

**BURLINGTON INTERNATIONAL AIRPORT
BOARD OF AIRPORT COMMISSIONERS**

1200 Airport Drive, South Burlington, Vermont
Conference Room #1
Monday November 28, 2016 3:00pm

1. CALL TO ORDER
2. AGENDA
3. CONSENT AGENDA
 - 3.1 Approval of Minutes: October 14, 2016
4. PUBLIC FORUM
5. FINANCIAL PACKAGE (Documents/Verbal - M. Friedman)
6. ACTION NEEDED:
 - 6.1 Environmental Testing for Former Fuel Farm
 - 6.2 Janitorial RFP Award and Contract - JaniTech
 - 6.3 South Hangar RFP Award and Lease – Mansfield Heliflight
 - 6.4 Hudson News Lease Amendment
 - 6.5 Airline Lease Agreement
 - 6.6 Property Lease - Main Street Property Services
 - 6.7 Greyhound Terminal Rental
 - 6.8 Aviatron, Inc. Lease Agreement
7. COMMUNICATION/DISCUSSION:
 - 7.1 Airport Commission Policy File Draft
 - 7.2 Construction Update Report (Document/Verbal - A. Hanaway)
 - 7.3 Marketing Update (Document/Verbal - S. Losier)
 - 7.4 Passenger and Operational Statistics (Document)
 - 7.5 Fare Comparisons With New Cost Estimate Calculator (Document - S. Losier)
 - 7.6 Updated Properties Inventory
8. DIRECTOR'S REPORT (Verbal)
9. COMMISSIONERS' ITEMS
10. ADJOURNMENT-Tentative: Next Meeting- Monday, December 19 3:00 pm, Conference Room 1

**BURLINGTON INTERNATIONAL AIRPORT
BOARD OF AIRPORT COMMISSIONERS
MINUTES OF MEETING
October 14, 2016**

DRAFT

MEMBERS PRESENT: Jeff Munger (Chairman)
Bill Keogh
Alan Newman
Pat Nowak

MEMBERS ABSENT: Jeff Schulman

BTV STAFF PRESENT: Gene Richards, Director of Aviation
Nic Longo, Director of Planning and Development
Marie Friedman, Airport CFO
Amanda Clayton, Director of Engineering &
Environmental Compliance
Kelly Colling, Director of Operations
Shelby Losier, Administrative Assistant

OTHERS PRESENT: Robert McEwing, Property Acquisition Program
Erin Desautels, Vermont Small Business Acceleration
Megan McGovern, Donahue & Associates
Tim McCole, Heritage Aviation
Ben Meyer, Heritage Aviation

1.0 CALL TO ORDER

Chairman Jeff Munger called the meeting to order at 12:05 PM on October 14, 2016.

2.0 AGENDA

MOTION by Bill Keogh, SECOND by Jeff Munger, to approve the agenda with the addition of a status report of Airport Ambassadors employment as Item 7.6 and a statement on the Kirby Road meeting as Item 9.2. VOTING: unanimous (4-0); motion carried.

3.0 CONSENT AGENDA

3.1 Approval of Minutes: September 12, 2016

MOTION by Bill Keogh, SECOND by Alan Newman, to approve the consent agenda including the minutes of September 12, 2016 as presented. VOTING: unanimous (4-0); motion carried.

4.0 PUBLIC FORUM

None.

5.0 FINANCIAL PACKAGE

Marie Friedman highlighted:

- Revenues and expenditures are in good shape.
- Landing fees have been billed out (Trend Report does not reflect landing fees for August).

- Debt coverage ratio is 2.6 presently. The ratio is always high at the beginning of the fiscal year.
- The line of credit was renewed for \$7 million to cover AIP projects until reimbursement from the FAA.
- Airline lease billing is delayed slightly until the correct amount is confirmed. The contract is retroactive to August 1st.
- The annual city audit is underway beginning with the airport.

Alan Newman requested a single page, bullet point narrative on the finance report for each meeting highlighting any issues.

MOTION by Bill Keogh, SECOND by Pat Nowak, to accept the financial package and place the information on file. VOTING: unanimous (4-0); motion carried.

6.0 ACTION NEEDED

6.1 Professional Services Agreement

MOTION by Bill Keogh, SECOND by Alan Newman, to adopt the Professional Services Agreement and recommend to City Council for approval.

DISCUSSION: Amanda Clayton noted the following:

- Passero Associates was selected from the many responses to the RFP and will be working with airport staff on the grant applications to the Grants Administration Services.
- The statement of work in the contract is general. Staff will delegate tasks.
- The contractor will meet the more stringent requirements for a federal project including paying a livable wage.
- The contract amount is a “not-to-exceed” amount and is not expected to be reached this year.

There were no further comments.

VOTING: unanimous (4-0); motion carried.

6.2 PARCS System Consultant

MOTION by Bill Keogh, SECOND by Alan Newman, to approve and recommend to City Council for approval the PARCS System Consultant.

DISCUSSION: Staff explained the work with Burlington Public Works on the transition of the garage. Three proposals were received and ranked. Staff is recommending Desman Design Management at a cost of \$94,685 (low bidder). Burlington Public Works will pay 59% of the cost (\$55,864) and the airport will pay 41% (\$38,821). Alan Newman asked if VIP parking and long term parking will be addressed with the software or with physical space. Marie Friedman said there is opportunity with physical space and at a minimum cost to better serve customers. The contract with the consultant is for software and hardware. The airport will set up the criteria (VIP, long term, appropriate charges, and such) and the consultant will determine the system needs. The system must have flexibility to address needs that are ever

evolving. Alan Newman commented flexibility has cost so revenues need to be maxed. There were no further comments.
VOTING: unanimous (4-0); motion carried.

7.0 COMMUNICATION/DISCUSSION

7.1 Airport Property Update

Meg McGovern with Donahue & Associates gave an overview on properties owned by the airport and highest/best use to maximize occupancy. The properties include:

- 23 Airport Drive (Aviation Deli) – has lease option with escalators until 2020. Property is commercial zoned residential.
- 700 Airport Parkway (former Budget Rental Car) – Enterprise has long term lease and will spend \$90,000 in upgrades.
- 41 White Street (formerly a park-and-ride) – can be redeveloped. Would be a good Aviation Deli location.
- 1250 Airport Drive with gated access – has Class B office space. Meetings are scheduled with companies who may be interested in having a satellite office.
- 3060 Williston Road (fully occupied) – Class C office/retail space. Are many short and long term opportunities with the building. TSA location is an idea to be explored.
- 3062 Williston Road (fully occupied) – Hardscape Landscaping leases the site presently.
- 3090 Williston Road – commercial building space and Class B office space.

A list of the properties with the square footage and rental income will be sent to the Airport Commission.

Gene Richards noted the airport owns 40 acres along Williston Road including a gravel pit. Part of the parcel area is a foreign trade zone. The airport needs someone to manage that zone.

7.2 Construction Update

Amanda Clayton reported:

- Two phases of the apron rehab project have been combined into one phase. There is \$30 million of construction work to be done over two years. Funding is in place. The apron project will start April 2017.
- Taxiway Kilo is opened for use. There is some additional work to do.
- North apron glycol project is on schedule.
- Air Guard project will start with the demolition of Taxiway Foxtrot this year.

7.3 Marketing Update and 7.4 Fare Comparison

Shelby Losier reported:

- Champlain College will hold a press conference to highlight Flight and Graffiniti.
- The airport hosted Live2Lead and a Rock-Paper-Scissors fund raiser that raised \$16,000. There are several other events scheduled at the airport as well. [Gene Richards pointed out the events show how well the airport can be used in a different way.]

7.4 Fare Comparison

Fare comparison report was provided for review/information.

7.5 Dynamic Planning Tool

Staff report the travel cost calculator tool that allows the traveler to calculate the complete cost of travel from different airports including fuel use, parking, roundtrip fare, miles to airport, time, and other factors. Comparing cost of travel from Burlington versus Boston or Manchester shows an average savings of \$322 to fly out of Burlington.

Jeff Munger mentioned flights being less expensive out of Montreal. Nic Longo said the data show only 5% of people are traveling to Montreal for flights.

7.6 Status of Airport Ambassadors Employment

Gene Richards reported there will be one job description for Airport Ambassador/Garage Attendant once the garage transition project is complete in the second quarter of 2017. HR is working on the salaries. There will be some temporary employees to relieve the pressure. Shelby Losier added there will be four airport garage attendants. All the other workers are temporary and being trained to work both the garage and as Airport Ambassadors.

8.0 AVIATION DIRECTOR'S REPORT

Gene Richards reported:

- The airline lease is finalized and includes favorable terms for the airport. The lease addresses low volume carriers as well.
- Staff continues to work with Porter Air on service to Burlington. [Alan Newman mentioned having Air Canada treat Burlington Airport as a spoke in their hub. Gene Richards said the conversation is ongoing with Air Canada. Their hub is Toronto with preclearance and connections across the world.]
- Meetings with JetBlue hold promise. There have been five consecutive months of increases in seats (1.6% increase for the year).
- The meeting with South Burlington City Manager, Kevin Dorn, was very disappointing and gives the appearance South Burlington does not want to work on a solution with the airport. Also, it appears South Burlington City Council is spreading false words and false advice on the airport. South Burlington is proposing a solar field on the former landfill site. The airport is pro-solar, but the proposed installation goes through the location for the highway as noted in the 2030 Plan. The airport asked for a letter from South Burlington saying the city will make provision to work with the airport.
- The home removal program was reviewed with South Burlington City Manager and the South Burlington City Council President, but these individuals apparently did not pass along the information about the program as public officials because at the sound mitigation meeting the South Burlington Planner was not aware of the details of the program. The airport is a vital part of the state. The airport did not build the houses that are being removed, South Burlington did. The airport is acting as a facilitator for the FAA of the noise program. Jones Payne Group has

been hired to work on the project. The airport only had a week's notification about the current program and informed the Mayor and City Council then South Burlington as soon as possible. Staff will provide The Airport Commission with a timeline of events with the noise program.

- RFP for janitorial services is still being reviewed.
- RPF for the Chamber desk is still not decided.
- South hangar bid will be awarded to Mansfield Heliflight.
- Year 2020 marks the 100th anniversary of the airport. A committee is being formed to plan a celebration. Updates on the progress will be provided.

There was discussion about the relationship between the airport and South Burlington over time and currently with the housing program. Pat Nowak said the comment she heard was that the home buyout piece was introduced at the end of the meeting in South Burlington and was not clear. Regarding the solar field, according to the South Burlington City Manager a letter cannot be drafted because the financing would not take place. Ms. Nowak said she had hoped once the battle over the value of the airport was settled there would be a spirit of collaboration and cooperation.

Bill Keogh asked if there is resistance to the buyout program. Gene Richards said South Burlington is claiming they know nothing about it and were not given enough notification of the grant being received by the airport. The situation is being portrayed as the airport having the information many months in advance when the airport only knew days in advance.

Jeff Munger pointed out the new sound mitigation program cannot be started until the first program is complete which South Burlington knew so South Burlington's frustration is confusing. Also, the airport has no option but to follow FAA rules.

Pat Nowak said people are hearing there are 39 homes to be taken and are unsure if their house is involved or not. People feel they were blindsided with the new program. The issue is communication of information. Many of the residents have been in their homes for 40 years and are wondering what the program means to them and the neighborhood. The relationship with the airport and South Burlington is not new and existed before the housing program. It is true offers went through and the program is voluntary, but people are seeing affordable housing being taken that cannot be replaced. There is a lot of concern and angst. There were a lot of questions that were not answered.

Alan Newman questioned the city's management being antagonistic rather than trying to find a solution. Pat Nowak said the issue is timing. South Burlington wants to be involved in the decision and know what is coming down the road. Alan Newman pointed out Pat Nowak is a member of the Airport Commission representing South Burlington and should be the communicator. Also, the Airport Commission meetings are open to the public. Gene Richards assured Pat Nowak is delivering the message, but South Burlington is not hearing it and is continuing to fight a battle from years ago. Pat Nowak conceded there is some difficulty with a few neighbors who feel they have improved their homes and will not get a fair value for it, and they are suspect as to the complete

transparency the airport has with the neighborhood. At a meeting there were 15 people in attendance who were eligible for the program and half of them wanted to stop the process until there were more answers from the meeting on 10/14/16. At the South Burlington City Council meeting people spoke out and shared frustration in not knowing what will happen with housing that is co-owned with Champlain Housing Trust, for example, or whether the FAA will have to be reimbursed for houses that are mitigated for sound and then sold. The relationship with the airport has been strained for years with South Burlington with the lawsuit involving the homes.

Gene Richards commented much of the tension is about the F-35 which the airport does not control. Questions about the FAA should be directed to Nic Longo. Questions about the sound program should be directed to Nic Longo and/or the Jones Payne Group.

9.0 AIRPORT COMMISSIONERS' ITEMS

9.1 Sound Mitigation Efforts

9.2 Statement on Kirby Road Meeting

Pat Nowak read a statement on the house buyout program highlighting the following:

- It is hoped this is the final buyout.
- Kirby Road residents and South Burlington City Council discussed concerns about the buyout program and the 39 additional homes.
- Long term residents were not approached about the buyout, feeling like they were the last to know.
- The city feels there is no involvement of residents or the city management in the decision and it is a foregone conclusion that what is decided cannot be discussed in advance.
- Questions/concerns that have been expressed:
 - Sound impact on the remaining houses
 - Who establishes the fair market value
 - Appealing offers that are not acceptable
 - “Humanizing” the area after the houses are removed
 - Who determined the sound boundary lines
 - What happens if refuse to participate in the program
 - Does the FAA need to be paid back
 - How much time is there to accept the offer and relocate
 - Does funding include closing costs
 - Is Chamberlin School and the public works building included in the program
 - Will there be another buyout program
 - Will FAA fund walls/berms versus home buyout
 - What happens with co-owned homes (affordable houses co-owned by Champlain Housing Trust)

Ms. Nowak said South Burlington is compiling a list of questions from the meeting with residents that will be forwarded to the airport. South Burlington wants a relationship with communication on the issues that impact residents and the city, and to be part of the discussions and decisions.

Pat Nowak will forward a copy of her statement to the Airport Commission and staff.

Alan Newman suggested the airport do a blog and post questions and answers as well as other pertinent information each day.

Bill Keogh asked what could have been done to avoid the allegations from South Burlington. Pat Nowak said the issues are timing and communication. Nic Longo pointed out the grant application was submitted the first week of September. The money is discretionary so the airport was not even certain the money was available. Word of the grant award was received September 7th and meetings with Burlington and South Burlington were held. The information was publicized on September 13th in the newspaper. Jeff Munger noted the headline in the newspaper was inaccurate and misleading. Pat Nowak stressed the approach to apply for the grant was done with foreknowledge of houses being in the original DNL. Gene Richards pointed out Kevin Dorn knew in July about the program and the airport told the FAA that both cities and the airport do not want to take any more homes. The FAA indicated they know the best decision for the airport and will not issue any funding until the program is complete. Gene Richards stressed he communicates information to both cities as it becomes available.

Gene Richards said 60% of his time is spent on South Burlington matters, but he will continue to micromanage the relationship until it improves. Bill Keogh suggested having someone mediate the dispute over communication. Pat Nowak suggested having regular sessions with South Burlington, Burlington, and the airport to have dialogue. Gene Richards said he sent a letter to Kevin Dorn offering to answer questions and post the information online. Consultants hired by the airport will be meeting with neighbors who will have ample time to participate. Pat Nowak suggested setting up a link to the FAA buyout program for information purposes.

10.0 ADJOURNMENT

Next meeting is November 28, 2016 at 3 PM.

MOTION by Bill Keogh, SECOND by Alan Newman, to adjourn the meeting.

VOTING: unanimous (4-0); motion carried.

The meeting was adjourned at 2:53 PM.

RScty: MERiordan

City of Burlington
BURLINGTON INTERNATIONAL
AIRPORT
SEPTEMBER 2016

FINANCIAL STATEMENTS





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1200 Airport Drive, #1
South Burlington, Vermont 05403
Phone: (802) 863-2874 (TTY)
Fax: (802) 863-7947

The Burlington International Airport, City of Burlington is an Equal Opportunity Employer

To: Airport Commissioners

From: Marie Friedman, CPA

Date: November 23, 2016

Re: Financial Highlights for November 28th 2016 commission meeting

- Revenues are at 24% of budget, which is on par with last September.
- Parking revenues are up approximately \$10,000 compared to the July-September 2015.
- Other revenues are very similar to last year, and what we expect
- Expenditures are also at 24% of budget. Actual spending is less than one year ago, primarily due to lower taxes (down \$179,000 over prior year). This is due to BTV and City of South Burlington tax agreement resolution.
- Debt Coverage score is currently at 2.71 compared 2.47 last year. The score always trend higher at the beginning of our fiscal.
- The AIP receivable is \$2,959,638 as of September 30, 2016. BTV has expended \$2,364,168 in AIP projects this Fiscal Year. BTV has collected \$1,689,255 in the first 3 months of this year, with multiple requests into the FAA currently waiting for reimbursement. BTV owes Keybank \$1,502,582 outstanding on the Grant Anticipation Note as of October 31st.
- Cash update: BTV owes the City \$302,353 for pooled cash as of September 30th. BTV also had \$1,473,924 in the Airport International account at September 30th.
- The Airport Audit will be finished and issued in December
- Airlines are in the process of signing their leases. American has signed their lease, and we expect United, Jet Blue and Delta to be sending signed copies shortly.



Budget Performance Report

Fiscal Year to Date 09/30/16

Only Show Rollup Account and Rollup to Account

Account	Account Description	Adopted Budget	Budget Amendments	Amended Budget	YTD Encumbrances	FY 2016 YTD Transactions	Remaining Balance	% Used/ Rec'd
Fund 400 - Airport								
REVENUE								
4247	Fees and Permits	112,100.00	.00	112,100.00	.00	12,350.00	99,750.00	11
4267	Utility Reimbursement	46,967.00	.00	46,967.00	.00	9,866.64	37,100.36	21
4275	Rent & Lease	.00	.00	.00	.00	.00	.00	+++
4295	Parking Fees	5,400,000.00	.00	5,400,000.00	.00	1,250,693.02	4,149,306.98	23
4297	CFC's	1,210,000.00	.00	1,210,000.00	.00	380,988.00	829,012.00	31
4345	Advertising Revenues	125,000.00	.00	125,000.00	.00	34,225.00	90,775.00	27
4390	Concessions	250,000.00	.00	250,000.00	.00	75,033.04	174,966.96	30
4440	Taxi Fees	94,125.00	.00	94,125.00	.00	55,598.00	38,527.00	59
4445	Terminal Rent - Exclusive	1,262,593.00	.00	1,262,593.00	.00	322,400.68	945,512.32	25
4450	Terminal Rent - Commonuse	1,625,206.00	.00	1,625,206.00	.00	377,840.79	1,371,664.87	16
4455	Terminal Concessions Airport	548,800.00	.00	548,800.00	.00	177,738.79	371,061.21	32
4460	Rental Car Concessions	1,952,565.00	.00	1,952,565.00	.00	766,492.51	1,186,072.49	39
4465	Rent Grounds	393,118.00	.00	393,118.00	.00	90,301.18	302,816.82	23
4467	Rents _ Grounds Heritage	861,444.00	.00	861,444.00	.00	.00	861,444.00	0
4470	Rent Buildings	252,926.00	.00	252,926.00	.00	313,249.11	(60,323.11)	124
4471	Building Rents - Heritage	.00	.00	.00	.00	.00	.00	+++
4475	Landing Fees	1,899,210.00	.00	1,899,210.00	.00	482,084.09	1,569,699.12	17
4480	PFC Revenue	2,400,000.00	.00	2,400,000.00	.00	365,935.50	2,034,064.50	15
4500	Airport Apron Fees	.00	.00	.00	.00	.00	.00	+++
4505	Terminal Non Airline	583,300.00	.00	583,300.00	.00	148,187.76	435,112.24	25
4535	Misc Rev	3,000.00	.00	3,000.00	.00	.00	3,000.00	0
4600	Fees For Services	.00	.00	.00	.00	1,733.00	(1,733.00)	+++
4700	Interest / Investment Income	8,500.00	.00	8,500.00	.00	5,248.51	3,251.49	62
4702	Interest Income PFC	4,000.00	.00	4,000.00	.00	1,222.22	2,777.78	31
4703	Restricted Interest Income	.00	.00	.00	.00	4,311.84	(4,311.84)	+++
4705	Unrealized Gain/Loss-Invest	.00	.00	.00	.00	(12,700.55)	12,700.55	+++
4750	Gain/Loss On Asset	.00	.00	.00	.00	.00	.00	+++
4825	Interdepartmental	.00	.00	.00	.00	97.03	(97.03)	+++
4850	Cash Over	.00	.00	.00	.00	435.76	(435.76)	+++
4900	Participant Charges	.00	.00	.00	.00	.00	.00	+++
4925	Proceeds	.00	.00	.00	.00	.00	.00	+++
4961	Property Tax Reimbursement - Airport	208,000.00	.00	208,000.00	.00	.00	208,000.00	0
REVENUE TOTALS		\$19,240,854.00	\$0.00	\$19,240,854.00	\$0.00	\$4,863,331.92	\$14,659,714.95	24%
EXPENSE								
5000	Salaries and Wages	2,505,000.00	.00	2,505,000.00	.00	567,969.82	1,937,030.18	23
5100	Overtime	257,000.00	.00	257,000.00	.00	74,183.35	182,816.65	29
5200	Other Personal Service	184,300.00	.00	184,300.00	.00	29,735.26	154,564.74	16
5400	Employee Benefits	1,246,217.00	.00	1,246,217.00	20,184.88	269,450.46	956,581.66	23
6000	Office Supplies	17,000.00	.00	17,000.00	329.70	1,342.40	15,327.90	10
6005	Postage	2,000.00	.00	2,000.00	233.45	562.65	1,203.90	40
6007	Shipping and Moving	6,000.00	.00	6,000.00	.00	602.35	5,397.65	10
6010	Computer Equipment	14,500.00	.00	14,500.00	819.00	.00	13,681.00	6
6015	Computer Software	8,200.00	.00	8,200.00	241.00	.00	7,959.00	3



Budget Performance Report

Fiscal Year to Date 09/30/16

Only Show Rollup Account and Rollup to Account

Account	Account Description	Adopted	Budget	Amended	YTD	FY 2017 YTD	Remaining	% used/
		Budget	Amendments	Budget	Encumbrances	Transactions	Balance	Rec'd
6017	Computer Licensing and Maint.	47,900.00	.00	47,900.00	2,000.00	31,612.10	14,287.90	70
6020	Office Equipment	5,000.00	.00	5,000.00	467.90	377.83	4,154.27	17
6025	Furnishings	5,000.00	.00	5,000.00	.00	.00	5,000.00	0
6200	Medical Fees And Supplies	4,000.00	.00	4,000.00	220.00	878.78	2,901.22	27
6202	Printing/Copying/Paper Mgt	12,500.00	.00	12,500.00	.00	5,674.55	6,825.45	45
6203	Dues/Subscriptions	81,525.00	.00	81,525.00	11,458.78	33,622.22	36,444.00	55
6205	Cash Short	.00	.00	.00	.00	1,301.37	(1,301.37)	+++
6206	Custodian Supplies	75,500.00	.00	75,500.00	.00	14,713.81	60,786.19	19
6208	Special Supplies	13,000.00	.00	13,000.00	1,826.45	814.34	10,359.21	20
6210	Small Tools and Equipment	18,500.00	.00	18,500.00	311.75	700.34	17,487.91	5
6211	Specialized Equipment	.00	.00	.00	.00	.00	.00	+++
6212	Fuel	125,000.00	.00	125,000.00	.00	1,934.68	123,065.32	2
6214	Clothing And Uniforms	7,500.00	.00	7,500.00	230.40	496.50	6,773.10	10
6215	Uniform Laundering	20,000.00	.00	20,000.00	4,367.00	2,633.00	13,000.00	35
6216	Oil & Grease & Antifreeze	18,000.00	.00	18,000.00	.00	59.52	17,940.48	0
6222	Runway De-Ice	175,000.00	.00	175,000.00	.00	.00	175,000.00	0
6300	Repair & Maintenance	580,500.00	.00	580,500.00	66,387.39	47,903.65	466,208.96	20
6350	Legal Notice & Advertising	3,000.00	.00	3,000.00	.00	.00	3,000.00	0
6400	Utilities	1,439,100.00	.00	1,439,100.00	989.11	242,072.17	1,196,038.72	17
6500	Professional and Consultant Services	1,285,000.00	20,000.00	1,305,000.00	106,021.90	131,836.61	1,067,141.49	18
6530	Rentals	10,000.00	.00	10,000.00	.00	.00	10,000.00	0
6600	Maintenance Contracts	265,000.00	.00	265,000.00	68,704.90	44,487.21	151,807.89	43
6605	Radio Maintenance	15,000.00	.00	15,000.00	3,906.00	2,585.00	8,509.00	43
6610	Custodial Contracts	698,000.00	.00	698,000.00	380.53	165,532.96	532,086.51	24
6615	Property Repairs	130,000.00	.00	130,000.00	511.36	5,462.50	124,026.14	5
6620	Contractual Vehicle Repair	10,000.00	.00	10,000.00	.00	450.00	9,550.00	4
6625	Equipment Maintenance Repairs	125,000.00	.00	125,000.00	21,766.90	13,250.88	89,982.22	28
6700	Travel & Training	73,000.00	.00	73,000.00	.00	19,553.60	53,446.40	27
6800	Fees for Services	37,000.00	.00	37,000.00	5,500.00	15,345.43	16,154.57	56
7000	Bad Debt Expense	2,000.00	.00	2,000.00	.00	.00	2,000.00	0
7002	Interest Expense	.00	.00	.00	.00	.00	.00	+++
7004	Interest Expense - Restricted	10,000.00	.00	10,000.00	.00	.00	10,000.00	0
7200	Capital Leases	358,000.00	.00	358,000.00	.00	.00	358,000.00	0
7230	Insurance	245,350.00	.00	245,350.00	.00	82,842.73	162,507.27	34
7303	Regulatory and Bank Fees	122,000.00	.00	122,000.00	.00	11,139.90	110,860.10	9
7312	Real Estate Taxes	1,651,100.00	(20,000.00)	1,631,100.00	536,797.00	178,933.00	913,370.00	44%
8005	Vehicle/Equipment Repairs	.00	.00	.00	.00	.00	.00	+++
8015	Indirect Fees	358,675.00	.00	358,675.00	.00	89,670.00	269,005.00	25
8016	Risk Management	.00	.00	.00	.00	.00	.00	+++
8017	Indirect Fees - City Attorney	36,123.00	.00	36,123.00	.00	9,030.00	27,093.00	25
8018	Management Fee - Parking Garage	50,000.00	.00	50,000.00	.00	12,500.00	37,500.00	25
8035	FAA - Airport Security	.00	.00	.00	.00	.00	.00	+++
8095	Interest On Pooled Cash	12,000.00	.00	12,000.00	.00	292.45	11,707.55	2
8135	Airport Security To Police	1,130,052.00	.00	1,130,052.00	.00	282,516.00	847,536.00	25
Operating EXPENSE TOTALS		\$13,494,542.00	\$0.00	\$13,494,542.00	\$853,655.40	\$2,394,069.69	\$10,246,816.29	24%
Operating Profit						\$2,469,262.23		



TREND ANALYSIS
 For Fiscal Years 2016 and 2017
 Year-To-Date Revenue Comparisons



FY	Period 1		Period 2		Period 3		Period 4		Period 5		Period 6		Period 7		Period 8		Period 9		Period 10		Period 11		Period 12		
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
2016	56,798	119,970	176,569	238,695	287,001	335,160	380,129	451,028	498,731	546,233	596,124	644,576													
2017	64,827	130,163	177,738	177,738	177,738	177,738	177,738	177,738	177,738	177,738	177,738	177,738	177,738	177,738	177,738	177,738	177,738	177,738	177,738	177,738	177,738	177,738	177,738	177,738	177,738
2016	240,324	552,535	748,826	977,338	1,124,975	1,273,200	1,421,448	1,569,549	1,717,834	1,826,344	1,976,331	2,180,303													
2017	218,412	557,364	766,493	766,493	766,493	766,493	766,493	766,493	766,493	766,493	766,493	766,493	766,493	766,493	766,493	766,493	766,493	766,493	766,493	766,493	766,493	766,493	766,493	766,493	766,493
2016	149,347	300,822	447,804	601,990	735,405	871,127	1,002,428	1,133,393	1,270,187	1,392,703	1,518,523	1,671,291													
2017	160,576	329,511	482,084	482,084	482,084	482,084	482,084	482,084	482,084	482,084	482,084	482,084	482,084	482,084	482,084	482,084	482,084	482,084	482,084	482,084	482,084	482,084	482,084	482,084	482,084
2016	410,392	824,622	1,240,664	1,747,264	2,211,974	2,590,059	3,010,401	3,473,751	3,998,643	4,525,478	4,999,154	5,408,940													
2017	390,960	804,755	1,250,693	1,250,693	1,250,693	1,250,693	1,250,693	1,250,693	1,250,693	1,250,693	1,250,693	1,250,693	1,250,693	1,250,693	1,250,693	1,250,693	1,250,693	1,250,693	1,250,693	1,250,693	1,250,693	1,250,693	1,250,693	1,250,693	1,250,693
2016	160,052	312,196	444,132	591,724	666,660	736,308	807,060	877,000	948,264	1,022,596	1,121,116	1,245,260													
2017	146,112	243,164	380,988	380,988	380,988	380,988	380,988	380,988	380,988	380,988	380,988	380,988	380,988	380,988	380,988	380,988	380,988	380,988	380,988	380,988	380,988	380,988	380,988	380,988	380,988
2016	\$ 1,016,913	\$ 2,110,146	\$ 3,057,996	\$ 4,157,010	\$ 5,026,014	\$ 5,805,853	\$ 6,621,466	\$ 7,504,721	\$ 8,433,659	\$ 9,313,354	\$ 10,211,248	\$ 11,150,370													
2017	\$ 980,887	\$ 2,064,957	\$ 3,057,996	\$ 3,057,996	\$ 3,057,996	\$ 3,057,996	\$ 3,057,996	\$ 3,057,996	\$ 3,057,996	\$ 3,057,996	\$ 3,057,996	\$ 3,057,996	\$ 3,057,996	\$ 3,057,996	\$ 3,057,996	\$ 3,057,996	\$ 3,057,996	\$ 3,057,996	\$ 3,057,996	\$ 3,057,996	\$ 3,057,996	\$ 3,057,996	\$ 3,057,996	\$ 3,057,996	\$ 3,057,996

Monthly Revenue Comparison

FY	Jul		Aug		Sep		Oct		Nov		Dec		Jan		Feb		Mar		Apr		May		Jun		YTD		
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	
2016	56,798	63,172	56,599	62,125	48,306	48,159	44,970	70,899	47,703	47,502	49,891	48,452	644,576														
2017	64,827	65,336	47,575										177,738														
2016	240,324	312,211	196,291	228,511	147,637	148,226	148,248	148,102	148,285	108,510	149,987	203,972	2,180,303														
2017	218,412	338,952	209,129										766,493														
2016	149,347	151,476	146,982	154,185	133,415	135,722	131,301	130,965	136,794	122,516	125,820	152,768	1,671,291														
2017	160,576	168,935	152,573										482,084														
2016	410,392	414,230	416,042	506,600	464,710	378,085	420,342	463,350	524,892	526,835	473,676	409,786	5,408,940														
2017	390,960	413,795	445,938										1,250,693														
2016	160,052	152,144	131,936	147,592	74,936	69,648	70,752	69,940	71,264	74,332	98,320	124,144	1,245,260														
2017	146,112	97,052	137,824										380,988														
2016	\$ 1,016,913	\$ 1,093,233	\$ 947,850	\$ 1,099,014	\$ 869,004	\$ 779,839	\$ 815,613	\$ 883,255	\$ 928,938	\$ 879,695	\$ 897,894	\$ 939,122	\$ 11,150,370														
2017	\$ 980,887	\$ 1,084,070	\$ 993,039	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,057,996														



Burlington International Airport
Fiscal Year 2017
 Debt Coverage Score

DESCRIPTION	July	August	September
Total Revenue	1,452,203	2,878,916	4,863,332
Less: PFC Revenue	0	(175,698)	(365,936)
Less: PFC Interest Income	(368)	(788)	(1,222)
Total Net Revenue	1,451,835	2,702,430	4,496,174
Operating Expenses	804,033	1,335,662	2,394,070
Total Net Operating Income	637,418	1,366,768	2,102,104
+ PFC available for Debt Service	98,022	196,044	294,066
Funds Available for Debt Service	735,440	1,562,812	2,396,170
* + Debt Principal & Interest Payments	304,162	608,323	912,485
Debt Service Coverage Score - Methodology #1	2.42	2.57	2.63
Apply 125% PFC Revenue towards debt	24,506	49,011	73,517
Funds Available for Debt Service	759,946	1,611,823	2,469,687
Debt Service Coverage Score - Methodology #2	2.50	2.65	2.71
Fiscal Year 2016			
Debt Coverage Score			
Debt Service Coverage Score - Methodology #1	2.84	2.90	2.39
Debt Service Coverage Score - Methodology #2	2.92	2.98	2.47



**BURLINGTON INTERNATIONAL AIRPORT
ACCOUNTS RECEIVABLE
AIP PROJECTS
AS of September 30, 2016**



NW FUND	AIP #	PROJECT DESCRIPTION	A/R BALANCE 06/30/16	TOTAL PROJECT EXPENSES FY 2017	GRANT %	% OF PROJECT EXPENSES FY 2017	REIMBURSE- MENTS FY 2017	A/R BALANCE 09/30/16
								-
403	109	LAND ACQUISITION 17	-	8,386	96%	8,050	-	8,050
407	88	LAND 2011B	59,248	1,352	98%	1,324.96	-	60,573
409	81	LAND 2010 PROPERTIES	67,115	-	98%	-	-	67,115
413	110	NCP STUDY UPDATE 2016	-				-	
426	78	LAND 2010 NOISE	1,991		98%	-	-	1,991
430	91	PART 150 NEM UPDATE	3,343		96%	-	-	3,343
432	92	LAND 2012 NOISE	76,044	248,683	96%	238,735.72	-	314,780
433	94	LAND 2012 B NOISE	60,713	16,352	96%	15,698	-	76,412
436	97	DESIGN UPDATE SECURITY	64,386	-	96%	-	-	64,386
438	99	CARGO APRON REHAB - PHASE 2	-	0	96%	0	-	0
439	100	AIR CARRIER APRON PHASE 1	34,318	34,318	96%	32,945	-	67,263
440	101	SECURITY SYSTEM UPDATE	189,036	189,036	96%	181,475	-	370,511
442	105	LAND ACQUISITION FY 15	221,002	19,769	96%	18,978	(202,130)	37,850
443	106	GLYCOL PROJECT	258,142	28,480	96%	27,341	-	285,482
444	103	AIR CARRIER APRON PHASE II	220,739	1,179	96%	1,132	-	221,871
445	104	TAXIWAY K CONSTRUCTION	820,135	927,750	96%	890,640	(1,487,125)	223,650
446	108	LAND ACQUISITION 2016	14,664	817,868	96%	785,153	-	799,817
447		TAXIWAY ALPHA CONSTRUCTION	88,348	18,318	96%	17,586	-	105,934
448		TAXIWAY GULF CONSTRUCTION	138,179	42,087	96%	40,403	-	178,582
449	107	AIR CARRIER APRON PHASE 3	61,862	10,590	96%	10,166	-	72,028
			-			-	-	-
TOTALS			2,379,265	\$ 2,364,168		\$ 2,269,628	\$ (1,689,255)	\$ 2,959,638

Burlington International Airport

Cash and Investments

September 30, 2016

<u>Account</u>	<u>Account Description</u>	<u>Balance</u>
1000_400	Bank Account Airport	1,473,924
1000_415	Bank Account Airport - Prepaid Cash Acct TD	488,099
1000_420	Bank Account CFC	3,484,255
1000_474	Cash Restricted Burl Arpt 2014 A Debt Serv. Res	1,439,948
1050_400	Cash Restricted Air Debt Service Fund	1,286,672
1050_420	Cash Restricted Escrows - Airport PFC TD Bank	2,849,073
1050_425	Cash Restricted Escrows - Airport - Op Maint Res	3,296,831
1050_430	Cash Restricted Esc - Airport Res Acct - TD Bank	216,388
1050_487	Cash Restricted Airport Debt Service Res. 2012 A	1,663,200
1050_488	Cash Restricted Airport Debt Service Res. 2012 B	653,857
1050_496	Cash Restricted AIP Deposit Keybank	175,189
Total Cash and Investments		<u>17,027,437</u>
1100_999	(Due To) / Due From Pooled Cash	<u>(302,353)</u>



6 October 2016
ECS Project No.: 08-202827.01

Amanda Clayton, PE, MBA
Director of Engineering and Environmental Compliance
1200 Airport Drive #1
South Burlington, VT 05403
aclayton@btv.aero

Re: Work Plan/Cost Estimate
Additional Investigation of Former Fuel Farm
1200 Airport Drive, #1
South Burlington, VT 05403

Dear Amanda:

Environmental Compliance Services, Inc. (ECS) has prepared this work plan and cost estimate to conduct additional soil and groundwater testing at the former Fuel Farm area located at the Burlington International Airport. .

The proposed work outlined in this work plan was developed in response to Ms. Lynda Provencher's May 11, 2016 email requesting that additional testing be conducted to determine the extent of contamination, and if the contamination is migrating beyond the former fuel farm area. The results of the additional investigation will be used to determine if the criteria for a Site Management Activity Completed (SMAC) designation have been met. Refer to **Figure 1** for a Site Location Map and **Figure 2** for a Site Plan.

BACKGROUND INFORMATION

On 30 November 2015, ECS gauged and sampled the existing network of monitoring wells located at the former fuel farm for petroleum-related volatile organic compounds (VOCs) and had the following conclusions:

- Groundwater in the shallow unconfined surficial aquifer appears to flow in a westerly direction beneath the former fuel farm. This is different than in 2014 when groundwater flow was calculated to be in a northerly direction. Groundwater flow direction has generally not been consistent year to year. The former fuel farm may be located within a groundwater divide, which could explain the inconsistent observed groundwater flow directions observed year to year. Furthermore, of the eleven original monitoring wells only four wells remain (MW-1, 2, 5, and 11); therefore limiting the spacial distribution of data points to determine groundwater flow direction.
- Dissolved phase VOC concentrations continue to exhibit an overall decreasing trend since monitoring began in 1993; however, VGES exceedances still remain in MW-11. This data is generally consistent with historical data.
- MW-1 was dry, and historically has either been dry or contained light non-aqueous phase liquid (LNAPL). MW-1 is suppose to be 19 feet deep; however, based on recent depth measurements is now only 12 feet deep suggesting that the well has partially filled with sediment. The lateral

WHERE BUSINESS AND THE ENVIRONMENT CONVERGE

NATIONWIDE COVERAGE   

In the following states ECS operates as:

Indiana - ECS of Indiana, Inc.; Arizona - Environmental Compliance Services of Arizona, Inc.; Georgia - Environmental Compliance Services of Georgia, Inc.; Michigan - Environmental Compliance Services of Michigan, Inc.; Mississippi - Environmental Compliance Services, Inc. of Mississippi; Louisiana - Environmental Compliance Services, Inc. of Louisiana; Nebraska - Pangean Environmental Compliance Services, Inc.; Texas - Pangean Environmental Compliance Services, Inc. In North Carolina, engineering and geological services are provided by Environmental Compliance Services of North Carolina, P.C.

extent of LNAPL is not known due to the lack of monitoring wells in close proximity to MW-1. Additional monitoring wells would be necessary to better evaluate the lateral extent and thickness of LNAPL in the vicinity of MW-1.

- The calculated westerly direction of groundwater flow indicates that groundwater contamination may have migrated to the west of the former fuel farm. Additional monitoring wells would be necessary to determine if groundwater contamination extends to the west of the former fuel farm.

SCOPE OF WORK

1. Work Plan/HASP/Project Coordination

ECS will develop a work plan and cost estimate (this document), prepare a site-specific health and safety plan for the site, and will coordinate drilling, underground utility location, and laboratory services, as well as any other necessary project coordination related to this scope of work. The project coordination will include client communication and any necessary correspondence associated with the scope of work.

2. Dig Safe/Underground Utility Location/Soil Boring Locations

ECS will perform a site visit to mark out the proposed drilling locations as required by Dig Safe. See **Figure 2** for the proposed six soil boring locations. Prior to Dig Safe, each of the proposed soil borings will need to be staked or marked in the field. ECS assumes that airport personnel will accompany ECS when the proposed drill locations are staked and/or mark. ECS assumes the airport will verify that the proposed drilling locations are clear of any underground utilities, will then notify ECS in writing, and will provide ECS with the thickness of the concrete or asphalt at the proposed drilling locations.

3. Soil Borings with Groundwater Sampling

ECS will oversee the installation of soil borings to be completed as monitoring wells at seven locations (B-1 through B-7) utilizing direct push drilling methods. Refer to **Figure 2** for proposed soil borings locations, which are strategically located to determine the lateral extent of contamination in combination with data from existing monitoring wells MW-1, MW-2, MW-5, and MW-11. It is estimated that drilling activities will take 1.5 days to complete. One soil and one groundwater sample will be collected at each of the six locations and submitted for laboratory analysis by EPA Method 8260.

B-1: east of MW-11, to determine extent of dissolved phase VOCs towards runway

B-2: south of MW-1 to determine extent of LNAPL or dissolved phase VOCs towards terminal building

B-3: southwest of MW-1 and across road to determine extent of LNAPL or dissolved phase VOCs

B-4: west of MW-1 and across road to determine extent of LNAPL or dissolved phase VOCs

B-5: northwest of MW-1 and across road to determine extent of LNAPL or dissolved phase VOCs

B-6: replacement for MW-1, which is compromised and the need to determine LNAPL thickness

B-7: north of MW-1 to determine extent of LNAPL or dissolved phase VOCs towards FAA building

Soil Sampling

Soil samples will be collected continuously at all locations, and will be inspected for visual soil classification as well as field screening of VOCs with a photoionization detector (PID). For budgeting

08-202827.01
Ms. Amanda Clayton
Burlington International Airport
6 October 2016

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purposes, a maximum depth of 20 feet per boring has been assumed. However, soil borings may be terminated at a shallower depth based on the groundwater table elevation, or dense soil/bedrock refusal.

One soil sample will be collected at each location at horizon above the groundwater table exhibiting the highest PID response. If all PID readings are non-detect, the soil samples will be collected at the water table interface. Soil samples will be shipped to Spectrum-Eurofins for analysis of VOCs by US EPA Method 8021B.

Soil cuttings will be returned to the borehole, if possible. If visual, olfactory or PID evidence of contamination is observed then any soils that can't be returned to the borehole will be placed in DOT approved 55-gallon drums for off-site disposal. This estimate assumes two drums will be required.

Groundwater Monitoring Wells

Groundwater monitoring wells will consist of 1.5-inch diameter PVC slotted well screen and riser. The screened section of the wells will extend approximately five feet above and below the water table, to accommodate seasonal water-level fluctuations. The wells will be surrounded by a sand pack and bentonite seal, and will be protected at the surface with a flush-mounted road box cemented into place. Groundwater from each monitoring point will be purged with a peristaltic pump prior to sample collection. The need for additional borings will be evaluated during the investigation program. If additional borings or groundwater monitoring points are required, ECS will notify you and receive approval prior to continuing the work. If the airport has any specific requirements on flush-mounted casing please provide details to ECS.

Abandonment of MW-1

Existing monitoring well MW-1 has occasionally been dry and likely has filled in with sediment, and is compromised. In November 2015, the well depth measured only 12 feet, but is suppose to be 19 feet deep. ECS will abandon this well by filling the well with bentonite chips and removing the protective casing and patching the area with asphalt or concrete. If the airport has a specific requirement on cover materials to complete the surface patch please provide to ECS.

4. Groundwater Sampling and Well Survey

Each well will be gauged for depth to water and presence of LNAPL using an oil/water interface probe. Groundwater samples will be collected from the monitoring wells without LNAPL using pre-cleaned disposable bailers or a peristaltic pump. Purge water will be discharged to the ground surface. A trip blank and duplicate sample will also be collected for quality assurance/quality control (QA/QC). Groundwater samples will be collected after purging approximately three to five well volumes from each monitoring well. The groundwater and QA/QC samples will be submitted for laboratory analysis of VOCs by EPA Method 8021B.

After the monitoring wells are installed, the wells will be surveyed in relation to the existing on-site features. Each well will be located in azimuth to an accuracy of ± 1.0 feet and elevation to accuracy of ± 0.01 feet relative to existing site features.

08-202827.01
Ms. Amanda Clayton
Burlington International Airport
6 October 2016

Page 4

5. Summary Report

ECS will submit a report summarizing the findings and conclusions from the baseline testing. Soil laboratory results will be compared to the USEPA Regional Screening Levels (RSLs). Groundwater laboratory results will be compared to the Vermont Groundwater Enforcement Standards (VGES). The report will include a site location map, a site map showing soil boring/sampling locations, boring logs, sample results and interpretation, and a determination of the need for additional investigations. The report will be submitted in electronic format. Paper copies can be provided upon request.

Cost Estimate

ECS estimates the costs to perform the above-described work scope as follows:

Task 1.	Work Plan/Cost Estimate/HASP/Project Management	\$890.
Task 2.	Dig Safe Mark Out/Utility Clearance	\$765.
Task 3.	Monitoring Well Installation & Well Abandonment	\$9,519.
Task 4.	Groundwater Sampling & Survey	\$2,424.
Task 5.	Reporting	\$1,655.
	Project Total	\$15,252

ECS proposes doing this work on a Time and Materials basis in accordance with the procedures for reimbursement from the Petroleum Cleanup Fund (PCF) with our standard Terms and Conditions (attached). A detailed cost is included in attached Table 1. Prior approval will be obtained if the actual costs are projected to exceed the estimated costs herein. These cost may be eligible for reimbursement from the PCF if approved by the VTDEC and if you meet the requirements of the PCF such as no insurance coverage and applicable deductible.

SCHEDULE

ECS can commence work within one week of authorization to proceed. Drilling can start within three weeks of authorization to proceed assuming drilling contractor availability. A report can be completed within six weeks of authorization to proceed.

Please contact me if you have any questions.

Sincerely,
ENVIRONMENTAL COMPLIANCE SERVICES, INC.



