

**AMENDED AND RESTATED LEASE AND OPERATING AGREEMENT**

**By and Between**

**THE CITY OF NEW HAVEN**

**and**

**TWEED-NEW HAVEN AIRPORT AUTHORITY**

**Dated as of ~~July 1, 1998~~ July 1, 2021**

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THIS LEASE AND OPERATING AGREEMENT (this “Agreement”) made effective as of ~~July 1, 1998~~ [ ] 1, 2021 (the “Amendment and Restatement Effective Date”), and made by and between the CITY OF NEW HAVEN, a municipal corporation, duly organized and validly existing under the laws of the State of Connecticut (the “City”) and the ~~TWEED—~~NEW HAVEN AIRPORT AUTHORITY, a political subdivision of the State of Connecticut, duly organized and validly existing under the laws of the State of Connecticut (the “Authority”).

~~WITNESSETH~~

WITNESSETH

WHEREAS, the Authority is a public ~~authority~~ instrumentality and political subdivision of the State, created pursuant to and having the purpose and powers set forth in ~~Public Act 97-274~~ the Act (as hereinafter defined); and

WHEREAS, the City is the owner ~~and operator of~~ of the land where the Airport is located, the boundaries of which are shown on the Property Map, as the same may be updated from time to time, the present configuration ~~of~~ of which is attached hereto as Exhibit A; and

WHEREAS, the Authority and the City entered into the Original Lease effective July 1, 1998; and

WHEREAS, pursuant to the provisions of ~~said Public the Act 97-274~~, the Authority is ~~to be~~ responsible for the operation and management of the Airport and accordingly, the City and the Authority ~~have negotiated this Agreement with respect to the transfer of those assets (both real and personal) used in connection with the~~ negotiated the Original Lease transferring the assets of the City located at the Airport and the responsibilities for operation of the Airport, ~~the transfer of all responsibility therefor and liability with respect thereto and the continued cooperation of the City in the operation of the Airport; and~~ previously assumed by the City to the Authority; and

WHEREAS, the Authority has been in negotiation with a private investor who has offered to expend private funds to enhance the infrastructure of the Airport and expand commercial air service and provide funding for the Project (as defined herein); and

WHEREAS, a long-term extension of the Original Lease is necessary in order to assure the investment of said private funds; and

WHEREAS, expert financial analysts have thoroughly reviewed the Project and its relation to the Airport Master Plan and acknowledge risks as well as significant benefits to the Airport, the Authority, and the City; and

WHEREAS, in order to implement the aforesaid Project, certain responsibilities will be transferred by the Authority to the private investor in a sublease from the Authority for a portion of the Leased Premises, said responsibilities always to be subject to the statutory authority of the Authority and, to the extent applicable, the City as owner of the land on which the Airport is located; and

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<sup>69</sup>  
WHEREAS, the City will concurrently with the execution of this Agreement revise and/or repeal certain provisions of the City's General Ordinances that are outdated, ineffective or no longer necessary; and

WHEREAS, the Authority and the City desire to amend and restate the Original Lease as heretofore amended in order to extend its term and to change various representations, warranties, covenants, conditions and other provisions in a manner more conducive to the Authority's entering into subleases, airline use agreements, contracts, concessions and other agreements and arrangements to induce private sector investment in the Project towards the purposes stated in said Chapter of the Act; and

WHEREAS, pursuant to its authority set out in Section 9 of the City's Charter and said Chapter of the Act, the Board of ~~Aldermen~~ Alders of the City has duly resolved to enter into this Agreement in accordance with the procedures laid down in Section 41 of the City Charter; and

WHEREAS, at a meeting of the Authority's Board of Directors, duly called and held on ~~April 8~~ July, ~~1998~~ 2021, the Board of Directors has authorized the ~~Chairperson or Vice-Chairperson~~ of the Authority to execute this Agreement on behalf of the Authority;

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants hereinafter contained, the parties hereto agree as follows:

ARTICLE I  
DEFINITIONS

~~SECTION~~ Section 1.1 Definitions. The terms set forth in this Section shall have the meanings ascribed to them for all purposes of this Agreement unless the context clearly requires otherwise. Words in the singular shall include the plural and words in the plural shall include the singular where the context so requires. Certain other words and phrases are separately defined within the body of this Agreement.

