Airport Commission

Wednesday, March 13, 2024, 4:00 PM, Zoom/Wright Room at the Airport

PLEASE NOTE:
This meeting is will be held on zoom and in-person in the Wright Room at the Airport. Zoom Info:
Join from a PC, Mac, iPad, iPhone or Android device:
Please click this URL to join. https://us02web.zoom.us/j/86253461005?pwd=U0lQem55VVRxb2RCUGs4aHVFb3VSdz09
Passcode: 472807
Or One tap mobile:
+ 16468769923,,86253461005# US (New York)
+ 13017158592,,86253461005# US (Washington DC)
Or join by phone:
Dial(for higher quality, dial a number based on your current location):
US: +1 646 876 9923 or +1 301 715 8592 or +1 312 626 6799 or +1 669 900 6833 or +1 253 215 8782 or +1 346 248 7799 or +1 408 638 0968
Webinar ID: 862 5346 1005
International numbers available: https://us02web.zoom.us/u/kA3vE0KmX

1. Call to Order

Subject	**1.1. Call to Order**
Meeting	March 13, 2024 - Airport Commission - Wednesday, March 13, 2024 at 4:00pm - Wednesday, March 13, 2024, 4:00 PM, Zoom/Wright Room at the Airport
Category	1. Call to Order
Department	
Type	

Subject	**1.2. Acknowledgement of Remote Commissioners**
Meeting	March 13, 2024 - Airport Commission - Wednesday, March 13, 2024 at 4:00pm - Wednesday, March 13, 2024, 4:00 PM, Zoom/Wright Room at the Airport
Category	1. Call to Order
Department	
Type	

2. Agenda

Subject	**2.1. Motion to amend/adopt agenda**
Meeting	March 13, 2024 - Airport Commission - Wednesday, March 13, 2024 at 4:00pm - Wednesday, March 13, 2024, 4:00 PM, Zoom/Wright Room at the Airport
Category	2. Agenda
Department	
Type	
Recommended Action	

3. Public Forum

Subject	**3.1. PUBLIC FORUM - Verbal Comments**
Meeting	March 13, 2024 - Airport Commission - Wednesday, March 13, 2024 at 4:00pm - Wednesday, March 13, 2024, 4:00 PM, Zoom/Wright Room at the Airport
Category	3. Public Forum
Department	
Type	

4. Consent Agenda

Subject	**4.1. Approval of Minutes - February 7, 2024**
Meeting	March 13, 2024 - Airport Commission - Wednesday, March 13, 2024 at 4:00pm - Wednesday, March 13, 2024, 4:00 PM, Zoom/Wright Room at the Airport
Category	4. Consent Agenda
Department	
Type	
Recommended Action	

5. Action Items

Subject	**5.1. BSD Tech Center South Hangar Lease (N. Longo)**
Meeting	March 13, 2024 - Airport Commission - Wednesday, March 13, 2024 at 4:00pm - Wednesday, March 13, 2024, 4:00 PM, Zoom/Wright Room at the Airport
Category	5. Action Items
Department	Burlington International Airport
Type	Action
Recommended Action	

Subject	**5.2. North Concourse Replacement Grant Acceptance (N. Longo)**

Meeting	March 13, 2024 - Airport Commission - Wednesday, March 13, 2024 at 4:00pm - Wednesday, March 13, 2024, 4:00 PM, Zoom/Wright Room at the Airport
Category	5. Action Items
Department	Burlington International Airport
Type	Action
Recommended Action	

6. Financial Update

Subject	**6.1. Financial Update (M. Friedman)**
Meeting	March 13, 2024 - Airport Commission - Wednesday, March 13, 2024 at 4:00pm - Wednesday, March 13, 2024, 4:00 PM, Zoom/Wright Room at the Airport
Category	6. Financial Update
Department	Burlington International Airport
Type	

7. Construction Update

Subject	**7.1. Construction Update (L. Lackey)**
Meeting	March 13, 2024 - Airport Commission - Wednesday, March 13, 2024 at 4:00pm - Wednesday, March 13, 2024, 4:00 PM, Zoom/Wright Room at the Airport
Category	7. Construction Update
Department	Burlington International Airport
Type	

8. Noise Compatibility Program Updates

Subject	**8.1. Noise Compatibility Program Updates (L. Lackey)**
Meeting	March 13, 2024 - Airport Commission - Wednesday, March 13, 2024 at 4:00pm - Wednesday, March 13, 2024, 4:00 PM, Zoom/Wright Room at the Airport
Category	8. Noise Compatibility Program Updates
Department	Burlington International Airport
Type	

9. Director's Report

Subject	**9.1. Director's Report**
Meeting	March 13, 2024 - Airport Commission - Wednesday, March 13, 2024 at 4:00pm - Wednesday, March 13, 2024, 4:00 PM, Zoom/Wright Room at the Airport
Category	9. Director's Report
Department	
Type	

10. Commissioner Items

Subject	**10.1. Commissioner Items**
Meeting	March 13, 2024 - Airport Commission - Wednesday, March 13, 2024 at 4:00pm - Wednesday, March 13, 2024, 4:00 PM, Zoom/Wright Room at the Airport
Category	10. Commissioner Items
Department	
Type	

11. Follow-up Items

Subject	**11.1. Follow-Up Items**
Meeting	March 13, 2024 - Airport Commission - Wednesday, March 13, 2024 at 4:00pm - Wednesday, March 13, 2024, 4:00 PM, Zoom/Wright Room at the Airport
Category	11. Follow-up Items
Department	Burlington International Airport
Type	

12. Adjournment

Subject	**12.1. Motion to adjourn - Next Meeting: April 3, 2024**
Meeting	March 13, 2024 - Airport Commission - Wednesday, March 13, 2024 at 4:00pm - Wednesday, March 13, 2024, 4:00 PM, Zoom/Wright Room at the Airport
Category	12. Adjournment
Department	Council and Board
Type	
Recommended Action	

13. Informational and Non-Discrimination Statements

Subject	**13.1. This agenda is available in alternative formats upon request. For more information on access, call Lori Olberg, Licensing, Voting and Records Coordinator (802-865-7136)(TTY 802-865-7142). Persons with disabilities who require assistance or special arrangements to participate are encouraged to contact 802-865-7000 (voice) or 802-865-7142 (TTY) at least 72 hours in advance so that proper arrangements can be made. This meeting will also air on Town Meeting TV the Wednesday after the meeting, starting at 8:00 pm and repeating at 1:00 am and 7:00 am the following day. The City of Burlington will not tolerate unlawful harassment or discrimination on the basis of political or religious affiliation, race, color, national origin, place of birth, ancestry, age, sex, sexual orientation, gender identity, marital status, veteran status, disability, HIV positive status, crime victim status or genetic information.**
Meeting	March 13, 2024 - Airport Commission - Wednesday, March 13, 2024 at 4:00pm - Wednesday, March 13, 2024, 4:00 PM, Zoom/Wright Room at the Airport
Category	13. Informational and Non-Discrimination Statements
Department	Council and Board
Type	

MINUTES SUBJECT TO CORRECTION BY THE BOARD OF AIRPORT COMMISSIONERS. CHANGES, IF ANY, WILL BE RECORDED IN THE MINUTES OF THE NEXT MEETING OF THE COMMISSION.

BURLINGTON INTERNATIONAL AIRPORT
BOARD OF AIRPORT COMMISSIONERS
MINUTES OF MEETING
February 7, 2024

DRAFT

[Hybrid meeting]

MEMBERS PRESENT:	Tim George Jeff Schulman Greg Shepler Bryn Oakleaf Chip Mason Helen Riehle Robin Guillan
BTV STAFF PRESENT:	Nic Longo, Director of Aviation Marie Friedman, Director of Finance Larry Lackey, Director of Engineering & Environmental Compliance Dave Carman, Director of Aviation Operations Jeff Bartley, Director of Innovation & Marketing Hannah Dusablon, Executive Assistant
OTHERS PRESENT:	Channel 17 Jeff Glasberg

1.0 CALL TO ORDER

Aviation Commission Chair, Tim George, called the meeting to order at 4 PM and acknowledged those attending remotely.

2.0 AGENDA

2.01 Approve/Adopt Agenda
There were no changes to the agenda.

3.0 PUBLIC FORUM

None.

4.0 CONSENT AGENDA

4.01 Minutes: January 17, 2024
MOTION by Helen Riehle, SECOND by Greg Shepler, to approve the consent agenda as presented. VOTING: unanimous (7-0); motion carried.

5.0 ACTION ITEMS

5.01 Janitorial Services Contract
MOTION by Helen Riehle, SECOND by Greg Shepler, to recommend to the Board of Finance and City Council to execute a contract with Shanitech Services as outlined.

<u>DISCUSSION</u>:

- **Staff reported after a competitive bid process Shanitech Services was selected as the lowest qualified bidder. The contract is multi-year ending in 2026.**
- **Staff briefly reviewed the scope of work covered by the contract.**

VOTING: unanimous (7-0); motion carried.

5.02 North Hangar Lease Agreement

MOTION by Helen Riehle, SECOND by Greg Shepler, to approve and recommend to City Council to authorize the conveyance of the north hangar building at 1150 Airport Drive to Beta Technologies and to authorize the Mayor of the City of Burlington to execute a bill of sales to the effect of that conveyance subject to final review and approval by the City Attorney's Office, and further, to approve and recommend to City Council to authorize leasing the identified space to Beta Technologies and authorize the Mayor of the City of Burlington to execute the ground lease agreement subject to final review and approval by the City Attorney's Office.

DISCUSSION:

- **Staff explained the use of the building by Beta Technologies, past to present and future. With the lease agreement (30 year term with two 10-year options) the airport will sell the building and lease the ground underneath to Beta per the 'net neutral' agreement. There will be parking and landing fee revenue associated with the lease and flexibility on use of the parking spaces.**
- **Jeff Glasberg, consultant, further explained the lease structure which presents no new financial risk to the city.**
- **There was continued discussion of the ownership of the building and the ground lease (selling the building and leasing back to the buyer). The airport will have input on who buys the building.**
- **There was mention of the storage of lithium batteries at the site and who is responsible for this. Staff explained the lease agreement includes indemnification clauses and the Fire Marshall is involved in the storage of the batteries.**

VOTING: unanimous (7-0); motion carried.

6.0 CONSTRUCTION UPDATE

In addition to the written construction update, staff noted work continues on closing out projects.

7.0 NOISE COMPATIBILITY PROGRAM UPDATE

Staff reported Phases 1 & 2 of the noise program are complete and work continues on the homes in Phase 3. Outreach is ongoing to homeowners.

8.0 FINANCIAL UPDATE

In addition to the written financial update provided to the Airport Commission, staff reviewed the financial results for halfway through the fiscal year noting revenues are strong and enplanements continue to increase. Expenses are up due to increases in operating expenses. Cash on hand is about $4 million. The airport does not owe money to the city. Staff continues to work on closing out AIP projects so the airport can receive reimbursements.

Staff highlighted data points of interest in the FY23 audit report which shows a snapshot of operations and where money came in and was spent. The airport audit showed no material weaknesses or findings.

9.0 AVIATION DIRECTOR'S REPORT

Aviation Director Longo reported:

- Staff appreciation party was held. Several staffers have over 30 years of service with the airport.
- Breeze Airways inaugural flight from Burlington to Tampa with an Airbus 220 took place. In May, Breeze Airways will offer a flight to Raleigh, NC then onto Jacksonville, Fla.
- Staff had a positive meeting with United Airlines in Chicago.
- The airport is preparing for the upcoming "Transcend" event to celebrate the solar eclipse on the Valley West apron. The goal is to sell 600 tickets to the event which includes food trucks and music.
- Press releases on the airport's electric vehicles are forthcoming.
- Peak flying season starts with school vacations in February.

Statistical trends for passengers, operations, and the parking garage for 2023 were reviewed. JetBlue and Breeze services are not fully reflected in the numbers. Staff will add statistics on Canadian travelers to the report.

10.0 COMMISSIONER ITEMS

Robin Guillan mentioned the need for safety warning signs to not sit or touch the luggage conveyor to avoid injury of passengers, especially children.

11.0 FOLLOW UP ITEMS

Helen Riehle was thanked for her service on the Airport Commission (term is expiring unless she is reappointed).

12.0 ADJOURNMENT

MOTION by Helen Riehle, SECOND by Greg Shepler, to adjourn the meeting.
VOTING: unanimous (7-0); motion carried.

The meeting was adjourned at 5:45 PM.

RScty by tape: MERiordan

PATRICK LEAHY
BURLINGTON
INTERNATIONAL AIRPORT

To: City of Burlington, Airport Commission

From: Nicolas Longo, C.M, Director of Aviation

Date: March 13, 2024

Subject: Request to execute a Lease Agreement with the Burlington School District for the use of the "South Hangar" as the new home of aviation-oriented education at the Burlington Technical Center.

REQUEST

The Patrick Leahy Burlington International Airport (Airport or BTV) seeks approval and authorization to lease the so-called South Hangar building located at 200 Da Vinci Drive to the Burlington School District (BSD) to become the new home of the Burlington Technical Center Aviation and Aerospace Technology Satellite Facility.

EXECUTIVE SUMMARY

BACKGROUND.

BSD has been a tenant at BTV since 2000, occupying 32,000 sq. ft. of space, rent-free, in the Alert Hangar buildings for the provision of aviation-oriented education. In 2023, BSD received a ±$10,000,000 federal grant to develop a larger and more modern facility for aviation education to meet current and future program needs. BSD was the only qualifying respondent to a 2023 RFP published by BTV for the lease of the South Hangar, and BTV desires to lease the South Hangar to BSD to support the aviation community and to support BSD's effort to provide enhanced educational opportunities to the next generation of aviation technicians in airframe and powerplant, avionics, and maintenance, repair, and overhaul. BSD would invest ±$11,500,000 in capital upgrades to the South Hangar to support its use, and has nearly completed its design of the new space. BTV has obtained FAA approval for BSD's proposed use of the South Hangar as an educational facility.

The basic terms of the Ground Lease Agreement are as follows:

LEASE TERM. The lease term would be 40 years commencing upon the earlier of (i) the receipt of a Certificate of Occupancy from the City of South Burlington or (ii) September 1, 2025.

RENT. In recognition of the value of the capital upgrades to the South Hangar to be made by BSD, BSD will be entitled to a ±$11,500,000 rent credit over the 40-year lease term (the final amount of the rent credit will depend on the final scope of work). In addition, BSD will pay cash rent to BTV in accordance with a schedule attached to the lease, with the first cash rent payment made in the third year of the term. The combined value of the rent credit and the cash rent payments is equal to fair market rent charged to other tenants at the Airport.

CAPITAL RESERVE. BSD will fund and maintain a capital reserve to ensure that the leasehold improvements are maintained in good condition throughout the lease term. If BTV desires for the leasehold improvements to be demolished at the expiration of the lease term, the capital reserve can be used to fund the demolition.

LEASEHOLD IMPROVEMENTS. The City will have the right to review and approve project plans and specifications and to inspect the work during construction. At the expiration of the lease term, title to the leasehold improvements will automatically transfer to the City.

ATTACHMENTS

A. Lease Agreement with the Burlington School District.

B. Schematic Site Plan.

C. Schematic Building Plan.

D. Rent Schedule.

MOTIONS:

Board of Finance:

1. "To approve and recommend that the City Council authorize the leasing of certain identified space at the Patrick Leahy Burlington International Airport to the Burlington School District, and to authorize the Mayor of Burlington to execute the lease agreement, subject to final review and approval by the City Attorney's Office."

City Council:

1. "To authorize the leasing of certain identified space at the Patrick Leahy Burlington International Airport to the Burlington School District, and to authorize the Mayor of the

City of Burlington to execute the lease agreement, subject to final review and approval by the City Attorney's Office."

LEASE AGREEMENT – SOUTH HANGAR

This Lease Agreement ("Agreement" or "Lease") is dated _________________, 2024 (the "Effective Date") and is made by and between **Burlington School District**, a Vermont school district located in Chittenden County, Vermont (the "Tenant") and the **City of Burlington**, a Vermont municipal corporation located in Chittenden County, Vermont (the "Landlord") acting by and through Burlington International Airport.

Recitals

A. Landlord owns the real property (the "Property") operated as the Burlington International Airport (the "Airport") in South Burlington, Vermont, which is more particularly shown on the overall Airport property plan attached as **Exhibit A** attached hereto. Among the improvements on the Property is an existing hangar building measuring ±34,000 sq. ft. (the "Building") depicted on the schematic building plan attached as **Exhibit B** hereto which is located on a portion of the Property as depicted on **Exhibit C** attached hereto (the "Schematic Site Plan").

B. Landlord published a Request For Proposal dated February 15, 2023 (the "RFP") with respect to the lease or purchase of the Building, and Tenant, the only party who timely responded to the RFP with a proposal to lease and improve the Building, responded to the RFP with a proposal dated April 6, 2023 (the "BSD Proposal", a copy of which is attached hereto as **Exhibit D),** to lease the Building for a term of 40 years and to invest approximately $12,000,000 to fit-up and improve the Building with a facility to provide aviation-oriented education programming to students of the Burlington Technical Center including, without limitation, the storage of aircraft (the "Project").

In consideration of the mutual covenants and agreements herein set forth, and in reliance on the representations and warranties contained herein, the parties hereby agree as follows:

Section 1. **Premises; Retained Rights; Condition**.

(a) Premises. Landlord does hereby demise, let, rent and lease unto Tenant, and Tenant hereby hires and rents from Landlord, the interior of the Building together with (i) the exclusive right to use approximately 12 parking spaces to be constructed immediately adjacent to the Building, and to use in common with others approximately 68 parking spaces (28 of which are net new spaces) to be constructed as part of the Project and located westerly of the Building as depicted on the Schematic Site Plan, and (ii) the nonexclusive right to access the Building from Williston Road, including over DaVinci Drive and Valley Road (the "Premises"). The grant of the right to use parking spaces on the Property creates a limited use license and not a bailment; Tenant and its students, employees, agents and invitees assume all risk and responsibility for damage to all vehicles and any personal property contained in them in connection with any use of the parking areas, and Landlord is not responsible for any damage to vehicles or property contained in vehicles, unless caused by the negligence or intentional misconduct of Landlord or its agents. In addition, Tenant shall have the nonexclusive right, in common with Landlord and other users and tenants of the Airport, to access and use the apron adjacent to the Premises and connecting to the Airport's broader airfield consistent with applicable regulations of the Federal Aviation Administration ("FAA").

(b) Landlord shall have 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 Tenant from erecting or permitting or causing to be erected any building or other structure which, in the sole opinion of Landlord, would limit the usefulness of the Airport or constitute a hazard to aircraft.

(c) In the event that proper, planned, and orderly development of the Airport shall require that Landlord devote any part of the Premises to a different use than that contemplated by this Lease, Landlord shall have the right—upon not less than one year advance written notice to Tenant and without cost or expense to Tenant—to relocate all or part of the 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 Tenant's fixed improvements shall, without cost or expense to Tenant, be relocated or replaced on said relocated premises. All terms and conditions of this Lease, except the description of the Premises, shall apply to said relocated premises.

(d) Retained Rights. Landlord retains the non-exclusive right to maintain, repair or replace all existing utility lines crossing, on or under the Premises that provide service to the property owned by Landlord adjoining the Premises, provided (i) Landlord shall provide advance written notice to Tenant of Landlord's intention to undertake such work, except in the event of an emergency wherein such advance notice cannot reasonably be given, (ii) Landlord shall exercise its retained rights hereunder in a manner that does not unreasonably interfere with the operation of the Premises, and (iii) any damage or disturbance to the Premises caused by or resulting from the exercise of the Landlord's retained rights hereunder shall be repaired or restored at Landlord's sole cost and expense promptly following, and to a condition equal to or better than that existing prior to, such damage or disturbance. In addition, if and to the extent Landlord reasonably determines to require rights on, over, under, upon, across, or through the Premises for Landlord to operate the Airport, including rights of ingress and egress to adjoining lands of Landlord, Tenant will reasonably cooperate with Landlord to provide the same, provided that in all events Tenant's refusal to provide such rights will not be considered unreasonable if the use of such rights by Landlord would unreasonably interfere with Tenant's operation of the Premises or the Project.

(e) Condition of Premises. Tenant acknowledges that it has completed such investigations, testing, analysis and due diligence of and with respect to the Premises and Landlord's title as Tenant has determined to be necessary for Tenant's intended use thereof. Except as expressly provided in this Agreement, Tenant accepts the Premises and such title "as is" and "where is" without any representations, warranties or assurances by Landlord as to the condition of the same or its suitability for any particular purpose. Landlord expressly disclaims any and all representations and warranties with respect to the suitability of the Premises for Tenant's intended use or for any other use except as expressly provided in this Agreement.

Section 2. **Commencement Date; Term; Termination**.

(a) This Lease is effective upon full execution, however, Landlord and Tenant agree that the term of this Agreement ("Term") shall commence upon the first to occur of (i) the receipt of a Certificate of Occupancy from the City of South Burlington or (ii) September 1, 2025 (the "Commencement Date") and expire at 11:59 p.m. local time on the day prior to the fortieth (40^{th}) anniversary of the Commencement Date (the "Fixed Expiration Date"), subject to earlier termination in accordance with the terms set forth in this Agreement. For additional clarity, the Term of the Lease shall be for a period of thirty-nine and $364/365^{ths}$ years.

(b) On the expiration date or earlier termination of the Term, Tenant shall: (a) immediately vacate the Premises and surrender the same to Landlord, and remove all of its personal property, equipment and trade fixtures from the Premises and the Property and leave the Premises broom clean; (b) repair all damage to the Premises and the fixtures and personal property of Landlord located on the Premises caused by Tenant's removal of its personal property, equipment and trade fixtures; and abandon all improvements, alterations and modifications made by Tenant to the Premises prior to the date of termination (e.g., lighting fixtures, plumbing fixtures, interior walls), whereupon all such improvements, alterations and modifications shall be and become, without further action on the part of Tenant, the property of Landlord, free and clear of all claims by Tenant and any person claiming by, through or under Tenant. Each party's indemnities and/or covenants set forth under Section 15, Section 19 and Section 37 shall survive the termination or expiration of this Lease.

Section 3. **Use of Premises.**

(a) Use. Except as otherwise provided in this Lease, Tenant shall use the Premises for the construction and operation of a facility to provide a Part 147 Certified Aircraft Maintenance Technical School and related aviation-oriented education programming to students of the Burlington Technical Center (BTC) including, without limitation, to store aircraft, and for no other purposes without Landlord's prior written consent (subject to Section 41). The use of the Premises is subject to review and approval of the FAA, and such approval has been received for those uses identified in the BSD Proposal; with respect to the scope of the FAA's approval, to the extent of any inconsistencies between the BSD Proposal and this Agreement, the terms of the BSD Proposal shall control. Tenant's use and operation of the Premises shall be performed in compliance with the requirements of this Agreement. Tenant shall, at its expense, obtain and maintain all federal, state and municipal permits and approvals necessary for Tenant to use the Premises for such purposes, and shall be required to comply with all conditions of such permits and approvals that relate to its ongoing use and operation of the Premises. Tenant will operate the Premises and Tenant's business in a manner consistent with the character and quality of the Property. Tenant shall keep the area in and around the Premises in a neat, clean and safe condition. Tenant shall have 24-hour access to the Premises seven days a week; provided, however, that in occupying the Premises, Tenant shall not operate its business so as to overburden or exceed the capacity of the utility services installed to serve the Building. In all instances, the Premises shall only be used in conformance with all duly adopted federal, state, and municipal ordinances and regulations applicable to the Premises from time to time ("Applicable Laws"). Tenant covenants and agrees not to make any illegal use of the Premises and not to cause waste to the Premises or to the Property.

(b) Design, Permitting and Construction Contract. Landlord's and Tenant's obligations with respect to the design, permitting and contracting for construction of the Project are set forth below in this Section 3(b).

(i) Permits. Tenant shall compile the necessary information and diligently file complete applications for all federal, state and municipal permits, approvals and consents necessary to develop and construct the Project and to use the Premises for the purposes permitted herein ("Permits") and shall thereafter use good faith efforts to pursue the Permits at Tenant's sole cost and expense. Tenant shall deliver to Landlord in advance of filing copies of any and all applications for any Permits (with respect to which the term "applications" includes all materials delivered therewith or in support thereof) for the Landlord's prior approval (subject to Section 41). Landlord shall cooperate with Tenant in Tenant's efforts to obtain the Permits, including by promptly executing and returning to Tenant all applications therefor prepared by Tenant at its expense, subject to the Landlord's review and approval rights as provided above. Tenant shall use good faith efforts to keep the Landlord apprised of the status of its efforts to obtain the Permits and the status of any related appeal being prosecuted or defended by Tenant. In particular, Tenant shall keep Landlord reasonably apprised of any proposed Permit conditions that would affect the Property outside of the Premises, and Landlord shall have the right, in Landlord's sole but reasonable discretion, to reject (or to require Tenant not to accept) any such conditions that would materially adversely affect the Property outside of the Premises.

(ii) Approval of Project Design, Plans, and Specifications. Tenant acknowledges that Landlord has entered into a design contract with McFarland Johnson to provide design services for the Project through the completion of design documentation sufficient for purposes of submitting permit applications (i.e., 50% design documentation plans comprised of 100% Civil and Electrical design documents), which are expected to be delivered on or about February 1, 2024. Tenant agrees to engage and contract with reputable civil engineering firm and other design professionals, all of whom must be approved by Landlord before they are engaged with such approval not to be unreasonably withheld, conditioned or delayed, to complete the design documentation through the completion of construction documents, at its expense. Tenant shall provide to Landlord for Landlord's review (at Landlord's sole cost and expense) and prior written approval (subject to Section 41) all design, plans, and specifications to be included in the Construction Contract (defined below) for the Project including with respect to its physical layout, pedestrian and vehicular traffic circulation and impacts, parking requirements, security features, exterior building appearance, durability of construction materials, durability of structural design, durability of construction finishes, grading and utilities, stormwater improvements, exterior lighting and landscaping (the "Plans and Specifications"). The parties will seek satisfaction of this requirement with respect to the permit-level Plans and Specifications during the period when Tenant is preparing applications for Permits, and the parties will seek satisfaction of this requirement with respect to other Permits and with respect to the construction-level Plans and Specifications prior to Tenant entering into the Construction Contract.