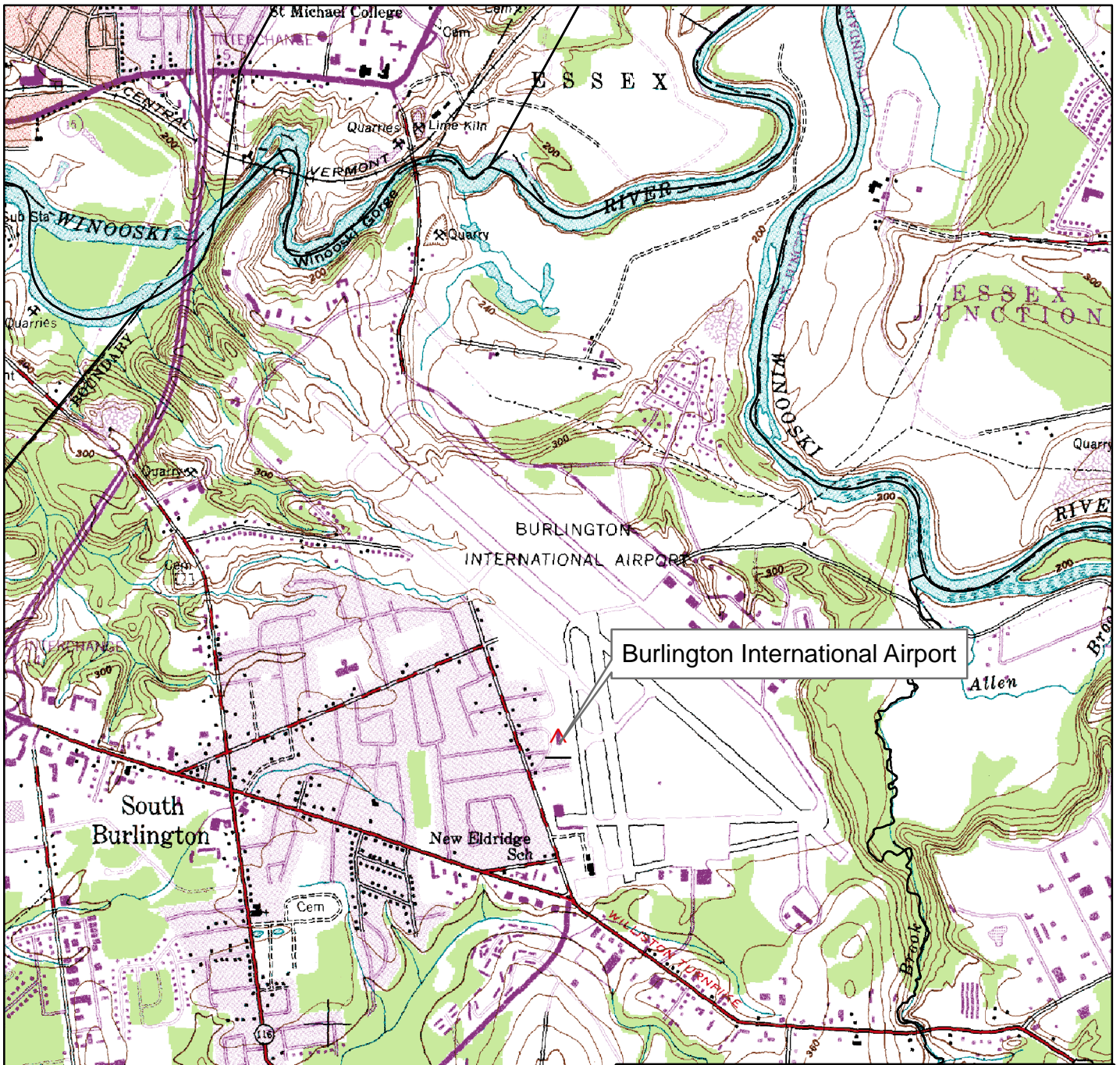
Joseph J. Hayes, CPG, PG
Branch Manager
Attachments: Cost Table, Figure 1, Figure 2

**Table 1
Former Fuel Farm Soil & Groundwater Investigation
Burlington International Airport
Cost Estimate, 6 October 2016**

Task	Type	Units	Quantity	Rate	Item Total	Sub Total	Task Total
1. Work Plan, Project Management/Administration							
ECS Labor	Licensed Professional	hrs	2	135	270		
	Level II Scientist	hrs	6	85	510		
	Administrative	hrs	2	55	110		
		Total					890
2. Digsafe, Underground Utility Location							
ECS Labor	Sr. Project Manager	hrs	2	110	220		
and Expenses	Level II Scientist	hrs	6	85	510		
	Mileage	mile	60	0.575	35		
		Total					765
3. Monitoring Well Installations, Soil Sampling, Well Abandonment							
ECS Labor	Sr. Project Manager	hrs	1	110	110		
and Expenses	Level II Scientist	hrs	20	85	1,700		
<i>assumes 1.5 days</i>	Mileage	mi	120	0.575	69		
	PID	day	1.5	90	135		
	sample tubing	est	1	100	100		
	peristaltic pump	day	1.5	50	75		
		ECS T&E Total				2,189	
Drilling	Mob/Demob	mi	80	4.56	365		
	Geoprobe Drilling - two staff	day	1.5	1954	2,931		
	asphalt patch	bag	4	21.45	86		
	drum for cuttings	drum	2	78	156		
	bentonite chips	bag	2	24	48		
	1.5 inch well installation	ft	140	20.6	2,884		
		Drilling Subtotal				6,470	
Laboratory	Soil, Method 8021B	ea	7	80	560		
		Lab Subtotal				560	
Disposal Services	Soil Cuttings	drum	1	300	300		
	Assume jet fuel contamination only						
		NRC Subtotal				300.	
		Total					9,519
4. Groundwater Sampling & Survey							
ECS Labor	Sr. Project Manager	hrs	1	110	110		
and Expenses	Field Technician	hrs	8	65	520		
	Mileage	mi	120	0.575	69		
	Sample fee	ea	7	15	105		
	peristaltic pump	day	2	50	100		
		ECS T&E Total				904	
Laboratory subcontractor	Groundwater, Method 8021B	ea	9	80	720		
		Lab Subtotal				720	
Survey subcontractor	survey new monitoring wells into existing	est	1	800	800		
		Survey Subtotal				800	
		Total					2,424

Table 1
Former Fuel Farm Soil & Groundwater Investigation
Burlington International Airport
Cost Estimate, 6 October 2016

Task	Type	Units	Quantity	Rate	Item Total	Sub Total	Task Total
5. Reporting							
	Licensed Professional	hrs	1	135	135		
	Level II Scientist	hrs	12	85	1,020		
	Cad	hrs	4	70	280		
	Administrative	hrs	4	55	220		
		Subtotal					1,655
			Project Total				15,252



Burlington International Airport

South Burlington

New Eldridge Sch

Allen



TITLE: FIGURE 1. SITE LOCATION MAP

Source: USGS Topographic Map
BURLINGTON Quadrangle (Last Revised: 1987)

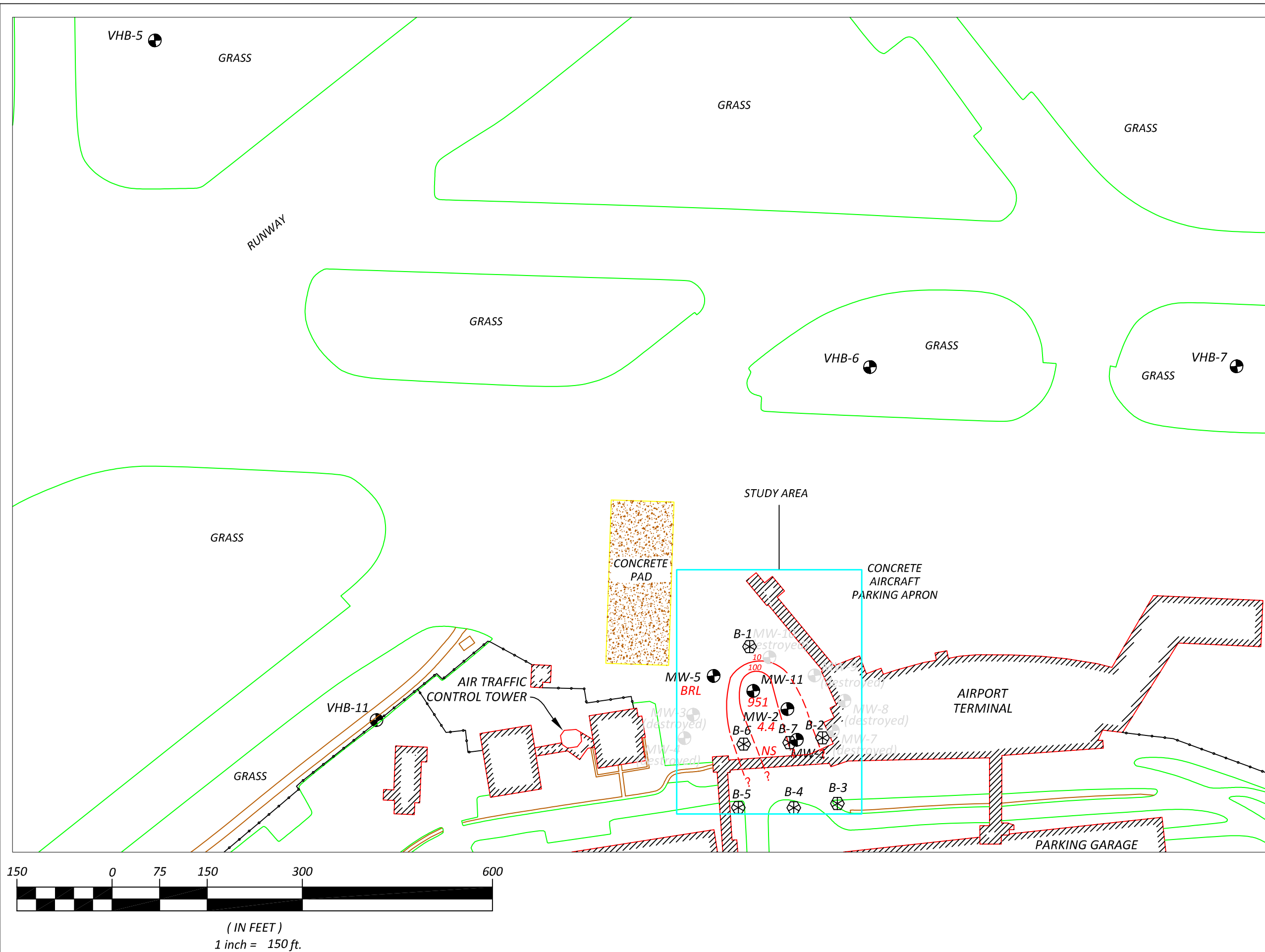
SITE: Burlington International Airport
South Burlington, Vermont
Site Lat/Long NAD83: 44.4687, -73.1546





QUADRANGLE LOCATION



DRAWN BY: DH	11/2/2004	SCALE: 1in = 2000ft
APPROVED BY: KL	FILE: A20054b_sloc.mxd	



LEGEND

-  MONITORING WELL
- 951 TOTAL BENZENE, TOLUENE, ETHYL-BENZENES & XYLENES (BTEX)($\mu\text{g/L}$)
- 1,000 TOTAL BTEX CONTOUR
- BRL BELOW REPORTING LIMITS
- CONTAMINANT CONTOUR MAP**
Sampling Date: 11/30/15
-  PROPOSED SOIL BORING

General Notes:
 Site plan prepared from digital plan provided and prepared by Lakeside Environmental Group.
 All locations, dimensions, and property lines depicted on this plan are approximate. This plan should not be used for construction or land conveyance purposes.

MONITORING WELL ELEVATION T.O.C.	
MW-1	330.78
MW-2	330.48
MW-5	330.28
MW-11	330.38
VHB-5	327.06
VHB-6	329.46
VHB-7	328.50
VHB-11	327.92



1 Elm Street, Suite 3, Waterbury, VT
 Phone: 1-800-520-6065 Fax: 802-434-9076

PROJECT: BURLINGTON INTERNATIONAL AIRPORT FORMER FUEL FARM			
TITLE: PROPOSED SOIL BORINGS			
CLIENT: BURLINGTON INTERNATIONAL AIRPORT			
COMPUTER CADFILE : Box/202857.01/CADD			
DRAWN BY:	DESIGNED BY:	CHECKED BY:	APPROVED BY:
SMS/AC		JH	JH
SCALE:	DATE:	JOB NO.:	FIGURE NO.:
NOTED	12-30-15	08-202827.01	2



BURLINGTON INTERNATIONAL AIRPORT

MEMO

TO: Burlington International Airport, Board of Commissioners

FROM: Burlington International Airport Staff

DATE: November 28, 2016

SUBJECT: Janitorial Request for Proposals and Award to JaniTech, Inc.

The Burlington International Airport (BTV) seeks Airport Board of Commissioners approval and recommendation to the City of Burlington Board of Finance and City Council for a contract with K Invest Corp dba Janitech (Janitech) in the amount of **\$643,000** for the first year of operation, in addition, the reimbursement for supplies up to \$62,500 per year, for the janitorial services at BTV (subsequent years are outlined in the attached draft contract).

The Airport requested proposals for these services on August 26, 2016. We advertised this request with the State of Vermont bidding website, the City of Burlington RFP website, and the Airport's RFP website. We held a pre-bid meeting on September 13 with a strong showing of 6 interested parties. On October 3, the Airport received 5 bids in response to the request. After an extensive review and vetting process, Janitech was found to be the lowest responsible bidder, and scored highest on multiple areas of critique, including experience, references, responsiveness, and responsibility. Janitech was preliminarily awarded the contract on October 31 pending appropriate City of Burlington procurement and approval processes.

Please find attached a draft of the contract with Janitech.

Thank you for your continued support.

1200 Airport Drive, #1
South Burlington, Vermont 05403

Phone: (802) 863-2874 (TTY)
Fax: (802) 863-7947
www.btv.aero

**JANITORIAL AGREEMENT BETWEEN
JANITECH AND BURLINGTON INTERNATIONAL AIRPORT**

THIS AGREEMENT, is made and entered into as of this ____ day of _____, 2016, by CITY OF BURLINGTON, VERMONT, being a duly and lawfully constituted Vermont Municipal corporation acting by and through its Burlington International Airport (hereinafter, the “Owner”), and K Investment Corporation d/ba/ Janitech, a corporation in full compliance with all Vermont laws relating to the conduct of business in the State of Vermont (hereinafter referred to as the “Contractor”):

WITNESSETH:

WHEREAS, the City owns and operates the Burlington International Airport (Airport) located in South Burlington, Vermont; and

WHEREAS, the City desires to contract for certain Janitorial Services at the Airport; and

WHEREAS, Contractor is engaged in the business of providing Janitorial Services and was the Bidder selected to provide such services in accordance with the City’s Request for Proposals (RFP) dated August, 26, 2016; and

WHEREAS, Contractor is desirous of contracting to provide such Janitorial Services at the Airport in m accordance with the provisions of the RFP, its submitted bid and this Agreement.

NOW THEREFORE, for good and valuable consideration and in consideration of the mutual covenants and promises described herein and for the purposes stated herein the parties hereto mutually agree and covenant, one to the other, as follows:

SECTION 1. SCOPE OF WORK

1.01 The Contractor shall be responsible for conducting Janitorial Services as specified in and in accordance with the requirements of the RFP and Contractor’s bid as outlined in its submittal dated October 3, 2016 (“Contractor’s Proposal”), which are incorporated into this Agreement as if set forth in full (collectively, the Contract Documents). In the event of a conflict between the terms of the RFP, Contractor’s Proposal and this Agreement, the terms of this Agreement shall be controlling.

SECTION 2. REPRESENTATIONS

2.01 Contractor acknowledges that it has inspected the terminal and other facilities to be serviced by this Agreement, and shall furnish all necessary labor, material, equipment and conduct Janitorial Services as required, as described in the Contract Documents and is not relying upon any warranty, statement or representation, express or implied, oral or written, made by or for the City as to the nature of the services required and the extent of services that may be necessary to accomplish the required cleaning of the Airport facilities except as specifically set forth in the Contract Documents.

SECTION 3. TERM

3.01 The term of this Agreement shall be for a period of thirty six months (36) and sixteen (16) days commencing on the 15th day of December, 2016 through December 31, 2019, after which the agreement will continue on a month-by-month basis until the parties execute a new contract, amendment, or is terminated as hereinafter provided.

SECTION 4. SERVICES FURNISHED BY CONTRACTOR

4.01 Subject to the provisions of SECTION 6, Contractor shall provide all labor, equipment, supplies, supervision, tools, and materials for the furnishing of Janitorial Services for the Airport's Terminal Building and related buildings/facilities referenced in the RFP including, without limitation, the lobby, baggage claim area, mezzanine, two second level skywalks to parking structure, the North Concourse including all passenger waiting areas and screening area, the South Concourse area including screening and waiting area, stairs and towers, administrative offices, public and employee restrooms, elevators and escalators in the terminal and parking structure, National Weather Service offices and work area, Transportation Security Agency offices and work areas in the terminal building, in the areas located at 1252 Airport Drive adjacent to the terminal building, in the Airport Maintenance and U.S. Customs facilities located at the south end of the airport, and the restroom at the car washing facility as well as any replacement car washing facility and those areas more specifically outlined in Attachment "B" and shown on Exhibits "A" & "B", attached hereto and made a part hereof. Contractor shall perform

all work in the most professional manner with the highest standard of workmanship and in accordance with the conditions set forth in the Contract Documents.

SECTION 5. COMPENSATION

5.01 The sums paid to Contractor by Owner under this Article and pursuant to this Agreement shall constitute full compensation for all expenses incurred by Contractor in connection with the services rendered hereunder including but not limited to FICA taxes, Federal and State unemployment taxes, supplies and equipment, the general cost of doing business, and Contractor's profit.

5.02 The per annum sums to be charged by Contractor, payable in equal monthly installments, and payable by Owner shall be as follows:

FOR THE ENTIRE CONTRACT

<u>Contract Year</u>	<u>Amount Expressed In Figures</u>	<u>Amount Expressed In Words</u>
First: 2017	\$643,000	Six hundred and forty three thousand
Second: 2018	\$658,000	Six hundred and fifty eight thousand
Third: 2019	\$673,000	Six hundred and seventy three thousand

5.03 Contractor shall make monthly application for payment of services rendered and paper products purchased on forms approved by Owner. All applications must include appropriate detail to support the cost of the requested payment. Owner shall process the application and make payment to contractor within 30 days of receipt of each monthly application.

5.04 Contractor shall not receive any additional compensation for extraordinary services unless such services are authorized in writing by Owner prior to the performance of the services. Any substantive change to the square footage included under terms of this Agreement shall require negotiation of costs associated with the change.

SECTION 6. SUPPLIES AND EQUIPMENT

6.01 Contractor will furnish without cost to Owner janitorial equipment necessary for accomplishment of all work. Equipment furnished by Contractor shall be of a type and size suitable to accomplish all work set forth in the Contract Documents. All electrical equipment used shall operate from existing sources of electrical power supplied by the Airport. Contractor shall upon request submit a list of all equipment to be used including serial numbers and manufacture year. It will be the responsibility of the Contractor to maintain the equipment in the best working condition.

6.02 Contractor will be responsible for ordering all supplies necessary for fulfilling the work set forth in the Contract Documents, including but not limited to the following:

1. Hand soap for hand soap dispensers
2. Paper for paper dispensers in restrooms
3. Trash can liners for trash cans

The above supplies will be of a quality and type consistent with that currently used. All supplies will be subject to approval by the Airport's Director of Aviation.

6.03. Owner shall be responsible for reimbursing Contractor for the cost of only the supplies as referenced in SECTION 6.02 of this Agreement, and ordered by Contractor, as follows:

1. Cost to Owner shall be the actual product cost to Contractor and shall not include any markup or other upward adjustment.

2. Contractor will make periodic applications for reimbursement for the cost of supplies ordered hereunder. Contractor will also submit with the applications, copies of all invoices or other documentation justifying the request for reimbursement.

3. Payments made as reimbursement for supplies shall be in addition to payments made as compensation for Contractor services as provided for in SECTION 5 of this Agreement.

4. Owner's obligation to reimburse Contractor for supplies shall not exceed \$62,500 per year. Contractor shall be responsible for the cost of any supplies which exceed this bid amount per year. The annual amount specified for supplies shall be specifically set forth by Contractor in its bid.

5. As it relates to feminine sanitary supplies, Owner will not reimburse Contractor for these supplies. Contractor will recoup its cost for sanitary supplies through vending income received from the sale of said products.

SECTION 7. USE OF AIRPORT FACILITIES

7.01 Owner shall provide a storage area at the Airport for Contractor to store equipment, materials and supplies which Contractor wishes to keep on the job. Contractor will be responsible for the cleanliness of this area and all slop sinks.

7.02 Owner will not be responsible for damage to Contractor's supplies, material or equipment, nor employees personal belongings occasioned by fire, theft, accident, or otherwise except for intentional destruction or vandalism specifically authorized or directed by the Director of Aviation or designee.

7.03 A door lock or a padlock approved by the Director of Aviation of the Airport may be permitted to protect Contractor's property, provided a key (or other necessary access

means) to such locks is furnished to Airport Operations. Owner and its authorized offices, employees, agents, contractor, sub-contractors and other representatives shall have the right at all times to enter and inspect the area utilized by Contractor.

7.04 Contractor, at its own expense, shall observe and comply with any and all present and future requirements of the constituted public authority and with all federal, state or local statutes, ordinances, regulations, standards, conditions, and agreements regarding generation, storage, disposal, removal, transportation or treatment of hazardous substances.

SECTION 8. CONTRACTOR PERSONNEL

8.01 Employees of Contractor will not be permitted in any secure area of the Airport without escort or properly issued Airport security ID media.

8.02 Each employee, before working in a sterile area, must undergo a fingerprint-based criminal history records check (CHRC) in accordance with CFR 1542.209 and a security threat assessment (STA).

8.03 Airport management will reserve the right of approval on each employee.

8.04 All employees of Contractor will wear an Airport ID badge at all times while at work. The cost of the badge will be the responsibility of Contractor.

8.05 Airport Operations will provide all ID badges, following payment by Contractor, and keys needed for the job. Under no circumstances will Contractor duplicate any Airport keys without the specific written approval of the Airport Director of Operations.

8.06 All Contractor personnel will be required to wear appropriate uniforms provided by Contractor and approved by Owner, at Contractor's own expense.

SECTION 9. SUPERVISION AND PERSONNEL

9.01 Contractor shall employ a sufficient number of persons to enable Contractor to maintain the Airport in a safe, clean, orderly and inviting condition, and work shall be performed seven days a week for such hours and/or shifts as may be required to complete all work in accordance with the terms of the Contract Documents. It is expressly understood that, in addition to nightly cleaning crews, Contractor will be required to provide full-time coverage, as a minimum, with 1 male and 1 female janitorial person seven days a week, year round, to maintain restrooms, offices, gate areas, the main lobby, the mezzanine and the skywalks to the parking structure.

9.02 The operations of Contractor's employees shall at all times be under the supervision and direction of an active, qualified, competent manager who shall at all times be subject to the direction and control of Contractor.

9.03 The operations of Contractor and its employees shall be conducted in an orderly and proper manner so as not to annoy, disturb or be offensive to others. All employees of Contractor must conduct themselves at all times in a courteous manner toward the public and in accordance with the rules and regulations of the Airport. Contractor agrees to dispense with the services of an employee whose conduct the Owner, acting through the Airport's Director of Aviation, in its sole discretion, finds, with valid cause, to be detrimental to the best interests of the Airport.

9.04 All employees must be provided with proper training and equipment for the handling of hazardous substances including but not limited to cleaning products, bodily fluids, wastes, or other potentially dangerous substances and materials. All such materials shall be disposed of at locations and in the manner designated by Owner.

9.05 Contractor shall provide sufficient personnel during the first 2 weeks of the contract period – from December 15 – December 31, free of charge, for the purpose of

shadowing and learning the nature and scope of the operation from the current supplier of janitorial services.

SECTION 10. LOST AND FOUND

10.01 All unclaimed articles found in or about the areas to be serviced by Contractor's employees and/or subcontractors shall be immediately turned over to the Airport Police.

SECTION 11. INSURANCE AND INDEMNIFICATION

11.01 Contractor must provide Owner with Certificates of Insurance in the following types and amounts:

1. Workers Compensation (per statute) and Employers Liability with policy limits of \$500,000 each Accident, \$500,000 each disease/each employee, \$500,000 each disease/policy limit
2. Comprehensive General Liability with policy limits or \$1,000,000 each event and a \$2,000,000 annual aggregate.
3. Workers Compensation (per statute) and Employers Liability with policy limits of \$500,000 each Accident, \$500,000 Each Disease/each employee, \$500,000 Each Disease/policy limit.
4. Auto Liability Insurance with limits of \$1,000,000 combined single limit. (to include owned and non-owned auto's)
5. Business Services Bond: Contractors' employees must be bonded for a minimum of One Hundred Thousand Dollars (\$100,000) against theft of property belonging to Owner or any concessionaire or tenant.
6. Umbrella Liability limits of \$1,000,000 each event/ \$1,000,000 annual aggregate

11.02 Contractor further agrees that with respect to the above-required insurances, the City of Burlington, Vermont shall:

- a. Be named as additional insured on a primary non-contributory basis as its interest may appear on all liability policies with an exception of workers' compensation, however, City shall have no liability for any premiums charged for such coverage, and the inclusion of City as an additional insured is not intended to and shall not, make the City a partner of joint venture with Contractor in its operations at the Airport.
- b. Be provided with a waiver of subrogation for workers' compensation
- c. Be provided by Contractor with a thirty (30) day advance notice, in writing, of cancellation of material change.
- d. Be provided with Certificates of Insurance evidencing the above - required insurances, prior to the commencement of this Agreement and every year thereafter. Said notices and certificates of insurance shall be provided to the Director of Aviation. Owner shall have the right to examine the required insurance policies upon reasonable notice to Contractor.

11.03 If Owner determines that it is desirable for Contractor to maintain insurance with coverage limits higher than the foregoing limits, within thirty (30) days after Owner's request therefore, Contractor shall procure and maintain insurance policies whose limits are not less than those required by Owner; provided, however that such determination by Owner shall not be unreasonable, and made in good faith.

11.04. Contractor covenants and agrees to indemnify, defend, and hold harmless Owner, its members, officers, agents and employees, their successors and assigns, individually or collectively, from and against all liability for any fines, claims, suits, liens, demands, actions or causes of action of any kind and nature for personal injury, death or property loss or damage in any way arising out of or resulting from any activity or operation of Contractor (and/or its officers, agents, employees, subcontractors, successors and assigns) on the Airport and not resulting from the willful or negligent act or omission of Owner,

its officers, agents or employees, and Contractor further agrees to pay all expenses in defending against any such claims made against Owner.

SECTION 12. SUBCONTRACTORS.

12.01 No subcontractors shall be used for any part of the work under the Contract Documents unless the advance written approval therefor has been provided by Owner. Furthermore, the Director of Aviation reserves the right to order the removal any unsuitable subcontractor, and Contractor shall immediately honor any such request. .

SECTION 13. NONDISCRIMINATION.

13.0 Contractor must assure that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participation in any employment activities covered in 14 CFR Part 152, Subpart E. Contractor must assure that no person shall be excluded on these grounds for participation in or receiving the services or benefits of any program or activity covered by this Subpart. Contractor must assure that it will require that its covered organizations provide assurances to Owner that they similarly will undertake affirmative action programs and that they will require assurances from their sub-organizations, as required by 14 CFR Part 152, Subpart E, or any other applicable federal or state regulation to the same effect.

SECTION 14. TERMINATION.

14.01 This Agreement may be terminated (in full or in part) by Owner upon thirty (30) days written notice to Contractor and Owner shall pay Contractor for all work properly done prior to termination.

SECTION 15. SECURITY AREAS

15.01 The Air Passenger Screening Areas are restricted while security screening is in progress. Contractor is responsible for securing all areas unlocked for the purpose of cleaning.

SECTION 16. STANDARDS AND SERVICES.

16.01 The work performed by Contractor shall be done in the most professional manner with the highest standard of workmanship. At a minimum, the work performed by Contractor shall comply with the standards and services set out in Attachment “A”, attached hereto and made a part hereof, and the schedules for services set forth in Attachment “B”, attached hereto and made a part hereof.

SECTION 17. GENERAL PROVISIONS

17.01 Any notice or other communication from either party to the other pursuant to this Agreement shall be deemed sufficiently given or communicated if sent by registered mail, with proper postage and registration fees prepaid, addressed to the party for whom intended, at the following address:

For Owner:

Director of Aviation
Burlington International Airport
1200 Airport Drive, #1
South Burlington, Vermont 05403

For Contractor:

or to such other address as the party to be given such notice shall from time to time designate to the other by notice given in accordance herewith.

17.02 The term “Owner” as used in this Agreement means the Board of Airport Commissioners of the City of Burlington, the Airport’s Director of Aviation and the City of Burlington, Vermont, and where this Agreement speaks of approval and consent by Owner, such approval is understood to be manifested by act of the Director of Aviation, except as otherwise expressly stated in this Agreement.

17.03 A waiver by Owner of any default by Contractor in the performance of any of the conditions or terms of this Agreement shall not be deemed a waiver of any right on the part of Owner to terminate this Agreement for any subsequent default by Contractor.

17.04 This Agreement shall not be varied in its terms by any oral agreement or representation, or otherwise than by an instrument in writing of subsequent date hereto executed by both parties. This Agreement shall be interpreted and construed pursuant to the laws of Vermont.

17.05 It is expressly understood and agreed that the personnel used or supplied by Contractor pursuant to this Agreement, shall be and remain the employees and/or agents of Contractor, and under no circumstances are such personnel to be considered or held to be employees and/or agents of Owner. As to such personnel, Contractor shall have the sole responsibility for supervision and control, withholding income taxes, social security, disability benefits, etc. It is further expressly understood and agreed that Contractor is an independent contractor and under no circumstances shall be considered or held to be an employee and/or agent of Owner.

17.06 “Airport Terminal” and “Terminals” shall mean those structures at the Airport, identified as such and includes the existing terminal building and those associated buildings or portions of buildings now or hereafter constructed or acquired.

17.07 Attached hereto and included in this Agreement as if set forth in full, and incorporated herein as Attachment E. hereof, are the Required Contract Provisions mandated by the Federal Aviation Administration and attached hereto and included in this Agreement as if set forth in full, and incorporated herein as Attachment F. hereof, is the City of Burlington Contract Provisions and “Certification of Compliance with the City of Burlington’s Livable Wage Ordinance”, which Certification must be executed by the same duly authorized representative of Contractor who is executing this Agreement on behalf of Contractor.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed by themselves or by their respective officer or representative there unto duly authorized, the day and year first above written.

**Owner-City of Burlington, Vermont
Burlington International Airport**

Witness: _____
Director of Aviation

(Contractor): _____

Witness: _____
(Title): _____
Duly Authorized Representative



BURLINGTON INTERNATIONAL AIRPORT

MEMO

TO: Burlington International Airport, Board of Commissioners

FROM: Burlington International Airport Staff

DATE: November 28, 2016

SUBJECT: Request for Proposals and Award of Hangar Lease Agreement to Mansfield Heliflight

The Burlington International Airport (BTV) seeks Airport Board of Commissioners approval and recommendation to the City of Burlington Board of Finance and City Council for a lease agreement with Mansfield Heliflight for the "South Hangar" located at 240 Valley Road as indicated on the attached map.

The Airport requested proposals for these services on July 29, 2016. We advertised this request with the State of Vermont bidding website, the City of Burlington RFP website, and the Airport's RFP website, as well as all current stakeholders of the Airport. We held a mandatory pre-bid meeting and site visit on August 15 with a strong showing of various parties. On September 7, the Airport received 2 bids in response to the request. After an extensive review and vetting process, Mansfield Heliflight was found to be the lowest responsible bidder, and scored highest on multiple areas of critique, including compensation, Financial ability, Business Plan proposal, Experience, and a repair and replacement schedule. Mansfield Heliflight was preliminarily awarded the contract on October 11 pending appropriate City of Burlington approval processes.

Their business plan consists of various missions including operating a FAA Part 135 Commercial air carrier charter service with various aircraft types; a FAA Part 141 and 61 Flight Instruction School; a FAA Part 145 Approved Maintenance and Spare Parts Center; Aircraft acquisitions, sales, and parts; and Aerial Photography, media services, and sightseeing tours. They also plan on keeping leases with existing sub-tenants of the hangar, private aircraft owners.

Please find attached a draft of the contract with Mansfield Heliflight.

Thank you for your continued support.

1200 Airport Drive, #1
South Burlington, Vermont 05403

Phone: (802) 863-2874 (TTY)
Fax: (802) 863-7947
www.btv.aero

BURLINGTON INTERNATIONAL AIRPORT
AGREEMENT AND LEASE OF PREMISES FOR
“SOUTH HANGAR,” 240 VALLEY ROAD, SOUTH BURLINGTON, VERMONT

This Agreement and Lease of Premises (hereinafter referred to as "Agreement"), is made and entered into this ____ day of _____, 2016, by and between the City of Burlington, a Vermont municipal corporation doing business as the Burlington International Airport (hereinafter referred to as "CITY"), and Mansfield Heliflight, Inc., a corporation authorized to do business in the State of Vermont, and organized and existing under and by virtue of the laws of the State of Vermont, having a principal place of business at Milton, Vermont (hereinafter referred to as "TENANT").

W I T N E S S E T H:

WHEREAS, CITY owns a certain parcel of land with improvements at the Burlington International Airport (the "Airport"), commonly known as the South Hangar at 240 Valley Road, South Burlington, Vermont, and as shown on Exhibit A, attached hereto and made a part hereof; and

WHEREAS, TENANT is engaged in various aviation related business operations; and

WHEREAS, on _____, the CITY issued a request for proposals (“RFP”) for the lease and use of certain property located at the Airport at 240 Valley Road, in South Burlington, otherwise known as “the South Hangar;” which RFP included a sample agreement and lease that was substantially similar to this Agreement as to form; and

WHEREAS, TENANT successfully responded to the RFP proposing to lease the South Hangar from the CITY and to conduct a number of aeronautical activities therefrom; and

WHEREAS, TENANT wishes to lease the South Hangar and the CITY wishes to leases said South Hangar to TENANT, and the parties desire to enter into an agreement and lease for TENANTS use of the South Hangar all as more fully hereinafter set forth.

NOW THEREFORE, for and in consideration of the mutual covenants and agreements herein contained, CITY and TENANT do hereby mutually undertake, promise, and agree, each for itself and its successors and assigns, as follows:

ARTICLE 1
DEFINITIONS

Section 1.01 Definitions

The words and phrases recited in this Section shall have the following meanings when used elsewhere in this Agreement, unless the context clearly indicates otherwise:

A. "South Hangar Premises," "TENANT Premises" or "Leased Premises" or "Premises" shall mean those areas assigned to TENANT located at 240 Valley Road, South Burlington, Vermont, and as shown more fully on Exhibit A attached hereto.

B. "Director of Aviation" shall mean the individual delegated special and immediate care and practical supervision of the Airport pursuant to law.

C. "Board of Airport Commissioners" shall mean the airport body appointed by the Mayor and City Council of the City of Burlington pursuant to law.

D. "City Council", "Mayor" and "Board of Airport Commissioners" shall mean the elected and/or appointed officer and bodies of the CITY with general management and

control of the Airport. Where this Agreement speaks of approval or consent of the CITY, such approval is manifested by act of the City Council and Mayor and/or the Board of Airport Commissioners as communicated by the Director of Aviation.

E. "DHS" shall mean the Department of Homeland Security, and its authorized successors.

F. "Due Date" shall mean the date when TENANT payment obligations under this Agreement must be received by CITY.

G. "FAA" shall mean the Federal Aviation Administration of the United States Department of Transportation or any federal agencies succeeding to its jurisdiction.

H. "Fiscal Year" shall mean the twelve (12) month period beginning on July 1st of any calendar year and ending on June 30 of the following year, or any other period adopted by CITY for its financial affairs.

I. "Personal Property" shall mean any equipment, inventory, furniture, or supplies owned or leased by TENANT (except to the extent that the same may be leased by TENANT from CITY) and used at Airport in the conduct of TENANT's business which is easily removable from TENANT's leased premises.

J. "Ramp Area" shall mean the limited aircraft parking and maneuvering area adjacent to the Premises. See Exhibit A for reference.

K. "Rules and Regulations" shall mean those non-discriminatory rules, regulations, minimum standards, and ordinances promulgated by CITY, and not inconsistent with this Agreement, or applicable provisions of federal, state or local law, as the same may be amended, modified, or supplemented from time to time.

L. "TSA" shall mean the Transportation Security Administration, and its authorized successors.

ARTICLE 2 PERMITTED USES

Section 2.01 Use of Premises

Subject to the terms and conditions hereof and the Rules and Regulations of CITY, TENANT shall be entitled to use, at its own expense, the subject Premises. Said use, without limiting the generality hereof, may include:

A. The repairing, maintaining, conditioning, servicing, testing, or parking of aircraft or aircraft-related equipment operated by or under the control of TENANT and authorized by FAA.

B. The right to install, maintain, and operate such radio, communication, meteorological, aerial navigation, and computer equipment and facilities required for TENANT to conduct its operations. However, that (1) such equipment does not interfere with other tenants or Airport communication, meteorological, or aerial navigation systems; and (2) the type, location, and method of installation of such equipment and facilities is approved by the Director of Aviation in writing prior to installation of such equipment and facilities.

C. Any and all rights and privileges not granted to TENANT in this Agreement are hereby reserved for and to CITY.

D. The rights granted in Section 2.01 shall not be construed as permitting any other person or corporation to conduct any business upon the Airport (including the Leased Premises) except after first securing from CITY a

permission to conduct such business and by the payment of applicable fees related thereto.

Section 2.02 – Use of Airport

TENANT shall have the right to land, take off, fly, taxi, tow, load, and unload aircraft used by or under the control of TENANT as authorized by FAA.

Section 2.03 Airport Uses Limitation

TENANT shall not use the Leased Premises for any purpose other than those identified in Section 2.01 herein. Without limiting the generality of such use or limitation, the following uses are prohibited:

- A. The use of the Leased Premises and Airfield Area in general by any aircraft operated or controlled by TENANT that exceeds the design strength or capability of the Airfield Area as described in the current FAA-approved Airport Layout Plan or other engineering evaluations performed subsequent to the then current Airport Layout Plan.
- B. Anything that may interfere with the effectiveness or accessibility of the drainage, sewerage, water, communications or fire protection systems or any other part of the utility, electrical or other system installed or located from time to time at the Airport.
- C. Any act or failure to act by TENANT which may cause the cancellation or violate the provisions of CITY's rules and regulations and/or policies of insurance for the Airport or any part thereof or which shall cause a hazardous condition so as to increase the risks normally attendant upon operations permitted by this Agreement. In the event CITY shall determine that TENANT has done or permitted to be done either by act or

failure to act anything that is in violation of said rules and regulations or shall cause an increase in the Airport's insurance premiums for insurance for the Airport or any part thereof, CITY shall serve written notice to TENANT of the nature of the act or omission and afford TENANT the option to remedy the cause of the increase, and upon failure of TENANT to remedy the cause of the increase, TENANT, upon demand by CITY, shall pay the applicable fines or penalties and/or the amount of any such increase in insurance costs. If such TENANT act or failure to act causes the cancellation of any insurance policy, then TENANT shall immediately upon notification by CITY take such action as is necessary to permit reinstatement of said insurance.

D. The maintenance or operation on the Leased Premises of a cafeteria, restaurant, bar or cocktail lounge for the purpose of selling food or beverages to the public or to TENANTS employees or customers, including in any manner the sale of food and beverages at the Airport. TENANT may not place food and beverage vending machines upon any portion of the Leased Premises without the prior written approval of the Director of Aviation.

E. The storage of any materials, blockage of taxiways, and/or the parking of any aircraft or other vehicles in such a manner as to interfere with Airport operations. The use of all refueling and other vehicles if applicable, together with their routing and parking, must be approved in advance by the Director of Aviation.

F. Any act or failure to act by Tenant which may cause City to violate any FAA Grant Assurance, regulation or requirement.

ARTICLE 3
LEASED PREMISES

Section 3.01 South Hangar Premises

CITY does hereby lease and demise to TENANT, and TENANT does hereby lease and accept from CITY, the so-called South Hangar at 240 Valley Road, South Burlington, Vermont, as depicted on Exhibit A, attached hereto for the purpose of TENANT leasing, repairing, and occupying said Premises.

ARTICLE 4
TERM AND TENANT SERVICE

Section 4.01 Term

The term of this Agreement shall be for a period of five (5) years commencing _____ 201__ and terminating at midnight on _____, 20__, unless sooner terminated as hereinafter provided. Provided TENANT has complied with all terms, conditions, and requirements of this Agreement during its initial five (5) year term, TENANT shall have the right to negotiate with the City with regard to one (1) additional Five (5) year term(s).

Section 4.02 Holding Over

A. In the event TENANT shall continue to occupy the Leased Premises beyond the term of this Agreement, or any extension thereof, without CITY's written renewal hereof, such holding over shall not constitute a renewal or extension of this Agreement, but shall create a tenancy from month to month which may be terminated at any time by CITY or TENANT by giving thirty (30) days written notice to the other party.

B. TENANT further agrees that upon the expiration of the term of this Agreement or prior cancellation thereof, the Leased Premises will be delivered to CITY

in as good condition as they were received, reasonable wear and tear and damage caused by the negligent or willful act of CITY excepted, and with any and all improvements to the Lease Premises.

C. CITY shall have the right to adjust and/or reallocate all or any portion of the Leased Premises, if required, to accommodate unknown Airport needs at this time, so long as doing so does not impede TENANT's ability to continue its operations in the Leased Premises.

ARTICLE 5 RENTALS, CHARGES, AND FEES

Section 5.01 Rent

TENANT agrees to pay CITY, without notice or demand and without deduction or setoff, all applicable rentals, additional rentals, charges, and fees set out herein (hereinafter referred to collectively as "Rentals") during the term of this Agreement for its use of the Leased Premises and other related Airport facilities expressly approved by CITY. Base rent for the Leased Premises shall be \$168,000 per year or \$14,000 per month for the first year of the five (5) year term of this lease. For each additional year of the term, the annual rent amount shall increase by 2.5 % or the most recent Consumer Price Index (CPI) percentage published at the end of the year in question – whichever is higher.

Section 5.02 Other Fees and Charges

- A. CITY expressly reserves the right to assess and collect the following:
1. Reasonable and non-discriminatory fees and charges to be determined for services or facilities not enumerated in this Agreement, but provided by CITY to and accepted by TENANT.

2. Pro-rata shares of any charges, fees, assessments, and/or taxes for the provision of any services or facilities which CITY is required to provide by any governmental entity (other than CITY acting within its proprietary capacity) having jurisdiction over the Airport.

B. TENANT shall pay charges for all equipment, facilities or services provided to TENANT by CITY and for all improvements to the Leased Premises provided by CITY to TENANT at TENANT's request, or to meet the needs of TENANT. Such services, equipment, facilities or improvements may include, but are not limited to, special maintenance of TENANT Premises, Federal Inspection Services (FIS) facility fees, electrical charges, or equipment/vehicle storage areas.

C. TENANT shall pay the required fees for all permits, approvals and licenses necessary for the conduct of its business at the Airport in the Leased Premises.

Section 5.03 Time and Place of Payments

All payments for rent, fees and any and all other charges shall be made on or before the first of each month at the office of the Director of Aviation , Burlington International Airport, 1200 Airport Drive, #1, South Burlington, Vermont 05403 or other such place as may hereafter be designated by CITY.

Section 5.04 Additional Rent

CITY, after due notice to TENANT, may, but is not obligated to, cure any default on TENANT'S part in fulfilling TENANT's covenants and obligations under this Agreement. Any amounts paid or costs incurred by CITY to cure any such default are hereby agreed and declared to be "Additional Rent". Unless otherwise provided herein, all Additional Rent shall be due and payable on the later to occur of fifteen (15) days

after receipt by TENANT of an invoice therefore or with the next succeeding installment of monthly rent due under this Agreement.

Section 5.05 Interest on Past Due Accounts

There shall be added to all sums due CITY subsequent to the execution date of this Agreement and unpaid as of the Due Date, an interest charge of one and one-half percent (1.5%) per month of the principal sum computed as simple interest computed from the Due Date.

Section 5.06 Payment Under Protest

Notwithstanding anything to the contrary in this Agreement, if a dispute arises between CITY and TENANT with respect to any obligation or alleged obligation of TENANT to pay money, the payment under protest by TENANT of the amount claimed by CITY to be due shall not waive any of TENANT's rights, and if any court or other body having jurisdiction determines that all or any part of the protested payment was not due, then CITY shall as promptly as reasonably practicable reimburse TENANT any amount determined as not.

Section 5.07 Right of Set Off

CITY shall have the right to set off any past due amount(s) by applying all or a portion of current payments to such past due amount(s). In the event CITY exercises this right, it shall notify the TENANT. TENANT shall be responsible for immediately submitting such a sum as will reflect the total amount needed to satisfy current amounts due.

Section 5.08 Security Deposit

A. TENANT shall provide CITY on the Effective Date of this Agreement with a surety bond or Irrevocable Standby Letter of Credit acceptable to CITY (“Contract Security”) in an amount equal to no less than six (6) months’ rentals, fees and likely charges payable by TENANT pursuant to this Article 5, to guarantee the faithful performance by TENANT of its obligations under this Agreement and the payment of all rentals, fees and charges due hereunder. Such Contract Security shall be in a form and with a company reasonably acceptable to CITY and licensed to do business in the State of Vermont. In the event that any such Contract Security shall be for a period less than the full period required by this Paragraph or if Contract Security shall be canceled, TENANT shall provide a renewal or replacement Contract Security for the remaining period at least sixty (60) days prior to the date of such expiration or cancellation.

B. In the event CITY is required to draw down or collect against TENANT’s Contract Security for any reason, TENANT shall, within ten (10) business days after CITY’s written demand, take such action as may be necessary to replenish the existing Contract Security to its original or adjusted amount and/or to provide additional or supplemental Contract Security from another source so that the aggregate of all Contract Security is equal to the required amount as determined by CITY.

C. Upon the occurrence of any TENANT act or omission that is an event enumerated in Section 14.02, or upon TENANT’s election to assume this Agreement under Federal Bankruptcy Rules and Regulations and Federal Judgeship Act of 1984 or any successor statute, as such may be amended, supplemented, or replaced, CITY, by written notice to TENANT given at any time within ninety (90) days of the date such

event becomes known to CITY, may declare TENANT in default of this Agreement and may require additional Contract Security to ensure TENANT's performance of its obligations pending the cure of such default. In such event, TENANT shall provide CITY with the required additional Contract Security within ten days of its receipt of such written notice and shall thereafter maintain such Contract Security in effect.

D. If TENANT shall fail to obtain and/or keep in force Contract Security required hereunder, such failure shall be grounds for immediate cancellation of this Agreement. CITY's rights under this Section shall be in addition to all other rights and remedies provided to CITY under this Agreement.

E. TENANT and CITY agree that this Agreement constitutes an "executory contract" for the purposes of Section 365 of the United States Bankruptcy Code (Title 11 USC) subject to assumption or rejection, as provided in said Section 365. Furthermore, TENANT and CITY agree that any Contract Security provided by TENANT are not "property of the estate" for purposes of Section 541 of the United States Bankruptcy Code (Title 11 USC), it being understood that any Contract Security is property of the third party providing it (subject to CITY's ability to draw against the Contract Security).

ARTICLE 6 CONDITION OF PREMISES

Section 6.01 Apron/Airfield

A. TENANT, if applicable, shall remove to the extent reasonably practicable all accumulations of oil and grease caused aircraft under the control of TENANT while operating on the Apron Area as defined in Exhibit A.

B. TENANT, if applicable, shall maintain in a neat, clean and orderly manner the portions of the Apron Area occupied by TENANT's apron service equipment. Piling

of boxes, cartons, barrels, pallets, debris, disabled or idle equipment or similar items on or about the Leased Premises, shall not be permitted.

C. TENANT, if applicable, shall paint aircraft apron and parking positions as approved by CITY in writing to guide TENANT's ground equipment, aircraft, and passengers if desired, by TENANT, or required for proper positioning of the aircraft within designated parking positions. The foregoing provisions do not, however, prevent CITY from painting such markings as it shall deem necessary for aircraft operations.

D. CITY agrees to maintain the Airfield Area and the Apron Area in good condition and repair. Such obligation shall include snow removal from runways, taxiways and Apron Area; provided, however, that the extent of such obligation as to snow removal from the Apron Area shall be limited to general snow removal required for the operation of aircraft and ground equipment, and shall be limited to the area beginning 50 feet out from any building. To the extent possible, and to the extent that such snow removal is required for the operation of aircraft and ground equipment, CITY agrees to assist TENANT with snow removal in the area within fifty feet from building; provided, however, that CITY shall not be liable for any failure to do so. TENANT shall provide safe passageway for its passengers, employees and crew from aircraft to the building, including but not limited to the removal of snow, and shall indemnify CITY pursuant to Section 13.02 against any claims based upon a failure to provide safe passageway. CITY shall, during the term hereof, operate and maintain the Airport in all respects in a manner and in accordance with such recommended standards for airports of similar size and character as may be issued by the FAA.

Section 6.02 Garage/Recycling

TENANT, at its sole expense, shall be responsible for the proper disposal of all garbage/trash/debris, and responsible for complying with the CITY's Recycling ordinance and regulations and all federal, state, and local rules and regulations governing same.

Section 6.03 Administrative Charges

If TENANT fails to perform its obligations under this Article 6, CITY may do so after reasonable notice, not less than fifteen (15) days, and recover its entire cost plus a twenty percent (20%) administrative charge from TENANT as an additional charge on the rent due.

ARTICLE 7
IMPROVEMENTS

Section 7.01 Repair/Replacement Schedule

TENANT shall complete the Repair/Replacement Schedule, appended to this Agreement (and previously appended to the RFP) as Attachment ___. CITY reserves the right to negotiate any item included in said Attachment F.

Section 7.02 Ownership of Improvements

Upon completion of or installation of any permanent addition or leasehold improvement, excluding Personal Property as defined in Article 1, on the Leased Premises, such permanent addition or leasehold improvement shall immediately become the property of CITY, as owner, subject only to the right of TENANT to use same during the term of this Agreement and shall remain the property of CITY thereafter with the sole right, title and interest thereto unless otherwise specified in CITY's approval of the improvement.

Section 7.03 Liens

TENANT shall cause to be removed promptly any and all liens of any nature arising out of or because of any construction performed by TENANT or any of its contractors or subcontractors upon the Leased Premises or arising out of or because of the performance of any work or labor by or for it or them at the Airport, reserving the right to contest in court the validity of any such liens. TENANT shall have the right to post an appropriate bond to cover its obligations pursuant to this Section.

In the event any person or corporation shall attempt to assert a mechanic's lien against the Leased Premises for improvements made by TENANT or make any claims of any kind related thereto, TENANT shall indemnify, defend and hold CITY harmless from such claims, at TENANT's expense.

Section 7.04 Payment of All Taxes

TENANT shall pay all lawful taxes (including but not limited to real property taxes), assessments or charges which during the term of this Agreement may become a lien on the Airport or be levied upon any interest in TENANT's Leased Premises or any possessory right which TENANT might have in or to said Premises or any improvements thereof, by reason of its use or occupation thereof or otherwise and/or taxes, assessments or other charges on other property owned by TENANT at/on the Premises. TENANT, however, shall have the right to contest, by administrative proceeding, court or otherwise the validity or applicability of any such tax, assessment or charge. CITY shall reasonably assist in providing such information as may be requested by TENANT and required by such proceeding. Such payment shall not be considered part of the Airport Operating Revenue.

