIPTION OF MARKET AREA.....	18
DESCRIPTION OF PROPERTY.....	23
HISTORY OF CONVEYANCE	29
OCCUPANCY & USE.....	30
ASSESSMENT AND TAXES	30
ZONING	31
HIGHEST AND BEST USE	33
INCOME APPROACH.....	38
SALES COMPARISON APPROACH	55
RECONCILIATION	75
FINAL VALUE ESTIMATE	76
GENERAL ASSUMPTIONS AND LIMITING CONDITIONS.....	77
CERTIFICATION	81
ADDENDA.....	83

ADDENDA

- Subject Photographs
- Tax Map
- Area Maps
- Municipal Tax Card
- Appraiser Qualifications

ASSIGNMENT ELEMENTS

SUBJECT: Flex Office/Industrial Building
City of Portsmouth Parcel ID 37835
30 New Hampshire Avenue, Portsmouth New Hampshire

APPRAISAL REPORT: *Appraisal Report*
Defined as a written report prepared under Standards Rule 2-2(b) performed under Standard 1 of the Uniform Standards of Professional Appraisal Practice (USPAP).

DATE OF INSPECTION: September 16, 2020
DATES OF VALUE: September 16, 2020
DATE OF REPORT: January 14, 2021

PROPERTY RIGHTS: Leasehold Interest
The interest held by the lessee (the tenant or renter) through a lease transferring the rights of use and occupancy for a stated term under certain conditions. (Appraisal Institute, The Dictionary of Real Estate Appraisal, Fifth Edition, (Chicago, 2010).

VALUE TYPE: Market Value

ASSIGNMENT COND: *Extraordinary Assumptions* – (See Transmittal Letter)
Hypothetical Conditions – None
Jurisdictional Exceptions – None

CLIENT: The Kane Company, Mr. Eric Nelson

INTENDED USER: The Kane Company, Mr. Eric Nelson

PROBLEM TO BE SOLVED: The purpose of this appraisal is to estimate the most probable “as is” market value of the “leasehold interest” of the flex portion (office/industrial section) of the subject property.

USE: The intended use of the report is for estimating market value for a potential sale of a portion of the subject property. The appraiser does not intend use of this appraisal by any other party than those disclosed above, or for any other purpose by the client.

DEFINITION OF MARKET VALUE

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. The buyer and seller are typically motivated;
2. Both of the parties are well informed or well advised, and are each acting in what they consider to be their own best interest;
3. A reasonable period of time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U. S. dollars or in terms of financial arrangement comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

The definition of market value was taken from the Department of the Treasury, Office of the Comptroller of the Currency, 12CFR Part 34, dated 8/24/90 (Section 34.42 Definitions)

Market Value Comments: The factors of utility, scarcity, desire and effective purchasing power is apparent in the definition. The implication that buyer and seller are working under equal pressure is seldom completely true, although typical motivation for each does imply a reasonable balance for a market value transaction. Market prices do not necessarily follow all of these concepts, and are often affected by salesmanship and the urgency and need of the buyer and/or seller. The central difference between market price and market value lies in the premise of knowledge and willingness both of which are contemplated in market value, but not in market price. Stated differently, at any given moment of time, market value denotes what a property is actually worth under certain specified conditions, while market price denotes the actual sales price.

Probability of Value Change: The estimated market value of the property appraised in this report is estimated as of the aforementioned date. Constantly changing economic, social, political and physical conditions have varying effects upon real property values. Even after the passage of a relatively short period of time, property values may change substantially and require a new appraisal.

SCOPE OF WORK

According to the 2020-2021 Edition of the Uniform Standards of Professional Appraisal Practice (USPAP), for each appraisal assignment an appraiser must:

1. Identify the problem to be solved;
2. Determine and perform the scope of work necessary to develop credible assignment results; and
3. Disclose the scope of work in the report.

In order to determine the appropriate scope of work, the appraiser must properly identify the problem to be solved. That scope of work must be sufficient to produce assignment results that are credible. For a scope of work to be acceptable, it must meet or exceed:

1. The expectations of parties who are regularly intended users for similar assignment; and
2. What an appraiser's peers' actions would be in performing the same or a similar assignment.

Identification of Relevant Property Characteristics

Physical

- The appraiser will inspect the subject parcel and the existing improvements at a level necessary to gather information about the physical characteristics of the parcel and improvements that are relevant in the valuation problem.
- The appraiser will interview the property manager.

Legal

- The appraiser will review the site leasing agreement.
- The appraiser will examine the municipal tax card and tax map, and fully review all pertinent ordinances relevant to the property in Portsmouth.
- The appraiser will review all provided the lease documents.

Economic

- The appraiser will review the Portsmouth and Seacoast flex office/ industrial market.

Development of the Highest and Best Use Opinion(s)

In developing an opinion of highest and best use, the appraiser applied the four tests (physically possible, legally permissible, financially feasible, and maximally productive) with research into each factor, testing for feasibility.

Application of the Three Approaches to Value

The **Cost Approach** was considered but not developed. It is not relevant when the improvements are over 20+ years old as any attempt to estimate physical depreciation or functional obsolescence would not be reliable, or credible.

The **Income Approach** was fully developed. The subject is an office/industrial building that has historically been leased on a multiple tenancy basis. The income, expenses, and NOI were accurately estimated. A credible capitalization rate (OAR) rate was obtained from national and regional survey data. Since this type building would initially appeal to an owner occupant and secondarily to an investor, this approach produced a slightly less credible, and secondary value conclusion.

The **Sales Comparison Approach** was fully developed. A search within the Southern New Hampshire industrial market(s) produced a number of recent office/industrial building sales. Although, none of the sales were completely analogous to the subject, they were considered reasonably similar enough in terms of location, size, condition and occupancy to develop a credible analysis. While the subject building is currently rented out to a single tenant, it could be used by an owner-occupant who could occupy the entire space. Since the building could also appeal to an owner occupant, this is deemed to produce a credible and primary value conclusion.

Reporting Type

This results of this appraisal assignment is being reported as an Appraisal Report, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of USPAP. As such, it presents summary discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation is retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated.

Sources of Information Included:

- Physical inspection of the property performed on September 16, 2020
- Property Manager's Representatives – Mr. Eric Nelson & Ms. Stacey Abel
- City of Portsmouth
- Real estate brokers active in the office market
- NECPE
- Appraiser's files and published data

HAZARDOUS CONDITIONS

An opinion as to the extent of any hazardous waste on the subject property and any associated removal and/or remediation costs is beyond the scope of this assignment and the expertise of the appraiser. No environmental issues were noted at inspection.

COMPETENCY STATEMENT

Mr. Robert P. Concannon, MAI is competent to perform the appraisal in which they have been engaged. The appraisers are experienced in the valuation of all types of real estate, including but not limited to, general and medical office buildings, industrial/warehouse buildings, research and development facilities, retail developments, mixed-use projects, multi-family residential developments, and undeveloped land. Qualifications of the appraisers are included in the Addenda of the report.

DESCRIPTION OF THE MUNICIPALITY

Location: Portsmouth is located in southeastern New Hampshire within Rockingham County. Manchester is approximately 50 miles west; Boston, Massachusetts is approximately 50 miles south; and Portland, Maine is approximately 50 miles north. The city is bordered by the State of Maine to the north, Newington and Greenland to the West, New Castle to the east and Rye to the south. Within a short proximity are a number of state beaches in New Hampshire, Massachusetts, and Maine. Other attractions include the University of New Hampshire in Durham, a number of public and private golf courses, and various historical sites. Given the city's location and access to Interstate 95, makeup of its downtown area and numerous attractions, the city has become a tourist destination for a significant portion of the year.

Transportation/Road Access: Both Interstate 95 and U.S. Route 1 run north/south through the city. Additionally, the Spaulding Turnpike provides access northwest to the cities of Dover, Somersworth and Rochester. N.H. Routes 4 and 101 provide access west to the cities of Concord and Manchester, respectively. Also, N.H. Route 33 provides access to the south to Greenland, Stratham, and Exeter. Accessibility to the city is considered excellent. The airport at the Pease Tradeport offers limited commercial flights. Much larger commercial airports in Boston, Manchester, and Portland are all within one hour's drive. The city has a deep-water port and access to the Boston & Maine Railroad.

Size: 15.6+/- square miles. Most of the developable land area has been improved. The majority of the remaining vacant land is wetlands.

Population: 21,426 (2015). There has been little change in the population since 2000.

Demographics: Per capita and median household income in 2015 was \$45,062 and \$71,392, respectively. Residential improvements as of 2014 included 5,326 single-family units, 4,384 multi-family units and 292 mobile homes. The 2015 civilian labor force totaled 13,155. Approximately 50% of the city's resident's work in Portsmouth, with the remaining commuting to other municipalities.

Government: Portsmouth has a City Manager/City Council form of government.

City Services: Eversource supplies electricity. The City of Portsmouth has water provided by the Portsmouth Water Works. There is a municipal sewerage system covering approximately 85% of the city. Unitil provides natural gas to a portion of Portsmouth. There are full-time police and fire departments. The city offers curbside trash pickup and a mandatory recycling program. The city has a public library and the Portsmouth Regional Hospital (209 beds) is located on Borthwick Avenue. There are four elementary schools, one middle school and one high school in Portsmouth.

Area Unemployment

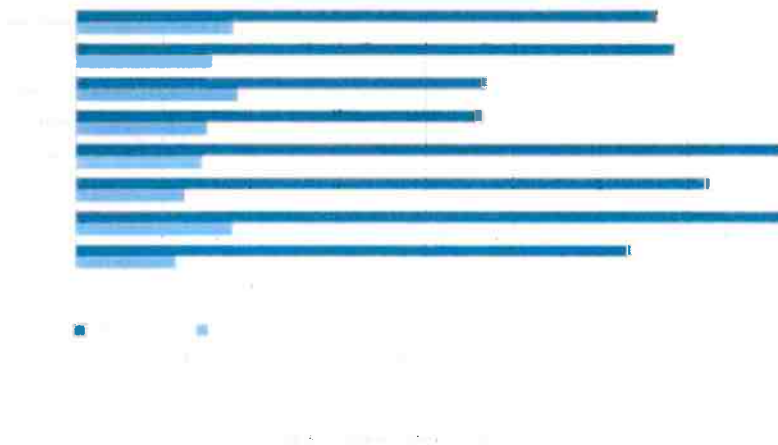
Unemployment rates also provide a window into the health of not only an areas general economy, but also the health of its real estate market (often with some lag time). Since people use buildings, the more people working, the more space that is needed. The following compares and contrasts unemployment rates in, around, and outside of the subject market area:

Unemployment

Unemployment rates increased in all six New England states relative to one year prior

Unemployment rates across the US and New England increased year-over-year. The May 2020 unemployment rate was 13.3 percent nationally and 13.7 percent regionally. All six New England states saw unemployment rate increases between May 2019 and May 2020, with Massachusetts and Rhode Island posting the largest increases landing them each at 13.3 percent (2x their 14). The unemployment rate in New Hampshire was also above the national average at 14.3 percent. Maine (9.8 percent), Connecticut (8.4 percent), and Vermont (12.7 percent) saw rates lower than the national average, but each state had a significant increase compared to February 2020, prompted by state policies requiring non-essential businesses to close to support public health.

Unemployment Rates



In general, unemployment has been declining in most markets since the recession began in 2008. In particular, NH is doing better than the US, New England, MA, and Maine; and the Portsmouth area (even during the recession that started near the end of 2008) better than all submarkets even relative to other major NH Cities. Since people use buildings, the more people working, the more space that is needed.

DESCRIPTION OF THE MARKET AREA

According to the Dictionary of Real Estate Appraisal, a market area is defined as “the geographic or locational delineation of the market for a specific category of real estate, i.e., the area in which alternative, similar properties effectively compete with the subject property in the minds of probable, potential purchasers and users.”

The subject property consists of a single tenant (flex) office/industrial building at the highly desirable Pease Tradeport. The market area is considered to include New England.

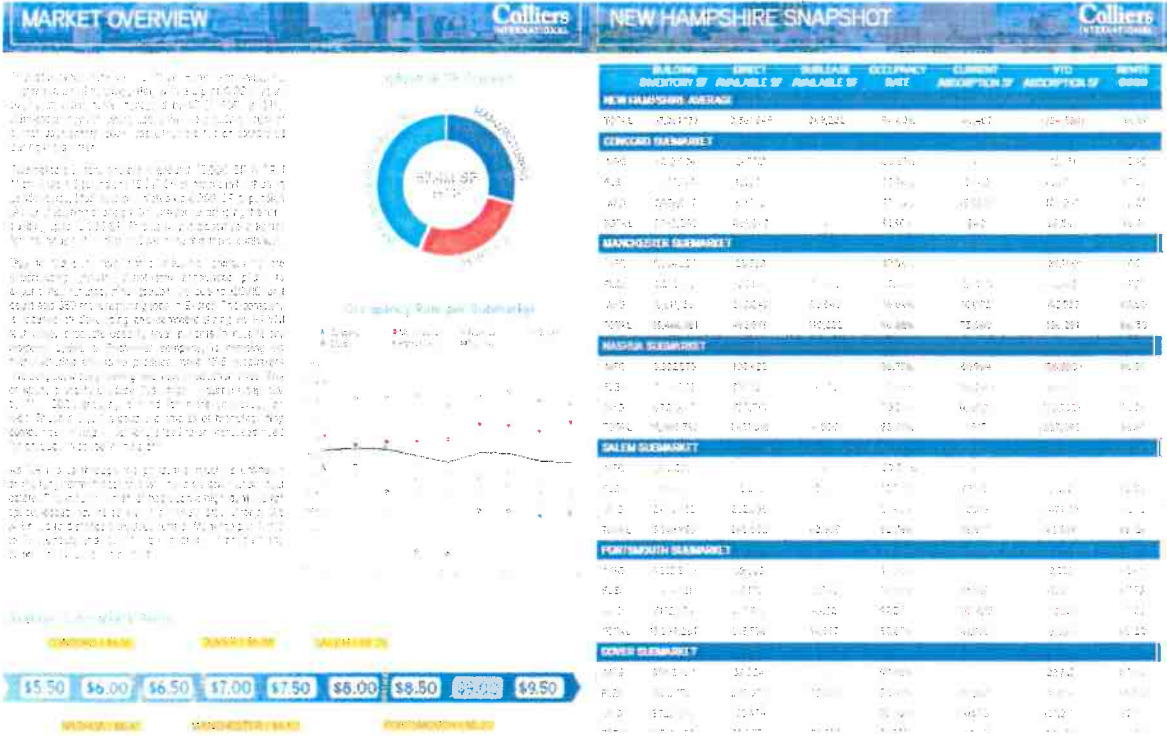
MARKET ASSESSMENT

The subject is located in the seacoast portion of Rockingham County, the most southern county within eastern NH. With a population in 2015 of 302,000 (rounded), Rockingham is the second largest NH County. Combined with abutting Strafford County, the population in 2015 was 431,000 (rounded). From 2010 to 2015, these two counties had the largest population growth in NH: Rockingham County at 2.2% (+6,557), and Strafford at 3%, (+3,679).

Portsmouth, the community in which the subject resides (including Pease), unlike the rest of the country, New England, MA, northern MA, and even much of the rest of NH, never suffered economically to the same extent during the rest of the country's recession. While cranes were in mothballs and crane operators unemployed in nearly all other areas nationwide from 2009 to 2013 and 2014, newly developed commercial properties at Pease and in Portsmouth were being developed due the overall attractiveness of the area. While many empty see-through buildings dotted the landscape along I-93 from Woburn, MA to Manchester, NH including Nashua, the only see-through buildings in Portsmouth were the new ones just being built where the windows had yet to be installed and were in process.