(iii) Construction Contract. Tenant shall use good faith efforts to negotiate and enter into a construction contract with a reputable contractor (the "Contractor") for the construction of the Project on terms and with a guaranteed maximum price or stipulated sum (the "GMP") acceptable to Tenant in its sole and absolute discretion (the "Construction Contract"). Any subcontracts that are required to be bonded under the Construction Contract, as may be determined by Tenant in its sole and absolute discretion, shall also name Landlord as a dual obligee. The Construction Contract shall require the Contractor to construct the Project for the GMP and the Construction Contract shall include a guaranteed completion date not longer than eleven (11) months after commencement (subject to force majeure events as defined in the Construction Contract).

(iv) Tenant represents and warrants to Landlord that it has received a United States Department of Commerce grant award of $9,900,000 to pay for a portion of the design and construction of the Project, and Tenant covenants and agrees to invest the full value of such grant award in the Project upon obtaining the Permits and executing the Construction Contract. If the GMP amount exceeds the amount of available grant proceeds, then prior to commencing construction Tenant shall provide Landlord with evidence, to Landlord's reasonable satisfaction, of Tenant's financial wherewithal to meet its obligations under a construction contract for the Project. Tenant agrees that at the time it enters into the Construction Contract, its financial wherewithal shall have not changed in a way material to Tenant's obligations thereunder.

(v) Tenant shall use good faith efforts to commence construction of the Project on or before September 1, 2024 and to complete construction of the Project on or before August 1, 2025. If Tenant shall not have commenced construction of the Project by September 1, 2025 then Landlord shall have the right to terminate this Lease, provided that if Tenant shall have demonstrated to Landlord that it has made significant progress towards commencing construction, then Landlord shall act reasonably and in good faith to extend the construction commencement deadline beyond September 1, 2025.

Section 4. **Construction Period**.

(a) Construction Period. The period during which the Project will be constructed is referred to herein as the "Construction Period". Tenant shall construct the Project during the Construction Period, at its sole cost and expense, in accordance with the Permits and in accordance with the Plans and Specifications for the Project that the Landlord has reviewed and approved under and in accordance with Section 3(b) of this Agreement.

(b) Approved Plans and Specifications. No material deviations from the approved Plans and Specifications may be made without the written prior approval of the Landlord (subject to Section 41). Tenant shall notify the Landlord in writing of any such proposed material changes in the Plans and Specifications and such changes must have the prior written approval of the Landlord (subject to Section 41) before they may be implemented.

(c) Construction Inspection. During the Construction Period, Landlord's representative(s) shall have the right to attend jobsite meetings for the purpose of observing the progress of the work. Nothing herein contained shall be construed as an obligation upon the Landlord to inspect the work. If Landlord reasonably determines that construction is not proceeding in substantial and material accordance with the approved Permits and/or applicable FAA requirements, and the Landlord gives prompt notice to Tenant of the particular substantial and material deviation, deficiency, error or omission, the parties shall promptly meet to address reasonable concerns raised in such notice in order to ensure compliance with the applicable Permits (i.e., the applicable plan, specification or permit condition) and/or FAA requirement. The Landlord shall not communicate directly with Tenant's Contractor or any of its subcontractors or material suppliers without an authorized representative of Tenant being present.

(d) Professional Certifications. Tenant shall obtain the services of a Vermont licensed engineer and architect, reasonably acceptable to the Landlord, to perform quality control observations, inspections, and testing for the Tenant and to properly document and certify that the completed Project conforms with the approved Plans and Specifications. Tenant shall direct its engineers, architects and other licensed professionals to provide the Landlord with all third-party inspection reports related to the Project at the same time as they are submitted to Tenant or Tenant's representatives or agents. If the Landlord determines it necessary to hire its own third-party inspector(s), it will be at the Landlord's expense and the Landlord's inspector(s) will be allowed to perform testing and take samples as they reasonably deem necessary or desirable.

(e) Construction Completion Deliverables. Upon completion of construction, Tenant shall provide Landlord with the following: (i) a certification from Tenant's architect that the Project has been constructed in material accordance with the approved Plans and Specifications and with the Permits and approvals issued therefor; (ii) a certification from Tenant's professional engineer that all grading and utilities, including electrical, communications, natural gas, stormwater, water and sewer, necessary for the Project shall have been completed in material accordance with the approved Plans and Specifications and with the Permits and approvals issued therefor; (iii) evidence reasonably satisfactory to Landlord that all approvals, certificates of occupancy and filings necessary for the Project's legal use and occupancy shall have been issued by the regulatory authorities with jurisdiction over the Project; (iv) documentation evidencing that all contractors have been paid in full for the Project in accordance with the Construction Contract and that no claims for payment are outstanding; (v) as-built drawings in AutoCAD and PDF formats for the completed Project; and (vi) all additional documentation prepared by Tenant's engineer and architect with respect to the Project including notes, photographs, reports, quality control testing reports, change orders, and submittals, provided in an electronic format specified by Landlord. Landlord reserves the right to conduct a final inspection of the Project within five (5) business days after Landlord's receipt of the foregoing deliverables to ensure that the Project has been constructed in material accordance with the requirements of this Agreement. If, upon inspection, Landlord determines that there is any substantial and material construction deviation to the approved Permits and/or any applicable FAA requirement not previously approved by Landlord, Landlord shall provide written notice thereof to Tenant within three (3) business days of the inspection identifying such deviation and Tenant and Landlord shall review such deviation and reasonably cooperate to determine the appropriate remedy, if a remedy is required.

(f) Insurance During Construction Period. Throughout the Construction Period, Tenant and/or Tenant's Contractor shall each obtain and maintain the types of insurance required under Section 15 of this Agreement.

Section 5. **Rent; Rent Credit; Airport Landing Fees**.

(a) Base Rent. Commencing on the Commencement Date, Tenant shall pay "Base Rent" to Landlord at the address specified in Section 5(d) or at such other location as Landlord may hereafter designate in writing in the amount of in accordance with the rent schedule attached as **Exhibit E** hereto. As illustrated on Exhibit E, Base Rent shall increase on July 1 of each year during the Term by 3% over the Base Rent payable during the prior year.

(b) Rent Credit. Landlord acknowledges that Tenant's construction of the Project will confer a benefit to Landlord, and the parties have agreed that the value of that benefit will be approximately $11,500,000.00. In consideration of Tenant's construction of the Project, upon Landlord's acceptance of the Project in accordance with Section 4(e) of this Agreement, Tenant shall be entitled to a credit against payment of Base Rent in the amount of Tenant's documented actual costs of the Project (the Rent Credit"). Exhibit E illustrates the amount of Base Rent to be paid to Landlord each year and the amount of the Rent Credit to be applied each year assuming that the Rent Credit will be exactly $11,500,00.00, provided that the annual Base Rent payment amounts illustrated on Exhibit E shall be paid in equally monthly installments throughout each year (for example, the $51,772.00 to be paid during the third lease year shall be paid in monthly installments of $4,314.33 each). If the Rent Credit is not exactly $11,500,00.00, then the parties shall execute an amendment to this Lease to replace Exhibit E hereto with an updated rent schedule that accurately reflects the amount of the Rent Credit, provided that in no event shall the Rent Credit exceed $13,000,000.00.

(c) Additional Rent; Rent Defined. In addition, for each lease year Tenant agrees to pay all sums of money or charges of whatsoever nature required to be paid under any provisions of this Agreement by Tenant to Landlord ("Additional Rent"), whether or not the same are designated as additional rent, on the next Base Rent payment date following written notification of such sums or charges in the same manner as Base Rent, provided that if such notification is given fewer than fifteen (15) days prior to the next installment of Base Rent coming due, then such amount of Additional Rent shall be due on the second next Base Rent payment date following such notification. Base Rent and any Additional Rent or other sums or charges are collectively referred to herein as "Rent." It is understood and agreed that the Rent to be paid to Landlord by Tenant hereunder shall be absolutely net to Landlord, and that all costs, expenses and obligations of every kind and nature whatsoever relating to the Premises shall be paid by Tenant directly to the party invoicing the same or in the form of Additional Rent, and this Agreement shall be interpreted and construed to that effect.

(d) Rent Payment. Except as otherwise specifically provided in this Agreement, all Base Rent shall be paid in monthly installments in advance, without demand or setoff, on the first (1st) day of each month throughout the Term and Base Rent for any period of less than a full month shall be prorated on a per diem basis. Except as otherwise expressly provided in this Agreement, any and all Rent and other sums payable under this Agreement shall be paid without notice, demand, counterclaim, set off, deduction, or defense and without abatement, suspension, diminution, or reduction, and the obligations and liabilities of Tenant under this Agreement shall in no way be released, discharged or otherwise affected by reason of any occurrence whatsoever. Payment shall be made at the office of the Director of Aviation, Burlington International Airport, 1200 Airport Drive #1, South Burlington, Vermont 05403 or electronically by ACH transaction or similar means to the bank account directed by Landlord. Any Rent which has not been paid when due shall incur interest at the rate of 1.5% per month and, in addition, Tenant covenants and agrees to pay to Landlord a late charge equal to five percent (5%) of each payment of Rent or other amount due hereunder which is not received by Landlord within ten (10) days after the same is due.

(e) Utilities and Services. Tenant shall, at its sole cost and expense, cause to be furnished and shall pay for all utilities and services necessary or desirable for Tenant's use of the Premises, including water, sewer, gas, electricity, communications, stormwater, and trash and recycling pick-up and disposal. Tenant covenants to pay the charges for all such utilities and services prior to delinquency and to keep the Premises free and clear of any lien or encumbrance of any kind whatsoever constituting a charge against the Premises arising from the nonpayment or a delinquency in payment for said utilities or services. No trash is allowed to be stored outside unless it is in an approved trash container located in an approved area. If Tenant fails to comply with the requirements of this provision, then Landlord reserves the right to fulfill Tenant's obligations and all costs incurred by Landlord in connection therewith shall immediately be paid by Tenant to Landlord as Additional Rent.

(f) Aircraft Landing Fees; Other Fees. In addition to Rent due hereunder, Tenant shall pay the following fees as generally applied to Airport users and as generally applied to the applicable type of aircraft:

(i) Aircraft Landing. On or before the 10th day of each month, Tenant shall provide the Airport's Director of Aviation with a listing of its Aircraft Landings during for the preceding month. "Aircraft Landing" means any aircraft being utilized at the Airport by or on behalf of Tenant in carrying out the business which is authorized by this Agreement (including but not limited to aircraft owned or leased by Tenant, aircraft providing services to Tenant pursuant to contract whether oral or written, and aircraft being parked in or on the Premises).

(ii) Landing Fees. Tenant shall pay Landlord Airport Landing fees at the rate established by Landlord in its sole discretion and applicable to other aircraft landing at the Airport at that same time. Landlord shall issue an initial Airport Landing fee on the Effective Date and provide Tenant written notice seven (7) days in advance if the Airport Landing Fee is changed by Landlord. Tenant shall pay Landlord the then-applicable Aircraft Landing fees on or before the last day of each month based upon the number of Aircraft Landings properly attributable to Tenant during the preceding month. Such payments shall be paid at the office of the Airport's Director of Aviation without billing.

(iii) Late Payment of Landing Fees. If Tenant fails to promptly pay due Airport

Landing fees on or before their due date, they shall be considered past due and shall incur interest at a rate of 1.5% per month.

(iv) Records. Tenant shall keep and maintain a complete and accurate set of records of all the Aircraft Landings for the use of Landlord and payment of fees required under this Agreement for three (3) years. Tenant shall make such records available for inspection and copying by Landlord at any and all reasonable hours and times. Landlord shall have the right, at its expense and on reasonable notice, from time to time, but in no event more than once in any 12-month period, to audit the records and other data of the Tenant relating to the provisions and requirements hereof, provided such inspection is made during regular business hours. If Tenant is found to have under-reported Aircraft Landings by five percent or more, then Tenant shall pay the full cost of the audit.

(v) Other Fees. Tenant shall direct all entities obligated to pay any transient aircraft landing, tie down, parking, and seat charges directly to Landlord or the fixed base operator for Landlord.

(g) Security Deposit. Tenant is not required to pay a security deposit to Landlord.

Section 6. **Project; Alterations: Capital Reserve Account**.

(a) Modifications. During the Term and following completion of construction of the Project, Tenant shall not modify or alter the structural design or exterior appearance of the Building or any related site improvements in a manner that diminishes their quality without prior written approval of Landlord (subject to Section 41) to ensure the Project's compatibility with the functionality of the Airport, provided that structural modifications required from time to time to support ongoing needs of Tenant shall not require Landlord approval.

(b) Except as hereinafter expressly provided, Tenant shall not make or permit to be made any alterations, additions, changes or improvements in or to the Premises or any part thereof without first obtaining the written consent of Landlord thereto, which consent Landlord agrees not to unreasonably withhold, condition or delay, provided Tenant has fully complied with each and every term, covenant and condition in this Lease and, with respect to such alterations, additions, changes or improvements, has provided Landlord with such liability insurance policies and/or surety bonds as Landlord may reasonably request. Before requesting Landlord's consent, Tenant shall submit to Landlord detailed plans and specifications of such proposed alterations, changes, additions or improvements. Landlord shall be entitled to withhold its consent to any such alterations, additions, changes, or improvements, until such time as Tenant provides Landlord with reasonable evidence of the approval of such alterations, additions, changes or improvements by any and all municipal, state, federal or other governmental or other authorities, offices and departments now existing or hereafter created having jurisdiction over the Premises, and of the Vermont Department of Public Safety, Division of Fire Safety or other like body, which approvals Tenant shall obtain at its own cost and expense. Landlord, its architect, agents and employees, shall, upon reasonable notice, have the right to enter upon the Premises in a reasonable manner and at all reasonable times during the course of any such alterations, additions, changes or improvements for the purpose of inspection and of determining whether such work conforms to the approved plans and specifications and with the agreements herein contained. Any and all alterations, additions, improvements and changes made by Tenant at any time and all governmental approvals therefor shall immediately be and become the property of Landlord without any payment therefor by Landlord; provided, however, that it is expressly understood and agreed that any trade fixtures or other fixtures added by Tenant (other than those which are required by the terms of this Lease to be provided by

Tenant as a result of its obligation to repair or replace property furnished by Landlord) shall remain the property of Tenant and may be removed by Tenant, at Tenant's expense, upon the expiration or earlier termination of this Lease, provided that any damage caused thereby is immediately repaired by Tenant. Tenant, at its own cost and expense, will cause any and all mechanics' liens and perfections of the same which may be filed against the Premises to be paid and satisfied of record within thirty (30) days after Landlord shall send to Tenant written notice by registered mail of the filing of any notice thereof against the Premises or the Landlord, for or claiming to be for labor or materials alleged to be furnished or to be charged by or for Tenant at the Premises, or will bond such mechanics' liens and use its best efforts to have such liens discharged by an order of a court of competent jurisdiction within said thirty (30) day period. Any alterations, improvements or other work once begun must be prosecuted with reasonable diligence to completion, must be paid for by Tenant in full, free and clear of liens or encumbrances against the Premises or the Property and must be performed in all respects in accordance with all applicable laws, regulations, ordinances and codes and in a good and workmanlike manner.

(c) Capital Reserve Account. Within thirty (30) days of the Commencement Date, Tenant shall establish a joint reserve account for the repair, replacement or demolition of the Project ("Capital Reserve Account") in accordance with the following:

(i) The Capital Reserve Account shall be in the name of Tenant and the Landlord. The parties acknowledge and agree that during any period when a Leasehold Mortgage is in effect the Leasehold Mortgagee is likely to require that it maintain and control the funds maintained in the Capital Reserve Account, and Landlord will agree to authorize the Leasehold Mortgagee to maintain and control the funds maintained in the Capital Reserve Account so long as such funds are used solely for capital replacements and improvements and not used to pay debt service (principal or interest), lender fees or expenses, or to pay any other cost, fee or expense.

(ii) The Capital Reserve Account shall be funded monthly consistent with the parameters set forth on **Schedule 6(c)** and based on a capital reserve study performed by a mutually acceptable consultant to Tenant, or otherwise in accordance with prudent long term maintenance practices applicable to structures and infrastructure similar to the Project as approved by Landlord (subject to Section 41). Such funds, including interest earned, from this Capital Reserve Account are to be used for major maintenance, repair, and replacement activities and not for minor or ongoing maintenance items. Tenant shall inform the Landlord in advance of its intent to expend funds from the Capital Reserve Account and the purpose of the expenditure, and all expenditures shall be subject to Landlord's prior review and approval (subject to Section 41). Balances in the Capital Reserve Account shall be reviewed periodically by Tenant and the Landlord to ascertain whether monthly funding levels are appropriate. Tenant shall provide Landlord with annual account statements reflecting the balances in the Capital Reserve Account no later than June 1 of each year. At the expiration or earlier termination of this Agreement, funds remaining in the Capital Reserve Account shall be used to perform whatever repairs are then necessary to preserve the Project in good quality, habitable condition, and any excess funds remaining thereafter in the Capital Reserve Account shall become the property of Landlord. If funds from the Capital Reserve Account are used in connection with the repair or restoration of the Project following casualty damage in accordance with Section 16, then after substantial completion of such repair or restoration Tenant shall engage a consultant to perform a new life cycle analysis of the Project, and

Tenant shall thereafter fund the Capital Reserve Account monthly in accordance with such life cycle analysis, including any requirements in such analysis to bring the current funding to a particular level.

Section 7. **Taxes and Other Expenses**.

(a) Taxes. Tenant is responsible for payment of all transfer taxes associated with this Agreement, if any, and shall pay all income taxes, sales and use taxes, and any other taxes imposed on Tenant in connection with or by reason of its lease of the Premises and its ownership and operation of the Project. In addition, Tenant shall, from and after the Commencement Date and thereafter during the Term, pay and discharge punctually, as and when the same shall become due and payable as Additional Rent, all real estate taxes or ad valorem taxes as assessed by any government then entitled to do so, special and general assessments and other governmental impositions and charges, extraordinary as well as ordinary, including any state, regional or local taxes, fees or payments that may be imposed in lieu of such real estate or ad valorem taxes or assessments (collectively hereinafter referred to as "Taxes"), and each and every installment thereof which shall or may during the Term be charged, levied, laid, assessed, imposed, become due and payable, or a lien upon, or for, or with respect to, the Premises or any part thereof, together with all interest and penalties thereon, under or by virtue of all present or future laws, ordinances, requirements, orders, directives, rules or regulations of the federal, state, county and municipal governments and of all other governmental authorities whatsoever (all of which shall also be included in the term "Taxes" as heretofore defined). Landlord shall timely deliver to Tenant an invoice detailing Tenant's share of Taxes, calculated with reference to the assessed value of the land and improvements that comprise the Premises as determined by the City of South Burlington or any additional or successor taxing authority.

(b) Time For Payment. Tenant shall be deemed to have complied with the covenants of this Section 7 if payment of such Taxes shall have been made either within any period allowed by law or by the governmental authority imposing the same during which payment is permitted without penalty or interest or before the same shall become delinquent, and Tenant shall produce and exhibit to Landlord satisfactory evidence of such payment as and when so requested by Landlord.

(c) Right To Contest. Tenant or its designee shall have the right to contest or review all Taxes by legal proceedings, or in such other manner as it may deem suitable (which, if instituted, Tenant or its designees shall conduct promptly at its own cost and expense, and, if necessary, in the name of and with the cooperation of Landlord and Landlord shall execute all documents reasonably necessary to accomplish the foregoing). Notwithstanding the foregoing, Tenant shall promptly bond off or otherwise cause the removal of any lien which is placed on the Premises as a result of or arising out of such dispute and Tenant shall promptly pay all Taxes prior to commencement of any foreclosure, tax sale or other forfeiture proceeding, the result of which would be loss of title to the Premises to the taxing authority. The legal proceedings referred to in this Subsection 7(c) shall include appropriate certiorari proceedings and appeals from orders therein and appeals from any judgments, decrees or orders. If there is any reduction, cancellation or discharge, Tenant shall pay the amount finally levied or assessed against the Premises or adjudicated to be due and payable on any such contested Taxes.

(d) Refunds. Landlord covenants and agrees that if there shall be any refunds or rebates on account of the Taxes paid by Tenant under the provisions of this Agreement, such refund or rebate shall belong to Tenant. Landlord will, upon the written request of Tenant, sign such receipts as may be necessary to secure the payment of any such refund or rebate, and will pay over to Tenant such refund or rebate as received by Landlord.

(e) Remedies for Nonpayment. If Tenant shall fail, refuse or neglect to make any of the payments required by this Section, then Landlord, at its option, may pay the same or any portion thereof, and the amount or amounts so paid, including reasonable attorneys' fees and expenses incurred by Landlord in connection therewith, shall be repaid by Tenant to Landlord within ten (10) days after written demand by Landlord, and the amount thereof shall be treated as Additional Rent.

Section 8. **Maintenance, Repair, Replacements**.

(a) Landlord shall be responsible for maintaining, repairing and replacing the exterior and structural components of the Building, and for maintaining in a reasonable state of repair the parking lot and grounds of the Property outside the Building subsequent to the construction of those improvements by Tenant. Landlord shall be responsible for maintaining, repairing and replacing the plumbing lines located outside of the Building and serving the Premises and the main electrical service and incoming feeder to the Building, provided that Tenant shall be responsible for all repairs or replacements to the extent that the need for any repairs or replacements are caused by the negligent acts or omissions of Tenant, its employees, invitees, agents or contractors. In the case of repairs or replacements that are covered by Landlord's insurance and are necessary due to the negligent acts or omissions of Tenant, its employees, invitees, agents or contractors, if Landlord makes a claim against its insurance policy to pay for such repairs or replacements Tenant shall pay the deductible therefor.

(b) Tenant shall be responsible for all maintenance, repairs and replacements that are not the Landlord's obligation under Section 8(a) including, without limitation, the maintenance, repairs and replacements of the interior portions of the Premises, including without limitation all non-load-bearing walls and non-structural elements, including all floors, ceilings, doors, windows, and glass, and shall perform all maintenance and repairs as may be reasonably required to place, keep and maintain the same in good order and state of repair. Tenant shall also be responsible to maintain, repair and replace all lightbulbs, ballasts and light fixtures within the Premises at its expense. The Tenant shall, at its own expense, keep and maintain the Premises and every part thereof, in good order and repair and in a clean and sanitary condition at all times. Tenant shall remove, store and dispose of all trash and litter in a manner that does not attract pests to the Property and does not pollute the soil at or storm water runoff from the Property. Tenant agrees to maintain a minimum temperature of at least 55 degrees Fahrenheit within the Premises at all times to ensure that the mechanical and building systems servicing the Premises are functioning properly. Tenant covenants and agrees to be responsible for any and all repairs caused by Tenant's failure to properly maintain the temperature in the Premises. Landlord will have the right to cause its agents to inspect the Premises in a reasonable manner, upon reasonable notice, and at all reasonable times to assure that Tenant is complying with its duties to repair, replace and maintain hereunder. Any defect or deficiency noted as a result of such inspection shall be reported to Tenant and, provided such defect or deficiency is Tenant's responsibility as specified herein, unless the same is corrected and remedied forthwith by Tenant, Landlord shall have the right to correct and remedy the same, at Tenant's expense, and the costs of doing so shall immediately be paid by Tenant to Landlord, as additional rent.

Section 9. **Requirements of Governmental Authorities**.

(a) Compliance. During the Term, Tenant shall, at its own cost and expense, promptly observe and comply with all present or future, foreseen or unforeseen, laws, ordinances, requirements, orders, directives, rules and regulations duly adopted by applicable federal, state, county, and municipal governments and of all other governmental authorities affecting the Premises or appurtenances thereto or any part thereof whether the same are in force at the Effective Date or may in the future be passed, enacted or directed giving full effect to all vesting or "grandfathering" provisions. Tenant shall further so comply with each and every duly adopted rule, order and requirement of any applicable federal, state, municipal, legislative, executive, judicial or other governmental body, commissioner or officer or of any bureau or department thereof, whether now existing or hereafter created, having jurisdiction over the Premises or any part thereof, or properly exercising any power relative thereto or to the owners, tenants or occupants thereof including compliance with all regulations and permits for the Project giving full effect to all vesting or "grandfathering" provisions. Tenant shall maintain the Project and the Premises, and otherwise operate the Project and the Premises, in conformity with all municipal, state and federal land use permits and approvals governing the Project or the Premises at any time giving full effect to all vesting or "grandfathering" provisions.

(b) Minimum Standards for Commercial Aeronautical Activities. Tenant's right of access to the Property for aircraft shall be subject to all applicable federal, state and local laws, ordinances and regulations, as well as all Airport standards, rules and policies including Minimum Standards for Commercial Aeronautical Activities now in effect or hereinafter duly adopted or promulgated and consistently applied by the Airport.

(c) FAA and TSA. This Agreement is subject and subordinate to FAA regulations duly adopted and consistently applied governing the use of Airport including those regulations imposed by reason of the Landlord's acceptance of federal funds relative to the operation or maintenance of the Airport, the transfer of federal rights, funds or property to Landlord for Airport purposes, or the expenditure of federal funds for the improvement or development of the Airport. In addition, this Agreement may be amended without further consideration (except as provided below) if and to the extent required by the FAA or Transportation Safety Administration ("TSA") or their respective successor agencies as a condition precedent to Landlord's receipt of federal rights, funds or property for Airport purposes, or precedent to the expenditure of federal funds for the improvement or development of the Airport. If the FAA requires modifications or changes to this Agreement as a condition precedent to Landlord's receipt or retention of funds for the improvement of the Airport, Tenant agrees to execute and deliver to Landlord an amendment to this Agreement (prepared by Landlord) that effects such modifications or changes as may be required to enable the Landlord to obtain or retain such funds or funding. If any such amendment as described in this Section 9(c) modifies the terms and conditions of this Agreement in a manner that causes the Tenant to directly incur costs, expenses or fees that materially modify the financial bargain embodied by this Agreement or otherwise materially adversely affects Tenant's use of the Premises or other rights under this Agreement, then the parties shall use good faith efforts to cooperatively seek to obtain exemptions or exclusions from the FAA or TSA requirements in an effort to eliminate or minimize the costs or expenses or other material adverse effects arising from the amendment sought to be imposed and, if such exemptions or exclusions are not forthcoming, to modify the terms of this Agreement in order to eliminate, minimize or otherwise fairly account for such costs or expenses or other material adverse effects. Without limiting the foregoing, the Tenant agrees that it is subject to the terms and provisions of the required federal provisions included on **Exhibit F** attached hereto, with the understanding that the Tenant is the "Contractor" identified therein.