Section 7.05 Payment of Utility Charges

TENANT shall pay promptly for all utilities and utility services used by TENANT at or in TENANT's Leased Premises in excess of those utility services specifically provided by CITY. TENANT shall place all utilities in TENANT's name upon taking occupancy of the Leased Premises.

ARTICLE 8
NONDISCRIMINATION

Section 8.01 Nondiscrimination

TENANT shall undertake to ensure that no person shall, on the grounds of race, creed, color, national origin, sex or sexual orientation, be excluded from participating in any employment activities on the Leased Premises. In addition, TENANT shall undertake to ensure that no person shall be excluded from participating in, or receiving the services, or benefits, of any service provided by TENANT, because of their race, creed, color, national origin, sex or sexual orientation on the Leased Premises.

In addition, TENANT, with regard to the work performed by it during the term of this Agreement, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. TENANT will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21. Section 8.02 Breach for Discrimination

In the event of TENANT's breach of any of the foregoing covenants, CITY shall have the right to terminate this Agreement after service of written notice upon TENANT

in accordance with Article 14; and to re-enter and repossess said land and the facilities thereon, and hold the same as if said Agreement had never been made or issued.

ARTICLE 9 COMPLIANCE WITH LAW

Section 9.01 Rules and Regulations

A. TENANT shall not use or permit the use of any the Leased Premises and Airport facilities for any purpose or use other than those specifically authorized by this Agreement, and such other purposes or uses as may be mutually agreed upon in writing.

B. TENANT shall comply with and shall require its officers, agents and employees and any other persons over whom it has control to comply with such reasonable and non-discriminatory rules and regulations governing the use of Airport facilities pursuant to this Agreement as may from time to time be adopted and promulgated by CITY including, but not limited to, minimum standards for health, safety, environmental concern, sanitation, and good order, and with such amendments, revisions, or extensions thereof as may from time to time be adopted and promulgated by CITY.

C. TENANT's right of access to the Leased Premises and the Airport shall be subject to all federal, state and local laws or regulations and all Airport rules, regulations, minimum standards and ordinances, now in effect, or hereinafter adopted or promulgated.

D. TENANT shall, at all times, maintain its Leased Premises in compliance with any and all present and future laws, ordinances, and general rules or regulations of any public or governmental authority now or at any time during the term of this

Agreement in force relating to the environment, sanitation, or public health, safety or welfare.

F. Nothing herein contained shall be construed to prevent TENANT from contesting the validity or applicability of any federal, state or local law, regulation, or ordinance now in effect or hereinafter adopted or promulgated and TENANT shall not be deemed to be in default of any requirement of this Agreement so long as such contest is diligently prosecuted in an appropriate forum by TENANT or any other party to a similar agreement having interests consistent with those of TENANT, or until 30 days following the entry of a final judgment contrary to TENANT's position. However, should TENANT contest the validity or applicability of any tax or fee, the payment of which might constitute a lien on the Airport facilities, CITY may require the posting of a bond or placing in escrow of the amount of such tax or fee pending the outcome of such contest in order to avoid the imposition of such lien.

G. TENANT shall promptly remove any of its disabled aircraft from any part of the Airport (including, without limitation, runways, taxiways, aprons, and gate positions) and place any such disabled aircraft in such storage areas as may be designated by CITY. TENANT may store such disabled aircraft only for such length of time and on such terms and conditions as may be established by CITY. If TENANT fails to remove any of its disabled aircraft promptly CITY, following reasonable notice to TENANT and reasonable opportunity to remove, may, but shall not be obligated to, cause the removal of such disabled aircraft, provided, however, the obligation to remove or store such disabled aircraft shall not be inconsistent with federal laws and regulations, shall be performed in a reasonable manner by CITY, and TENANT agrees to reimburse CITY for

all costs of such removal plus a twenty percent (20%) administrative charge, and TENANT further hereby releases CITY from any and all claims for damage to the disabled aircraft or otherwise arising from or in any way connected with such removal by CITY.

Section 9.02 Reserved.

Section 9.03 Minimum Standards; No Exclusive Right.

TENANT's right of access to the Leased Premises and Airport shall be subject to all applicable federal, state and local laws, ordinances and regulations, as well as all Airport standards, rules and policies including, but not limited to, the Minimum Standards for Commercial Aeronautical Activities, as adopted by the Airport, and the FAA's Policy on the Non-Aeronautical Use of Airport Hangars.

Nothing herein contained shall be construed to grant or authorize the granting of an exclusive right to provide aeronautical services to the public as prohibited by 49 U.S.C. §§40103(e) and 47107(a)(4), as amended from time to time, and the CITY reserves the right to grant to others the privilege and right of conducting any or all activities of an aeronautical nature at the Airport.

ARTICLE 10 LICENSE FEES/PERMITS

Section 10.01 Permitting/Licensing at Tenant's Expense

TENANT at its own expense, shall obtain and pay for all licenses, permits, fees or other authorization or charges as required under federal, state or local laws and regulations insofar as they are necessary to comply with the requirements of this Agreement and the privileges extended hereunder.

ARTICLE 11
OBLIGATIONS OF CITY

Section 11.01 Operation as a Public Airport

CITY covenants and agrees that at all times it will operate and maintain the Airport as a public airport in a prudent manner and consistent with and pursuant to the sponsor's assurances given by CITY to the United States government and consistent with the terms and conditions of this Agreement.

ARTICLE 12
CITY'S RESERVATIONS

Section 12.01 Improvement, Relocation or Removal of Structures

CITY, at its sole discretion, reserves the right to further develop or improve the aircraft operating area and other portions of the Airport, including the right to remove or relocate any structure on the Airport, including the Leased Premises, as it sees fit, and to take any action it considers necessary to protect the aerial approaches of the Airport against obstructions, together with the right to prevent TENANT from erecting or permitting to be erected, any structures on the Airport which, in the sole opinion of CITY, would limit the usefulness of the Airport or constitute a hazard to aircraft.

Section 12.02 Right to Enter and Make Repairs

CITY and its authorized officers, employees, agents, contractors, subcontractors and other representatives shall have the right (at such times as may be reasonable under the circumstances and with as little interruption to TENANT's operations as is reasonably practicable) to enter upon TENANT's Leased Premises for the following purposes:

A. To inspect such premises at reasonable intervals during regular business hours (or at any time in case of emergency) to determine whether TENANT has complied and is complying with the terms and conditions of this Agreement with respect to such premises.

B. To perform maintenance and make repairs and replacements in any case where TENANT is obligated so to do and has failed after notice to do so, in which event TENANT shall reimburse CITY for the cost thereof promptly in accordance with Section 5.07.

C. To perform maintenance and make repairs and replacements in any case where CITY is obligated so to do; and in any other case where CITY, in its reasonable judgment, determines that it is necessary or desirable so to do in order to preserve the structural safety of such Leased Premises or of the building in which they are located or to correct any condition likely to cause injuries or damages to persons or property.

D. In the exercise of CITY's police power.

E. No such entry by or on behalf of CITY upon any premises leased to TENANT shall cause or constitute a termination of the letting thereof or be deemed to constitute an interference with the possession thereof by TENANT; and no such entry upon any premises used by TENANT shall constitute an interference with TENANT's ability to operate from its Leased Premises.

Section 12.03 Airport Access License/Permit

Personnel Background Check: The Airport will determine which owners and employees of TENANT will be required to obtain an Airport-issued ID Badge. TENANT, at its own expense, shall take all necessary steps to assure the Airport

that said individuals undergo a background check, to the extent allowable by law. Those employees determined by the Airport to require a Security Identification Display Area (SIDA) Badge must pass a fingerprint based criminal history record check that proves no disqualifying felonies in the past ten (10) years, provide documentation proving identity and employment eligibility, and successfully pass a Security Threat Assessment.

TENANT is also responsible for complying with all security regulations and requirements as may be promulgated by the Federal Aviation Administration ("FAA"), Transportation Security Administration ("TSA"), the Burlington International Airport or any other governmental unit with jurisdiction. It is understood that the requirements of the FAA, TSA, or Burlington International Airport regarding security matters may change from time to time, and TENANT, at its own expense, shall comply with all such requirements. Any amount paid by the Burlington International Airport for security violation(s) by TENANT, its employees, agents or subcontractors, shall be reimbursed to the Burlington International Airport by selected Respondent.

Section 12.04 Security System

TENANT, at its own expense, shall maintain an auditable access control security system. Said system must be approved by the City prior to its installation and use, and shall be subject to inspection by the City throughout the term(s) of this Agreement.

Section 12.05 Subordination to U.S. Government

This Agreement shall be subordinate to the provisions of any existing or future agreement(s) between CITY and the United States, relative to the operation and

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maintenance of the Airport, the terms and execution of which have been or may be required as a condition precedent to the expenditure or reimbursement to CITY for Federal funds for the development of the Airport.

Section 12.06 War or National Emergency

During the time of war or national emergency, CITY shall have the right to lease the Airport or any part thereof to the United States Government for military use, and if any such lease is executed, the provisions of this Agreement insofar as they are inconsistent with the lease to the Government shall be suspended, and in that event, a just and proportionate part of the rent hereunder shall be abated.

Section 12.07 Energy Conservation

TENANT shall comply with CITY Rules and Regulations pertaining to energy conservation and management to the extent that such Rules and Regulations do not infringe on the rights and privileges granted herein.

ARTICLE 13
INSURANCE/INDEMNIFICATION

Section 13.01 Insurance

A. TENANT shall, at its sole cost and expense, keep all of its operations at or on the Airport and its obligations to indemnify CITY pursuant to Section 13.02 continuously insured in accordance with this Agreement. The minimum amounts and types of insurance coverage required hereunder shall in no event be construed to limit or modify TENANT's obligation to indemnify CITY as set forth in Section 13.02.

B. All insurance shall be in a form and with an insurance company or companies that is reasonably acceptable to CITY. Said insurance shall be in occurrence form, not claims made. Each liability insurance policy shall include

severability of interest language, specifying that coverage afforded thereunder applies separately to each insured thereunder. All TENANT insurance policies shall name the Airport and CITY as additional insureds.

All such policies shall provide that such policy may not be materially changed, materially altered, or cancelled by the insurer during its term without first giving at least ninety (90) days written notice to CITY.

Immediately upon execution of this Agreement, TENANT shall furnish CITY with evidence of all insurance policies specified in this Section 13.01. On or before the expiration of any then-current policy of insurance, TENANT shall deliver to CITY evidence showing that such insurance coverage has been renewed. Within five (5) days after the date of written notice from the insurer of cancellation or reduction in coverage, TENANT shall deliver to CITY evidence showing reinstatement or other provision for the required insurance. All such evidence shall be in the form of certificates of insurance satisfactory to CITY, evidencing coverage as required by this Section 13.01. TENANT shall be responsible for any additional cost to CITY resulting from or arising out of TENANT's failure to obtain and maintain the insurance required by this Section 13.01.

C. TENANT shall carry and maintain TENANT liability insurance in respect to all aircraft owned, leased or operated by TENANT or TENANT's Affiliates for bodily injury or death and property damage liability in a combined single limit amount as required by the Minimum Standards, and shall include aircraft liability, airport liability, passenger liability and baggage and cargo liability. Provided, however, if TENANT operates at the Airport only as a Regional/Commuter Air Carrier, TENANT shall

maintain aircraft liability insurance in a combined single limit amount of not less than fifty million dollars (\$50,000,000.00) per occurrence. A twenty-five million dollars (\$25,000,000.00) per occurrence sub-limit for personal injury, bodily injury (including death) and property damage liability shall cover: premises-operation, medical payments, contractual liability, liability of independent contractors, personal injury, and fire legal liability.

D. TENANT shall carry and maintain comprehensive automobile liability insurance for all owned, hired, and non-owned vehicles against death, bodily injury, and property damage claims, in a combined single limit amount of not less than ten million dollars (\$10,000,000.00).

E. TENANT shall carry and maintain workers' compensation and employers' liability insurance in accordance with the laws of the State of Vermont with an All States Endorsement and two million dollars (\$2,000,000.00) in Employer's Liability coverage.

F. If at any time TENANT shall fail to obtain or maintain in force the insurance required herein, CITY may notify TENANT of its intention to purchase such insurance for TENANT's account, and, if TENANT has not delivered evidence of insurance to CITY before the date on which the current insurance expires, CITY may but is not obligated to effect such insurance by taking out policies in companies satisfactory to CITY, such insurance to be in amounts no greater than those stipulated herein or as may be in effect from time to time. The amount of the premiums paid for such insurance by CITY shall be payable by TENANT upon receipt of CITY's billing therefor, with interest at the rate of 20% per year commencing thirty (30) days following the date of the City's billing therefore. The aforesaid amounts and types of insurance

shall be reviewed from time to time by CITY and adjusted if CITY reasonably, and in good faith, determines such adjustments are necessary to protect City's interest.

G. If any claim for damages is filed with TENANT or if any lawsuit is instituted against TENANT, TENANT shall give prompt and timely notice thereof to CITY, provided that claims and lawsuits subject to such notice are only those that arise out of or are in any way connected with TENANT's use of the Leased Premises or TENANT's operations or activities in regard to the Airport and that in any way affect or might reasonably affect CITY.

Section 13.02 Indemnification

TENANT agrees fully to indemnify, defend, save and hold harmless CITY from and against all claims and actions (and all reasonable expenses incidental to the investigation and defense thereof including reasonable attorney fees) based on or arising out of death or injury to person or persons or damages to property caused by, or arising out of negligence or willful misconduct in the use, occupancy, activities or operations by TENANT, its officers, agents, employees or subcontractors, at or on the Airport or Airport facilities; provided that TENANT shall not be liable for any injuries, death, damages, or loss to the extent that such injury, death, damage, or loss to the extent that the same is caused by the fault or negligence of CITY, its agents or employees; and provided further that CITY shall give to TENANT prompt and reasonable notice of any such claims or actions.

ARTICLE 14
TERMINATION

Section 14.01 Termination by Tenant

TENANT, at its option, may declare this Agreement and Lease terminated in its entirety at any time TENANT is not in default in the payment of Rentals to CITY and in the performance of its other obligations hereunder by giving CITY thirty (30) days advance written notice to be served as hereinafter provided and by surrender of the Leased Premises if CITY shall close the Airport to aircraft operations in general, or to the flights of TENANT for reasons other than weather, acts of God or other reasons beyond CITY's control and fails to reopen Airport to such operation or flights for a period in excess of thirty (30) days.

No termination declared by TENANT shall be effective unless and until not less than thirty (30) days have elapsed after written notice to CITY specifying the date upon which such termination shall take effect and the cause for which it is being terminated. CITY may cure the cause of such termination within said thirty (30) day period, or such longer time as the parties may agree.

TENANT's right of termination hereunder shall be in addition to any other rights provided herein or by operation of law. Failure of TENANT to declare this Agreement terminated upon default of CITY for any of the reasons set out shall not operate to bar, destroy or waive the right of TENANT to cancel this Agreement by reason of any subsequent violation of the terms hereof.

Section 14.02 Termination by City

CITY, at its option, may declare this Agreement terminated in its entirety upon the happening of any one or more of the following events, and may exercise all rights of entry and re-entry upon Leased Premises:

- A. If the Rentals or other money payments which TENANT herein agrees to pay, or any part hereof, shall be unpaid on the date the same shall become due.
- B. If TENANT shall file a voluntary petition in bankruptcy, or make a general assignment for the benefit of creditors, or if TENANT is adjudicated a bankrupt.
- C. The taking of jurisdiction by a court of competent jurisdiction of TENANT or its assets pursuant to proceedings brought under the provisions of any Federal reorganization act.
- D. The appointment of a receiver or a trustee of TENANT's assets by a court of competent jurisdiction or a voluntary agreement with TENANT's creditors which is not voided within ninety (90) days.
- E. If any act occurs which operates to deprive TENANT permanently of the rights, power and privileges necessary for the proper conduct and operation of its business.
- F. If TENANT abandons and fails to use Leased Premises for a period of thirty (30) days at any one time, except when such abandonment and cessation is due to fire, earthquake, strike, governmental action, default of CITY or other cause beyond TENANT's control.
- G. If TENANT shall use or permit the use of Leased Premises at any time for any purpose which at that time is not authorized by this Agreement, or by a subsequent

written agreement between the parties, or shall permit the use thereof in violation of any law, rule or regulation to which TENANT has agreed in this Agreement to conform.

H. If TENANT discontinues operation at the Airport as a consequence of TENANT's filing a bankruptcy petition, voluntary or involuntary seeking a reorganization or readjustment of its indebtedness under the Federal bankruptcy laws or under any other statute of the United States or any state thereof or being adjudged bankrupt, TENANT shall be deemed to have forfeited its leasehold space.

I. If TENANT violates any of the terms or provision of this Agreement or fails to promptly fulfill any of its obligations under the Agreement.

J. No termination declared by CITY shall be effective unless and until not less than thirty (30) days have elapsed after written notice to TENANT specifying the date upon which such termination shall take effect and the cause for which it is being terminated. TENANT may cure the cause of such termination within said thirty (30) day period, or such longer time as the parties may agree.

Section 14.03 Possession by City

In any of the aforesaid events, CITY may take possession of the Leased Premises upon fifteen (15) days' notice and remove TENANT's effects, without being deemed guilty of trespassing. In any such event TENANT shall pay at the same time as the Rentals hereunder become payable a sum equivalent to the Rentals deemed payable by TENANT as if a default had never occurred. In the event said Rentals cannot be determined with certainty, the estimates of CITY shall be used. CITY may re-let the Leased Premises for the account of TENANT at terms deemed to be in CITY's best interest, without discharging TENANT from any liability, applying any money

collected first to the expense of resuming or obtaining possession, second to restoring the Leased Premises to a rentable condition, and then to the payment of Rentals due and accruing to CITY, any deficiency to be paid by TENANT. Upon said default, all rights of TENANT shall be forfeited, provided, however, CITY shall have and reserve all of its available remedies at law as a result of said breach of this Agreement.

Failure of CITY to declare this Agreement terminated upon default of TENANT for any of the reasons set out shall not operate to bar, destroy or waive the right of a CITY to terminate this Agreement by reason of any subsequent violation of the terms thereof.

Section 14.04 Suspension of Agreement

During the time of war or national emergency, CITY shall have the right to lease the Airport's landing areas or any parts thereof to the United States Government for military use. If any such agreement is executed, any provisions of this Agreement which are inconsistent with the provisions of the lease to the Government shall be suspended, provided that the term of this Agreement may be extended by the amount of the period of suspension if the parties so agree in writing.

ARTICLE 15

RIGHTS UPON TERMINATION OR REASSIGNMENT OF LEASED PREMISES

Section 15.01 Fixed Improvements

Except as otherwise provide herein, all leasehold improvements and any alterations thereto other than Personal Property shall be and remain the property of CITY during the entire term of this Agreement and thereafter without compensation to TENANT.

Section 15.02 Personal Property

Upon the conclusion or prior termination of this Agreement, TENANT shall remove all Personal Property from the Leased Premises within thirty (30) days after said termination and restore the Leased Premises to their original condition. If TENANT fails to remove said Personal Property, said property may thereafter be removed by CITY at TENANT's expense or, at the election of the CITY, be retained as the CITY's property.

ARTICLE 16
SUBLEASE AND ASSIGNMENT

Section 16.01 Assignment and Subletting

TENANT shall not assign or transfer this Agreement or any right or leasehold interest granted to it by its Agreement, or sublet or otherwise transfer any interest in or to Leased Premises without the prior written approval of CITY, which approval shall not be unreasonably withheld.

Section 16.02 Successors and Assigns Bound

This Agreement shall be binding on and inure to the benefit of the successors and assigns of the parties hereto.

ARTICLE 17
ENVIRONMENTAL

Section 17.01 General Conditions

Notwithstanding any other provisions in this Agreement, and in addition to any and all other requirements of this Agreement or any other covenants, representations, or warranties of TENANT, TENANT hereby expressly covenants, warrants, and represents to CITY, in connection with TENANT's operations under this Agreement

(whether identified during the term of the Agreement or after the Agreement has terminated), at Airport the following:

A. TENANT is knowledgeable of all applicable federal, state, and local environmental laws, ordinances, rules, regulations, and orders which apply to TENANT's operations in the Leased Premises and at AIRPORT and acknowledges that such environmental laws, ordinances, rules, regulations, and orders change from time-to-time, and TENANT agrees to keep informed of any such future changes.

B. TENANT agrees to hold harmless and indemnify and defend CITY for any violation by TENANT of such applicable federal, state, and local environmental laws, ordinances, rules, regulations, and orders and for any non-compliance by TENANT with any permits issued to TENANT pursuant to such environmental laws. Those items for which the CITY shall be held harmless and indemnified and defended shall include, but not be limited to, enforcement actions to assess, abate, remediate, undertake corrective measures or monitor environmental conditions, and for any monetary penalties, costs, expenses, or damages, including natural resource damages, imposed against TENANT, its employees, invitees, sub-lessees, suppliers, or service providers by reason of TENANT's violation or non-compliance and including without limitation reasonable attorney fees.

C. TENANT agrees to cooperate with any investigation, audit or inquiry by CITY or any governmental agency or their designee, regarding possible violation of any environmental law or regulation upon the AIRPORT including the Leased Premises.

D. TENANT agrees that all remedies of CITY as provided herein with regard to violation of any federal, state, or local environmental laws, ordinances, rules, regulations, or orders shall be deemed cumulative in nature and shall survive termination of this Agreement.

E. TENANT agrees that a copy of any notice of violation, notice of non-compliance, or other enforcement action shall be provided to CITY within seven (7) days of receipt by TENANT or TENANT's agent at the address provided for such notices in Section 18.14. Any violation or notice of violation or non-compliance with federal, state, or local environmental law or ordinance shall be deemed a default under this Agreement. Such default may be cured within thirty (30) days of receipt of notice of default from CITY, or such longer period as may be required to effect a cure provided TENANT commences a cure within said thirty (30) days and thereafter diligently prosecutes the cure to completion. Any such default that is not cured shall be grounds for termination of this Agreement.

F. In entering this Agreement, CITY expressly relies on the covenants, representations and warranties of TENANT as stated herein.

G. Should CITY undertake any voluntary programs designed to improve environmental conditions, including, but not limited to, solid waste recycling programs, clean-fuel vehicle programs, etc., TENANT agrees to undertake a good faith review of the program and attempt to participate. Should any such programs be mandated by any federal, state, or local governmental agency, TENANT agrees to comply with such mandates.

Section 17.02 Stormwater - Compliance with Clean Water Act (33 U.S.C. 1251 et seq.).

Notwithstanding any other provisions or terms of this Agreement, TENANT acknowledges that certain properties within the Airport or on CITY owned land are subject to stormwater rules and regulations. TENANT agrees to observe and abide by such stormwater rules and regulations as may be applicable to CITY's properties and uses thereof.

A. To ensure compliance with CITY's National Pollutant Discharge Elimination System ("NPDES") permit, the TENANT shall utilize Best Management Practices ("BMPs") so as to not contaminate the Airport's stormwater system:

1. The TENANT is responsible for de-icing in designated areas only. TENANT must use CITY approved materials only. Propylene glycol-based Aircraft De-icing Fluid (ADF) shall be used by the TENANT, unless otherwise approved in writing by CITY. The TENANT must utilize best management practices to limit the amount of chemical used.
2. The TENANT shall submit monthly reports to the Director of Aviation during the deicing season that shows the location of its anti-icing/de-icing activities, the quantity of deicing fluid applied, and the type of material applied. These are due to CITY no later than the 10th of the following month.
3. After immediately contacting the Director of Aviation or his/her designee, TENANT shall provide a written follow-up for all spills or

releases from its fueling activities to the Director of Aviation within five (5) days of the incident. TENANT is responsible for the containment and cleanup of spills from aircraft fueling, vehicle fueling, and leaking vehicles. TENANT must properly label and dispose of all contaminated material used to remediate spills including signing hazardous waste manifests. TENANT must comply with all reporting requirements of NPDES permits, and a copy of the written report shall be submitted to the Director of Aviation.

4. TENANT must provide the Director of Aviation with copies of all claims, observations, reports, and notices of violation the TENANT receives from any environmental regulatory authority relating to its activities at the Airport.
5. TENANT must report major lavatory spills to the Director of Aviation. The TENANT is responsible for the cleanup and disposal of all lavatory spills caused by the TENANT, its sub-lessees, agents, employees, contractors or invitees.
6. TENANT shall maintain its vehicles to prevent discharges to stormwater.
7. CITY may require TENANT to remove vehicles that leak from service. The TENANT shall place drip pans under leaking vehicles, promptly clean up all leaks and spills, and properly dispose of all material used to clean up spills, in accordance with appropriate regulations. CITY may require TENANT to remove vehicles that leak or are in disrepair

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should such vehicles reasonably be deemed by CITY to be an environmental concern.

8. TENANT shall allow the Director of Aviation access to its facilities, with reasonable prior notice and during regular business hours (except in cases of emergency).
9. TENANT agrees to allow CITY to visit vehicle maintenance facilities with reasonable prior notice and during regular business hours (except in cases of emergency), to determine opportunities to reduce possible pollution.
10. TENANT shall comply with all applicable governmental, environmental, health and safety laws and regulations.
11. If TENANT owns or operates above-ground storage tanks, drums, and containers at the Airport, it shall comply with all applicable governmental environmental, health and safety laws and regulations.
12. TENANT shall be liable to and indemnify CITY for payment of any fines or penalties levied against CITY for alleged violations of any applicable governmental environmental, health or safety laws or regulations arising out of the actions or inactions of TENANT that cause the violation of such laws or regulations and shall be liable to and indemnify CITY for the reasonable and necessary cost, plus twenty percent (20%) administrative fee, of any cleanup or remediation incurred by CITY related thereto, if TENANT does not perform the necessary cleanup or remediation in a timely manner.

Section 17.03 Vacating of Leased Premises

A. TENANT shall notify the Director of Aviation when Agreement expires and when the Leased Premises will be available for inspection. The Director of Aviation shall determine when the Leased Premises are such that any and all contamination caused by the TENANT in conducting operations under this Agreement (whether identified during the term of the Agreement or after the Agreement has terminated), has been cleaned up, or assigned to TENANT for further cleanup. TENANT shall not be released from its responsibilities under Agreement until the Director of Aviation has performed an assessment of the conditions of all space leased by the TENANT under Agreement.

1. TENANT shall immediately remove all Hazardous Materials and Hazardous Wastes, as defined in Section 17.04 A below, from leased areas at the termination of Agreement, unless otherwise approved in writing by CITY.
2. Any contamination caused by TENANT in violation of applicable law shall be TENANT's responsibility to remediate.

B. CITY will provide TENANT with written notice of any stormwater discharge permit requirements applicable to TENANT and with which TENANT will be obligated to comply from time-to-time, including, but not limited to: certification of non-stormwater discharges; collection of stormwater samples; preparation of stormwater pollution prevention or similar plans; implementation of best management practices; attendance at annual training sessions; annual inspections; and maintenance of necessary records. Such written notice shall include applicable deadlines. TENANT

agrees that within thirty (30) days of receipt of such written notice, it shall notify CITY in writing if it disputes any of the stormwater permit requirements it is being directed to undertake. If TENANT does not provide such timely notice, TENANT will be deemed to assent to undertake such stormwater permit requirements. In the event TENANT agrees to undertake (at its sole expense, unless otherwise agreed to in writing between CITY and TENANT) those stormwater permit requirements for which it has received written notice from CITY, TENANT agrees that it will hold harmless and indemnify CITY for any violations or non-compliance with any such permit requirements.

Section 17.04 Solid and Hazardous Waste.

A. Hazardous Material Definitions.

1. Hazardous Material, whenever used herein, includes the definitions of hazardous substance, hazardous material, toxic substance, and regulated substance as defined within all applicable governmental environmental laws and regulations, including but not limited to:
 - a. Comprehensive Environmental Response Compensation and Liability Act (42 U.S.C. Section 9601 et seq.);
 - b. Resource Conservation and Recovery Act (42 U.S.C. Section 6901 et seq.);
 - c. Hazardous Materials Transportation Act (49 U.S.C. Section 1801 et seq.);
 - d. Department of Transportation Table (49 C.F.R. Section 172, 101);
 - e. Environmental Protection Agency (40 C.F.R. Part 302);

- f. All substances, materials, and wastes that are, or become, regulated under, or that are classified as hazardous or toxic under any other applicable governmental environmental laws or regulations.
2. In addition to the laws listed above, TENANT will comply with the governmental environmental laws and regulations of the jurisdiction where the Leased Premises are located that relate to health, safety, wastes, Hazardous Material, contamination or protection of the environment.
 3. Hazardous Materials as used in this Agreement also include, but are not limited to, the following substances: Jet fuel, gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing solvents, materials containing asbestos or urea formaldehyde, polychlorinated biphenyls and radioactive materials.

B. Compliance with Hazardous Material, Governmental Laws and Regulations.

1. TENANT shall not cause or permit the presence, use, discharge, disposal, storage, release or threatened release of any Hazardous Material, pollutants or contaminants on or in the Leased Premises or other property at the Airport except in compliance with applicable laws and regulations and in quantities necessary to its operations. TENANT shall not do anything affecting the Airport that is in violation of any applicable governmental environmental law or regulation; nor shall TENANT allow its sub-lessees, agents, employees, contractors, or

invitees to do anything in violation of any applicable governmental environmental law or regulation.

2. The Director of Aviation will have access to the Leased Premises to inspect the same to ensure that TENANT is using the Leased Premises in accordance with applicable governmental environmental laws and regulations (with reasonable notice and without interfering with operations).
3. At the discretion of the Director of Aviation and based upon reasonable belief that TENANT has caused an environmental violation at the Airport and upon request by the Director of Aviation, TENANT will conduct such testing and analysis as necessary to ascertain whether TENANT is operating in compliance with applicable governmental environmental laws and regulations. Any such tests will be conducted by qualified independent experts chosen by TENANT and approved by CITY; such approval shall not unreasonably be withheld. Copies of such testing and analytical results from any such testing will be provided to the Director of Aviation.
4. After any initial emergency response involving spills or leaks of Hazardous Materials, TENANT shall promptly provide the Director of Aviation, and the Director of Aviation shall provide TENANT, notification of any spills or leaks of Hazardous Materials and written notice of any investigation, and copies of all notices, reports (except for all reports subject to attorney-client privilege), claims, demands or

actions arising out of the release or threatened release of Hazardous Material or special wastes to the environment in violation of law, caused or permitted by the TENANT and affecting the Airport, of which TENANT or CITY has knowledge.

C. Contamination of Airport.

1. If TENANT learns, or is notified by any governmental regulatory authority, that any removal or other remediation of any Hazardous Material contamination caused or permitted by TENANT in conducting operations under this Agreement (whether identified during the term of the Agreement or after the Agreement has terminated) and affecting the Airport is necessary, TENANT shall promptly take all necessary remedial actions in accordance with applicable governmental environmental law or regulation, at TENANT's sole cost.
2. If the presence of any Hazardous Material on, under, or about the Airport caused or permitted by TENANT in conducting operations under this Agreement (whether identified during the term of the Agreement or after the Agreement has terminated) results in any contamination of the Airport in violation of law, TENANT, at its sole cost and expense, will take steps to remedy and remove any such Hazardous Material and any other environmental contamination caused by TENANT, its sublessees, agents, employees, contractors or invitees as is presently or subsequently discovered on or under the Airport as are necessary to protect the public health and safety and the

environment laws and regulations. In performing any such remedial actions, TENANT, to the extent authorized by any governmental authority, shall rely upon industrial/commercial standards and objectives and applicable risk-based cleanup methodologies, use restrictions and other controls. Such procedures are subject to prior approval of the Director of Aviation, which approval will not be unreasonably withheld if the procedures meet environmental laws and regulations, and the cleanup procedures will not interfere with operations at the property. TENANT will submit to the Director of Aviation a written plan for completing all remediation work. The Director of Aviation retains the right to review and inspect all such work at any time using consultants and/or representatives of his/her choice. Such actions of remediation by the TENANT shall be conducted in such manner that they will not potentially have any material adverse long-term effect on the Leased Premises or other property at the AIRPORT in the sole, but reasonable, judgment of the Director of Aviation.

3. In all cases where Hazardous Waste is generated by the activities of TENANT, its sublessees, agents, employees, contractors, or invitees, TENANT shall sign hazardous waste manifests for the removal of said waste and provide copies to CITY.

D. Compliance with All Government Authorities.

1. TENANT will promptly make all submissions to, provide all information to, and comply with all requirements of all appropriate governmental authorities under all applicable governmental environmental laws and regulations.
2. Should any governmental entity determine that a site characterization, site assessment, etc., and/or cleanup should be undertaken by TENANT because of any spills or discharges of Hazardous Waste at the Airport caused or permitted by TENANT that occur during the term of this Agreement, the TENANT shall (at its own expense) prepare and submit required plans and financial assurances, and carry out the approved plans. At no cost or expense to CITY, TENANT will promptly provide information requested by the Director of Aviation to determine the applicability of the government's environmental laws or regulations to the Airport, to respond to any governmental investigation or to respond to any claim of liability by third parties that is related to environmental contamination or permitted by TENANT.
3. TENANT's obligations and liabilities under this provision will continue so long as TENANT bears any responsibility under applicable governmental environmental laws or regulations for any action that occurred at the Airport during the term of this Agreement.
4. TENANT shall be liable to and indemnify CITY, without limitation, for costs incurred in connection with any investigation of site conditions or any cleanup required by applicable law; and remedial, removal, or

restoration work required by any appropriate federal, State or local governmental agency or political subdivision having jurisdiction because of Hazardous Material located on the Airport or present in the soil or groundwater on, under or about the Airport as a result of TENANT's operations under this Agreement (whether identified during the term of the Agreement or after the Agreement has terminated).

5. The parties agree that CITY's right to enforce TENANT's promise to indemnify is not an adequate remedy at law for TENANT's violation of any provision of this Agreement. CITY will also have the right to terminate this Agreement for a material violation of governmental environmental laws or regulations if TENANT does not promptly correct such violation after notice, except that if TENANT's violation is egregious in nature and was caused by TENANT's gross negligence or willful misconduct, CITY may immediately terminate this Agreement and take possession of the leased premises upon giving the notice specified in Section 18.14.

Section 17.05 Limitations

Notwithstanding any other provision of this Agreement, TENANT shall not be responsible to the extent a claim or expense arises out of: (A) conditions existing prior to TENANT's use or occupancy of the Premises, or (B) the negligence or willful misconduct of CITY or its employees, invitees, sub-lessees, suppliers or service providers.

ARTICLE 18
MISCELLANEOUS

Section 18.01 Non-Interference with Operation of Airport

TENANT, by accepting this Agreement, expressly agrees for itself, its successors and assigns that it will not make use of the Leased Premises in any manner which might interfere with the landing and taking off of aircraft at the Airport or otherwise constitute a hazard. In the event the aforesaid covenant is breached, upon reasonable notice to TENANT and opportunity to cure, the CITY reserves the right to enter upon the premises hereby leased and cause the abatement of such interference at the expense of TENANT.

CITY shall maintain and keep in good condition and repair the Airport landing areas, including taxiways and shall have the right to direct and control all activities of TENANT in this regard.

Section 18.02 Headings of Articles and Sections

The headings of the various articles and sections of this Agreement are merely for convenience or reference and do not limit the content of the articles and sections.

The language in all parts of this Agreement shall in all cases be construed simply according to its fair meaning and not strictly construed against CITY, it being stipulated and agreed that TENANT participated in the drafting hereof.

Section 18.03 Severability

If one or more clauses, sections, or provisions of this Agreement shall be held to be unlawful, invalid, or unenforceable, it is agreed that the remainder of the Agreement shall not be affected thereby, unless to do so would prejudice the rights of either party.

Section 18.04 Governing Law

This Agreement and all disputes arising hereunder shall be governed by the Laws of the State of Vermont or applicable federal law.

Section 18.05 Quiet Enjoyment

TENANT shall, on payment of the rentals, fees, and charges as herein required and subject to the performance and compliance by TENANT of the covenants, conditions, and agreements on the part of TENANT to be performed and complied with hereunder, peaceably have and enjoy the rights, uses, and privileges of the Leased Premises, its appurtenances, and facilities as granted hereby and subject to the Rules and Regulations.

Section 18.06 Incorporation of Exhibits

All exhibits referred to in this Agreement are intended to be and hereby are specifically made a part of this Agreement including Exhibits ___ and ___ - City of Burlington Standard Contract Provisions and Burlington International Airport FAA Standard Contract Provisions as attached.

Section 18.07 Incorporation of Required Provisions

The parties incorporate herein by this reference all applicable provisions lawfully required to be contained herein by any governmental body or agency.

Section 18.08 Entire Agreement

This Agreement, together with all exhibits attached hereto, constitutes the entire agreement between the parties hereto, and all other representations or statements heretofore made, verbal or written, are merged herein, and this Agreement may be amended only in writing, and executed by duly authorized representatives of the parties hereto.

This Agreement shall supersede and replace all prior TENANT operating agreements by and between TENANT and CITY, if applicable, and said prior agreements shall be and are hereby terminated and cancelled and the terms thereof brought to an end as of the effective dates hereof.

Section 18.09 Non-waiver of Rights

No waiver by either party, at any time, of any of the terms, conditions, covenants, or agreements herein, or of any forfeiture, shall be deemed or taken as a waiver at any time thereafter of the same of any other term, conditions, covenant, or agreement herein contained, nor of the strict and prompt performance thereof. No delay, failure, or omission of CITY to re-enter Leased Premises, and no subsequent acceptance by CITY of rent then or thereafter accrued, and no delay, failure, or omission of either party to exercise any right, power, privilege, or option arising from any default, shall impair any such right, power, privilege, or option, or be construed to be a relinquishment thereof, or a waiver of such default or acquiescence therein; and no notice by either party shall be required to restore or revive any option, right, power, remedy, or privilege after waiver by such party of default in one or more instances. No option, right, power, remedy, or privilege of either party shall be construed as being exhausted or discharged by the exercise thereof in one or more instances. All rights provided by this Agreement shall be cumulative, and no one of them shall be exclusive of the other or exclusive of any other remedies provided by law, and the exercise of one right, power, option, or remedy by either party shall not impair its rights to exercise any other right, power, option or remedy.

Section 18.10 Force Majeure

Neither CITY nor TENANT shall be deemed to in breach of this Agreement by reason of failure to perform any of its obligations hereunder, if, while, and to the extent that such failure is due to strikes, boycotts, labor disputes, embargoes, shortages of materials, acts of god, acts of the public enemy, acts of superior governmental authority, weather conditions, floods, riots, rebellion, sabotage, or any other circumstances of which it is not responsible, and which are not within its control. This provision shall not apply to failures by TENANT to pay rents, fees, or other charges, or to make any other money payments required by this Agreement. This provision shall not prevent either party from exercising its rights to termination under Article 14 of this Agreement.

Section 18.11 Generally Accepted Accounting Principles

Whenever any report or disclosure referred to in this Agreement consists, either in whole or in part, of financial information, said financial information shall be prepared in accordance with generally accepted accounting principles consistently applied, if applicable.

Section 18.12 General Interpretation

Each of the parties has entered into this Agreement solely for its own benefit; and (without limiting the right of either party to maintain suits, actions, or other proceedings because of breaches of this Agreement) the Agreement does not grant to any third person (except a successor party to CITY or TENANT) a right to claim damages or bring any suit, action, or other proceeding against either CITY or TENANT because of any breach hereof. The language in all parts of this Agreement shall in all cases be

construed simply according to its fair meaning and not strictly construed against CITY, it being stipulated and agreed that TENANT participated in the drafting hereof.

Section 18.13 Time of the Essence

Time is of the essence in this Agreement.

Section 18.14 Notices, Consents, and Approvals

All notices, consents, and approvals required or authorized by this Agreement to be given by or on behalf of either party to the other, shall be in writing and signed by a duly designated representative of the party by or on whose behalf they are given.

Notices required by this Agreement shall be given by registered or certified mail by depositing the same in the U.S. mail in the continental United States, postage prepaid, return receipt requested. Either party shall have the right, by giving written notice to the other, to change the address at which its notices are to be delivered. Until any such change is made, notices shall be delivered as follows:

1. CITY:

Director of Aviation
Burlington International Airport
1200 Airport Drive #1
South Burlington, Vermont 05403

2. TENANT:

The effective date of such notice shall be the date of the receipt as shown by the U.S. Postal Service return receipt. If notice is given in any other manner or at any other place, it shall also be given at the place and in the manner specified in this Section.

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

CITY OF BURLINGTON

Witness

By: _____

Title: _____

TENANT

Witness

By: _____

Title: _____

STATE OF VERMONT
CHITTENDEN COUNTY, SS.

At Burlington, this ___ day of _____, 2016, personally appeared _____, and acknowledged this Agreement and Lease of Premises by him signed and sealed, to be his free act and deed and the free act and deed of City of Burlington.

Notary Public

STATE OF
COUNTY OF

At _____, this ___ day of _____, 2016, personally appeared _____, and acknowledged this Agreement and Lease of Premises by him signed and sealed, to be his free act and deed and the free act and deed of _____.

Notary Public

PERSONAL GUARANTY _____



BURLINGTON INTERNATIONAL AIRPORT

MEMO

TO: Burlington International Airport, Board of Commissioners

FROM: Burlington International Airport Staff

DATE: November 28, 2016

SUBJECT: Hudson News Lease Amendment

The Burlington International Airport (BTV) seeks Airport Board of Commissioners approval and recommendation to the City of Burlington Board of Finance and City Council for a lease amendment with Hudson News for their operations in the terminal facility.

The Airport executed a concession lease agreement with Hudson News in June of 2013. Their operations consists of three individual news/gift stores located in each concourse and in the main ticketing area of the terminal. Over the course of their current agreement, they have seen steady increases in gross revenues, most recently a 3% increase from their previous contract year, equating to over \$2.0 million dollars in gross revenues. During the 3 years of operations, recent discussions arose regarding the length of their agreement. Currently, their agreement was for a total of five years, however, the intent of the lease was to utilize an additional ten year lease agreement, mutually agreeable by both parties. This is consistent with other concessions agreements we have at the Airport. This was not in the original contract, and the Airport is now proceeding with the amendment to add this language.

In addition to the extension of the term, we have negotiated an increase in rental rates for the remainder of the term. Hudson currently remits 13% of their gross revenues to the Airport, however, prior to any month of operation they pre-pay a guaranteed amount. This guaranteed amount for the remainder of the ten additional years, will increase every other year, as outlined in the attached draft amendment.

Thank you for your continued support.

1200 Airport Drive, #1
South Burlington, Vermont 05403

Phone: (802) 863-2874 (TTY)
Fax: (802) 863-7947
www.btv.aero

AMENDMENT TO CONCESSION AGREEMENT
BETWEEN CITY OF BURLINGTON AND HG BURLINGTON JV
FOR VERMONT SPECIALTY GIFT SHOP AND NEWSTAND AT BURLINGTON
INTERNATIONAL AIRPORT DATED JUNE 25, 2013

This is an AMENDMENT to the CONCESSION AGREEMENT (hereinafter Agreement) between the City of Burlington, a municipal corporation organized and validly existing under the laws of the State of Vermont (hereinafter CITY) and HG Burlington JV, a business qualified to do business in the State of Vermont (hereinafter Concessionaire) dated June 25, 2013, which is attached hereto and made a part hereof as Exhibit A.

WHEREAS, in the City is the owner of the Burlington International Airport located in South Burlington, VT, which airport and any additions or improvements thereto or changes therein which the City hereafter makes or authorizes are hereinafter collectively referred to as “the Airport;” and

WHEREAS, the Concessionaire is engaged in the business of operating specialty concessions and currently does so at the airport pursuant to the Agreement; and

WHEREAS, the City and Concessionaire wish to amend certain terms of the Agreement while maintaining the remainder of the terms in full force and effect. In particular, the parties wish to extend the term of the Agreement by ten (10) years and Concessionaire agrees to increase its Minimum Annual Guarantee (MAG) percentage payment to the City from \$201,000, to increasing three percent (3%) every other year effective on year one of the extension.

NOW THEREFORE, based on the above, the Concession Agreement between the City and Concessionaire dated June 25, 2013 is hereby AMENDED as follows:

1. Paragraph 1.1 is amended to state “Agreement as used herein contemplates and includes the lease of City-owned property (referred to henceforth as assigned areas) and permission for Concessionaire to use such City-owned property for the conduct of a

Vermont Specialty Gift Shop and Newsstand within said City-owned property terms and conditions expressly set forth herein and in any dually executed amendments hereto.”

2. Paragraph 3.0 (the un-numbered paragraph in Article II – “Term” and located prior to paragraph 3.1) is amended to state “This Agreement shall commence October 1, 2013, and shall terminate on September 30, 2028 unless sooner terminated in accordance with the terms hereof. Minimum Annual Guarantee and fees and charges shall run from the date of commencement.”
3. Paragraph 7.2 is amended to state “Concessionaire further agrees that the amount of the Minimum Annual Guarantee payable to the City shall reflect the following schedule for the years Six (6) through Fifteen (15):

Year Six:	\$207,030
Year Seven:	\$207,030
Year Eight:	\$213,241
Year Nine:	\$213,241
Year Ten:	\$219,638
Year Eleven:	\$219,638
Year Twelve:	\$226,227
Year Thirteen:	\$226,227
Year Fourteen:	\$233,014
Year Fifteen:	\$233,014

All other aspects of the Concession Agreement remain in full force and effect.

DATED at Burlington, Vermont this _____ day of _____, 2016.

BURLINGTON INTERNATIONAL AIRPORT

Witness
Director of Aviation
By: _____
Gene Richards
Date

State of Vermont
County of Chittenden, SS

At Burlington, Vermont this ___ day of _____, 2016 before me personally appeared Gene Richards, Director of Aviation, duly authorized agent of the City of Burlington and the Burlington International Airport, and he acknowledged the execution of this document to be his free act and deed and that of the City of Burlington.

HG BURLINGTON JV

Witness
Title _____
By: _____
Duly Authorized Agent
Date

State of _____
County of _____, SS

At _____, _____ this ___ day of _____, 2016 before me personally appeared _____, _____, duly authorized agent of HG BURLINGTON JV, and s/he acknowledged the execution of this document to be his/her free act and deed and that of HG BURLINGTON JV.

EXECUTIVE SUMMARY
OF
BURLINGTON INTERNATIONAL AIRPORT AGREEMENT
AND LEASE OF PREMISES AT
BURLINGTON INTERNATIONAL AIRPORT, VERMONT

We started the negotiation for BTV's updated airline lease approximately in 2014 and have been working towards a final conclusion, which is projected to occur in 2016. Our most recent lease prior was executed in 1996, and continued on a month-to-month bases today. The agreement has commenced for July 1, 2016 and continues for 5 years. While each airline and Cargo carrier has the option to sign, this lease sets the precedent for the methodology for rates and charges, which includes landing fees, apron fees, and terminal rental rates. If an airline choses not sign, a non-signatory rate of 125% for each category of fees is applied. The basic methodology is referred to as a residual calculation, giving greater risk to the airlines, while providing a sustainable financial future for the airport. In short, if the airport's expenses are higher than expected at the end of each year, we will true up the calculation and airlines will need to pay additional fees. The opposite applies as well, if the Airport's expenses are lower, there may be a possible credit due to airlines. We have negotiated that no credit would be due until the Airport reaches at least a debit service coverage ratio of 1.5x and 200 days cash on hand, in which case a proportion of the credit will remain with the Airport, the remaining will be refunded and allocated to each airline. If the city has less than 200 days cash on hand, only 50% of the any overpayments will be due back to the airlines.

Business Terms:

The airlines, by signing this agreement, agree to lease exclusive use space (Ticket Counters), preferential use (Jetbridges and Aprons), and common use spaces (Concourse space, etc.) for 5 years. While they are not agreeing to any specific non-stop destinations, they ultimately are committed to maintaining the services as long as the demand stays consistent and growth continues.

- **Terminal Square Footage Rental Rates:**

The methodology for a residual lease for this first year is calculated at \$62 per S.F. This includes their ticket counter space and office spaces as well as common Use spaces. The common Use space is distributed based on the number of enplanements of each airline. Attached is a sample methodology of this calculation.

A new category of Airline fees is the Low Volume Carriers within this lease. To qualify for this methodology, an airline must have less than 5% of the total market share at the airport (Allegiant and Porter Air both qualify). We understand that

charging these airlines that are only at the airport approximately 2 times per week on ticket counter and office space can be disadvantageous for their costs, and may deter them to add service to BTV. The methodology applies for each category of charges, Common Use, and Terminal Rent. Attached is an example of the rate methodology in the lease.

- Landing Fee Rate:
The methodology is calculated at \$2.04 per 1000 pounds of the aircraft's Maximum Gross Landing Weights for the aircraft used. This is reported monthly to the Airport.

- Apron Fee Rate:
This is calculated for the first year at \$0.35 per 1000 pounds of the Maximum Gross Landing Weight. This is reported monthly to the Airport.

Each year, based on budgets, the rates and charges will be recalculated. The airlines will have an opportunity to weigh in on the budget without holding up our timing. Any capital improvement projects over \$500,000 the airlines will also have an opportunity to weigh in, if they disapprove, they will have the opportunity to delay by one year, otherwise we may proceed.