The following is a brief synopsis of the New Hampshire industrial market from Colliers International for the 2nd quarter of 2020. The report provides the most recent update for occupancy levels, available space and average rental rates by various submarkets in New Hampshire for industrial space. The reported is followed by a second quarter (newsletter update) from Colliers International for industrial sub-market.

SEACOAST NEW HAMPSHIRE INDUSTRIAL MARKET FORECAST



CONCORD

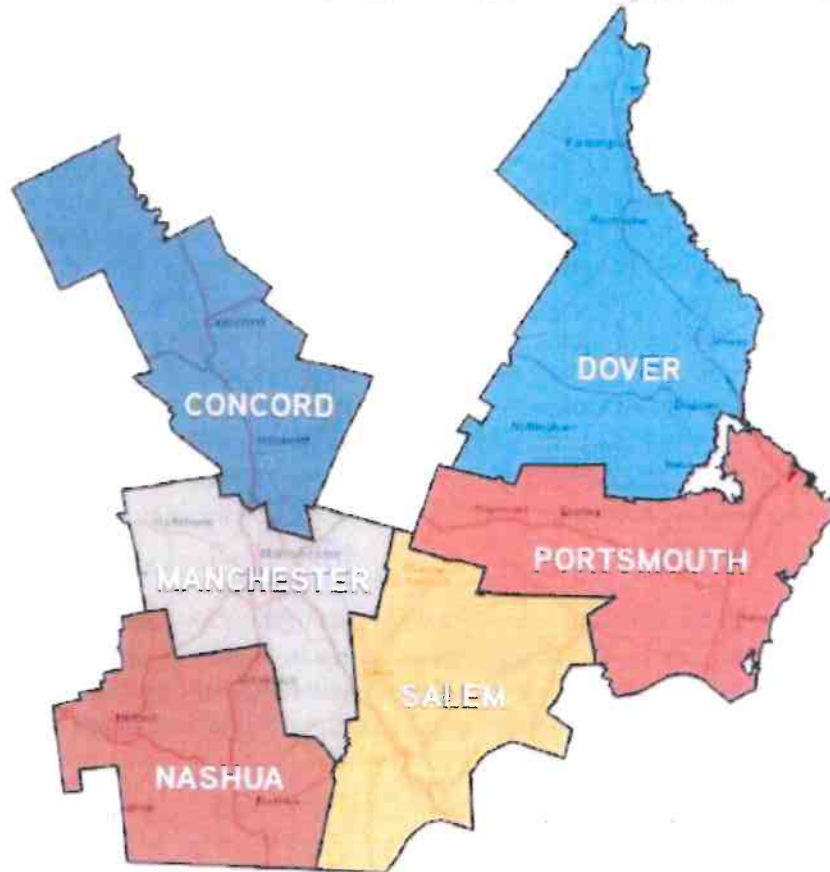
Building Inventory SF	1,793,350
Occupancy Rate	91.90%
Direct Available SF	469,242
Sublease Available SF	
Avg. Rent (NNN)	\$6.76

DOVER

Building Inventory SF	8,510,600
Occupancy Rate	91.98%
Direct Available SF	502,771
Sublease Available SF	178,003
Avg. Rent (NNN)	\$6.88

PORTSMOUTH

Building Inventory SF	13,209,267
Occupancy Rate	97.87%
Direct Available SF	319,736
Sublease Available SF	14,997
Avg. Rent (NNN)	\$8.20

**MANCHESTER**

Building Inventory SF	70,446,191
Occupancy Rate	96.88%
Direct Available SF	489,075
Sublease Available SF	170,222
Avg. Rent (NNN)	\$6.57

NASHUA

Building Inventory SF	10,080,707
Occupancy Rate	93.01%
Direct Available SF	14,352 SF
Sublease Available SF	4,000 SF
Avg. Rent (NNN)	\$6.14

SALEM

Building Inventory SF	5,310,971
Occupancy Rate	92.74%
Direct Available SF	245,000
Sublease Available SF	742,000
Avg. Rent (NNN)	\$8.05

The occupancy rate in the New Hampshire industrial sector remained relatively flat, with a dip of 0.02% year-over-year, while rents increased by \$0.21 PSF, or 3.1%. With occupancy remaining above 94%, a steady amount of owner-user construction was either started or completed during the quarter.

Two notable expansions broke ground; 13,000 SF at TRM Microwave in Bedford and 15,810 SF at Integra in Nashua. In Londonderry, MuShield completed its 6,000 SF expansion of manufacturing space on Ricker Avenue, bringing the total building up to 18,000 SF. This activity is a positive indicator for the industrial market and we hope this trend continues.

Due to the pandemic, some industrial companies are experiencing growth. Vapotherm announced plans to expand its manufacturing capabilities due to COVID and could add 350 manufacturing jobs in Exeter. The company is focused on developing and commercializing its HI-VNI technology products used to treat patients in respiratory distress. Lydall, a Rochester company, is ramping up manufacturing efforts to produce more N95 respirators and surgical masks, adding two new production lines. The company plans to produce five times its current capacity by May 2021, creating a need for more employees as well. These are just a couple examples of manufacturing companies thriving, which could lead to an increased need for production space in the state.

As NH moves through the pandemic, much is unknown of the long-term impact this will have on commercial real estate. The industrial market has such a high demand for space, occupancy rates will most likely stay strong. We will need to distance ourselves further from the pandemic to fully understand the lasting impact it will have on the commercial real estate market.

Area Unemployment

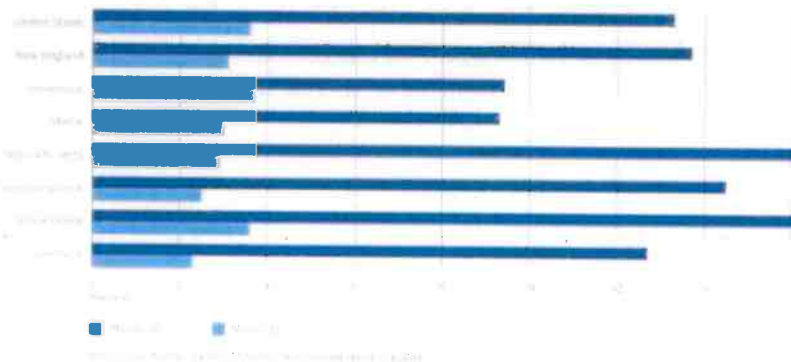
Unemployment rates also provide a window into the health of not only an areas general economy, but also the health of its real estate market (often with some lag time). Since people use buildings, the more people working, the more space that is needed. The following compares and contrasts unemployment rates in, around, and outside of the subject market area:

Unemployment

Unemployment rates increased in all six New England states relative to one year prior

Unemployment rates across the US and New England increased year-over-year. The May 2020 unemployment rate was 13.2 percent nationally and 12.7 percent regionally. All six New England states saw unemployment rate increases between May 2019 and May 2020, with Massachusetts and Rhode Island posting the largest increases landing them each at 16.8 percent (Exhibit 4). The unemployment rate in New Hampshire was also above the national average at 14.8 percent. Maine (9.8 percent), Connecticut (9.4 percent), and Vermont (12.7 percent) saw rates lower than the national average, but each state had significant increases compared to February 2020, prompted by state policies requiring non-essential businesses to close to support public health.

Exhibit 4
Unemployment Rates



In general, unemployment has been declining in most markets since the recession began in 2008. In particular, NH is doing better than the US, New England, MA, and Maine; and the Portsmouth area (even during the recession that started near the end of 2008) better than all submarkets even relative to other major NH Cities. Since people use buildings, the more people working, the more space that is needed.

DESCRIPTION OF THE PEASE TRADEPORT

The 59-year-old Pease Air Force Base, the home of SAC's 509th Bomb Wing closed on March 31, 1991. The Pease Development Authority was created in 1990. The PDA is an independent state agency. The base was officially transferred from military to civilian control in 1991. The PDA was granted powers needed to implement the base redevelopment plan. Those included the authority to accept title of the land disposed by the Air Force, and the authority to market and develop the land. Zoning at the Pease Tradeport includes 797 acres in the airport zone, 448 acres in the airport industrial zone, 333 acres in the industrial zone, and 466 acres in the business/commercial zone. 781 acres were set aside for natural resource protection and wetlands mitigation.

Pease is located just off Interstate 95 and the Spaulding Turnpike in Portsmouth and Newington, NH. There is an extensive network of roads that existed from the former air force base. The PIT is served with municipal water and sewer, and natural gas. The PIT offers a Foreign Trade Zone and customs facilities. Portsmouth International Airport offers an 11,321-foot runway. There is also a 27-hole public golf course.

Pease is home to over 250+ companies employing close to 10,500+/- people (direct) and 5,125+/- (indirect). There is roughly 4.86 million square feet of office and industrial space. For a business/commercial or industrial use, there are only seven remaining parcels of land that have either not been developed or controlled for future development. There are also several sites under improved with old Air Force buildings. Most developers think with typical absorption, those seven sites should be developed within five or so years.

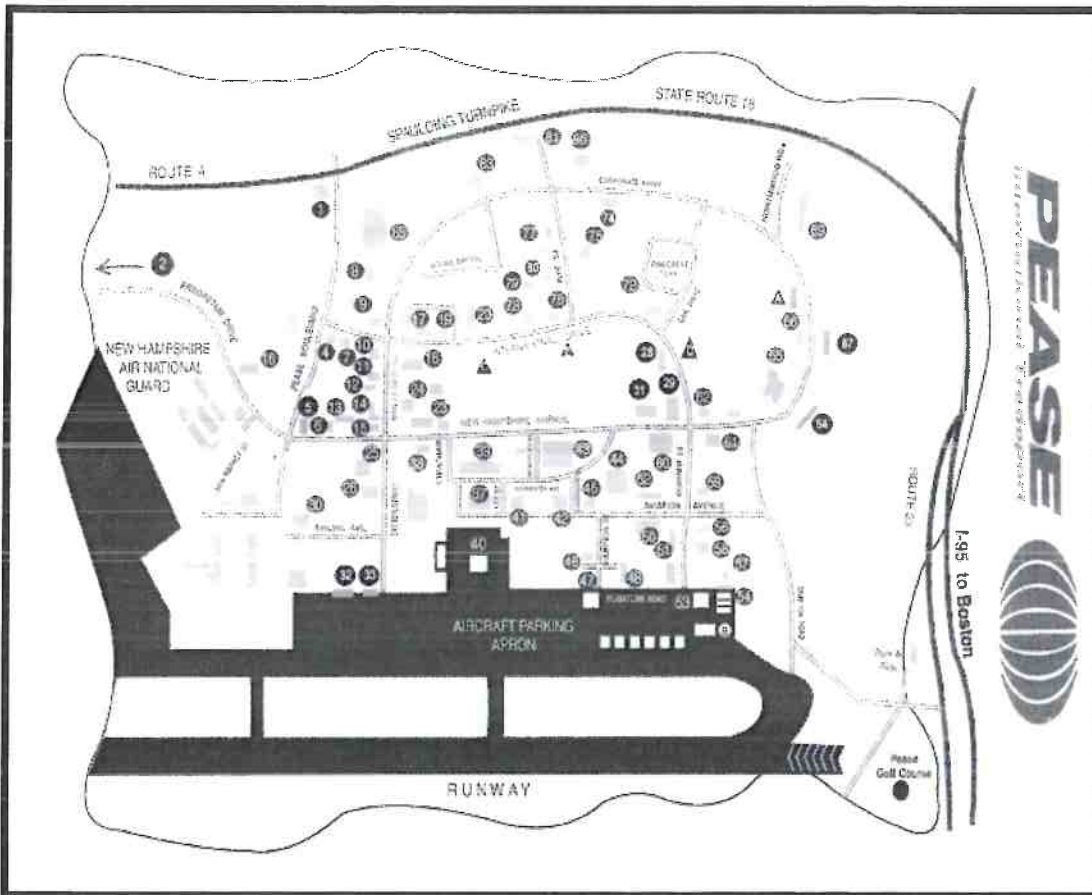
Pease is improved with a variety of building types and uses. In addition to those connected with the airport, they include the following:

- Newly constructed single and multi-tenant class A office buildings
- Newly constructed research and development buildings
- Newly constructed light industrial buildings
- Former air base buildings renovated for a variety of uses
- Vacant former air base buildings
- Hotels
- Restaurants
- Retail
- Financial institutions
- Health care facilities
- Colleges
- Day care facilities

An aerial of the Pease Tradeport is below:



From a flex space perspective, the number of sites that may accommodate new development providing office/industrial space for rent is rapidly diminishing. On the following page is the most recent chart from the Pease Development Authority showing the unimproved development sites:



11.2 Acres / 5.6 Acres Useable-Arboretum Drive

This site is adjacent to the Sig Sauer facility and they have a right of first refusal. It is doubtful they will not eventually take the site for future expansion of their facility.

9.3 Acres / 7.1 Acres Useable-Corporate Drive

This site is adjacent to the Wentworth Douglass office building and they have it under option for future medical office expansion.

5.4 Acres / 4.0 Acres Useable-Corporate Drive

This site is adjacent to the Wentworth Douglass office building and they have it under option for future medical office expansion.

24.1 Acres / 22.0 Acres Useable-Corporate Drive

This site is adjacent to the Lonza Biologics facility and they have it under option for future expansion.

8.7 Acres / 8.7 Acres Useable-160 Corporate Drive

Summit Development of Dover is in the process of permitting the site for a total of 100,000 square feet of office. Phase I which is 45,000 square feet will commence shortly and will be taken by a single tenant. Phase II which is 55,000 square feet is slated for that tenant's future expansion.

7.1 Acres / 3.3 Acres Useable-Corporate Drive

Summit Development has this parcel under option. They have conceptual designs for a single or multiple buildings with a total of 100,000 square feet of office.

11.2 Acres / 3.2 Acres Useable-Corporate Drive

This site is available. According to Two International Group, it has the potential for 30,000,000 square feet of office.

6.1 Acres / 5.2 Acres Useable-New Hampshire Avenue

This site is adjacent to the Great Bay Community College facility and they have it under option for future college expansion.

11.0 Acres / 11.0 Acres Useable-100 New Hampshire Avenue

Two International Group has this parcel under option. They have conceptual designs for 200,000 square feet of office.

6.6 Acres / 2.4 Acres Useable-Durham Street & Aviation Avenue

This site is available. According to Two International Group, it has the potential for 20,000 square feet of office.

The appraiser is aware of two existing site infill possibilities. 50 International Drive that is a part of current 75 International Drive has a 30,000 square foot office building under construction. The developer is Two International Group. They indicated they have two LOIs in place for the entire building. Two International Group owns 14 Manchester Square. They indicate there is roughly 4 excess acres that may accommodate 100,000 square feet of office.

The thirteen remaining sites are all on land that requires an airport use.

By removing owner user sites and sites where tenants have already been secured, there are five remaining development sites with the ability to produce roughly 360,000 square feet of leasable office space. With a total buildout of around 2,400,000 square feet, this represents only an additional 15%. Looking at Pease and Portsmouth in totality, this only represents an increase of 9%. Given the recent absorption rates at Pease, this amount of space should be built and occupied within the next five to ten years.

Pease Industrial Space Overview (9/30/20 – Colliers International)

Industrial - Total Space: 1,628,812 SF - Current Occupancy Rate: 97.74% - Average Rental Rate: \$9.33 NNN – there are only two current availabilities in the market, so the listing rates are higher than average.