~~"Act" shall mean Public Act 97-271, entitled and known as "An Act Concerning the Governance of Tweed-New Haven Airport".~~

"Act" shall mean the Tweed-New Haven Airport Authority Act found in Connecticut General Statutes Chapter 267a, Sections 15-120g through 15-120o, as it may be from time to time amended.

"Agreement" shall mean this Amended and Restated Lease and Operating Agreement.

"Airport" shall mean the facility known as Tweed-New Haven Airport.

"AirportCo" shall mean that certain proposed counterparty and sublessee to a lease and operating agreement to be negotiated with the Authority with respect to the Project.

~~"After-Acquired Assets" shall mean~~ "Airport Assets" shall mean the Leased Premises, the Personal Property, and other all tangible or intangible personal property and all other ~~personally~~ personal property of every kind or nature, tangible or intangible, currently owned by or in the possession of the Authority or hereafter acquired by the Authority ~~during the Demised Term~~ in connection with-, or for the purpose of-, administration, maintenance, management,

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regulation, operation, improvement, development or use of the Airport, including but not limited to, ~~cash, equipment, accounts receivable, contract rights and all assets acquired in substitution or replacement of the Personal Property~~ land or interests in land acquired by the Authority by purchase or lease in its

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own name from persons other than the City for protection of the surrounding airspace in accordance with FAA regulations, cash, equipment, accounts receivable, and contract rights. Page 4 of 69

~~"Airport" shall mean the facility known as Tweed-New Haven Airport.~~

~~"Airport Assets" shall mean all Transferred Property and After-Acquired Assets.~~

"Airport Master Plan" shall mean the technical document developed in accordance with FAA Advisory Circular ~~150/5070-6, dated June 1985 or~~ 150/5070-6B, dated January 27, 2015, as amended by the Authority on [     ], 2021, as may be amended from time to time.

~~"Annual Financial Statements" shall mean those financial statements with respect to the operation of the Airport to be furnished to the City by the Authority and consisting of a balance sheet and statements of income, expenses, cash flow and related earnings for each Fiscal Year, commencing with the Fiscal Year ending June 30, 1999, which financial statements shall be audited (and may be prepared) by an independent certified public accounting firm, and shall be accompanied by (a) a written opinion executed by such firm, prepared in accordance with governmental accounting and financial reporting standards as prescribed by the Governmental Standards Board, consistently applied during the Demised Term, and (b) conducted in accordance with the Single Audit Act OMB Circular A-133, and shall be delivered to the City not later than ninety (90) days following the end of the Fiscal Year in question.~~

~~"Assigned Contracts" shall mean those contracts, leases and agreements identified on Exhibit B attached hereto.~~

"Amendment and Restatement Effective Date" is defined in the preamble.

"Authority" shall mean the Tweed-New Haven Airport Authority, a political subdivision of the State, duly organized and validly existing under the Act.

"Authorized Representative" shall mean, in the case of the Authority, its Chairperson ~~or Vice Chairperson or such other person or persons so designated by resolution of the Authority,~~ and in the case of the City, its Mayor.

"Authorizing Instrument" shall mean any ordinance, resolution, indenture or instrument of the Authority authorizing the issuance of notes, bonds or other similar financial obligations, the proceeds of which are to be used in connection with the Authority's administration, maintenance, management, regulation, operation, improvement, development or use of the Airport.

"Avports" means Avports LLC f/k/a AFco AvPorts Management LLC, a Delaware limited liability company.

"Board of Directors" means the board of directors of the Tweed-New Haven Airport Authority.

"Bond" or "Bonds" shall mean any bonds, notes or other similar financial obligations authorized by and at any time outstanding pursuant to any Authorizing Instrument of the City and/or the Authority.