(d) Livable Wage Ordinance. Tenant shall construct and operate the Project and the Premises in accordance with the requirements of the City of Burlington Livable Wage Ordinance to the extent such requirements are applicable to such activities and shall provide the required certification attesting to compliance with this ordinance on an annual basis (due by April 1st of each year) if requested by Landlord.

(e) Union Deterrence Ordinance. Tenant shall construct and operate the Project and the Premises in accordance with the requirements of the City of Burlington Union Deterrence Ordinance to the extent such requirements are applicable to such activities and shall provide the required certification attesting to compliance with this ordinance if requested by Landlord.

(f) Non-Outsourcing Ordinance. Tenant shall construct and operate the Project and the

Premises in accordance with the requirements of the City of Burlington Outsourcing Ordinance to the extent such requirements are applicable to such activities and shall provide the required certification attesting to compliance with this ordinance if requested by Landlord.

(g) No Discrimination. Tenant, for itself and its personal representatives, successors and assigns, as part of the consideration hereof, does hereby covenant and agree that (i) no person on the grounds of political or religious affiliation, race, color, national origin, place of birth, ancestry, age, sex, sexual orientation, gender identity, marital status, veteran status, disability, HIV positive status, genetic information or other protected classification shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of Tenant's facilities pursuant to its operations hereunder; (ii) in the furnishing of services at the Project and the Premises, no person on the grounds of political or religious affiliation, race, color, national origin, place of birth, ancestry, age, sex, sexual orientation, gender identity, marital status, veteran status, disability, HIV positive status, genetic information or other protected classification shall be excluded from participation in, denied the benefit of, or otherwise be subjected to discrimination; (iii) Tenant shall ensure compliance with the applicable provisions of Title VI of the Civil Rights Act of 1964 as amended, Executive Order 11246 as amended by Executive Order 11375 and as supplemented by the Department of Labor regulations (41 CFR Part 60); (iv) Tenant shall also comply with the rules, regulations and relevant orders of the Secretary of Labor, Nondiscrimination regulations 49 C.F.R. § 21 through Appendix C, and Regulations under 23 C.F.R. § 710.405(b); (v) Tenant shall comply with all the requirements of Title 21, V.S.A., Chapter 5, Subchapter 6 and 7, relating to fair employment practices to the extent applicable; and (vi) all subcontracts shall include reference to the above.

(h) Public Records Act. Any and all records submitted to Landlord, whether electronic, paper, or otherwise recorded, are subject to the Vermont Public Records Act. The determination of how those records must be handled is solely within the purview of Landlord. All records considered to be trade secrets, as that term is defined by subsection 317(c)(9) of the Vermont Public Records Act, shall be identified, as shall all other records considered to be exempt under the Act. It is not sufficient to merely state generally that the proposal is proprietary or a trade secret or is otherwise exempt. Particular records, pages or sections that are believed to be exempt must be specifically identified as such and must be separated from other records with a convincing explanation and rationale sufficient to justify each exemption from release consistent with Section 317 of Title 1 of the Vermont Statutes Annotated.

(i) Right to Contest. Tenant shall have the right to contest by appropriate legal proceedings diligently conducted in good faith, in the name of Tenant, without cost or expense to Landlord, the validity or application of any law, ordinance, rule, regulation or requirement of the nature referred to in this Section 9 and, if by the terms of any such law, ordinance, order, rule, regulation or requirement, compliance therewith may legally be delayed pending the prosecution of any such proceeding, Tenant may delay such compliance therewith until the final determination of such proceeding. Notwithstanding the foregoing, Tenant shall promptly bond off or otherwise cause the removal of any lien which is placed on the Premises as a result of or arising out of such dispute, provided that in no event shall Tenant be permitted or authorized to maintain any such contest if doing so has or would have an adverse effect on the Airport as determined by Landlord in its discretion.

(j) Aircraft Parking**.** Tenant shall abide by all Airport rules concerning parking of aircraft. Tenant 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 as such places as may be prescribed or permitted by the Airport's Director of Aviation. Tenant 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 Airport's Director of Aviation. At no time will Tenant occupy or enter any portion of existing or future Air Carrier Apron as defined by TSA and FAA regulations.

(k) Security. Tenant shall secure the Premises with construction fencing prior to performing any work on the Premises during the Construction Period and shall maintain the safety and security of the Premises during the Term of this Agreement. Tenant 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 the Landlord for the administration of the Airport, including but not limited to training and Secure Identification Area ("SIDA") Badging requirements. Tenant shall create a security policy covering the Premises that will include, but not be limited to, security procedures, configurations, infrastructure and equipment, provision of emergency alerts and notices to Landlord, reporting guidelines, maintenance of security footage and records, staffing of security personnel, and training of personnel. Tenant shall be responsible for following this policy. The Landlord shall review the proposed security policy and any subsequent revisions and, at the Landlord's sole but reasonable discretion, may either approve or require changes. Tenant shall, at is sole cost and expense, install, maintain and replace as necessary all equipment necessary for SIDA compliance, including but not limited to badge readers, locks, alarms, doors and cameras. Any alterations to existing security configurations, SIDA boundaries, infrastructure, and equipment will require the Landlord's prior written consent (subject to Section 41). Landlord shall reasonably cooperate with Tenant to minimize interference with Tenant's business operations, including the installation of SIDA equipment in additional locations as is reasonably determined by Tenant to promote efficient circulation within the Premises.

Section 10. **Covenant Against Liens**. If during the Term, including during the Construction Period, any mechanic's lien or other lien shall be filed against the Premises or any portion of the Property because of any work performed upon the Premises by or at the expense of Tenant, or any failure of Tenant to pay Taxes in accordance with this Agreement, Tenant shall, at its own cost and expense, cause the same to be discharged of record or bonded within twenty (20) days after the recording thereof; and Tenant shall indemnify and save harmless Landlord against and from all costs, liabilities, suits, penalties, claims and demands, including reasonable attorneys' fees, resulting therefrom. If Tenant fails to timely discharge any such lien by payment or bond, Landlord may (but shall not be obliged to) pay the amount of such lien, or discharge the same by bonding, and the amount so paid shall be deemed to be Additional Rent.

Section 11. **Access to Premises**. During the Term, Landlord or Landlord's agents shall have the right to inspect the Project and the Premises at reasonable times upon reasonable advance notice to Tenant, given no more than twice in any consecutive 12 month period (except in the event of an emergency).

Section 12. **Assignment and Subletting**. Without the prior written consent of Landlord, Tenant shall not assign, by operation of law or otherwise, or sublet the whole or any part of the Premises, and any transfer, assignment or subletting without the prior written consent of Landlord as provided above shall be void *ab initio*. Landlord's consent to a transfer, assignment or subletting, or to any use or occupancy by a party other than Tenant, shall not invalidate or constitute a waiver of this provision, and each subsequent transfer or assignment, and each subsequent use and occupancy by a party other than Tenant shall likewise be made only with the prior written consent of Landlord.

Section 13. **Leasehold Mortgage**.

(a) Tenant shall have the right to mortgage or pledge its interest in this Lease (a "Leasehold Mortgage") to one or more mortgagees (a "Leasehold Mortgagee") at any time and from time to time. The term "Leasehold Mortgage" as used in this Agreement shall include a mortgage, a deed of trust, a deed to secure debt and any other conveyance or agreement for security purposes, which may now or hereafter affect the Premises. The term "Leasehold Mortgagee" as used in this Agreement shall include the holder of (including any nominee or administrator) or the beneficiary under, as the case may be, a mortgage, deed of trust, deed to secure debt or any other conveyance or agreement for security purposes, which may now or hereafter affect the Premises.

(b) Tenant or the Leasehold Mortgagee shall give to Landlord written notice of the making of any Leasehold Mortgage (which notice shall contain the name and office address of the Leasehold Mortgagee) within ten (10) days after the execution and delivery of such Leasehold Mortgage and a duplicate original or certified copy thereof.

(c) Landlord shall give to each Leasehold Mortgagee, at the address of such Leasehold Mortgagee set forth in the notice from such Leasehold Mortgagee or from Tenant, and otherwise in the manner provided by Section 25, a copy of each notice given by Landlord to Tenant hereunder (including notice of an Event of Default) at the same time as and whenever any such notice shall thereafter be given by Landlord to Tenant, and no such notice by Landlord shall be deemed to have been duly given to Tenant (and no grace or cure period shall be deemed to have commenced) unless and until a copy thereof shall have been given to each such Leasehold Mortgagee. The Leasehold Mortgagee (i) shall thereupon have a period of thirty (30) days more in the case of an Event of Default in the payment of Rent and sixty (60) days more in the case of any other Event of Default (or in the case of a non-monetary Event of Default which shall require more than sixty (60) days to cure using due diligence, then such longer period of time as shall be necessary so long as such Leasehold Mortgagee shall have commenced to cure (or caused to be commenced such cure) within such 60-day period and continuously prosecutes or causes to be prosecuted the same to completion with reasonable diligence and continuity), after the applicable period afforded Tenant for remedying the Event of Default or causing the same to be remedied has expired and (ii) shall, within such period and otherwise as herein provided, have the right (but not the obligation) to remedy such Event of Default or cause the same to be remedied. Landlord shall accept performance by or on behalf of the Leasehold Mortgagee of any covenant, condition or agreement on Tenant's part to be performed hereunder with the same force and effect as though performed by Tenant, so long as such performance is made in accordance with the terms and provisions of this Lease. Landlord shall not object to any temporary entry onto the Premises by or on behalf of the Leasehold Mortgagee to the extent necessary to effect such Leasehold Mortgagee's cure rights, provided such entry is in compliance with Applicable Law. Notwithstanding anything to the contrary, the Leasehold Mortgagee shall have no obligation to cure an Event of Default except as expressly provided in this Lease.

(d) A non-monetary default by Tenant or a non-monetary Event of Default shall not be deemed to exist as long as the Leasehold Mortgagee, in good faith, (i) shall have commenced to cure (or caused to be commenced such cure) the default or Event of Default within the time periods provided in Section 13(c), and continuously prosecutes or causes to be prosecuted the same to completion with reasonable diligence and continuity (subject to Unavoidable Delays), or (ii) if possession of the Premises or any part thereof is required in order to cure such default or Event of Default, shall have notified Landlord within thirty (30) days after the applicable period afforded to Tenant for remedying the default or Event of Default shall have expired of its intention to institute foreclosure proceedings to obtain possession directly or through a receiver, and thereafter commences such foreclosure proceedings, prosecutes such proceedings with all reasonable diligence and continuity (subject to Unavoidable Delays) and, upon obtaining such possession, commences promptly to cure the default or Event of Default and prosecutes the same to completion with all reasonable diligence and continuity (subject to Unavoidable Delays).

(e) Notwithstanding anything in this Section 13 to the contrary, a Leasehold Mortgagee shall not be required to cure any Incurable Defaults of Tenant, and if any Leasehold Mortgagee, assignee or transferee shall acquire the Premises pursuant to a foreclosure or transfer in lieu of foreclosure, then any such Incurable Default by Tenant shall no longer be deemed a default or Event of Default. For purposes of this Agreement, "Incurable Default" shall mean (i) any Event of Default described in Section 21(a)(iv) or Section 21(a)(v), (ii) any Event of Default that is personal in nature to the Tenant, and (iii) any Event of Default that is based upon Tenant's wrongful assignment of this Lease or any interest therein (other than a wrongful assignment to such Leasehold Mortgagee).

(f) With respect to any default or Event of Default, so long as the Leasehold Mortgagee shall be diligently exercising its cure rights under this Section 13 with respect thereto within the applicable cure periods set forth above and so long as, if possession of the Premises is required to cure the same, the Leasehold Mortgagee shall be taking the actions required by Section 13(d), Landlord shall not (i) re-enter the Premises, (ii) serve a termination notice, or (iii) bring a proceeding on account of such default to (A) dispossess Tenant and/or other occupants of the Premises, (B) re-enter the Premises, or (C) terminate this Lease or the leasehold estate (such rights described in clauses (i), (ii) and (iii) being herein "Landlord's Termination Rights"). Upon any cessation of the Leasehold Mortgagee so exercising such rights and undertaking such activities, Landlord may exercise any of Landlord's Termination Rights hereunder. Nothing in the protections to Leasehold Mortgagees provided in this Lease shall, however, be construed to either (i) extend the Term beyond the expiration date provided for in this Lease that would have applied if no default had occurred or (ii) require such Leasehold Mortgagee to cure any non-monetary default by Tenant that is not capable of being cured as a condition to preserving this Lease or, in the case of a Leasehold Mortgagee only, to obtaining a New Lease as provided in this Section 13.

(g) The exercise of any rights or remedies of a Leasehold Mortgagee, including the consummation of any foreclosure or transfer in lieu of foreclosure, shall not constitute a default under this Lease. A Leasehold Mortgagee shall provide Landlord with prior written notice of its commencement of any foreclosure or of its commencement of any efforts to cause a transfer in lieu of foreclosure.

(h) No Leasehold Mortgagee shall become liable under the provisions of this Lease unless and until such time as it becomes, and then only for so long as it remains, the owner of the leasehold estate created hereby and no performance by or on behalf of such Leasehold Mortgagee of Tenant's obligations hereunder shall cause such Leasehold Mortgagee to be deemed to be a "mortgagee in possession" unless and until such Leasehold Mortgagee shall take control or possession of the Premises.

(i) New Lease.

(i) In the event of the termination of this Lease as a result of an Event of Default by Tenant, prior to the expiration of the Term, whether by summary proceedings to dispossess, service of notice to terminate, or otherwise, or as a result of any bankruptcy, insolvency or similar proceedings, Landlord shall serve upon each Leasehold Mortgagee who is entitled to notice, written notice of such termination promptly following same, together with a statement of any and all sums which would at that time be due under this Lease but for such termination, and of all other defaults, if any, under this Lease then known to Landlord. Subject to Section 13(i)(iv) below, the Leasehold Mortgagee shall thereupon have the option to obtain a new lease in accordance with and upon the following terms and conditions, and otherwise upon the same terms and conditions and in the same form as this Lease (including a term that expires on the same expiration date as this Lease) (a "New Lease"):

i. Upon the written request of such Leasehold Mortgagee, served upon Landlord in accordance with Section 25, within forty-five (45) business days after service upon the Leasehold Mortgagee of the aforementioned notice of termination, Landlord shall enter into a New Lease of the Premises with the Leasehold Mortgagee or any designee of the

Leasehold Mortgagee (such Leasehold Mortgagee or such designee, the "New Tenant").

ii. The New Lease shall be effective as of the date of termination of this Lease and shall be for the remainder of the Term and at the Base Rent and upon all the agreements, terms, covenants and conditions hereof, it being acknowledged that the New Lease is effectively a reinstatement of this Lease (but with the New Tenant). Upon and as a condition to Landlord's execution of such New Lease, the New Tenant shall pay any and all sums which would at the time of the execution thereof be due under this Lease but for its termination, as aforesaid, and shall commence to remedy any non-monetary defaults (other than Incurable Defaults) under this Lease (and the New Lease shall require the New Tenant to diligently continue to remedy such non-monetary defaults until cured). Landlord shall have no obligation to deliver physical possession of the Premises in connection with the giving of any such New Lease to the extent that Landlord shall not previously have recovered possession of same.

iii. Nothing herein contained shall release Tenant from any of its obligations under this Lease which shall not have been discharged or fully performed by Tenant or by such Leasehold Mortgagee.

(ii) As between Landlord and such New Tenant, any such New Lease and the leasehold estate thereby created, subject to the same conditions contained in this Lease, shall continue to maintain the same priority as this Lease with regard to any mortgage or any other lien, charge or encumbrance whether or not the same shall then be in existence.

(iii) Upon the execution and delivery of a New Lease under this Section 13(i), all subleases which theretofore may have been assigned to Landlord thereupon shall be assigned and transferred, without recourse, by Landlord to the New Tenant. Between the date of termination of this Lease and the date of execution and delivery of the New Lease, if a Leasehold Mortgagee shall have requested such New Lease, Landlord shall not enter into any new subleases, cancel or modify in any material respect any then-existing subleases or accept any cancellation, termination or surrender thereof (unless such termination shall be effected as a matter of law on the termination of this Lease) without the written consent of the Leasehold Mortgagee, not to be unreasonably withheld, conditioned or delayed, except as permitted in the subleases.

(iv) Any rejection of this Lease by any trustee of Tenant in any bankruptcy, reorganization, arrangement or similar proceeding which would otherwise cause this Lease to terminate, shall, without any action or consent by Landlord, Tenant or any Leasehold Mortgagee, effect the transfer of Tenant's interest hereunder to the Leasehold Mortgagee or its nominee or designee. Such Leasehold Mortgagee may reject the transfer of this Lease upon such transfer upon giving notice thereof to Landlord no later than thirty (30) days after notice from Landlord of such transfer. Such Leasehold Mortgagee shall thereupon have no further rights or obligations hereunder. Alternatively, the Leasehold Mortgagee may, during such 30-day period, request a New Lease in accordance with the provisions of this Section 13(i). In the event that the Leasehold Mortgagee shall fail either to timely effect the transfer of this Lease or timely request a New Lease, then this Lease shall be deemed terminated and no Leasehold Mortgagee shall have any further rights under this Lease.

(j) Additional Leasehold Mortgagee Protective Clauses. In addition to the other rights, notices and cure periods afforded to the holders of any Leasehold Mortgage, Landlord further agrees that:

(i) without the prior written consent of the Leasehold Mortgagee, Landlord will neither agree to any material modification or amendment of this Lease, including any modification or amendment that increases Tenant's obligations or reduces Tenant's rights under this Lease, nor accept a surrender or cancellation of this Lease;

(ii) Landlord shall execute any modification to the Lease and enter into recognition agreements (in form and substance reasonably acceptable to Landlord, at the cost and expense of the party making the request) as reasonably requested by a Leasehold Mortgagee as a condition to making a loan to Tenant, provided that the same does not materially increase Landlord's obligations or materially diminish Landlord's rights hereunder;

(iii) the Leasehold Mortgagee shall have the right to participate in the adjustments of any insurance claims of the nature set forth in Article 16 and condemnation awards of the nature set forth in Article 17; and

(iv) within fifteen (15) business days following the written request of Tenant from time to time, Landlord shall execute and deliver an instrument addressed to the holder of any Leasehold Mortgage confirming that such holder is a Leasehold Mortgagee and entitled to the benefit of all provisions contained in the Lease which are expressly stated to be for the benefit of Leasehold Mortgagees.

(k) No merger of fee title with the leasehold interest under any circumstances (whether voluntary or involuntary or effected by the Landlord or the Tenant) will result in the termination of this Agreement or an extinguishment of any Leasehold Mortgage.

(l) Notwithstanding any other term or provision of this Lease to the contrary, Landlord's interest in this Lease and in the Premises shall not be subject or subordinate to any Leasehold Mortgage now or hereafter placed upon Tenant's interest in this Lease, the leasehold interest created hereby, or upon any interest in Tenant.

Section 14. **Signs**. Tenant has the right to place, install or maintain upon the Premises any sign, symbol, advertisement or similar device which is intended to be visible to public view from outside the Premises so long as Tenant first obtains, at its sole expense, all necessary governmental permits and approvals therefor and Landlord's prior written consent (subject to Section 41).

Section 15. **Indemnity and Insurance**.

(a) To the fullest extent permissible under applicable law, Tenant shall, from and after the Effective Date, defend, indemnify and hold harmless Landlord, its officers and employees, from and against all loss, liability, damages, claims, proceedings, costs (including costs of defense and reasonable attorneys' and professionals' fees incurred in defense or incurred in enforcement of this indemnity), expenses, demands, suits and causes of action (all of the foregoing collectively referred to as "Liabilities") arising out of or in connection with (i) damage to property or death or injury to any person sustained on or about the Premises, or arising (directly or indirectly) out of or in connection with Tenant's possession, use, occupation or control of the Premises, (ii) damage to any property or death or injury to any person anywhere occasioned, or claimed to have been occasioned, by any willful misconduct or any negligent act or omission of Tenant, its agents, employees, licensees or contractors and (iii) any breach or default of this Agreement by Tenant, its agents, employees, licensees or contractors, except in any event to the extent such damage, death, injury or Liabilities are caused by or arise from the willful misconduct or negligence of Landlord.

(b) Insurance Certificates. Unless waived in writing or otherwise provided by the Landlord, the Tenant shall procure the insurance coverages identified below at the Tenant's own expense and shall furnish the Landlord an insurance certificate listing "City of Burlington, Burlington International Airport" as the certificate holder. The insurance certificate must provide the following:

- Name and address of authorized agent.
- Name and address of insured.
- Name of insurance company(ies).
- Description of policies, including coverage type and amounts.
- Policy Number(s).
- Policy Period(s).
- Limits of liability.
- Name and address of Landlord as certificate holder.
- Signature of authorized agent.
- Telephone number of authorized agent.
- Insurance company will endeavor to notice in accordance with the policy provisions in the event of cancellation/non-renewal.
- Landlord designated as additional insured under all policies with the exception of professional liability and workers' compensation.

Landlord may require certificates of insurance for any insurance policies entered into by Tenant, and Tenant is responsible for annually verifying and confirming in writing to Landlord that all sub-contractors, agents, operators or workers meet the minimum coverage and limits plus maintain current certificates of coverage, and that all work activities related to this Agreement shall meet minimum coverage and limits, with any sub-contractors, agents, operators or workers complying with the same insurance requirements as Tenant.

(c) Policy Provisions. Each of the insurance coverages required below (i) shall be issued by a company licensed by the State of Vermont to transact the business of insurance in the State of Vermont for the applicable line of insurance, and (ii) shall be an insurer with a Best Policyholders Rating of "A-/VIII" or better by the latest *Best Insurance Report* or has an analogous rating from a comparable rating service approved by Landlord. Each such policy shall contain the following provisions:

(i) All certificates shall contain a provision stating that the coverages afforded under said policies will not be cancelled, materially changed or not renewed without at least thirty (30) days written prior notice to the Landlord; and

(ii) The policies shall not be subject to invalidation as to any insured by reason of any act or omission of another insured or any of its officers, employees, agents or other representatives and shall contain a clause to the effect that such policies and the coverage evidenced thereby shall be primary with respect to any policies carried by Landlord, and that any coverage carried by Landlord shall be excess insurance. In no event shall the limits of said policies be considered as limiting the liability of Tenant under this Agreement.

(d) Insurance Coverages. During the Term, the Tenant agrees to purchase and maintain the following types of insurance coverages, and provide evidence of continuing coverage to Landlord on an annual basis. Under no circumstances shall Tenant's liability be limited to the amount of insurance carried. Any changes to insurance are at the sole expense of Tenant. Limits of insurance required at the Effective Date of this Agreement are as follows:

(i) Workers' Compensation and Employer's Liability. The Tenant agrees to provide Workers' Compensation coverage in accordance with the statutory limits as established by the State of Vermont and with a minimum limit for employer's liability no lower than $500,000/accident (bodily injury by accident) and $500,000 policy limit, $500,000/employee (bodily injury by disease). The Tenant shall require all contractors and subcontractors performing work or occupying the Premises under this Agreement to obtain an insurance certificate showing proof of Workers' Compensation coverages and Tenant shall require from its general contractor(s) that all subcontractors submit certificates of such insurance to Landlord prior to performing work or occupying the Premises.

(ii) Employers' Liability Insurance. If Tenant has employees, the Tenant shall also maintain Employers Liability Insurance Coverage with limits of at least:

Bodily Injury by Accident	-	$500,000 each accident; and
Bodily Injury by Disease	-	$500,000 each employee.
Bodily Injury by Disease	-	$500,000 policy limit.

The Tenant shall require all contractors and subcontractors performing work or occupying the Premises under this Agreement to obtain an insurance certificate showing proof of Employers Liability Insurance Coverage and Tenant shall require from its general contractor(s) that it and all subcontractors submit certificates of such insurance to Landlord prior to performing work or occupying the Premises. Notwithstanding the foregoing, recognizing that not all subcontractors will have the limits set forth herein, the Tenant may allow its contractor to have discretion to accept lower limits from subcontractors as appropriate.

(iii) Commercial General Liability Insurance. The Tenant shall provide Commercial General Liability Insurance naming the Landlord as additional insured on a primary, non-contributory basis which shall include, but need not be limited to, coverage for bodily injury and property damage arising from premises and operations liability, products and completed operations liability, personal injury and advertising liability, contractual liability, fire legal liability, blasting and explosion, collapse of structures and underground damage liability. The Commercial General Liability Insurance shall provide at minimum limits of $1,000,000 per occurrence, $2,000,000 aggregate.

(iv) Commercial Business Automobile Liability Insurance. The Tenant shall provide Commercial Business Automobile Liability Insurance naming the Landlord as additional insured on a primary, non-contributory basis which shall include coverage for bodily injury and property damage liability arising from the operation of any owned, non-owned or hired automobile. The Commercial Business Automobile Liability Insurance Policy shall provide not less than $1,000,000 Combined Single Limits for each accident.

(v) Commercial Umbrella Liability Insurance. The Tenant shall provide a Commercial Umbrella Liability Insurance Policy to provide excess coverage above the Commercial General Liability, the Commercial Business Automobile Liability, and Employers' Liability on a follow form basis in addition to the minimum limits set forth herein and including identical additional insured requirements as required in the primary liability policies. The minimum amount of Umbrella limits required above the coverages and minimum limits stated above shall be $4,000,000 per occurrence and $4,000,000 in the aggregate. Alternatively, if excess coverage is not available for any of the liability policies referenced above, the minimum limits of the underlying policy shall be increased by $4,000,000 per occurrence and $4,000,000 in the aggregate.

(vi) Builders Risk Insurance. During the construction of the Project, any major renovation (defined to mean with a cost in excess of $100,000) or major reconstruction of all or any portion of the Project, Tenant shall provide, or cause its Contractor to provide, a Builder's Risk Insurance Policy to be made payable to the Landlord and Tenant as their interests may appear, but in all instances subject to the terms, conditions of any Leasehold Mortgage and the requirements of any Leasehold Mortgagee. The policy amount should be equal to 100% of the construct sum under any construction contract applicable to any such reconstruction. All deductibles shall be the sole responsibility of Tenant or the Contractor, and in no event shall the amount of any deductible exceed $250,000.00. The policy shall be endorsed substantially as follows:

"The following may occur without diminishing, changing, altering or otherwise affecting the coverage and protection afforded the insured under this policy:

(i) Furniture and equipment may be delivered to the insured premises and installed in place ready for use; and

(ii) Partial or complete occupancy by Tenant, and

(iii) Performance of work in connection with construction operations insured by the Tenant, by agents or sublessees or other contractors of Tenant, or by contractors of the Tenant."