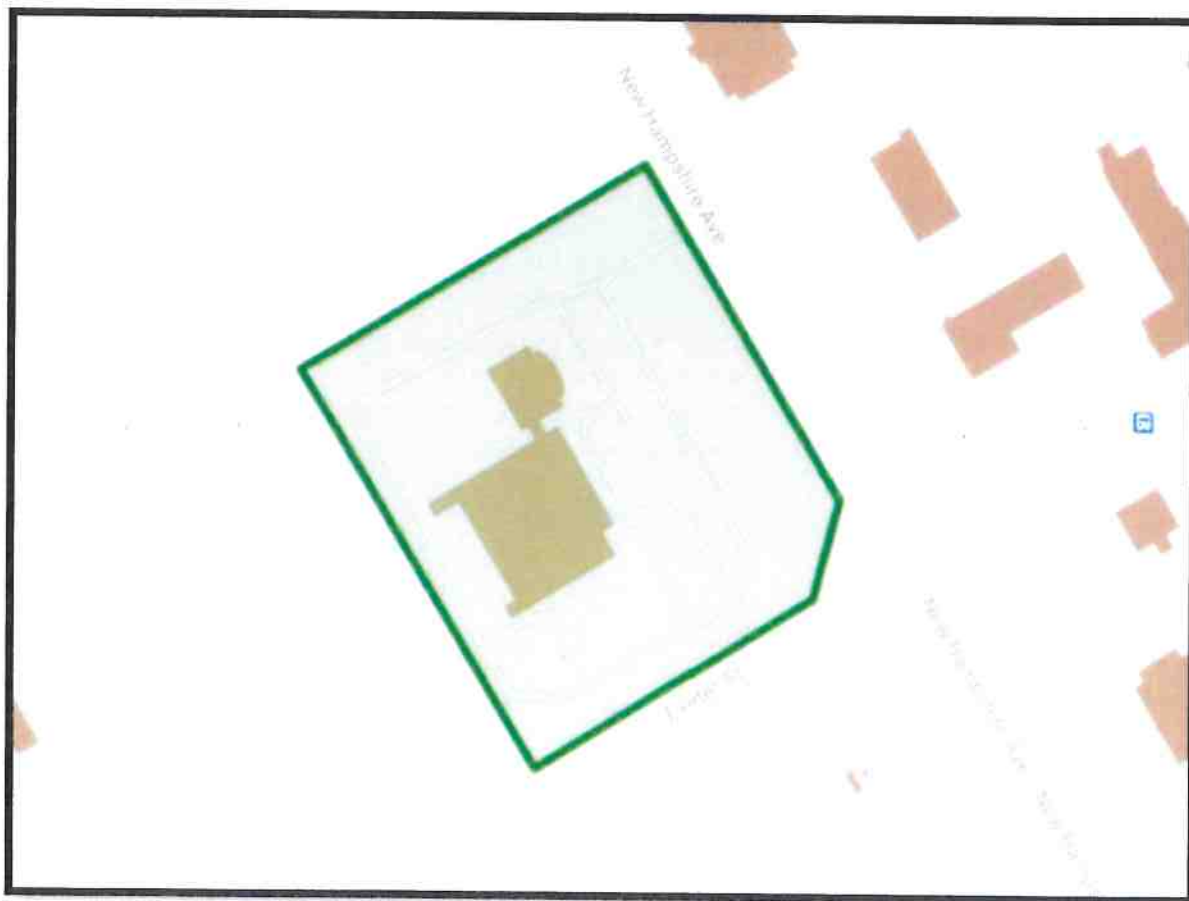
DESCRIPTION OF THE PROPERTY

The following is a summary of the site and building components of the subject property. This has been based upon property data provided by the subject ownership, on-site property inspections, and on information provided from public sources.

The existing improvements are situated on land leased by Spyglass Development LLC (ground tenant) from the Pease Development Authority. Based upon a review of city of Portsmouth Flood Insurance Rate Map #330139 0005 B, effective May 17, 1982, the subject is not located in a flood hazard area. According to municipal records, the leased land is identified as Map 301 / Lot 3.

The leased land may be summarized as follows:

SITE



The subject lot is 6.63 acres with 625+/- feet of frontage along New Hampshire Avenue and 545+/-feet along Exeter Street. The subject is a highly visible and a highly accessible lot from New Hampshire Avenue. Traffic counts here are minimal, however, there is easy access to Route 16 and Interstate 95 within one mile of the subject property. Most of the lot is level or nearly level to street grade. Utilities include municipal water and sewer, natural gas, three-phase electrical, land line and cell phone service, and cable.

The character of the site is almost entirely open areas with no woodlands along the left and right sides. The entire site appears suitable for development.

Access is via New Hampshire Avenue (one access point) and Exeter Street (one access point). Otherwise, no easements or encroachments exist that would materially diminish the utility of the subject property. The subject site does not appear to possess any expansion potential based upon its current layout.

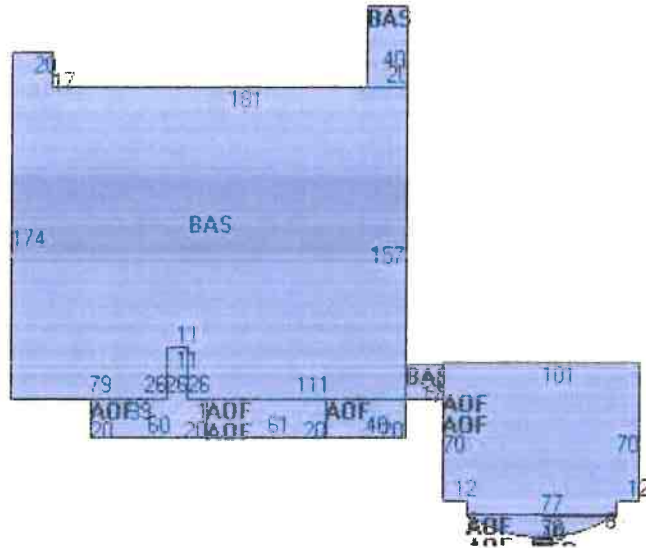
There are no wetlands or wetlands boundaries on the subject lot. In addition, the lot is in Zone X, an area determined to be outside the floodplain area.

AERIAL VIEW



STRUCTURAL DESIGN AND ANALYSIS

Building Layout



Building Sub-Areas (sq ft)			Legend	
Code	Description	Gross Area	Living Area	
BAS	First Floor	32,751	32,751	
AOF	Office	21,284	21,284	
FEP	Porch Enclosed	30	0	
		54,065	54,035	



The subject property consists of a mixed-use complex with an original flex office/industrial building constructed in 1960 connected to a two story office building constructed in 2002. The subject section consists of a large warehouse and office space (ground floor and mezzanine) with 36,000SF of space. This section of the property is steel frame construction with fabricated steel exterior and roof on a concrete slab. The building possesses 4 bay doors (drive in), numerous exterior windows and 4 entry doors. The building possesses a 15' 3" clear height in the warehouse. The gross building area (GBA) is 54,065SF and the gross leasable area is 54,035SF. The building is fully sprinklered. There are no elevators. The building possesses office space (26,012SF) on two floors at the front of the building and warehouse space (single floor – 15' 3" ceiling height) at the rear of the building.

The building is occupied by one tenant (Flex Energy). This tenant also occupies the office section of the complex. The office space was deemed to be in average to above average condition with recent updates. It is fully heated, air-conditioned, and sprinklered. The finishes are in average to above average quality with primarily painted sheetrock walls, suspended acoustic tile ceilings and with thin-tube efficient fluorescent lighting. The flooring is a mix of carpet, linoleum and ceramic tile. The warehouse space is not clear space (various columns) with unfinished concrete floors, open fabricated steel ceilings and insulated walls.

The subject section of the complex was constructed in 1960. Overall this property is in average to above average condition and deemed to be **Class C flex (office/industrial) space**.

On the grounds, mostly in the front and rear, there are an ample amount of well-lit, asphalt-paved and lined parking spaces with 176 spaces shared by both sections of the building. There is a limited amount of landscaping at the front of the property.

HISTORY OF CONVEYANCE

In accordance with the Standards of Professional Practice of the Appraisal Institute, we are required to indicate the subject's ownership history for the preceding three-year period; no transfers of the subject property have occurred within this time period. **The property is not currently being marketed for sale.**

OCCUPANCY & USE

The subject property is occupied by one tenant. The subject property (entire complex) is occupied by one tenant. The entire property is subject to a master lease agreement with Flex Energy.

No lease information was provided to the appraiser by the owner.

At the request of the client, the appraiser is valuing the subject (section) space assuming no lease agreement is in place.

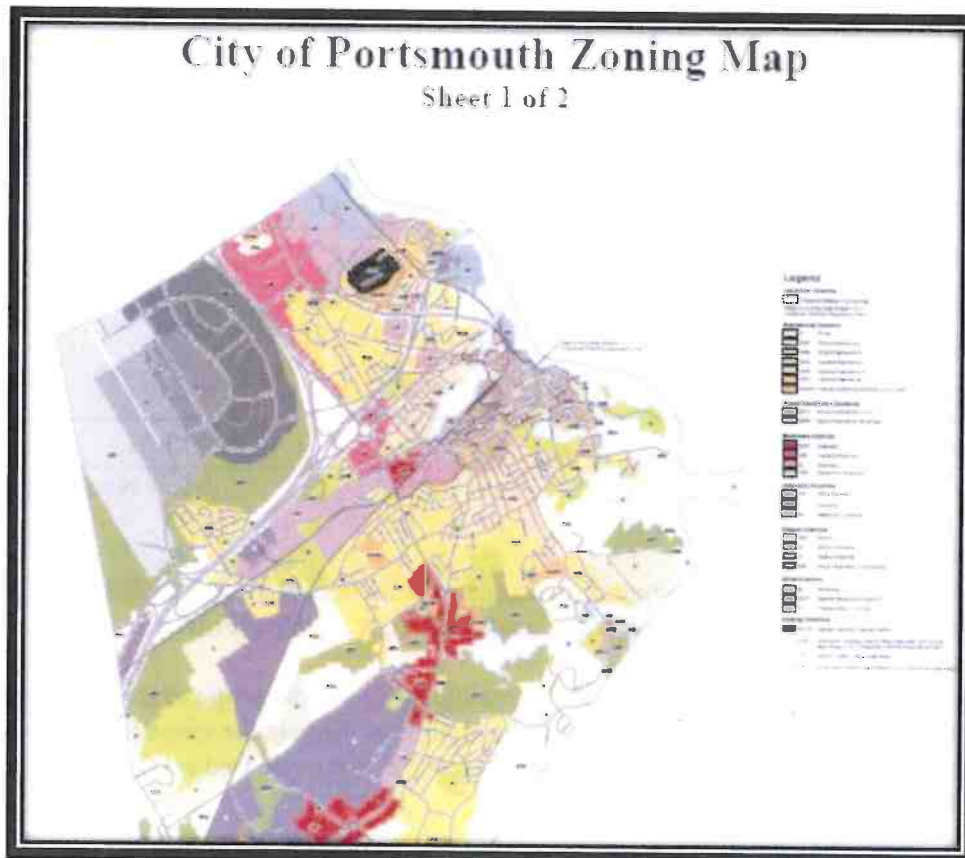
ASSESSMENT AND TAXES

The Assessor identifies the properties as Map 301 Block 003. The (entire) subject property is currently assessed for \$4,982,900. The City of Portsmouth's current tax rate is \$14.86 (2019).

The State of NH Department of Revenue Administration's determined the median valuation ratio for Portsmouth for 4/1/20 at 91.3%.

ZONING

Zoning is the public regulation of the character and intensity of the use of real estate through the employment of police power. This is accomplished by the establishment of districts or areas in each of which uniform restrictions relating to structure heights, lot sizes, setbacks, frontage, impervious coverage, density and other limitations are imposed upon the use and development of private property.



Zone

The subject is located in the ABC (Airport Business Commercial) Zoning District. The purpose of this district is to provide for business, commercial and trade related enterprises in a campus setting.

Within the ABC zone allowed uses include military aviation, medical emergency flights, school, performance indoor facility, outdoor recreational use, office, medical services, restaurant, hotel/motel, industrial, manufacturing, passenger terminals, parking, and wireless telecommunication facilities.

Dimensional requirements for the ABC Zoning District are as follows:

	Air	PI	AI	ABC
Minimum Lot Dimensions				
Area	NR	5 acres	5 acres	10 acres
Continuous street frontage	NR	NR	100'	300'
Depth	NR	NR	100'	200'
Minimum Yard Dimensions				
Front	NR	70'	70'	70'
Side	NR	50' + 50'	50' + 50'	30' + 30'
Rear	NR	50'	50'	50'
Maximum Structure Dimensions				
Structure height	85'	85'	85'	85'
Roof appurtenance height	10'	10'	10'	10'
Building coverage	NR	30%	50%	60%
Minimum open space	NR	50%	50%	50%

NR = No requirement.

Status of Conformity

The subject site does not meet current dimensional requirements but is grandfathered. The improvements are deemed to be a permitted use in the ABC Zoning District.

A definitive opinion regarding conformity to zoning is beyond the scope of the appraisal assignment and the professional expertise of the appraiser. Should the client require a definitive conclusion as to zoning conformity, it is suggested that either a licensed surveyor and/or attorney be consulted.

HIGHEST AND BEST USE

Highest and Best Use is a basic concept in real estate appraisal. It is an analysis of the subject property's optimum use. It reflects the assumption that the price a buyer will pay is based on his or her conclusions about the most profitable use of the property.

The determination of highest and best use carefully considers prevailing market conditions, trends affecting market participation and change, and the existing use of the subject property.

Highest and best use is defined as:

“The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria that highest and best use must meet are legal permissibility, physical possibility, financial feasibility and maximum profitability.”

(The Dictionary of Real Estate Appraisal, 4th Edition, dated 2002, Appraisal Institute)

The four criteria are defined as follows:

Legally Permissible:

Those uses that are permitted by zoning and other legal restrictions.

Physically Possible:

Those uses that are physically possible for the site.

Financially Feasible:

Those permissible and possible uses that will produce any net return to the owner.

Maximally Productive:

That use among the feasible uses that will produce the highest net return. This is the highest and best use of the property.

Based on the lot size, configuration, and zoning, as a hypothetical vacant lot and with office/industrial use allowed, considering it has grandfathered rights, it could be developed with office/industrial space, which would bring the highest return to the land if vacant.

With the present improvements in place the current use adds significant value to the site. Therefore, as improved, it is considered the highest and best use. *It is noted that the subject property is located on leased land provided by the Pease Development Authority (PDA).*

As Improved Analysis

Legal Permissibility

The building improvements and use are all legally permissible based upon the site plan approval obtained from the city of Portsmouth Planning Board.

Physical Possibility

The improvements evidence their physical possibility. For a single tenant office/industrial use, no modifications are required.

Financially Feasible & Maximally Productive:

The subject section was constructed roughly 60+/- years ago as an office/industrial property. The subject property (entire complex) consists of a larger sized (Class C) office/industrial property with a large amount of office space compared to flex style industrial buildings. The office section was reportedly constructed 20+/- years ago. Although most office/industrial buildings can be converted to other uses, typically these properties are repositioned (older buildings) or further subdivided (newer properties). When there is demand, functional utility depends on whether or not the building conforms to competitive standards. This translates to the amount of office space is offered in a building. Additional office space beyond 10% to 20% of the gross building area is typically deemed to be a superadequacy. The subject section (not the entire property) meets this requirement.

Based upon the other improvements and uses in the area, it would appear that the highest and best use (subject section) is office/industrial uses. While the property could be modified or altered for additional tenants or a single tenant, the current improvements are consistent with current demand at Pease.

When valuing an office/industrial building, the key components are demand and functional utility. In the case of the subject, those components must be considered through the eyes of an investor as the rights being appraised are the leased fee. In other words, is the potential rent to be paid by an office user(s), the highest rent possible based upon those higher end office improvements.