In general, the airlines are responsible for their own equipment, snow removal out to 50 feet from the terminal (we always help when we can), and servicing their aircraft. They continue to pay for Passenger Facility Charges at a rate of \$4.50 as governed by the Federal Aviation Administration. Of course, insurance requirements, bonds, and indemnification language and other boiler plate items are included as well.

**BURLINGTON INTERNATIONAL AIRPORT
AIRLINE COMMON USE BILLING
July 2016**

ALLOCATION	EXAMPLE TOTAL S.F.	EXAMPLE MONTHLY S.F.	EQUAL 20 %	EXAMPLE SHARE 80 %	
BAGGAGE CLAIM	10,524.00	877.00	175.40	701.60	New Rate of \$62.00 signatory per square foot effective July 1, 2016 Non-Signatory = 125%
SOUTH CONCOURSE COMMON	5,443.00	453.58	90.72	362.87	
NORTH CONCOURSE COMMON	8,091.00	674.25	134.85	539.40	

BAGGAGE CLAIM AIRLINE NAME	ENPLANED PASSENGERS	PERCENTAGE OF TOTAL ENPLANEMENTS	EQUAL SHARE BAGGAGE	RATIO BAGGAGE	BAGGAGE CLAIM TOTAL	CHARGE PER S.F.	BILL AMOUNT
DELTA	11,276	21.818%	43.85	153.08	198.93	62.00	12,209.56
JETBLUE	7,514	14.539%	43.85	102.01	145.86	62.00	9,043.13
UNITED AIRLINES	18,207	35.230%	43.85	247.17	291.02	62.00	18,043.29
AMERICAN	14,684	28.413%	43.85	199.34	243.19	62.00	15,078.02
TOTALS	51,681	100.000%	175.40	701.60	877.00		\$ 54,374.00

SOUTH CONCOURSE AIRLINE NAME	ENPLANED PASSENGERS	PERCENTAGE OF TOTAL	EQUAL SHARE	SHARE RATIO	COMMON USE TOTAL	BILL AMOUNT
DELTA	11,276	60.011%	45.36	217.76	263.12	16,313.25
JETBLUE	7,514	39.989%	45.36	145.11	190.47	11,808.92
TOTALS	18,790	100.000%	90.72	362.87	453.58	\$ 28,122.17

NORTH CONCOURSE AIRLINE NAME	ENPLANED PASSENGERS	PERCENTAGE OF TOTAL	EQUAL SHARE	SHARE RATIO	COMMON USE TOTAL	BILL AMOUNT
UNITED	18,207	55.356%	67.43	298.59	366.01	22,692.80
AMERICAN	14,684	44.644%	67.43	240.81	308.24	19,110.70
TOTALS	32,891	100.000%	134.85	539.40	674.25	\$ 41,803.50

Low Volume Calculation:	Total SF =	2,004.83	\$ 155,374.58	Divide By Epax =	RATE =	\$ 2.96
If under 5% Market Share		24,058.00	\$ 1,864,495.00	155,374.58		
		ALLEGiant	\$ 2,324.73			
		PORTER	\$ -			

TOTALS \$ 124,299.67

AIRLINE	MONTHLY ENPLANEMENTS	BILLING SUMMARY				
		AIRLINE	NO. CONCOURSE	BAGGAGE	SO. CONCOURSE	AIRLINE TOTAL
DELTA MAINLINE	2,613					
DELTA / ENDEAVOR	1,736					
DELTA/SHUTTLE AMERICA		JetBlue		\$ 9,043.13	\$ 11,808.92	20,852.05
DELTA (GO JET)	3,277	1058 - U.S. Air	\$ 19,110.70	\$ 15,078.02		34,188.72
DELTA (COMAIR)		1056 - United	\$ 22,692.80	\$ 18,043.29		40,736.09
DELTA (COMPASS)		1016 - Delta		\$ 12,209.56	\$ 16,313.25	28,522.81
DELTA (EXPRESS JET)	3,650	Porter		\$ -	\$ -	-
DELTA (MESABA)		Allegiant Air		\$ 2,324.73		2,324.73
DELTA (CHAUTAQUA)						
DELTA (REPUBLIC)						
TOTALS		\$ 41,803.50	\$ -	\$ 54,374.00	\$ 30,446.90	\$ 126,624.40

DELTA TOTAL 11,276

JETBLUE 7,514

UNITED AIRLINES MAINLINE	4,352
UNITED (CHAUTAQUA)	
UNITED (COMMUTAIR)	
UNITED AIRLINES (EXPRESS JET)	6,196
UNITED (CO) (EXPRESS JET)	
UNITED AIRLINES (GO JET)	
UNITED (MESA)	4,171
UNITED (SHUTTLE AMERICA)	1,625
UNITED (TRANS STATE)	273
UNITED (REPUBLIC)	1,590
UNITED TOTAL 18,207	

AMERICAN (PIEDMONT)	
AMERICAN (REPUBLIC)	6,275
AMERICAN (MAINLINE)	
AMERICAN (AIR WISCONSIN)	2,481
AMERICAN (PSA)	5,928
AMERICAN TOTAL 14,684	

PORTER 0

ALLEGiant 785

Total 52,466

EXHIBIT I

BURLINGTON INTERNATIONAL AIRPORT LOW VOLUME CALCULATION July 2016

How do we calculate charge per arriving Epax: Total Occupied Exclusive and Preferential Airline Space
Please see Exhibit E and F of Airline Lease, 2016

Location #1 (G4)	Units	Rate	Annual Cost	Monthly Costs
Ticket Counter	470	\$77.50 psf	\$36,425	\$3,035
Office Space	613	\$77.50 psf	\$47,508	\$3,959
Holdroom	855	\$77.50 psf	\$66,263	\$5,522
Queue Area	250	\$77.50 psf	\$19,375	\$1,615
Location #2 (UA)				
Ticket Counter	609	\$77.50 psf	\$47,198	\$3,933
Office Space	1,704	\$77.50 psf	\$132,060	\$11,005
Holdroom	866	\$77.50 psf	\$67,115	\$5,593
Queue Area	286	\$77.50 psf	\$22,165	\$1,847
Location #3 (B6)				
Ticket Counter	631	\$77.50 psf	\$48,903	\$4,075
Office Space	512	\$77.50 psf	\$39,680	\$3,307
Holdroom	917	\$77.50 psf	\$71,068	\$5,922
Queue Area	479	\$77.50 psf	\$37,123	\$3,094
Location #4 (DL)				
Ticket Counter	554	\$77.50 psf	\$42,935	\$3,578
Office Space	500	\$77.50 psf	\$38,750	\$3,229
Holdroom	767	\$77.50 psf	\$59,443	\$4,954
Queue Area	286	\$77.50 psf	\$22,165	\$1,847
Location #5 (PD)				
Ticket Counter	455	\$77.50 psf	\$0	\$0
Office Space	566	\$77.50 psf	\$0	\$0
Holdroom	691	\$77.50 psf	\$0	\$0
Queue Area	250	\$77.50 psf	\$0	\$0
Location #6 (AA)				
Ticket Counter	809	\$77.50 psf	\$62,698	\$5,225
Office Space	1,024	\$77.50 psf	\$79,360	\$6,613
Holdroom	1,048	\$77.50 psf	\$81,220	\$6,768
Queue Area	438	\$77.50 psf	\$33,945	\$2,829
Passenger Hold Rooms:				
Gates 4, 5, 6:	1,405	\$77.50 psf	\$108,888	9,074
Gate 8:	1,961	\$77.50 psf	\$151,978	12,665
Gate 11 & 13:	1,780	\$77.50 psf	\$137,950	11,496
Gate 15:	2,369	\$77.50 psf	\$183,598	15,300
Gate 14	1,222	\$77.50 psf	\$94,705	7,892
Total Annual Costs			\$1,637,808	\$144,376

All Airline Total - Actual Epax July 2016

52,466

Charge per Arriving Aircraft Enplanment \$2.75

ALLEGANT CALCULATION

TERMINAL RENT:	Epax	July 2016
	@ \$2.75 per Epax	
ALLEGANT AIRLINES:	1228	\$ 3,379.21

PORTER CALCULATION

TERMINAL RENT:	Epax	July 2016
	@ \$2.75 per Epax	
PORTER AIRLINES:	0	\$ -

BURLINGTON INTERNATIONAL AIRPORT AGREEMENT
AND LEASE OF PREMISES AT
BURLINGTON INTERNATIONAL AIRPORT, VERMONT

This Agreement and Lease of Premises (hereinafter referred to as "Agreement"), made and entered into this ____ day of _____, 2016, by and between the City of Burlington, a Vermont municipal corporation doing business as the Burlington International Airport (hereinafter referred to as "CITY"), and JetBlue Airways Corporation, a Delaware corporation authorized to do business in the State of Vermont, having a principal place of business at 27-01 Queens Plaza North, Long Island City, NY, 11101, (hereinafter referred to as "AIRLINE").

W I T N E S S E T H:

WHEREAS, CITY owns and operates the Burlington International Airport (the "Airport"), located in the City of South Burlington, County of Chittenden, State of Vermont, the Airport being shown on Exhibit A, attached hereto and made a part hereof; and

WHEREAS, AIRLINE is engaged in the business of Air Transportation with respect to persons, property, cargo, and mail; and

WHEREAS, the parties desire to enter into an agreement and lease for the use of premises and facilities at the Airport all as more fully hereinafter set forth;

NOW THEREFORE, for and in consideration of the mutual covenants and agreements herein contained, CITY and AIRLINE do hereby mutually undertake, promise, and agree, each for itself and its successors and assigns, as follows:

ARTICLE 1 DEFINITIONS

Section 1.01. Definitions

The words and phrases recited in this section shall have the following meanings when used elsewhere in this Agreement, unless the context clearly indicates otherwise:

A. "Affiliate" shall mean any Air Transportation Company that is not a Signatory Airline and is either (i) a subsidiary of AIRLINE or (ii) operates under essentially the same trade name as a Signatory Airline at the Airport and uses essentially the same livery as such Signatory Airline or (iii) operates flights under an International Air Transport Association (IATA) flight designator code of such Signatory Airline at the Airport (a code-sharing partner). An Airline's Affiliates shall have the rights afforded AIRLINE without incurring any additional charges or premiums so long as AIRLINE remains a Signatory Airline. AIRLINE and any Affiliate shall be counted as one entity for purposes of computing any charges for the Joint Use Premises. Airline shall be billed in a single monthly bill and shall be liable for the payment of Landing Fees and other fees incurred at the Airport by itself and by its Affiliates. Unless specifically stated otherwise, "AIRLINE" as used throughout this Agreement shall be deemed to include "Affiliate."

B. "Air Transportation" shall mean the carriage of persons, property, cargo, and mail by aircraft and all other activities reasonably related thereto.

C. "Aircraft Arrival" shall mean any aircraft arrival at the Airport (including, without limitation, scheduled flights, courtesy flights, inspection flights, or any other

flights). Aircraft arrival shall not include any flight that returns to the Airport because of mechanical, meteorological, or other emergency or precautionary reason.

D. "Airline Premises" or "Leased Premises" shall mean those areas assigned to AIRLINE as Exclusive Use Premises, Preferential Use Premises and Joint Use Premises, as defined herein, and shown on Exhibits "D" and "E" attached hereto.

E. "Airport" shall mean the Burlington International Airport located in the City of South Burlington, Chittenden County, Vermont as shown on Exhibit A attached hereto. Without limiting the generality of the foregoing, the term "Airport" shall include:

1. Any and all of the following directly related to the Airport: lands or water areas, rights or interests in land, rights-of-way and approaches; navigation and landing aids and other air navigation facilities; facilities for storage of aircraft; passenger and cargo terminal buildings, hangars, control towers and administration offices and other buildings and facilities; runways, taxiways, pads, aprons, and other paved areas; access roads; garages, parking lots and other parking structures; furnishings, equipment and apparatus; all other structures, facilities and improvements directly necessary or advisable to the development and maintenance of the Airport and for the promotion and accommodation of air travel, commerce and navigation; and all other property (real, personal, mixed or otherwise), now or hereafter constructed or acquired, of or directly belonging or pertaining to the Airport.

F. "Airport Cost Centers" shall mean the following cost centers, as more fully described in Exhibit B, such cost centers to be used by CITY in its accounting for Airport

revenues and expenses and for calculating and adjusting certain rentals, fees, and charges set forth in this Agreement. Allocation of Airport revenues and expenses to the following cost centers shall be made by CITY using generally accepted accounting principles.

1. "Administration Area" shall include those areas on the Airport that provide for the administration of the Airfield, Terminal Complex, Parking Areas, Industrial Park and Other Areas of the Airport.

2. "Airfield Area" shall include those areas on the Airport that provide for the landing, takeoff, taxiing, parking, loading, unloading, servicing, approach and clear zones, infield area, navigational aids or other operations of aircraft.

3. "Parking Area" shall include the access roads, parking garage and other parking areas serving the Airport.

4. "Terminal Complex" shall include the terminal building together with associated concourses and apron areas which will extend fifty (50') from terminal building.

5. "Industrial Park" shall mean that portion of the Airport utilized as an industrial park together with the facilities, installations, and improvements in regard to such area as they now exist or as they may hereafter be modified or developed.

6. "Rented Buildings and Other Areas" shall mean those portions of the Airport not included in paragraphs 1, 2, 3, 4, 5 and 6 , and such term shall include the facilities, installations, and improvements in regard

to such areas as they now exist or as they may hereafter be modified or developed. A jointly operated car wash facility for car rentals shall be included in this definition.

G. "Airport Manager" or "Director of Aviation" shall mean the individual delegated special and immediate care and practical supervision of the Airport pursuant to law.

H. "Airport Operating Revenue" shall mean all rentals, charges, landing fees, user charges, parking fees, concession and other operating revenues received by or on behalf of CITY in connection with the operation of the Airport or any part thereof, excluding (1) all revenues resulting from the investment of any funds by CITY; and (2) all gifts, grants, reimbursements, restricted funds or payments received from governmental units, public agencies or any other source. Airport Operating Revenue shall not include any revenue or income from any Special Purpose Facility either (1) to the extent such revenue or income is pledged to pay principal, interest, or other charges for such Special Purpose Facility bonds or other obligations issued in anticipation thereof, or (2) to the extent such revenue or income is for the use of CITY in reimbursement of costs incurred by it in the construction or provision of Special Purpose Facilities. Ground rental for these Special Purpose Facilities will be considered Airport Operating Revenue.

I. "Annual Budget" shall mean the capital and operating budget prepared for the Airport and adopted by the City Council of the City of Burlington.

J. "Board of Airport Commissioners" shall mean the body appointed pursuant to law and is further described in Paragraph P below .

K. "Bond Amortization" shall mean the amount required on an annual basis to be paid for principal, interest and applicable premiums on outstanding general obligation and/or revenue bonds related to improvements at the Airport together with the amounts required to fully fund all special funds (limited purpose funds as established by a bond resolution or bond indenture) and/or reserve accounts required by the Bond Resolution(s) to be funded.

L. "Bond Resolution" shall mean any resolution of the CITY regulating or authorizing the issuance of Bonds, other than Special Purpose Facility Bonds, payable from Airport Operating Revenue.

M. "Bonds" shall mean General Obligation Bonds, both serial and term, heretofore and hereinafter issued by CITY to finance Airport improvements together with any Airport Revenue Bonds or any other similar or substitute financing instrument (including but not limited to notes, certificates, and commercial paper) that might be issued in the future for Airport purposes under and pursuant to authorizing legislation. Bonds shall also include Bond Anticipation Notes, Grant Anticipation Notes, Revenue Anticipation Notes or similar instruments.

N. "Capital Charges" shall mean debt service and amortization requirements for Capital Improvements..

O. "Capital Improvement" shall mean, for any fiscal year, (a) any single item acquired, purchased, or constructed for use in any Airport Cost Center which the Federal Aviation Administration and/or the general standards for governmental accounting (GAAP) define as a capital improvement. Said term shall include any

expense for development studies, analyses, engineering, master planning efforts (including periodic reviews thereof) and economic or operational studies of the Airport.

P. "City Council", "Mayor" and "Board of Airport Commissioners" shall mean the elected and/or appointed officer and bodies of the CITY with general management and control of the Airport. Where this Agreement speaks of approval or consent of the CITY, such approval is manifested by act of the City Council or the Board of Airport Commissioners as communicated by the Director of Aviation.

Q. "DHS" shall mean the Department of Homeland Security, and its authorized successors.

R. "Due Date" shall mean the applicable date when AIRLINE payment obligations under this Agreement must be received by CITY.

S. "Enplanements" shall mean any local boarding, interline transfer or intraline transfer of passengers at the Airport. "Passenger" means and includes all those who are reported to the Department of Transportation on Form 298-C, T-100, or similar form.

S1. "Exclusive Use Premises shall mean that portion of the Terminal Complex that is allocated for the exclusive use of AIRLINE or for the exclusive use of another Airline.

T. "FAA" shall mean the Federal Aviation Administration of the United States Department of Transportation or any federal agencies succeeding to its jurisdiction.

U. "Fiscal Year" shall mean the twelve (12) month period beginning on July 1st of any calendar year and ending on June 30th of the following year, or any other period adopted by CITY for its financial affairs.

V. "Gate" shall mean a gate position including the associated Ramp Area, holdroom and loading bridge(s) as shown on Exhibit "E" attached hereto.

W. "Gross Terminal Rentable Space" shall mean all occupiable space within the Terminal Building, including all administrative, public and leasable space. The extent of such space shall be determined utilizing "as built" drawings and physical measurements taken from inside dimensions of the exterior walls of the Terminal Building.

X. "Joint Use Premises" shall mean those areas which may be used in common by all Scheduled Air Carriers , as shown on Exhibit "D" attached hereto.

Y. "Majority In Interest" shall mean (i) such group of Signatory Airlines representing greater than sixty-six and two-thirds (66.67%) percent in number and greater than thirty-three and one-third (33.33%) percent of Maximum Gross Certificated Landing Weight of all Signatory Airlines and Affiliates Airlines at the Airport for the most recent twelve (12) month period for which statistics are available, or, (ii) such group of Signatory Airlines representing greater than thirty-three and one-third (33.33%) percent in number and greater than sixty-six and two-third (66.66%) percent of Maximum Gross Certificated Landing Weight of all Signatory Airlines and Affiliates at the Airport for the same twelve (12) month period. Majority In Interest for the Terminal shall mean such group of Signatory Airlines representing great than sixty-six and one-third (66.67%) percent in number and having paid greater than thirty-three and one-third (33.33%) percent of the total Signatory Airline Terminal rentals for the most recent six (6) month period for which information is available.

Y. "Maximum Gross Certificated Landing Weight" shall mean the maximum weight, in 1,000 pound units, at which each aircraft as operated by AIRLINE is certificated by the FAA.

Z. "Non-signatory Airline" shall mean Airline, other than Affiliates, providing Air Transportation service to and from the Airport that have not executed this or a substantially similar agreement with CITY covering the use and occupancy of facilities at the Airport.

AA. "Operating Expenses" shall mean the current expenses of CITY properly paid or accrued in administering, operating, maintaining or repairing the Airport. Without limiting the generality of the foregoing, the term Operating Expenses shall include (a) costs of collecting Airport Revenues and of making any refunds therefrom lawfully due others; (b) engineering, consulting services, audit reports, legal and other overhead expenses related to the administration, operation, maintenance and repair of the Airport; (c) costs of salaries, wages and other compensation of officers, and employees with respect to the Airport, including all legally required payments to pension, retirement, health and hospitalization funds and other insurance, including self-insurance, if any, for the foregoing; (d) costs of routine maintenance, repairs, replacements, renewals and alterations not constituting Capital Improvements and/or capital lease expenses occurring in the usual course of business, which may include expenses not annually recurring; (e) taxes, assessments and other governmental charges, or payments in lieu thereof, lawfully imposed on the Airport or any part thereof or on the operation thereof; (f) costs of utility services; (g) the costs and expenses of management services and general administrative overhead of CITY properly allocable

to the Airport; (h) costs of equipment, materials and supplies used in the ordinary course of Airport business not constituting Capital Improvements including ordinary and current rentals of equipment or other property; (i) issuance costs of Bonds pertaining to the Airport; (j) Bond Amortization; (k) depreciation (to the extent that bond amortization is not applicable); (l) all other costs and expenses, reasonably incurred, of administering, operating, maintaining and repairing the Airport arising in the routine and normal course of business; and (m) all costs and expenses related to the Airport required to be paid (including any reserves required to be kept) in accordance with the Airport's accounting system.

BB. Intentionally left empty

CC. "Personal Property" shall mean any equipment, inventory, furniture, or supplies owned or leased by AIRLINE (except to the extent that the same may be leased by AIRLINE from CITY) and used at Airport in the conduct of AIRLINE's Air Transportation business which is easily removable from AIRLINE's Leased Premises.

DD. "Preferential Use Premises" shall mean those portions of the Terminal, Ramp Area and Gates assigned to AIRLINE, as shown on Exhibit "E" attached hereto, to which AIRLINE shall have priority over all other users, subject to the provision of Article 17.

EE. "Public Areas" shall mean those Terminal Complex areas that are not leased to any person, company or corporation, and are open to the general public and all Air Transportation companies.

FF. "Ramp Area" shall mean the aircraft parking and maneuvering areas adjacent to the Terminal Complex, and shall include within its boundaries all Aircraft Aprons, including those areas assigned for use as overnight parking positions.

GG. "Requesting Airline" shall mean a Scheduled Air Carrier requesting accommodation as set forth in Section 17.1.

HH. "Rules and Regulations" shall mean those non-discriminatory rules, regulations, and ordinances promulgated by CITY, and not inconsistent with this Agreement, or applicable provisions of federal, state or local law, as the same may be amended, modified, or supplemented from time to time.

II. "Scheduled Air Carriers" shall mean any Air Transportation company performing or desiring to perform, pursuant to published schedules, Air Transportation over specified routes to and from the Airport and holding the necessary authority from the appropriate federal or state agencies to provide such transportation.

JJ. "Signatory Airlines" shall mean airlines providing Air Transportation to and from the Airport that have executed this Agreement or substantially similar agreements with CITY covering the use and occupancy of facilities at the Airport. Additionally, in order to qualify for status as a Signatory Airline, an Airline must exclusively lease not less than four hundred fifty (450) square feet of space in the Terminal Complex (ticket counter and associated office and hold room space) from the Airport. Low Volume Airlines shall be an Airline that has annual enplanements of less than five (5%) percent of total annual enplanements at the Airport. Low volume Airlines may be either Signatory or Non-Signatory.

KK. "Special Purpose Facility" shall mean any specific improvement undertaken by CITY for the benefit of one or more airlines or other Airport tenants or prospective tenant under the terms of a separate agreement that provides for, among other things, the payment of rentals or fees for the use or occupancy thereof in sufficient amounts to permit the financing of such improvement and payment of all costs thereof solely from such rentals or fees.

LL. "Terminal Complex Premises" shall mean those areas of the Terminal Complex rented on an Exclusive, Preferential or Joint Use basis.

MM. "Total Landed Weight" shall mean the sum of the Maximum Gross Certificated Landing Weight for all the AIRLINE's Aircraft Arrivals over a stated period of time. Said sum shall be rounded up to the nearest thousand pound unit for all landing fee computation.

NN. "Total Landed Weight of the Signatory Airlines" shall mean the sum of the Maximum Gross Certificated Landing Weight for all of the Signatory Airlines' and Affiliated Airlines Aircraft Arrivals over a stated period of time.

OO. "TSA" shall mean the Transportation Security Administration, and its authorized successors.

ARTICLE 2 USE OF AIRPORT AND FACILITIES

Section 2.01. Permitted Uses

A. Subject to the terms and conditions hereof and the Rules and Regulations of CITY, AIRLINE shall be entitled to use, in common with others authorized to do so and at its own expense, areas, other than areas leased preferentially or exclusively to others, or otherwise reserved for the exclusive use of CITY, facilities, equipment, and

improvements at the Airport for the operation of AIRLINE's Air Transportation business.

Said use, without limiting the generality hereof, may include:

1. The sale of air transportation tickets and services, the processing of passengers and their baggage for air travel, and the sale, handling, and providing of mail, freight and express service.
2. The repairing, maintaining, conditioning, servicing, testing, or parking of aircraft or aircraft-related equipment operated by AIRLINE or any other Air Transportation company in designated areas (provided that any such Air Transportation company must have a valid contract with CITY relative to the furnishing of such services at the AIRPORT); provided, however, that such right shall not be construed as authorizing the conduct of a separate business by AIRLINE, other than a delivery or service business operated with the approval of the Direction of Aviation, but shall permit AIRLINE to perform such functions incidental to its conduct of Air Transportation.
3. The ground training on the Airport of personnel in the service of, employ of or to be employed by AIRLINE; other than a delivery or service business operated with the approval of the Direction of Aviation, provided that such right shall not be construed as authorizing the conduct of a separate business by AIRLINE but shall permit AIRLINE to perform such functions incidental to its conduct of Air Transportation.
4. The sale, lease, transfer, disposal, or exchange of AIRLINE's engines, accessories, and other equipment or supplies; provided,

however, that such right shall not be construed (1) to permit AIRLINE to accumulate or store used equipment at the Airport, or (2) to authorize the conduct of a separate business by AIRLINE other than a delivery or service business operated with the approval of the Direction of Aviation, but shall permit AIRLINE to perform such functions only incidental to the conduct of Air Transportation.

5. The servicing by AIRLINE or by an agent or contractor of its choosing of its aircraft and other equipment operated by AIRLINE, by truck or otherwise, with gasoline, aviation fuel, propellants, oil, greases, lubricants, or other materials or supplies (except that such right of others shall not include the right to operate a separate and distinct business at the Airport, other than a delivery or service business operated with the approval of the Director of Aviation, and further provided that any agent or contractor of AIRLINE must have a valid contract with CITY relative to the furnishing of such services at the AIRPORT); provided, however, that AIRLINE may not sell gasoline, fuel or other propellants, oil, greases, or other lubricants, except to a subsidiary or affiliated company or except when the same are of a particular grade desired by others and not otherwise available (except from other Signatory Airlines) at said Airport, or except for use in aircraft of others which are being used in connection with any operations of AIRLINE.

6. The right to land, takeoff, fly, taxi, tow, load, and unload aircraft passengers, property and other equipment used by AIRLINE in its conduct

of Air Transportation; provided that flights carrying only cargo shall load and unload at convenient and accessible points, as may be determined by the Director of Aviation.

7. The right to install and operate ticket counter and back wall identification and signs at AIRLINE ticket counters and assigned Gate areas with the prior written approval of the Director of Aviation. Such signs shall be consistent with CITY's graphic and sign standards, and their number, general type, size, design and location shall be subject to the prior written approval of CITY and shall comply with all state or local laws and ordinances and Airport Rules and Regulations. Within its Leased Premises hold room space at its Gates, AIRLINE may display logo and other similar signage, as well as crowd control and decorative signage, including advertisements such as solicitations for Airline credit cards, subject to the reasonable approval of the Director of Aviation. No signage or displays placed by the AIRLINE may be positioned outside of its Leased Premises without the prior written approval of the Director of Aviation. Signage and displays shall not impede passenger circulation within or past AIRLINE Leased Premises.

8. The right to install, maintain, and operate such radio, communication, meteorological, aerial navigation, and computer equipment and facilities required for AIRLINE to provide Air Transportation at the Airport; provided, however, that (1) such equipment does not interfere with other airline or Airport communication, meteorological, or

aerial navigation systems; and (2) the type, location, and method of installation of such equipment and facilities is approved by the Director of Aviation in writing prior to installation of such equipment and facilities.

9. The right to install, maintain, and operate passenger loading bridges and other equipment incidental to conducting AIRLINE's Air Transportation business, subject to the prior written approval of CITY.

10. Ground handling any portion of the operations of another airline, provided AIRLINE shall only ground handle the aircraft operated by an Air Transportation Company that has entered into an operating agreement with CITY and then only with the prior written approval of the Director of Aviation, which approval shall not be unreasonably withheld, except in the case of an emergency which shall not require prior consent of Director of Aviation. No sublease or temporary use agreement shall release AIRLINE from its obligations to pay the rentals, fees and charges provided herein.

11. The right to install glycol tanks, the location of which shall be subject to the prior written approval of CITY.

B. AIRLINE may perform customary fueling, servicing and line maintenance of its aircraft at assigned aircraft parking positions preparatory to loading and takeoff or following landing or unloading. AIRLINE may perform maintenance on its own aircraft, vehicles, or equipment at places designated by CITY.

C. AIRLINE may exercise on behalf of any other airline having an agreement permitting operations at the Airport any of the rights granted AIRLINE under the terms of

this Agreement, so long as AIRLINE is concurrently exercising those rights in the conduct of AIRLINE's own Air Transportation business.

D. Any and all rights and privileges not granted to AIRLINE in this Agreement are hereby reserved for and to CITY.

E. The rights granted in Section 2.01 shall not be construed as permitting any other person or corporation to conduct any business upon the Airport (including the Leased Premises) except after first securing from Airport written authorization to conduct such business and by the payment of applicable administrative fees and rentals for any space occupied.

Section 2.02. Airport Uses Limitation

AIRLINE shall not use the Airport or Leased Premises for any purpose other than those identified in Sections 2.01 herein. Without limiting the generality of such use or limitation, the following uses are prohibited:

A. The use of the Airfield Area by any aircraft operated or controlled by AIRLINE which exceeds the design strength or capability of the Airfield Area as described in the current FAA approved Airport Layout Plan or other engineering evaluations performed subsequent to the then current Airport Layout Plan.

B. Anything that may interfere with the effectiveness or accessibility of the drainage, sewerage, water, communications or fire protection systems or any other part of the utility, electrical or other like systems installed or located from time to time at the Airport.

C. Any act or failure to act by AIRLINE which may cause the cancellation or violate the provisions of CITY's policies of insurance for the Airport or any part thereof or

which shall cause a hazardous condition so as to increase the risks normally attendant upon operations permitted by this Agreement. In the event CITY shall determine that AIRLINE has done or permitted to be done either by act or failure to act anything that shall cause an increase in the Airport's insurance premiums for insurance for the Airport or any part thereof, CITY shall serve written notice to AIRLINE of the nature of the act or omission and afford AIRLINE the option to remedy the cause of the increase, and upon failure of AIRLINE to remedy the cause of the increase, AIRLINE, upon demand by CITY, shall pay the amount of such increase. If such AIRLINE act or failure to act causes the cancellation of any policy, then AIRLINE shall immediately upon notification by CITY take such action as is necessary to permit reinstatement of said insurance.

D. The maintenance or operation in the Terminal Complex or elsewhere on the Airport of a cafeteria, restaurant, bar or cocktail lounge for the purpose of selling food or beverages to the public or to its employees or passengers, including in any manner the sale of food and beverages at the Airport. AIRLINE may not place food and beverage vending machines upon any portion of its Leased Premises without the prior written approval of the Director of Aviation. Nothing herein contained shall be construed as authorizing AIRLINE to conduct a separate business, but shall permit AIRLINE, upon compliance with the terms hereof, to perform such functions only as are incidental to the operation of its Air Transportation business.

E. The storage of fuel, blockage of taxiways and/or the parking of any aircraft in such a manner as to interfere with Airport operations. The use of all refueling trucks, together with their routing and parking, must be approved in advance by the CITY.

ARTICLE 3
LEASED PREMISES

Section 3.01. Airline Premises

A. CITY does hereby lease and demise to AIRLINE and AIRLINE does hereby lease and accept from CITY, the Exclusive Use Premises, Preferential Use Premises and Joint Use Premises, in the Terminal as set forth in Exhibits “D” and “E,” subject to the provisions of Article 17.

B. CITY shall have the right to permit an Air Transportation company other than AIRLINE to use AIRLINE’s preferentially-assigned Gates in its Preferential Use Premises only in accordance with the conditions set forth in Article 17.

C. Gates shall be leased to Signatory Airlines on a preferential basis, subject to the provisions of Article 17. The allocation of Gates as per this Agreement is set forth on Exhibit “E.”

D. CITY shall have the right, in accordance with Article 17, to adjust and/or reallocate all or any portion of the Airline Premises, if required, to accommodate a Scheduled Air Carrier so long as doing so does not impede Signatory Airlines ability to operate its scheduled air service.

ARTICLE 4
TERM AND AIRLINE SERVICE

Section 4.01. Term

The term of this Agreement shall be for a period of five (5) years commencing July 1, 2016 and terminating at 11:59 PM EST on June 30, 2021, unless sooner terminated as hereinafter provided.

Section 4.02. Airline Service

The parties recognize that a substantial consideration to CITY for entering into an agreement for the use of its facilities during the term hereof is the continued operation by AIRLINE of a scheduled Air Transportation service at the Airport during such term. Accordingly, should AIRLINE fail to operate scheduled passenger service departures from the Airport, for a period of sixty (60) consecutive days or more (except by reason of strikes or causes beyond the control of AIRLINE), this Agreement may be terminated by CITY for failure of consideration upon thirty (30) days' written notice to AIRLINE; provided, however, that should AIRLINE, before the expiration of such thirty (30) day period, resume scheduled service on a continuing basis, then such notice shall be void and of no effect.

Section 4.03. Holding Over

A. In the event AIRLINE shall continue to occupy the Leased Premises beyond the term of this Agreement, or any extension thereof, without CITY's written consent, such holding over shall not constitute a renewal or extension of this Agreement, but shall create a tenancy from month to month which may be terminated at any time by CITY or AIRLINE by giving thirty (30) days' written notice to the other party.

B. AIRLINE further agrees that upon the expiration of the term of this Agreement or prior cancellation thereof, the Leased Premises will be delivered to CITY in as substantially as good condition as they were received, reasonable wear and tear, casualty and damage due to casualty or that caused by the negligent or willful acts of CITY excepted.

ARTICLE 5
RENTALS, CHARGES, AND FEES

AIRLINE agrees to pay CITY, without notice or demand and without deduction or setoff, all applicable rentals, additional rentals, charges, and fees set out herein (hereinafter referred to collectively as "Rentals") during the term of this Agreement for its use (and its Affiliate's use of the Airline Premises, including the Terminal Complex (including Gate area, baggage hold area, make up area, ramp area), Airfield Area, facilities, rights, licenses and privileges granted hereunder .

Section 5.01 Terminal Rentals

A. For the Term of this Agreement, AIRLINE's Terminal Complex Rentals shall be the sum of AIRLINE's rentals for Exclusive Use Premises, Preferential Use Premises and Joint Use Premises.

B. AIRLINE's Terminal Complex rental payment for Exclusive Use Premises and Preferential Use Premises shall be determined as the sum of the products obtained by multiplying the appropriate Terminal rental rate for the period, not to exceed an amount calculated in accordance with Exhibit "F," by the amount of the corresponding type of space leased by AIRLINE as Exclusive Use and Preferential Use Premises as set forth in Exhibit "E."

C. Total Terminal rentals for Joint Use Premises shall be calculated as the product of the Terminal rental rate for the period, not to exceed a rate calculated in accordance with Exhibit "F," and the amount of each category of Joint Use Premises. AIRLINE's share of the total Terminal rentals due each month for Joint Use Premises shall be determined as follows:

1. Twenty percent (20%) of total rentals due monthly (one-twelfth of annual amount) for each category of Joint Use Premises net of revenues received from Non-Signatory Airlines shall be prorated equally among the Scheduled Air Carriers, excluding Low Volume Carriers, using said categories of Joint Use Premises. Each Signatory Airline and its Affiliates shall be treated as a single entity for purposes of determining Signatory Airline's portion of the twenty percent (20%) share of Joint Use Premises rental, as an example, refer to Exhibit H.

2. The remaining eighty percent (80%) of total rentals due monthly for each category of Joint Use Premises shall be prorated among the Scheduled Air Carriers, excluding Low Volume Carriers, using said category of Joint Use Premises based upon each such Scheduled Air Carrier's Enplanements and, if not already included as a Scheduled Air Carrier, each Affiliate of any Signatory Airline's Enplanements during the month as a percentage of total Enplanements of all Scheduled Air Carriers using said category of Joint Use Premises during such month. Each Signatory Airline and its Affiliates shall be treated as a single entity for purposes of determining a Signatory Airline's portion of the eighty percent (80%) share of Joint Use Premises rental, as an example, refer to Exhibit H.

3. Low Volume Carriers calculation for Joint Use Premises shall be based on the following formula: The sum of all Joint Use Space for baggage claim, South Concourse, and North Concourse defined by Exhibit D,

multiplied by the terminal rental rate under section 5.01, divided by 12 months. The total monthly cost is then divided by the cumulative enplanements by all carriers equaling a rate for low volume carriers. This rate, adjusted monthly, is then multiplied by the enplanements of the Low Volume carrier in question, as an example, refer to Exhibit H.

D. The Terminal Rental Rate for Low Volume Airlines shall be assessed at the same rate as applicable to their status as Signatory or Non-Signatory Airlines. The Airport will then, on a monthly basis, add all enplanements as reported and divide by its total monthly costs to determine the fee per enplanement. The rate will then be multiplied by the number of enplanements landed by the Low Volume Airline in question, as an example, refer to Exhibit I

E. For purposes of the above calculation, unless an alternative reporting method has been approved by CITY at the time of AIRLINE's designation of its Affiliate(s), AIRLINE shall include in its report of monthly Enplanements the total number of revenue and non-revenue Enplanements handled or otherwise accommodated by AIRLINE and its Affiliates and other Air Transportation Companies operating under agreement with Airline and not having an agreement with CITY that provides for the direct payment to CITY of appropriate charges for the use of Joint Use Premises.

F. For the fiscal year commencing July 1, 2016 (Fiscal Year 2017), Preferential Use Premises and Exclusive Use Premises rentals for Signatory Airlines shall be calculated on the basis of \$62.00 per square foot of Gross Terminal Rentable Space. Such per square foot charge shall remain in effect for the first year of this Agreement (Fiscal Year 2017), at which time, and annually thereafter; the square foot

charge shall be adjusted in the manner set forth in Article 6. The rental for all Non-Signatory, Non-Affiliates shall be 125% of the rate for Signatory Airlines.

Section 5.02 Landing Fees

As of July 1, 2016, Rentals for the use of the remaining facilities, rights, licenses, and privileges granted to AIRLINE under Articles 2 and 3 hereof, except as provided elsewhere herein, shall be combined in and represented by a monthly landing fee (hereinafter referred to as the "Landing Fee"), which shall be calculated and determined as follows: A Landing Fee Rate per thousand pounds shall be multiplied by AIRLINE's Total Landed Weight for the month. Subject to the provisions of Article 6 hereof, the Fiscal Year 2017 Landing Fee Rate shall be \$2.04 per thousand pounds plus a \$.35 per thousand pounds apron fee for a total Landing Fee rate of \$2.39 per thousand pounds. The Landing Fee Rate for Non-Signatory Airlines (not including Affiliated Airlines) shall be 125% of the rate for Signatory Airlines. The Landing Fee for Low Volume Airlines shall be as applicable to such Low Volume Airline's status at the Airport.

Section 5.03. Equipment Charges

AIRLINE's charges for CITY purchased Terminal Complex equipment, including but not limited to passenger loading bridges and baggage claim conveyors and devices, shall be based on the Capital Charges and Operating Expenses incurred by CITY therefor as reference in Exhibit C.

Section 5.04. Security Charges, Passenger Screening Charges

If DHS, TSA, FAA or another governmental agency elects to impose or levy a charge upon CITY for passenger screening activities at the Airport at any time during the Term of this Agreement, then CITY shall have the right to recover such passenger

screening charges on a prorated basis from AIRLINE and every other Scheduled Air Carrier at the Airport.

Section 5.05. Other Fees and Charges

A. CITY expressly reserves the right to assess and collect the following:

1. Reasonable and non-discriminatory fees for concessions and other services provided by AIRLINE for others or for AIRLINE by others if such services or concession would otherwise be available from a concessionaire or licensee of CITY and is not otherwise paid for by AIRLINE hereunder.
2. Reasonable and non-discriminatory fees and charges for services or facilities not enumerated in this Agreement, but provided by CITY and accepted by AIRLINE.
3. Pro-rata shares of any charges for the provision of any services or facilities which CITY is required to provide by any governmental entity (other than CITY acting within its proprietary capacity) having jurisdiction over the Airport.

B. CITY reserves the right to charge AIRLINE or its employees a reasonable and non-discriminatory fee for the employee parking area(s) provided at the Airport, the location of which may change from time to time at the discretion of Airport.

C. AIRLINE shall pay charges for other services, equipment, facilities or other Terminal improvements not enumerated herein, but provided by CITY to AIRLINE at AIRLINE's request, or to meet the needs of AIRLINE. Such services, equipment, facilities or Terminal improvements may include, but are not limited to, special

maintenance of Airline Premises, Federal Inspection Services (FIS) facility fees, electrical charges, or equipment/vehicle storage areas.

D. AIRLINE shall pay the required fees for all permits and licenses necessary for the conduct of its Air Transportation business at the Airport. AIRLINE shall also pay all taxes, assessments, and charges, which during the Term of this Agreement may become a lien or which may be levied by the State, CITY, City of South Burlington, or any other levying body, upon any interest by AIRLINE acquired in this Agreement, or any possessory right which AIRLINE may have in or to the premises or facilities leased hereunder, or the improvements thereon, by reason of its occupancy thereof, or otherwise, as well as taxes, assessments, and/or charges on property, real or personal, owned by AIRLINE in or about said premises.

Section 5.06. Time and Place of Payments

A. Exclusive Use Premises, Preferential Use Premises and Joint Use Premises Rentals shall be paid in equal monthly installments in advance on or before the first business day of each month to which it applies and shall be subject to adjustment as provided in Article 6. As a time lapse occurs in determining the number of monthly Enplanements upon which Joint Use Premises rentals are based, Joint-Use Premises rentals will be determined based upon monthly Enplanements for the preceding month, and shall be payable no later than the last day of each month for the preceding calendar month.

B. "Landing Fee" charges shall be payable no later than the last day of each month for the preceding calendar month of operations and shall be subject to adjustment as provided in Article 6.

C. All of the above payments shall be made at the office of the Director of Aviation, Burlington International Airport, 1200 Airport Drive, #1; South Burlington, Vermont 05403 or other such place as may hereafter be designated by CITY.

Section 5.07. Additional Rent

CITY, after due notice to AIRLINE, may, but is not obligated to, cure any default on AIRLINE'S part in fulfilling AIRLINE's covenants and obligations under this Agreement. Any amounts paid or costs incurred by CITY to cure any such default are hereby agreed and declared to be "Additional Rent". Unless otherwise provided herein, all Additional Rent shall be due and payable on the later to occur of thirty (30) days after receipt by AIRLINE of an invoice therefore or with the next succeeding installment of monthly rent due under this Agreement.

Section 5.08. Records of AIRLINE

A. AIRLINE shall keep and maintain a complete and accurate set of records of all the Maximum Gross Certificated Landing Weights and passenger Enplanements, for the use of the Airport and payment of fees required under this Agreement, for three (3) years, and shall make such records available for inspection and copying by CITY or its authorized representative at the Airport at any and all reasonable hours and times and upon reasonable notice. Such records shall not be disclosed or published to any third party by the City and shall not be used for any purposes except as set forth in this Agreement.

B. CITY shall have the right, at its expense and on reasonable notice, from time to time, to audit the records and other data of the AIRLINE relating to the provisions and requirements hereof, provided such inspection is made during regular business hours.

In the event that a discrepancy of five (5%) percent or more is found in the records identified in Section 5.08A herein then AIRLINE shall pay the full cost of the audit.

Otherwise, the City shall pay the full cost of the audit.

Section 5.09 Interest on Past Due Accounts

There shall be added to all sums due CITY subsequent to the execution date of this Agreement and unpaid as of the Due Date, an interest charge of one and one-half percent (1 1/2%) per month of the principal sum computed as simple interest computed from the Due Date.

Section 5.10 Payment Under Protest

Notwithstanding anything to the contrary in this Agreement, if a dispute arises between CITY and AIRLINE with respect to any obligation or alleged obligation of AIRLINE to pay money, the payment under protest by AIRLINE of the amount claimed by CITY to be due shall not waive any of AIRLINE's rights, and if any court or other body having jurisdiction determines that all or any part of the protested payment was not due, then CITY shall as promptly as reasonably practicable reimburse AIRLINE any amount determined as not due plus interest at a rate equal to the rate which CITY realizes by having the money on deposit.

Section 5.11 Passenger Facility Charge

A. CITY shall have the right to assess airline passengers a Passenger Facility Charge in accordance with the requirements of 14 CFR Part 158. AIRLINE shall collect on behalf of, and remit to CITY any such Passenger Facility Charge revenue in accordance with the requirements of 14 CFR Part 158. Any Passenger Facility Charge collected by AIRLINE shall, pending remittance to CITY, be held in trust for the benefit

of CITY. City shall have the right to use all such Passenger Facility Charge revenue in any lawful manner. As of the date of this Agreement, the Passenger Facility Charge is \$ 4.50.

B. AIRLINE and CITY shall be bound by and shall observe all of the provisions of 14 CFR Part 158 as they apply to either or both parties.

Section 5.12 Right of Set Off

CITY shall have the right to set off any past due amount(s) by applying all or a portion of current payments to such past due amount(s). Past due amounts may include sums due on prior agreements, this Agreement, or for usage of the Airport as a Non-Signatory Airline. In the event CITY exercises this right, it shall notify the AIRLINE. AIRLINE shall be responsible for immediately submitting such a sum as will reflect the total amount needed to satisfy current amounts due.

Section 5.13 Security Deposit

A. Any new airline commencing service at the Airport during the duration of this Agreement shall provide CITY on or before its first day of such service with cash or an irrevocable standby Letter of Credit or Surety Bond Credit acceptable to CITY ("Contract Security") in an amount equal to three (3) months' Rentals, fees and charges payable by such airline pursuant to this Article 5 on the basis of the Airport's most recent rates and charges budget, to guarantee the faithful performance by AIRLINE of its obligations under this Agreement and the payment of all rentals, fees and charges due hereunder. The amount of said Contract Security shall be determined and subject to adjustment by CITY based upon AIRLINE's payment and performance record with CITY, length of continuous service to and from the Airport as a Signatory Airline, and

financial stability of such airline. Such airline shall be obligated to maintain such Contract Security in effect throughout the Term of this Agreement and any extension hereof. Such Contract Security shall be in a form and with a company reasonably acceptable to CITY and licensed to do business in the State of Vermont. In the event that any such Contract Security shall be for a period less than the full period required by this Paragraph or if Contract Security shall be canceled, such airline shall provide a renewal or replacement Contract Security for the remaining period at least sixty (60) days prior to the date of such expiration or cancellation. This Security deposit shall not be applicable to Airlines serving the Airport at the commencement of this Agreement and who are Signatory Airlines.

B. In the event CITY is required to draw down or collect against AIRLINE's Contract Security, if applicable, for any reason, AIRLINE shall, within ten (10) business days after CITY's written demand, take such action as may be necessary to replenish the existing Contract Security to its original or adjusted amount and/or to provide additional or supplemental Contract Security from another source so that the aggregate of all Contract Security is equal to the required amount as determined by CITY.

C. Upon the occurrence of any AIRLINE act or omission that is an event enumerated in Section 13.01, or upon AIRLINE's election to assume this Agreement under Federal Bankruptcy Rules and Regulations and Federal Judgeship Act of 1984 or any successor statute, as such may be amended, supplemented, or replaced, CITY, by written notice to AIRLINE given at any time within ninety (90) days of the date such event becomes known to CITY, may declare AIRLINE in default of this Agreement and may require additional Contract Security to ensure AIRLINE's performance of its

obligations pending the cure of such default. In such event, AIRLINE shall provide CITY with the required additional Contract Security within ten (10) days of its receipt of such written notice and shall thereafter maintain such additional Contract Security in effect.

D. If AIRLINE shall fail to obtain and/or keep in force Contract Security required hereunder, such failure shall be grounds for immediate cancellation of this Agreement. CITY's rights under this Section shall be in addition to all other rights and remedies provided to CITY under this Agreement. Upon expiration of this Agreement, CITY shall promptly return the Contract Security to Airline.

E. AIRLINE and CITY agree that this Agreement constitutes an "executory contract" for the purposes of Section 365 of the United States Bankruptcy Code (Title 11 USC) subject to assumption or rejection, as provided in said Section 365. Furthermore, AIRLINE and CITY agree that any Contract Security provided by AIRLINE are not "property of the estate" for purposes of Section 541 of the United States Bankruptcy Code (Title 11 USC), it being understood that any Contract Security is property of the third party providing it (subject to CITY's ability to draw against the Contract Security) and that all Passenger Facility Charges collected by AIRLINE are property of the CITY.