(vii) During the construction of the Project, any major renovation (defined to mean with a cost in excess of $100,000) or major reconstruction of all or any portion of the Project, Tenant shall require its general contractor, architect and other design professionals with significant design obligations (other than the landscape architect) to carry professional liability insurance covering claims arising out of negligent errors or omissions in rendering or failure to render professional services, in an amount not less than $1 million each claim and $2 million annual aggregate; coverage shall include liability arising out of a contract, and if such insurance is on a claims made basis, Tenant's architect shall maintain liability coverage for not less than five years following the date of substantial completion of the work.

(viii) Property Insurance. Landlord will insure the Building against loss by fire and other casualty under an "all risk" Property Insurance Policy in such amounts as Landlord may consider reasonable by policies which shall include standard extended coverage endorsements. The policy amount should be equal to 100% of the replacement value of the completed Project and related improvements and shall include replacement cost, demolition cost and increased cost of construction endorsements. All deductibles shall be the sole responsibility of Tenant, and in no event shall the amount of the "All Risk" deductible exceed $10,000.00. Tenant shall be responsible for maintaining any and all insurance upon Tenant's property in and upon the Premises and the value of any Tenant improvements to the Premises, by policies which shall name Landlord as an additional insured, as Landlord's interests may appear, and Landlord shall not be held responsible for any damage thereto.

(ix) Performance Bond and Payment Bond. During the construction of any major renovation (defined to mean with a cost in excess of $500,000) or major reconstruction of all or any portion of the Project, Tenant shall deliver to Landlord, at the time of execution of a contract related to such construction or reconstruction work evidence of, (x) a Performance Bond of Tenant's contractor equal to 100% of the completed value of the work with Landlord named as a co-obligee, and (y) a Labor and Materials Payment Bond from Landlord's contractor in the amount equal to 100% of the completed value. For additional clarity, this Section 15(d)(ix) shall not apply with respect to the initial construction of the Project, bonding for which is addressed in Section 3(d)(iii), or otherwise with respect to work being performed by the Contractor.

(e) Waiver of Subrogation. Each of Landlord and Tenant hereby releases the other and their officers, directors, shareholders, agents and employees from any and all liability or responsibility (to the other or anyone claiming through or under them by way of subrogation or otherwise) for any loss or damage to property caused by any of the perils which are insured against under standard policies of fire and casualty insurance (including extended coverage), even if such fire or other casualty shall have been caused by the fault or negligence of the other party, or anyone for whom such party may be responsible. This provision shall be deemed suspended during any period of time when insurance companies will not issue insurance policies for properties with such a provision in this Agreement.

(f) Termination of Obligation to Insure. Unless otherwise expressly provided to the contrary, the obligation to insure as provided herein continues throughout the Term and shall not terminate until this Agreement has expired or been terminated and the Premises surrendered.

(g) Review of Insurance. Subject to the terms and conditions of any Leasehold Mortgage and the requirements of any Leasehold Mortgagee, the Landlord reserves the right to review the insurance coverage requirements every five years to ensure that the specified coverages and limits remain commercially reasonable for similar improvements and facilities, and Tenant shall modify its coverage throughout the term of this Agreement at Tenant's sole expense upon the reasonable request of Landlord if the specified coverages and limits are no longer commercially reasonable for similar improvements and facilities.

Section 16. **Damage or Destruction**. If, during the Term, the Project is wholly or partially damaged or destroyed, Tenant shall promptly give written notice of that damage or destruction to Landlord. Any such damage or destruction shall not terminate this Agreement, and Landlord shall apply available insurance proceeds and the amount then held in the Capital Reserve Account to promptly repair, restore, replace, rebuild, or reconstruct (herein "Restoration" or "Restore") the Project to substantially the same quality, workmanship, finishes and size as existed immediately before the damage or destruction unless the parties mutually agree to do otherwise. The Restoration shall be commenced promptly and prosecuted with due diligence following adjustment or collection of insurance proceeds. Base Rent required to be paid hereunder shall abate in proportion to that part of the Premises that is rendered unfit for occupancy bears to the whole of the Premises until Restoration is complete. The parties acknowledge that if funds held in the Capital Reserve Account are used in connection with the restoration of the Project, the reduction of the sum then held in the Capital Reserve Account may be offset by the fact that some or all of the Project shall have been replaced prior to their scheduled replacement. Notwithstanding the foregoing, Tenant agrees that if reasonably requested by Landlord, it shall commission a third-party consultant selected and paid for by Tenant and reasonably acceptable to Landlord to perform a life cycle analysis of the Project following restoration to determine the amount by which the Capital Reserve Account shall be funded on a monthly basis following restoration.

Section 17. **Condemnation or Eminent Domain; Certain Other Governmental Orders**.

(a) If, at any time during the Term of this Lease, title to a substantial portion of the Premises (meaning thereby so much as shall render the remaining portion substantially unusable by Tenant for the purposes set forth in Section 3) shall be taken by exercise of the right to condemnation or eminent domain or by agreement between Landlord and those authorized to exercise such right (all such proceedings being collectively referred to as a "Taking"), this Lease shall terminate and expire on the date of such Taking and rent shall be apportioned and paid to the date of such Taking. Except as expressly set forth below, any award for the value of the Premises, land, buildings and improvements, and loss of rent from Tenant, shall belong to Landlord, and Tenant shall not be entitled to share in any such award. To the extent such compensation award or recovery to Tenant does not diminish the amount of the compensation award or recovery otherwise awardable to Landlord, Tenant shall have the right to claim and recover from the condemning authority, but not from Landlord, such compensation as may be separately awarded or recoverable by Tenant in Tenant's own right on account of any and all damage to Tenant's business by reason of any condemnation, for and on account of any cost or loss to which Tenant might be put in relocating its business or removing Tenant's merchandise, furniture, fixtures and equipment from the Premises, for any cost or loss to Tenant's improvements, or for loss of the value, if any, of Tenant's leasehold interest at the time of the Taking. If the title to less than a "substantial portion" of the Premises shall be taken in condemnation so that the business conducted on said Premises can be continued without material diminution, this Lease shall continue in full force and effect. If the Taking does not amount to a substantial portion but does materially adversely affect Tenant's ability to conduct its business, the rent from and after the date of the vesting of title in the condemnor shall be equitably adjusted to reflect the diminished value of the Premises to Tenant as a direct result of the condemnation..

(b) The parties acknowledge that if funds held in the Capital Reserve Account are used in connection with the restoration of the Project following a Taking, the reduction of the sum then held in the Capital Reserve Account may be offset by the fact that some or all of the Project shall have been replaced prior to their scheduled replacement. Notwithstanding the foregoing, Tenant agrees that if reasonably requested by Landlord, it shall commission a third-party consultant selected and paid for by Tenant and reasonably acceptable to Landlord to perform a life cycle analysis of the Project following restoration to determine the amount by which the Capital Reserve Account shall be funded on a monthly basis following restoration.

(c) In the event of the issuance by any court of competent jurisdiction of an injunction, order, or decree preventing or restraining the use by Tenant of all or any substantial part of the 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 Tenant and which is necessary for Tenant's operations on the Airport, Landlord shall not be deemed in default of its obligations hereunder, and Tenant's obligation to pay Rent shall equitably abate until such order terminates or is vacated.

(d) 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 its use for civil aviation, and any of said events shall result in material interference with Tenant's normal operations, Landlord shall not be deemed in default of its obligations hereunder, and Tenant's obligation to pay Rent shall equitably abate until such state affairs ceases and normal operations resume

Section 18. **Landlord's Right to Mortgage Property**.

(a) Landlord shall have the right to grant one or more mortgages, deeds of trust or other security instruments on Landlord's interest in the Premises (each, a "Fee Mortgage"), subject to Section 18(b).

(b) Any Fee Mortgage shall automatically and without further act be subject and subordinate in all respects to this Lease, any Leasehold Mortgage and the Tenant's rights hereunder. The foregoing is intended to provide that although the Fee Mortgage pertains to the fee interest in the Property, any exercise by the holder of a Fee Mortgage (each, a "Fee Mortgagee") of its remedies thereunder shall be subject to this Lease and any Leasehold Mortgage and shall not terminate or otherwise affect this Lease. No foreclosure of such Fee Mortgage (or deed in lieu of such foreclosure) or other exercise of remedies under a Fee Mortgage, shall operate to disturb the rights of Tenant under this Lease or the rights of a Leasehold Mortgagee under a Leasehold Mortgage, and the transferee thereof shall recognize such rights. The foregoing provisions of this Section 18(b) are intended to be self-operative, but each Fee Mortgagee, by acceptance of its Fee Mortgage, shall be deemed to have agreed to execute such further assurances as Tenant or any Leasehold Mortgagee may reasonably request to confirm the agreements set forth in this Section 18(b).

Section 19. **Environmental Compliance**.

(a) Except as provided in Subsections 19(b) and 19(d), below, to the extent caused by or arising from the acts or omissions of Tenant, its agents, employees or contractors, to the fullest extent permissible under applicable law, Tenant shall defend, indemnify, and hold harmless Landlord and its officers and employees from and against any and all claims, demands, penalties, fines, liabilities, settlements, damages, costs, or expenses (including reasonable attorney and consultant fees, investigation and laboratory fees, court costs, and litigation expenses) of whatever kind or nature, known or unknown, contingent or otherwise, arising out of or in any way related to: (i) the presence, disposal, release, or threatened release of any Hazardous Materials on or from the Premises, except in any such case to the extent of any negligence or willful misconduct with respect to the foregoing by a party other than Tenant, its agents, employees or contractors; (ii) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to Hazardous Materials on or from the Premises, except in any such case to the extent of any negligence or willful misconduct with respect to the foregoing by a party other than Tenant, its agents, employees or contractors; (iii) any lawsuit brought or threatened, settlement reached, or government order relating to Hazardous Materials on or from the Premises, except in any such case to the extent of any negligence or willful misconduct with respect to the foregoing by a party other than Tenant, its agents, employees or contractors; and/or (iv) any violation of laws, orders, regulations, requirements, or demands of government authorities which are based upon or in any way related to Hazardous Materials on or from the Premises, except in any such case to the extent of any negligence or willful misconduct with respect to the foregoing by a party other than Tenant, its agents, employees or contractors. For purposes of this Section 19, the term "Hazardous Materials" includes any flammable explosives, radioactive materials, hazardous materials, hazardous waste, hazardous or toxic substances, oil or petroleum products, asbestos, or related materials; including as the same are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. §§ 9601, *et seq.*), the Hazardous Materials Transportation Act, as amended (49 U.S.C. §§ 1801, *et seq.*), the Resource Conservation and Recovery Act, as amended (42 U.S.C. §§ 6901, *et seq.*), applicable Vermont Statutes, and in the regulations adopted and publications promulgated pursuant thereto. Tenant shall provide Landlord with copies of any notices, correspondence, warnings, guidance or other written materials received from any governmental authority or other person or entity in connection with Hazardous Materials and the Premises and shall give Landlord written notice of its discovery or release of any Hazardous Materials on, from or affecting the Premises. The foregoing provisions shall be in addition to any other obligations and liabilities Tenant may have under this Agreement, at common law, or otherwise.

(b) Tenant shall not be liable to Landlord for any Hazardous Materials to the extent that such Hazardous Materials were generated, stored, handled, transported, disposed of, discharged or released by any party other than Tenant, its agents, employees or contractors.

(c) Tenant shall provide Landlord with copies of any environmental reports or studies in its possession or in the possession of its agents which it can obtain without expense related to the Premises and any notices, correspondence, warnings, guidance or other written materials received from any governmental authority or other person or entity in connection with Hazardous Materials on, from or affecting the Premises and shall give Landlord written notice of its discovery or release of any Hazardous Materials on, from or affecting the Premises.

(d) Except as otherwise provided in Subsection 19(a), above, to the fullest extent permissible under applicable law, Landlord shall defend, indemnify, and hold harmless Tenant and its members and managers from and against any and all claims, demands, penalties, fines, liabilities, settlements, damages, costs, or expenses (including attorney and consultant fees, investigation and laboratory fees, court costs, and litigation expenses) of whatever kind or nature, known or unknown, contingent or otherwise, arising out of or in any way related to: (i) the presence, disposal, release, or threatened release of any Hazardous Materials on, from, or affecting the Premises to the extent generated, stored, handled, transported, disposed of, discharged or released prior to the Effective Date and/or by Landlord or its tenants, agents, employees, licensees or contractors, except in any such case to the extent of any negligence or willful misconduct with respect to the foregoing by Tenant, its agents, employees, licensees or contractors; (ii) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to Hazardous Materials on, from or affecting the Premises to the extent generated, stored, handled, transported, disposed of, discharged or released prior to the Effective Date and/or by Landlord or its tenants, agents, employees, licensees or contractors, except in any such case to the extent of any negligence or willful misconduct with respect to the foregoing by Tenant, its agents, employees, licensees or contractors; (iii) any lawsuit brought or threatened, settlement reached, or government order relating to Hazardous Materials on, from or affecting the Premises; and/or (iv) any violation of laws, orders, regulations, requirements, or demands of government authorities based upon or in any way related to Hazardous Materials on, from or affecting the Premises to the extent generated, stored, handled, transported, disposed of, discharged or released prior to the Effective Date and/or by Landlord or its tenants, agents, employees, licensees or contractors, except in any such case to the extent of any negligence or willful misconduct with respect to the foregoing by Tenant, its agents, employees, licensees or contractors. Landlord shall provide Tenant with copies of any notices, correspondence, warnings, guidance or other written materials received from any governmental authority or other person or entity in connection with Hazardous Materials on, from or affecting the Premises and shall give Tenant written notice of its discovery or release of any Hazardous Materials on, from or affecting the Premises. The foregoing provisions shall be in addition to any other obligations and liabilities Landlord may have under this Agreement, at common law, or otherwise.

Section 20. **Quiet Enjoyment**. Landlord covenants and agrees with Tenant that upon Tenant paying the Rent and observing and performing all the terms, covenants and conditions on Tenant's part to be observed and performed under this Agreement, Tenant shall and may peaceably and quietly have, hold, occupy and enjoy the Premises, the Project and all appurtenances thereto without hindrance or molestation from any person claiming by, through or under Landlord.

Section 21. **Defaults**.

(a) If any one or more of the following events (herein called "Events of Default") shall occur:

(i) if default shall be made in the due and punctual payment of any installment of Rent, when and as the same shall become due and payable, and such default shall continue for a period of ten (10) business days after written notice thereof from Landlord; provided, however, that once Landlord has given Tenant two (2) such notices during any twelve (12) consecutive month period, Landlord shall not be required to give further written notice, and thereafter the failure by Tenant to pay any installment of Rent, when and as the same shall become due and payable, which failure continues for a period of ten (10) business days, shall be an Event of Default without further notice; or

(ii) if default shall be made in the due and punctual payment of any installment of any sum of money payable by Tenant under this Agreement other than Rent, when and as the same shall become due and payable, and any such default shall continue for a period of ten (10) business days after written notice thereof from Landlord; provided, however, that once Landlord has given Tenant two (2) such notices during any twelve (12) consecutive month period, Landlord shall not be required to give further written notice, and thereafter the failure by Tenant to make any such payment when and as the same shall become due and payable, which failure continues for a period of ten (10) business days, shall be an Event of Default without further notice; or

(iii) if default shall be made by Tenant in the performance or compliance with any of the agreements, terms, covenants or conditions in this Agreement provided, other than those referred to in the foregoing Subsections 21(a)(i) or (ii), and such default shall continue for a period of thirty (30) days after written notice from Landlord to Tenant specifying the items in default, or in case of a default or contingency which cannot with due diligence be cured within said thirty (30) day period, Tenant fails to proceed within said thirty (30) day period to commence to cure the same and thereafter to prosecute the curing of such default with due diligence (it being understood that the time of Tenant within which to cure shall be extended for such period as may be necessary to complete the same with all due diligence); or

(iv) if Tenant shall file a voluntary petition in bankruptcy or shall be adjudicated a bankrupt or insolvent, or shall file any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future state or federal bankruptcy or insolvency statute or law, or shall seek or consent to the appointment of any bankruptcy or insolvency trustee, receiver or liquidator of Tenant or of all or any substantial part of its properties or of the Premises; or

(v) if within sixty (60) days after the commencement of any proceeding against Tenant seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future state or federal bankruptcy act or any other present or future state or federal bankruptcy or insolvency statute or law, such proceeding shall not have been dismissed, or, if, within sixty (60) days after the appointment, without the consent or acquiescence of Tenant, of any trustee, receiver or liquidator of Tenant or of all or substantially all of its properties or of the Premises, such appointment shall not have been vacated or stayed on appeal or otherwise, or if within sixty (60) days after the expiration of any such stay, such appointment shall not have been vacated,

then and in any such event Landlord, at any time thereafter that the Event of Default remains uncured, may give written notice to Tenant specifying such Event of Default or Events of Default and stating that this Agreement and the term thereof shall expire and terminate on the date specified in such notice which shall be at least sixty (60) days after the giving of such notice, and upon the date specified in such notice this Agreement and such term and all rights of Tenant under this Agreement shall, subject to the rights of Leasehold Mortgagees, expire and terminate (except those that are expressly provided to survive termination of this Agreement) and whereupon the provisions of Section 6(c) shall apply.

Notwithstanding anything to the contrary, if the Event of Default giving rise to such notice of termination from Landlord arises pursuant to Section 21(a)(i) or 21(a)(ii), Tenant may cure such Event of Default prior to the date specified in Landlord's notice of termination in which event this Agreement shall continue in full force and effect.

Further notwithstanding anything to the contrary, if the Event of Default results in an emergency matter posing a risk of immediate harm to persons or property and/or respects failure by Tenant to maintain insurance as required by this Lease and Tenant fails to remedy the same within a reasonable time given the exigency, Landlord may elect to cure the same and Landlord's reasonable costs in so doing will be considered Additional Rent under this Lease.

(b) Upon any such expiration or termination of this Agreement, Tenant shall quit and peacefully surrender the Premises to Landlord, and Landlord, upon or at any such expiration or termination, may without further notice, enter upon and reenter the Premises and possess and repossess itself thereof by summary proceedings, and may bring such actions for damages or equitable relief to which Landlord may be entitled under Applicable Law or at equity.

(c) If Landlord shall default in its obligations under this Agreement, Tenant may pursue all available legal or equitable remedies provided by law.

Section 22. **No Waiver; No Accord and Satisfaction**. The waiver by Landlord of a breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition, or of any subsequent breach of the same or any other term, covenant or condition. The subsequent acceptance of Rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant, other than the failure of Tenant to pay the particular rental so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such Rent. No covenant, term or condition of this Agreement shall be deemed to have been waived or modified, unless such waiver or modification is in writing and executed on behalf of the parties. No payment by Tenant or receipt by Landlord of a lesser amount than the monthly Rent herein stipulated shall be deemed to be other than on account of the earliest stipulated Rent, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as Rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or pursue any other remedy in this Agreement provided.

Section 23. **Time is of the Essence; Force Majeure**. All time limits stated herein are of the essence of this Agreement. If either party (and/or a Leasehold Mortgagee curing Tenant's or its obligations hereunder) shall be affected by Unavoidable Delay (as defined below), then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. As used in this Agreement, "Unavoidable Delay" means delays incurred due to (i) any act of God (including weather delays beyond historic weather patterns), flood, earthquake, fire, disease, pandemics, epidemics and the like, (ii) labor strike, civil unrest or work stoppage or slowdown (including failure of building inspectors to reasonably process approvals that cause work stoppage), (iii) unforeseeable interruptions in utility services, (iv) unforeseeable material shortages, transportation and logistics delays, (v) sabotage, war, riot, terrorism, moratorium, (vi) unforeseeable governmental action (including required work stoppage or closure of construction sites by applicable government authorities including closures in the general vicinity where the Premises is located, and including unforeseen archeological conditions or closure of government offices that issue necessary permits), (vii) delays caused by the other party, or with respect to Tenant any Affiliate of Tenant, or with respect to Landlord, any division, department or instrumentality of Landlord or under Landlord control, (viii) any other unforeseeable act of any third party unrelated to, and having no arrangements, contractual or otherwise, with the Premises or the respective party claiming the delay that reasonably prevents an action from being taken through no fault of the respective party claiming the delay, or (xi) other similar causes beyond the reasonable control of the party claiming the delay (but not including insolvency).

Section 24. **Notices**. Any notices to be given pursuant to this Agreement shall be sufficient if given by a writing deposited in the United States mails, certified mail or registered mail, return receipt requested, postage prepaid, by commercial courier, provided the courier's regular business is delivery service and provided further that it guarantees delivery to the addressee by the end of the next business day following the courier's receipt from the sender, by email (provided the electronic process used is reasonably secure and not easily susceptible to manipulation and that if notice is delivered by email, notice must also be delivered by one of the other methods described above unless the recipient or its counsel waives for foregoing) addressed as follows:

If to Landlord:	City of Burlington Attention: Office of the City Attorney City Hall, 149 Church St. Burlington, VT 05401
with a copy to:	Burlington International Airport Attention: Director of Aviation 1200 Airport Drive South Burlington, VT 05403
with a copy to:	Jeremy Farkas, Esq. MSK Attorneys 275 College Street

P.O. Box 4485
Burlington, VT 05406-4485
Telephone No.: (802) 861-7000
Email: jfarkas@mskvt.com

If to Tenant: Burlington School District
Attention: Superintendent
150 Colchester Ave.
Burlington, VT 05401
Telephone No.: (802) 865-5332
Email: ______________________

with a copy to:

or to such other person, address or number as the party entitled to such notice or communication shall have specified by notice to the other party given in accordance with the provisions of this Section. Any such notice or other communication shall be deemed given: (i) if mailed, three days after being deposited in the mail, properly addressed and with postage prepaid; (ii) if sent by courier, the next day after being deposited with the courier, properly addressed and with prepaid; (iii) if sent by email, when transmitted, provided that the sender does not receive an automated delivery failure or "out of office" message.

Section 25. **Governing Law**. This Agreement shall be governed by and construed in accordance with the laws of the State of Vermont, without giving effect to such jurisdiction's principles of conflict of laws. The parties consent to and submit to in personam jurisdiction and venue in the State of Vermont, County of Chittenden, and in the U.S. District Court for the District of Vermont. The parties assert that they have purposefully availed themselves of the benefits of the laws of the State of Vermont and waive any objection to in personam jurisdiction on the grounds of minimum contacts, waive any objection to venue, and waive any plea of forum non conveniens. This consent to and submission to jurisdiction is with regard to any action related to this Agreement, regardless of whether the parties' actions took place in the State or elsewhere in the United States.

Section 26. **Partial Invalidity**. If any term, covenant, condition or provision of this Agreement or the application thereof to any person or circumstance shall, at any time or to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term, covenant, condition and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

Section 27. **Holding Over**. If Tenant shall continue in occupancy of the Premises after the expiration or termination of this Agreement, such occupancy shall not be deemed to extend or renew the terms of this Agreement, but such occupancy shall continue as a tenancy at will from month to month and otherwise upon the covenants, provisions and conditions herein contained, except that Base Rent shall be doubled. This Section shall not be construed as giving Tenant any right to hold over after any such expiration or termination. In addition, Tenant agrees to pay Landlord's reasonable attorney's fees and related costs if Landlord must take legal action to evict or eject Tenant who is holding over or to collect the holdover amount as set forth in this provision.

Section 28. **Jury Trial Waiver**. Landlord and Tenant waive the right to a trial by jury in any action or proceeding based upon, or related to, the subject matter of this Agreement. This waiver is knowingly, intentionally, and voluntarily made by Tenant and Landlord and Tenant and Landlord acknowledge that neither Landlord nor Tenant nor any person acting on behalf of Landlord or Tenant has made any representations of fact to induce this waiver of trial by jury or in any way to modify or nullify its effect. Tenant and Landlord further each acknowledge that it has been represented (or has had the opportunity to be represented) in the signing of this Agreement and in the making of this waiver by independent legal counsel, selected of its own free will, and that it has had the opportunity to discuss this waiver with counsel. Tenant and Landlord further acknowledge that it has read and understands the meaning and ramifications of this waiver provision.

Section 29. **Tenant and Landlord Defined**. The word "Tenant" shall be deemed and taken to mean Burlington School District and its successors and permitted assigns. The term "Landlord" as used in this Agreement means the City of Burlington or the owner for the time being of the Premises, so that, in the event of any sale thereof, the seller shall be and hereby is entirely freed and relieved of all covenants and obligations of Landlord hereunder not theretofore accrued, and it shall be deemed and construed, without further agreement between the parties or between the parties and the purchaser of the Premises, that such purchaser has assumed and agreed to carry out any and all covenants and obligations of Landlord hereunder.

Section 30. **Notice of Lease**. The parties will at any time, at the request of either one, promptly execute multiple originals of an instrument, in recordable form which will constitute a notice of lease, setting forth the information required by 27 V.S.A. § 341(c). Landlord shall, upon request of Tenant, promptly execute and deliver to Tenant any transfer tax returns, affidavits or other documents which shall be required by any recording office as a condition of recording such memorandum or notice of this Agreement. Tenant shall be responsible for all recording fees and other recording costs, including recording taxes, related to the recording of the memorandum or notice of this Agreement.

Section 31. **Number; Gender; "Including"**. Wherever the context so requires, the singular and the plural form of words and words of masculine or feminine gender shall, within those respective classifications, be deemed interchangeable. The term "including", and variants thereof, shall mean "including without limitation" unless the context otherwise expressly provides.

Section 32. **Captions; Headings**. The captions and section numbers appearing in this Agreement are inserted only as a matter of convenience. They do not define, limit, construe or describe the scope or intent of such sections, nor in any way affect this Agreement or have any substantive effect.

Section 33. **Counterparts**. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument; such counterparts may be evidenced by pdf or similar reproduction methods and/or may be executed electronically using electronic signature software (e.g., DocuSign or similar software) or similar methods (each a method of "Electronic Execution"), and each pdf or Electronic Execution shall have the same legal and binding effect as original signatures; upon the request of either party, the other shall furnish a copy or copies with original signature within five (5) business days.