When analyzing the functional utility of a property, some of the key components to consider include: 1) Compatibility 2) Suitability 3) Comfort 4) Efficiency 5) Safety 6) Security 7) Accessibility 8) Ease and cost of maintenance 9) Market standards 10) Attractiveness 11) Economic Productivity.

THE APPRAISAL PROCESS

The appraisal process is a systematic analysis of factors that affect the value of real estate. The objective is to utilize the process to develop support for a final value estimate of the subject property.

The analysis is based on market data for each of the three approaches that are commonly used by appraisers:

1. The Cost Approach
2. The Sales Comparison Approach
3. The Income Approach

Depending on the availability of data, one or more of these approaches may be developed. The value indication and relative strength of each developed approach is summarized in the reconciliation. The final value estimate, which completes the valuation process, is the value suggested by the analysis.

The Cost Approach

The Cost Approach assumes the principal of substitution. This principal affirms that no prudent buyer would purchase a property for more than it would cost to purchase a site and construct a property of similar desirability and utility. It is particularly applicable when the property being appraised involves relatively new improvements that represent the highest and best use of the land.

The following outline is a step-by-step procedure utilizing the Cost Approach to derive a property value:

1. Estimate the value of the site as though vacant and available to be developed to its highest and best use.
2. Estimate the direct and indirect costs of the improvements as of the effective appraisal date.
3. Estimate an appropriate entrepreneurial incentive from analysis of the market.
4. Add estimated direct costs, indirect costs, and the entrepreneurial incentive to arrive at the total cost of the improvements.
5. Estimate the amount of depreciation in the structure and, if necessary, allocate it among the three major categories: physical deterioration, functional obsolescence, and external obsolescence.
6. Deduct the estimated depreciation from the total cost of the improvements to derive an estimate of their depreciated cost.
7. Estimate the contributory value of the site improvements not already considered.
8. Add the site value to the total depreciated cost of all the improvements to arrive at the indicated value of the property.
9. Adjust the indicated value of the property for any personal property that may be included in the cost estimate.

The Income Approach

The Income Approach is defined as “that procedure in appraisal analysis that converts anticipated benefits (dollar income or amenities) to be derived from the ownership of property into a value estimate”. The Income Approach is a basic tool for estimating the value of income producing property, based on the thinking and motivation of the typical investor. It is based on the principal of anticipation reflected in the definition of value as the present worth of all rights to future benefits accruing to ownership. The Income Approach is practical only when an income stream attributable to the real estate can be estimated. The basic steps in the procedure of the Income Approach when Direct Capitalization is used are:

1. Estimate the market rent or rents.
2. From the market rent(s) calculate the stabilized potential gross income.
3. Estimate and deduct the forecast vacancy and credit loss allowance to arrive at effective gross income.
4. Estimate the fixed expenses, variable expenses and a replacement allowance and deduct them from effective gross income to arrive at net operating income.
5. Select an appropriate capitalization method and develop the capitalization rate.
6. Use the formula of VALUE equals INCOME divided by RATE to arrive at the value estimate by this approach.

The Sales Comparison Approach

The Sales Comparison Approach involves a set of procedures in which a value indication is derived by comparing the property being appraised to similar properties that have been sold recently, applying appropriate units of comparison, and adjusting the sale prices of the comparables based on the elements of comparison. The basic steps in the procedure of the Sales Comparison Approach are:

1. Research the market to identify similar properties for which sales, listings, and/or offering data is available.
2. Qualify the prices as to those factors that appear to have affected price. These factors are property rights, financing (including favorable financing), conditions of sale (motivational factors), and market conditions (including appreciation or depreciation over time).
3. Compare each of the important attributes of the comparable properties to the corresponding ones of the property being appraised. These general categories include location, physical characteristics, and conditions of sale.
4. Analyze all dissimilarities and adjust for their probable effect on the price of each property to derive new market value indications for the comparable properties.
5. From the pattern developed, formulate an opinion of market value for the subject property.

Methods Considered and Applied

The **Cost Approach** was considered but not developed. It is not relevant when the improvements are over 20+ years old as any attempt to estimate physical depreciation or functional obsolescence would not be reliable, or credible.

The **Income Approach** was fully developed. The subject is an office/industrial building that has historically been leased on a multiple tenancy basis. The income, expenses, and NOI were accurately estimated. A credible capitalization rate (OAR) rate was obtained from national and regional survey data. Since this type building would initially appeal to an owner occupant and secondarily to an investor, this approach produced a slightly less credible, and secondary value conclusion.

The **Sales Comparison Approach** was fully developed. A search within the Southern New Hampshire industrial market(s) produced a number of recent office/industrial building sales. Although, none of the sales were completely analogous to the subject, they were considered reasonably similar enough in terms of location, size, condition and occupancy to develop a credible analysis. While the subject building is currently rented out to a single tenant, it could be used by an owner-occupant who could occupy the entire space. Since the building could also appeal to an owner occupant, this is deemed to produce a credible and primary value conclusion.

INCOME APPROACH

The income capitalization approach using direct capitalization is the most commonly applied approach and typically provides the most accurate measure of value for a stabilized industrial building.

The steps in this approach are as follows:

1. Analyze the subject property's leases if there are any in place.
2. Analyze the market to determine a market rate for any vacant space.
3. Analyze the subject property's operating expenses for the past several years.
4. Forecast gross revenues.
5. Forecast a vacancy level for the building and all operating expenses.
6. Select an appropriate capitalization rate.
7. Capitalize the projected net cash flow into an estimate of market value.

INCOME ANALYSIS

Rental Survey

Current market rent or economic rent form the basis of this approach to value. According to Real Estate Appraisal Terminology, economic rent is defined as "*the rental income that a property would most probably command on the open market as of the effective date of the appraisal*". A survey of the marketplace was conducted to determine what market rent would be applicable to the subject.

Contract Rent

The subject property (entire complex) is occupied by one tenant. The entire property is subject to a master lease agreement with Flex Energy. No lease information was provided to the appraiser by the owner.

At the request of the client, the appraiser is valuing the subject (section) space assuming no lease agreement is in place.

Market Rents

A survey of the marketplace was performed to analyze market rents. The following comparables indicate typical rental rates for industrial/office space (medium size properties) in the subject's location. Details are as follows:



Lease 1

Property: Industrial Building
Location: 200 West Road, Portsmouth NH
Lease Date: 5/1/19
Lessee: Cirrus Systems
Size: 31,058SF (Light Industrial Space)
Rental Rate: \$7.50/SF – NNN basis (2% rent escalations)
Term: 5 years
Source: Appraiser Files
Comment: Slightly inferior location compared to subject property. This light industrial building contains 31,058SF of space. The space is in good condition. The building was constructed in 1995 and is in an industrial park along Route 1. There is adequate on-site parking. This deemed to be a good industrial location.



Lease 2

Property: Industrial /Office Condominium Units

Location: 199 Constitution Avenue, Building #1 Portsmouth NH

Lease Date: 2/1/17

Lessee Type: Regional Dunkin Donuts Franchises Owner

Size: 14,515SF (Industrial/Office Space)

Rental Rate: \$7.00/SF -- NNN basis (CAM - \$2.00SF)

Term: 5 years (1 – 5 year renewal)

Source: RPC (10/18)

Comment: Slightly inferior location compared to subject property. The space was leased on a shell basis with the lessee fitting it out as a bakery to supply various Dunkin Donuts stores. This is a multiple unit flex building with 17,500SF footprint. The space was in average condition. There are multiple loading docks areas. This deemed to be a good flex space location.



Lease 3

Property: Industrial /Office Condominium Unit
Location: 199 Constitution Avenue, Building #2 Portsmouth NH
Lease Date: 6/1/17
Lessee Type: Expansion of Existing Tenant (Computer Parts Company)
Size: 6,050SF (Industrial/Office Space)
Rental Rate: \$7.00/SF – NNN basis (CAM - \$2.00SF)
Term: 5 years (No renewals)
Source: RPC (10/18)
Comment: Slightly inferior location compared to subject property. This is a multiple unit flex building with a 22,000SF footprint. The space is in average condition. There was mostly warehouse space with a minimal amount of office space. There are multiple loading docks areas. This deemed to be a good industrial location.



Lease 4

Property: Industrial Office Condominium Unit

Location: 170 West Road, Unit #1, Portsmouth NH

Lease Date: 1/1/17

Lessee Type: Undisclosed

Size: 23,775SF (First & Second Floor)

Rental Rate: \$6.19/SF – NNN basis

Term: 61 months

Source: Leasing Broker's Representative

Comment: Slightly inferior location compared to subject property. This is a multiple unit flex building with a 50,000SF footprint. The space is in average condition. There are multiple loading docks areas. There is limited rear parking at the complex. This deemed to be a good industrial location.



Lease 5

Property: Industrial Office Condominium Unit
Location: 170 West Road, Unit #8 & #10, Portsmouth NH
Lease Date: 1/1/17
Lessee Type: Home Audio & Visual Company
Size: 23,775SF (First & Second Floor)
Rental Rate: \$6.19/SF – NNN basis
Term: 61 months
Source: Leasing Broker's Representative
Comment: Slightly inferior location compared to subject property. This is a multiple unit flex building with 50,000SF footprint. The space is in average condition. There is approximately 1,846SF of finished office space (14.4%) with the remainder being warehouse and delivery space. There are multiple loading docks areas. There is limited rear parking at the complex. This deemed to be a good industrial location.



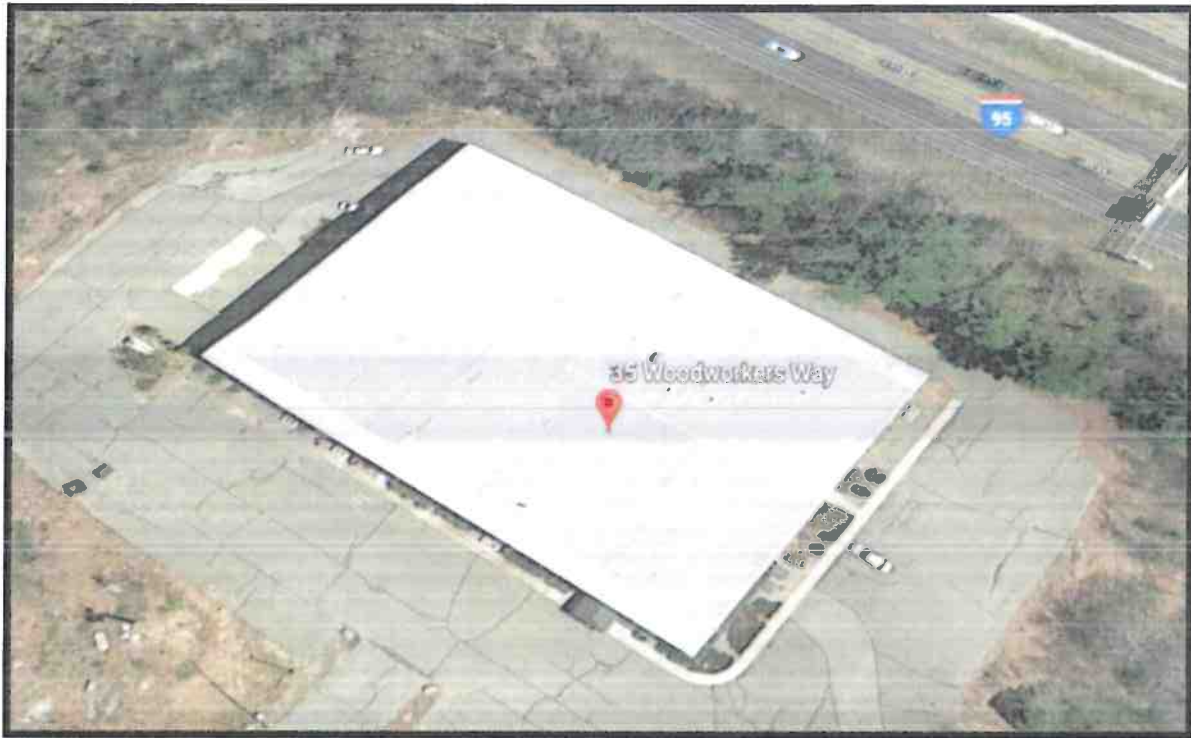
Lease 6

Property: Industrial Building
Location: 166 Corporate Road, Portsmouth NH
Lease Date: October 2016
Lessee: Lonza
Size: 102,400SF (Light Industrial Space)
Rental Rate: \$8.75/SF – NNN basis (3% rent escalations)
Term: 10 years
Source: Appraiser Files
Comment: Similar location compared to subject property. This light industrial building contains 102,400SF of space. The space is in good condition. The building was constructed in 2001 with 18' clear height. There is adequate on-site parking. This deemed to be a very good industrial location.



Lease 7

Property: Industrial Building
Location: 9 Batchelder Drive, Seabrook NH
Lease Date: 5/1/19
Lessee: Functional Coatings (Guaranteed by Tesa Tape)
Size: 43,808SF (Light Industrial Space)
Rental Rate: \$7.85/SF – NNN basis (2% rent escalations)
Term: 5 years
Source: Appraiser Files
Comment: Similar location compared to subject property. This light industrial building contains 43,808SF of space. The space is in good condition. The building was constructed in 1997. There is adequate on-site parking. This deemed to be a good industrial location.



Lease 8

Property: Industrial Building
Location: 35 Woodworkers, Seabrook NH
Lease Date: June 2019
Lessee: Arch Medical Solutions
Size: 15,498SF (Light Industrial Space)
Rental Rate: \$7.50/SF – NNN basis (escalations in Years 3 & 5)
Term: 5 years
Source: Appraiser Files
Comment: Similar location compared to subject property. This light industrial building contains 36,800SF of space in two units. The space is in good condition. The tenant completed significant improvements to build out FDA certified production area. There is adequate on-site parking. This deemed to be a good industrial location.

Comments on Comparable Leases

Emphasis was placed on Comparables #1, #6, #7, & #8. These are most similar to the subject's location and time of valuation. The Pease Complex office is uniquely situated near the Spaulding Turnpike and Interstate 95, providing a leverage point for businesses operating north of greater Boston.

The comparable leases reflect current rentals rates for flex space near and around Portsmouth. All were rents are on a triple-net (net) basis. As shown, lease rates range from \$6.19/SF to \$8.75/SF with older leases at the lower of the range and newer leases at the middle to upper end of the range. There was one comparable rent (#6) in the Pease Complex. The majority of comparables were considered generally similar to the subject in terms of location, building type, configuration and functional utility.

For additional guidance with regard to market rental rates, we have also held discussions with numerous real estate professionals and market participants active within the local marketplace, including, Kent White – CBRE, Jean Kane – Kane Real Estate, David Choate – CBREW and leasing brokers from the other local firms. All of the participants were active within the local market and familiar with the subject property. These discussions indicated a general market rental range between \$7.00/SF and \$9.00/SF to a single-tenant on a NNN basis for flex (industrial/office) space at Pease.

As such, based upon the available market rent data and from our discussions with market participants, I estimate a market lease rate of \$8.00 per square foot on a NNN basis to be appropriate for the subject property. This proposed rental rate will be applied within our direct capitalization analysis.

Direct Capitalization Method – “As Is”

The Direct Capitalization Method is an estimation of value prepared on a fee simple basis. One year's income expectancy or an average of several years' income expectancies is capitalized at a market-derived capitalization rate.

Direct capitalization involves developing an estimated net operating income for the subject with forecast market rental rates, a vacancy factor, and fixed and variable property expenses. That net operating income is then capitalized into an estimate of value using an appropriate overall capitalization rate comprised of several component rates, which include provisions for risk, recapture of wasting assets, etc.






The Direct Capitalization Method is considered the most appropriate based upon the subject's location, condition and highest and best use. The method is considered the most accurate in mirroring investor assumptions in this type real estate transaction.