ARTICLE 6 RECALCULATION OF RENTALS

Section 6.01. Effective Date of Recalculations

Landing Fees and Terminal Rentals as set forth in Article 5 shall be adjusted annually as of July 1 during the term of this Agreement as hereinafter set forth. The annual adjustment of Terminal Rentals shall be based upon the increase or decrease of the Annual Budget of the Airport as prepared by the Airport Administration, endorsed by the Board of Airport Commissioners, submitted by the City of Burlington Mayor and

approved by the City of Burlington City Council. A draft of the proposed Airport budget for the ensuing fiscal year shall be presented to AIRLINE and the other Signatory Airlines for their review and comment no later than April 1 of 2017, 2018, 2019 and 2020 respectively. AIRLINE may communicate any questions or concerns about the draft budget to City, or may request a meeting with the Director of Aviation or designee concerning the budget on or before May 1 of each such year. If a meeting is requested, it shall be held no later than May 20 of each such year. The City shall give good faith consideration to any and all questions and recommendations made by AIRLINE prior to the final adoption of the Airport's budget for any fiscal year within the term of this Agreement. If the proposed budget for any fiscal year shall include a proposed Capital Improvement within an estimated cost of five hundred thousand (\$500,000.00) Dollars or greater, and a Majority In Interest of the Signatory Airlines objects to the construction of such Capital Improvement, a meeting between the Airport Administration and the Signatory Airlines shall be mandatory. If such Majority In Interest opposition to such a Capital Improvement persists following the mandatory meeting and the Airport Administration's report as to why such Capital Improvement is considered necessary for the proper and prudent operation of the Airport, the proposed Capital Improvement shall not occur in the ensuing fiscal year. If, however, notwithstanding the objection of a Majority In Interest of the Signatory Airlines, the City maintains that the Capital Improvement is necessary for the proper and prudent operation of the Airport, such Capital Improvement may be made if a part of the approved budget for the ensuing fiscal year unless the estimated cost thereof is one million (\$1,000,000.00) dollars or greater, in which case such Capital Improvement shall not be made unless and until

such Majority in Interest gives its consent thereto. This limitation in the form of potential deferral or veto of Airport capital improvements shall not be applicable to Capital Improvements that are being financed through the Federal Aviation Administration's Airport Improvement Program, exclusively with funds that are generated by the City through the imposition of Passenger Facility Charges or Customer Facility Charges on vehicle rentals, or with the funds (not to exceed \$5 Million) contained in the Airport's Capital Projects Reserve Fund into which not more than \$1 Million may be set aside in any given Fiscal Year. Said adjustments to Rentals pursuant to this Article shall apply without the necessity of formal amendment of this Agreement. A statement showing the calculation of the new rates for Rentals as shown in Exhibit F shall be prepared by CITY and transmitted to AIRLINE. Said statement shall then be deemed part of this Agreement and effective on the first (1st) day of July of each Fiscal Year to which they apply.

Section 6.02. Records of Airport Cost Centers

CITY shall maintain accounting records that will reflect the following items for each of the Airport Cost Centers: (1) annual revenues; (2) maintenance and operating expenses (including administrative expenses) of the Airport; and (3) all other expenses of Airport. CITY shall further maintain records evidencing the allocation of capital funds obtained from the proceeds of Bonds or other capital fund sources to each Airport Cost Center. Included in the allocation to each Airport Cost Center shall be its proportionate share of the expenses of Bond issuance, capitalized interest and the funding of special funds, determined with reference to the allocation of costs funded through Bonds or other capital fund sources.

AIRLINE may audit the above records on an annual basis during usual business hours and without cost or expense to CITY.

Section 6.03. Reports by CITY and AIRLINE

A. On or before March 1 of each year, the Signatory Airlines (including AIRLINE) shall submit to CITY, in writing, their Maximum Gross Certificated Landing Weight forecast, inclusive of the forecast for its Affiliated Airlines, for the succeeding Fiscal Year.

B. Not later than June 1st of each year, CITY shall prepare and submit to AIRLINE the following reports:

1. CITY's proposed Annual Budget for the succeeding Fiscal Year, together with any necessary adjustments thereto for each such Fiscal Year, reflecting all estimated Airport operating expenses, administrative expenses and all proposed outlays for Capital Improvements for the Airport for the succeeding Fiscal Year. The proposed Annual Budget shall include a statement of estimated Airport Operating Revenues.

2. A schedule of principal and interest payments required to be made during the succeeding Fiscal Year plus the required debt service coverage ratio.

3. A preliminary calculation of the Rentals to be paid by Airline for the succeeding Fiscal Year.

4. Required deposits to bond funds.

C. Before the beginning of the Fiscal Year, CITY shall adopt an Annual Budget. Such Annual Budget and Rentals shall take into account CITY's discussions with

AIRLINE. CITY shall give consideration to any suggestions, comments, or requests of the Signatory Airlines, but shall retain the right to make all final decisions with respect to the Annual Budget.

Section 6.04. Calculation of Rates

In establishing rental rates, CITY shall:

A. For Fiscal Year 2017 the Terminal Complex rental rate per square foot of Gross Terminal Rentable shall be sixty two (\$62.00) dollars per square foot . AIRLINE shall only be responsible for its share of the cost of the Joint-Use Premises as set forth in Section 5.01C.

B. The rate specified in Section A. hereof shall be subject to annual adjustment thereafter in the manner specified in Article 6 hereof.

C. Subject to the following provision, it is agreed that the Landing Fee Rate applicable for Fiscal Year 2017 shall be \$2.39 per thousand pounds of landed weight.

D. The Landing Fees for exclusively cargo operations at the Airport shall not be assessed the apron portion of the landing fee as the apron cost is included in the facility rent. Thus, exclusive cargo operators will be assessed \$2.04 per thousand pounds for the 2017 Fiscal Year, but subject to annual adjustment thereafter in the same percentage as any increase in the Landing Fees for Signatory Airlines.

Section 6.05 No Other Fees and Charges

Except as provided in this Agreement, no further rentals, fees, licenses, excise or operating taxes, tolls or charges shall be charged against or collected from AIRLINE, its passengers, shippers and receivers of freight and express; its suppliers of material, contractors, or furnishers of services, by CITY for the premises, facilities, rights,

licenses and privileges granted to AIRLINE in this Agreement; provided, however, that the foregoing shall not be construed to prohibit CITY from imposing and collecting charges and fees (a) for the use of specified equipment or facilities at the Airport to recover the cost of such equipment or facilities, (b) for the use of the public parking areas at the Airport, (c) from operators of ground transportation to, or from and on the Airport, (d) from any concessionaire at the Airport in accordance with the terms of a contract with the CITY for the operations of such Concession, and (e) from any person, other than an airline conducting of an Air Transportation business, for access to the Airport for the conduct of its business; and provided further, that the CITY reserves the right to impose and use a Passenger Facility Charge as provided for in Section 5.11.

6.06 True-Up

Within one hundred twenty (120) days following the close of each Fiscal Year, or as soon thereafter as audited financial data for said Fiscal Year is available, Terminal Rentals for the preceding Fiscal Year shall be recalculated using audited financial data and the methods set forth in Exhibit F hereof. So long as at least a 1.5x debt service coverage ratio referenced in Exhibit F is maintained, and the Airport has 200 days of cash for Operating Expenses on hand, the City shall, upon the determination of any difference(s) between the actual Terminal Rentals paid by AIRLINE during the preceding Fiscal Year and the Terminal Rentals that should have been paid, in the event of overpayment, promptly credit to Airline the full amount of such overpayment. If the City has less than 200 days of cash on hand, City shall remit fifty (50%) percent of such overpayment to such Airline. In the event of underpayment, City shall invoice Airline for the amount of such underpayment.

ARTICLE 7
BOND RESOLUTION

CITY shall not adopt any Bond Resolution or subsequently amend a Bond Resolution so as to require a change in the method of calculation of Rentals payable hereunder or so as to have a materially adverse effect on the rights of AIRLINE hereunder. If CITY adopts a Bond Resolution or a subsequent amendment to a Bond Resolution, either of which materially affects the method of calculation of AIRLINE Rentals or materially affects the rights of AIRLINE hereunder, AIRLINE may, in writing, cancel this Agreement within thirty (30) days after the adoption date of the Bond Resolution or amendment thereto by the CITY. Prior to the adoption or amendment of any Bond Resolution, CITY shall consult with the Signatory Airlines to discuss the same.

ARTICLE 8

MAINTENANCE AND OPERATION OF AIRPORT

Section 8.01. General

A. CITY agrees that it will with reasonable diligence prudently develop, improve, and at all times maintain and operate the Airport with adequate, efficient, and qualified personnel and keep Airport in good repair including, without limitation, the Terminal Complex, Apron Area and Taxiway area, runways and all appurtenances, facilities, and services now or hereafter connected therewith as the same relate to AIRLINE's Air Transportation business; will keep Airport and its aerial approaches free from obstruction and interference for the safe and proper use thereof by AIRLINE in accordance with FAA standards and will develop, maintain and operate Airport in all respects in a manner at least equal to the standards or rating established by the FAA

and any other governmental agency having jurisdiction thereof, except for conditions beyond the control of CITY.

B. Responsibility for maintenance, cleaning, and operation of Terminal Complex and apron facilities (out to fifty (50) feet from the Terminal Complex) shall be as set forth in Exhibit "G" and as set forth in Section 8.02 below.

Section 8.02. Terminal Complex

A. CITY shall operate and maintain and keep in good condition and repair the Terminal Complex and all additions, improvements, utilities, facilities, and equipment now or hereafter provided by CITY at or in connection with the Terminal Complex except any improvements, facilities, and equipment constructed or installed by AIRLINE. CITY shall keep the Terminal Complex except AIRLINE's Exclusive Use Premises and Preferential Use Premises, in a neat, orderly, sanitary, and presentable condition.

B. In accordance with Exhibit "G" CITY and AIRLINE shall at all times maintain and keep in good condition and repair the Public Areas, Joint Use Premises, Exclusive Use Premises and Preferential Use Premises of the Terminal Complex so as to provide for reasonably unobstructed use thereof by passengers and invitees, and shall keep such area adequately supplied, equipped (including directional signs), furnished, and decorated. City shall maintain the Flight Information Display Boards in conjunction with the airlines, and mis-information on these boards will be promptly reported to the Office of the Director of Aviation when noticed by AIRLINE.

C. CITY shall supply or cause to be supplied (i) appropriate and adequate equipment and maintenance for air conditioning, ventilation, heat, water, and sewerage

facilities for the Terminal Complex Public Use Areas ; (ii) adequate illumination in public use areas and Joint Use Premises; and (iii) janitorial service in Terminal Complex Public Areas.

D. AIRLINE shall make no material changes of any nature or character in or additions to its Exclusive Use Premises or Preferential Use Premises within the Terminal Complex without advance written approval of CITY, which approval will not be unreasonably withheld. AIRLINE shall submit for approval by CITY its plans and specifications for any proposed project as well as complying with such other conditions considered by CITY to be necessary.

In the event that AIRLINE makes further improvements or alterations to its Exclusive Use Premises or Preferential Use Premises within the Terminal Complex, the use thereof shall be enjoyed by AIRLINE during the term hereof without additional rental therefore, except for any increase in maintenance and operating expense resulting from such improvement or alteration, which shall be the responsibility of AIRLINE. Such additions, alterations or improvements except Personal Property shall become the property of CITY upon the completion of the construction.

E. AIRLINE is responsible for maintaining electric loads within the designed capacity of the system. Prior to any change desired by AIRLINE in the electrical loading which would exceed such capacity, written consent shall be obtained from the Director of Aviation. Any electrical needs connected to the Airport's generator system shall be at the sole responsibility of the AIRLINE, with the understanding of the benefit to passengers if all AIRLINE equipment necessary for continued operations is connected to generators in case of power outages.

F. CITY shall provide and maintain hand fire extinguishers for the interior of all Exclusive Use and Preferential Use Premises that airlines occupy in accordance with applicable safety codes, and shall bill airlines for the expense of such provision and maintenance.

G. AIRLINE shall repair, at its expense, or at AIRLINE's option reimburse CITY for the cost of repairing, replacing, or rebuilding any damage to Terminal Complex Premises or other portions of the Terminal Complex caused by the negligent or willful acts or omissions of AIRLINE or its officers, employees or agents. In the event that replacement is required due to lack of maintenance and/or cleaning required hereunder by AIRLINE, AIRLINE shall be responsible for said replacement. Any repairs or replacements made by AIRLINE shall be subject to inspection and approval by CITY. See Exhibit G for a list of facilities that are AIRLINE's responsibility.

H. Subject to City's obligations hereunder, AIRLINE shall repair, at its expense, or at AIRLINE's option reimburse CITY for the cost of repairing, replacing, or rebuilding any damages to its Exclusive Use Premises or Preferential Use Premises that are not specifically caused by the acts or omissions of CITY or its officers, employees or agents; provided, however, that AIRLINE shall have the right to bring a claim against any third party, including any tenant or vendor at the AIRPORT, that caused any such damage. Any repairs made by AIRLINE shall be subject to inspection and approval by City.

I. AIRLINE shall maintain in good condition and repair any and all seating located in AIRLINE's Exclusive Use or Preferential Use Premises and owned and utilized at the AIRPORT regardless of whether said seating is utilized in common with

other users or intended for the sole use of AIRLINE. Notwithstanding the foregoing, seating in common use hold rooms shall be the responsibility of CITY.

J. AIRLINE shall repair, at its expense, or at AIRLINE's option reimburse CITY for the cost of repairing, replacing, or rebuilding any damage to overhead or access doors caused by the acts or omissions of AIRLINE or its officers, employees or agents.

K. AIRLINE is responsible for distribution and fixtures as relates to blockages caused by AIRLINE or its officers, employees or agents and AIRLINE shall repair, at its expense, or at AIRLINE's option reimburse CITY for the cost of repairing, replacing, or rebuilding any damage resulting from said blockage.

L. AIRLINE shall maintain in a neat, clean, and orderly manner and keep in good condition and repair all loading bridges assigned to AIRLINE by the CITY for operation or owned by AIRLINE, and shall indemnify CITY pursuant to Section 11.03 against any claims based upon a failure of Airline to provide safe passageway. AIRLINE's responsibilities hereunder shall include but not be limited to providing janitorial services and reporting any existing problems in a prompt manner to the City.

Section 8.03. Maintenance of the Apron Area

A. AIRLINE shall remove to the extent reasonably practicable all accumulations of oil and grease caused by AIRLINE's aircraft while operating on the Terminal Complex Apron Area.

B. AIRLINE shall maintain in a neat, clean and orderly manner the portions of the Terminal Complex and Apron Area occupied by AIRLINE's apron service equipment. Storing of boxes, cartons, barrels, pallets, debris, disabled or idle equipment or similar items on or about the Leased Premises, shall not be permitted.

C. AIRLINE shall paint aircraft apron and parking positions as approved by CITY in writing to guide AIRLINE's ground equipment, aircraft, and passengers if desired, by AIRLINE, or required for proper positioning of the aircraft within designated parking positions. The foregoing provisions do not, however, prevent CITY from painting such markings as it shall deem necessary for aircraft operations upon prior notification to AIRLINE. .

D. CITY agrees to maintain the Airfield Area and the Apron Area in good condition and repair. Such obligation shall include snow removal from runways, taxiways and Apron Area; provided, however, that the extent of such obligation as to snow removal from the Apron Area shall be limited to general snow removal required for the operation of aircraft and ground equipment, and shall be limited to the area beginning fifty (50) feet out from any building. To the extent possible, and to the extent that such snow removal is required for the operation of aircraft and ground equipment, CITY agrees to assist AIRLINE with snow removal in the area within fifty (50) feet from any building; provided, however, that CITY shall not be liable for any failure to do so. AIRLINE shall provide safe passageway for its passengers, employees and crew from the aircraft to the Terminal Complex Premises, including but not limited to the removal of snow, and shall indemnify CITY pursuant to Section 11.03 against any claims based upon a failure to provide safe passageway. CITY shall, during the term hereof, operate and maintain the Airport in all respects in a manner and in accordance with such recommended standards for airports of similar size and character as may be issued by the FAA.

E. AIRLINE shall pick up and place all its trash and debris in sealed bags; and shall move such debris to an enclosed trash room to be provided by CITY. AIRLINE shall comply with CITY's recycling ordinance and regulations.

F. If AIRLINE fails to perform its obligations under this Article 8, CITY may do so after reasonable notice, not less than fifteen (15) days, and recover from AIRLINE its entire cost plus a fifteen (15%) percent administrative charge.

Section 8.04. Ownership of Improvements

Upon completion of or installation of any permanent addition or leasehold improvement, excluding Personal Property as defined in Article 1, on the Leased Premises, such permanent addition or leasehold improvement shall immediately become the property of CITY, as owner, subject only to the right of AIRLINE to use same during the term of this Agreement and shall remain the property of CITY thereafter with the sole right, title and interest thereto unless otherwise specified in CITY's approval of the improvement.

Section 8.05. Liens

AIRLINE shall cause to be removed promptly any and all liens of any nature arising out of or because of any construction performed by AIRLINE or any of its contractors or subcontractors upon the Leased Premises or arising out of or because of the performance of any work or labor by or for it or them at the Airport, reserving the right to contest in court the validity of any such liens. AIRLINE shall have the right to post an appropriate bond to cover its obligations pursuant to this section.

In the event any person or corporation shall attempt to assert a mechanic's lien against the Leased Premises for improvements made by AIRLINE, AIRLINE shall hold CITY harmless from such claims, including the cost of defense.

Section 8.06. Reserved for future use.

Section 8.07. Payment of Utility Charges

AIRLINE shall pay promptly for all utilities and utility services used by AIRLINE at or in AIRLINE's Leased Premises in excess of those utility services specifically provided by CITY.

Section 8.08. Vending Machines

Subject to the provisions of Section 2.02D, AIRLINE shall assure that no amusement vending or self-ticketing machines, public pay phones or other machines operated by coins, tokens or credit cards are installed or maintained in or at AIRLINE's Leased Premises except with the prior written permission of CITY, which permission shall not be unreasonably withheld.

Section 8.09. Public Address System

AIRLINE agrees that the use of CITY's public address system will be in accordance with CITY's written public address system policy. AIRLINE shall not install, cause to be installed, or use any other public address system at the Terminal Complex or Apron Area without the prior written approval of CITY.

Section 8.10. Employees of AIRLINE

AIRLINE shall require all of its officers, agents, employees, subcontractors, or independent contractors hired by AIRLINE working in view of the public and about the Terminal Complex to conduct themselves in an orderly and professional manner, to

wear clean and neat attire and to display appropriate identification. AIRLINE shall require all of its officers, agents, and employees to use designated employee parking only.

Section 8.11. Civil Rights

AIRLINE assures that it will undertake an Affirmative Action Program as required by Title 14, Code of Federal Regulations, Federal Aviation Administration, Part 152, Subpart E, to ensure that no person shall, on the grounds of race, creed, color, national origin, sex or sexual orientation, be excluded from participating in any employment activities in 14 CFR, Part 152, Subpart E. AIRLINE shall assure that no person shall be excluded on these grounds from participating in, or receiving the services, or benefits, of any program or activity covered by this Subpart.

AIRLINE assures that it will require that covered organizations contracted with by AIRLINE provide assurance to AIRLINE that they will undertake Affirmative Action Programs, and that they will require assurance from their sub-organization, as required by 14 CFR, Part 152, Subpart E, to the same effect.

In the event of AIRLINE's breach of any of the foregoing covenants, CITY shall have the right to terminate this Agreement after service of written notice upon AIRLINE in accordance with Section 13.01 (10); and to re-enter and repossess said land and the facilities thereon, and hold the same as if said Agreement had never been made or issued.

Section 8.12. Nondiscrimination

AIRLINE for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a

covenant running with the land that (1) no person, on the ground of race, color, sex, sexual orientation or national origin, shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, sex, sexual orientation or national origin, shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) AIRLINE shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended.

In event of Airline's breach of any of the above nondiscrimination covenants, CITY shall have the right to terminate this Agreement after service of written notice upon AIRLINE in accordance with Section 13.01 (10), and to re-enter and repossess said land and facilities thereon, and hold the same as if said Agreement had never been made or issued.

Section 8.13. Rules and Regulations

A. AIRLINE shall not use or permit the use of any Airport facilities for any purpose or use other than those specifically authorized by this Agreement, and such other purposes or uses as may be mutually agreed upon in writing.

B. AIRLINE shall comply with and shall require its officers, agents and employees and any other persons over whom it has control to comply with the Rules

and Regulations of the City, provided, however, that if there are any inconsistencies between this Agreement and such reasonable rules and regulations adopted by the City, the former shall not materially affect the provision of this Lease and Airline shall have reasonable notice to review and comment on any such change or adoptions prior to promulgation.

C. AIRLINE's right of access to the Airport shall be subject to all federal, state and local laws or regulations and all Airport rules, regulations, and ordinances, now in effect, or hereinafter adopted or promulgated.

D. AIRLINE shall, at all times, maintain its Leased Premises in compliance with any and all present and future laws, ordinances, and general rules or regulations of any public or governmental authority now or at any time during the term of this Agreement in force relating to the environment, sanitation, or public health, safety or welfare.

E. Nothing herein contained shall be construed to prevent AIRLINE from contesting the validity or applicability of any federal, state or local law, regulation, or ordinance now in effect or hereinafter adopted or promulgated and AIRLINE shall not be deemed to be in default of any requirement of this Agreement so long as such contest is diligently prosecuted in an appropriate forum by AIRLINE or any other party to a similar agreement having interests consistent with those of AIRLINE, or until 30 days following the entry of a final judgment contrary to AIRLINE's position. However, should AIRLINE contest the validity or applicability of any tax or fee, the payment of which might constitute a lien on the Airport facilities, CITY may require the posting of a bond or placing in escrow of the amount of such tax or fee pending the outcome of such contest in order to avoid the imposition of such lien.

Section 8.14. Removal of Disabled Aircraft

AIRLINE shall promptly remove any of its disabled aircraft from any part of the Airport (including, without limitation, runways, taxiways, aprons, and gate positions) and place any such disabled aircraft in such storage areas as may be designated by CITY. (or at AIRLINE's discretion, in an off-Airport location).,AIRLINE may store such disabled aircraft only for such length of time and on such terms and conditions as may be established by CITY. If AIRLINE fails to remove any of its disabled aircraft promptly CITY, following reasonable notice to AIRLINE and reasonable opportunity to remove, may, but shall not be obligated to, cause the removal of such disabled aircraft, provided, however, the obligation to remove or store such disabled aircraft shall not be inconsistent with federal laws and regulations, shall be performed in a reasonable manner by CITY, and AIRLINE agrees to reimburse CITY for all costs of such removal plus a fifteen (15%) percent administrative charge, and AIRLINE further hereby releases CITY from any and all claims for damage to the disabled aircraft or otherwise arising from or in any way connected with such removal by CITY, except to the extent damage is caused by the gross negligence or willful misconduct of CITY.

Section 8.15. License Fees and Permits

AIRLINE shall obtain and pay for all licenses, permits, fees or other authorization or charges as required under federal, state or local laws and regulations insofar as they are necessary to comply with the requirements of this Agreement and the privileges extended hereunder.

ARTICLE 9
OBLIGATIONS OF CITY

Section 9.01. Operation as a Public Airport

CITY covenants and agrees that at all times it will operate and maintain the Airport as a public airport in a prudent manner and consistent with and pursuant to the sponsor's assurances given by CITY to the United States government under the Federal Airport Act and consistent with the terms and conditions of this Agreement.

Section 9.02. Access to Terminal Complex Premises

Upon payment of the rent hereunder and the faithful performance of the covenants of this Agreement, AIRLINE and its officers, employees, passengers, prospective passengers and other persons or firms doing business with it shall have the unobstructed right of ingress to and egress from the Terminal Complex Premises by means of a lobby, passageway or other public area or areas designated by CITY for that purpose and connecting the Terminal Complex with a vehicular roadway and walkways adjacent to such Terminal Complex (and provided and maintained by CITY and connecting with a public street or other public highway outside the Airport), and with the Apron Area adjacent to said building, all of which are more specifically defined in Exhibit A annexed hereto.

The use of the means of access specified shall be in common with such other persons as CITY may authorize or permit, and shall be subject to and in accordance with all applicable local laws and ordinances and such weight and use restrictions, rules, regulations and ordinances as may be adopted by CITY for the regulation and control of the users thereof.

The access provided for above shall not be used, enjoyed or extended to any person or company engaging in any activity or performing any act or furnishing any service for or on behalf of AIRLINE that AIRLINE is not authorized to engage in, perform or receive under the provisions of this Agreement and applicable laws.

Section 9.03. Use of Other Public Areas

The officers, employees, passengers and prospective passengers of AIRLINE and other persons doing business with it shall have the right to use any space, facilities and conveniences provided by CITY at the Airport for use by aircraft passengers and other persons (including waiting rooms, lobbies, hallways corridors, restaurants, observation galleries, toilets, streets and highways, and vehicular parking areas, in each case, however, only in common with others authorized by CITY to do so, and only at the times, to the extent, in the manner and for the purposes for which they are made available for such use, and only upon compliance with the terms and conditions upon which they are made available for such use, and only in conformity with the Rules and Regulations prescribed by CITY with respect to the use thereof. Notwithstanding the foregoing, AIRLINE shall require its officers, agents and employees to utilize employee parking areas only.

Section 9.04. Prudent Operator

CITY agrees to operate the Airport in a prudent manner to maximize revenues consistent with its statutory obligations set forth in Section 511 (a) (12) of the Airport and Airway Improvement Act of 1982, 49 U.S.C. Sections 2210 (a) (12) (1982).

ARTICLE 10
CITY'S RESERVATIONS

Section 10.01. Improvement, Relocation or Removal of Structures

CITY, at its sole discretion, but subject to any Majority in Interest approval rights, reserves the right to further develop or improve the aircraft operating area and other portions of the Airport, including the right to remove or relocate any structure on the Airport, as it sees fit, and to take any action it considers necessary to protect the aerial approaches of the Airport against obstructions, together with the right to prevent AIRLINE from erecting or permitting to be erected, any structures on the Airport which, in the sole opinion of CITY, would limit the usefulness of the Airport or constitute a hazard to aircraft.

Section 10.02. Right to Enter and Make Repairs

CITY and its authorized officers, employees, agents, contractors, subcontractors and other representatives shall have the right (at such times as may be reasonable under the circumstances and with as little interruption to AIRLINE's operations as is reasonably practicable) to enter upon AIRLINE's Leased Premises for the following purposes:

A. To inspect such premises at reasonable intervals during regular business hours with at least 24 hours written or electronic notice, except in the case of emergency which doesn't require any notice, determine whether AIRLINE has complied and is complying with the terms and conditions of this Agreement with respect to such premises.

B. To perform maintenance and make repairs and replacements in any case where AIRLINE is obligated so to do and has failed after written notice to do so, and a

period of at thirty (30) days, in which event AIRLINE shall reimburse CITY for the cost thereof promptly in accordance with Section 5.07.

C. To perform maintenance and make repairs and replacements in any case where CITY is obligated so to do; and in any other case where CITY, in its reasonable judgment, and in consultation with Airline, determines that it is necessary or desirable so to do in order to preserve the structural safety of such Leased Premises or of the building in which they are located or to correct any condition likely to cause injuries or damages to persons or property.

D. In the exercise of CITY's police power.

E. No such entry by or on behalf of CITY upon the Leased Premises shall cause or constitute a termination of the letting thereof or be deemed to constitute an interference with the possession thereof by AIRLINE; and no such entry upon any premises used by AIRLINE shall constitute an interference with AIRLINE's ability to operate from its Leased Premises.

Section 10.03. Airport Access License/Permit

CITY reserves the right to establish a licensing or permit procedure for vehicles and individuals, including but not limited to employees or suppliers of AIRLINE, requiring access to the Airport operational areas, which procedure may include, but not be limited to, background and fingerprint checks. CITY further reserves the right to levy directly against AIRLINE or its suppliers a reasonable regulatory or administrative charge for processing and issuance of such Airport access license or permit.

Section 10.04. Subordination to U.S. Government

This Agreement shall be subordinate to the provisions of any existing or future agreement(s) between CITY and the United States, relative to the operation and maintenance of the Airport, the terms and execution of which have been or may be required as a condition precedent to the expenditure or reimbursement to CITY for Federal funds for the development of the Airport.

Section 10.05. War or National Emergency

During time of war or national emergency, CITY shall have the right to lease the Airport or any part thereof to the United States Government for military use, and if any such lease is executed, the provisions of this Agreement insofar as they are inconsistent with the lease to the Government shall be suspended, and in that event, a just and proportionate part of the rent hereunder shall be abated.

Section 10.06. Airline Employee Parking

CITY may designate areas from time to time to be used for parking motor vehicles by AIRLINE's employees while working at the Airport. AIRLINE shall require its employees to utilize such areas once designated by the CITY. CITY shall have the right to charge a reasonable fee for such privilege; provided, however, such fee shall be consistent with fees charged other employees of tenants at the Airport.

Section 10.07. Energy Conservation

AIRLINE shall comply with CITY Rules and Regulations pertaining to energy conservation and management to the extent that such Rules and Regulations do not infringe on the rights and privileges granted herein.

Section 10.08. Revenue Generating Devices

CITY may, at its sole option, install or cause to be installed advertising and revenue generating devices, including but not limited to vending machines, in Joint Use Premises; provided, however, that such installations shall not unreasonably interfere with AIRLINE's operations authorized hereunder or substantially diminish the square footage contained in Airline Premises. CITY may also, at its sole option, install pay telephones in any part of the Terminal. CITY shall be entitled to reasonable access upon Airline Premises to install or service such telephones and devices upon advance consultation with Airline.

ARTICLE 11
DAMAGE OR DESTRUCTION, INSURANCE AND INDEMNIFICATION

Section 11.01. Destruction of Terminal Complex

If, by reason of any cause, the Terminal Complex is damaged to such an extent that Terminal Complex Premises leased to AIRLINE are un-tenantable in whole, or in substantial part (more than fifty percent), then:

A. If the repairs and rebuilding necessary to restore the Terminal Complex to its condition prior to the occurrence of the damage can, in the reasonable judgment of CITY, be completed within ninety (90) days from the date on which the damage occurred, CITY shall so notify AIRLINE, in writing, and shall proceed promptly with such repairs and rebuilding, and in such event, the rental for the Terminal Complex Premises for which provision is made in Article 5 hereof shall be abated pro rata for the period from the date of the occurrence of such damage to the date upon which such repairs and rebuilding are completed.

B. If such repairs and rebuilding cannot, in the reasonable judgment of CITY be completed within said ninety (90) days, CITY, at its option, to be evidenced by notice in writing to AIRLINE, may either: (1) proceed promptly with said repairs and rebuilding, in which event the said rental shall be abated as aforesaid, or (2) terminate the letting of Terminal Complex Premises, in which event the said rent therefore for which provision is made in Article 5 hereof shall be abated from and after the date of the occurrence of the damage.

C. CITY shall use its best efforts to provide AIRLINE with alternative space of reasonable and similar size and functionality, if necessary, during any repairs, rebuilding, or reconstruction of the Terminal Complex. CITY shall advise AIRLINE as soon as may be practicable regarding CITY's intention with respect to any necessary repairs or restorations.

Section 11.02. Insurance

A. AIRLINE shall, at its sole cost and expense, keep all of its operations at or on the Airport and its obligations to indemnify CITY pursuant to Section 11.03 continuously insured in accordance with this Agreement. The minimum amounts and types of insurance coverage required hereunder shall in no event be construed to limit or modify AIRLINE's obligation to indemnify CITY as set forth in Section 11.03.

B. All insurance shall be in a form and with an insurance company or companies that is reasonably acceptable to CITY. Said insurance shall be in occurrence form, not claims made. Each liability insurance policy shall include severability of interest language, specifying that coverage afforded thereunder applies separately to each

insured thereunder. All AIRLINE insurance policies shall name the Airport and CITY as additional insureds.

All such policies shall provide that such policy may not be materially changed in a manner that is adverse to City, adversely materially altered, or cancelled by the insurer during its term without first giving at least thirty (30) days written notice to CITY.

Immediately upon execution of this Agreement, AIRLINE shall furnish CITY with evidence of all insurance policies specified in this Section 11.02. On or before the expiration of any then-current policy of insurance, AIRLINE shall deliver to CITY evidence showing that such insurance coverage has been renewed. Within twenty (20) days after the date of written notice from the insurer of cancellation or reduction in coverage, AIRLINE shall deliver to CITY evidence showing reinstatement or other provision for the required insurance. All such evidence shall be in the form of certificates of insurance satisfactory to CITY, evidencing coverage as required by this Section 11.02. AIRLINE shall be responsible for any additional cost to CITY resulting from or arising out of AIRLINE's failure to obtain and maintain the insurance required by this Section 11.02.

C. AIRLINE shall carry and maintain aviation liability insurance in respect to all aircraft owned, leased or operated by AIRLINE or AIRLINE's Affiliates for bodily injury or death and property damage liability in a combined single limit amount of not less than two hundred million dollars (\$200,000,000) per occurrence and shall include aircraft liability, airport liability, passenger liability and baggage and cargo liability. Provided, however, if AIRLINE operates at the Airport only as a Regional/Commuter Air Carrier, AIRLINE shall maintain aircraft liability insurance in a combined single limit amount of

not less than one hundred million dollars (\$100,000,000) per occurrence. A twenty five million (\$25,000,000) dollar per occurrence sub-limit for personal injury, bodily injury (including death) and property damage liability shall cover: premises-operation, medical payments, contractual liability, liability of independent contractors, personal injury, and fire legal liability. If AIRLINE operates a club or "VIP" room serving alcoholic beverages, liquor liability insurance must be provided.

D. AIRLINE shall carry and maintain comprehensive automobile liability insurance for all owned, hired, and non-owned vehicles against death, bodily injury, and property damage claims, in a combined single limit amount of not less than ten million dollars (\$10,000,000) for operations on the AOA of the Airport. .

E. AIRLINE shall carry and maintains workers' compensation and employers' liability insurance in accordance with the laws of the State of Vermont with an All States Endorsement and one million dollars (\$1,000,000) in Employer's Liability coverage.

F. If at any time AIRLINE shall fail to obtain or maintain in force the insurance required herein, CITY may notify AIRLINE of its intention to purchase such insurance for AIRLINE's account, and, if AIRLINE has not delivered evidence of insurance to CITY before the date on which the current insurance expires, CITY may but is not obligated to effect such insurance by taking out policies in companies satisfactory to CITY, such insurance to be in amounts no greater than those stipulated herein or as may be in effect from time to time. The amount of the premiums paid for such insurance by CITY shall be payable by AIRLINE upon receipt of CITY's billing therefor, with interest at the rate of 18% per year commencing thirty (30) days following the date of the City's billing therefore.

The aforesaid amounts and types of insurance shall be reviewed from time to time by CITY and adjusted if CITY reasonably, and in good faith, determines such adjustments are necessary to protect City's interest.

G. If any claim for damages is filed with AIRLINE or if any lawsuit is instituted against AIRLINE, AIRLINE shall give prompt and timely notice thereof to CITY, provided that claims and lawsuits subject to such notice are only those that arise out of or are in any way connected with AIRLINE's use of the Leased Premises or AIRLINE's operations or activities in regard to the Airport and that in any way affect or might reasonably affect CITY.

Section 11.03. Indemnification

AIRLINE agrees fully to indemnify, defend, save and hold harmless CITY from and against all claims and actions (and all reasonable expenses incidental to the investigation and defense thereof including reasonable attorney fees) based on or arising out of death or injury to person or persons or damages to property caused by, or arising out of negligence or willful misconduct in the use, occupancy, activities or operations by AIRLINE at or on the Airport or Airport facilities; provided that AIRLINE shall not be liable for any injuries, death, damages, or loss to the extent that such injury, death, damage, or loss to the extent that the same is caused by the fault or negligence of CITY, its agents or employees; and provided further that CITY shall give to AIRLINE prompt and reasonable notice of any such claims or actions.

Section 11.04. Non-liability of Agents and Employees

No board member, director, officer, agent or employee of either party shall be charged personally or held contractually liable by or to the other party under any term or

provision of this Agreement or because of any breach thereof or because of its or their execution or attempted execution of this Agreement.

ARTICLE 12 TERMINATION BY AIRLINE

AIRLINE, at its option, may declare this Agreement and Lease terminated in its entirety at any time AIRLINE is not in default in the payment of Rentals to CITY and in the performance of its other obligations hereunder by giving CITY thirty (30) days advance written notice to be served as hereinafter provided and by surrender of the Leased Premises upon the happening of any one or more of the following events:

1. If Terminal Complex Premises leased to AIRLINE become untenable in whole and CITY does not terminate the letting thereof, pursuant to the option reserved to it in this Agreement, or does not proceed as promptly as reasonably practicable with the repairs and rebuilding necessary to restore the Terminal Complex Premises to its condition prior to the occurrence of the damage.

2. If CITY fails to provide and maintain means for unobstructed ingress and egress to and from the Terminal Complex Premises in accordance with the provisions of this Agreement.

3. If CITY shall close the Airport to aircraft operations in general, or to the flights of AIRLINE for reasons other than weather, acts of God or other reasons beyond CITY's control and fails to reopen Airport to such operation or flights for a period in excess of thirty (30) days.

4. If CITY fails to comply with any of the terms or provisions of this Agreement or fails to promptly fulfill any of its obligations under the Agreement.

5. No termination declared by AIRLINE shall be effective unless and until not less than thirty (30) days have elapsed after written notice to CITY specifying the date upon which such termination shall take effect and the cause for which it is being terminated. CITY may cure the cause of such termination within said thirty (30) day period, or such longer time as the parties may agree.

6. AIRLINE's right of termination hereunder shall be in addition to any other rights provided herein or by operation of law. Failure of AIRLINE to declare this Agreement terminated upon default of CITY for any of the reasons set out shall not operate to bar, destroy or waive the right of AIRLINE to cancel this Agreement by reason of any subsequent violation of the terms hereof.

ARTICLE 13 TERMINATION BY CITY

Section 13.01. Termination of Agreement

CITY, at its option, may declare this Agreement terminated in its entirety upon the happening of any one or more of the following events, and may exercise all rights of entry and re-entry upon Leased Premises:

1. If the Rentals or other money payments which AIRLINE herein agrees to pay, or any part hereof, shall be unpaid on the date the same shall become due.

2. If AIRLINE shall file a voluntary petition in bankruptcy, or make a general assignment for the benefit of creditors, or if AIRLINE is adjudicated a bankrupt.

3. The taking of jurisdiction by a court of competent jurisdiction of AIRLINE or its assets pursuant to proceedings brought under the provisions of any Federal reorganization act.

4. The appointment of a receiver or a trustee of AIRLINE's assets by a court of competent jurisdiction or a voluntary agreement with AIRLINE's creditors which is not voided within ninety (90) days.

5. If an act occurs which operates to deprive AIRLINE permanently of the rights, power and privileges necessary for the proper conduct and operation of its business.

6. If AIRLINE abandons and fails to use its Leased Premises for a period of sixty (60) days at any one time, except when such abandonment and cessation is due to fire, earthquake, strike, governmental action, default of CITY or other cause beyond AIRLINE's control.

7. If AIRLINE shall use or permit the use of its Leased Premises at any time for any purpose which at that time is not authorized by this Agreement, or by a subsequent written agreement between the parties, or shall permit the use thereof in violation of any law, rule or regulation to which AIRLINE has agreed in this Agreement to conform.

8. If AIRLINE discontinues air service to Airport as a consequence of AIRLINE's filing a bankruptcy petition, voluntary or involuntary seeking a reorganization or readjustment of its indebtedness under the Federal bankruptcy laws or under any other statute of the United States or any state thereof or being adjudged bankrupt, AIRLINE shall be deemed to have forfeited its leasehold space.

9. If AIRLINE shall be in violation of any of the terms or provision of this Agreement or fails to promptly fulfill any of its obligations under the Agreement.

10. No termination declared by CITY shall be effective unless and until not less than thirty (30) days have elapsed after written notice to AIRLINE specifying the date upon which such termination shall take effect and the cause for which it is being

terminated. AIRLINE may cure the cause of such termination within said thirty (30) day period, or such longer time as may be reasonably necessary to effect a cure provided that AIRLINE has commenced a cure during said thirty (30) day period and is diligently pursuing the same..

Section 13.02. Possession by CITY

In any of the aforesaid events, (after the expiration of the cure period), CITY may take possession of the Leased Premises upon fifteen (15) days' notice after the time specified in Section 13.01 (10) and remove AIRLINE's effects, without being deemed guilty of trespassing. In any such event AIRLINE shall pay at the same time as the Rentals hereunder become payable a sum equivalent to the Rentals deemed payable by AIRLINE as if a default had never occurred. In the event said Rentals cannot be determined with certainty, the estimates of CITY shall be used. CITY may re-let the Leased Premises for the account of AIRLINE at terms deemed to be in CITY's best interest, without discharging AIRLINE from any liability, applying any money collected first to the expense of resuming or obtaining possession, second to restoring the Leased Premises to a rentable condition, and then to the payment of Rentals due and accruing to CITY, any deficiency to be paid by AIRLINE. Upon said default, all rights of AIRLINE shall be forfeited, provided, however, CITY shall have and reserve all of its available remedies at law as a result of said breach of this Agreement.

Failure of CITY to declare this Agreement terminated upon default of AIRLINE for any of the reasons set out shall not operate to bar, destroy or waive the right of a CITY to terminate this Agreement by reason of any subsequent violation of the terms hereof.

ARTICLE 14
RIGHTS UPON TERMINATION OR REASSIGNMENT OF LEASED PREMISES

Section 14.01. Fixed Improvements

Except as otherwise provide herein, all leasehold improvements and any alterations thereto other than Personal Property shall be and remain the property of CITY during the entire term of this Agreement and thereafter without compensation to AIRLINE.

Section 14.02. Personal Property

Upon the conclusion or prior termination of this Agreement, AIRLINE shall remove all Personal Property from the Leased Premises within thirty (30) days after said termination and restore the Leased Premises to substantially the same condition as their original condition, reasonable wear and tear and damage due to casualty excepted.. If AIRLINE fails to remove said Personal Property, said property may thereafter be removed by CITY at AIRLINE's expense or, at the election of CITY, be retained as CITY's property.

ARTICLE 15
SUBLEASE, ASSIGNMENT AND HANDLING AGREEMENTS

Section 15.01. Assignment and Subletting

AIRLINE shall not assign or transfer this Agreement or any right or leasehold interest granted to it by this Agreement, or sublet or otherwise transfer any interest in or to Leased Premises without the prior written approval of CITY, which approval shall not be unreasonably withheld; provided, however, that AIRLINE shall have the right to assign this Agreement and any rights and privileges granted to it hereunder to any corporation with which AIRLINE may merge or consolidate or which may succeed to the

business of AIRLINE, and AIRLINE shall have the right to sublet to any Affiliate of AIRLINE, space in the Leased Premises.

Section 15.02. Successors and Assigns Bound

This Agreement shall be binding on and inure to the benefit of the successors and assigns of the parties hereto.

Section 15.03 Handling Agreements

In the event AIRLINE agrees to ground handle any portion of the operations of another Air Transportation company, even if such other Air Transportation company is an Affiliate of AIRLINE, AIRLINE shall provide CITY advance written notice of such proposed activities, including a description of the type and extent of services to be provided. Notwithstanding the foregoing, AIRLINE shall not ground handle any Air Transportation company, including Affiliates, that does not have in force an agreement with CITY for the operation of its Air Transportation business at the Airport. In the event AIRLINE ground handles any Air Transportation company that does not have in force an agreement with CITY, then AIRLINE will be responsible for so notifying CITY and for collecting the appropriate fees and charges and reporting and remitting same to CITY.

ARTICLE 16
ENVIRONMENTAL

Section 16.01. General Conditions

Notwithstanding any other provisions in this Agreement, and in addition to any and all other requirements of this Agreement AIRLINE hereby expressly agrees with CITY that, in connection with AIRLINE's operations under this Agreement (whether identified during the term of the Agreement or after the Agreement has terminated), at Airport the following:

A. AIRLINE is knowledgeable of all applicable federal, state, and local environmental laws, ordinances, rules, regulations, and orders relating to protection of the environment, health and safety which apply to AIRLINE's operations at AIRPORT (Environmental Laws) and acknowledges that such Environmental Laws change from time-to-time, and AIRLINE agrees to keep informed of any such future changes applicable to its operations at AIRPORT..

B. AIRLINE agrees to comply with all Environmental Laws that apply to AIRLINE's operations. This shall include but not be limited to the CITY's anti-discrimination and livable wage ordinances and its regulations in support thereof. AIRLINE agrees to hold harmless and indemnify CITY for any violation by AIRLINE of such applicable Environmental Laws and for any non-compliance by AIRLINE with any permits issued to AIRLINE in connection with AIRLINE's operations pursuant to such Environmental Laws. Those items for which the CITY shall be held harmless and indemnified in connection with AIRLINE's operations shall include, but not be limited to, enforcement actions to assess, abate, remediate, undertake corrective measures or monitor environmental conditions in accordance with Environmental Laws, and for any monetary penalties, costs, expenses, or damages, including natural resource damages, imposed against AIRLINE, its employees, invitees (excluding passengers), sublessees, suppliers, or service providers by reason of AIRLINE's violation or non-compliance with Environmental Laws and including without limitation reasonable attorney fees.

C. AIRLINE agrees to cooperate with any investigation, audit or inquiry by CITY or any governmental agency or their designee, regarding possible violation of any Environmental Law or regulation by AIRLINE upon the AIRPORT.

D. AIRLINE agrees that all remedies of CITY as provided herein with regard to violation of any Environmental Law shall be deemed cumulative in nature and shall survive termination of this Agreement. Any environmental matters shall be governed under this Article 16 and not subject to the general indemnity in Article 11.

E. AIRLINE agrees that a copy of any notice of violation, notice of non-compliance, or other enforcement action issued by a government authority pursuant to any Environmental Law shall be provided to CITY within seven (7) days of receipt by AIRLINE or AIRLINE's agent at the address provided for such notices in Section 18.15. Any violation or notice of violation or non-compliance with federal, state, or local environmental law or ordinance shall be deemed a default under this Agreement unless cured within thirty (30) days of receipt of notice of default from CITY, or such longer period as may be required to effect a cure provided AIRLINE commences a cure within said thirty (30) days and thereafter diligently prosecutes the cure to completion. Any such default that is not cured shall be grounds for termination of this Agreement.

F. In entering this Agreement, CITY expressly relies on the representations of AIRLINE as stated herein.

G. Should CITY undertake any voluntary programs designed to improve environmental conditions, including, but not limited to, solid waste recycling programs, clean-fuel vehicle programs, etc., AIRLINE agrees to undertake a good faith review of

the program and attempt to participate. Should any such programs be mandated by Environmental Law, AIRLINE agrees to comply with such mandates.

Section 16.02 Storm Water Compliance with Clean Water Act (33 U.S.C. 1251 et seq.).

Notwithstanding any other provisions or terms of this Agreement, AIRLINE acknowledges that certain properties within the Airport or on CITY owned land are subject to stormwater rules and regulations. AIRLINE agrees to observe and abide by such stormwater rules and regulations as may be applicable to CITY's properties and uses thereof.

A, The activities of the AIRLINE are included in CITY's National Pollutant Discharge Elimination System (NPDES) permit. Contamination to stormwater can result from activities such as, but not limited to, aircraft fueling, aircraft and vehicle maintenance, aircraft and vehicle washing, and aircraft de-icing

B. To ensure compliance with CITY's NPDES permit, the AIRLINE shall utilize Best Management Practices (BMPs) so as to not contaminate the Airport's stormwater system:

1. The AIRLINE is responsible for deicing in designated areas only unless otherwise approved in writing by CITY. Propylene glycol-based Aircraft De-icing Fluid (ADF) shall be used by the AIRLINE, unless otherwise approved in writing by CITY. The AIRLINE must utilize best management practices to limit the amount of chemical used.
2. The AIRLINE shall submit monthly reports to the Director of Aviation during the deicing season that shows the location of its anti-

icing/deicing activities, the quantity of deicing fluid applied, and the type of material applied. These are due to CITY no later than the 10th of the following month.

3. After promptly contacting the Director of Aviation or his/her designee, AIRLINE shall provide a written spill report for all spills or releases from its fueling activities to the Airport Manager within five (5) days of the incident. AIRLINE is responsible for the containment and clean-up of spills from aircraft fueling, vehicle fueling, and leaking vehicles. AIRLINE must properly label and dispose of all contaminated material used to remediate spills including signing hazardous waste manifests as applicable pursuant to Environmental Laws. AIRLINE must comply with all reporting requirements of VTDEC (Vermont Department of Environmental Conservation), pursuant to Environmental Laws, and any written report, to the extent required by VTDEC, shall be submitted to the Director of Aviation. .
4. AIRLINE must provide the Director of Aviation with copies of all claims, observations, reports, and notices of violation the AIRLINE receives alleging or relating to any noncompliance with Environmental Laws by AIRLINE from the VTDEC or any environmental regulatory authority relating to its activities at the Airport.
5. AIRLINE must report major lavatory spills t of over 50 gallons which either do not occur on an impervious surface or have the potential to reach waterbodies or stormwater discharge points to the Director of

Aviation . The AIRLINE is responsible for the cleanup and disposal of all lavatory spills caused by the AIRLINE, its sublessees, agents, employees, contractors or invitees (excluding passengers).