Section 34. **Waiver of Rule of Construction**. The parties waive the benefit of any rule that this Agreement is to be construed against one party or the other.

Section 35. **Entire Agreement; Amendment**. This Agreement and the exhibits hereto and the agreements referenced herein embody the entire agreement and understanding between the parties relating to the subject matter hereof and there are no covenants, promises, agreements, conditions or understandings, oral or written, except as herein set forth. Notwithstanding anything contained in this Lease to the contrary or which might be construed to the contrary, Tenant acknowledges and agrees that Tenant has not been influenced to enter into this Lease nor is the Tenant relying upon any representations, warranties or other statements, whether verbal or in writing, except as expressly stated in this Lease in connection with the Premises and the transactions contemplated hereunder and Tenant further acknowledges and agrees that Tenant will rely solely upon its own independent inspection and examination of the Premises and other related economic matters. In addition, any verbal or written statement or other information or materials supplied or alleged to have been supplied to Tenant by or on behalf of Landlord will be deemed to have been supplied or made available to Tenant for informational purposes only. This Agreement may not be amended, waived or discharged except by an instrument in writing executed by both parties.

Section 36. **Successors and Assigns**. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

Section 37. **Commissions and Fees**. The parties hereto warrant and represent to each other that they have no knowledge of any real estate broker or agent to whom a commission may be payable as a result of this transaction or any such knowledge of any other finder's fees or commissions related thereto, and each party agrees to indemnify and hold harmless the other for all claims or demands of any real estate agent or broker claiming by, through, or under such party, which indemnification shall also include payment of costs and attorneys' fees incurred by a party in defense of a claim for such real estate commissions or fees.

Section 38. **Tenant Representations and Warranties**. The Tenant makes the following representations and warranties to and for the benefit of Landlord:

(a) Tenant has the full power and authority to enter into, execute, deliver, and consummate the transaction contemplated by this Agreement and any instruments and agreements contemplated herein. Tenant has taken all action required by law or by its organizational or corporate documents to authorize the execution, delivery, and consummation of the transaction contemplated hereby.

(b) The consummation of the transaction contemplated by this Agreement will not violate or be in conflict with any provision of Tenant's governing documents, or any other agreement or instrument to which Tenant is a party or by which Tenant is bound, or any judgment, decree, order, statute, rule or regulation applicable to Tenant.

(c) This Agreement constitutes the legal, valid and binding obligation of Tenant in accordance with its terms. No consent or approval of any trustee or holder of any indebtedness of the Tenant, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority is necessary in connection with the execution and delivery of this Agreement or the consummation of any transaction herein contemplated, except as have been obtained or made and as are in full force and effect.

(d) No information, exhibit or report furnished to the Landlord by the Tenant in connection with the negotiation of this Agreement knowingly contains any untrue statement of a material fact or knowingly omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

Section 39. **No Partnership**. The parties do not intend by this Agreement to create, nor shall this Agreement be deemed to create, a partnership or a joint venture among the parties; each party is an independent actor and entity, and nothing in this Agreement shall be deemed to make either party an agent or partner of the other, or to give either party the right to bind the other in any way, notwithstanding any reference to the Project as a "public-private partnership."

Section 40. **No Third-Party Rights**. This Agreement is made solely and specifically between and for the benefit of the parties hereto, and their respective successors and assigns, subject to the express provisions hereof relating to successor and assigns, and except as otherwise expressly set forth herein, no other person, individual, corporation or entity, whatsoever, shall have any rights, interests or claims hereunder or be entitled to any benefits under or on account of this Agreement as a third party beneficiary or otherwise.

Section 41. **Consents and Approvals**. Wherever this Agreement requires the approval or consent of Landlord or Tenant, unless a different standard is expressly indicated, such approval or consent shall not be unreasonably withheld, conditioned or delayed. Wherever this Agreement requires the approval or consent of Landlord or Tenant, unless a different time period is expressly provided, such party shall respond to any written request for approval or consent within ten (10) business days following receipt of the same. Such response shall include either the party's consent to, or rejection of, such request. The responding party may also request additional information or materials related to the approval or consent requested (provided such request shall not extend the time of such party to respond to the request). Wherever this Agreement requires the approval or consent of Landlord or Tenant, if such party determines to withhold such approval or consent, such party shall state in reasonable detail the basis for withholding such approval or consent.

Section 42. **Estoppel**. Each party shall, within thirty (30) business days after request by the other party, execute and deliver to the requesting party, or the party designated by the requesting party, a statement certifying that: (i) this Agreement is unmodified and in full force and effect (or, if there have been modifications, stating the modifications, and that the modified Agreement is in full force and effect); (ii) whether, to the responding party's knowledge, either party is in default in performance of any of its obligations under this Agreement, and, if so, specifying each default; and (iii) any other information reasonably requested concerning this Agreement.

Section 43. **Further Assurances**. Each party agrees that it will, without further consideration, execute and deliver such other documents and take such other action as may be reasonably requested by the other party to consummate more effectively the purposes or subject matter of this Lease, including amending this Lease to adjust the legal description of the Premises following construction to account for as-built conditions and entering into separate easements or other instruments to effectuate the access, use and other rights set forth in this Lease; provided, however, that the execution and delivery of such documents by such party shall not result in any additional liability or material cost to such party.

Section 44. Dispute Resolution; Attorneys' Fees. If a dispute arises between the parties with regard to the performance or interpretation of any terms of this Agreement, the parties agree to use the following procedures in the order as set forth below:

(a) Negotiation. A meeting shall be held between the Landlord and Tenant regarding the dispute to attempt in good faith to negotiate a resolution of the dispute (the "Negotiation Meeting"); such Negotiation Meeting shall be held within five (5) business days of a party's written request for such a meeting and may occur by telephone or video conference.

(b) Mediation. If the parties fail to resolve their dispute through the Negotiation Meeting, either party (the "Notifying Party") may demand non-binding mediation in an effort to resolve the dispute by giving written notice (the "Notice of Dispute") to the other party (the "Receiving Party"). The Notice of Dispute shall include, in detail, the issues in dispute that the Notifying Party deems relevant to the mediation. Within five (5) business days following the date of the Notice of Dispute, the Receiving Party shall submit to the Notifying Party a list of three (3) persons in Vermont or adjacent states who (i) do not have any professional, business, family or personal affiliation with any of the parties that would compromise their independence, (ii) have relevant training, experience and expertise with regard to the matters in dispute, and (iii) are reasonably available to mediate the dispute (the "Mediator List"). The Notifying Party shall, within three (3) business days following receipt of the Mediator List select a mediator (the "Designated Mediator") from the Mediator List and give written notice of the identification of the Designated Mediator to the Receiving Party and to the Designated Mediator. If the Receiving Party fails to approve a Mediator List within the time provided above, the Notifying Party shall have the right, upon notice to the Receiving Party, to designate a Designated Mediator who the Notifying Party reasonably believes will satisfy the Mediator criteria set forth above. The parties shall use good faith efforts to schedule and conduct the mediation as expeditiously as is reasonably possible, and the parties shall use their best efforts to make authorized representatives with authority to settle the dispute available for mediation and to cooperate in the mediation. The cost of Mediation, including any fees charged by the Mediator, shall be paid in equal shares by the Notifying Party and the Receiving Party.

(c) All negotiation shall occur in Chittenden County, Vermont at a mutually agreeable location; all Mediation shall occur or at the office of the Designated Mediator unless the parties to the dispute otherwise agree.

(d) If the parties fail to resolve the dispute through negotiation or mediation, then (1) if the parties agree on binding arbitration, they shall submit the matter to binding arbitration by a single arbitrator, or (2) a party may seek an adjudicated resolution through an appropriate court.

(e) The parties consent to the inclusion in any mediation, arbitration, or litigation (by consolidation, joinder, or any other manner) third parties substantially involved in a question of law or fact common to a dispute between the parties under this Agreement.

(f) The substantially prevailing party in any dispute arising out of or relating to this Agreement that is resolved by binding arbitration or by litigation shall be entitled to recover from the other party its reasonable attorneys' fees, costs and expenses incurred in connection therewith.

(g) This dispute resolution provision shall survive the expiration or termination of this Agreement.

One Signature Page Follows

IN WITNESS WHEREOF, the parties, as evidenced by the signatures of their duly authorized agents, do hereby execute this Agreement as of the date first set forth above.

LANDLORD

City of Burlington

By: ___________________________
Name: ___________________________
Title: ___________________________

STATE OF VERMONT
CHITTENDEN COUNTY, SS.

This Lease was acknowledged before me on ____________, 2024 by _______________ as __________and Authorized Agent of the City of Burlington.

Before me, _________________________________
Notary Public State of Vermont
My commission expires: 1.31.25
My credential number: _________________

TENANT

Burlington School District

By: _________________________________
Name: _________________________________
Title: Duly Authorized Agent

STATE OF VERMONT
CHITTENDEN COUNTY, SS.

This Lease was acknowledged before me on ____________, 2024 by _______________ as __________and Authorized Agent of Burlington School District

Before me, _________________________________
Notary Public State of Vermont
My commission expires: 1.31.25
My credential number: _________________

EXHIBIT A

AIRPORT PROPERTY PLAN

[attached]

EXHIBIT B

SCHEMATIC BUILDING PLAN

[attached]

EXHIBIT C

SCHEMATIC SITE PLAN

[attached]

EXHIBIT D

BSD Proposal

[attached]

EXHIBIT E

Base Rent/Rent Credit Schedule

[attached]

EXHIBIT F

REQUIRED FEDERAL PROVISIONS

I. Tenant agrees to comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. If Tenant transfers its obligation to another, the transferee is obligated in the same manner as Tenant. This provision obligates Tenant for the period during which the property is owned, used or possessed by Tenant and the Airport remains obligated to the Federal Aviation Administration. This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.

II. **Compliance with Nondiscrimination Requirements:** During the performance of this contract, the Tenant, for itself, its assignees, and successors in interest (hereinafter referred to as the "Contractor"), agrees as follows:

1. **Compliance with Regulations:** The Contractor (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this Agreement.

2. **Nondiscrimination:** The Contractor, with regard to the work performed by it during the contract, 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. The Contractor 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.

3. **Solicitations for Subcontracts, including Procurements of Materials and Equipment:** In all solicitations, either by competitive bidding or negotiation made by the Contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the Contractor of the contractor's obligations under this contract and the Nondiscrimination Acts and Authorities on the grounds of race, color, or national origin.

4. **Information and Reports:** The Contractor will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the sponsor or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the Contractor will so certify to the sponsor or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.

5. **Sanctions for Noncompliance:** In the event of a Contractor's continuing noncompliance with the nondiscrimination provisions of this contract and failure to cure the same following the applicable notice and cure provisions of this Agreement, the sponsor will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:

   a. Withholding payments to the Contractor under the contract until the Contractor complies; and/or

   b. Cancelling, terminating, or suspending a contract, in whole or in part.

6. **Incorporation of Provisions:** The Contractor will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations, and directives issued pursuant thereto. The Contractor will take action with respect to any subcontract or procurement as the sponsor or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the Contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the Contractor may request the sponsor to enter into any litigation to protect the interests of the sponsor. In addition, the Contractor may request the United States to enter into the litigation to protect the interests of the United States.

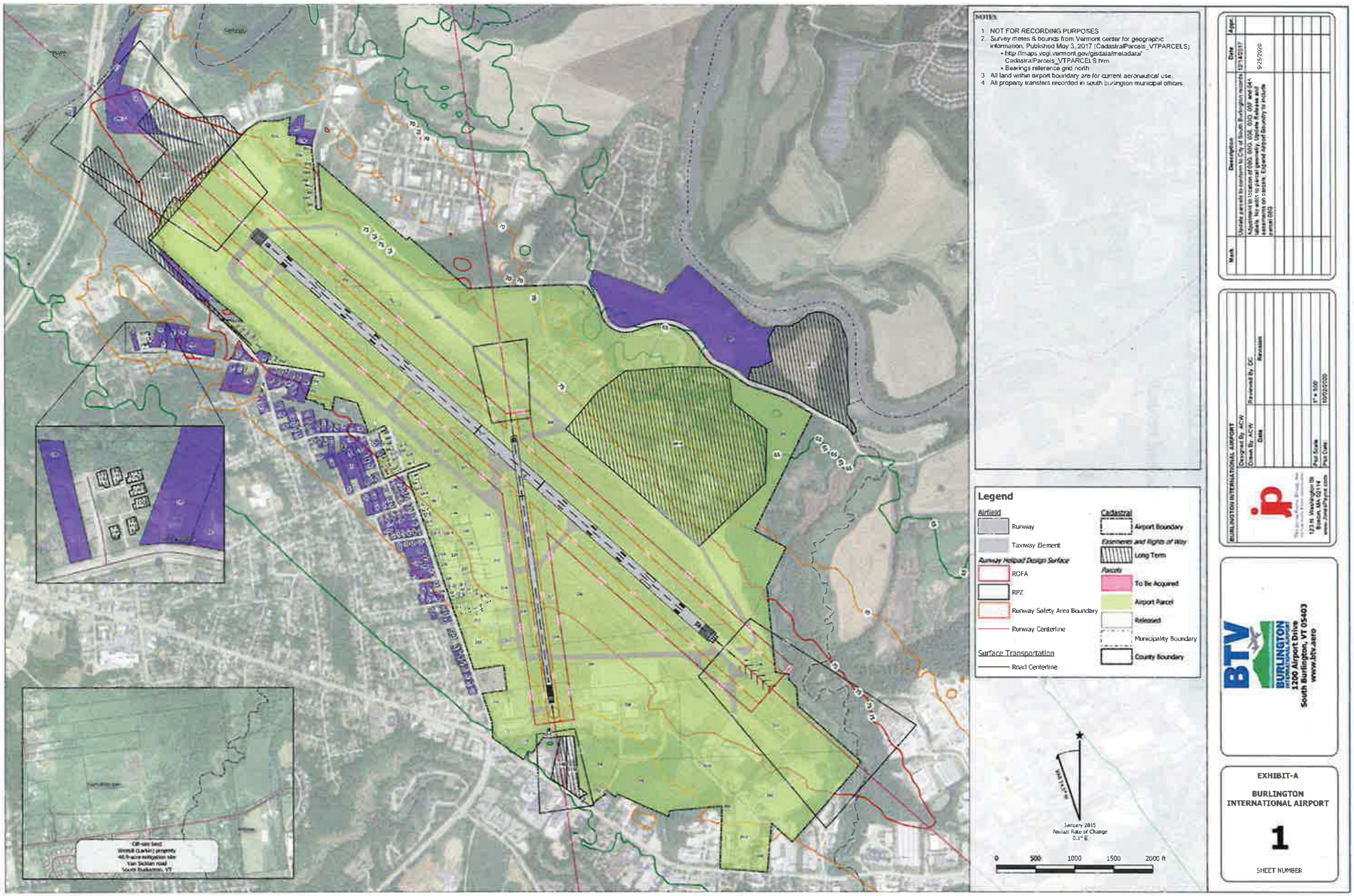
III. During the performance of this Agreement, the Tenant, for itself, its assignees, and successors in interest (hereinafter referred to as the "Contractor") agrees to comply with the following nondiscrimination statutes and authorities; including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 USC § 2000d *et seq*., 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR part 21 (Non-discrimination in Federally-assisted programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964);
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 USC § 4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973 (29 USC § 794 *et seq*.), as amended (prohibits discrimination on the basis of disability); and 49 CFR part 27;
- The Age Discrimination Act of 1975, as amended (42 USC § 6101 *et seq*.) (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982 (49 USC § 471, Section 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987 (PL 100-209) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 USC §§ 12131 – 12189) as implemented by U.S. Department of Transportation regulations at 49 CFR parts 37 and 38;
- The Federal Aviation Administration's Nondiscrimination statute (49 USC § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures nondiscrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 USC 1681 et seq).

Schedule 6(c)

<u>Parameters for Capital Reserve Account</u>

[attached behind]


NOTES
1 NOT FOR RECORDING PURPOSES
2 Survey metes & bounds from Vermont center for geographic information. Published May 3, 2017 (CadastralParcels_VTPARCELS)
• http //maps vcgi vermont gov/gisdata/metadata/ CadastralParcels_VTPARCELS htm
• Bearings reference grid north
3 All land within airport boundary are for current aeronautical use
4 All property transfers recorded in south burlington municipal offices
Legend
Airfield
Runway
Taxiway Element
Runway Helipad Design Surface
ROFA
RPZ
Runway Safety Area Boundary
Runway Centerline
Surface Transportation
Road Centerline
Cadastral
Airport Boundary
Easements and Rights of Way
Long Term
Parcels
To Be Acquired
Airport Parcel
Released
Municipality Boundary
County Boundary
January 2015
Annual Rate of Change
0.1° E
0 500 1000 1500 2000 ft
BTV
BURLINGTON INTERNATIONAL AIRPORT
1200 Airport Drive
South Burlington, VT 05403
www.btv.aero
EXHIBIT-A
BURLINGTON INTERNATIONAL AIRPORT
1
SHEET NUMBER
BURLINGTON INTERNATIONAL AIRPORT
Designed By: ACW
Drawn By: ACW
Reviewed By: DC
Date
Revision
Plot Scale 1" = 500'
Plot Date 10/02/2020
123 N. Washington St
Boston, MA 02114
www.JonesPayne.com
Mark
Description
Date
Appr.
Update parcels to conform to City of South Burlington records 12/14/2017
Adjustment to location of 09D, 06D, 03E, 03D, 09F and 04A labels. No edits to parcel geometry. Update Release and easements on parcels. Expand Airport Boundry to include parcel 06D 9/25/2020
Off-site land
Wetland (Larkin) property
46.5-acre mitigation site
Van Sicklen road
South Burlington, VT

FLOOR PLAN LEGEND

ALSO SEE WALL TYPES SHEET A004

- EXISTING WALL/ COLUMN TO REMAIN
- NEW METAL STUD / GYPSUM WALLBOARD WALL
- NEW MASONRY WALL
- NEW STEEL/ CONCRETE COLUMN - SEE STRUCTURAL
- FEC-X — FIRE EXTINGUISHER CABINET:
  FEC-1: SEMI-RECESSED CABINET W/ FE-1
  FEC-2: SURFACE MOUNT CABINET W/ FE-1
- FE-X — FIRE EXTINGUISHER ON WALL BRACKET:
  FE-1: MULTI-PURPOSE DRY CHEM. EXTINGUISHER (TYPE A-B-C)
  FE-2: KITCHEN/ GREASE EXTINGUISHER (TYPE K)
- GCE — GWB COLUMN ENCLOSURE

Room name / 101 / 150 SF — ROOM TAG - SEE A900 FOR FINISHES: ROOM NAME, ROOM NUMBER

1i — WALL TAG - SEE SHEETS A003, A004: WALL TYPE. WHERE A WALLTYPE LEADER PASSES THROUGH 2 OR MORE WALLS, ALL OF THOSE WALLS SHALL BE OF THE TYPE INDICATED

101 — DOOR TAG - SEE SHEET A800: DOOR NUMBER

A — WINDOW TAG: SEE SHEET A810

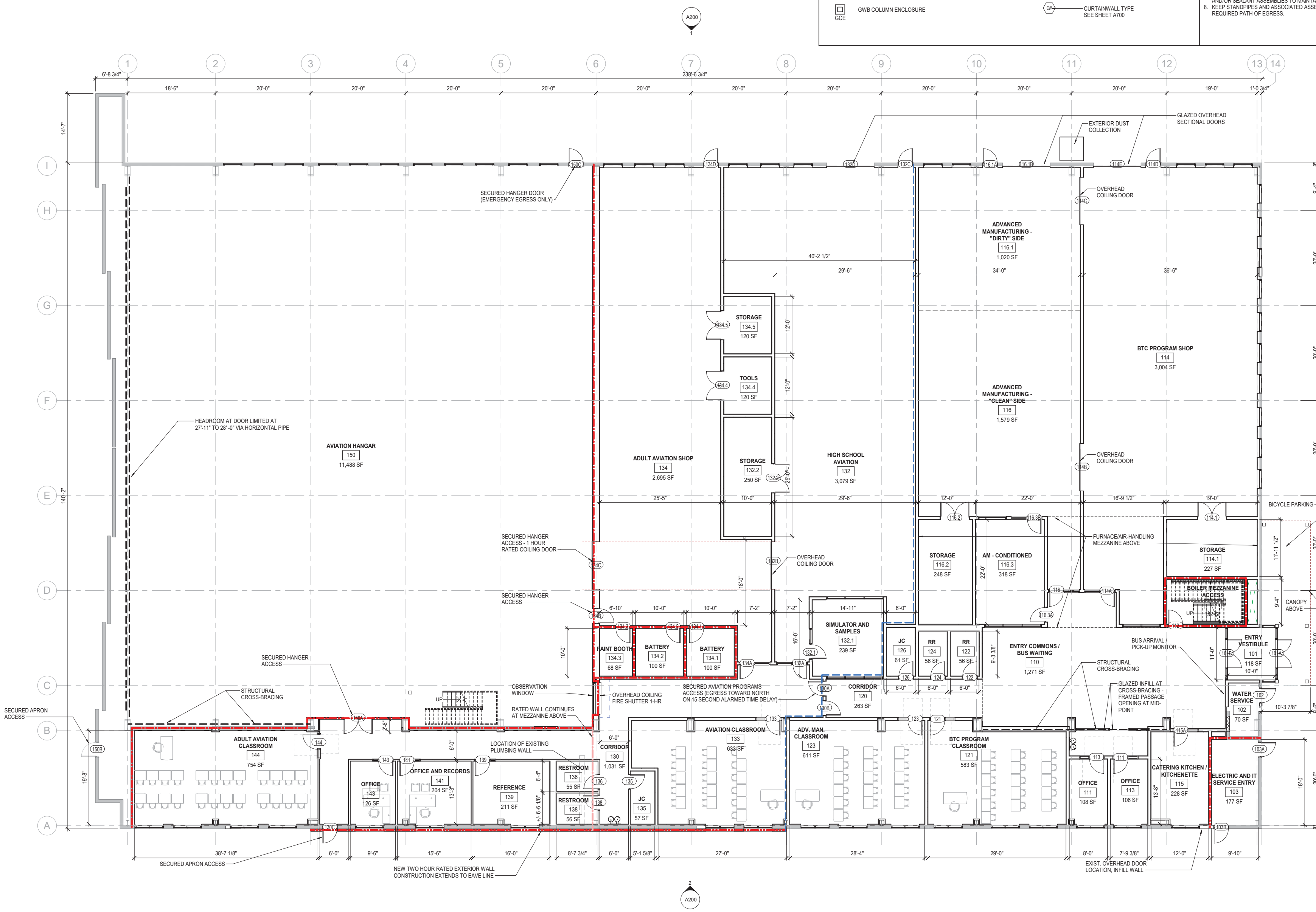
CW — CURTAINWALL TYPE: SEE SHEET A700

FLOOR PLAN GENERAL NOTES

ALSO SEE SYMBOL LEGEND ON COVER SHEET.