Stabilized Year One Potential Gross Income (PGI)

Synonymous herein with overall gross income. The income applied reflects the rent deemed representative of the market as summarized in the market rent survey section of this report. The rent for the subject is applied on a NNN basis. In this type lease, the tenant is responsible for real estate taxes, insurance, maintenance and repairs (normal), management fees, utilities, and utility expenses. The landlord is responsible for administrative expenses, leasing commissions and replacement reserves. Stabilized Year One PGI is projected to be **\$288,000** for the holding period.

Vacancy & Collection Loss

The Colliers 2019 analysis and 2020 outlook representing industrial space within Portsmouth is as follows:

		CONCORD	MANCHESTER	NASHUA	SALEM	PORTSMOUTH	DOVER
 BUILDING INVENTORY (SF)	GI	3,155,100	6,590,824	11,000,043	1,815,014	7,098,214	6,072,552
	R&D	250,740	1,598,067	4,770,607	1,408,462	1,185,255	643,553
	W/D	2,234,952	6,987,646	4,092,274	1,819,920	4,749,747	2,185,993
	Total	5,690,842	15,176,539	19,862,954	5,103,396	13,033,216	8,902,043
 OCCUPANCY (%)	GI	87.04	97.01	97.27	97.79	96.72	99.41
	R&D	93.94	93.16	92.94	93.19	99.24	31.47
	W/D	98.58	97.21	83.48	89.77	98.08	98.19
	Total	91.98	96.70	95.39	93.61	98.53	94.20
 DIRECT AVAILABLE (SF)	GI	408,968	193,043	390,996	32,346	90,963	38,571
	R&D	15,367	85,096	336,780	80,002	9,000	263,000
	W/D	32,486	141,147	672,227	185,811	96,544	39,584
	Total	456,821	419,276	1,400,003	298,159	196,507	341,155
 SUBLEASE AVAILABLE (SF)	GI	-	3,700	-	6,300	24,270	-
	R&D	-	24,170	-	42,000	-	175,003
	W/D	-	33,540	3,881	-	-	-
	Total	-	61,410	3,881	48,300	24,270	175,003
 RENTS (NNN)	GI	\$5.86	\$6.04	\$5.22	\$7.93	\$6.86	\$7.37
	R&D	\$5.64	\$7.28	\$8.68	\$10.34	\$14.72	\$6.75
	W/D	\$6.00	\$6.28	\$5.83	\$7.88	\$8.56	\$6.97
	Avg	\$5.86	\$6.37	\$6.35	\$8.74	\$8.55	\$6.81

As can be seen above, the recent vacancy rate was below 3% in all segments of the industrial market in Portsmouth. It is also similar in the Dover industrial market area.

Based on the above, a vacancy and collection factor of 2.5% shall be used for the subject property.

The survey of rentals shows that most space similar to the subject is predominantly leased on a triple net (NNN) basis. This means that the owner might incur the following expenses:

- Property Operating Costs (vacant space only)
- Property Taxes (vacant space only)
- Leasing Commissions
- Tenant Improvements
- Reserves

Vacancy and Real Estate Taxes - During times of possible vacancy the owner would pay RE taxes and other minimized expenses on the property. Assuming the vacancy allowances of 2.5%, that percent of the effective tax rate will be added to the cap rate to account for the period of time when the owner might be paying the RE tax expense. When a space is vacant there is no tenant to reimburse the property owner for that portion of the facility.

Additionally, approximately 3.0% of the gross leasable area, or 1,080SF are expected to be vacant or in this case to the same effect, the subject (section) of the property about 3.0%+/- of the time. Expenses without RE taxes, land rent, management, and reserves are estimated at \$6.50 to \$7.00 per SF based on comparable spaces under full operation. That would translate to the equivalent of about \$7,300 SF per year. Since during unoccupied periods (many expenses could be minimized such as utilities including heat, A/C, lights, and water/sewer as well as many maintenance items) this expense while unoccupied is estimated at \$5.00 per SF. Therefore, for when the building may be unoccupied, \$5,400 both years will be included to accrue for owner expenses that may result from expected vacancy periods over a holding period.

Lease Commissions – Most investors (over 80%), according to PWCoopers RE Investor Survey, incorporate leasing commissions into a cash flow item only as a “below-the-line” item. Since, most investors don’t consider them as a recurring expense item, but instead consider them to be part of the risk of ownership, which is part of the cap rate or discount rate, rarely are they an allowable expense.

Tenant Improvements - Since the tenant sometimes pays tenant improvements (TIs) either up front or as additional rent to amortize their costs, and in cases where they are paid by the owner according to PWCoopers RE Investor Survey more than 80% incorporate TIs into a cash flow item only as a “below-the-line” item. Since most investors don’t consider them as an expense item, but instead consider them to be part of the risk of ownership, which is part of the cap rate or discount rate, no allowance will be explicitly included. The subject (section) of the subject property warrants minimal upgrades/renovations at this time.

Leasehold Estate Adjustment – The subject property is under a master land lease with the Pease Development Authority (PDA). The subject (section) is currently responsible for \$145,624 of an annual land leased payment (\$212,372 x 68.57%). This amount shall be included as a deduction from the subject’s operating results

Replacement Reserves - Under most of the current lease structures, the property owner is responsible for building structural repairs. Because these repairs generally do not occur on an annual basis, most property owners will establish a reserve account in anticipation of repairs at some future date. Local brokers report a estimated reserve replacement expense of between 0.10/SF (newer effective age) to \$0.50/SF (older effective age) with an average of \$0.30/SF. Based upon the subject’s newer effective age and average to above average condition, an estimate of \$0.25/SF shall be utilized.

Development of Income Statement

<u>Estimated Annual Rent</u>	<u>Year 1</u>
36,000SF x \$8.00/SF =	\$288,000
POTENTIAL GROSS RENT =	\$288,000
Vacancy @ 2.5%	\$ 7,200
EFFECTIVE GROSS INCOME	\$280,800
EXPENSES:	
Vacancy and RE Taxes	\$ 5,400
Leasing Commissions	\$ 0
Land Lease (Subject's Section)	\$145,624
Replacement Reserves @ \$0.25/SF x 36,000SF	<u>\$ 9,000</u>
Total Expenses	<u>\$160,024</u>
NET OPERATING INCOME	\$120,776

Development of the Overall Capitalization Rate

The next step in this approach is choosing an appropriate overall capitalization rate, which is defined as: “An income rate for a total real property interest that reflects the relationship between a single year’s net operating income expectancy, or an average of several year’s income expectancies, and a total price or value; used to convert net operating income into an indication of overall property value.”

The overall capitalization rate (R_o) in this case may be developed via Market Extraction from comparable sales, via the Band of Investment-Mortgage & Equity Components or the Debt Coverage Formula. Market extraction is the preferred technique when sufficient comparable sales are available as it is an actual rate in the market, and not one created by the appraiser. The appraiser conducted a search and reviewed his database of recent sales of industrial buildings that were fully leased at the time of sale and sold to an investor. There was very limited capitalization rate data available in the greater Portsmouth. The available data (obtained by the appraiser) is summarized below:

LOCATION	PROPERTY TYPE	SALE DATE	SALE PRICE	O.A.R
Unit A, 280 Heritage Ave., Portsmouth, NH	Single-tenant industrial	12/2015	\$550,000	6.15%
218 Griffin Road, Portsmouth, NH	Single-tenant industrial	8/2016	\$3,535,000	6.22%
953 Islington Street, Portsmouth, NH	Multi-tenant commercial	11/2012	\$1,850,000	6.51%
4 Kitty Hawk Landing, Londonderry, NH	Single-tenant industrial	9/2018	\$5,500,000	7.15%
6 Old Rochester Road, Dover, NH	Multi-tenant commercial	10/2013	\$1,265,000	7.63%
53 Church Street, Kingston, NH	Multi-tenant commercial	12/2013	\$5,050,000	7.63%
71 Venture Drive, Dover, NH	Single-tenant industrial	8/2013	\$700,000	7.92%
209 Route 101, Bedford, NH	Multi-tenant commercial	12/2012	\$2,500,000	8.00%
1 South River Road, Bedford, NH	Multi-tenant commercial	9/2012	\$3,850,000	8.23%
40-42 Portsmouth Avenue, Stratham, NH	Two-tenant commercial	12/2012	\$1,375,000	8.91%
28 Pond View Drive, Scarborough, Me	Single-tenant industrial	4/2015	\$5,380,000	8.92%
22 Industrial Drive, Exeter, NH	Two-tenant industrial	4/2015	\$3,400,000	9.77%
1 Progress Drive, Dover, NH	Multi-tenant industrial	2/2018	\$3,470,000	10.33%

The above produces a capitalization rate range of 6.15% to 10.33%. All of the properties were in slightly inferior to similar locations in Southern New Hampshire. Most however were sold without credit tenant(s) in place.

As a check on the locally extracted rates, the appraiser consulted the Realty Rates Investor survey (1st Quarter of 2020) that is detailed below:

RealtyRates.com INVESTOR SURVEY - 1st Quarter 2020*						
INDUSTRIAL - FLEX/R&D						
Item	Input				OAR	
Minimum						
Spread Over 10-Year Treasury	1.24%	DCR Technique	1.40	0.050917	0.75	5.35
Debt Coverage Ratio	1.40	Band of Investment Technique				
Interest Rate	3.05%	Mortgage	75%	0.050917	0.038187	5.66
Amortization	30	Equity	25%	0.073484	0.018071	
Mortgage Constant	0.050917	OAR				5.37
Loan-to-Value Ratio	75%	Surveyed Rates				
Equity Dividend Rate	7.35%					
Maximum						
Spread Over 10-Year Treasury	5.86%	DCR Technique	2.05	0.112404	0.50	11.52
Debt Coverage Ratio	2.05	Band of Investment Technique				
Interest Rate	7.67%	Mortgage	50%	0.112404	0.056202	13.52
Amortization	15	Equity	50%	0.157950	0.078975	
Mortgage Constant	0.112404	OAR				12.84
Loan-to-Value Ratio	50%	Surveyed Rates				
Equity Dividend Rate	15.80%					
Average						
Spread Over 10-Year Treasury	3.55%	DCR Technique	1.73	0.076593	0.63	8.26
Debt Coverage Ratio	1.73	Band of Investment Technique				
Interest Rate	5.26%	Mortgage	63%	0.076593	0.047871	9.97
Amortization	23	Equity	38%	0.111490	0.041610	
Mortgage Constant	0.076593	OAR				9.31
Loan-to-Value Ratio	63%	Surveyed Rates				
Equity Dividend Rate	11.15%					

*4th Quarter 2019 Data

Copyright 2020 RealtyRates.com™

This is a national survey so a property like the subject should fall slightly below the average 9.31% surveyed rate.

Capitalization rates are driven by a number of factors. Those include:

- Location of property
- Type of improvements
- Age and condition of improvements
- Quality of tenant and length/terms of lease

The subject is located in a desirable area at Pease. It is noted that there have been very few sales of properties at the complex. This is a result of the limited number of available industrial warehouse properties and lengthy period to develop and construct a new property. This has led to increased demand for this type of space and low vacancy rates. The subject improvement is in good condition for a 20+ year old property. The tenants are mix of different types of users.

Several have retained additional (office) space which has not been fully occupied. If they were to vacate the premises, they would have to build another facility as none would be available in the market. This should lead to a lower than average capitalization rate.

Based upon these factors, it is the appraiser's opinion a capitalization rate of 7.75% is reasonable.

Indicated Value

When applying direct capitalization, Income divided by Rate equals Value

$$\frac{I}{R} = V$$

Projected NOI	\$120,776	=	\$1,558,400 or \$1,560,000
Capitalization Rate	7.75%		

Estimated Market Value via the Income Approach

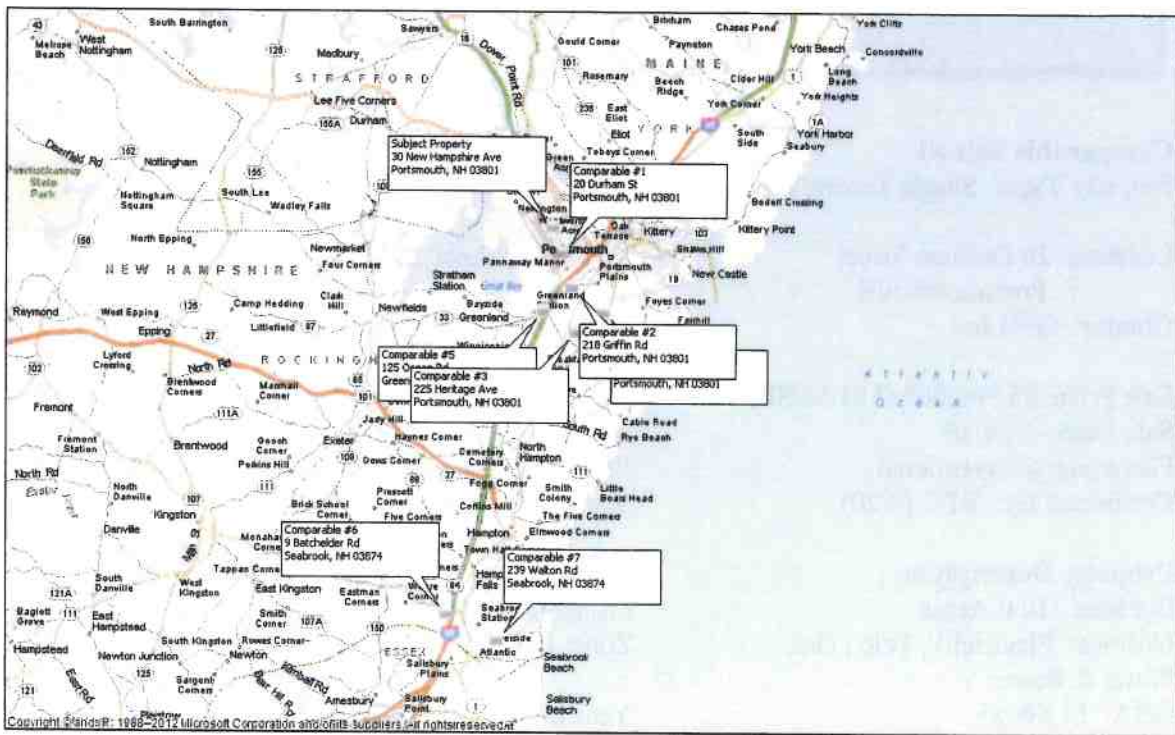
\$1,560,000

SALES COMPARISON APPROACH

The Sales Comparison Approach, or market approach, is based upon a comparison of the prices that are paid for similar competitive properties in the same market. This approach is most effective in an active market where these prices serve as good indicators of the most probable selling price of the subject property as of the valuation date.

Comparable sales are analyzed and adjusted for property rights conveyed, conditions in the market, terms of financing, unusual sale conditions, differences in physical characteristics and location. The adjusted sales price should be what the comparable property would have sold for if it had possessed similar characteristics of the subject property at the time of sale.

A search was conducted for recent sales of medium to larger sized (30,000SF to 80,000SF) flex buildings located in southern New Hampshire. One sale was found the Pease Tradeport in Portsmouth. Three other sales were found in industrial sections of Portsmouth. A fifth sale was found off Interstate 95 in Greenland. Two other sales were found in Seabrook. Based upon this amount of sales data, no further research was required.





Comparable Sale #1

Property Type: Single Tenant Warehouse Building

Location: 20 Durham Street
Portsmouth NH

Map/Block/Lot: 311/3/0

Grantor: GEB Inc.