6. AIRLINE shall maintain its vehicles to prevent discharges to stormwater.
7. CITY may require AIRLINE to remove vehicles that leak from service. The AIRLINE shall place drip pans under leaking vehicles, promptly clean up all leaks and spills, and properly dispose of all material used to clean up spills, in accordance with appropriate regulations. CITY may require AIRLINE to remove vehicles that leak or are in disrepair should such vehicles reasonably be deemed by CITY to be an environmental concern.
8. Washing of vehicles and aircraft is not allowed at the Airport.
9. AIRLINE shall comply with all applicable Environmental Laws. .
10. If AIRLINE owns or operates above-ground storage tanks, drums, and containers at the Airport, it shall comply with all applicable Environmental Laws applicable to such tanks, drums and containers.
11. AIRLINE shall be liable to and indemnify CITY for payment of any fines or penalties levied against CITY for alleged violations of any applicable Environmental Laws arising out of the actions or inactions of AIRLINE that cause the violation and shall be liable to and indemnify CITY for the reasonable and necessary cost, plus twenty percent (20%) administrative fee, of any cleanup or remediation incurred by CITY

related thereto, if AIRLINE does not perform the necessary cleanup or remediation within a reasonable timeframe as required by Environmental Laws.

Section 16.03 Termination of Agreement/Vacating of Leased Premises

A. Upon expiration or termination of the Agreement, AIRLINE shall notify the Director of Aviation when the Leased Premises will be available for inspection. AIRLINE shall not be released from its responsibilities under this Agreement until the following conditions are met:

1. AIRLINE shall promptly remove all Hazardous Materials and Hazardous Wastes from leased areas at the termination of Agreement, unless otherwise approved in writing by CITY.
2. Any contamination caused by AIRLINE in violation of applicable Environmental Law or other applicable law shall be AIRLINE's responsibility to remediate.

B. CITY will provide AIRLINE with written notice of any stormwater discharge permit requirements applicable to AIRLINE and with which AIRLINE will be obligated to comply from time-to-time, including, but not limited to: certification of non-stormwater discharges; collection of stormwater samples; preparation of stormwater pollution prevention or similar plans; implementation of best management practices; attendance at annual training sessions; annual inspections; and maintenance of necessary records. Such written notice shall include applicable deadlines. AIRLINE agrees that within thirty (30) days of receipt of such written notice, it shall notify CITY in writing if it disputes any of the stormwater permit requirements it is being directed to

undertake. If AIRLINE does not provide such timely notice, AIRLINE will be deemed to assent to undertake such stormwater permit requirements. In the event AIRLINE agrees to undertake (at its sole expense, unless otherwise agreed to in writing between CITY and AIRLINE) those stormwater permit requirements for which it has received written notice from CITY, AIRLINE agrees that it will hold harmless and indemnify CITY for any violations or non-compliance with any such permit requirements.

Section 16.04 Solid and Hazardous Waste.

A. Hazardous Material Definitions.

1. Hazardous Material, whenever used herein, includes the definitions of hazardous substance, hazardous material, toxic substance, and regulated substance as defined within all applicable Environmental Laws , including but not limited to:
 - a. Comprehensive Environmental Response Compensation and Liability Act (42 U.S.C. Section 9601 et seq.);
 - b. Resource Conservation and Recovery Act (42 U.S.C. Section 6901 et seq.);
 - c. Hazardous Materials Transportation Act (49 U.S.C. Section 1801 et seq.);
 - d. Department of Transportation Table (49 C.F.R. Section 172, 101);
 - e. Environmental Protection Agency (40 C.F.R. Part 302);
 - f. All substances, materials, and wastes that are, or become, regulated

under, or that are classified as hazardous or toxic under any other applicable Environmental Laws.

2. Jet fuel, gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing solvents, materials containing asbestos or urea formaldehyde, polychlorinated biphenyls and radioactive materials.

B. Compliance with Hazardous Material, Governmental Laws and Regulations.

1. AIRLINE shall not cause or permit the presence, use, discharge, disposal, storage, release or threatened release of any Hazardous Material on or in the Leased Premises or other property at the Airport except in compliance with applicable Environmental Laws. AIRLINE shall ensure compliance with all applicable Environmental Laws in its operations at the Airport; nor shall AIRLINE allow its sublessees, agents, employees, contractors, or invitees (excluding passengers) to violate any applicable Environmental Law .
2. The Director of Aviation will have access to the Leased Premises to inspect the same to ensure that AIRLINE is using the Leased Premises in accordance with applicable Environmental Laws (with reasonable notice and without interfering with operations).
3. At the discretion of the Director of Aviation and based upon reasonable belief that AIRLINE has caused an environmental violation at the Airport and upon request by the Director of Aviation , AIRLINE will conduct such testing and analysis as necessary to ascertain

whether AIRLINE is operating in compliance with applicable governmental environmental laws and regulations. Any such tests will be conducted by qualified independent experts chosen by AIRLINE and approved by CITY; such approval shall not unreasonably be withheld. Copies of such testing and analytical results from any such testing will be provided to the Director of Aviation.

4. After any initial emergency response involving spills or leaks of Hazardous Materials caused or permitted by Airline, AIRLINE shall promptly provide the Director of Aviation , and the Director of Aviation shall provide AIRLINE, notification of any spills or leaks of Hazardous Materials and written notice of any investigation, and copies of all notices, reports (except for all reports subject to attorney-client privilege), claims, demands or actions, required pursuant to Environmental Law or received, respectively, by AIRLINE or the Director of which AIRLINE or CITY has knowledge.

C. Contamination of Airport.

1. If AIRLINE learns, or is notified by any governmental regulatory authority, that any removal or other remediation of a release of any Hazardous Material affecting the Airport caused or permitted by AIRLINE in conducting operations under this Agreement (whether identified during the term of the Agreement or after the Agreement has terminated) is required pursuant to Environmental Law, AIRLINE shall

promptly take all necessary remedial actions in accordance with applicable Environmental Law, at AIRLINE's sole cost.

2. If the presence or release of any Hazardous Material on, under, or about the Airport is caused or permitted by AIRLINE in conducting operations under this Agreement (whether identified during the term of the Agreement or after the Agreement has terminated) and such presence or release results in any contamination of the Airport in violation of Environmental Law, AIRLINE, at its sole cost and expense, will take steps to remedy and remove any such Hazardous Material caused by AIRLINE, its sublessees, agents, employees, contractors or invitees excluding passengers) as is presently or subsequently discovered on or under the Airport, to the extent required by Environmental Law. In performing any such remedial actions, AIRLINE, to the extent authorized by any governmental authority, shall rely upon industrial/commercial standards and objectives and applicable risk-based cleanup methodologies, use restrictions and other controls. Such procedures are subject to prior approval of the Director of Aviation, which approval will not be unreasonably withheld if the procedures meet Environmental Laws, and the cleanup procedures will not interfere with operations at the property. AIRLINE will submit to the Director of Aviation a written plan for completing all remediation work. The Director of Aviation retains the right to review and inspect all such work at any time using consultants and/or representatives of

his/her choice. Such actions of remediation by the AIRLINE shall be conducted in such manner that they will not potentially have any material adverse long-term effect on the Leased Premises or other property at the AIRPORT in the sole, but reasonable, judgment of the Director of Aviation.

3. In all cases where Hazardous Waste is generated by the activities of AIRLINE, its sublessees, agents, employees, contractors, or invitees, AIRLINE shall sign hazardous waste manifests for the removal of said waste and provide copies to CITY.

D. Compliance with All Government Authorities

1. Should any governmental entity determine that a site characterization, site assessment, etc., and/or cleanup should be undertaken by AIRLINE pursuant to Environmental Laws as a result of any spills or discharges of Hazardous Materials at the Airport caused or permitted by AIRLINE that occur during the term of this Agreement, the AIRLINE shall (at its own expense) perform any corrective action required pursuant to Environmental Laws . At no cost or expense to CITY, AIRLINE will promptly provide information requested by the Director of Aviation to determine the applicability of Environmental Laws. , to respond to any governmental investigation or to respond to any claim of liability by third parties that is related to release of Hazardous Materials caused or permitted by AIRLINE.

2. AIRLINE's obligations and liabilities under this provision will continue so long as AIRLINE bears any responsibility under applicable Environmental Laws for any action that occurred at the Airport during the term of this Agreement.
3. AIRLINE shall indemnify CITY, without limitation, for costs incurred in connection with any investigation of site conditions or any cleanup required by applicable Environmental Law; and remedial, removal, or restoration work required pursuant to Environmental Laws by any appropriate federal, State or local governmental agency or political subdivision having jurisdiction over Hazardous Material located on the Airport or present in the soil or groundwater on, under or about the Airport as a result of AIRLINE's operations under this Agreement (whether identified during the term of the Agreement or after the Agreement has terminated).
4. The parties agree that CITY's right to enforce AIRLINE's promise to indemnify is not an adequate remedy at law for AIRLINE's violation of any provision of this Agreement. CITY will also have the right to terminate this Agreement for a material violation of Environmental Laws if AIRLINE does not promptly correct such violation after notice within the timeframes allowed by Environmental Law or applicable government authorities, except that if AIRLINE's violation is egregious in nature and was caused by AIRLINE's gross negligence or willful misconduct as determined by a court of competent jurisdiction,, CITY

may immediately terminate this Agreement and take possession of the leased premises upon giving the notice specified in Section 18.15.

Section 16.05 Limitations

Notwithstanding any other provision of this Agreement, AIRLINE shall not be responsible to the extent a claim, expense or alleged non-compliance arises out of, or relates to (A) conditions existing prior to AIRLINE's use of the Premises, or (B) the negligence or willful misconduct of CITY or its employees, invitees, sublessees, suppliers or service providers.

ARTICLE 17
ACCOMMODATION AND REASSIGNMENT

Section 17.01. Declaration of Intent

The parties acknowledge that it is the objective of CITY to offer to all Air Transportation companies desiring to serve the Airport, access to the Airport and to provide adequate Gate positions and other space in the Terminal Complex. To achieve a reasonable balance in the overall utilization of the Terminal Complex and Aircraft Aprons, CITY may require Gate positions and other passenger handling facilities to be used by more than one Air Transportation company upon request by such other Air Transportation company (a "Requesting Airline").

Section 17.02. Accommodation of Requesting Airlines

A. Subject to an in accordance with the terms and conditions of this Article 17, AIRLINE shall cooperate with CITY to accommodate the needs of a Requesting Airline by permitting such Requesting Airline to utilize AIRLINE's Gates in its Preferential Use Premises ("Preferential Use Gates") for the time period(s) necessary to permit

passenger loading and unloading operations in conjunction with the scheduled operations of such Requesting Airline at times when the use of such facilities shall not unreasonably interfere with AIRLINE's planned operations. In determining if AIRLINE shall be required to accommodate a Requesting Airline on its Preferential Use Gates,, CITY shall consider AIRLINE's capabilities, capacity, facilities and personnel, after taking in to account AIRLINE's own requirements and contractual obligations, and the compatibility of said Requesting Airline's proposed operations with those of AIRLINE, and only upon consultation with and written notice to AIRLINE. CITY shall not require AIRLINE to accommodate a Requesting Airline if CITY has unassigned Gates which can reasonably accommodate the needs of said Requesting Airline or if another Scheduled Air Carrier has preferential use gates that are being underutilized and can accommodate such Requesting Airline.

B. AIRLINE's accommodation of a Requesting Airline shall be subject to the following: (I) a written agreement between AIRLINE and Requesting Airline, approved in writing by CITY prior to the effective date thereof which includes an indemnity by Requesting Airline in favor of AIRLINE, and (ii) Requesting Airline entering into an agreement with CITY to operate at the Airport.

C. AIRLINE may charge Requesting Airline for the latter's access to AIRLINE's Leased Premises (i) an amount equal to the rentals and/or other charges due from AIRLINE to CITY for the actual time the Requesting Airline uses such Leased Premises, (ii) any materials, supplies or equipment sold to or utilized by such Requesting Airline, and (iii) an administrative fee of fifteen percent (15%) of its actual, documentable costs for the use of its Airline Premises. Such usage charges shall be reasonable, and shall

not be greater than either the actual, documentable costs of AIRLINE at the Airport, or the applicable rates and charges as then currently in effect at the Airport.

D. AIRLINE shall cooperate with CITY to accommodate other Air Transportation companies on its Preferential Use Gates from time to time, as deemed reasonably necessary by CITY, for situations including, but not limited to, unscheduled flights, including charters, diversions due to weather, and scheduled flights for which the Air Transportation company has no assigned gates or ticket counter bay(s), or its assigned gates or ticket counter bay(s) are occupied at the time said flight arrives.

AIRLINE shall not be required to accommodate such other Air Transportation companies pursuant to this Section 17.2D if (a) all of AIRLINE's Gates are occupied by AIRLINE's flights or flights of other Air Transportation companies already being accommodated by AIRLINE at the time of said flight needing to be accommodated, or (b) City has an available Gate. For purposes of this provision, the overnight parking of AIRLINE's aircraft at an Aircraft Apron or parking of AIRLINE's aircraft at a Gate position other than between one (1) hour before arrival or one (1) hour after scheduled departure of AIRLINE's aircraft shall not be deemed occupation of said gate position. If AIRLINE accommodates such other Air Transportation company, said other Air Transportation company shall be required to vacate AIRLINE's gate position at least forty-five (45) minutes prior to AIRLINE's next scheduled flight arrival at that gate position. The accommodated carrier shall pay AIRLINE's reasonable costs incurred in removing AIRLINE's aircraft from the gate position, as well as any other costs reasonably incurred by AIRLINE for the movement and parking of its aircraft.

E. Subject to the provision of Article 15 of this Agreement, nothing contained in this Article shall prevent or prohibit AIRLINE from electing to enter into an agreement with other Air Transportation companies authorized to operate into and out of the Airport and desiring the joint use of Airline's Leased Premises as provided in Article 15 herein.

Section 17.03. Required Accommodation

A. In the event that CITY receives a written request from a Requesting Airline for a type of space leased to others, and the Requesting Airline demonstrates to the satisfaction of CITY that it has contacted all Signatory Airlines at a level above the local station manager specifically AIRLINE representative(s) responsible for Real Estate functions at Airport and has exhausted all reasonable efforts to find reasonable accommodations for its proposed operations on the Airport, then CITY shall serve written notice to all Signatory Airlines of CITY's intention to make a determination, in not less than fifteen (15) calendar days, as to how the Requesting Airline will be accommodated.

B. CITY will be guided by all pertinent factors, including AIRLINE's present use and the use planned by AIRLINE for such premises in the sixty (60) days immediately following such request, the present and planned requirements for Air Transportation companies that AIRLINE is then accommodating or handling, the compatibility of such Requesting Airline's proposed operations with AIRLINE's own operations and those of other Air Transportation companies already using such facilities, and the security of AIRLINE's and the Requesting Airline's operations.

C. CITY shall request that planned uses and requirements be documented and submitted in writing to CITY, and CITY shall treat such planned uses and requirements as confidential, proprietary information, to the extent permitted by applicable law.

D. If CITY or its designee determines that the Requesting Airline can be accommodated on AIRLINE's Airline Premises, then CITY may: (i) authorize in writing the Requesting Airline to use the Airline Premises of AIRLINE; (ii) provide AIRLINE with thirty (30) days prior written notice of such authorization and the effective date thereof; and (iii) provide to AIRLINE and to such Requesting Airline a written statement specifying the required terms and conditions, if any, including whether the Requesting Airline may handle its aircraft and passengers with its own employees or agents or make such other arrangements as CITY may require, which shall include an indemnity agreement by Requesting Airline in favor of AIRLINE. AIRLINE charges to the Requesting Airline shall be reasonable, and no greater than either the actual, documentable cost of AIRLINE at the Airport plus an administration fee of fifteen percent (15%), or the applicable rates and charges as then currently in effect at the Airport.

E. If AIRLINE is directed to accommodate a Requesting Airline in accordance with this Section 17.03, AIRLINE shall make available to the Requesting Airline for the Requesting Airline's use AIRLINE's Airline Premises or such portion thereof as shall be reasonably determined by CITY in accordance with the terms hereof.

F. In the event a single hold room and loading bridge serves two or more Aircraft Aprons and a single Aircraft Apron is determined to be unoccupied, CITY or its designee may allow Requesting Airline to occupy the vacant Aircraft Apron to load its

passengers. In accordance with and subject to the terms hereof regarding a Requesting Airline's use of the Leased Premises, AIRLINE shall accommodate the Requesting Airline's use of its holdroom, gate counter and loading bridge, and may charge a reasonable fee to the Requesting Airline, no greater than either the actual, documentable costs of AIRLINE at the Airport plus an administration fee of fifteen percent (15%), or the applicable rates and charges as then currently in effect at the Airport.

G. Notwithstanding anything to the contrary contained herein, prior to any Requesting Airline being permitted to use AIRLINE's Leased Premises, CITY shall require such Requesting Airline to deliver to AIRLINE a payment guarantee and proof of insurance coverage, which insurance shall provide at least the coverages (including amounts) as are required of AIRLINE under this Agreement and name AIRLINE as an additional insured party.

Section 17.04. Indemnification Exception

During the period of use of AIRLINE's facilities by an Air Transportation company pursuant to this Article 17, AIRLINE shall be relieved of its obligation under this Agreement to indemnify and save harmless CITY, its officers, directors, employees, or agents with regard to any claim for property damage or personal injury arising out of or in connection with said accommodated Air Transportation company's use of Airline Premises, except to the extent such damage or injury is caused by AIRLINE, its officers, directors, employees, or agents who have come upon Airline Premises in connection with AIRLINE's occupancy hereunder. CITY shall require such

accommodated Air Transportation company to agree in writing to indemnify CITY and AIRLINE in the manner and to the extent required of AIRLINE.

Section 17.05. Periodic Reassignment

A. In addition to the obligation of AIRLINE to accommodate the needs of Requesting Airlines as described in Sections 17.02 and 17.03, CITY may, at its reasonable judgment, conduct periodic reassignment of Exclusive Use Premises or Preferential Use Premises if CITY determines that such reassignment would be reasonably necessary to: (i) reduce the congestion in the Terminal Complex or on the Aircraft Ramp; (ii) promote the efficient use of the Terminal Complex and Airport, (iii) to consolidate operations due to merger or code-sharing agreements between AIRLINE and other Air Transportation companies; (iv) meet the applicable laws, ordinances of local, state and federal entities; (v) accommodate a new entrant airline; or (vi) address other operational concerns of CITY. Such reassignments may result in a reduction in AIRLINE's Exclusive Use Premises or Preferential Use Premises or may cause AIRLINE to vacate its Exclusive Use Premises or Preferential Use Premises to relocate to other Exclusive Use or Preferential Use Premises.

B. CITY, if it determines to reassign Exclusive Use Premises or Preferential Use Premises, shall provide a written statement of intent to AIRLINE and any other affected Air Transportation company about proposed reassignments together with the reasons for such reassignment and the proposed effective date. AIRLINE shall have the right to comment upon the proposed reassignments. After taking into account the comments of AIRLINE, CITY in its sole discretion shall make the final determination about reassignments. Final reassignments shall be evidenced by written notice from

CITY transmitting revised Exhibits “D” and “E,” sent to AIRLINE at least sixty (60) days prior to the effective date of the reassignments.

C. Reassignments will be guided by the pertinent factors detailed in Section 17.03 and by measures of utilization of Exclusive Use Premises or Preferential Use Premises that CITY deems appropriate under the circumstances. CITY will seek to accomplish the purpose(s) of the reassignment based on the respective utilization of the Exclusive Use Premises or Preferential Use Premises made by each Air Transportation company, from least intense to most intense, and to balance the interests of the affected parties.

D. If, as a result of a reassignment under this Section 17.04, AIRLINE is required to relocate all or a portion of its operations, or to consolidate its operations in its remaining Exclusive Use Premises or Preferential Use Premises, then CITY shall determine, in consultation with AIRLINE, the reasonable cost of such reassignment or consolidation, including the unamortized cost of vacated improvements and facilities that had been financed by AIRLINE which cost shall be subject to the approval of AIRLINE which shall not be unreasonably denied. Said costs in no event to be at AIRLINE’s cost or expense and shall be the responsibility of the Air Transportation company gaining use of the Exclusive Use Premises or Preferential Use Premises and shall be paid to AIRLINE. Notwithstanding anything to the contrary contained herein, if AIRLINE shall be reassigned Exclusive Use Premises or Preferential Use Premises, such premises shall be reasonably comparable in quality, finish and location. Furthermore, AIRLINE’s costs shall not increase as a result of any relocation unless AIRLINE requests additional space.

Section 17.06 Competitive Access Requirements

Pursuant to the requirements of 14 CFR Part 158 and 49 U.S.C. §47106(f), CITY shall have the right to terminate this Agreement upon thirty (30) days written notice to AIRLINE by registered or certified mail given at its address specified in Section 18.15 hereof in the event that any portion of its existing Airline Premises not made available for use by potentially competing air carriers or foreign air carriers as contemplated herein. The foregoing provision shall apply only if and to the extent required by 14 CFR Part 158 and 49 U.S.C. §47106(f) or by any Passenger Facility Charge or federal grant assurances executed by CITY pursuant to said regulation.

ARTICLE 18 MISCELLANEOUS

Section 18.01. Non-Interference with Operation of Airport

AIRLINE, by accepting this Agreement, expressly agrees for itself, its successors and assigns that it will not make use of the Leased Premises in any manner which might interfere with the landing and taking off of aircraft at the Airport or otherwise constitute a hazard. In the event the aforesaid covenant is breached, upon reasonable written notice to AIRLINE and opportunity to cure, the CITY reserves the right to enter upon the premises hereby leased and cause the abatement of such interference at the expense of AIRLINE.

CITY shall maintain and keep in good condition and repair the Airport landing areas, including taxiways and shall have the right to direct and control all activities of AIRLINE in this regard.

Section 18.02 Compliance with Applicable Laws and Regulations

AIRLINE shall comply with the requirements of all applicable federal, state and municipal laws and regulations with regard to its presence and operations at the Airport.

Section 18.03. Headings of Articles and Sections

The headings of the various articles and sections of this Agreement are merely for convenience or reference and do not limit the content of the articles and sections.

The language in all parts of this Agreement shall in all cases be construed simply according to its fair meaning and not strictly construed against CITY, it being stipulated and agreed that AIRLINE participated in the drafting hereof.

Section 18.04. Severability

If one or more clauses, sections, or provisions of this Agreement shall be held to be unlawful, invalid, or unenforceable, it is agreed that the remainder of the Agreement shall not be affected thereby, unless to do so would prejudice the rights of either party.

Section 18.05. Governing Law

This Agreement and all disputes arising hereunder shall be governed by the Laws of the State of Vermont or applicable federal law.

Section 18.06. Quiet Enjoyment

AIRLINE shall, on payment of the Rentals, fees, and charges as herein required and subject to the performance and compliance by AIRLINE of the covenants, conditions, and agreements on the part of AIRLINE to be performed and complied with hereunder, peaceably have and enjoy the rights, uses, and privileges of the Airport, its appurtenances, and facilities as granted hereby and subject to the Rules and Regulations.

Section 18.07. Incorporation of Exhibits

All exhibits referred to in this Agreement are intended to be and hereby are specifically made a part of this Agreement.

Section 18.08. Incorporation of Required Provisions

The parties incorporate herein by this reference all applicable provisions lawfully required to be contained herein by any governmental body or agency.

Section 18.09. Entire Agreement

This Agreement, together with all exhibits attached hereto, constitutes the entire agreement between the parties hereto, and all other representations or statements heretofore made, verbal or written, are merged herein, and this Agreement may be amended only in writing, and executed by duly authorized representatives of the parties hereto.

This Agreement shall supersede and replace all prior airline operating agreements by and between AIRLINE and CITY and said prior agreements shall be and are hereby terminated and cancelled and the terms thereof brought to an end as of the effective dates hereof.

Section 18.10. Non-waiver of Rights

No waiver by either party, at any time, of any of the terms, conditions, covenants, or agreements herein, or of any forfeiture, shall be deemed or taken as a waiver at any time thereafter of the same or any other term, conditions, covenant, or agreement herein contained, nor of the strict and prompt performance thereof. No delay, failure, or omission of CITY to re-enter Terminal Complex Premises, and no subsequent acceptance by CITY of rent then or thereafter accrued, and no delay, failure, or

omission of either party to exercise any right, power, privilege, or option arising from any default, shall impair any such right, power, privilege, or option, or be construed to be a relinquishment thereof, or a waiver of such default or acquiescence therein; and no notice by either party shall be required to restore or revive any option, right, power, remedy, or privilege after waiver by such party of default in one or more instances. No option, right, power, remedy, or privilege of either party shall be construed as being exhausted or discharged by the exercise thereof in one or more instances. All rights provided by this Agreement shall be cumulative, and no one of them shall be exclusive of the other or exclusive of any other remedies provided by law, and the exercise of one right, power, option, or remedy by either party shall not impair its rights to exercise any other right, power, option or remedy.

Section 18.11. Force Majeure

Neither CITY nor AIRLINE shall be deemed to be in breach of this Agreement by reason of failure to perform any of its obligations hereunder, if, while, and to the extent that such failure is due to strikes, boycotts, labor disputes, embargoes, shortages of materials, acts of god, acts of the public enemy, acts of superior governmental authority, weather conditions, floods, riots, rebellion, sabotage, terrorism or any other circumstances of which it is not responsible, and which are not within its control. This provision shall not apply to failures by AIRLINE to pay rents, fees, or other charges, or to make any other money payments required by this Agreement. This provision shall not prevent either party from exercising its rights to termination under Articles 12 and 13 of this Agreement.

Section 18.12. Generally Accepted Accounting Principles

Whenever any report or disclosure referred to in this Agreement consists, either in whole or in part, of financial information, said financial information shall be prepared in accordance with generally accepted accounting principles consistently applied, if applicable.

Section 18.13. General Interpretation

Insofar as this Agreement grants, permits or contemplates the use of space or facilities or the doing of any other act or thing at the Airport by AIRLINE, such use or doing of such act or thing is to be in connection with the operation of a civil air transportation system by AIRLINE for the carriage by aircraft of persons, property, cargo, and mail on scheduled or nonscheduled flights, whether as a common carrier, a contract carrier, a private carrier, or otherwise. Each of the parties, however, has entered into this Agreement solely for its own benefit; and (without limiting the right of either party to maintain suits, actions, or other proceedings because of breaches of this Agreement) the Agreement does not grant to any third person (except a successor party to CITY or AIRLINE) a right to claim damages or bring any suit, action, or other proceeding against either CITY or AIRLINE because of any breach hereof. The language in all parts of this Agreement shall in all cases be construed simply according to its fair meaning and not strictly construed against CITY, it being stipulated and agreed that AIRLINE participated in the drafting hereof.

Section 18.14. Agreements Between CITY and Other Air Transportation Companies

CITY agrees not to enter into any agreement with any other Air Transportation companies conducting similar operations at the Airport after the date of this Agreement

which contains substantially more favorable terms than those provided in this Agreement unless the same terms are concurrently made available to AIRLINE.

Section 18.15. Time of the Essence

Time is of the essence in this Agreement.

Section 18.16. Notices, Consents, and Approvals

All notices, consents, and approvals required or authorized by this Agreement to be given by or on behalf of either party to the other, shall be in writing and signed by a duly designated representative of the party by or on whose behalf they are given.

Notices required by this Agreement shall be given by registered or certified mail by depositing the same in the U.S. mail in the continental United States, postage prepaid, return receipt requested. Either party shall have the right, by giving written notice to the other, to change the address at which its notices are to be delivered. Until any such change is made, notices shall be delivered as follows:

1. CITY:

Director of Aviation
Burlington International Airport
1200 Airport Drive #1
South Burlington, Vermont 05403

2. AIRLINE:

JetBlue Airways Corporation
27-01 Queens Plaza North
Long Island, NY 11101

The effective date of such notice shall be the date of the receipt as shown by the U.S. Postal Service return receipt. If notice is given in any other manner or at any other place, it shall also be given at the place and in the manner specified in this Section.

Section 18.17 Livable Wage Ordinance.

CITY has in effect a livable wage ordinance. AIRLINE shall comply with the livable wage ordinance to the extent that it is a covered employer under the ordinance.

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

CITY OF BURLINGTON

_____ By: _____
Witness Title:

JETBLUE AIRWAYS CORPORATION

_____ By: _____
Witness Title:

STATE OF VERMONT
CHITTENDEN COUNTY, SS.

At Burlington, this ___ day of _____, 2016, personally appeared _____, and acknowledged this Agreement and Lease of Premises by him signed and sealed, to be his free act and deed and the free act and deed of City of Burlington.

Notary Public

STATE OF _____
COUNTY OF _____

At _____, this ___ day of _____,
2016, personally appeared _____, and acknowledged this
Agreement and Lease of Premises by him/her signed and sealed, to be his/her free act
and deed and the free act and deed of JetBlue Airways Corporation.

Notary Public

200020/215 Delta Final Lease agreement 10-27-16



BURLINGTON INTERNATIONAL AIRPORT

MEMO

TO: Burlington International Airport, Board of Commissioners
FROM: Burlington International Airport Staff
DATE: November 28, 2016
SUBJECT: Main Street Project Services, Inc. Terminal Office Lease

The Burlington International Airport (BTV) seeks Airport Board of Commissioners approval and recommendation to the City of Burlington Board of Finance and City Council for a lease agreement with Main Street Project Services, Inc.

The Airport has been approached through a connection with our Consultant, Vermont Small Business Accelerators, by an interested company in renting out an office location within the terminal building. The office was previously occupied by Airport Staff prior to the relocation of the Administration offices. The office was not receiving any income generation, and as a result, the Airport feels it necessary to occupy each unusable office with short term leases.

While staff is determining financial feasibility and overall terminal master planning, we realize that this space may be used, at a future date, in a different capacity. This lease agreement is strictly on a month-to-month basis, and provides an annual income of \$7,800.

Please find attached the lease documentation.

Thank you for your continued support.

1200 Airport Drive, #1
South Burlington, Vermont 05403

Phone: (802) 863-2874 (TTY)
Fax: (802) 863-7947
www.btv.aero

LEASE AGREEMENT – OFFICE SPACE – 1200 AIRPORT DRIVE

THIS LEASE AGREEMENT (“Agreement”), made and entered into as of the ___ day of _____, 2016, by and between the City of Burlington acting by and through its Board of Airport Commissioners (“City”), and Main Street Project Services, Inc. (“Lessee”) a _____ Corporation organized under the laws of the State of ____ . For and in consideration of the premises and the mutual covenants in this Agreement, City and Lessee agree as follows:

I. RECITALS

- 1.1 City owns and operates the Burlington International Airport (the “Airport”), located in South Burlington, Chittenden County, Vermont; and
- 1.2 Lessee desires to lease certain existing space at 1200 Airport Drive, Office 28B at the Airport as office space as depicted on Exhibit A; and
- 1.3 City is willing to grant Lessee the right to use existing space at the Airport for use as an office on the following terms and conditions.

II. PURPOSE

2.1 City leases to Lessee the exclusive use of the office space located at the Airport in the Terminal building as depicted on Exhibit A (the “Space”), which consists of approximately 331 square feet. Lessee shall utilize the Space as general office space in connection with its business operations and no other use of the Space is allowed without the prior written consent of the Director of Aviation.

III. TERM

3.1 This Agreement shall commence on November 1, 2016 and continue on a month to month basis, at the will of the parties, provided that either party may terminate this Agreement on giving thirty (30) days’ notice to the other party. Notice by either party shall be given in writing, delivered to the other party either personally or by certified or registered mail.

IV. RENT

4.1 The total rent is in equal monthly installments of \$650.00 per month, in advance, on or before the first business day of each month to which it applies. Payment shall be made at the Office of the Director of Aviation, Burlington International Airport, 1200 Airport Drive, #1, South Burlington, Vermont 05403 or other such place as may hereafter be designated by City.

V. CITY OBLIGATIONS

- 5.1 City shall provide finished floors, doors, walls, ceilings with general lighting, heating and air conditioning to all parts of the Space. City makes no representation or warranty with respect to the condition of the Space or its fitness or availability for any particular use and City shall not be liable for any patent defect thereon.
- 5.2 City shall furnish to the Space and pay all charges for heat and air conditioning. City shall pay for a sufficient amount of electricity for normal office use in the Space during regular business hours. City shall replace upon Lessee’s request normal electric light bulbs and tubes in standard building electrical fixtures in the Space as from time to time shall be necessary.
- 5.3 City shall cause the common area Space to be cleaned on a regular basis, including, but not limited to, trash removal, provided the Space is kept in reasonable order by Lessee; but if Lessee shall require removal of trash from the Space in larger quantities or more often than

reasonable considering Lessee's use of the Space, Lessee shall pay such excess removal cost to City.

5.4 City shall reserve one vehicle parking space, designated by the city, for the use by Lessee. This space may be in the parking garage and may not be exclusive. All changes and coordination should be brought to the attention of the Director of Aviation. All additional employee parking spaces may be purchased through airport administration at an annual rate.

VI. LESSEE OBLIGATIONS

6.1 Lessee agrees to pay the rent and other charges herein reserved at such times and places as the same are payable.

6.2 Lessee agrees to keep and maintain all parts of the Space, including related and associated appurtenances, in good condition, order and repair during the term of this Agreement.

6.3 Lessee agrees to observe and comply with any and all present and future requirements of the constituted public authority and with all federal, state or local statues, ordinances, regulations and agreements applicable to Lessee for its use of the Space, including, but not limited to, ordinances, rules and regulations promulgated from time to time by or at the direction of City for the administration of the Airport.

6.4 Lessee shall pay, on or before their respective due dates, all federal, state, and local taxes and fees which are now or may hereafter be levied upon the Lessee, or upon the business conducted on the premises, or upon any of Lessee's property used in connection therewith, which may result in a lien or encumbrance on the Space.

6.5 Lessee shall commit no actionable waste or nuisance upon the Space and shall not do or permit to be done anything that may result in the creation, commission or maintenance of any such waste or nuisance on the Space.

6.6 Lessee shall observe and comply with any and all present and future security regulations and procedures and operational procedures promulgated from time to time by or at the direction of City for the administration of the Airport.

6.7 Lessee shall pay all charges for telephone service and utilities except as provided in 5.2 and 5.3 above.

6.8 Lessee shall not assign, mortgage, or encumber this Agreement or underlet or sublease the Space or any part of the Space.

6.9 Lessee shall not use or occupy the Space in such a manner as to impair the use of any part of the Terminal building or interfere with the business or occupancy of any other Airport tenant.

6.10 Lessee shall not inscribe, paint, affix or permit any sign, advertisement or notice on any part of the Space, including affixing the same to any door, without the prior written consent of City, which consent shall not be unreasonably withheld.

VII. MAINTENANCE

7.1 Except for damage caused by any negligent or intentional act or negligent omission of Lessee, Lessee's agents, employees, or invitees, City shall maintain the common areas, all structural elements of the building and all mechanical systems in good condition and repair. Lessee shall maintain the Space in good repair and condition at all times.

VIII. ALTERATIONS AND IMPROVEMENTS

8.1 City is not responsible or obligated to make any alterations, modifications or improvements to the Space.

8.2 Lessee shall not do any work in or about the Space or make any improvements, alterations or additions to the Space without the prior written consent of City, which consent shall

not be unreasonably withheld. Any alterations, improvements or additions made by Lessee shall be at no cost to City and shall remain upon the Space at the termination of this Agreement and become the property of City unless City shall give Lessee written notice to remove the same. In that event, Lessee shall remove the improvements or additions and restore the Space to the same condition in which it was at the commencement of this Agreement, reasonable wear and tear excepted. Should Lessee fail to do so, City may do so and Lessee shall pay the cost and expense thereof.

IX. RIGHT OF ENTRY & QUIET ENJOYMENT

9.1 City and its agents shall have the right to enter the Space during reasonable business hours for any reasonable purpose, including but not limited to inspection and repair, provided at least twenty four (24) hours notice has been provided to Lessee. In the event of an emergency, City may enter the Space without providing the aforementioned notice.

9.2 City covenants that on paying the rent and performing the covenants herein contained, Lessee shall peacefully and quietly have, hold and enjoy the premises for the agreed term.

X. INSURANCE AND INDEMNIFICATION

10.1 During the term of this Agreement, Lessee shall at all times carry insurance with companies duly licensed to provide insurance in the State of Vermont, and approved by the City, to protect Lessee and the City against any and all claims, demands, actions, judgments, costs, expenses, or liabilities of every kind which may arise, directly or indirectly, from or by reason of Lessee's use and occupancy of the Space. At a minimum, Lessee shall carry and maintain Commercial General Liability coverage in the minimum amount of \$1,000,000 per occurrence.

10.2 Lessee shall defend (at the option of the City), indemnify, and hold the City, its successors, assigns, officers, elected and non-elected officials and employees harmless from and against any and all claims, demands, suits, causes of action, judgments and liability of every character type or description, including all expenses of litigation, court costs and attorney's fees (collectively "Indemnified Liability") arising out of or concerning this Agreement, or the use and occupancy of the Space, including but not limited to Indemnified Liability for:

- a. damage to or loss of any property, including but not limited to Airport property;
- b. death, bodily injury, illness, disease, worker's compensation, loss of services, or loss of income or wages to any person, including but not limited to employees of Lessee and the City, arising out of, or caused, by the negligence, gross negligence, willful misconduct or strict liability of Lessee or its agents, employees or contractors.

XI. HAZARDOUS WASTE

11.1 Lessee shall not use, generate, store, discharge, or dispose of any Hazardous Substance on, under, about, or within the Space or any building or other property at the Airport. In the event of any spill or discharge of Hazardous Substances, Lessee, at Lessee's sole cost, shall promptly remediate all affected areas including, without limitation, the Space, to background levels in full and complete compliance with all applicable laws, rules, ordinances and regulations. As used herein, Hazardous Substances shall mean any substance, product, waste or other material of any nature that is or becomes listed or regulated under any Federal, State or local law, rule, regulation or ordinance concerning hazardous, toxic or dangerous substances, wastes or materials including, but not limited to the Comprehensive Environmental Response, Compensation and Liability Act

("CERCLA"), the Resource Conservation and Recovery Act ("RCRA"), and the Hazardous Substances Act ("HAS"). Lessee shall defend, indemnify and hold City harmless from all claims, demands, fines, suits, actions, judgments and liability (including both civil and criminal) and all costs of litigation, attorney's fees and court costs, to the full extent arising out of or concerning the use, generation, storage, disposal, discharge, or clean-up of hazardous substances by Lessee at the Airport.

XII. EXCLUSIVITY – NON-DISCRIMINATION

12.1 Lessee agrees that in the exercise of the rights and privileges herein granted for the furnishing of services hereunder to the public that it will:

- a. Furnish said services on a fair, equal, and not unjustly discriminatory basis to all users thereof, and
- b. Charge fair, reasonable, and not unjustly discriminatory, prices for each unit or service; provided that Lessee may be allowed to make reasonable and non-discriminatory discounts, rebates or other similar types of price reductions to volume purchasers

12.2 It is specifically understood and agreed that nothing herein contained shall be construed as granting or authorizing the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act of 1958.

12.3 Lessee, for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree that (1) no person, on the ground of race, color, sex or national origin, shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of the Space or furnishing of services thereon, (2) in the construction of any improvements on the Space, no person on the grounds of race, color, sex or national origin, shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) Lessee shall use the Space in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally- Assisted Programs of the Department of Transportation- Effectuation of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended.

That in event of breach of any of the above nondiscrimination covenants, City shall have the right to immediately terminate this Agreement, and to re-enter and repossess the Space, and hold the same as if said Agreement had never been made or issued.

XIII. NOTICES

13.1 Wherever in this Agreement notice is required to be given by either party hereto to the other, such notice shall be in writing mailed or delivered to such party at the following address or to such other address as either party may from time to time designate in writing for that purpose. Notices to City shall be addressed to and delivered at the office of its Director of Aviation or his/her designee, Burlington International Airport, 1200 Airport Drive, # 1, South Burlington, Vermont 05403, either by hand or by registered mail, postage prepaid. Notices to Lessee shall be addressed to and delivered to the address listed in the signature section below, either by hand or registered mail, postage prepaid.

XIV. MISCELLANEOUS

14.1 No Waiver. The failure of either party to enforce or insist upon compliance with any of the terms or conditions of this Agreement shall not constitute a general waiver or relinquishment of any such terms or conditions, but the same shall be and remain at all times in due force and effect.

14.2 Headings. The descriptive headings of the provisions of this Agreement are intended to be used only for the convenience of the parties, and shall not be deemed to affect the meaning or construction of any provision hereof.

14.3 Applicable Law. This Agreement and all disputes arising hereunder shall be governed by the Laws of the State of Vermont or applicable federal law.

14.4 Partial Invalidity. If one or more clauses, sections, or provisions of this Agreement shall be held to be unlawful, invalid, or unenforceable, it is agreed that the remainder of the Agreement shall not be affected thereby, unless to do so would prejudice the rights of either party.

14.5 Surrender of Space. Lessee shall peaceably deliver up and surrender possession of the Space upon termination of this Agreement, in the same condition in which Lessee has agreed to keep the Space during the continuance of this Agreement, broom-clean, and at such time without demand or delay deliver to City all keys for the Space. Failure of Lessee to surrender possession of the Space shall not operate to renew or extend the Agreement and Lessee shall pay to City, at City's option, double the rent that is in effect at the termination of the Agreement for each month that the Lessee remains in possession.

14.6 Incorporation of Exhibits. All exhibits referred to in this Agreement are intended to be and hereby are specifically made a part of this Agreement.

14.7 Interpretation. The language in all parts of this Agreement shall in all cases be construed simply according to its fair meaning and not strictly construed against City.

XIV. SIGNATURES

CITY OF BURLINGTON:

Witness

By: _____

Gene Richards, Director of Aviation

Date: _____

Main Street Project Services, Inc.:

Witness

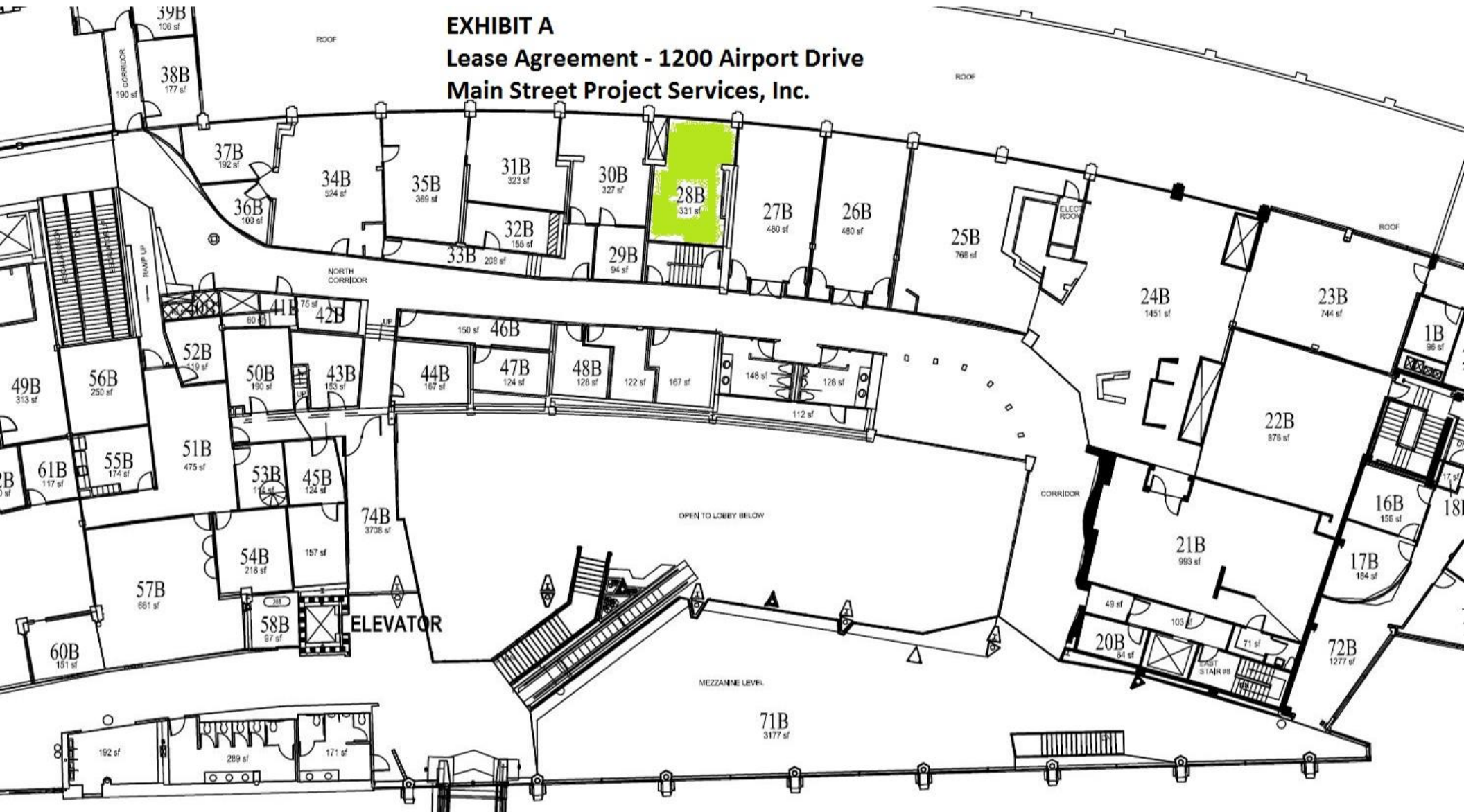
By: _____

Carol Elliott, Office Manager

Date: _____

Address: PO Box 9216
South Burlington, VT 05407

EXHIBIT A
Lease Agreement - 1200 Airport Drive
Main Street Project Services, Inc.





BURLINGTON INTERNATIONAL AIRPORT

MEMO

TO: Burlington International Airport, Board of Commissioners

FROM: Burlington International Airport Staff

DATE: November 28, 2016

SUBJECT: Greyhound Bus Service Lease Agreement

The Burlington International Airport (BTV) seeks Airport Board of Commissioners approval and recommendation to the City of Burlington Board of Finance and City Council for a lease agreement with Greyhound Lines, Inc. for the operation and office lease

The Airport has been leasing to Greyhound for a few years now, and their current lease expires on December 31, 2016. No significant changes will be included in this new lease agreement. The length of the term is 5 years Effective January 1, 2016. They will continue to operate through the counter located in baggage claim near the rental car counters.

Please find attached the draft lease documentation.

Thank you for your continued support.

1200 Airport Drive, #1
South Burlington, Vermont 05403

Phone: (802) 863-2874 (TTY)
Fax: (802) 863-7947
www.btv.aero

**LEASE AGREEMENT
BETWEEN CITY OF BURLINGTON AND BURLINGTON INTERNATIONAL AIRPORT
AND GREYHOUND LINES, INC. FOR OFFICE/COUNTER SPACE
AND PUBLIC/COMMERCIAL BUS TRANSPORTATION**

THIS LEASE AGREEMENT (“Agreement”), is made and entered into as of the ___ day of _____, 2016, by and between the City of Burlington (“City”), and Greyhound Lines, Inc. (“Lessee”) a corporation organized under the laws of the State of Delaware. For and in consideration of the premises and the mutual covenants in this Agreement, City and Lessee agree as follows:

I. RECITALS

1.1 City owns and operates the Burlington International Airport (the “Airport”), located in Chittenden County, Vermont; and

1.2 Lessee and its affiliates desires to lease certain existing space in the Terminal building at the Airport as office/counter space and desires accommodation of transient (i.e.; for loading and unloading of passengers and baggage) bus parking near the Airport’s Terminal building; and

1.3 City is willing to grant Lessee the right to use existing space at the Airport for office/counter purposes and the right to park buses near the Airport’s Terminal building, on the following terms and conditions.

II. PURPOSE

2.1 City leases to Lessee the office/counter space located at the Airport as depicted on Exhibit A (the “Space”). Lessee shall have the exclusive right to utilize the Space for general office space, ticket sales, and information purposes, in connection with its business operations subject to the conditions below and NO other use of the Space is allowed without the prior written consent of the City.

2.2 City authorizes the transient parking of all bus operators serving the Airport for the purposes of loading and unloading of bus passengers and their baggage only, at the location depicted on Exhibit B (the “Parking Area”). No more than two buses shall be curbside at the same time. Buses must not remain at the loading and unloading area for a period of more than thirty (30) minutes. A remote pull off area for extended parking is shown in Exhibit C (the “Extended Parking Area”).

III. REPRESENTATIONS

3.01 Representations by the City. The City hereby represents that City is a duly and lawfully created, existing and organized municipal corporation owning and operating the Airport, having the power to enter into the transaction contemplated by this Agreement and to carry out its obligations hereunder, and by proper action the City has duly authorized the execution and delivery of this Agreement.

3.02 Representations by Lessee. The Lessee makes the following representations as the basis for its undertakings herein contained:

- a. Lessee is in good standing under the laws of Delaware; has the power to enter into this Agreement; and is in full compliance with all applicable Vermont laws relating to the conduct of its business in Vermont and all applicable rules, regulations and standards of the airport.
- b. Lessee will occupy and use the Leased Premises subject to the control and jurisdiction of the City in accordance with the terms hereof.

IV. TERM

4.1 This Agreement shall commence on January 1,, and shall end on December 31, 2017, unless sooner terminated in accordance with the terms hereof. The parties may extend the term of this agreement by one (1) year by mutual agreement in writing and no less than sixty (60) days prior to the termination of the original term of the agreement. The parties may further extend this agreement two (2) additional times for a period of one (1) year by mutual agreement in writing and no less than sixty (60) days prior to the termination of any of the one (1) year extensions provided herein

V. RENT

5.1 For the exclusive use of the Space identified in "Exhibit A" and the right to park buses as depicted on Exhibit B," Lessee shall pay to City a rental fee, adjusted annually on the first day of July and based upon the total square footage, equal to two hundred and four (204) square feet, of the Premises multiplied by the square footage rate payable by signatory airlines for similar space within the Terminal building. Such payment shall be prorated on a monthly basis and paid monthly in advance on the first day of each calendar month of the term of this Agreement, with or without billing. Payment shall be made at the Office of the Director of Aviation, 1200 Airport Drive, #1, South Burlington, Vermont 05403 or such place as may hereafter be designated by City.