1. **DIMENSIONS:** ALL INTERIOR DIMENSIONS ARE TO FACE OF GWB OR TILE FINISH UNLESS OTHERWISE NOTED. EXTERIOR DIMENSIONS ARE TO NOMINAL CORNER OF MASONRY UNLESS NOTED OTHERWISE.
2. PLANS ARE TO BE VIEWED IN CONJUNCTION WITH CIVIL, LANDSCAPE, STRUCTURAL, MEP/FP AND ALL OTHER TRADES, AS APPROPRIATE. DISCREPANCIES ARE TO BE BROUGHT TO THE ARCHITECT'S ATTENTION FOR RESOLUTION BEFORE COMMENCING WORK.
3. ALL NON-ARCHITECTURAL INFORMATION SHOWN HERE IS FOR REFERENCE ONLY.
4. REFER TO CIVIL PLANS FOR LIMIT OF WORK.
5. REFER TO G200 LIFE SAFETY PLANS FOR LOCATIONS OF SMOKE AND FIRE RESISTANT RATED CONSTRUCTION.
6. THE DISTANCE FROM THE HINGE SIDE OF THE DOOR TO THE FACE OF ADJACENT PERPENDICULAR WALL SHALL BE 6 INCHES (INCLUDING FRAME) UNLESS NOTED OTHERWISE.
7. ALL VERTICAL AND HORIZONTAL PENETRATIONS THROUGH RATED ASSEMBLIES ARE TO BE BE SEALED WITH UL-LISTED FIRESAFING AND/OR SEALANT ASSEMBLIES TO MAINTAIN RATING.
8. KEEP STANDPIPES AND ASSOCIATED ASSEMBLIES CLEAR OF THE REQUIRED PATH OF EGRESS.

freeman | french | freeman
81 Maple Street • Burlington VT 05401
802•864•6844 • www.fffinc.com
Architecture • Planning • Interiors



1 GROUND LEVEL
A100 SCALE: 1/8" = 1'-0"

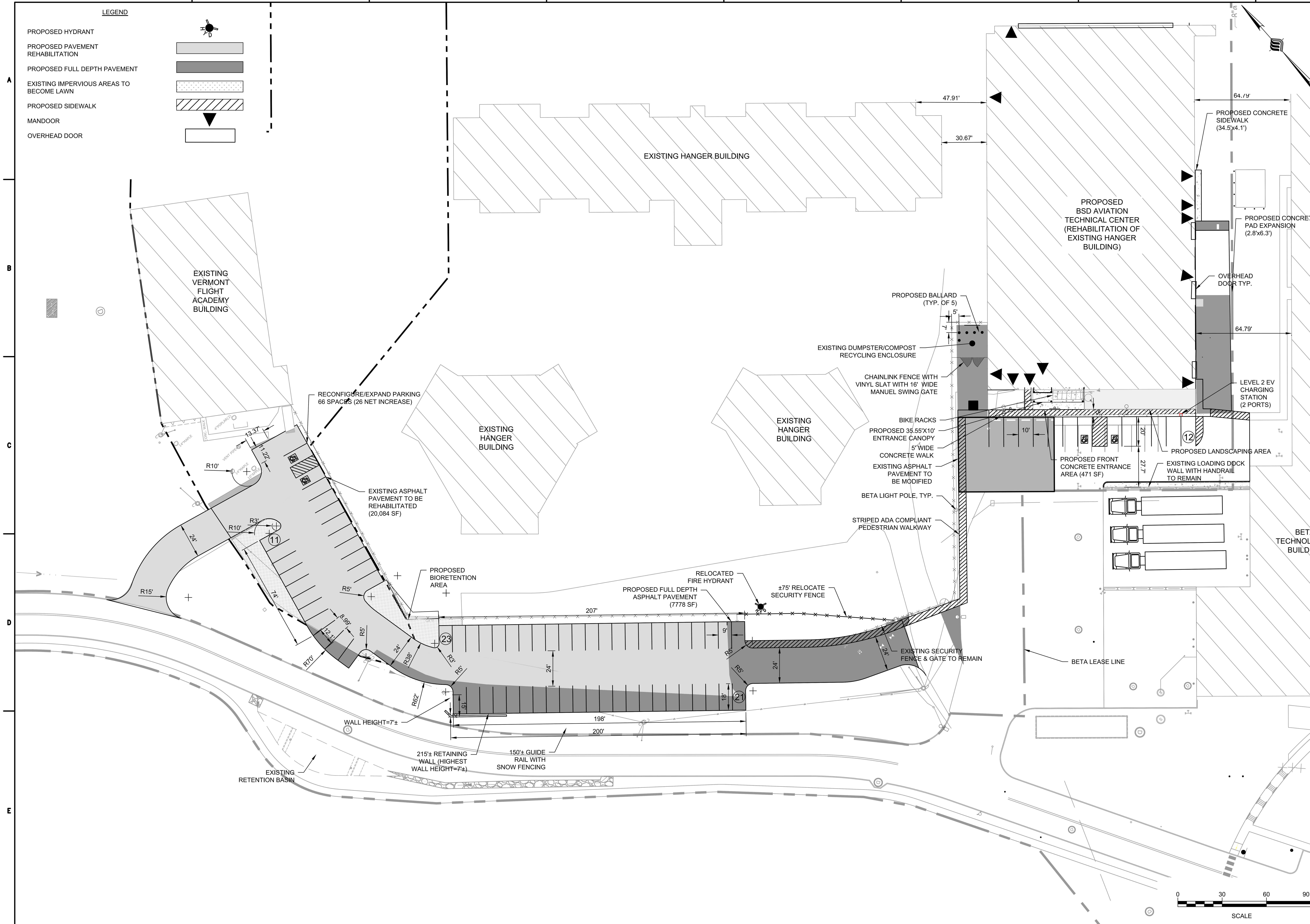
N - PROJECT NORTH
T - TRUE NORTH
m - MAGNETIC NORTH

GRAPHIC SCALE 0 4' 8' 16'

BURLINGTON TECHNICAL CENTER AT PATRICK LEAHY BURLINGTON INTERNATIONAL AIRPORT

BURLINGTON, VT

FFF PROJECT NO: 2271	
ORIGINATION DATE: 11/17/2023	SCALE: 1/8" = 1'-0"
DRAWN BY: BDL	CHECKED BY: Checker
ISSUE LOG: SCHEMATIC DESIGN	11/17/2023
SHEET CONTENTS: FLOOR PLAN	
SHEET NO: A100	



McFarland Johnson
Engineers, Planning & Construction Administration
426 INDUSTRIAL AVENUE, SUITE 164
WILLISTON, VERMONT 05495

PROJECT MILESTONE

PERMIT PLANS

NO.	DATE	DESCRIPTION

CLIENT: BURLINGTON SCHOOL DISTRICT
SOUTH BURLINGTON, STATE OF VERMONT

PROJECT: BURLINGTON AVIATION TECH CENTER

DRAWN	JES
DESIGNED	AJF
CHECKED	AJF
SCALE	1"=30'
DATE	01/12/2024
PROJECT	18715.02

NOT FOR CONSTRUCTION

DRAWING TITLE

SITE PLAN

DRAWING NUMBER

SP-01

2 OF 4

Estimated Lease Start Date	7/1/2023
Lease Term (years)	40
Lease Credit Amount	11,500,000
Ground and Building Rent Annual Increase	3%

Lease year	Rent	Rent Paid	Rent Credit Applied	Rent Credit Balance
1	200,000	-	200,000	11,300,000
2	206,000	-	206,000	11,094,000
3	212,180	51,772	160,408	10,933,592
4	218,545	53,325	165,220	10,768,372
5	225,102	54,925	170,177	10,598,195
6	231,855	56,573	175,282	10,422,912
7	238,810	58,270	180,541	10,242,372
8	245,975	60,018	185,957	10,056,415
9	253,354	61,818	191,536	9,864,879
10	260,955	63,673	197,282	9,667,597
11	268,783	65,583	203,200	9,464,397
12	276,847	67,551	209,296	9,255,101
13	285,152	69,577	215,575	9,039,526
14	293,707	71,664	222,042	8,817,484
15	302,518	73,814	228,704	8,588,780
16	311,593	76,029	235,565	8,353,216
17	320,941	78,310	242,632	8,110,584
18	330,570	80,659	249,911	7,860,673
19	340,487	83,079	257,408	7,603,265
20	350,701	85,571	265,130	7,338,135
21	361,222	88,138	273,084	7,065,051
22	372,059	90,782	281,277	6,783,775
23	383,221	93,506	289,715	6,494,060
24	394,717	96,311	298,406	6,195,654
25	406,559	99,200	307,358	5,888,295
26	418,756	102,176	316,579	5,571,716
27	431,318	105,242	326,077	5,245,639
28	444,258	108,399	335,859	4,909,781
29	457,586	111,651	345,935	4,563,846
30	471,313	115,000	356,313	4,207,533
31	485,452	118,450	367,002	3,840,531
32	500,016	122,004	378,012	3,462,519
33	515,017	125,664	389,353	3,073,166
34	530,467	129,434	401,033	2,672,133
35	546,381	133,317	413,064	2,259,069
36	562,772	137,316	425,456	1,833,613
37	579,656	141,436	438,220	1,395,394
38	597,045	145,679	451,366	944,027
39	614,957	150,049	464,907	479,120
40	633,405	154,551	478,854	266

PATRICK LEAHY BURLINGTON INTERNATIONAL AIRPORT

TO: City of Burlington, Airport Commission

FROM: Patrick Leahy Burlington International Airport
Nic Longo, Director of Aviation
Larry Lackey, Director of Planning, Engineering and Sustainability

DATE: March 13, 2024

SUBJECT: Request to Accept and Execute a Federal Aviation Administration (FAA) Grant for design, construction manager at risk coordination and selection, pricing, construction inspection and construction of the North Concourse Replacement Project “Project NEXT”.

REQUEST

The Patrick Leahy Burlington International Airport (“Leahy BTV”) seeks approval and authorization:

1. **To approve and recommend to the Board of Finance and City Council to accept and execute a Federal Aviation Administration (“FAA”) grant for design, construction manager at risk (CMAR) coordination and selection, pricing, construction inspection and construction of the North Concourse Replacement Project “Project NexT”.**

EXECUTIVE SUMMARY

Over the course of the past year, we have diligently kept the Commission, Council, and the wider public informed and engaged in our exhilarating journey to revamp the North Wing of our terminal building. This ambitious project is not just about accommodating larger aircraft and boosting passenger capacity; it's about ushering our terminal into the future with modern amenities tailored to meet the demands of the next generation of travelers.

The urgency and significance of replacing this terminal cannot be overstated. As the beating heart of our busiest terminal area, its seamless operation is fundamental to the overall success and efficiency of our airport. By prioritizing this vital upgrade, we are not only ensuring smoother, safer operations but also enhancing the overall experience for travelers passing through our gates.

Throughout this process, we've strived to keep stakeholders informed every step of the way, soliciting feedback and incorporating valuable insights to shape our vision. We recognize the importance of transparency and collaboration in such a monumental endeavor, and we are committed to fostering an environment of open communication and partnership.

As we embark on this transformative journey, we remain steadfast in our commitment to delivering a world-class terminal that not only meets but exceeds the expectations of our passengers and stakeholders. With each milestone achieved, we move one step closer to realizing our collective vision of a modern, efficient, and passenger-centric airport experience.

The North Concourse Replacement Project (Project NexT) includes new concourse replacement (approximately 25,000 SF of new gross floor area on the second level, with the first level available for storage); four (4) new aircraft gate replacements; four (4) new passenger boarding bridge replacements, new passenger circulation and hold room space.

Furthermore, integral to this project is the addition of a third floor dedicated to office space, catering to airport administration needs, alongside a versatile public event and observation area. This space will boast both indoor event facilities and outdoor patio areas, offering a dynamic experience for visitors, guests, and events.

In line with our forward-thinking vision and mission at Leahy BTV, sustainability lies at the core of this new development. The design incorporates a myriad of elements aimed at minimizing environmental impact, reducing reliance on natural gas, and harnessing renewable energy sources for electricity generation.

A standout feature of the building's design is its employment of Mass Timber, effectively reducing the embodied carbon footprint of the construction. Additionally, the design integrates solar voltaic panels across the majority of the roof, harnessing solar energy.

Breaking new ground in our construction endeavors, this project marks the inaugural implementation of a geothermal field for heating and cooling purposes, further exemplifying our commitment to sustainable practices and innovative solutions.

On October 4, 2022, The Airport Commission reviewed a contract memorandum and authorization request with Jacobs Engineering for the initial design work associated with Project Next, the new North Concourse wing of the airport. This was subsequently approved and authorized by City Council on October 17, 2022. The initial scope of work included up to 30% design and preparation of bid documents for a Construction Manager at Risk (CMAR) contract. We have since designed approx. 30% of the project as discussed at past

Commission meetings and have bid the project out as a CMAR contract. The Airport will bring forward a construction contract authorization with Engelberth including a Guaranteed Maximum Price (GMP) at subsequent meetings. The project consists of the final design, permitting, Construction Contractor coordination, and construction oversight for demolition and removal of the existing outdated north concourse and the new north terminal concourse, Project NexT. The outdated area would then be used for airport apron, allowing additional space between the terminal building and Taxiway Alpha. Currently the dimensions of this apron between building and active taxiways is far too small to allow the appropriate sized aircraft to park, resulting in unusable gate/apron space for the majority of the commercial aircraft utilized by our partner airlines requiring access.

On October 4, 2023, The Airport Commission reviewed a contract memorandum for the completion of the design, construction manager at risk coordination and selection, pricing and construction inspection with Jacobs Engineering which was approved and moved to the Board of Finance and City Council on October 16th and 23rd, 2023 respectively. Subsequently approval was received by City Council.

After a diligent process with 5 proposers, Engleberth Construction was selected as the CMAR. Once the maximum guaranteed construction price is established and agreement is reached with Engleberth, the Airport will be back to the Airport Commission and City Council for approval of the maximum guaranteed price construction contract.

BENEFITS ANTICIPATED:

This upgrade will provide the much needed shift to the new north concourse. This will provide a significant level of comfort and safety where passengers have adequate room to wait for their flight. The interior of the new building will be designed according to FAA standards and provide the space needed for passenger quantities and future forecast, which currently does not exist, for all of the aircraft sizes that use Leahy BTV.

This project includes the demolition of the existing North Concourse, which causes encroachment on the Taxiway Alpha safety areas when aircraft are maneuvering into and out of their gate positions. The Terminal expansion will be located 150'+ farther from Taxiway Alpha, thus improving airfield safety.

PROJECT APPROACH

JEG was selected to provide the engineering design and bidding services through the Airport's qualification selection process meeting requirements by the FAA for this project. This price is determined through an extensive pricing process established by the FAA for all

Airport Improvement Program (AIP) grant funded projects.

FUNDING SOURCES

The funding is anticipated from the FAA through the typical Airport Improvement Program (AIP) process, with the funds coming from a Federal Fiscal Year 2023 Congressional Directed Spending Bill appropriation which provides 90% funding once the project is bid and grant offer received. The remaining 10% is the local share which will supplemented with Passenger Facility Charges (PFC). The airport included an estimate for design work in the FY24 approved budget. The construction oversight portion will be included in the FY 25 budget.

PROPOSED MOTION:

Airport Commission

> "To approve and recommend that the City Council authorize the Director of Aviation to execute a grant from the Federal Aviation Administration to accept an amount up to $34,000,000.00, with a 15% contingency, totaling up to $39,100,000.00, as allowed under the grant, for design, construction manager at risk coordination and selection, pricing, construction inspection and construction of the North Concourse Replacement Project "Project NEXT", subject to review by the City Attorney's Office."


UNITED
BTV
PATRICK LEAHY
BURLINGTON
INTERNATIONAL AIRPORT
Jacobs

PATRICK LEAHY
BURLINGTON
INTERNATIONAL AIRPORT

To: Airport Commissioners
From: Marie Friedman, CPA, Director of Finance
Date: February 29, 2024
Re: Financial Highlights Report for March 13th, 2024 meeting

- This month's financial package includes the January P&L, Revenue Recovery Metrics and the Banking Balance report.
- STIMULUS GRANTS Summary
  - CARES ACT Grant received May 11, 2020 for $8.7M. BTV has drawn down $7,830,557 on this grant. $6,165,155 of this used to cover operating expenses in both FY 2020 and 2021. $1,665,403 reimbursed the airport for local share contribution on FAA grants. The Airport is reserving the remaining available grant monies of $870,557 to cover additional local share expenditures. This grant is effective until May 11, 2024. The Airport will drawing the remaining funds down this year and closing out the grant.
  - CRSSA Grant was received April 5, 2021 for a combined total of $4.04M. There is still $447,435 available under the CRRSA grant. This grant is effective until April 5, 2025.
  - The Airport received a $7.6M Grant November 30, 2021 under the American Rescue Act. There is still $3.9 million available under ARPA grant. We have four years to utilize this grant.
  - BTV does not owe any money on the Grant Anticipation Note (GAN). Interest rates are adjusted monthly. Interest paid on the GAN is eligible for reimbursement under a future PFC application. The GAN expires in February and the Airport intends to renew the GAN for an additional year. We are working with the CT office on this.
- Year-to-date (YTD) Revenues through January were $15.4 million. Operating revenues are higher than the prior year primarily due to higher rental car revenues and parking revenues. Please refer to the P&L for more detail. The Airport Revenue recovery schedule is included as well. All metrics are recovering as expected. This shows five revenue sources and how they performed over time. The data points represent a trailing twelve month for each month. Parking garage revenues, Car rental concession revenues, landing fees and CFC have all recovered. PFC revenues are at 92% which is similar to enplanement recovery.
- Expenses thru January were $10.34 million. This is higher than last year primarily due to garage lighting and fire alarm system replacement. The Airport is also seeing expenditure increases to salaries and employee benefits, as well as professional and consulting services and property repairs. Please refer to the P&L for more detail.
- Cash update: As of January 2023, BTV had $2,984,352 in the Airport International account and did not owe the City any money.

A: 1200 Airport Drive, #1 South Burlington, VT 05403
P: 802.863.2874

Budget Performance Report

Fiscal Year to Date 1/31/2024

Account	Account Description	Amended Budget	YTD Encumbrances	FY 2024 YTD Transactions	Remaining Balance	% Used/ Rec'd	FY 2023 YTD Transactions
Fund **400 - Airport**							
	REVENUE						
4247	Fees and Permits	125,000.00	.00	61,140.00	63,860.00	49%	88,795.00
4267	Utility Reimbursement	126,700.00	.00	71,919.25	54,780.75	57%	59,035.75
4268	Sale of Gasoline	750,000.00	.00	374,945.96	375,054.04	50%	389,726.56
4295	Parking Fees	6,750,000.00	.00	3,974,466.36	2,775,533.64	59%	3,731,800.51
4297	CFC's	1,775,000.00	.00	1,492,036.00	673,772.00	84%	1,657,006.00
4345	Advertising Revenues	114,000.00	.00	37,545.00	76,455.00	33%	9,413.52
4390	Concessions	330,000.00	.00	191,773.62	138,226.38	58%	192,555.42
4440	Taxi Fees	170,000.00	.00	134,213.00	35,787.00	79%	115,223.00
4445	Terminal Rent - Exclusive	1,360,800.00	.00	753,506.25	607,293.75	55%	768,455.83
4450	Terminal Rent - Commonuse	1,591,433.00	.00	884,130.99	707,302.01	56%	893,904.86
4455	Terminal Concessions Airport	750,000.00	.00	391,058.44	358,941.56	52%	214,128.56
4460	Rental Car Concessions	3,250,000.00	.00	2,546,875.00	703,125.00	78%	2,186,311.73
4465	Rent Grounds	508,531.00	.00	329,427.38	179,103.62	65%	274,020.15
4470	Rent Buildings	1,179,719.00	.00	814,237.59	365,481.41	69%	736,320.37
4475	Landing Fees	1,975,000.00	.00	1,001,191.78	973,808.22	51%	1,190,174.39
4480	PFC Revenue	2,625,000.00	.00	1,128,298.00	1,496,702.00	43%	1,035,031.82
4505	Terminal Non Airline	631,000.00	.00	548,812.97	82,187.03	87%	422,085.61
4535	Misc Rev	1,000.00	.00	312.10	687.90	31%	6,684.01
4600	Fees For Services	6,500.00	.00	4,395.00	2,105.00	68%	5,655.00
4700	Interest / Investment Income	6,000.00	.00	143,185.43	(137,185.43)	+++	58,162.20
4702	Interest Income PFC	10,000.00	.00	5,797.55	4,202.45	58%	5,812.01
4703	Restricted Interest Income	30,000.00	.00	87,262.72	(57,262.72)	+++	28,035.77
4705	Unrealzed Gain/Loss-Invest	.00	.00	72,631.81	(72,631.81)	+++	(22,720.60)
4750	Gain/Loss On Asset	.00	.00	14,410.91	(14,410.91)	+++	14,999.00
4875	Grants TSA Leo Grant	150,000.00	.00	93,280.00	56,720.00	+++	93,280.00
4890	CARES ACT/ARPA/CRRSA Federal Grant	4,385,934.00	.00	.00	4,385,934.00	+++	.00
4925	Proceeds	9,900.00	.00	61,109.90	(51,209.90)	+++	250.00
4961	Property Tax Reimbursement - Airport	204,700.00	.00	145,337.04	59,362.96	71%	137,603.41
	REVENUE TOTALS	$28,816,217.00	$0.00	$15,363,347.78	$13,843,677.22	53%	$14,291,835.24
	EXPENSE						
5000	Salaries and Wages	3,756,661.00	.00	1,816,891.77	1,939,769.23	48%	1,561,251.08
5100	Overtime	317,300.00	.00	180,345.79	136,954.21	57%	156,621.04
5200	Other Personal Service	434,675.00	.00	274,353.24	160,321.76	63%	212,449.35
5400	Employee Benefits	1,360,326.00	.00	744,684.88	615,641.12	55%	667,035.53
6000	Office Supplies	9,000.00	.00	2,260.21	6,739.79	25%	2,882.79
6005	Postage	500.00	.00	67.99	432.01	14%	98.96
6007	Shipping and Moving	33,750.00	1,338.42	11,007.70	21,403.88	37%	5,722.65
6010	Computer Equipment	28,500.00	.00	26,331.81	2,168.19	92%	26,519.45
6015	Computer Software	10,500.00	.00	5,452.00	5,048.00	52%	.00
6017	Computer Licensing and Maint.	274,000.00	17,323.29	203,816.93	52,859.78	81%	156,625.09
6020	Office Equipment	21,500.00	.00	549.99	20,950.01	3%	16,940.00
6025	Furnishings	102,000.00	.00	18,266.87	83,733.13	18%	41,765.16

Budget Performance Report

Fiscal Year to Date 1/31/2024

PATRICK LEAHY BURLINGTON INTERNATIONAL AIRPORT

Account	Account Description	Amended Budget	YTD Encumbrances	FY 2024 YTD Transactions	Remaining Balance	% Used/ Rec'd	FY 2023 YTD Transactions
6200	Medical Fees And Supplies	6,000.00	.00	1,413.82	4,586.18	24%	2,583.29
6202	Printing/Copying/Paper Mgt	8,450.00	.00	612.49	7,837.51	7%	164.99
6203	Dues/Subscriptions	140,100.00	47.74	69,441.05	70,611.21	50%	67,395.17
6206	Custodian Supplies	81,500.00	3,197.79	47,313.22	30,988.99	62%	30,434.63
6208	Special Supplies	68,300.00	3,158.35	45,142.73	19,998.92	71%	41,405.48
6210	Small Tools and Equipment	125,000.00	2,863.26	16,467.40	105,669.34	15%	27,368.88
6212	Fuel	910,000.00	.00	443,706.23	466,293.77	49%	419,281.57
6214	Clothing And Uniforms	6,000.00	.00	2,136.60	3,863.40	36%	2,879.68
6215	Uniform Laundering	23,000.00	1,146.16	8,853.84	13,000.00	43%	9,189.13
6216	Oil & Grease & Antifreeze	22,000.00	.00	6,528.78	15,471.22	30%	4,237.29
6222	Runway De-Ice	400,000.00	.00	81,098.59	318,901.41	20%	170,578.80
6247	Energy Efficient	125,000.00	.00	63,147.70	61,852.30	51%	24,469.88
6294	Donations	3,600.00	.00	3,581.20	18.80	99%	.00
6300	Repair & Maintenance	3,788,029.00	142,804.79	1,291,577.61	2,353,646.60	38%	865,354.23
6350	Legal Notice & Advertising	2,200.00	.00	345.00	1,855.00	16%	.00
6400	Utilities	1,668,600.00	.00	838,497.62	830,102.38	50%	708,666.92
6500	Professional and Consultant Services	1,861,027.00	5,138.00	868,150.18	987,738.82	47%	582,546.59
6530	Rentals	17,000.00	.00	11,550.07	5,449.93	68%	9,888.99
6600	Maintenance Contracts	397,500.00	10,915.00	125,628.71	260,956.29	34%	199,566.64
6605	Radio Maintenance	17,500.00	2,739.50	6,867.48	7,893.02	55%	2,742.50
6610	Custodial Contracts	856,020.00	.00	474,845.00	381,175.00	55%	401,345.00
6615	Property Repairs	495,000.00	.00	231,373.62	263,626.38	47%	110,372.56
6625	Equipment Maintenance Repairs	230,000.00	13,056.30	69,168.70	147,775.00	36%	51,813.58
6700	Travel & Training	114,800.00	.00	30,980.02	83,819.98	27%	42,575.64
6800	Fees for Services	26,350.00	.00	14,039.90	12,310.10	53%	8,605.26
7002	Interest Expense	.00	.00	.00	.00	+++	.00
7004	Interest Expense - Restricted	.00	.00	.00	.00	0	.00
7200	Capital Leases	572,488.00	321.90	332,624.97	239,541.13	58%	350,478.63
7230	Insurance	410,115.00	.00	290,524.31	119,590.69	71%	223,899.74
7303	Regulatory and Bank Fees	231,000.00	.00	97,988.34	133,011.66	42%	102,542.15
7312	Real Estate Taxes	798,173.00	265,760.05	531,520.10	892.85	100%	511,346.86
7652	Discretionary Spending	45,000.00	.00	29,944.80	15,055.20	67%	23,201.71
8015	Indirect Fees	534,960.00	.00	312,060.00	222,900.00	58%	287,469.00
8017	Indirect Fees - City Attorney	83,149.00	.00	48,503.00	34,646.00	58%	52,843.00
8095	Interest On Pooled Cash	.00	.00	9,964.54	(9,964.54)	0%	.00
8135	Airport Security To Police	1,265,000.00	3,684.64	654,199.95	607,115.41	52%	639,850.81
	Operating EXPENSE TOTALS	$21,681,573.00	$473,495.19	$10,343,826.75	$10,864,251.06	50%	$8,823,009.70
Net Operating Revenues (which are used to pay for Bond payments, Leases, Capital and FAA projects)				$5,019,521.03			$5,468,825.54

Burlington International Airport

Cash and Investments
January 31, 2024

Account	Account Description	Balance @ 1/31/2024
Unrestricted Bank Accounts		
1000_400	Bank Account Airport	2,984,352
1050_496	Cash Restricted AIP Deposit Keybank	9,915
Restricted Bank Accounts		
1050_420	Cash Restricted Escrows - Airport PFC TD Bank	8,039,600
1000_415	Bank Account - PFC Prepaid Cash Account	491,892
1000_420	Bank Account CFC	2,768,428
1050_416	Cash Restricted Revenue Bond DSR-Zion Trustee	3,459,428
1050_400	Cash Restricted Air Debt Service Fund - Interest	460,672
1050_401	Cash Restricted Air Debt Service Fund-Principal	1,051,036
1050_402	Cash Restricted Air Debt Service Fund-Sinking	636,494
1050_425	Cash Restricted Escrows - Airport - Op Maint Res	5,611,715
1050_430	Cash Restricted Esc - Airport Res Acct - TD Bank	337,605
1050_495	Projects Operating Acct/Escrow GAN Keybank	279
Total Cash and Investments		25,851,416
1100_999	(Due To) / Due From Pooled Cash (timing)	-

Comparative Information on Primary Airport bank account

		1/31/2024
1000_400	Bank Account Airport - Current Fiscal year -1/31/224	2,984,352
1000_400	Bank Account Airport - Prior Fiscal year - Jan 2023	5,843,415
1000_400	Bank Account Airport - Four year ago - Jan 2020	1,773,058

PATRICK LEAHY
BURLINGTON
INTERNATIONAL AIRPORT

To: Airport Commission

From: Larry Lackey
Director of Planning, Engineering and Environmental Compliance

Date: March 6, 2024

Subject: Airport Commission Construction Update

1. **Annual Parking Garage Maintenance ($2.2M).** The purpose of this maintenance is to ensure the longevity of the parking garage. We anticipated and were ready to start the replacement of the expansion joints and joint seal repair in the vicinity on the floors above the Tesla charging area. Due to the pandemic and travel restrictions, the maintenance project was postponed. This project is in the process of rebidding. Stair tower 1 was refurbished, new roof, pressure was of walls, new paint and conduit leak repair. We are developing a plan to complete the rehabilitation of the other stair wells. We are in the process of replacement of all lighting and the fire alarm systems in the parking garage totaling up to $2.2M. MEI is the selected contractor. Construction on the lighting and fire alarm replacement in the south garage is complete. MEI has left the site for the winter, restart, and complete the north garage in calendar year 2024. A contractor completed removing corrosion from columns and repainting in the Car Charging area.