Grantee: 1635 Realty LLC

Sale Price: \$6,900,000 (\$84.56/SF)

Sale Conditions: Normal

Sale Date: 6/26/19

Book/Page: 6011/2076 Rockingham County

Financing: Conventional

Property Rights: Leasehold Estate (Leased Land)

Confirmed By: RPC (9/20)

Source: Assessor & Sales Broker

Property Description

Lot Size: 10.0 Acres

Frontage: 400' on Durham Street

Utilities: Electricity, Tele., Gas,
Water & Sewer

Zone: PI (Pease Industrial)

GBA: 81,600SF

Year Built: 1996 (New addition in 2001)

Condition: Average to Above Average

Construction: Steel Frame

Comments: The subject property is located in the Pease Complex and was listed for sale at \$7,350,000 in mid 2018. The property was placed under contract within 342 days. The buyer is an owner occupant that operates an electronics manufacturing and distribution company. The building contains 81,600SF of space. The building was deemed to be in average to above average condition with no deferred maintenance. The clear height is between 32' and 37'. There are 2 loading docks and 2 drive in doors. The building is fully sprinklered. There are also 5 remote control cranes and 1 mass crane. There are 66 parking spaces on the site and 3 phase/3,000 amp electrical service. The site has the potential for up to 24,000SF of additional space for the site. The subject property is on leased land (similar to the subject property). The current annual rent is \$39,168 which is paid to the PDA.



Comparable Sale #2

Property Type: Single-Tenant Light Industrial

Location: 218 Griffin Road
Portsmouth NH

Map/Lot: 263/1/5

Grantor: Elder Family Portland Associates

Grantee: Griffin Road Realty LLC

Sale Price: \$3,535,000 (\$101.85/SF)

Sale Conditions: Normal

Sale Date: 8/17/16

Book/Page: 5743/2256 Rockingham County

Financing: None

Property Rights: Leased Fee Estate

Confirmed By: RPC (9/20)

Source: Assessor & Sales Broker

Property Description

Lot Size: 4.56 Acres

Frontage: 210+/- Griffin Road

Utilities: Electricity, Tele., Gas,
Water & Sewer

Zone: Commercial

GBA: 34,705 SF

Year Built: 1990 (Renovated in 2016)

Condition: Above Average

Construction: Steel Frame & Masonry

Comments: This building was listed with an undisclosed price. After being on the market for 5+ years, it sold for \$3,535,000. This is a single tenant building occupied by Federal Express with 4+ year remaining on the existing lease agreement. The light industrial building contains approximately 10% finished office space with the remainder being R&D, manufacturing and warehouse space. The building has a 17' 7" clear height, 6 loading docks, and 10 truck high doors. The site has 89 on-site parking spaces. The building was fully sprinklered and possessed 3 phase 600 ampere electrical service. The property has 34,705SF of space and was in above average condition at the time of sale. There was no deferred maintenance reported on the property. The buyer was a local real estate investor.



Comparable Sale #3

Property Type: Light Industrial Building

Location: 225 Heritage Avenue
Portsmouth NH

Map/Lot: 284/1/0

Grantor: Nash Family Investment
Properties

Grantee: MMCT Realty LLC

Sale Price: \$2,200,000 (\$84.91/SF)

Sale Conditions: Normal

Sale Date: 8/29/19

Book/Page: 6030/815 Rockingham County

Financing: None

Property Rights: Fee Simple

Confirmed: RPC (9/20)

Source: Assessor & Sales Broker

Property Description

Lot Size: 2.75 Acres

Frontage: 300' on Heritage Avenue

Utilities: Electricity, Tele., Gas,
Water & Septic

Zone: I (Industrial)

GBA: 25,909SF

Year Built: 1980 (renovated in 2020)

Condition: Poor

Construction: Concrete Block

Comments: This building was originally listed with an asking price of \$2,200,000. After being on the market for 22 months, the building sold for \$2,200,000. The previous tenant (Smuttynose Brewery) was evicted from the building and left behind a number of pieces of equipment. A legal dispute occurred between the tenant and the landlord and the property was taken off the market for 12 months. The property was deemed to be in poor condition with a new roof, electrical service, gutter, parking lot, etc.) needed. The sales broker reported that the buyer invested \$1,000,000. --The buyer is an owner occupant who decided not to occupy the building and listed it for sale. The building possesses 3,000SF of office space 11.5% of total space. The building possesses 16' clear height and 4 dock doors, and 2 overhead doors. The structure is fully sprinklered.



Comparable Sale #4

Property Type: Industrial/Warehouse Building

Location: 200 West Road
Portsmouth NH

Map/Block/Lot: 267/22/00

Grantor: 200 West Road LLC.

Grantee: Cirrus Systems Inc.

Sale Price: \$2,900,000 (\$93.22/SF)

Sale Conditions: Normal

Sale Date: 11/23/15

Book/Page: 6134/2715 Rockingham County

Financing: None

Property Rights: Fee Simple

Confirmed By: RPC (9/20)

Source: Assessor & Sales Broker

Property Description

Lot Size: 2.3 Acres

Frontage: None (ROW access)

Utilities: Electricity, Tele., Gas,
Water & Sewer

Zone: I (Industrial)

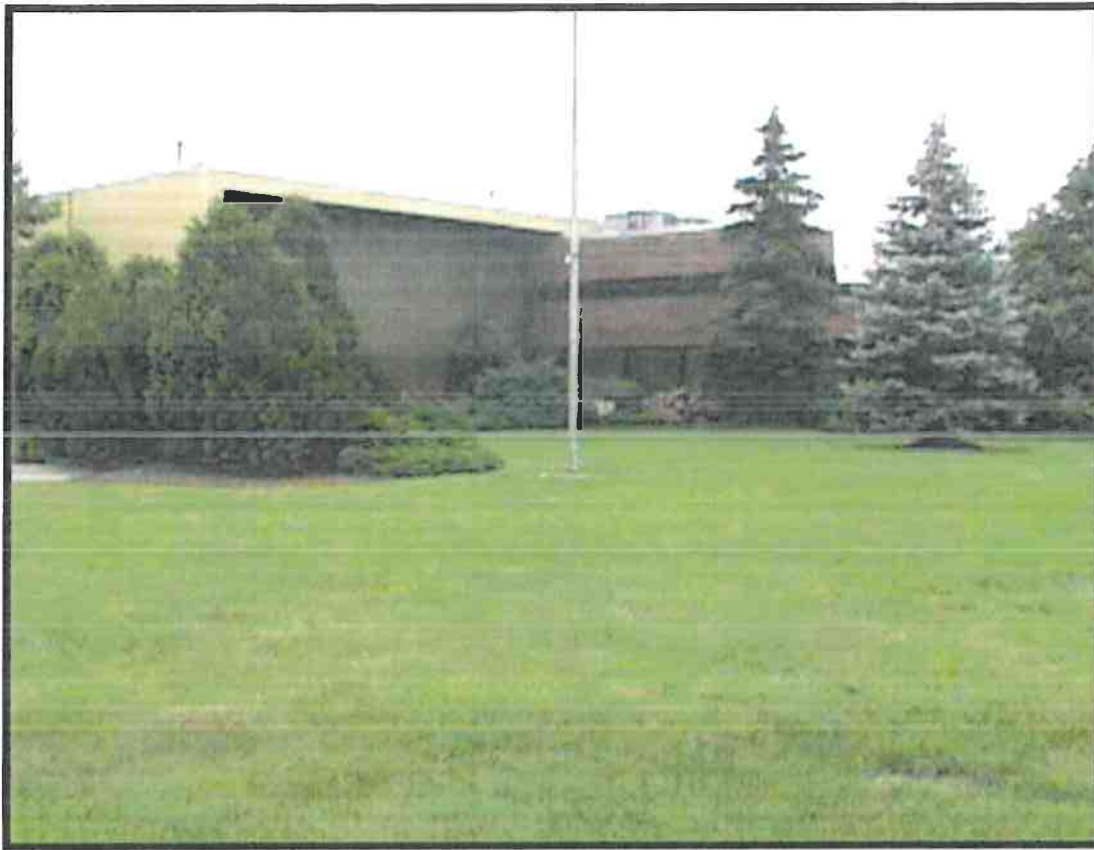
GBA: 31,108SF

Year Built: 1995

Condition: Above Average

Construction: Masonry & Steel

Comments: This 31,108 square-foot, industrial warehouse building contains 4,708 square feet (15.1%) of office space with the remainder being open manufacturing and warehouse space. The warehouse areas have clear height of 20' to 24'. There are 3 dock-high delivery doors (2 levelers) and 2 drive-in overhead doors. The building contains an office area and some (25' x 50') of unfinished mezzanine space. The building was deemed to be in above average condition with no deferred maintenance. The property contains an adequate amount of on-site parking and was vacant at closing. The building is fully sprinklered with 3 phase 800 ampere electrical service. The buyer is a local real estate investor that had a tenant to occupy the space. No environmental issues were reported by the sales broker with the property.



Comparable Sale #5

Property Type: Industrial Distribution Building

Location: 125 Ocean Road
Greenland NH

Map/Lot: R21/051

Grantor: Harbour Links Estates, LLC

Grantee: Bluebird Greenland LLC

Sale Price: \$4,388,300 (\$72.28/SF*)

Sale Conditions: Normal

Sale Date: 9/20/16

Book/Page: 5754/1312 Rockingham County

Financing: Conventional

Property Rights: Fee Simple

Confirmed By: RPC (10/18)

Source: Assessor & Sales Broker

Property Description

Lot Sizes: 8.67Acres

Frontage: 425.64 feet on Ocean Road

Utilities: Electricity, Tele., Gas,

Zone: IND (Industrial)

Water & Sewer

GBA: 60,711 SF

Year Built: 1976

Condition: Fair

Construction: Steel Frame & Brick/Masonry
Exterior

Comments: This is the sale of a two story industrial located near Interstate 95 in Greenland. The buyer was a self storage company that converted the building into storage spaces. The building contained a mix of office space (8,320SF) in poor condition and warehouse space (38,400SF) in fair condition. The warehouse has a 22' clear height with various columns. There are 8 loading docks and 3 drive in doors. There was also upper level space that was unfinished. There was adequate parking on the site. The building was vacant at closing. There are no elevators in the building. There are no outbuildings. There was no excess development potential with the site.



Comparable Sale #6

Property Type: Industrial/Warehouse Building

Location: 9 Batchelder Road
Seabrook NH

Map/Block/Lot: 5/14/2

Grantor: Corium Real Estate Corp.

Grantee: JPO Seabrook LLC

Sale Price: \$4,250,000 (\$97.01/SF)

Sale Conditions: Normal

Sale Date: 4/19/19

Book/Page: 5993/2159 Rockingham County

Financing: Conventional

Property Rights: Fee Simple

Confirmed By: RPC (9/20)

Source: Assessor & Sales Broker

Property Description

Lot Size: 4.57 Acres

Frontage: 220.12+/- feet Batchelder Road

Utilities: Electricity, Tele., Gas,
Water & Sewer

Zone: I (Industrial)

GBA: 43,808SF

Year Built: 1997

Condition: Above Average

Construction: Masonry & Steel

Comments: The property is located 1+/- mile off Interstate 95 in Seabrook. This 43,808 square-foot, industrial warehouse building contains 4,528 square feet (10.3%) of ground floor - office space with the remainder being open manufacturing and warehouse space. The warehouse areas have clear height of 27' to 30'. There is 3 phase (1600 amp) electrical service. The building is fully sprinklered. There are 2 dock-high delivery doors and 1 drive-in (10' x 12') overhead door. The buyer is distributor of leather book covers. There was no deferred maintenance at closing. The building was vacant at closing. There are 50 on-site parking spaces at the property. The property is deemed to be in a good location. The buyer was a local real estate investor who brought in a tenant. No environmental issues were reported by the broker.



Comparable Sale #7

Property Type: Industrial/Warehouse Building

Location: 239 Walton Road
Seabrook NH

Grantor: Rebacca Nash

Sale Price: \$2,414,000

Sale Date: 9/1/17

Financing: Conventional

Confirmed By: RPC (10/18)

Map/Block/Lot: 13/47

Grantee: Mowbray CP Realty LLC

Sale Conditions: Normal

Book/Page: 5950/2922 Rockingham County

Property Rights: Fee Simple

Source: Assessor & Sales Broker

Property Description

Lot Size: 24.10 Acres

Utilities: Electricity, Tele., Gas,

Water & Sewer

GBA: 54,859SF

Condition: Average

Frontage: 65+/- feet Walton Road

Zone: C-1

Year Built: 1976

Construction: Masonry & Steel

Comments: The property is located one to two miles off Interstate 95 in Seabrook. This 54,859 square-foot, industrial warehouse building contains 4,459 square feet (8.12%) of office space with the remainder being open manufacturing and warehouse space. The warehouse areas have clear height of 16' to 20'. There are a total of 5 dock-high delivery doors and 2 drive-in overhead doors. The buyer is manufacturer of dumpsters. There was a modest amount of deferred maintenance at closing. The buyer invested \$10.00/SF in office upgrades and made roof repairs. The building was vacant at closing. There is ample on-site parking at the property. The property is deemed to be in a good location.

Comments on Comparable Sales

Comparable sales data for industrial properties within the subject marketplace is limited and generally reflects a significant range of differences from one property to another with regard to market conditions, location, building type, unit size, configuration, and the condition and quality of the improvements. As a result, attempting to quantitatively adjust for each of these differences is difficult, and typically not substantiated by market data. As a result, a qualitative analysis considering each property will be employed. Initially, we compared the seven sales to the subject property in terms of financing terms, conditions of sale and overall market conditions.

Financing arrangements may alter the transaction prices of two identical properties. Therefore, favorable financing terms of the comparable sales must be investigated to determine which sales, if any, require adjustments to reflect normal market financing terms; analysis of the sales indicate that all transacted as either all cash or with conventional financing. With regard to conditions of sale, investigation of the sale comparables revealed that all involved arm's-length transactions reflecting typical buyer motivations.

An adjustment for market conditions may be required to the comparables if property values have appreciated or depreciated between the consummation of the sale and the effective date of appraisal. Price changes for industrial properties could not be reliably extracted from available market data. However, discussions with market participants indicated that prices for industrial properties similar to the subject in terms of use, age and condition have remained generally stable during this time period and are reflective of current market conditions.

We then compared the sales to the subject property in terms of location, type and quality of the improvements, physical condition, building size, land area and occupancy. We have qualitatively rated the building size of the comparables as either inferior, superior or similar, relative to the subject building. Due to economies of scale, smaller properties tend to reflect a higher (superior) price on a per square foot basis, while larger properties reflect a lower (inferior) levels. Those sales considered most similar to the subject property, based on our areas of comparison, were given the most weight in our reconciliation process.

The following is a brief discussion outlining each sale and its relative comparability with the subject property.

Sale 1

This property is located in the former Pease Air Force complex in Portsmouth. The property is deemed to be similar to the subject in terms of condition and location. Constructed in 1996 (new addition in 2001) for use as a warehouse/distribution building, it was reportedly in average condition at the time of sale. The property was considered similar to the subject in terms of overall utility. Overall, this sale was considered similar to the subject property due to all of these factors. This sale has been given significant weight within in our reconciliation process. This property also involves a leasehold estate (ownership interest) with leased land.

Sale 2

This property is also located off Interstate 95 in an established industrial area. The property is deemed to be in a similar location compared to the subject property. Constructed in 1990 (renovated in 2016) for use as a warehouse/industrial building, it was reportedly in above average condition (after renovations) and was considered similar to the subject in terms of overall utility and condition. The building was built out for a single tenant (Federal Express) who has 4+ years remaining on its lease term. Overall, this sale was considered similar to the subject due primarily to its similar condition and similar size. This sale has been given higher weight within in our reconciliation process.