City, subject to its ability to so provide, will furnish heat and air conditioning for the demised Premises at no additional cost to Lessee. Please note that if Lessee wishes to operate a queue area in front of the counter space, that area will be billed at the same rental fee identified above. Prior to installation of a queue area or kiosk, Contractor must receive written approval from the Director of Aviation.

VI. CITY OBLIGATIONS

As to the Space:

6.1 City shall provide finished floors, doors, walls, ceilings with general lighting, heating and air conditioning to all parts of the Space. City makes no representation or warranty with respect to the condition of the Space or its fitness or availability for any particular use and City shall not be liable for any latent or patent defect thereon.

As to the Parking Area:

6.2 The City shall cause the Parking Area to be available to Lessee during its scheduled hours of operation, providing for the timely removal of snow as applicable, the general maintenance of the curb for public operations and control of passenger vehicles.

VII. LESSEE OBLIGATIONS

7.1 Lessee agrees to establish, operate and maintain a high quality, financially sound bus coach service business responsive and courteous to the traveling public including the furnishing of good, prompt and efficient services at the Airport on a fair and reasonable basis.

7.2 Lessee agrees to maintain an appropriate on-Airport counter facility in the Space identified in Exhibit A, including operating facilities and accessories as required, and conduct its ticket sales in the space assigned and to do so with on premises staff for no less than twelve (12) hours per day and to have another person on call and reachable by phone or other means of communication during any time there is no staff person present. Said person and contact information is presently designated as _____.

7.3 Lessee agrees to keep the assigned premises clean, neat, and orderly at all times to include regular vacuuming, carpet cleaning, and counter and sign cleaning and provide for the orderly disposal of all trash and debris.

7.4 Lessee agrees to pay the rent and other charges herein reserved at such times and places as the same are payable.

7.5 Lessee shall provide only the operate the latest model coach buses to and from Airport premises which are safe and in good repair, free of mechanical defects, and clean and properly serviced.

7.6 Lessee agrees to keep and maintain all parts of the Space and Parking Area, including related and associated appurtenances, in good condition, order and repair during the term of this Agreement. Lessee is further obligated to, upon termination whether for cause or conclusion of term, restore Space to the condition upon which it was found upon commencement of this Agreement. Notwithstanding anything to the contrary in this Agreement, Lessee shall not be responsible for structural work, capital improvements, capital expenditures and/or replacements in, on or affecting the Exclusive Space or the Parking Area.

7.7 Lessee agrees to, at its own expense, obtain any necessary approvals and/or permits from the City of South Burlington (and any other appropriate governmental authority) for its use of the Space and Parking Area and agrees to observe and comply with any and all present and future requirements of the constituted public authority and with all federal, state or local statutes, ordinances, regulations and agreements applicable to Lessee for its use of the Space and Parking Area, including, but not limited to, ordinances, rules and regulations promulgated from time to time by or at the direction of City for the administration of the Airport.

7.8 Lessee agrees that it is an independent business and an employing unit subject as an employer to all applicable unemployment compensation, occupational safety and health, or similar statutes. The City shall have no responsibility to or liability for treating Lessee's employees as employees of the City, their safety, or keeping records, making reports, or paying any payroll taxes or contribution.

7.09 Lessee shall pay, on or before their respective due dates, all federal, state, and local taxes and fees which are now or may hereafter be levied upon the Space and Parking Area, or upon

Lessee, or upon the business conducted on the premises, or upon any of Lessee's property used in connection therewith.

7.10 Lessee shall commit no actionable waste or nuisance upon the Space and Parking Area and shall not do or permit to be done anything that may result in the creation, commission or maintenance of any such waste or nuisance on the Space and Parking Area.

7.11 Lessee shall observe and comply with any and all present and future security regulations and procedures and operational procedures promulgated from time to time by or at the direction of City for the administration of the Airport.

7.12 Lessee shall pay all charges for telephone service, data and electrical utilities, including installation and normal repair and maintenance, related to referenced services and utilities required by Lessee.

7.13 Lessee shall not assign, mortgage, or encumber this Agreement or underlet or sublease the Space or Parking Area or any part of the Space or Parking Area.

7.14 Lessee shall not use or occupy the Space or Parking Area in such a manner as to impair the use of any part of the Terminal building or interfere with the business or occupancy of any other Airport tenant.

7.15 Lessee shall not inscribe, paint, affix or permit any sign, advertisement or notice on any part of the Space or Parking Area, including affixing the same to any door, without the prior written consent of City. Lessee shall have the right to install on the Premises a sign or other corporate or trade name identification. The size, type, design and location of such sign or other identification in the Space shall, however, be in compliance with any and all applicable state statute or local ordinance and shall be subject to the prior written approval of the Airport Director which approval will not be unreasonably denied or delayed. The Lessee shall maintain such signs in good state of repair, and shall repair any damage that may have been done to the Leased premises by the erection, existence, maintenance, or removal of such signs.

7.16 Lessee to, at its own expense, install a camera system at the Preferential Use counter as well as the passenger drop off and loading area. The camera system must be incorporated into the Airports current camera system.

7.17 Lessee will, in providing all services under this Agreement, employ or permit the employment of only such personnel as Lessee reasonably believes will enable Lessee to deliver a high standard to the public. All such personnel, while on or about the Premises, shall be clean, neat in appearance and courteous at all times and shall be appropriately attired in a manner such that they can be identified to the employees of Lessee, with badges or other suitable means of identification, in such instances as are appropriate. No personnel employed by Lessee, while on or about the Airport premises, shall use improper language, or act in a loud or otherwise improper manner. At no time will Lessee's employees verbally or in any manner solicit passengers or other individuals while on Airport premises.

VIII. MAINTENANCE

8.1 Except for damage caused by any negligent or intentional act or negligent omission of Lessee, Lessee's agents, employees, or invitees, City shall maintain the common areas, all structural elements of the Terminal building and all mechanical systems in good condition and repair. Subject to section 6.2 above, Lessee shall maintain the Space and Parking Area in good repair and condition at all times.

8.2 The City is not responsible for any claims for compensation or any losses, damage or injury sustained by the Lessee resulting from conditions outside the control of the City, including but not limited to, failure of any water supply, heat, air conditioning, electrical current, or sewage or drainage facility, bursting or leaking of water pipes unless due to the negligence or willful acts of City or its agents or employees.

IX. ALTERATIONS AND IMPROVEMENTS

9.1 City is not responsible or obligated to make any alterations, modifications or improvements to the Space or Parking Area.

9.2 Lessee shall not do any work in or about the Space or Parking Area or make any improvements, alterations or additions to the Space or Parking Area without the prior written consent of City. Any alterations, improvements or additions made by Lessee shall be at no cost to City and shall remain upon the Space and Parking Area at the termination of this Agreement and become the property of City unless City shall give Lessee written notice to remove the same. In that event, Lessee shall remove the improvements or additions and restore the Space and Parking Area to the same condition in which it was at the commencement of this Agreement, reasonable wear and tear excepted. Should Lessee fail to do so, City may do so and Lessee shall pay the cost and expense thereof.

X. RIGHT OF ENTRY

10.1 City and its agents shall have the right to enter the Space and Parking Area during all reasonable hours for any reasonable purpose, including but not limited to, inspection and repair.

XI. INSURANCE AND INDEMNIFICATION

11.1 During the terms of this Agreement, Lessee shall at all times carry insurance with companies duly licensed to provide insurance coverage in the State of Vermont, and approved by the City, to protect Lessee and the City against any and all claims, demands, actions, judgments, costs, expenses, or liabilities of every kind which may arise, directly or indirectly, from or by reason of Lessee's use and occupancy of the Space and Parking Area. At a minimum, Lessee shall carry and maintain Commercial General Liability coverage in the minimum amount of \$1,000,000 per occurrence. Any and all such policies shall name the City of Burlington, Vermont, Burlington International Airport, as an additional insured.

11.2 Lessee shall defend (at the option of the City), indemnify, and hold the City, its successors, assigns, officers, elected and non-elected officials and employees, harmless from and against any and all claims, demands, suits, causes of action, judgments and liability of every

character type or description, including all expenses of litigation, court costs and attorney's fees (collectively "Indemnified Liability") arising out of or concerning this Agreement, or the use and occupancy of the Space and Parking Area, including but not limited to:

- a. damage to or loss of any property, including but not limited to City of Burlington/Airport property;
- b. death, bodily injury, illness, disease, workers' compensation, loss of services, or loss of income or wages to any person, including but not limited to employees of Lessee and the City, arising out of, or caused, by the negligence, gross negligence, willful misconduct or strict liability of Lessee or its agents, employees or contractors.

Notwithstanding anything herein to the contrary, Lessee's obligations to defend and indemnify City shall only extend to damages/claims caused by Lessee.

XII. HAZARDOUS SUBSTANCES

12.1 Lessee shall not use, generate, store, discharge, or dispose of any Hazardous Substance on, under, about, or within the Space and Parking Area or any building or other property at the Airport. In the event of any spill or discharge of Hazardous Substances caused by Lessee, its employees, agents or invitees, Lessee, at Lessee's sole cost, shall promptly remediate all affected areas including, without limitation, the Space and Parking Area, to background levels in full and complete compliance with all applicable laws, rules, ordinances and regulations. As used herein, Hazardous Substances shall mean any substance, product, waste or other material of any nature that is or becomes listed or regulated under any Federal, State or local law, rule, regulation or ordinance concerning hazardous, toxic or dangerous substances, wastes or materials including, but not limited to the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), the Resource conservation and Recovery Act ("RCRA"), and the Hazardous Substances Act ("HSA"). Lessee shall defend, indemnify and hold City harmless from all claims, demands, fines, suits, actions judgments and liability (including both civil and criminal) and all costs of litigation, attorney's fees and court costs, to the full extent arising out of or concerning the use, generation, storage, disposal, discharge, or clean-up of hazardous substances by Lessee at the Airport.

Lessee shall not be required to defend, indemnify and hold City harmless for any claims, demands, fines, suits, actions, judgments and liability with regard to any spill or discharge of hazardous substances determined to have occurred prior to Lessee's utilization and/or occupancy of the Space and Parking Area.

XIII. EXCLUSIVITY – NON-DISCRIMINATION

13.1 Lessee agrees that in the exercise of the rights and privileges herein granted for the furnishing of services hereunder to the public that it will:

- a. Furnish said services on a fair, equal, and not unjustly discriminatory basis to all users thereof, and

- b. charge fair, reasonable, and not unjustly discriminatory prices for each unit or service; provided that Lessee may be allowed to make reasonable and non-discriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

13.2 It is specifically understood and agreed that nothing herein contained shall be construed as granting or authorizing the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act of 1958.

13.3 Lessee, for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree that (1) no person, on the ground of race, color, sex or national origin, shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of the Space or Parking Area or furnishing of services thereon (2) in the construction of any improvements on the Space or Parking Area, no person on the grounds of race, color, sex or national origin, shall be excluded from participation in, denied the benefits of, or otherwise subjected to discrimination, (3) Lessee shall use the Space or Parking Area in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended.

In event of breach of any of the above nondiscrimination covenants, City shall have the right to immediately terminate this Agreement, and to re-enter and repossess the Space and Parking Area, and hold the same as if said Agreement had never been made or issued.

XIV. GENERAL PROVISIONS

14.1 Subordination to Agreements- This Agreement is subject and subordinate to the provisions of any agreement heretofore or hereafter made between the City and the United States Government or State of Vermont relative to the operation or maintenance of the Airport, the execution of which has been required or may be required as a condition precedent to the transfer of federal rights, funds or property to the City for Airport purposes, or the expenditure of federal funds for the improvement or development of the Airport, including the expenditure of federal funds for the development of the Airport in accordance with the provisions of the Federal Aviation Act of 1958, as it has been amended from time to time.

14.2 Acceptance of Fees - No acceptance by City of rentals, fees, charges or other payments in whole or in part, for any period or periods after a default of any of the terms, covenants, and conditions hereof to be performed, kept or observed by Lessee, shall be deemed a waiver of any right on the part of the City to terminate this Agreement for any subsequent violation by Lessee.

14.3 Nonwaiver of Rights- No waiver of default by either party of any of the terms, covenants, and conditions hereof to be performed, kept, and observed by the other party shall be construed as, or shall operate as, a waiver of any subsequent default of any of the terms, covenants, or conditions herein contained, to be performed, kept, and observed by the other party.

14.4 Notices- Notices required herein may be given by registered or certified mail by depositing the same in the United States mail in the continental United States, postage prepaid. Any such notice so mailed shall be presumed to have been received by the addressee seventy-two (72) hours after deposit of same in the mail. Either party shall have the right, by giving written notice to

the other, to change the address at which its notices are to be received. Until any such change is made, notices to City shall be delivered as follows:

For Lessor:

Director of Aviation
Burlington International Airport
1200 Airport Drive, #1
South Burlington, Vermont 05403

For Lessee:

Greyhound Lines, Inc.
Real Estate Department
350 N. St. Paul Street
Dallas, TX 75201

With a copy to:

Greyhound Lines
Legal Department
350 N. St. Paul Street
Dallas, TX 75201

Notices to Lessee shall be deemed sufficient if in writing and mailed, registered or certified mail, postage prepaid, addressed to Lessee at the address on file with the Director. If notice is given in any other manner or at any other place, it will also be given at the place and in the manner specified above.

14.5 Captions -The headings of the several articles of this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit, or describe the scope or intent of any provisions of this Agreement and shall not be construed to affect in any manner the terms and provisions hereof or the interpretation or construction thereof.

14.6 Severability- If one or more clauses, sections, or provisions of this Agreement shall be held to be unlawful, invalid or unenforceable, it is agreed that the remainder of the Agreement shall not be affected thereby.

14.7 Waiver of Claims- The Lessee hereby waives any claim against the City of Burlington and the State of Vermont and its officers, or employees for loss of anticipated profits caused by any suit or proceedings directly or indirectly attacking the validity of this Agreement or any part thereof, or by any judgment or award in any suit proceeding declaring this Agreement null, void or voidable, or delaying the same or any part hereof, from being carried out.

14.8 Right to Develop Airport- It is further covenanted and agreed that the City reserves the right to further develop or improve the Airport and all landing areas and taxiways as it may see fit, regardless of the desires or view of the Lessee and without interference or hindrance. The City reserves the right to relocate the Assigned Area, and in the event of a relocation, the City will use its best efforts to provide substitute space of comparable size and suitability for the uses called for by this agreement..

14.9 Incorporation of Exhibits-All exhibits referred to in this Agreement are intended to be and hereby are specifically made a part of this Agreement.

14.10 Incorporation of Required Provisions- The parties incorporate herein by reference all provisions lawfully required to be contained herein by any governmental body or agency.

14.11 Non-liability of Agents and Employees- No member, officer, agent, director, or employee of the City shall be charged personally or held contractually liable by or to Lessee under any term or provision of this Agreement or because of any breach thereof or because of its or their execution or attempted execution.

14.12 Successors and Assigns Bound- This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto where permitted by this Agreement.

14.13 Right to Amend- In the event that the Federal Aviation Administration or its successors require modifications or changes in this Agreement as a condition precedent to the granting of funds for the improvement of the Airport, or otherwise, the Lessee agrees to consent to such amendments, modifications, revisions, supplements, or deletions of any of the terms, conditions, or requirements of this Agreement as may be reasonably required.

14.14 Time of Essence - Time is expressed to be of the essence of this Agreement.

14.15 Gender- Words of any gender used in this Agreement shall be held and construed to include any other gender and words in the singular number shall be held to include the plural, unless the context otherwise required.

14.16 Force Majeure- Neither the City nor the Lessee shall be deemed in violation of this Agreement if it is prevented from performing any of the obligations hereunder by reason of strikes, boycotts, labor disputes, embargoes, shortage of material, act of God, acts of the public enemy, acts of superior governmental authority, weather conditions, riots, rebellion, sabotage, or any other circumstances for which it is not responsible or which is not within its control, and the party experiencing force majeure shall give immediate notice to the other party identifying the nature of such force majeure and when it began. The party experiencing force majeure shall take immediate action to attempt to remove such causes of force majeure as may occur from time to time and its operations under this Agreement shall be resumed immediately after such cause has been removed, provided that neither party shall be required to settle any labor dispute except upon terms that party deems acceptable. The suspension of any obligations under this section shall not cause the term of this Agreement to be extended and shall not affect any rights accrued under this Agreement prior to the commencement of the force majeure. The party giving notice of the force majeure shall also give notice of its cessation.

14.17 Interpretation - The language in all parts of this Agreement shall in all cases be construed simply according to its fair meaning and not strictly construed against the City.

14.18 Reserved Rights and Privileges- All rights and privileges not specifically granted to Lessee in this Agreement shall be reserved to the City.

14.19 This agreement shall be construed and interpreted according to the laws and regulations of the State of Vermont.

XV. ENTIRE AGREEMENT

15.1 It is understood and agreed that this instrument contains the entire agreement between the parties hereto. It is further understood and agreed by Lessee that City and City's agents have made no representations or promises with respect to this Agreement expressly set forth, and that no claim or liability or cause for termination shall be asserted by Lessee against City for, and City shall

not be liable by reason of, the breach of any representation or promises not expressly stated in this Agreement, any other written or parole agreement with City being expressly waived by Lessee.

The individuals executing this Agreement warrant that they have full authority to execute this lease on behalf of the entity for which they are acting herein.

The parties hereto do hereby execute this Agreement on the day and year first above mentioned.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be duly executed, in duplicate, with all the formalities required by law on the day and year written below.

BURLINGTON INTERNATIONAL AIRPORT:

ATTEST: _____

By: _____

Gene Richards
Director of Aviation

ATTEST: _____

STATE OF VERMONT
COUNTY OF CHITTENDEN, ss

At Burlington this ___ day of _____, 2017 before me personally appeared Gene Richards, Director of Aviation, duly authorized agent of the City of Burlington, and he acknowledged the execution of this document to be his free act and deed, and the free act and deed of the City of Burlington .

Notary Public
My Commission Expires:

GREYHOUND LINES, INC.:

ATTEST: _____

BY: _____

ATTEST: _____

TITLE: _____
Duly Authorized

DATE: _____

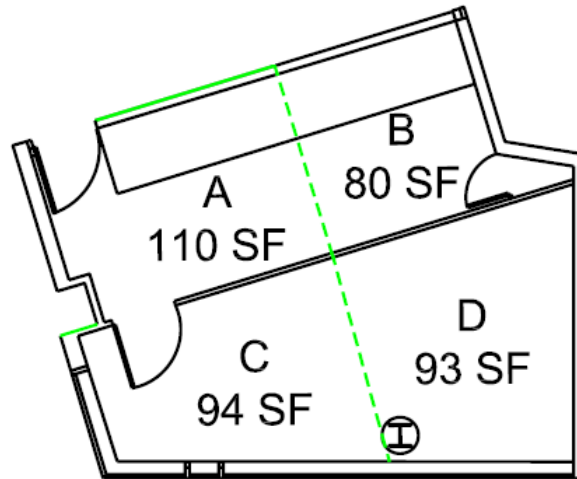
STATE OF _____
_____ County, SS.

At _____ this ___ day of _____, 2017 before me personally appeared _____, duly authorized agent of Greyhound Lines, Inc., and he/she acknowledged the execution of this document to be his/her free act and deed, and the free act and deed of Greyhound Lines, Inc.

Notary Public
My Commission Expires:

Exhibit A

“Space”



Greyhound Terminal Lease Area.

Approximate Area (A&C): 204 s.f.

Exhibit B

“Parking Area”

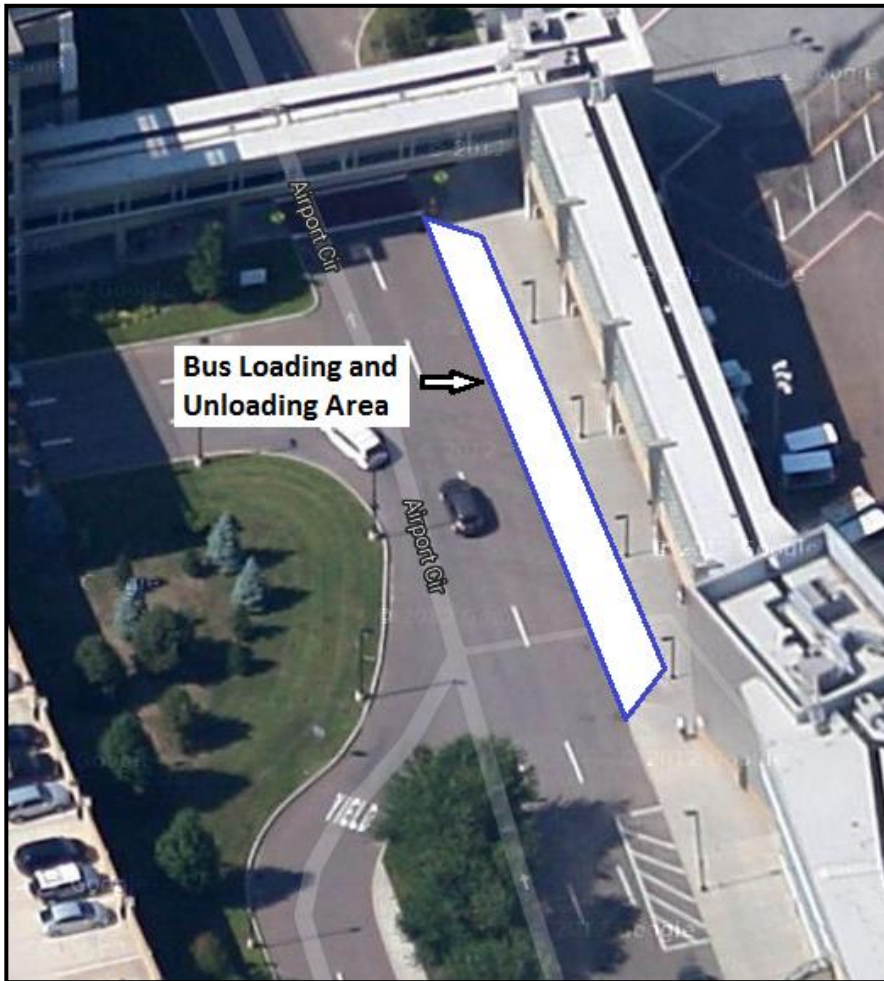


Exhibit C

“Extended Parking Area”





BURLINGTON INTERNATIONAL AIRPORT

MEMO

TO: Burlington International Airport, Board of Commissioners

FROM: Burlington International Airport Staff

DATE: November 28, 2016

SUBJECT: Aviatron, Inc. Property Lease

The Burlington International Airport (BTV) seeks Airport Board of Commissioners approval and recommendation to the City of Burlington Board of Finance and City Council for a lease agreement with Aviatron, Inc. located at 25 Customs Drive.

The Airport has been leasing to Aviatron for many years now, a company that provides overhaul and repair services for various aircraft components. This building is located outside of the airfield fence behind Heritage Aviation's Hangars. Their current lease is expiring on December 31, 2016, and the Airport and Aviatron wish to extend their lease for an additional 5 years. This lease will commence on January 1, 2017 at the first year annual rate of \$149,921 for the building and associated grounds.

Please find attached the draft lease documentation.

Thank you for your continued support.

1200 Airport Drive, #1
South Burlington, Vermont 05403

Phone: (802) 863-2874 (TTY)
Fax: (802) 863-7947
www.btv.aero

LEASE AGREEMENT

THIS LEASE AGREEMENT executed this ___ day of _____, 2016 and made effective the ___ day of _____, 2016, by and between the City of Burlington, Vermont, acting by and through the Burlington Airport Commission (hereinafter “Lessor”), being the duly and lawfully constituted municipal corporation owning and operating the Burlington International Airport, located at 1200 Airport Drive #1 in the City of South Burlington, Vermont 05403 (hereinafter “Airport”), and Aviatron, Inc. (U.S.), a Vermont corporation authorized to do business in the State of Vermont (hereinafter “Lessee”).

W I T N E S S E T H :

WHEREAS, Lessor owns and operates an airport known as the Burlington International Airport located in South Burlington, Vermont, which airport and any additions or improvements thereto or changes therein which the City hereafter makes or authorizes are hereinafter collectively called the “Airport”; and

WHEREAS, Lessor wishes to enter into a lease for a certain portion of the Airport premises in the interest of furthering and carrying on its purpose in the operation of the Airport and in the promotion of aviation in the interest of the public; and

WHEREAS, Lessee desires to obtain a lease for certain premises on the Airport as hereinafter described, together with certain rights and privileges in connection therewith;

NOW THEREFORE, for and in consideration of the premises and of the mutual covenants and promises herein contained, the parties hereby covenant and agree as follows:

1. PREMISES. - Lessor hereby leases to Lessee for its exclusive use, and Lessee hereby hires and takes from Lessor, the entire building known as the so-called Aviatron Building consisting of Fifteen Thousand Six Hundred Eighty (15,680) square feet, as shown on the sketch attached hereto as **Exhibit “A”**, and hereby incorporated and specifically made a part hereof, together with a

parcel of land consisting of Thirty Six Thousand Sixty (36,060) square feet upon which the Aviatron Building is located together with adjacent land used for parking and future building expansion, as shown on said Exhibit "A" and hereby specifically made a part hereof, to have and to hold the said premises (collectively referred to as the "Leased Premises") with the appurtenances thereto belonging, together with all improvements, if any, therein upon the terms and conditions hereinafter provided.

2. TERM - The term of this Agreement shall be five (5) years and shall be deemed to have commenced on [REDACTED], 2016 and shall end on [REDACTED], 2021. This Agreement shall be subject to termination by either Lessor or Lessee, at either party's sole discretion, on not less than Three Hundred Sixty-Five (365) days advance written notice.

3. RENTAL - For and during the term hereof, Lessee shall pay Lessor the following annual rentals for the use and occupancy of the Leased Premises, in equal monthly installments in advance, on or before the fifth business day of each calendar month of the term, at the office of the Director of Aviation, Burlington International Airport, 1200 Airport Drive # 1, South Burlington, Vermont 05403.

a. \$ [REDACTED] per square foot for that portion of the Leased Premises comprising the space within the Aviatron Building consisting of Fifteen Thousand Six Hundred Eighty (15,680) square feet, equating to [REDACTED] Dollars (\$ [REDACTED]) per annum; and

b. \$ [REDACTED] per square foot comprising the parcel of land upon which the Aviatron Building (as amended) sets along with adjacent land, the total of which consists of consisting of Thirty Six Thousand Sixty (36,060) square feet, equating to [REDACTED] Dollars (\$ [REDACTED]) per annum.

Said rental amounts shall be adjusted annually to reflect increases in the cost of living as reflected in the Consumer Price Index for all Cities, all Urban Consumers, published by the Bureau of Labor Statistics of the United States Department of Labor or equivalent replacement index or an increase of 3%, whichever is higher. In no event shall the Rental be less than the immediately preceding rate.

If the term of this Lease shall begin or end on any day of the month other than the first (1st) day, the rent for the month in which this Lease shall commence or terminate shall be pro-rated on a per diem basis.

Any rental amount payable which shall not have been paid when due shall bear interest at the rate of one and a half percent (1 1/2%) per month, which interest shall be paid by Lessee in addition to such amount.

4. OTHER FEES

a. Lessee agrees to pay aircraft landing fees to Lessor on or before the last day of each month based upon the number of Aircraft Landings properly attributable to Lessee during the preceding month. No later than the 10th day of each month Lessee shall provide the Director of Aviation with a listing of its Aircraft Landings during the preceding month. Such payments shall be paid at the office of the Director of Aviation without billing. If said fees are not received by the Office of the Director of Aviation on or before their due date, they shall be considered past due:

i. For each "Aircraft Landing", as defined herein as aircraft being utilized by or on behalf of Lessee in carrying out the business which is authorized by this Lease Agreement (including but not limited to aircraft owned or leased by Lessee, aircraft

providing service to Lessee pursuant to contract whether oral or written, and aircraft being parked in the hangar space), Lessee shall pay Lessor landing fees in the amount established by the Airport Commission as the same may be amended from time to time. Lessor shall provide Lessee the current landing fee information upon the execution hereof and shall provide written notice to Lessee promptly following any amendment thereof.

ii. Any aircraft landing fee amount not paid when due shall bear interest at the rate of one and one-half percent (1 1/2%) per month, which interest shall be paid by Lessee in addition to such amount.

Lessee shall keep and maintain a complete and accurate set of records of all the Aircraft Landings, for the use of the Lessor and payment of fees required under this Agreement, for three (3) years, and shall make such records available for inspection and copying by Lessor at any and all reasonable hours and times. Lessor shall have the right, at its expense and on reasonable notice, from time to time, to audit the records and other data of the Lessee relating to the provisions and requirements hereof, provided such inspection is made during regular business hours. In the event that a discrepancy of five percent or more is found in such records then Lessee shall pay the full cost of the audit.

b. Lessee agrees to act as agent for Lessor in charging and collecting transient aircraft landing, tie down, parking and seat charges associated with the Leased Premises. Lessee shall charge and collect fees according to the schedule therefore as established and amended from time to time by Lessor; Lessee shall remit 50% to Lessor and retain 50% of all fees so collected except that Lessee will remit 100% of seat charges so collected.

Notwithstanding the foregoing, Lessor expressly retains the exclusive right to execute a separate agreement with service operators for the collection of such fees.

5. **USE OF PREMISES**

The Leased Premises shall be used and occupied as an aircraft electrical component overhaul and repair shop, an aircraft repair shop for Allison 250 helicopter engines (which helicopters will be landing at Burlington International Airport and be towed to the Leased Premises), and access to the Air Carrier Terminal ramp to make repairs to air carrier electrical aircraft components. Without limiting the foregoing, but merely by way of example, Lessee shall not use any portion of the Leased Premises to conduct a fixed based operation; for the sale or lease of petroleum products, aircraft, engines, to conduct a flight school; to operate scheduled passenger service or scheduled airline operation; or to park or otherwise store any aircraft other than those described above.

6. AGREEMENT SUBORDINATE - This Agreement shall be subject and subordinate to the following:

a. Lessor reserves the right to take any action it considers necessary to protect the aerial approaches of the Airport against obstruction, together with the right to prevent Lessee from erecting or permitting or causing to be erected any building or other structure which, in the sole opinion of Lessor, would limit the usefulness of the Airport or constitute a hazard to aircraft;

b. This Agreement shall be subordinate to the provisions of any existing or any future agreement between Lessor and the State of Vermont and/or the United States of America 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 or State Funds for the development of the Airport.

c. Lessor's right, during time of war or national emergency to lease the landing facilities or any part thereof, or to otherwise permit the use thereof on an exclusive basis, by the United States of America or the State of Vermont for military use; the provisions of this Agreement, to the extent that they are inconsistent with these superior rights, shall be suspended during any such period.

7. LESSEE OBLIGATIONS - Lessee covenants and agrees at its own expense:

a. To pay the rent and other charges herein reserved at such times and places as the same are payable;

b. To furnish to the Leased Premises and to pay all charges for telephone service, sewage service, stormwater, trash and/or hazardous waste removal, snow removal and janitorial service, water, electric power, heat, gas, air conditioning and other public utilities of every kind;

c. To keep and maintain all parts of the Leased Premises, including related and associated appurtenances, in good condition, order and repair during the term of this Agreement, including but not limited to painting, lighting, removal of snow and garbage, landscaping, replacement of broken glass with glass the same size and quality of that broken, installed and operating equipment, and utility services. Lessee shall cooperate with other occupants of the building in which the Leased Premises is located so that any common facilities shall at all times be kept and maintained in a clean, orderly and sanitary manner.

Lessee shall share in an equitable manner with the other occupants the expenses of

maintaining said common facilities. If the common facilities are not kept and maintained in a clean, orderly, and sanitary manner, Lessor shall have the right, in its sole discretion, to assume such obligation and charge the expenses thereof to Lessee in an amount proportionate to the percentage that the total floor area of the premises leased to Lessee bears to the total floor area of all of the occupants sharing in the use of the common facilities. All maintenance shall be subject to general monitoring by Lessor to insure a continuing high quality of appearance commensurate with maintenance and safety standards of the Airport.

d. To observe and comply with any and all present and future requirements of the constituted public authority and with all federal, state or local statutes, ordinances, regulations, standards, conditions and agreements applicable to Lessee for its use of the Leased Premises, including, but not limited to, ordinances, rules and regulations promulgated from time to time by or at the direction of Lessor for the administration of the Airport, including the Minimum Standards for Commercial Aeronautical Activities, as adopted by the Airport; at its own expense to submit to and comply with the requirements of all state and federal regulatory agencies or municipal boards having jurisdiction over the construction of any fixed improvements on the Leased Premises, including, but not limited to, any Environmental Board or Board of Health; and at its own expense to comply with the standards for accessible design known as the Americans with Disabilities Act Accessibility Guidelines in connection with any new construction or alteration of the Leased Premises. Lessee shall bear the burden of this obligation regardless of whether any such Agency or Board shall require that Lessor be the applicant of record;

e. To pay to Lessor, as additional rental hereunder, Lessee's proportionate share of all real estate taxes and casualty insurance paid by Lessor.

Lessee's proportionate share of all real estate taxes assessed against the buildings and land included in the real estate tax assessment which includes the Leased Premises shall be determined by the ratio that the total square footage of the Leased Premises bears to the total square footage of the building in which the Leased Premises is located plus the total square footage of all other buildings included in the real estate assessment.

Lessee shall pay to Lessor its proportionate share of the premiums payable by Lessor for "casualty insurance", as hereinafter defined, carried by Lessor covering the building, and improvements, in which the Leased Premises is located. As used herein, "casualty insurance" means insurance covering risk of damage to or destruction of the building, and improvements, in which the Leased Premises is located and/or loss of rentals caused thereby, including but not limited to fire and extended coverage and, if carried by Lessor, vandalism and malicious mischief.

Lessee's proportionate share of the aforesaid taxes and assessments and insurance premiums levied or assessed for or during the term hereof, as determined by Lessor, shall be paid by Lessee to Lessor in monthly installments on or before the first day of each calendar month, in advance, in an amount estimated by Lessor as evidenced by a written notice thereof delivered from Lessor to Lessee. If the total amount paid by Lessee under this section for any calendar year during the term of this Agreement shall be less than the actual amount due from Lessee for such year, Lessee shall pay to Lessor the difference between the amount paid by Lessee and the actual amount due, such deficiency to be paid within ten

(10) days after demand therefore by Lessor; and if the total amount paid by Lessee hereunder for any such calendar year shall exceed such actual amount due from Lessee for such calendar year, such excess shall be credited against the next monthly installment or installments of taxes and assessments and insurance premiums due from Lessee to Lessor hereunder in the event the term hereof is extended, or such excess shall be refunded to Lessee. All amounts due hereunder shall be payable to Lessor at the location where rental is payable. For the calendar year in which this Agreement commences and terminates, the provisions of this section shall apply, and Lessee's liability for its proportionate share of any taxes and assessments and insurance premiums for such years shall be subject to a pro rata adjustment based on the number of days of said calendar years during which the term of this Agreement is in effect.

f. To pay directly to the taxing authority any and all personal property inventory taxes or assessments which may be assessed against the Leased Premises and its contents during the term hereof or any renewal term.

g. To commit no actionable waste or nuisance upon the Leased Premises and shall not do or permit to be done anything which may result in the creation, commission or maintenance of any such waste or nuisance on said premises or the Airport.

h. To erect, construct, install, or make, or cause to be erected, constructed, installed, or made, all improvements on or to the Leased Premises which are deemed fit or proper for the conduct of its business. All additions or improvements shall be subject to the prior written consent of Lessor, said consent not to be unreasonably withheld. All new construction and alterations of the Leased Premises shall be at the expense of Lessee and

must comply with the standards for accessible design known as the Americans with Disabilities Act Accessibility Guidelines. All improvements or alterations erected or made to the premises shall on expiration or sooner termination of this Agreement belong to Lessor without compensation to Lessee.

i. To observe and comply with any and all present and future security regulations and procedures and operational procedures promulgated from time to time by or at the direction of Lessor for the administration of the Airport.

j. That the management, maintenance and operation of the Leased Premises shall at all times be under the supervision and direction of an active, qualified, competent representative of Lessee, and Lessee shall identify its representative, and any successor, in writing to Lessor.

k. That it shall not park or allow any contract carrier to park an aircraft or leave or allow the same to be left standing on a public landing area, public ramp and apron area, public cargo ramp and apron area, public aircraft parking and storage area, or operational area, except at such places as may be prescribed or permitted by the Director of Aviation. Lessee further covenants and agrees to move or cause to be moved such aircraft from the place where it is parked or stored to any other place as designated and directed by the Director of Aviation.

l. To properly handle, remove and dispose of any and all lubricants and/or hazardous waste and to maintain the demised premises in a clean and safe condition.

8. LESSOR OBLIGATIONS - Lessor shall:

a. Ensure reasonable ingress and egress to and from the premises by means of serviceable industrial park access road.

b. Provide for snow removal from the public aircraft runways, taxiways, ramps and

industrial park access roads.

9. ENTRY OF PREMISES - Lessor, and its authorized officers, employees, agents, contractors, sub-contractors and other representatives, shall have the right to enter upon the Leased Premises for the following purposes:

a. To inspect the Leased Premises at reasonable intervals during regular business hours (or at any time in case of emergency) to determine whether Lessee has complied and is complying with the terms and conditions of this Lease Agreement and Lessee shall provide the Director of Aviation with serviceable keys to all of its facilities so as to permit the exercise of Lessor's rights hereunder; or

b. To perform essential maintenance, repair, relocation or removal of existing underground or overhead wires, pipes, drains, cables and conduits now located on or across the Leased Premises, and to construct, maintain, repair, relocate and remove such facilities in the future if necessary to carry out the master plan of development of the Airport provided, however, that said work shall in no event disrupt or unduly interfere with the operations of Lessee. Nothing herein shall be construed to impose upon Lessor any obligations so to construct or maintain or to make repairs, replacements, alterations or additions, or shall create any liability for any failure to do so. Lessee is and shall be in exclusive possession of the Leased Premises and Lessor shall not in any event be liable for any damage to the premises or to any property of Lessee or of any other persons located in or thereupon, other than to repair or remedy such damage as may be occasioned by negligence of Lessor, its employees or agents.

10. INSURANCE - Lessee shall carry comprehensive general liability insurance with responsible insurance underwriters, qualified to transact business in the State of Vermont, insuring

Lessee and Lessor, as their interests may appear, against all legal liability for injuries to persons (including wrongful death) and damages to property caused by Lessee's use and occupancy of the Leased Premises or otherwise caused by Lessee's activities or operations thereon with liability limits of not less than \$3,000,000 for any one person, and not less than \$5,000,000 for any accident involving injury (including wrongful death) to more than one person, and not less than \$5,000,000 for property damage resulting from any one accident. In addition, Lessee shall maintain fire, casualty, worker's compensation, business interruption (in sufficient amounts so as to enable Lessee to meet its rent obligations), flood and other appropriate types of coverage with insurers acceptable to Lessor, in such amounts as are acceptable to Lessor including hazard and extended coverage covering all leasehold improvements (excluding building, parking lot and utilities), chattels, furniture, fixtures, machinery and equipment located on the premises. Such policies shall name Lessor as additional insureds. Such policies shall also contain a standard or "New York" loss payable clause and shall provide for at least thirty (30) days prior written notification to Lessor of any termination, cancellations or material modification of such policies. Lessee shall, within ten (10) days after the execution of this Lease Agreement, furnish Lessor with certificates of such insurance, which shall provide that Lessor is an insured under said policy. Thereafter, Lessee shall furnish Lessor with certificates of such insurance at no less than six month intervals during the term of this Lease Agreement. Lessor shall have the right to examine such insurance policies upon reasonable notice to Lessee.

11. INDEMNIFICATION - Lessee shall indemnify and save harmless Lessor, its officers, agents and employees, including the City of Burlington Airport Commission, their successors and assigns, individually or collectively, from and against all liability for any fines, claims, suits, liens,

demands, actions or cause of action of any kind and nature for personal injury, death or property damage in any way arising out of or resulting from any activity or operation of Lessee on the Leased Premises or the Airport, and Lessee further agrees to pay all expenses in defending against any such claims made against Lessor, its officers, agents and employees, including the Board of Airport Commissioners of the City of Burlington, their successors and assigns, individually or collectively, provided, however, that Lessee shall not be liable for any injury, damage or loss occasioned by the sole negligence or willful misconduct of the Lessor its officers, agents and employees, including the Board of Airport Commissioners of the City of Burlington, their successors and assigns. Lessee shall give prompt and timely notice to Lessor (and copying the City of Burlington at: Attention: City Attorney, City Hall, Burlington, VT 05401) of any claim made or suit instituted which, in any way, directly or indirectly, contingently or otherwise, affects or may affect Lessor.

12. HAZARDOUS WASTES

a. Lessee shall properly handle, remove and dispose of any and all lubricants and/or hazardous waste and shall maintain the Leased Premises in a clean and safe condition.

b. Lessee unconditionally, absolutely and irrevocably indemnifies and agrees to defend and hold harmless Lessor from and against all loss, cost and expense (including, without limitation, attorney's fees) of whatever nature suffered or incurred by Lessor on account of the existence on the Leased Premises, or the release or discharge from the Leased Premises, of "hazardous substances," including, without limitation, any claims, costs, losses, liabilities and expenses arising from the violation (or claimed violation) of any environmental laws or the institution of any action by any party against Lessor or the Leased Premises based upon nuisance, negligence or other tort theory

alleging liability due to the improper generation, storage, disposal, removal, transportation or treatment of hazardous substances or the imposition of a lien on any part of the Leased Premises under the Comprehensive Environmental Response Compensation and Liability Act of 1980, 42 U.S.C. Section 9601, et seq., as amended (“CERCLA”), or any other laws pursuant to which a lien may be imposed due to the existence of hazardous substances. Lessee further unconditionally, absolutely, and irrevocably guarantees the payment of any fees and expenses incurred by Lessor in enforcing or seeking enforcement of the liability of Lessee under this indemnification.

For the purposes of this Section, “hazardous substances” shall mean and include, but shall not be limited to, any element, substance, compound or mixture, including disease-causing agents, which after release into the environment or work place and upon exposure, ingestion, inhalation or assimilation into any organism, either directly or indirectly, will or may reasonably be anticipated to cause death, disease, behavioral abnormalities, cancer, genetic mutation, physiological malfunctions, including malfunctions in reproduction or physical deformations in such organisms or their offsprings, and all hazardous and toxic substances, wastes or materials, any pollutants or contaminants (including, without limitation, asbestos and raw materials which include hazardous constituents), or any other similar substances, or materials which are included under or regulated by any local, state or federal law, rule or regulation pertaining to environmental regulation, contamination, clean-up or disclosure, including, without limitation, CERCLA, and regulations adopted pursuant to such Acts, the Toxic Substances Control Act of 1976, as heretofore or currently in effect (“TSCA”) and the Resource Conservation and Recovery Act of 1976, as heretofore or currently in effect (“RCRA”).

13. QUIET ENJOYMENT - Lessor represents and warrants to Lessee as follows:

a. It has lawful possession of the Leased Premises and good and lawful authority to execute this instrument;

b. Throughout the term hereof, Lessee may have, hold and enjoy peaceful and uninterrupted possession of the Leased Premises and rights herein leased and granted, subject to performance by Lessee of its obligations herein.

14. LESSOR CANCELLATION RIGHTS - Lessor shall have the right, upon thirty (30) days' advance written notice to Lessee, to cancel this Lease Agreement in its entirety, upon or after the happening of one or more of the following events, if said event(s) shall then be continuing:

a. If Lessee shall fail for thirty (30) days after the due date to pay the rental charges or other money payments required by this Lease Agreement;

b. If Lessee shall default in fulfilling any of the other terms or conditions of this Lease Agreement and shall fail to remedy said default within thirty (30) days following Lessee's receipt of written demand from Lessor to do so except that if the nature of such default is such that it cannot be remedied within said thirty (30) days, then Lessor shall have the right to cancel if Lessee shall have failed to commence remedying such default within said thirty (30) days or, having so commenced, shall fail thereafter to continue with diligence the curing thereof;

c. If Lessee or any sublessee shall voluntarily abandon and discontinue the conduct and operation of its service at the Airport for a continuous period of sixty (60) days.

d. If the fixed improvements upon the Leased Premises shall be totally destroyed or so extensively damaged that it would be impracticable or uneconomical to restore the same to their previous condition.

15. LESSEE CANCELLATION RIGHTS - Lessee shall have the right, upon thirty (30)

days' advance written notice to Lessor, to cancel this Lease Agreement in its entirety upon or after the happening of one or more of the following events, if said event(s) shall then be continuing:

a. The issuance by any court of competent jurisdiction of an injunction, order or decree preventing or restraining the use by Lessee of all or any substantial part of the Leased Premises or preventing or restraining the use of the Airport for usual Airport purposes in its entirety, or the use of any part thereof which may be used by Lessee and which is necessary for Lessee's operations on the Airport, which remains in force, unvacated or unstayed for a period of at least sixty (60) days;

b. Lessor's default in the performance of any of the terms or conditions imposed upon it by this Lease Agreement and its failure to cure such default within a period of sixty (60) days following Lessor's receipt of written demand from Lessee to do so, except that, if the nature of such default is such that it cannot be cured within said sixty (60) days, then Lessee shall have the right to cancel if Lessor shall have failed to commence remedying such default within sixty (60) days or, having so commenced, shall fail thereafter to continue with diligence the curing thereof;

c. If the fixed improvements upon the Leased Premises shall be totally destroyed, or so extensively damaged that it would be impracticable or uneconomical to restore the same to their previous condition;

d. In the event of destruction of all or a material portion of the Airport or the Airport facilities, or in the event that any agency or instrumentality of the federal or any state or local government shall occupy the Airport or a substantial part thereof, or in the event of military mobilization or public emergency wherein there is a curtailment, either by executive decree or legislative action of normal civilian traffic at the Airport or of the use of airplanes by the general public, and any of said events shall result in material interference with Lessee's normal operations

continuing for a period in excess of sixty (60) days.

16. LIENS - Lessee shall cause to be removed any and all mechanic's or materialman's liens of any nature arising out of or because of any construction performed by Lessee upon the Leased Premises or arising out of or because of the performance of any work or labor upon or the furnishing of any materials for use at the Leased Premises, by or at the direction of Lessee within reasonable time not to exceed six (6) months from the completion of any such construction.

17. FORCE MAJEURE - Neither Lessor nor Lessee shall be deemed in violation of this Lease Agreement if it is prevented from performing any of its obligations hereunder by reason of acts of God, acts of the public enemy, acts of superior governmental authority, weather conditions, riots, rebellion, sabotage, or any other circumstances for which it is not responsible or which is not under its control, and the party experiencing force majeure gives written notice to the other party identifying the nature of such force majeure, and when it began. The party experiencing force majeure shall take immediate action to attempt to remove such causes of force majeure as may occur from time to time and its operations under this Lease Agreement shall be resumed immediately after such cause has been removed, provided that neither party shall be required to settle any labor dispute except upon terms that party deems acceptable. The suspension of any obligations under this section shall not cause the term of this Lease Agreement to be extended and shall not affect any rights accrued under this Lease Agreement prior to the occurrence of the force majeure. The party giving notice of the force majeure shall also give notice of its cessation.

18. RELOCATION BY LESSOR - In the event that proper, planned and orderly development of the Airport shall require that Lessor devote any part of the Leased Premises to a different use than that contemplated by this Lease Agreement, Lessor shall have the right, upon

sixty (60) days' advance written notice to Lessee and without cost or expense to Lessee to relocate all or part of the Leased Premises. Said relocated premises shall be of no less area, as conveniently located as is reasonable considering all demands for space at the Airport and shall be replacement premises of the same or substantially similar quality as those premises vacated. All of Lessee's fixed improvements shall, without cost or expense to Lessee, be relocated or replaced on said relocated premises. All terms and conditions of this Lease Agreement, except the property description in Paragraph 1, shall apply to said relocated premises.

19. TITLE TO IMPROVEMENTS - Upon expiration of this Lease Agreement, by cancellation or termination of the lease term, all fixed improvements made upon the Leased Premises by Lessee shall become a part of the realty and remain on the Leased Premises as the property of the City of Burlington subject to any lease or other agreements between Lessor and the City of Burlington.