2. **Environmental Assessment (est. $.25M).** The purpose of this project is to evaluate environmental impacts related to the mitigation of obstructions with in the aircraft approach surfaces to the runways. This is in follow up to the recently completed Master Plan, which includes obstruction identification and environmental review. The scope and IFE process is complete and a grant application was prepared and submitted on April 29, 2022. Grant received. Contract issued with work progressing. Letters currently going out to property owns about the investigations required. Investigations are complete with the report in progress.

3. **South Terminal Replacement Project ($35M).** The purpose of this project is for overall terminal efficiencies and a better passenger experience. Due to increased aircraft seating existing passenger hold areas are overcrowded during peak times as identified in the recent Master Plan Update. Recently the opportunity had risen through the Airport Terminal Improvement Program from the Bipartisan Infrastructure Law. We have submitted our request for full build out of this project, including: Demolition of the existing South Concourse; new Terminal improvements

(approximately 45,000 SF of new gross floor area on 2 levels); five (5) new aircraft gates; up to four (4) new passenger boarding bridges (PBB), new passenger circulation and hold rooms; future concessions space; and apron construction within demolished South Concourse footprint. The South Terminal Replacement Project will be approximately 160' farther from Taxiway A as the existing South Concourse. We were not selected this past year and have reapplied for FFY23 design only. We did receive notice from the program that we will be awarded the a design only grant for this project. We have finalized discussions with the FAA to how best move this project forward in the future, as the timing to design this needs to be pushed back due to FAA scheduling requirement and having the funding to complete the construction of this project.

4. **Cargo Apron Design Project ($.3M).** The purpose of this project is to provide additional space for other potential cargo carry operations. Have submitted 7460-1 (Air Space Review) to FAA for this project. The scoping of the he project, design only has been completed with the FAA. The IFE process for completion before a FAA Grant Application in April has been completed. Grant Application was submitted on April 3, 2023. Grant has been issued, moving to finalize contract. The contract has been issued to Hoyle, Tanner and Associates with the design to started. It has been determined that this project will require additional FAA technical operations review prior to proceeding. This is currently being coordinated.

5. **SRE Building Design ($1.2M).** The purpose of this project is to replace the existing out dated facilities, which does not meet the storage needs of the required equipment to maintain the airfield. A contract for study is being completed with programing and scoping moving forward. The scoping session with the FAA has been completed. The final scope is complete with the IFE process was completed. The Grant Application was submitted to the FAA. Contract has been signed with Passero Associates to design and bid this project. Site investigations were completed in November. The site plan has been developed with the building design in progress.

6. **Burlington Tech Center (BTC) ($10M).** The purpose of this project is to support the design efforts for an improved facility at the airport for the regional educational needs. The Burlington School district has been given an award for $10M in which they are in the process of applying for. We continue to work with the school on this project. Permit applications are being prepared and are near completion. Applications will be submitted to the regulatory bodies starting this coming week.

7. **FAA CIP for next 5 years.** We had our FAA Airports Division CIP review on September 14th.The focus was on next years proposed projects (FFY24), with the balance of the meeting discussion on the needed funds for our identified projects for the additional 4 years and beyond.

8. **BETA – Development**
   Communication and coordination with Beta on the first phase of the Electric Aircraft Assemble Facility and Valley West Hangar for all aspects of permitting, environmental, engineering, utilities and attendance at public hearing and construction meetings. The first Phase is substantially complete with a interim certificate of occupancy issued by the City of South Burlington.

9. **In-line Baggage Screening System Design ($.75M).** The purpose of this project is to update the baggage screening system from independent system to a more efficient streamlined in line baggage system. This project design is substantially complete and moving to closure so we may work with TSA for a grant on construction in future years. TSA has included this in their 2027 fiscal year budget, at this time.

10. **Taxiway A Mill & Overlay (est. $3.7M).** The purpose of this project is maintenance and the addition of safety measures to include new edge lighting and paved shoulders. The scope and proposal to have been received from the consultant (McFarland and Johnson Consulting, Inc.) A scoping session with the FAA was completed. The FAA Independent Fee Estimate (IFE) process has started. The permitting preparation process has started. The project consists of the rehabilitation of approximately 21,000 SY of existing Taxiway A pavement between Taxiway C and Taxiway G. Additionally, the project will include the construction of one 20-foot asphalt shoulder. The major project components include the mill and overlay of approximately 21,000 SY of existing taxiway pavement, the construction of approximately 4,000 SY of taxiway shoulder pavement, the installation of new taxiway edge lighting, airfield signage, and other ancillary items. Bids were received on April 20, 2022 and a grant application was prepared and submitted on April 29, 2022. Received grant moving to scheduling and contracts. We submitted an additional grant application for this project which includes the remainder of TW A and corresponding connection to TW C. Grant was received last week. This was initially removed from the previous year application do to limits on funding. Construction started on July 24, 2023. Construction is substantially complete. Final Inspection with the FAA was completed 10/30/23. There will be minor inspection punch list items to be completed in the spring due to winter conditions. Project closeout in process.

11. **Gate 9 Passenger Boarding Bridge (PBB) ($2.0M).** The purpose of this project is to provide a fully enclosed access for passengers to the commercial aircraft using the Terminal Gate 12 location on the Apron from the new TIP. Received scope and proposal from the consultant (Jacobs Engineering Group). The FAA scoping session was completed with the FAA. The Independent Fee Estimate (IFE) process is underway. This project is for the installation of a new PBB. The new PBB will be located at the south end of the Terminal Integration Project (TIP), which is currently under construction. The second floor of the TIP will serve as the Gate 9 hold room. The new PBB will eliminate the need for passengers to descend a stairwell, walk across the apron, and board aircraft via a stair truck. Accessibility for disabled passengers will be drastically improved as well.

This project is being initiated now to identify the preferred rotunda location and PBB configuration while the TIP project can still accommodate changes. Bids were received on April 27, 2022 and a grant application was prepared and submitted on April 29, 2022. Grant received. Construction contract issued moving forward with construction. Construction and installation is nearing completion. Due to a request of one air carrier for a certain angle an addition wedge piece was fabricated for connection to the building. The new PBB is operational and functioning well. The new PBB construction is complete with Final Inspection with the FAA was completed on 10/30/23. Project closeout in process.

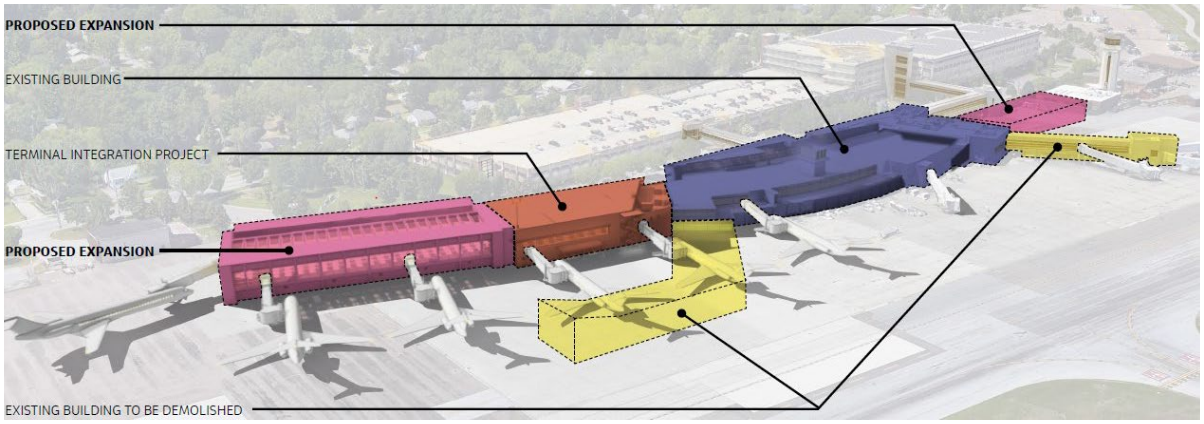
12. **South Apron and TW G Ext. Development ($6.0)**. The purpose of this project is to provide much needed additional general aviation apron area on the airfield. Received scope and proposal from the consultant (Hoyle, Tanner and Associates) and have completed the FAA scoping session. The FAA IFE process is complete. The proposed project would extend Taxiway G approximately 100', construct a 19,000 SY general aviation apron in the area of the "quarry". Excess material from the site would be used to fill in the "gully" creating a level area along the Medium Intensity Approach Light System (MALSF) approach lighting plane replacing two light stations currently on towers with ground mounts and connecting the vehicle service road from the civilian to the military side of the airport. Scope for design and bidding has been completed with an IFE. Design is underway. There has been a delay in design do to the availability of the geotech contractor. Request for bids have been issued. The geotech report confirmed that a total fill of the gully is not economically feasible at this time. Grant has been recieved. Received Bids with the selected bidder being Engineers Construction, Inc. Grant Application has been submitted to the FAA. Completed questions from the FAA on the Application. We have completed permit process. Contractor started mobilization/construction on July 17, 2023. Mass excavation is complete. Stormwater chamber installation is complete, with other drainage piping work is completed. Placement of final sub-base materials is underway. In vicinity of the Beta building a temporary aircraft access for the winter is complete. Pavement to be started in the spring.

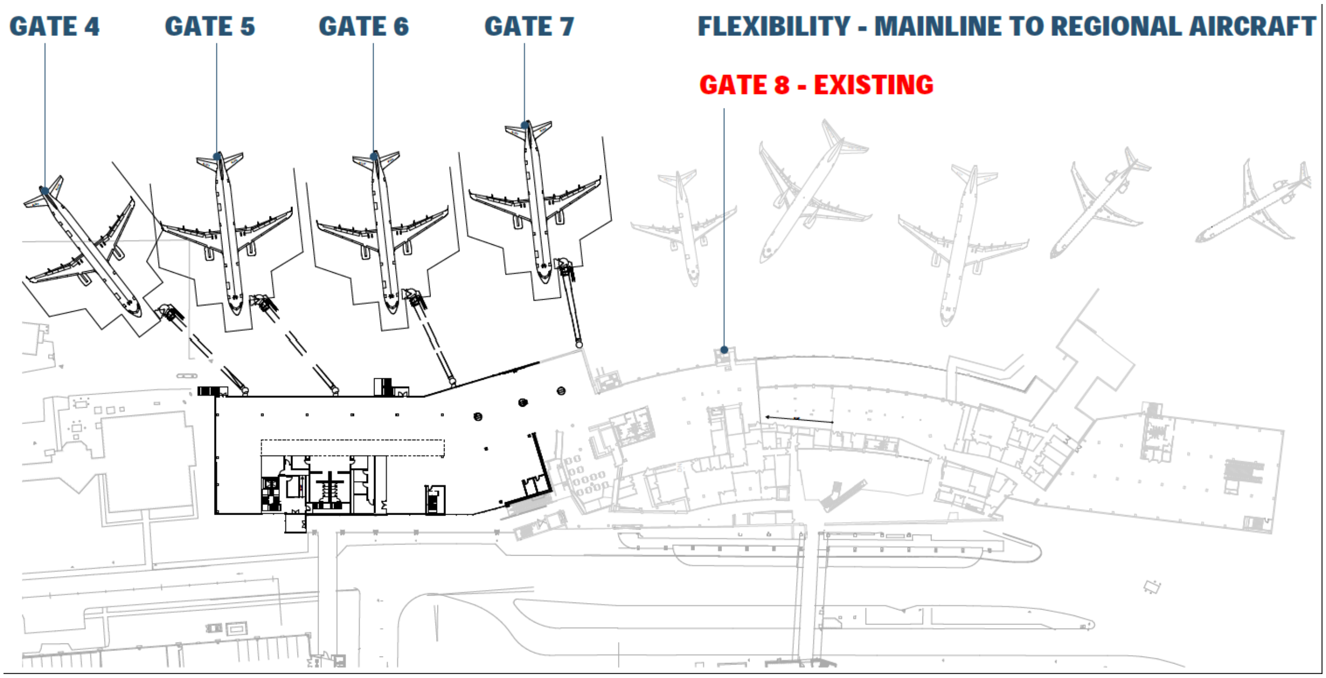
13. **Glycol System Upgrade (est. $3.5M).** The purpose of this project is to improve the glycol system (De-icing). We have had additional follow up discussions with the FAA and it appears this is eligible for funding and is being added back into our FAA CIP. Developing site evaluation scope.

14. **North Terminal Improvement Project ($2.0M)**. The purpose of this project is for overall terminal efficiencies and a better passenger experience due to the completion of the TIP the north terminal will be upgraded to provide more capacity for passengers and concessions. This includes the removal of the existing north TSA station along with the removal of the existing escalators. This project is under design and funding is anticipated from the recent approval of the Infrastructure Law. Received Bids with the selected bidder being Engelberth Construction, Inc. Preparing and submitting Grant Application. This will become a FFY23 Project. We have received the Grant from the FAA. Construction is nearing completion, and should be complete by September 15th. There was a delay related to the glass for the new restaurant area. Construction is complete with final inspection with the FAA completed on 10/30/23. Project closeout in process. However, we are in the process of applying for an additional grant to add additional egress lanes in both the North and South Terminal locations.

15. **PROJECT NEXT: North Terminal Replacement Project and New PBB's ($38M)**. The purpose of this project is for overall terminal efficiencies and a better passenger experience. Due to increased aircraft seating existing passenger hold areas are overcrowded during peak times as identified in the recent Master Plan Update. Recently the opportunity had risen from Senator Leahy's office through Congressional Directed Spending. We have submitted our request for full build out of this project Phase III Terminal Improvement Project, including: Demolition of the existing North Concourse; new Terminal Improvement (approximately 25,000 SF of new gross floor area on 2 levels); five (5) new aircraft gates; six (6) new passenger boarding bridges (PBB), new passenger circulation and hold rooms; future concessions space; and apron construction within demolished North Concourse footprint. Contract for 30% design has been issues to Jacobs Engineering Group. Geo-technical site work has been completed. Data collection and design currently on going. We submitted to the FAA for a Construction Manager at Risk (CMAR) RFQ/P construction development process. We received approval from the FAA on this procurement process. The RFQ/P for CMAR has been advertised with a pre-bid meeting and site visit by prospective contractors completed. CMAR Proposals received reviewed and scored. Also, held interviews with the top 3 contractors. This has been scored and we can let you know the selected contractor at the AC meeting. As reported the CMAR selected is Engelberth Construction Company. The contract with our design engineer, Jacobs Engineering Group, is completing the 80% design to move to pricing. At this meeting we are requesting approval to move forward the grant acceptance and execution process with the Board of Finance and City Council.

Conceptual Renderings – North and South Terminal (concourse) Improvements





16. **RW 15 – 33 Improvements – Mill and Overlay (15M).** The purpose of this project is to improve the pavement condition of the airport's main runway. The 100% plans are complete and we are moving to bid this project. FAA Grant Application will be submitted by May 1, 2024. Construction will begin in the spring of 2025.

17. **Airfield Pavement Plan Update ($.25M).** The purpose of this project is to update the outdated pavement condition report done in 2017. All surfaces will be evaluated so we can plan on future improvement for the safety of the aircraft users. Scoping has been completed with the FAA. We have completed the IFE. A Grant Application was submitted on April 3, 2023. Investigations have started, and the grant has been issued. Moving to finalize contract. The Contract has been issued to HTA with the investigations being completed. The report is in progress.

Patrick Leahy Burlington International Airport
Board of Commissioners
Sound/Noise Update Report

March 13, 2024

ADDITIONAL INFORMATION IS UPLOADED TO WWW.BTVSOUND.COM

Residential Sound Insulation Programs:

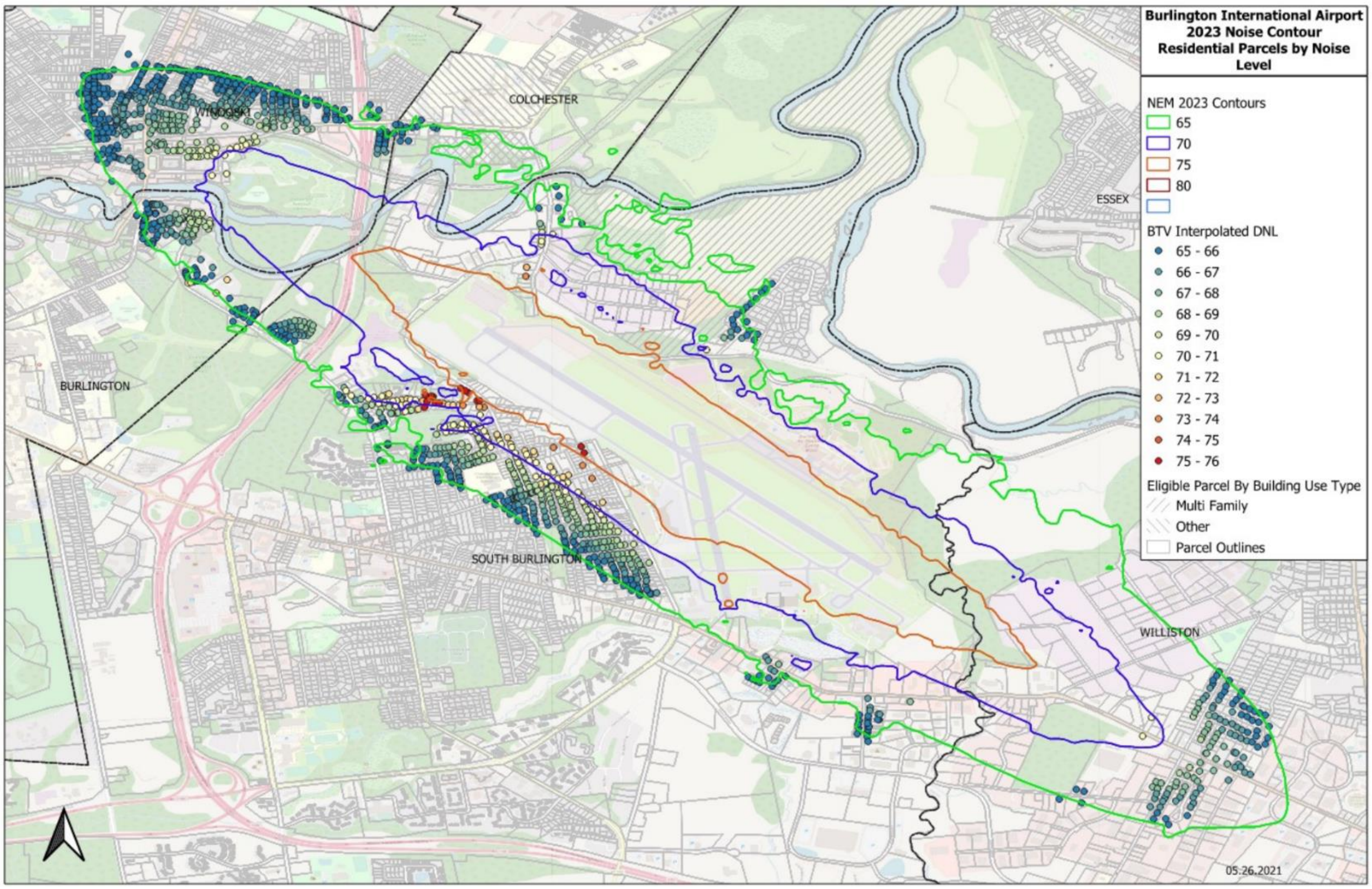
The purpose of the project is to convert a sample of incompatible residential units to a compatible land use by installing an acoustical treatment package which will provide relief from aircraft noise by upgrading interior living areas. Upgrades may include replacement of windows and doors with acoustically rated products and installation or upgrade of ventilation systems. The sound insulation treatments are designed to reduce the interior noise levels to below 45 DNL and provide a minimum noise level reduction of 5dB. This project has also determined the eligibility of an additional 50 residential units, located in and around the 70 DNL which will be included in phase 2 of the program.

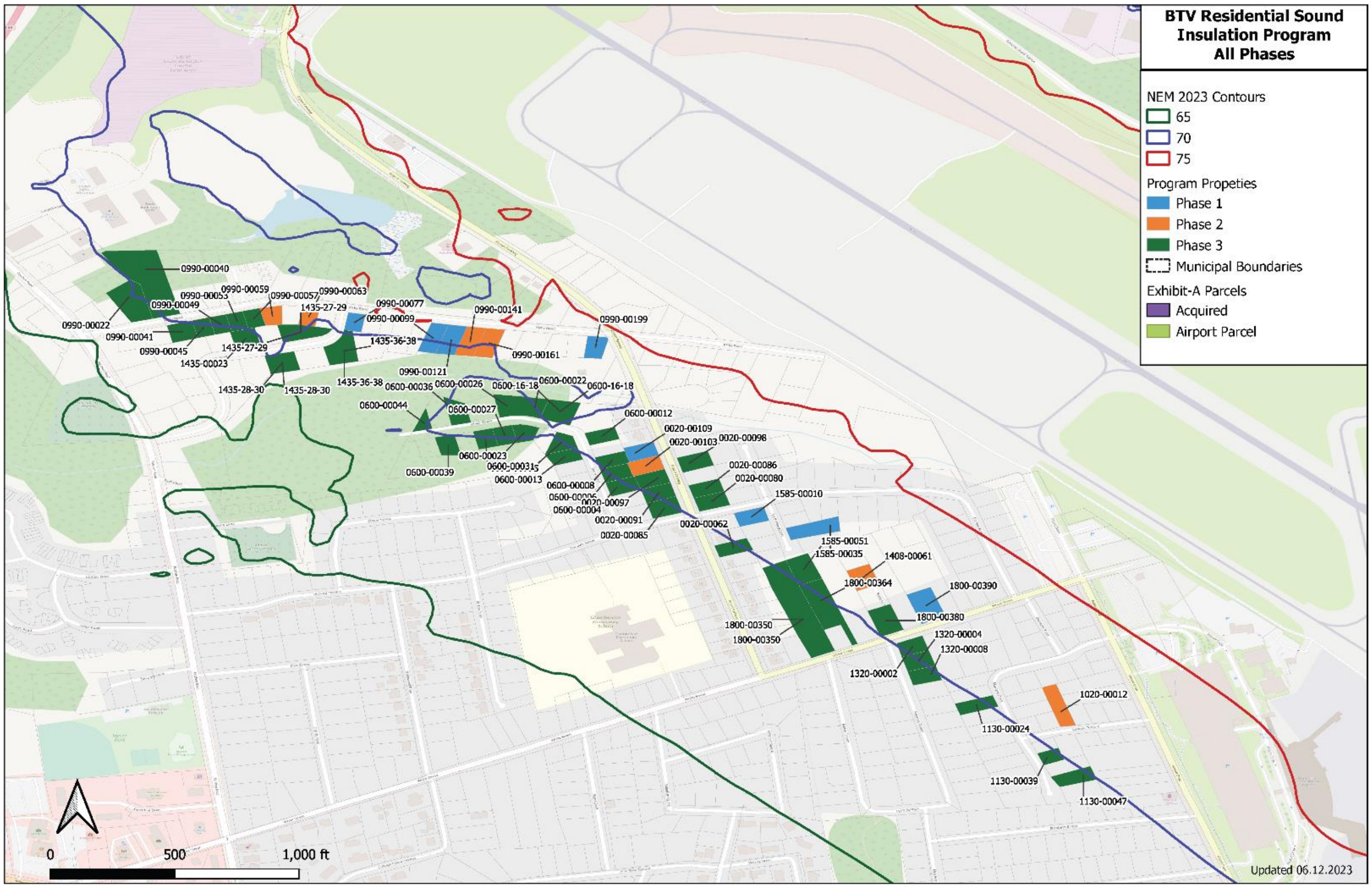
1. **Sound Insulation Pilot Project (Phase 1) ($1.5M).** This Program includes: Program formulation, Home eligibility determination, Project Management, Community Outreach, Evaluations of Structures, Design Services, Bid activities, Construction Support, Construction and Pre-qualification of 50 homes. The Airport and Consultant team has established program standards, implemented a pilot phase for sound insulation, and developed and created a public outreach program that defines the process. Based on the completed acoustical testing we requested and received approval from the FAA for blanket approval of homes in the 70 dB contour and higher to move to outreach and design without additional testing from the FAA. Construction has started on October 2nd and the first windows were installed on the first home. The schedule for this Phase 1 portion will include 9 properties, and construction will be completed approx. prior the end of calendar year 2023. . The installation of noise reduction materials for the 9 properties is currently substantially complete, and construction close out is ongoing with the contractor.

2. **Residential Sound Insulation Project - Phase 2 ($2.20M)** The purpose of the project is convert incompatible residential units to a compatible land use by installing an acoustical treatment package which will provide relief from aircraft noise by upgrading interior living areas as defined in the Phase 1 project and the Noise Compatibility Program. The Airport is proposing to continue implementation of its Residential Sound Insulation Program (RSIP). This grant will include: community outreach, historic review, design and bidding of 52 homes, noise reduction of 6 homes which construction improvements will be completed by the end of calendar year 2023. Properties are located within the 70+ DNL FAA accepted 2023 noise contours. Bids were received on April 22, 2022 and a grant application was prepared, submitted, and received by the FAA. The FAA grant included installation of noise reduction materials for 6 properties and the design of noise

reduction improvements to 52 homes. This grant also includes the outreach and design for the next approximate 50 homes. The installation of noise reduction materials for the 5 properties is currently substantially complete, and construction close out is ongoing with the contractor.

3. **<u>Residential Sound Insulation Project - Phase 3 ($6.2M).</u>** The Airport is proposing to continue implementation of its Residential Sound Insulation Program (RSIP) as described in more detail above. This grant was issued in late August includes: the construction improvements of the 52 Homes designed and bid in Phase 2, in addition it provides for community outreach, historic review, design and bidding of the next approximately 50 homes for improvements. The schedule for installing the noise insulating improvements for the 52 homes will start in Spring 2024. We also are currently engaging with additional property owners to start designing the next 50 homes as part of this grant.