Sale 3

This property is also located just west of Route 1 in Portsmouth in an established industrial area. The property is deemed to be in a slightly inferior location compared to the subject property. Constructed in 1980 (renovated in 2020) for use as a warehouse/industrial building. It was reportedly in poor condition after the time of sale and was considered to be inferior in terms of overall utility and condition. The buyer invested \$1 million of improvements to the property. The building was suited for a single tenant. Overall, this sale was considered inferior to the subject due primarily to its slightly inferior location, inferior condition and smaller size. This sale has been given modest weight within in our reconciliation process.

Sale 4

This property is also located just west of Route 1 in Portsmouth in an established industrial area. The property is deemed to be in a slightly inferior location compared to the subject property. Constructed in 1995 for use as a warehouse/industrial building. It was reportedly in good condition after the time of sale and was considered to be similar in terms of overall utility and condition. The building is suited for a single tenant. Overall, this sale was considered slightly inferior to the subject due primarily to its slightly inferior location. This sale has been given higher weight within in our reconciliation process.

Sale 5

This property is located off Interstate 95 in Greenland in an established retail/office area. The property is deemed to be inferior to the subject in terms of condition and is considered slightly superior in terms of location. Constructed in 1976 for use as a warehouse/distribution building, it was reportedly in poor condition at the time of sale. The property was considered similar to the subject in terms of overall utility. Overall, this sale was considered slightly inferior to the subject property due to its inferior condition. This sale has been given moderate weight within in our reconciliation process.

Sale 6

This property is in a similar location, near Interstate 95 in Seabrook. The property is deemed to be slightly larger in size to the subject. Constructed in 1997 for use as an industrial/warehouse building. It was reportedly in above average condition at the time of sale. The building is occupied by one tenant. Overall, this sale was considered similar to the subject due primarily to its location, condition and size at the time of sale. This sale has also been given significant weight within in our reconciliation process.

Sale 7

This property is in a slightly inferior location, east of Route 1 in Seabrook. The property is larger in size to the subject. Constructed in 1976 for use as an industrial/warehouse building, it was reportedly in average condition at the time of sale. The buyer invested \$10.00/SF in upgrades after its purchase. Overall, this sale was considered slightly inferior to the subject due primarily to its slightly inferior location and larger size at the time of sale. This sale has also been given lower weight within in our reconciliation process.

The matrix located on the following page summarizes our comparative analysis between the subject property and our data set of sale comparables.

Sales Comparison Matrix

	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4	SALE 5	SALE 6	SALE 7
Industrial Buildings								
Corporate Drive Portsmouth, NH	20 Durham Street Portsmouth, NH	218 Griffin Road Portsmouth, NH	225 Heritage Avenue Portsmouth, NH	200 West Road Portsmouth, NH	125 Ocean Road Greenland, NH	9 Batchelder Road Seabrook, NH	239 Walton Seabrook, NH	
BASIC DATA								
Date of Sale	6/29/2019	8/17/2016	8/29/2019	11/23/2015	9/12/2016	4/19/2019	9/1/2017	
Use	Industrial/Office	Warehouse/Industrial	Warehouse/Industrial	Warehouse/Industrial	Industrial Distribution	Industrial/Warehouse	Industrial/Warehouse	
SALE DATE								
Sale Price	\$6,900,000	\$3,535,000	\$2,200,000	\$2,900,000	\$4,388,300	\$4,250,000	\$2,414,000	
Land Value*	\$460,800							
	\$7,360,800							
Building Size	81,600	34,705	25,909	31,108	60,711	43,808	54,859	
Land Area	10.0 Acres	4.56 Acres	2.75 Acres	2.3 Acres	8.67 Acres	4.57 Acres	24.10 Acres	
Year Built	1996	1990	1980	1995	1976	1997	1996	
Price Per SF	\$90.21	\$101.86	\$84.91	\$93.22	\$72.28	\$97.01	\$44.00	
ADJUSTMENTS								
Market Conditions	9/16/2020							
Adjusted Price/SF	\$93.36	\$114.08	\$87.46	\$106.74	\$80.96	\$100.89	\$47.96	
Location	Similar	Similar	SI. Inferior	SI. Inferior	SI. Superior	Similar	SI. Inferior	25%
Age/Physical Condition	Similar	SI. Superior	Inferior	SI. Superior	Inferior	SI. Superior	SI. Inferior	25%
Functional Utility	Similar	Similar	Similar	Similar	Similar	Similar	SI. Inferior	25%
Building Size (SF)	10%	10%	-10%	Similar	Larger	SI. Larger	Larger	10%
Land Area (Acres)	Similar	Slightly Smaller	Similar	Similar	SI. Smaller	Slightly Smaller	Larger	
Occupancy (Tenant)	Owner Occupant	Single Tenant	Single Tenant	Single Tenant	Single Tenant	Single Tenant	Owner Occupant	
Use	Similar	Similar	Similar	Similar	Similar	Similar	Similar	
Aggregate Adjustments	10%	-15%	15%	-5%	15%	0%	85%	
OVERALL	Similar	\$102.70	Inferior	\$100.58	Inferior	\$101.40	\$100.89	\$88.73
			\$96.97	\$93.10	\$93.10	\$100.89	\$100.89	\$88.73

*This property is subject to a ground lease with the PDA at an annual rent of \$39,138. The rent was capitalized at 8.5% for an imputed land value of \$460,800. This adjusted allows the sales to be converted to a "fee simple" equivalent similar to the remaining comparable sales.

The following table indicates the apportioned weight applied to each sale in our reconciliation process.

Sale #	Location	Adjusted	Weight	Estimated
		Price		Price
		Per SF		Per SF
1	20 Durham Street	\$102.70	20.00%	\$20.54
2	218 Griffin Road	\$96.97	20.00%	\$19.39
3	225 Heritage Avenue	\$100.58	9.00%	\$9.05
4	200 West Road	\$101.40	9.00%	\$9.13
5	125 Ocean Road	\$93.10	20.00%	\$18.62
6	9 Batchelder Road	\$100.89	20.00%	\$20.18
7	239 Walton	\$88.73	2.00%	\$1.77
Totals			100.00%	\$98.69

Based on the preceding comparable analysis and weighted reconciliation process, the estimated value of the subject property, on an “as is” basis, has been established at **\$104.50** per square foot as of September 16, 2020 per square foot.

36,000SF	x	\$98.50/SF	=	\$3,546,000
		Less Land Value	=	<u>\$1,713,223</u>
		Adjusted Value	=	\$1,832,770
		Rounded	=	\$1,835,000

As a result of this analysis, we estimate the retrospective market value of the fee simple estate of the subject property, on an “as is” basis, as indicated by the Sales Comparison Approach, as of September 15, 2020 to be:

\$1,835,000

***LEASEHOLD ADJUSTMENT**

Based upon the existing ground lease in place, an additional adjustment to account to the land ownership. The subject’s current allocated ground lease payments are \$145,624 per year. Within an Income Capitalization analysis in this report, a capitalization rate of 8.0% of utilized. Adding a 50 Basis Point to this rate given the nature and term of the lease, a ground lease rate of 8.5% will be used.

This results in a land allocation of \$1,713,223 which we have deducted from the overall value.

RECONCILIATION

Reconciliation is the process of coordinating and integrating the facts in order to develop a unified conclusion. Its purpose is to develop the most reliable estimate of value based on an analysis of the quality, quantity and durability of all the data developed. In the estimation of the most probable market value of the subject property, the appraisers considered the Income Approach and Sales Comparison Approach. These approaches have provided the following value indications:

Summation of Value Indications

Income Approach	\$ 1,560,000
Sales Comparison Approach	\$ 1,835,000

Each of the valuation approaches has been employed independently of the other. The following discussion presents our evaluation of the contribution, which each approach lends to a final value estimate.

Income Approach – Income producing properties are purchased on the basis of anticipated net income. The income approach is reliable when rental income, operating expenses, capitalization rate, and method of capitalization are estimated from adequate information relating to the existing market conditions. The subject has been exclusively operated as an income property by the current ownership. As such, the appraisers believe this approach to be an appropriate and reliable indicator of market value for the subject property and has been given weight in our reconciliation process.

Sales Comparison Approach – The Sales Comparison Approach meets the criteria of appropriateness, quality of data, and quantity of data. Both buyers and sellers in the marketplace heavy reliance on transaction data in the negotiation of purchase and sale agreements for properties such as the subject. Industrial properties of similar size and use to the subject are often acquired by owner-occupants who primarily utilize this approach in evaluating target properties. In addition, owner-occupant purchasers often pay a price premium over investors due to long-term property control and stability factors. As such, the appraisers believe this approach to be a reliable indicator of market value for the subject property, and therefore has been given weight in our reconciliation process.

FINAL VALUE ESTIMATE

As a result of our investigation and analysis of the data contained in this report, we find the most probable "as is" *retrospective market value of the leasehold estate*, as of September 16, 2020 based upon the scope of work outlined on pages 8-9, to be:

("AS IS")
(ONE MILLION AND FIVE HUNDRED AND FIFTY THOUSAND DOLLARS)
(\$1,750,000)

MARKETING & EXPOSURE TIME ESTIMATE

We have considered whether a "current" sale, i.e., a sale that can be completed within twelve months, is likely, and concluded that it is. This conclusion was drawn based on a thorough analysis of market activity, market conditions and desirability of the subject property. We have further considered a reasonable exposure times should be between six and twelve months for both valuation periods.

Probability of Value Change:

The estimated market/use values of the property appraised in this report are estimated as of the aforementioned date. Constantly changing economic, social, political and physical conditions have varying effects upon real property values. Even after the passage of a relatively short period of time, property values may change substantially and require a new appraisal.

The value indicated is subject to the General Assumptions and General Limiting Conditions located at the end of the report.

GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal is subject to the following assumptions and limiting conditions.

General Assumptions

No responsibility is assumed for the legal description provided of for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.

The property is assumed free and clear of any or all liens or encumbrances unless otherwise stated.

Responsible ownership and competent property management are assumed.

The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

All engineering studies are assumed to be correct. The plot plans and illustrative materials are included only to help the reader visualize the property.

It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover them.

It is assumed that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in this forecast of valuation.

It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless a non-conformity has been identified, described and considered in the value range forecast.

It is assumed that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value range forecast is based.

It is assumed that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in this report.

The appraisal should not be considered a report on the physical items that are a part of this property. Although the appraisal may contain information about the physical items being appraised (including their adequacy and/or condition), it should be clearly understood that this information is only to be used as a general guide for property valuation and not as a complete or

detailed physical report. The appraisers are not construction, engineering, environmental, or legal experts, and any statement given on these matters in this report should be considered preliminary in nature.

The observed condition of the foundation, roof, exterior walls, interior walls, floors, heating system, plumbing, insulation, electrical service, and all mechanicals and construction is based on a casual inspection only and no detailed inspection was made. For instance, we are not experts on heating systems and no attempt was made to inspect the interior of the furnace. The structures were not checked for building code violations, and it is assumed that all buildings meet applicable building codes unless so stated in the report.

Some items such as conditions behind walls, above ceilings, behind locked doors, or under the ground are not exposed to casual view and therefore were not inspected. The existence of insulation, if any is mentioned, was found by conversation with others and/or circumstantial evidence. Since it is not exposed to view, the accuracy of any statements about insulation cannot be guaranteed.

Because no detailed inspection was made, and because such knowledge goes beyond the scope of the value range forecast, any observed condition or other comments given should not be taken as a guarantee that a problem does not exist. Specifically, no guarantee is made as to the adequacy of condition of the foundation, roof, exterior walls, interior walls, floors, heating system, air conditioning system, plumbing, electrical service, insulation, or any other detailed construction matters. If any interested party were concerned about the existence, condition, or adequacy of a particular item, we would strongly suggest that a construction expert be hired for a detailed investigation.

Engineering analyses of the subject property were neither provided for nor made as a part of this value range forecast. Any representation as to the suitability of the property for uses suggested in this analysis is therefore based only on a rudimentary investigation and the value range forecast is subject to such limitations.

The Americans with Disabilities Act ("ADA") became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value range forecast of the property. Since we have no direct evidence relating to this issue, possible noncompliance with the requirements of ADA in estimating the value range forecast of the property has not been considered.

Unless otherwise stated, the existence of hazardous materials, which may or may not be present on the property, was not observed. The preparer of this value range forecast, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, and other potentially hazardous materials may affect the value of the property. The appraisal value estimate is predicated on the assumption that there is no such

material on or in the property that would cause a loss in value. No responsibility is assumed for such conditions or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

General Limiting Conditions

Any allocation of the total value estimate in this report between the land and the improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.

Possession of this report, or a copy thereof, does not carry with it the right of publication.

The appraiser, by reason of this appraisal, is not required to give further consultations or testimony or to be in attendance in court with reference to the property in question unless arrangements have been previously made.

Laws of the Appraisal Institute govern disclosure of the contents of this report. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraiser.

The appraiser may not divulge the material (valuation) contents of this report, analytical findings or conclusions, or give a copy of the report to anyone other than the client or his designee as specified in writing, (except as may be required by the Bylaws and Regulations of the Appraisal Institute as they request in confidence for ethics enforcement), or by a court of law or body with the power of subpoena.

If this appraisal is used for mortgage loan purposes, the appraiser invites attention to the fact that (1) the equity cash requirements of the sponsor have not been analyzed, (2) the loan ratio has not been suggested, and (3) amortization method and term have not been suggested.

The function of this report is not for use in conjunction with a syndication of real property. This report cannot be used for said purposes and, therefore, any use of this report relating to syndication activities is strictly prohibited and unauthorized. If such an unauthorized use of this report takes place, it is understood and agreed that The Stanhope Group has no liability to the client and/or third parties.

Furnishings and equipment or business operation, except as specifically indicated and typically considered as a part of real estate, have been disregarded with only the real estate being considered.

On all appraisals subject to satisfactory completion, repairs, or alterations, the appraisal report and value conclusions are contingent upon completion of the improvements in a workmanlike manner.

The forecasts, projections, or operating estimates contained herein are based on market data and conditions as of the date of this report. Although reasonably expected trends are projected, it is impossible to accurately anticipate the future conditions that could influence the value. Any substantial changes in market conditions could have a favorable or unfavorable influence on the value. There is no responsibility assumed regarding future changes in the market that could not be anticipated as of the date of this report.

Acceptance and Use

Acceptance of and/or use of this appraisal report constitutes acceptance of the foregoing General Assumptions and General Limiting Conditions.

CERTIFICATION

We certify that, to the best of our knowledge and belief:

- we have complied with the client's instructions, standards, and specifications in conducting the research and analysis, and formulating the value conclusion.
- the statements of fact contained in this report are true and correct.
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- we have the requisite knowledge and experience to undertake the assignment.
- this appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is our personal, unbiased professional analyses, opinions, and conclusions.
- we have no present or prospective interest in the property that is the subject of this report and we have no personal interest or bias with respect to the parties involved.
- our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- Robert P. Concannon, MAI has inspected the interior and exterior of the subject property on September 16, 2020.
- no one provided significant professional assistance to the persons signing this report.

- we certify to the best of our knowledge and beliefs, the reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute.
- we certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, Robert P. Concannon, MAI has completed the Standards and Ethics Education Requirements for Practicing Affiliates of the Appraisal Institute.
- Robert P. Concannon, MAI has performed no services, as appraisers or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

A rectangular box containing a handwritten signature in cursive script, which appears to read "Robert P. Concannon".