20. ASSIGNMENT - Lessee shall not assign this Lease or sublet any part of the Leased Premises.

21. NONDISCRIMINATION

a. Lessee agrees that in the exercise of any of the rights and privileges herein granted for the furnishing of any aeronautical services to the public that it will:

1. Furnish any such service on a fair, equal, and non-discriminatory basis to all users thereof, and

2. Charge fair, reasonable, and not unjustly discriminatory prices for any such unit or service; provided that Lessee may be allowed to make reasonable and non-discriminatory discounts, rebates or other similar types of price reductions to volume purchasers.

b. It is specifically understood and agreed that nothing herein contained shall be construed

as granting or authorizing the granting of an exclusive right within the meaning of Section 308 of Federal Aviation Act of 1958.

c. Lessee, for itself, its personal representatives, successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree, as a covenant running with the land, that (1) no person on the grounds of race, color, national origin or sex shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over or under said land and the furnishing of services hereon, no person on the grounds of race, color, national origin or sex shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that Lessee shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations Department of Transportation, Subtitle A, Office of the Secretary Part 21 Non-Discrimination in Federally-assisted programs of the Department of Transportation - Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

That in the event of breach of any of the above non-discrimination covenants, Lessor shall have the right to terminate this Agreement and to re-enter and repossess said land and facilities thereon, and hold the same as if said Agreement had never been made or issued.

d. Lessee assures that it will undertake an affirmative action program as required by 14 C.F.R., Part 152 Subpart E, to insure that no persons shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 C.F.R., Part 152, Subpart E. Lessee assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by the

subpart. Lessee assures that it will require that its covered suborganizations provide assurances to Lessor that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as required by 14 C.F.R., Part 152, Subpart E, to the same effect.

22. HOLDING OVER - In the event Lessee shall hold over and remain in possession of the Leased Premises after cancellation or termination of this Lease Agreement without written renewal hereof, such holding over shall not be deemed to operate as a renewal or extension of this Lease Agreement, but rather shall only create a tenancy from month-to-month which Lessor may terminate at any time upon thirty (30) days' advance written notice.

23. LIVABLE WAGE

The City has in effect a livable wage ordinance. This livable wage ordinance is applicable to service contracts with the City (as opposed to the purchasing of goods) where the total amount of the contract or contracts with the same person or entity exceeds \$15,000 for any twelve-month period. Airport property leases are considered contracts covered under the ordinance.

Lessee shall comply with the livable wage ordinance to the extent that it is a covered employer under the ordinance and the ordinance is otherwise applicable.

24. GENERAL PROVISIONS

a. Any notice or other communication from either party to the other pursuant to this Lease Agreement shall be deemed sufficiently given or communicated if sent by certified mail, with proper postage and registration fees prepaid, addressed to the party for whom intended, at the following address:

For Lessor: Director of Aviation
Burlington International Airport

1200 Airport Drive, Box 1
So. Burlington, VT 05403

For Lessee:
Aviatron, Inc. (U.S.)
25 Customs Drive
South Burlington, VT 05403

or to such other address as the party to be given such notice shall from time to time designate to the other by notice given in accordance herewith.

b. No acceptance by Lessor of rentals, fees, charges or other payments in whole or in part, for any period or periods after a default of any of the terms, covenants, and conditions hereof, to be performed, kept or observed by Lessee, shall be deemed a waiver of any right on the part of Lessor to terminate this Lease Agreement.

c. A waiver by Lessor of any default of Lessee, or by Lessee of any default by Lessor, in the performance of any of the covenants, terms or conditions of this Lease Agreement shall not be deemed or considered to be a waiver of any other matter, and the various rights, powers, privileges, options and remedies of Lessor and Lessee herein contained shall be cumulative, and no one of them shall be deemed to be exclusive of any other, or exclusive of any rights, powers, privileges, options or remedies provided by law.

d. All covenants, stipulations and agreements in this Lease Agreement shall extend to and bind the legal representatives, successors and assigns of the respective parties hereto.

e. This Lease Agreement shall not be varied in its terms by any oral agreement or representation, or otherwise than by an instrument in writing of subsequent date hereto executed by both parties by their respective officers or other persons duly authorized.

f. In the event any term, covenant or condition herein contained is held to be invalid by any court of competent jurisdiction, such invalidity shall not affect any other term, covenant or condition

herein contained, provided that such invalidity does not materially prejudice either Lessor or Lessee in their respective rights and obligations contained in the valid terms, covenants or conditions hereof.

g. The sectional or paragraph headings throughout this Lease Agreement are for the convenience of Lessor and Lessee and are not intended nor shall they be used to construe the intent of this Lease Agreement or any part hereof, or to modify, amplify, or aid in the interpretation or construction of any of the provisions hereof.

h. The language in all parts of this Lease Agreement shall in all cases be construed simply according to its fair meaning and not strictly construed against Lessor, it being stipulated and agreed that Lessee participated in the drafting hereof. This Lease Agreement shall be construed and performance thereof shall be determined in accordance with the laws of the State of Vermont.

{Remainder of Page Intentionally Left Blank – Signature Page to Follow}

IN WITNESS WHEREOF, the parties have caused these presents to be executed by their respective officer or representative thereunto duly authorized, the day and year first above written.

CITY OF BURLINGTON

Witness

BY: _____
Gene Richards, Director of Aviation

AVIATRON, INC. (U.S.)

Witness

BY: _____
Title: _____

STATE OF VERMONT
COUNTY OF CHITTENDEN, SS.

Dated at _____, Vermont, this ___ day of _____, 2016, personally appeared _____, and acknowledged the foregoing instrument by him/her signed and sealed to be his/her free act and deed and the free act and deed of the City of Burlington.

Before me, _____
Notary Public
My Commission Expires: 2/10/19

STATE OF _____
COUNTY OF _____, SS.

Dated at _____, this ___ day of _____, 2016, personally appeared _____, and acknowledged the foregoing instrument by him/her signed and sealed to be his/her free act and deed and the free act and deed of Aviatron, Inc.

Before me, _____
Notary Public
My Commission Expires: _____

**BURLINGTON INTERNATIONAL AIRPORT
BOARD OF COMMISSIONERS
PROCEDURAL RULES**

1. The Board of Airport Commissioners is created by Burlington City Charter Section 276. The Commission shall consist of four legal voters of the City to be appointed by the City Council with the Mayor presiding, to serve three years and until their successors are appointed and qualified. In addition, so long as the public aviation field and municipal airport is located within the limits of So. Burlington, the Airport Commission shall likewise consist of one legal voter of So. Burlington, to be appointed by the governing body thereof.

2. Responsibilities: The Commission is an advisory body. It has a responsibility to provide advice on all matters related to the operation of the Airport including financial matters. However, it will assume any Airport related duties delegated to it by Resolution of the City Council.

3. Meetings: Regular meetings of the Commission may take place on the third Monday of each month. If any regularly scheduled meeting falls on a legal holiday, the regular meeting shall be held on another meeting day, and provides notice as required by law. The Commission may meet in special session at the call of the Director of Aviation or the Chair or upon written request to the Director by two members of the Commission or by majority vote at a regular meeting. Notice of Special meetings must comply with the Open Meeting law (Appendix A). All meetings will be conducted under Roberts Rules of Order.

4. Place of meeting: Regularly scheduled meetings shall be held at the Airport Conference Meeting Room #1. To accommodate the public or in special circumstances, the Director of Aviation, or the Commission Chair, may choose an alternate meeting place. A notice of such change of time and place shall be prominently posted on the door of the regular meeting place.

5. Time of meetings: Regularly scheduled meetings shall begin at 3:00 p.m unless the Commission, by majority vote of those present, shall set a different starting time. Matters on the agenda not yet acted upon at the time of adjournment will be placed on the agenda of the next meeting.

6. Officers; Attendance: Annually, at the first meeting in July, the Commission shall elect officers, including a Chair and a Vice-Chair. Each member of the Commission is expected to attend each meeting. In the event a member cannot attend a meeting, she or he, in advance of the meeting, shall notify the Director of Aviation and the Chair of the upcoming absence. It is allowable for a member to attend a meeting and vote electronically.

7. Meeting Agenda: The Commission Chair, in consultation with the Director of Aviation will prepare the agenda of business for all meetings. Commissioners are encouraged to provide appropriate agenda items in a timely fashion. Commissioners shall be solicited for agenda items at least five calendar days before the following meeting. Once the meeting agenda is set and published, amendments may be made only by two-thirds vote of the Commission present at its meeting. Documents supporting agenda items are to be sent to the Commission not less than two

calendar days before the meeting, thus Commissioners are prepared for discussion at meeting time.

8. Conduct of Commission members: The Chair shall moderate all meetings of the Commission. In the absence of the Chair, the Vice-Chair shall assume the duties of the Chair. Commissioners are encouraged to discuss/debate on agenda items as appropriate. When doing so, members need to be first recognized by the Chair, thereby gaining the floor. Members are entitled to have their views presented and listened to by others. Side conversations are distracting and discourteous. “Jumping in” the discussion without recognition by the Chair is inappropriate.

9. Minutes: The Commission shall be responsible for maintaining the official record and minutes of each meeting. The minutes shall include all topics and motions of the Commission.

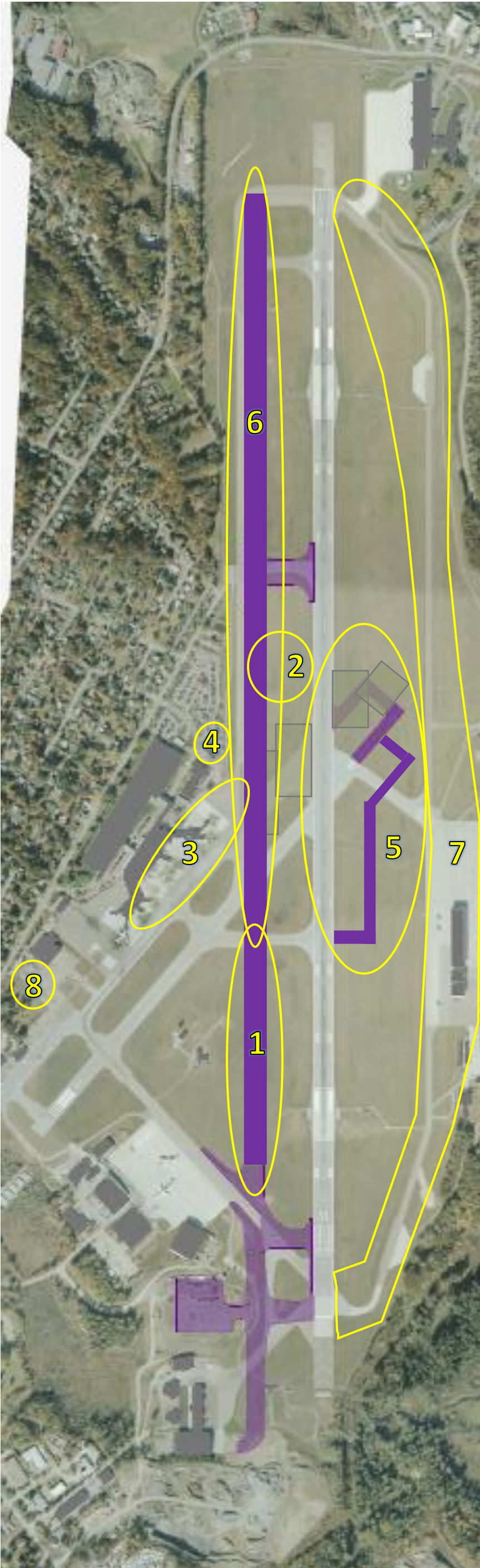
10. Public participation: Records and minutes of meetings will be made available to the public according to law. The public is encouraged to attend all regularly scheduled and special meetings of the Commission in orderly fashion as determined by the Chair. During the agenda item Public Forum, dialogue or debate on matters at hand are discouraged unless otherwise determined by the Chair or a majority vote of the Commission.

11. Committees: The Commission, through its Chair, may establish committees as appropriate. It shall be the duty of the Chair to appoint committee members.

12. Rules Changes: These Rules may be changed by the Commission providing they are discussed at a regular meeting and voted on at the next scheduled meeting.

13. Effective date: These rules become effective 30 days after approval by the Commission.

Construction Update Report



Open Projects

- 1. Taxiway K Construction.** Taxiway K was opened for use in mid-July! There are a few more items to do under this construction contract with respect to revised signage and pavement markings on the south end of Taxiway K, which will occur in October and November. These final work tasks resulted from discussions during the 2016 Runway Safety Action Team meeting, and the Taxiway K project was a great opportunity to fund the work through the AIP Program. The work includes some sign and pavement marking changes and will result in a new Taxiway P.
- 2. North Glycol System Upgrades.** Our stormwater system at BTV is inspected on a regular basis. One of the recommendations that came out of those inspections was to upgrade our North Glycol System, which is not operating up to current standards and regulations. The upgrades include a new concrete holding tank and larger pipes and pumps to accommodate more treatment capacity for stormwater runoff. The project started August 29th and we expect the work to be completed by December 24th, weather permitting. The project required the closure of Taxiway G for 10 calendar days, which started on October 5th.

Future Projects

- 3. Air Carrier Apron Rehabilitation, Phases 3 - 9.** Rehabilitating the Air Carrier Apron adjacent to the Terminal Building is planned in 9 phases, with phase 2 occurring last summer. We requested funding for Phase 3 and 4 this year and FAA approved the full request! The grant offer, however, came so late in the season that we won't be able to start any work this year. Work will begin in March or April of 2017. The project was estimate to take 335 days, so we will meet over the next couple of months to discuss options to expedite the construction schedule.
- 4. Quick Turn-Around Facility.** Car Rental Companies at BTV currently utilize a car wash facility just north of the Air Traffic Control Tower to wash, fuel, and maintain their fleet of vehicles. Included in the Car Rental Company Agreement that was updated and executed in 2015 was a breakdown of how a portion of the Customer Facility Charges will be used to build a new Quick Turn-around Facility (QTA) to replace the existing, outdated car wash facility. The design of the facility is complete, and permit approvals have been obtained. The bid process will begin as soon as we have approval from BTV and the car rental companies on the construction process.
- 5. Taxiway B Extension.** The "sea of pavement" is a colloquial term that has been tossed around to label the intersection of Taxiway A and Runway 15-33, which has vast amounts of pavement. This intersection is dangerous for smaller aircrafts that essentially get lost in the "sea of pavement". FAA has asked BTV to expedite a project that will mitigate this safety concern. On August 27th, 2015, about 20 airport stakeholders, including BTV, Air Guard, FAA, Army Guard, Air Traffic Control, and the State Airports Director, attended an intensive planning session hosted by BTV to discuss design alternatives for relocating Taxiway A. Based on the discussion, we selected one alternative and made comments on the design. The design for this project is nearly complete and permit applications have been submitted. The project is expected to begin in late summer of 2017.
- 6. Taxiway G Realignment.** Realigning Taxiway G will be the final phases of the overall project to create a parallel taxiway for Runway 15-33. The first phase is Taxiway K, which is listed above in the open projects section. Taxiway G will be constructed in segments, and will likely take 2 or 3 years to complete. Construction is scheduled for 2017-2019 and we are currently working on the design and permits. The construction schedule will overlap with Taxiway B extension, so coordination between the projects is essential.
- 7. Vermont Air National Guard.** VTANG is widening and reconstructing their apron, as well as Taxiways Delta and Foxtrot from 2016 to 2018. Demolition work associated with Taxiway F began in October 2016.
- 8. Relocating the Airport Beacon.** During the annual FAA Part 139 Certification Inspection in September 2016, it was noted that the airport beacon was not up to current standards and regulations. The number of rotations per minute is too low and some trees in the adjacent cemetery are so tall it blocks the beacon. BTV is currently looking at options, but will likely move the beacon just north of the cemetery and install a new beacon that meets current standards.



COMMISSION REPORT

Marketing Updates

This Month Highlights:

- BTV Flash Mob
- Wedding
- Lund Prom
- Alzheimer's Association Gathering
- 2 Wishes granted through Make-A-Wish

- Drone Seminar
- Featured in Stuck in Vermont
- Attended Williston Rotary Meeting
- 2 Wishes granted through Make-A-Wish
- Held first 2020 Centennial Celebration Committee

Web Site Organization:

We are in the final stages of making a more user friendly website. It will be used as a tool for advertising and sponsorship. It will be going live the first week of December.

Localvore Coupon:

The last week of November we are launching a parking coupon through the Localvore platform. The offer is buy one day of parking get one free—\$12 for a \$24 value.

Upcoming Events

- Wedding—January 2018

Purple Wi-Fi Top 5 Locations:

Last Month

1. Burlington, VT
2. Essex Junction, VT
3. South Burlington, VT
4. Montreal, Quebec
5. Montpelier, VT

This Month

1. Burlington, VT
2. Essex Junction, VT
3. South Burlington, VT
4. Colchester, VT
5. Barre, VT

Burlington International Airport
 Passenger and Operational Statistics
September 2016



	<u>September 2016</u>	<u>September 2015</u>	<u>% Change</u>	<u>FY2017 YTD</u>	<u>FY2016 YTD</u>	<u>% Change</u>
**Data not Audited						
Enplaned Passengers	52,211	51,089	2.20%	170,316	164,402	3.60%
Deplaned Passengers	53,351	51,352	3.89%	171,092	165,156	3.59%
Total Passengers	105,562	102,441	3.05%	341,408	329,558	3.60%
Departing Load Factor	79%	80%		83%	86%	
Departing Seat Capacity (Actual)	65,756	64,215	2.40%	205,367	191,575	7.20%
Total Cargo Tonnage Enplaned	No Data					
Total Cargo Tonnage Deplaned	No Data					
Total Landed Weight	64,540,095	66,876,985	-3.49%	206,216,430	200,444,218	2.88%
FY Commercial Landings	951	932	2.04%	2,813	2,833	-0.71%
FY Cancellations	7	12	-41.67%	70	67	4.48%
FY Canceled Seats	400	763	-47.58%	4,120	4,361	-5.53%

**Data not audited

One Month Behind on Reporting:

	<u>September 2016</u>	<u>September 2015</u>		<u>FY2017 YTD</u>	<u>FY2016 YTD</u>	<u>% Change</u>
Air Carriers	918	1241	-26.0%	2963	3343	-11.4%
Air Taxi	1435	1058	35.6%	4031	3473	16.1%
General Aviation	2303	2098	9.8%	6594	6402	3.0%
Military	452	289	56.4%	1454	823	76.7%
Total BTV Operations	5108	4686	9.0%	15042	14041	7.1%

*** Data from FAA Air Traffic Activity Data System

Air Carrier: Seating Capacity of more than 60 seats or a max payload capacity of more than 18,000 pounds

Air Taxi: Maximum seating capacity of 60 seats or a max payload capacity of less than 18,000 pounds

General Aviation: Takeoffs and Landings of all civil aircraft, except those classified as air carrier or air taxi

Military: All classes of military takeoffs and landings

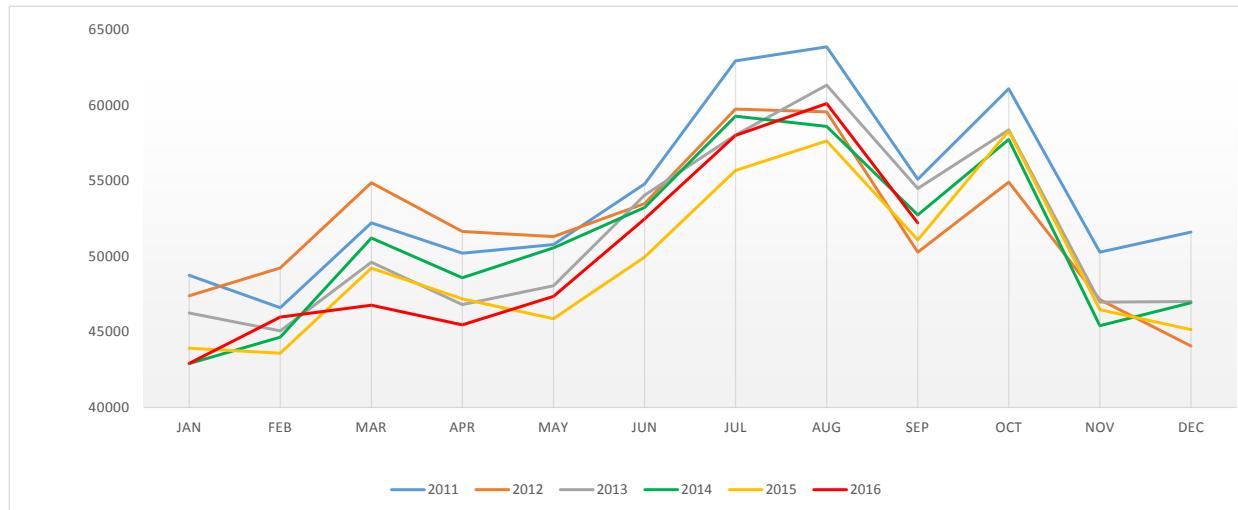
Burlington International Airport
 Passenger and Operational Statistics
September 2016



BTV Enplaned Passengers

C Year	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Total
2011	48,746	46,600	52,206	50,211	50,774	54,792	62,931	63,860	55,103	61,092	50,279	51,601	648,195
2012	47,388	49,226	54,871	51,642	51,309	53,491	59,740	59,557	50,273	54,916	47,126	44,065	623,604
2013	46,256	45,066	49,605	46,804	48,058	54,039	58,027	61,325	54,487	58,359	46,967	47,013	616,006
2014	42,901	44,650	51,210	48,583	50,555	53,224	59,273	58,601	52,737	57,727	45,416	46,928	611,805
2015	43,916	43,589	49,215	47,184	45,872	49,944	55,684	57,629	51,089	58,296	46,470	45,153	594,041
2016	42,913	45,975	46,759	45,467	47,350	52,466	57,997	60,108	52,211				

2011 YTD	48,746	95,346	147,552	197,763	248,537	303,329	366,260	430,120	485,223	546,315	596,594	648,195
2012 YTD	47,388	96,614	151,485	203,127	254,436	307,927	367,667	427,224	477,497	532,413	579,539	623,604
2013 YTD	46,256	91,322	140,927	187,731	235,789	289,828	347,855	409,180	463,667	522,026	568,993	616,006
2014 YTD	42,901	87,551	138,761	187,344	237,899	291,123	350,396	408,997	461,734	519,461	564,877	611,805
2015 YTD	43,916	87,505	136,720	183,904	229,776	279,720	335,404	393,033	444,122	502,418	548,888	594,041
2016 YTD	42,913	88,888	135,647	181,114	228,464	280,930	338,927	399,035	451,246			



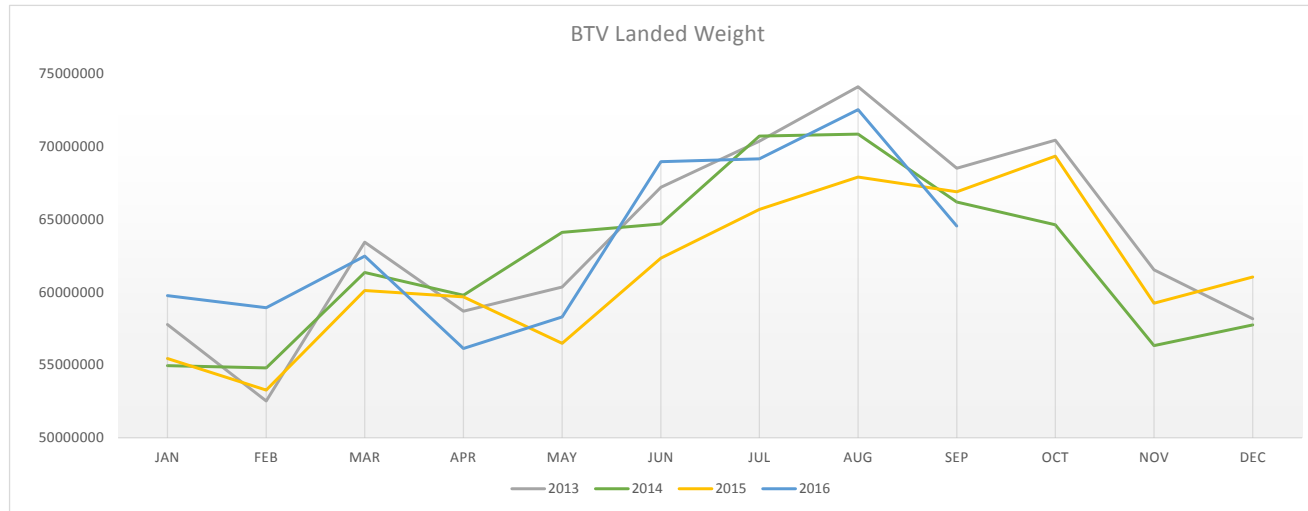
Airline	September 2016	September 2015	% Change	2016 Share	FY2016 YTD	FY2015 YTD	% Change	16 YTD Share
United	19,555	17,234	13%	37.5%	62,426	53,818	16%	36.7%
American	14,654	14,066	4%	28.1%	47,619	43,419	10%	28.0%
Delta	9,453	10,354	-9%	18.1%	34,098	39,279	-13%	20.0%
Jetblue	8,549	9,222	-7%	16.4%	24,312	24,891	-2%	14.3%
Porter	-	-	0%	0.0%	-	-	#DIV/0!	0.0%
Allegiant	-	213	-100%	0.0%	1,861	2,995	-38%	1.1%
Subtotal	52,211	51,089	2.20%	100%	170,316	164,402	3.60%	100%

Burlington International Airport
 Passenger and Operational Statistics
September 2016



BTV Landed Weight

Year	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Total
2013	57,778,031	52,523,030	63,421,699	58,688,306	60,341,100	67,198,278	70,353,853	74,095,109	68,495,860	70,425,455	61,521,452	58,160,119	763,002,292
2014	54,953,876	54,793,326	61,338,283	59,783,921	64,096,128	64,682,726	70,702,546	70,844,351	66,186,099	64,626,169	56,324,271	57,747,440	746,079,136
2015	55,444,310	53,270,336	60,105,714	59,673,095	56,481,915	62,334,588	65,677,274	67,889,959	66,876,985	69,329,074	59,229,784	61,031,736	737,344,770
2016	59,752,887	58,922,944	62,472,419	56,126,273	58,299,349	68,943,708	69,153,418	72,522,917	64,540,095				



Airline	September 2016	September 2015	% Change	2016 Share	2016 YTD	2015 YTD	% Change	16 YTD Share
American	18,170,100	19,422,100	-6%	28.2%	55,691,997	53,597,967	4%	27.0%
United	19,629,506	18,972,257	3%	30.4%	64,637,342	55,872,827	16%	31.3%
Delta	11,665,900	12,438,101	-6%	18.1%	41,839,600	44,512,769	-6%	20.3%
JetBlue	10,282,000	11,006,198	-7%	15.9%	27,891,038	28,996,396	-4%	13.5%
Allegiant	-	284,396	-100%	0.0%	1,832,763	2,843,960	-36%	0.9%
Porter	-	-	0%	0.0%	-	-		0.0%
Federal Expr	4,158,000	4,158,000	0%	6.4%	12,672,000	12,870,000	-2%	6.1%
Wiggins	634,589	595,933	6%	1.0%	1,651,690	1,750,299	-6%	0.8%
Total	64,540,095	66,876,985	-3%	100%	206,216,430	200,444,218	3%	100%

Date Completed		4/13/2016	06/13-06/20	5/12/2016	7/18-7/23	6/14/2016	8/15-8/20	7/14/2016	9/12-9/17	8/11/2016	11/14-11/19	9/9/2016	12/12-12/17	10/7/2016	1/16-1/21	11/15/2016	2/13-2/18	
FROM:	TO Destination:	Code	\$	Difference	\$	Difference	\$	Difference	\$	Difference	\$	Difference	\$	Difference	\$	Difference	\$	Difference
BTV	Washington, D.C. National	DCA	\$ 299.00		\$ 369.00		\$ 365.00		\$ 234.00		\$ 207.00		\$ 307.00		\$ 207.00		\$ 207.00	
MHT			\$ 207.00	\$ 92.00	\$ 263.00	\$ 106.00	\$ 277.00	\$ 88.00	\$ 254.00	\$ (20.00)	\$ 238.00	\$ (31.00)	\$ 252.00	\$ 55.00	\$ 238.00	\$ (31.00)	\$ 211.00	\$ (4.00)
ALB			\$ 257.00	\$ 42.00	\$ 318.00	\$ 51.00	\$ 322.00	\$ 43.00	\$ 258.00	\$ (24.00)	\$ 211.00	\$ (4.00)	\$ 228.00	\$ 79.00	\$ 239.00	\$ (32.00)	\$ 213.00	\$ (6.00)
YUL			\$ 389.00	\$ (90.00)	\$ 446.00	\$ (77.00)	\$ 327.00	\$ 38.00	\$ 297.00	\$ (63.00)	\$ 320.00	\$ (113.00)	\$ 305.00	\$ 2.00	\$ 321.00	\$ (114.00)	\$ 301.00	\$ (94.00)
BTV	Baltimore, MD	BWI	\$ 432.00		\$ 466.00		\$ 432.00		\$ 432.00		\$ 438.00		\$ 338.00		\$ 465.00		\$ 348.00	
MHT			\$ 280.00	\$ 152.00	\$ 456.00	\$ 10.00	\$ 392.00	\$ 40.00	\$ 283.00	\$ 149.00	\$ 345.00	\$ 93.00	\$ 387.00	\$ (49.00)	\$ 317.00	\$ 137.00	\$ 228.00	\$ 120.00
ALB			\$ 301.00	\$ 131.00	\$ 294.00	\$ 172.00	\$ 309.00	\$ 123.00	\$ 268.00	\$ 164.00	\$ 346.00	\$ 92.00	\$ 283.00	\$ 55.00	\$ 305.00	\$ 160.00	\$ 242.00	\$ 106.00
YUL			\$ 318.00	\$ 114.00	\$ 334.00	\$ 132.00	\$ 343.00	\$ 89.00	\$ 321.00	\$ 111.00	\$ 346.00	\$ 92.00	\$ 269.00	\$ 69.00	\$ 317.00	\$ 148.00	\$ 252.00	\$ 96.00
BTV	Washington Dulles, VA	IAD	\$ 299.00		\$ 500.00		\$ 417.00		\$ 234.00		\$ 212.00		\$ 287.00		\$ 227.00		\$ 297.00	
MHT			\$ 330.00	\$ (31.00)	\$ 520.00	\$ (20.00)	\$ 496.00	\$ (79.00)	\$ 330.00	\$ (96.00)	\$ 260.00	\$ (48.00)	\$ 320.00	\$ (33.00)	\$ 348.00	\$ (121.00)	\$ 330.00	\$ (33.00)
ALB			\$ 241.00	\$ 58.00	\$ 297.00	\$ 203.00	\$ 365.00	\$ 52.00	\$ 326.00	\$ (92.00)	\$ 248.00	\$ (36.00)	\$ 289.00	\$ (2.00)	\$ 203.00	\$ 24.00	\$ 213.00	\$ 84.00
YUL			\$ 265.00	\$ 34.00	\$ 321.00	\$ 179.00	\$ 416.00	\$ 1.00	\$ 294.00	\$ (60.00)	\$ 254.00	\$ (42.00)	\$ 305.00	\$ (18.00)	\$ 254.00	\$ (27.00)	\$ 307.00	\$ (10.00)
BTV	Las Vegas, NV	LAS	\$ 408.00		\$ 482.00		\$ 466.00		\$ 392.00		\$ 475.00		\$ 390.00		\$ 427.00		\$ 300.00	
MHT			\$ 441.00	\$ (33.00)	\$ 427.00	\$ 55.00	\$ 434.00	\$ 32.00	\$ 407.00	\$ (15.00)	\$ 356.00	\$ 119.00	\$ 368.00	\$ 22.00	\$ 381.00	\$ 46.00	\$ 435.00	\$ (135.00)
ALB			\$ 457.00	\$ (49.00)	\$ 530.00	\$ (48.00)	\$ 519.00	\$ (53.00)	\$ 407.00	\$ (15.00)	\$ 439.00	\$ 36.00	\$ 378.00	\$ 12.00	\$ 421.00	\$ 6.00	\$ 351.00	\$ (51.00)
YUL			\$ 358.00	\$ 50.00	\$ 400.00	\$ 82.00	\$ 370.00	\$ 96.00	\$ 361.00	\$ 31.00	\$ 373.00	\$ 102.00	\$ 358.00	\$ 32.00	\$ 388.00	\$ 39.00	\$ 473.00	\$ (173.00)
BTV	Chicago, IL	ORD	\$ 463.00		\$ 438.00		\$ 444.00		\$ 312.00		\$ 440.00		\$ 502.00		\$ 382.00		\$ 348.00	
MHT			\$ 265.00	\$ 198.00	\$ 354.00	\$ 84.00	\$ 387.00	\$ 57.00	\$ 263.00	\$ 49.00	\$ 280.00	\$ 160.00	\$ 393.00	\$ 109.00	\$ 187.00	\$ 195.00	\$ 317.00	\$ 31.00
ALB			\$ 358.00	\$ 105.00	\$ 409.00	\$ 29.00	\$ 405.00	\$ 39.00	\$ 339.00	\$ (27.00)	\$ 307.00	\$ 133.00	\$ 339.00	\$ 163.00	\$ 401.00	\$ (19.00)	\$ 259.00	\$ 89.00
YUL			\$ 383.00	\$ 80.00	\$ 339.00	\$ 99.00	\$ 404.00	\$ 40.00	\$ 279.00	\$ 33.00	\$ 267.00	\$ 173.00	\$ 257.00	\$ 245.00	\$ 232.00	\$ 150.00	\$ 237.00	\$ 111.00
BTV	JFK, NY	JFK	\$ 229.00		\$ 236.00		\$ 221.00		\$ 137.00		\$ 197.00		\$ 217.00		\$ 142.00		\$ 184.00	
MHT			\$ 359.00	\$ (130.00)	\$ 450.00	\$ (214.00)	\$ 466.00	\$ (245.00)	\$ 339.00	\$ (202.00)	\$ 384.00	\$ (187.00)	\$ 332.00	\$ (115.00)	\$ 354.00	\$ (212.00)	\$ 405.00	\$ (221.00)
ALB			\$ 364.00	\$ (135.00)	\$ 420.00	\$ (184.00)	\$ 495.00	\$ (274.00)	\$ 332.00	\$ (195.00)	\$ 381.00	\$ (184.00)	\$ 362.00	\$ (145.00)	\$ 369.00	\$ (227.00)	\$ 435.00	\$ (251.00)
YUL			\$ 286.00	\$ (57.00)	\$ 272.00	\$ (36.00)	\$ 339.00	\$ (118.00)	\$ 254.00	\$ (117.00)	\$ 254.00	\$ (57.00)	\$ 243.00	\$ (26.00)	\$ 188.00	\$ (46.00)	\$ 261.00	\$ (77.00)
BTV	LaGuardia, NY	LGA	\$ 196.00		\$ 342.00		\$ 213.00		\$ 187.00		\$ 231.00		\$ 142.00		\$ 127.00		\$ 148.00	
MHT			\$ 283.00	\$ (87.00)	\$ 318.00	\$ 24.00	\$ 391.00	\$ (178.00)	\$ 214.00	\$ (27.00)	\$ 333.00	\$ (102.00)	\$ 326.00	\$ (184.00)	\$ 221.00	\$ (94.00)	\$ 266.00	\$ (118.00)
ALB			\$ 354.00	\$ (158.00)	\$ 432.00	\$ (90.00)	\$ 396.00	\$ (183.00)	\$ 400.00	\$ (213.00)	\$ 402.00	\$ (171.00)	\$ 402.00	\$ (260.00)	\$ 385.00	\$ (258.00)	\$ 414.00	\$ (266.00)
YUL			\$ 240.00	\$ (44.00)	\$ 268.00	\$ 74.00	\$ 287.00	\$ (74.00)	\$ 256.00	\$ (69.00)	\$ 256.00	\$ (25.00)	\$ 231.00	\$ (89.00)	\$ 172.00	\$ (45.00)	\$ 170.00	\$ (22.00)
BTV	Detroit, MI	DTW	\$ 476.00		\$ 604.00		\$ 643.00		\$ 369.00		\$ 528.00		\$ 675.00		\$ 254.00		\$ 673.00	
MHT			\$ 296.00	\$ 180.00	\$ 391.00	\$ 213.00	\$ 349.00	\$ 294.00	\$ 274.00	\$ 95.00	\$ 334.00	\$ 194.00	\$ 481.00	\$ 194.00	\$ 230.00	\$ 24.00	\$ 351.00	\$ 322.00
ALB			\$ 329.00	\$ 147.00	\$ 653.00	\$ (49.00)	\$ 407.00	\$ 236.00	\$ 341.00	\$ 28.00	\$ 349.00	\$ 179.00	\$ 603.00	\$ 72.00	\$ 508.00	\$ (254.00)	\$ 540.00	\$ 133.00
YUL			\$ 392.00	\$ 84.00	\$ 406.00	\$ 198.00	\$ 479.00	\$ 164.00	\$ 348.00	\$ 21.00	\$ 612.00	\$ (84.00)	\$ 602.00	\$ 73.00	\$ 592.00	\$ (338.00)	\$ 600.00	\$ 73.00
BTV	Newark, NJ	EWR	\$ 229.00		\$ 535.00		\$ 386.00		\$ 180.00		\$ 219.00		\$ 172.00		\$ 162.00		\$ 127.00	
MHT			\$ 283.00	\$ (54.00)	\$ 416.00	\$ 119.00	\$ 391.00	\$ (5.00)	\$ 344.00	\$ (164.00)	\$ 417.00	\$ (198.00)	\$ 427.00	\$ (255.00)	\$ 213.00	\$ (51.00)	\$ 290.00	\$ (163.00)
ALB			\$ 361.00	\$ (132.00)	\$ 424.00	\$ 111.00	\$ 434.00	\$ (48.00)	\$ 351.00	\$ (171.00)	\$ 369.00	\$ (150.00)	\$ 383.00	\$ (211.00)	\$ 342.00	\$ (180.00)	\$ 363.00	\$ (236.00)
YUL			\$ 260.00	\$ (31.00)	\$ 283.00	\$ 252.00	\$ 209.00	\$ 177.00	\$ 207.00	\$ (27.00)	\$ 224.00	\$ (5.00)	\$ 292.00	\$ (120.00)	\$ 324.00	\$ (162.00)	\$ 217.00	\$ (90.00)
BTV	Atlanta, GA	ATL	\$ 326.00		\$ 527.00		\$ 453.00		\$ 180.00		\$ 473.00		\$ 487.00		\$ 487.00		\$ 529.00	
MHT			\$ 269.00	\$ 57.00	\$ 417.00	\$ 110.00	\$ 362.00	\$ 91.00	\$ 265.00	\$ (85.00)	\$ 371.00	\$ 102.00	\$ 537.00	\$ (50.00)	\$ 267.00	\$ 220.00	\$ 407.00	\$ 122.00
ALB			\$ 303.00	\$ 23.00	\$ 427.00	\$ 100.00	\$ 335.00	\$ 118.00	\$ 346.00	\$ (166.00)	\$ 319.00	\$ 154.00	\$ 531.00	\$ (44.00)	\$ 335.00	\$ 152.00	\$ 516.00	\$ 13.00
YUL			\$ 358.00	\$ (32.00)	\$ 377.00	\$ 150.00	\$ 381.00	\$ 72.00	\$ 495.00	\$ (315.00)	\$ 378.00	\$ 95.00	\$ 520.00	\$ (33.00)	\$ 450.00	\$ 37.00	\$ 478.00	\$ 51.00
BTV	Orlando/Sanford, FL ***	SFB	\$ -		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -	
MHT			\$ -		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -	
ALB			\$ -		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -	
YUL			\$ -		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -	
BTV	Fort Lauderdale, FL	FLL	\$ 366.00		\$ 346.00		\$ 352.00		\$ 312.00		\$ 328.00		\$ 314.00		\$ 303.00		\$ 294.00	
MHT			\$ 209.00	\$ 157.00	\$ 358.00	\$ (12.00)	\$ 295.00	\$ 57.00	\$ 217.00	\$ 95.00	\$ 291.00	\$ 37.00	\$ 248.00	\$ 66.00	\$ 251.00	\$ 52.00	\$ 278.00	\$ 16.00
ALB			\$ 194.00	\$ 172.00	\$ 270.00	\$ 76.00	\$ 252.00	\$ 100.00	\$ 146.00	\$ 166.00	\$ 216.00	\$ 112.00	\$ 196.00	\$ 118.00	\$ 177.00	\$ 126.00	\$ 166.00	\$ 128.00
YUL			\$ 277.00	\$ 89.00	\$ 279.00	\$ 67.00	\$ 277.00	\$ 75.00	\$ 349.00	\$ (37.00)	\$ 305.00	\$ 23.00	\$ 291.00	\$ 23.00	\$ 292.00	\$ 11.00	\$ 253.00	\$ 41.00
BTV	Denver, CO	DEN	\$ 409.00		\$ 602.00		\$ 563.00		\$ 382.00		\$ 431.00		\$ 426.00		\$ 365.00		\$ 349.00	
MHT			\$ 482.00	\$ (73.00)	\$ 530.00	\$ 72.00	\$ 478.00	\$ 85.00	\$ 397.00	\$ (15.00)	\$ 410.00	\$ 21.00	\$ 366.00	\$ 60.00	\$ 312.00	\$ 53.00	\$ 386.00	\$ (37.00)
ALB			\$ 385.00	\$ 24.00	\$ 444.00	\$ 158.00	\$ 439.00	\$ 124.00	\$ 388.00	\$ (6.00)	\$ 393.00	\$ 38.00	\$ 378.00	\$ 48.00	\$ 394.00	\$ (29.00)	\$ 256.00	\$ 93.00
YUL			\$ 355.00	\$ 54.00	\$ 361.00	\$ 241.00	\$ 367.00	\$ 196.00	\$ 379.00	\$ 3.00	\$ 365.00	\$ 66.00	\$ 441.00	\$ (15.00)	\$ 424.00	\$ (59.00)	\$ 395.00	\$ (46.00)
BTV	Los Angeles, CA	LAX	\$ 470.00		\$ 638.00		\$ 538.00		\$ 414.00		\$ 458.00		\$ 474.00		\$ 423.00		\$ 370.00	
MHT			\$ 476.00	\$ (6.00)	\$ 506.00	\$ 132.00	\$ 541.00	\$ (3.00)	\$ 368.00	\$ 46.00	\$ 404.00	\$ 54.00	\$ 475.00	\$ (1.00)	\$ 282.00	\$ 141.00	\$ 366.00	\$ 4.00
ALB			\$ 412.00	\$ 58.00	\$ 495.00	\$ 143.00	\$ 462.00	\$ 76.00	\$ 377.00	\$ 37.00	\$ 435.00	\$ 23.00	\$ 475.00	\$ (1.00)	\$ 423.00	\$ -	\$ 414.00	\$ (44.00)
YUL			\$ 394.00	\$ 76.00	\$ 422.00	\$ 216.00	\$ 401.00	\$ 137.00	\$ 446.00	\$ (32.00)	\$ 394.00	\$ 64.00	\$ 461.00	\$ 13.00	\$ 514.00	\$ (91.00)	\$ 525.00	\$ (155.00)
BTV	Charlotte, NC	CLT	\$ 203.00		\$ 312.00		\$ 323.00		\$ 270.00		\$ 261.00		\$ 270.00		\$ 321.00		\$ 426.00	
MHT			\$ 266.00	\$ (63.00)	\$ 281.00	\$ 31.00	\$ 287.00	\$ 36.00	\$ 241.00	\$ 29.00	\$ 308.00	\$ (47.00)	\$ 269.00	\$ 1.00	\$ 279.00	\$ 42.00	\$ 228.00	\$ 198.00
ALB			\$ 248.00	\$ (45.00)	\$ 311.00	\$ 1.00	\$ 277.00	\$ 46.00	\$ 339.00	\$ (69.00)	\$ 283.00	\$ (22.00)	\$ 283.00	\$ (13.00)	\$ 283.00	\$ 38.00	\$ 352.00	\$ 74.00
YUL			\$ 478.00	\$ (

True Cost Calculator Based on \$50,00 Income

Date Completed			10/7/2016	1/16-1/21	11/15/2016	2/13-2/18
FROM:	TO Destination:	Code	\$	Difference	\$	Difference
BTV	Washington, D.C. National	DCA	\$ 395.76		\$ 279.68	
BOS			\$ 743.22	\$ (347.46)	\$ 683.26	\$ (403.58)
MHT			\$ 651.84	\$ (256.08)	\$ 627.78	\$ (348.10)
BTV	Baltimore, MD	BWI	\$ 537.76		\$ 420.68	
BOS			\$ 673.22	\$ (135.46)	\$ 663.26	\$ (242.58)
MHT			\$ 744.84	\$ (207.08)	\$ 644.78	\$ (224.10)
BTV	Washington Dulles, VA	IAD	\$ 299.76		\$ 369.68	
BOS			\$ 723.22	\$ (423.46)	\$ 673.26	\$ (303.58)
MHT			\$ 764.84	\$ (465.08)	\$ 746.78	\$ (377.10)
BTV	Las Vegas, NV	LAS	\$ 499.76		\$ 372.68	
BOS			\$ 803.22	\$ (303.46)	\$ 909.26	\$ (536.58)
MHT			\$ 797.84	\$ (298.08)	\$ 851.78	\$ (479.10)
BTV	Chicago, IL	ORD	\$ 454.76		\$ 509.68	
BOS			\$ 703.22	\$ (248.46)	\$ 698.26	\$ (188.58)
MHT			\$ 603.84	\$ (149.08)	\$ 733.78	\$ (224.10)
BTV	JFK, NY	JFK	\$ 214.76		\$ 256.68	
BOS			\$ 733.22	\$ (518.46)	\$ 683.26	\$ (426.58)
MHT			\$ 770.84	\$ (556.08)	\$ 821.78	\$ (565.10)
BTV	LaGuardia, NY	LGA	\$ 199.76		\$ 215.68	
BOS			\$ 683.22	\$ (483.46)	\$ 683.26	\$ (467.58)
MHT			\$ 637.84	\$ (438.08)	\$ 682.78	\$ (467.10)
BTV	Detroit, MI	DTW	\$ 590.76		\$ 740.68	
BOS			\$ 770.22	\$ (179.46)	\$ 749.26	\$ (8.58)
MHT			\$ 784.84	\$ (194.08)	\$ 767.78	\$ (27.10)
BTV	Newark, NJ	EWR	\$ 234.76		\$ 199.69	
BOS			\$ 714.22	\$ (479.46)	\$ 683.26	\$ (483.57)
MHT			\$ 629.84	\$ (395.08)	\$ 706.78	\$ (507.09)
BTV	Atlanta, GA	ATL	\$ 559.76		\$ 601.68	
BOS			\$ 719.22	\$ (159.46)	\$ 719.26	\$ (117.58)
MHT			\$ 683.84	\$ (124.08)	\$ 823.78	\$ (222.10)
BTV	Fort Lauderdale, FL	FLL	\$ 375.76		\$ 351.68	
BOS			\$ 793.22	\$ (417.46)	\$ 751.26	\$ (399.58)
MHT			\$ 667.84	\$ (292.08)	\$ 694.78	\$ (343.10)
BTV	Denver, CO	DEN	\$ 437.76		\$ 421.68	
BOS			\$ 928.22	\$ (490.46)	\$ 813.26	\$ (391.58)
MHT			\$ 728.84	\$ (291.08)	\$ 802.78	\$ (381.10)
BTV	Los Angeles, CA	LAX	\$ 495.76		\$ 442.68	
BOS			\$ 873.22	\$ (377.46)	\$ 883.26	\$ (440.58)
MHT			\$ 644.84	\$ (149.08)	\$ 782.78	\$ (340.10)
BTV	Charlotte, NC	CLT	\$ 393.76		\$ 498.68	
BOS			\$ 759.22	\$ (365.46)	\$ 701.26	\$ (202.58)
MHT			\$ 695.84	\$ (302.08)	\$ 644.78	\$ (146.10)
Cumulative Average Difference				\$ (322.27)		\$ (342.92)
BOS Average Difference			BOS	\$ (352.10)	BOS	\$ (329.51)
MHT Average Difference			MHT	\$ (294.08)	MHT	\$ (332.24)

1223 Airport Drive



Aviation Deli

1,945 SF Restaurant

Commercial Property .52A

Zoned Residential 4 \$3605/mo

4- 1 year extensions with 3% rent increase

700 Airport Parkway



4,164 SF Warehouse

2.64 Acre Lot

Zoned Mixed Ind/Com

Current rent? LOI \$6.50/SF NN (\$3/SF)

\$39,558 Year 1 Tenant investing \$80K++

481 White Street



Former Park & Ride
Currently vacant
Ready for redevelopment

1250 Airport Drive



3,800 SF Class B Office Space
Co-tenant FAA
\$12/SF including parking

3060 Williston Road



9,000SF Class C Service Retail/Office building
Vacuum City, Rose Computer, Redeemed Thrift Shop,
CJ's Home Improvement, E&S Electric
9,000SF Warehouse (VT Tire) \$100K/annually

3062 Williston Road



Hardscapes Landscaping
1701SF 2 Star Retail building on 2+ Acres
\$4,100/month
\$49,200 Annually

3090 Williston Road



2,820 SF Commercial building

3 OH Doors

Needs tenant willing to invest \$ for fit up

Excellent lot for displaying inventory

Zoned Mixed Ind & Commercial \$2,500/mo

Office Market

- Suburban Office
 - Class B Office 6.6m SF Office, 9.8% vacant
 - Rental Rates \$5-12/SF negative pressure
 - Above rates are with tenant paying all operating expenses.