~~"Business Day" shall mean a day of the year which is not a Saturday, Sunday or legal~~

~~holiday in the City of New Haven and/or the State of Connecticut and not a day on which banking institutions in the City of New Haven and/or the State of Connecticut are authorized or obligated to close.~~

~~"CIP" shall mean the Capital Improvement Program prepared and approved by the City and/or the Authority.~~

~~"Controller" shall mean that official of the City as designated in Section 2 of the City Charter.~~

~~"Demised Term" shall mean Initial Term, the Extension Term (if appropriate) and any extension of the Lease thereafter.~~

~~"Development Administrator" shall mean the City official described in Section 21-1.2 (7) of the City's Code of General Ordinances.~~

"Claims" has the meaning given to it in Section 14.1.

"City" shall mean the City of New Haven, a municipal corporation, duly organized and validly existing under the laws of the State .

"Customer Facility Charge" shall mean fees or charges payable as a condition to access to the Airport.

"Demised Term" shall mean a period of sixty-six (66) years, commencing on the Effective Date, and originally expiring on June 30, 2023, and, as extended by this Agreement, expiring at 11:59 p.m. on June 30, 2064.

"East Terminal" shall mean the proposed new terminal that shall be constructed on the east-side of the Airport in the Town along with associated ancillary facilities, all subject to the applicable condition precedents and approval of the necessary permits.

"Effective Date" shall mean 12:01 a.m. on July 1, 1998.

~~"Extension Option" shall mean the Authority's option to take the Extension Term as described in Section 3.3. below.~~

~~"Extension Term" shall mean an additional term of twenty-five (25) years commencing immediately upon expiration of the Initial Term and expiring at midnight June 30, 2048.~~

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“~~FAA~~” shall mean the Federal Aviation Administration of the U.S. Department of Transportation and any successor organization or agency.

~~"FAA Grant Agreements" shall mean the federal grant agreements between the City and/or the Authority and the FAA.~~

~~"FAA Obligations" shall mean all of the obligations imposed by the FAA Grant Agreements, the FAA approval to impose and use PFC's and the certifications made to the FAA regarding the operation of the Airport.~~

“FAA Obligations” shall mean obligations to the FAA in connection with the acceptance of grants from the FAA, granting of an airport operating certificate by the FAA, submission of an airport security program to the FAA and any other obligations imposed on a federally obligated, commercial service airport under applicable federal law and regulations and policies of the FAA.

“Fees” shall mean collectively, PFCs, CFCs, and any other fees customarily charged to users at the Airport, but excluding, for certainty, customary fees and charges imposed by the City unrelated to the Airport operations.

“Fiscal Year” shall mean the twelve-month period commencing on July 1 of each year.

“General Ordinances” means the City’s Code of General Ordinances.

“Grant Assurances” has the meaning given to it in Section 1.1.

~~"Future General Obligation Bonds" shall mean any future Bond or Bonds issued by the City at the request of the Authority during the Transfer Period pursuant to the provisions of Section 9.4 below.~~

~~"Grants-in-Aid" shall mean any Grants-in-Aid made or to be made for the Projects or for other projects relating to the Airport by any governmental authority, federal, state or municipal including (without limitation) the FAA and the City (whether used to pay costs directly or to reimburse the Authority for costs incurred), all of which, if awarded prior to the date hereof, are identified by date awarded, amount of grants expended prior to the Effective Date and use or proposed use thereof on Exhibit C attached hereto.~~

~~"Initial Term" shall mean a period of twenty-five (25) years commencing on the Effective Date and expiring at midnight on June 30, 2023.~~