Robert P. Concannon, MAI
Chief Appraiser - NHCG-657

ADDENDA

Subject Photographs



Front of Subject Complex



Front of Subject Complex

Subject Photographs



Front of Subject Section



Left Side of Subject Section

Subject Photographs



Rear of Subject Section



Rear of Subject Section & Office Section

Subject Photographs



Rear of Subject Section



Rear of Office Section

Subject Photographs



Front Entranceway – New Hampshire Avenue



Street Scene – New Hampshire Avenue

Subject Photographs



Street Scene - New Hampshire Avenue



Street Scene – Exeter Road

Subject Photographs

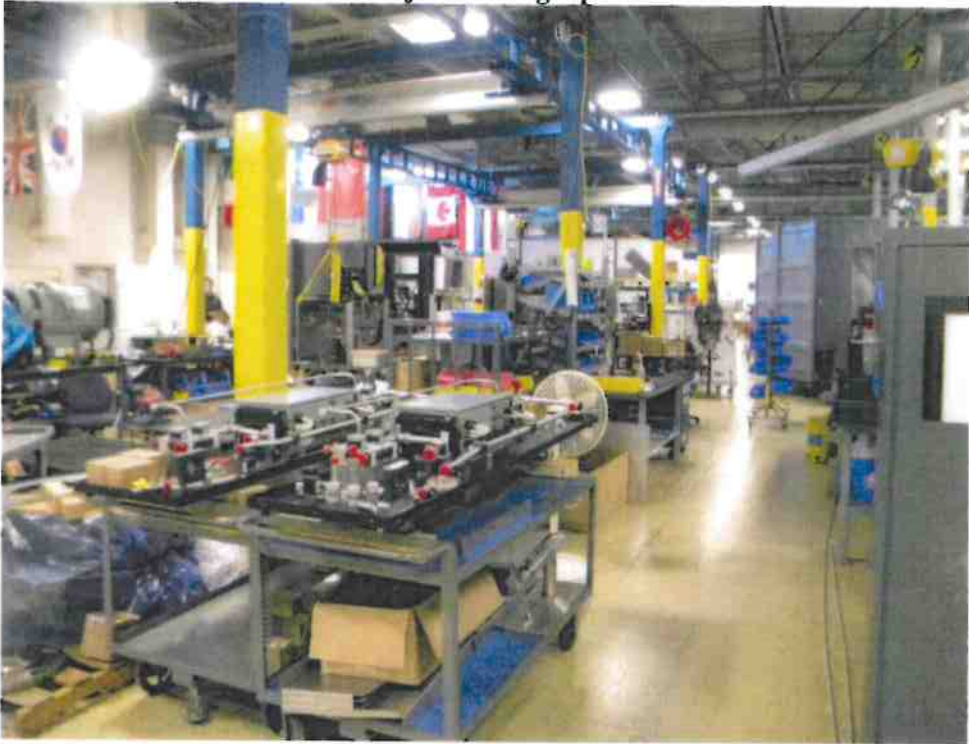


Interior of Warehouse

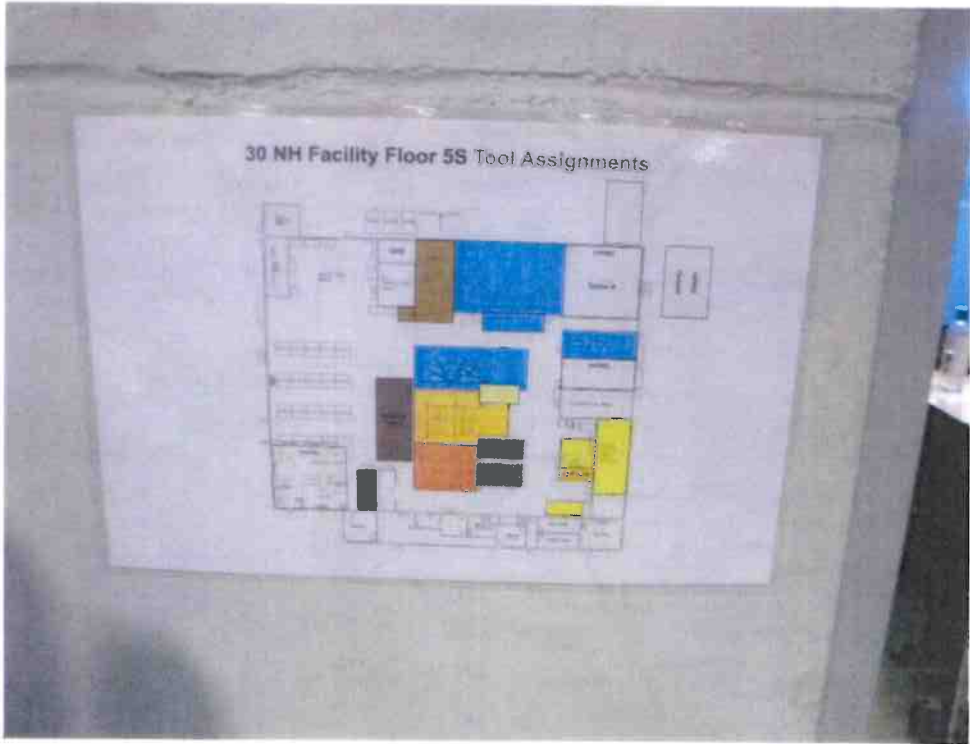


Interior of Warehouse

Subject Photographs

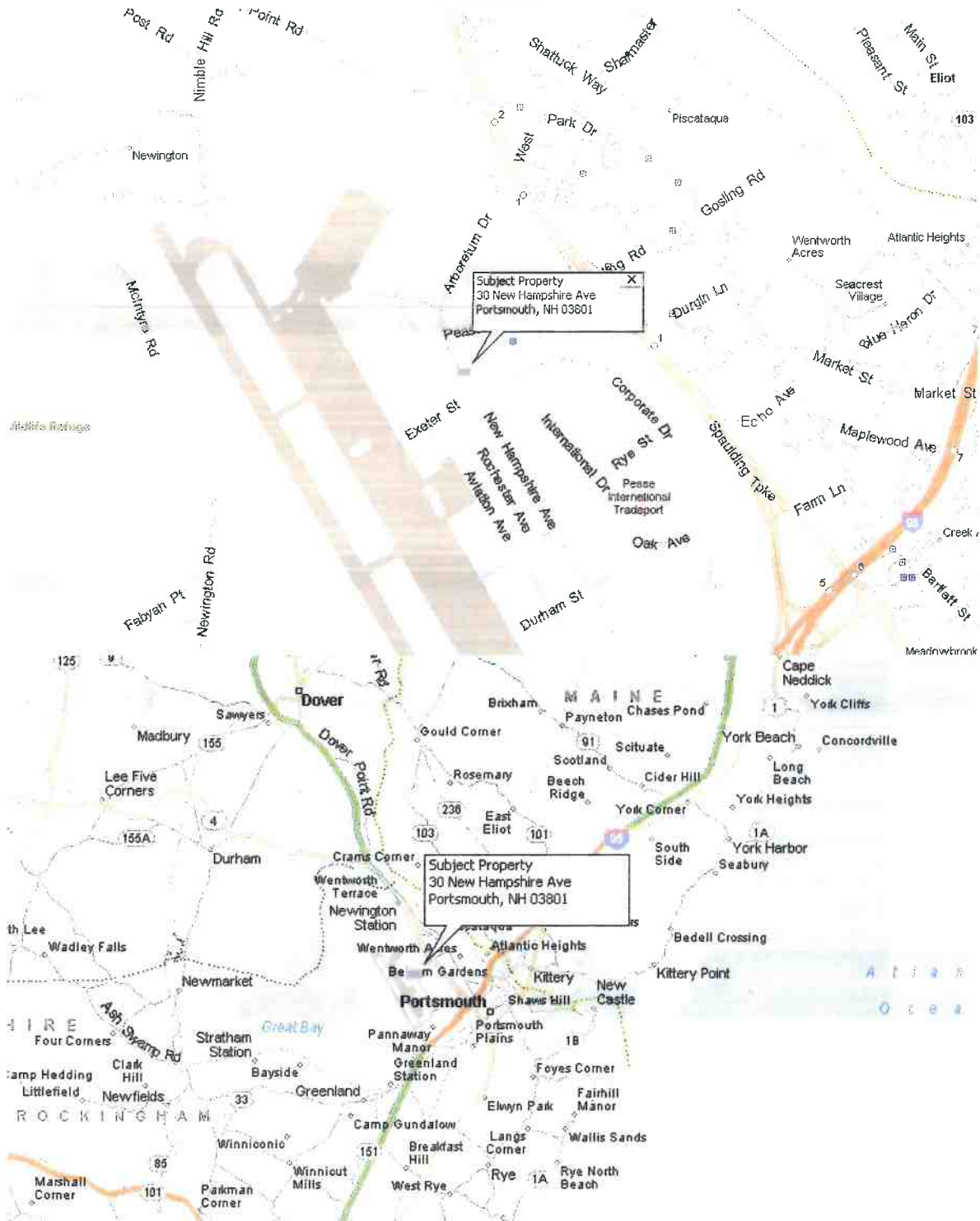


Interior of Warehouse



Building Layout

Area Maps



Municipal Tax Card



Portsmouth, NH



[Search](#)
 [Street Listing](#)
 [Sales Search](#)
 [Feedback](#)
 [Back](#)
 [Home](#)

30 NEW HAMPSHIRE AVE

[Sales](#)
 [Print](#)
 [Field Card](#)
 [Map It](#)

Location: 30 NEW HAMPSHIRE AVE	Mblu: 03017 0003/ 0000/ 1
Acct#: 37835	Owner: SPYGLASS DEVELOPMENT LLC
PEN:	Assessment: \$4,982,900
Appraisal: \$4,982,900	PID: 37835
Building Count: 1	

Current Value

Appraisal			
Valuation Year	Improvements	Land	Total
2019	\$4,982,900	00	\$4,982,900
Assessment			
Valuation Year	Improvements	Land	Total
2019	\$4,982,900	00	\$4,982,900

Owner of Record

Owner: SPYGLASS DEVELOPMENT LLC	Sale Price: 00
Co-Owner: C/O THE KANE COMPANY	Certificate:
Address: 210 COMMERCE WAY SUITE 300	Book & Page: 0/0
PORTSMOUTH, NH 03801	Sale Date:
	Instrument:



[Search](#) [Street Listing](#) [Basic Search](#) [Feedback](#) [Back](#) [Home](#)

30 NEW HAMPSHIRE AVE

[Sales](#) [Print](#) [Field Card](#) [Map](#)

Location 30 NEW HAMPSHIRE AVE

Wblu 03017 0003/ 0000/ 7

Acct# 37835

Owner SPYGLASS DEVELOPMENT LLC

PBN

Assessment \$4,982,900

Appraisal \$4,982,900

PID 37835

Building Count 1

Current Value

Appraisal			
Valuation Year	Improvements	Land	Total
2019	\$4,982,900	\$0	\$4,982,900

Assessment			
Valuation Year	Improvements	Land	Total
2019	\$4,982,900	\$0	\$4,982,900

Owner of Record

Owner SPYGLASS DEVELOPMENT LLC
Co-Owner OLD THE KANE COMPANY
Address 210 COMMERCE WAY SUITE 300
PORTSMOUTH NH 03801

Sale Price 0.0
Certificate
Book & Page 0.0
Sale Date
Instrument

Use Code	4110	Site (Acres)	0
Description	HD ASPHALT	Frontage	
Zone	R2	Grade	
Replacement	NO	Replaced Value	NO
Alt Load App	NO	Replaced Value	NO
Category			

Contributing

		Contributing		Legend	
Code	Description	Sub Code	Sub Description	Area	Value
1 1	HD ASPHALT			61000	125,000
R001	HD ASPHALT			1,200,000	111,000

Valuation History

		Appraisal		
Year	Valuation Code	Improvements	Land	Total
2027		5,818,600	NO	5,818,600
2025		5,240,000	NO	5,240,000
2023		5,240,000	NO	5,240,000

		Assessment		
Year	Valuation Code	Improvements	Land	Total
2027		5,818,600	NO	5,818,600
2025		5,240,000	NO	5,240,000
2023		5,240,000	NO	5,240,000

©2024 Vision Government Solutions. All Rights Reserved.

Qualification of the Appraiser

Robert P. Concannon, MAI

Real Property Appraiser (NHCG-657 & ME 2393)
25 York Lane, Lee New Hampshire
603-767-4987

Education

B.S. Business Administration 1986

Marquette University, Milwaukee, Wisconsin

Appraisal Classes

Real Estate Principals 101	(1987)
Introduction to Real Estate	(2003)
Basic Real Estate Procedures	(2003)
National USPAP Standards	(2004)
Introduction to Income Capitalization	(2004)
Advanced Income Capitalization	(2004)
Report Writing	(2005)
Advanced Applications	(2005)
General Highest and Best Use	(2009)
General Applications	(2011)
Advanced Highest and Best Use	(2012)
Capstone Class	(2013)
Rates and Returns	(2017)
USPAP Updated	(2017)

Employment History

THE STANHOPE GROUP, LLC (Portsmouth, NH)

Staff Appraiser 2002 - 2005

Commercial Staff Appraiser - Performed appraisals on multi-family, apartment complexes, industrial buildings, and proposed sub-divisions and vacant tracts of land. Clients included; small and large sized financial institutions, private parties, developers, and various law firms and accounting practices. Specific work includes marketing studies, rent studies, and feasibility analysis. Work assignment locations range from northern Massachusetts (Essex County) to southern Maine (York County) and throughout New Hampshire.

S & J TRANSPORTATION SERVICES, INC. (Lee, NH)

General Manager 1997 - 2001

Oversaw the daily operation of a \$10 million freight shipment company. Responsibilities include handling the maintenance, safety, operations and accounting departments. Specifically, the company employs 60+ drivers, 12 mechanics and yard people, and an administrative staff of 10-12 individuals. Additionally, successfully handled the negotiation and sale of a storage trailer leasing company for \$2 million in March 1999. Specific work includes; overseeing the letter of intent, financing terms, sale agreements, and disposition of company equipment.

EASTERN BANCORP (Vermont Federal Bank, Williston, VT)

Vice President Risk Management 1993 - 1997

Oversaw the credit administration of a \$100 million troubled commercial loan portfolio, with specific responsibilities including: workout and real estate owned disposition, loan and appraisal review, and loan loss reserve analysis. Managed loan review, internal audit, compliance, workout, collections, and real estate owned activities at this community bank.

OFFICE OF THRIFT SUPERVISION (Boston, MA)

Field Examiner, Team Leader 1986 - 1993

Handled Safety and soundness examinations, compliance examinations, credit updates (bank wide), liquidation assessments, and reviews of formal applications from member banks. Initially, provided support to senior level examiners with increased complexity and administrative responsibilities through successful completion of assignments. With proven technical proficiency and oral/written communication skills, eventually led training teams of up to seven examiners.

Additionally, participated in several special assignments including the examination of Lincoln Savings (controlled by Charles Keating) and an organized crime controlled bank in southern New Jersey. Other assignments including analyzing new applications (mergers, acquisitions, appointments) for regulated institutions and supported internal review of local agency. As a part of this work experience, successfully completed over 20 professional education classes and two separate certification programs.

Personal

Member: R.M.A., Appraisal Institute (MAI), NH & ME & MA Certified General Appraiser, E – Licensed Youth Soccer Coach, VP of NH/VT Appraisal Institute Chapter

REFERENCES UPON REQUEST

State of New Hampshire

REAL ESTATE APPRAISER BOARD
APPROVED TO PRACTICE AS A
CERTIFIED GENERAL APPRAISER
ISSUED TO: ROBERT P CONCANNON



Certificate No: NHCG-657

EXPIRATION DATE: 03/31/2021

State of New Hampshire

REAL ESTATE APPRAISER BOARD
APPROVED TO PRACTICE AS A
Certified General Appraiser
ISSUED TO: ROBERT P CONCANNON



Certificate No:
NHCG-657

EXPIRATION DATE:
03/31/2021

For additional information please contact the Board office at colleen.giffin@oplc.nh.gov or visit our web site at <http://www.oplc.nh.gov/real-estate-appraisers/index.htm>