BTV Residential Sound Insulation Program
All Phases
NEM 2023 Contours
65
70
75
Program Propeties
Phase 1
Phase 2
Phase 3
Municipal Boundaries
Exhibit-A Parcels
Acquired
Airport Parcel
0990-00040
0990-00022
0990-00049
0990-00053
0990-00059
0990-00057
0990-00063
1435-27-29
0990-00077
0990-00099
0990-00141
0990-00199
0990-00041
0990-00045
1435-00023
1435-27-29
1435-36-38
0990-00161
0990-00121
1435-28-30
1435-28-30
1435-36-38
0600-00036
0600-00026
0600-16-18
0600-00022
0600-16-18
0600-00044
0600-00027
0600-00012
0020-00109
0020-00103
0020-00098
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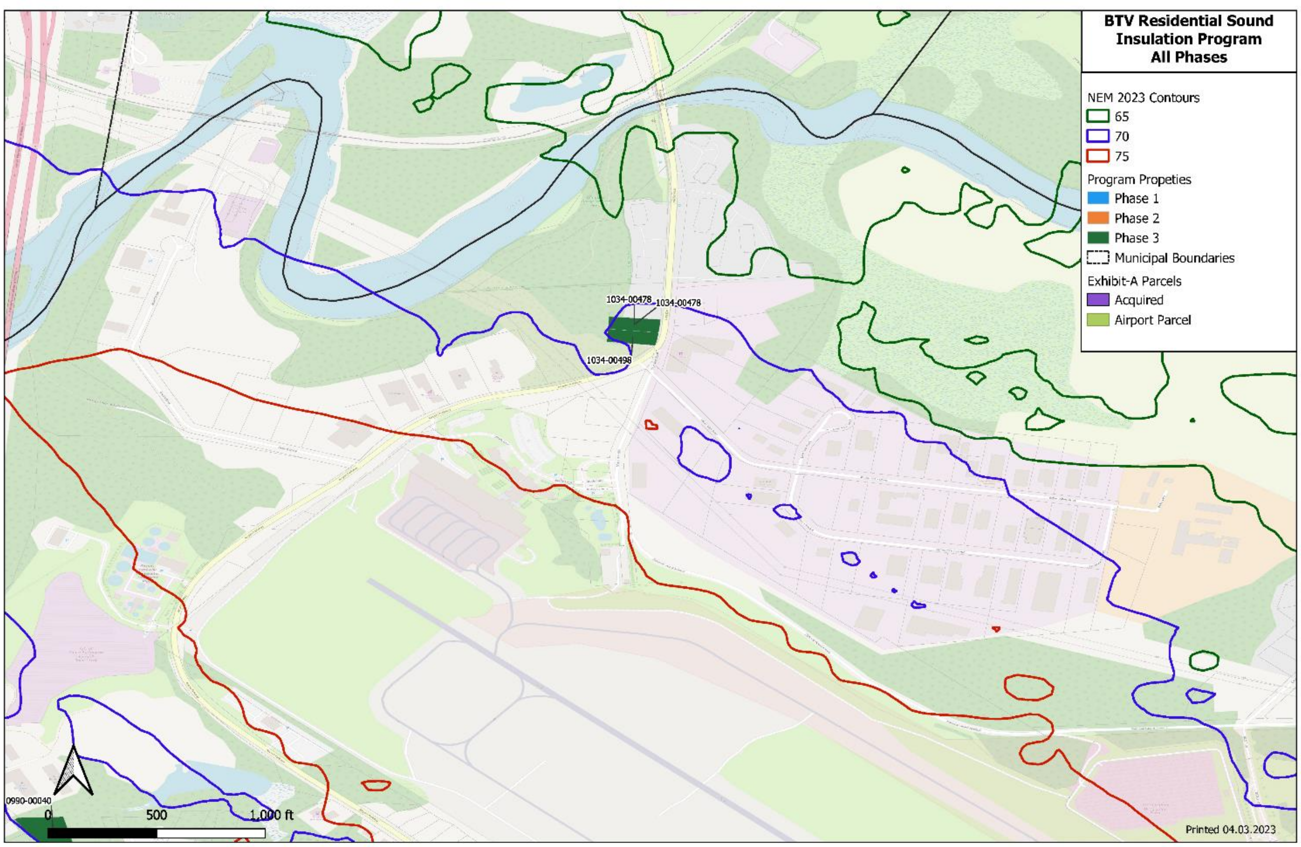
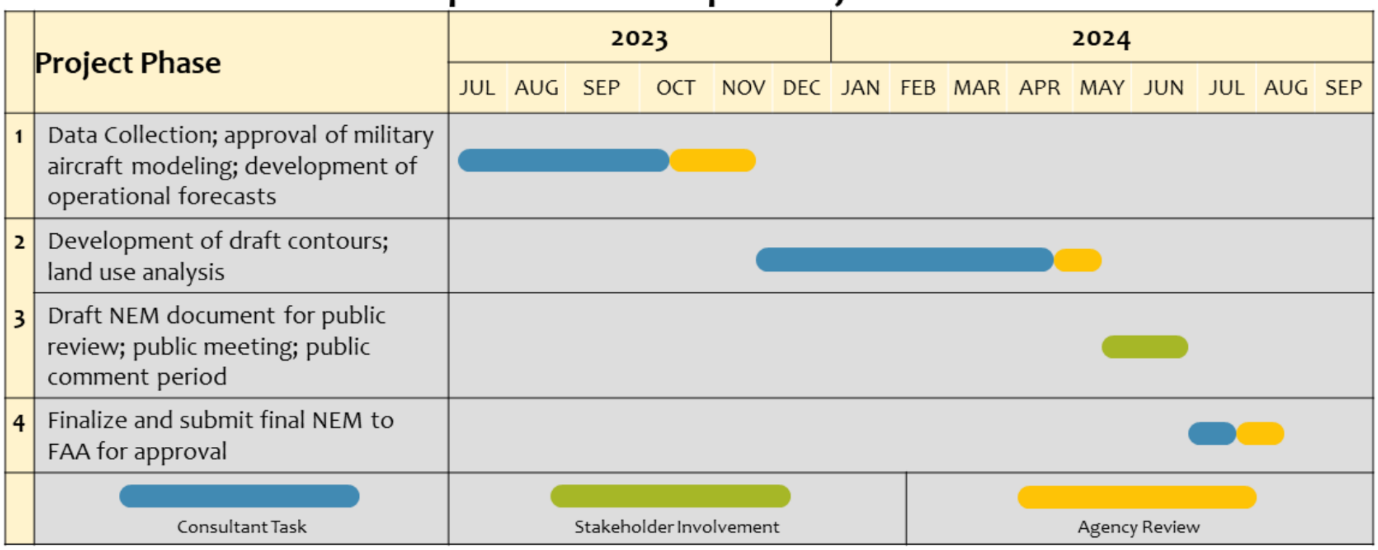
0600-00039
0600-00031
0600-00013
0020-00086
0020-00080
0600-00008
0600-00006
0020-00097
0600-00004
1585-00010
0020-00091
0020-00085
0020-00062
1585-00051
1585-00035
1408-00061
1800-00364
1800-00390
1800-00380
1800-00350
1800-00350
1320-00004
1320-00008
1320-00002
1020-00012
1130-00024
1130-00039
1130-00047
0
500
1,000 ft
Updated 06.12.2023

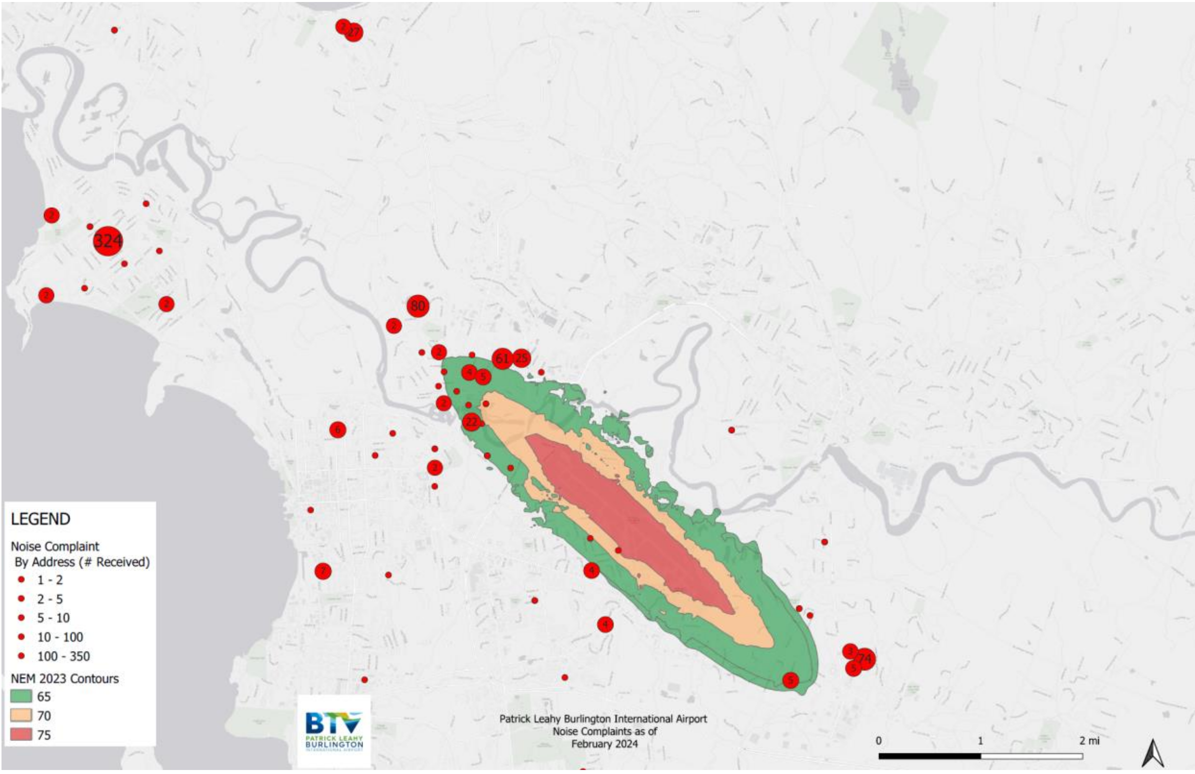

BTV Residential Sound Insulation Program
All Phases
NEM 2023 Contours
65
70
75
Program Propeties
Phase 1
Phase 2
Phase 3
Municipal Boundaries
Exhibit-A Parcels
Acquired
Airport Parcel
1034-00478
1034-00478
1034-00498
0990-00040
0
500
1,000 ft
Printed 04.03.2023

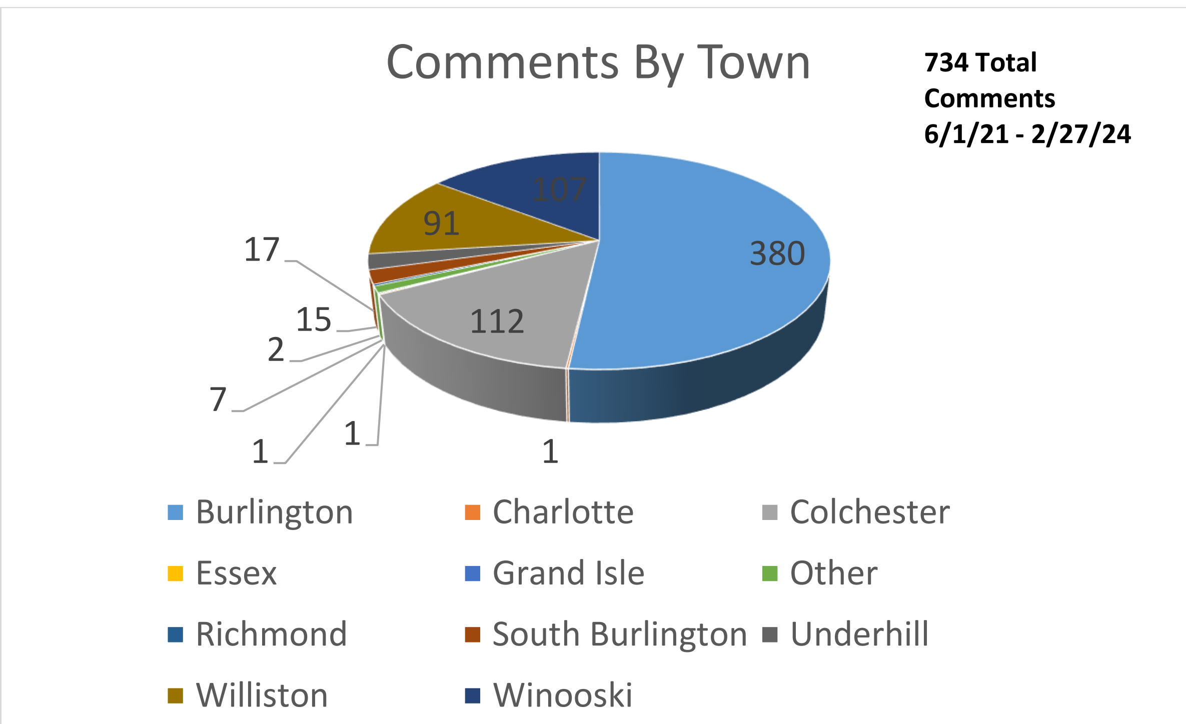
<u>Noise Exposure Map Updates (NEM) (est. $.85M).</u> The purpose of the Federal Aviation Administration (FAA) grant is to prepare a 14 C.F.R Part 150 Noise Exposure Map (NEM) update for Patrick Leahy Burlington International Airport (BTV). The NEM Update will replace the maps which were accepted by the FAA in 2019. Under the Federal requirements, the previous NEM Update indicated an update would be completed once the F-35A aircraft have been operational for one year. The scope and Independent Fee process is complete and a grant was received by FAA to proceed. Currently, the schedule, outlined below, and Technical Advisory Committee (TAC) meetings are being coordinated and outreach is proceeding with communities to identify these changes. Further, the Airport held in informational town meeting style meeting at the Chamberlin Elementary School on September 14, 2023 to discuss the proposed schedule and general updates to the process. Additional TAC meetings and Public meetings are being identified and planned under the proposed schedule.

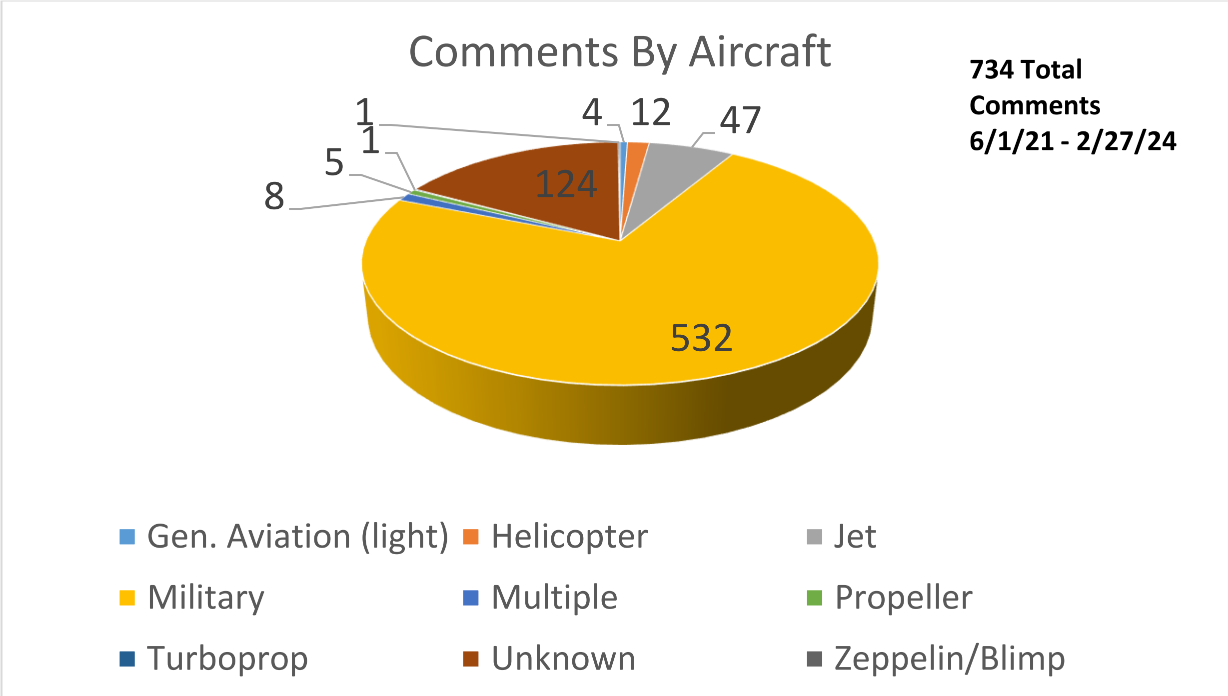
Noise Exposure Map Project Timeline



Noise Comment Data







Comments By Aircraft
734 Total Comments 6/1/21 - 2/27/24
1
4
12
47
1
5
8
124
532
Gen. Aviation (light)
Helicopter
Jet
Military
Multiple
Propeller
Turboprop
Unknown
Zeppelin/Blimp

BTV

PATRICK LEAHY
BURLINGTON
INTERNATIONAL AIRPORT

Patrick Leahy Burlington International Airport

March 13, 2024

Airport Commission Director's Report

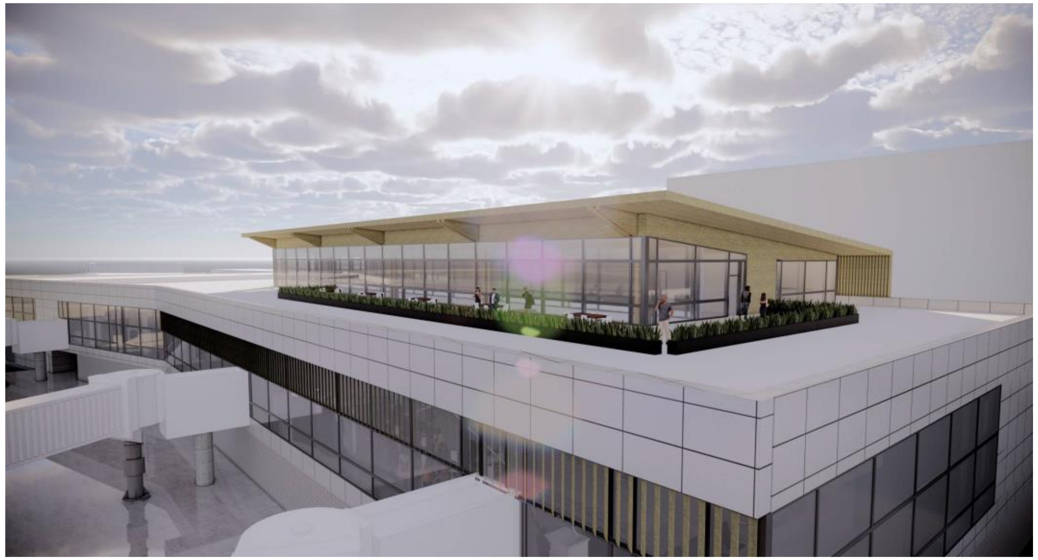
Breeze Airways

- **February 13:** Inaugural Flight to Orlando, FL
- **May 21:** Starting non-stop to Raleigh-Durham with Direct to Jacksonville, FL (BreezeThru)

Thank you to the Orlando Breeze team!

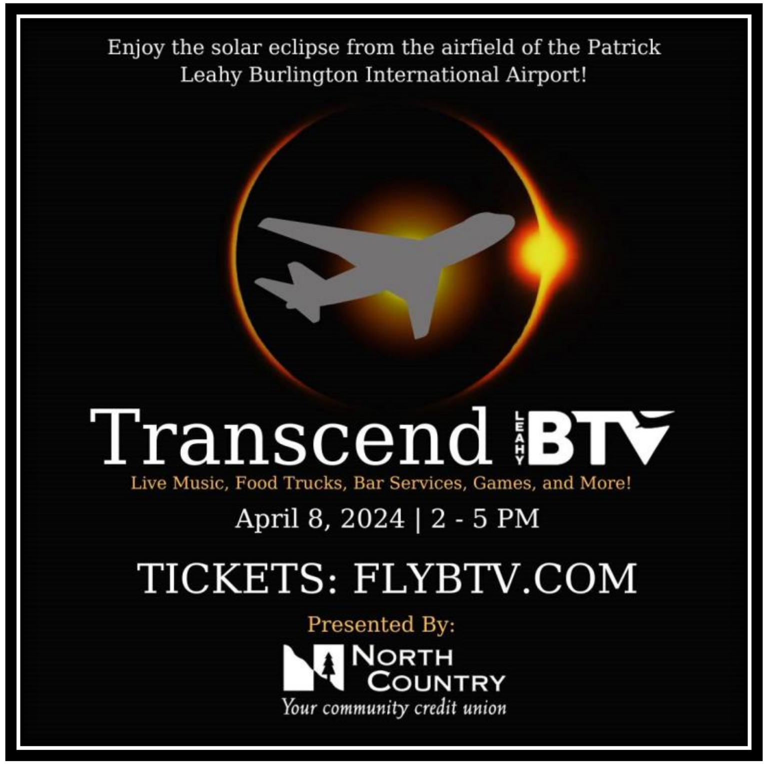
Project NexT Press Event

- **March 20th** – Press Conference unveiling the newest NexT plans
- NexT Project has completed 80% of design work
- Updated renderings will be shared along with a virtual viewing experience of the space



Upcoming Events

- **April 1st – **Emma Mulvaney-Stanak to be sworn in as Mayor of Burlington
- **April 8th – **Transcend: Eclipse Event Updates
- **April 11th – **Noise Exposure Map Update & TAC Meeting



Mayoral Transition

- We look forward to working with the Mayor- elect and her team as we go through this change in leadership.
- **4/1/24:** Emma Mulvaney-Stanak to be sworn in as Mayor of Burlington
    - State of City Speech
    - City Council votes for new President
    - (3) City Councilors are chosen to serve on the Board of Finance

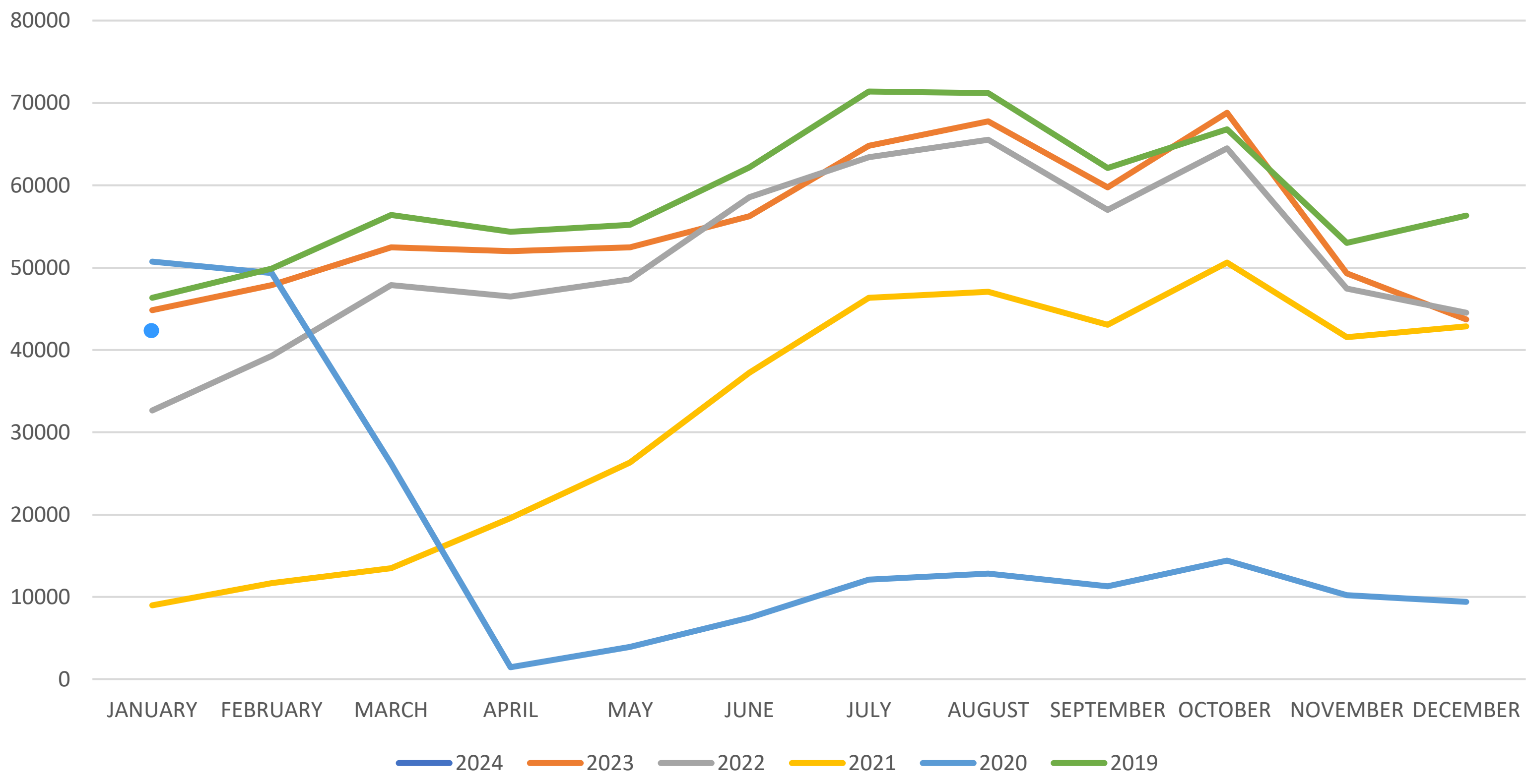
Thank you Mayor Miro Weinberger for your years of dedicated service to the Airport and City!

BTV's Electric Vehicle Fleet

Press Conference to Occur in the Coming Months. The Airport will receive (4) EV chargers, designed and created by Beta Technologies.

Passenger Statistics
Through January 2024

	2024	2023	2022	2021	2020	2019
JANUARY	42,495	44,848	32,652	8,979	50,750	46,356
FEBRUARY		47,864	39,291	11,696	49,341	49,867
MARCH		52,484	47,878	13,491	26,158	56,400
APRIL		52,018	46,485	19,563	1,448	54,340
MAY		52,471	48,564	26,325	3,911	55,209
JUNE		56,241	58,546	37,229	7,458	62,180
JULY		64,807	63,402	46,344	12,119	71,381
AUGUST		67,763	65,535	47,059	12,823	71,200
SEPTEMBER		59,751	57,037	43,072	11,292	62,116
OCTOBER		68,823	64,490	50,618	14,416	66,795
NOVEMBER		49,302	47,452	41,572	10,211	53,007
DECEMBER		43,725	44,545	42,886	9,393	56,314
TOTALS		**660,097**	**615,877**	**388,834**	**209,320**	**705,165**



Parking Garage Statistics

January Utilization Rate

84%

Highest on record since 2011

February Garage Revenues

Highest revenues for February since FY11. Increase of 5.7% from February '23 and 3.5% higher than February 2020.