[“Leased Premises” shall mean all those certain plots, pieces or parcels of land, with the buildings and improvements now or hereafter thereon erected and being situated in the City of New Haven and the Town of East Haven, and shown (i) on the City’s tax assessment records as Parcel 1 on Map 28, Block 900 (and identified as 255 Burr Street) and (ii) on the tax assessment records of the Town of East Haven as as map- block-lot numbers 120-1409-001, 150-1709-001, 150-1709-002, 150-1609-004, 180-2207-001, 180-2207-002, 180-2108-003, 180-2308-004, and that part of 180-2009-004 conveyed by Robert Celentano to the City in a Warranty Deed dated February 25, 2021 and recorded in the land records of the Town on March 1, 2021 in Volume 2769 Page at 330, but excepting therefrom the land conveyed by the City to Robert Celentano in a Quitclaim Deed dated [ ] and recorded in the land records of the Town on [ ] in Volume [ ] Page [ ], together with all improvements thereon and fixtures thereto, all appurtenances, rights, privileges,

easements, licenses, rights of way and rights of entry benefiting, belonging or pertaining thereto, and shall further include any real property acquired by the City or the Authority for the purposes of the Airport. Improvements shall include (whether now in use or hereafter acquired or constructed) runways, aprons, hangars, control towers, ramps, taxiways, navigation aids, visual aids, warehouses, office and service buildings, structures, parking facilities, concession facilities, maintenance facilities, fuel facilities, facilities for the overnight accommodation of passengers and carrier employees, facilities for the loading, unloading, holding, interchange or transfer of such passengers, freight, baggage or cargo, but shall not include anything which would constitute Personal Property.<sup>1</sup>

~~"Letter of Intent" shall mean that certain letter of intent with respect to the transfer of operational control of the Airport, and entered into on February 4, 1998 between the City and the Authority.~~

~~"Mutual Goals and Objectives" shall mean those goals and objectives set out in Exhibit D attached hereto and made a part hereof.~~

~~"Neighborhood Liaison Committee" shall mean a liaison committee appointed by the Authority made up of not fewer than twelve (12) local residents from both the City and the Town of East Haven which shall meet no less than quarterly with members of the Authority and the management of the Airport.~~ "Original Lease" means that certain Lease and Operating Agreement with respect to the Airport effective July 1, 1998 as amended by that certain First Amendment of the Lease and Operating Agreement effective March 29, 2021.

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<sup>1</sup> Note to Draft: definition to be confirmed prior to execution.

"Other Proceeds" shall mean (a) ~~Grants-in-Aid~~ federal grant funds; (b) rentals or other charges derived by the Authority under and pursuant to leases and concession agreements; (c) proceeds of sales of Bonds; and (d) the proceeds of any ~~RFC~~ Customer Facility Charge, PFC or similar fee.

~~"Passenger Facility Charge" or "PFC" shall mean a passenger facility charge collected from passengers using the Airport, pursuant to Section 1113(e) of the Federal Aviation Act of 1958 (49 U.S.C. App. § 1513(e)), as has been and may hereby be amended from time to time.~~

~~"Permitted Encumbrances", when used with reference to the Transferred Property, shall mean (a) any and all liens, encumbrances, security interests, leases, subleases or other defects in or clouds on title with respect to the Transferred Property which may exist on the Effective Date, and (b) this Agreement.~~

"Passenger Facility Charge" or "PFC" means moneys derived from charges imposed by the Authority pursuant to 49 U.S.C. § 40177, as amended or supplemented from time to time, and 14 CFR Part 158, as amended or supplemented from time to time, or from any other substantially similar charges levied by or on behalf of the Authority pursuant to federal law.

"Permitted Encumbrances" shall mean any and all liens, encumbrances, security interests, leases, subleases, airline use agreements or other defects in, or clouds on, title (a) which may exist on the Amendment and Restatement Effective Date, (b) which by the express provisions of this Agreement, the City or the Authority is authorized to grant to a third Person or to which each of the City and the Authority has given its consent or (c) with respect to any *ad valorem* tax, assessment, user fee, licensing charge or other obligation to the United States, the State or any of their subdivisions or departments which are not yet due and payable and which are customarily subject to proration between buyers and sellers in real estate transactions.

"Person" shall mean any individual, corporation, limited liability company, general or limited partnership, or any other form of business entity, and any authority, trust or unincorporated organization, and any government or agency or political subdivision or branch thereof to the extent appropriate.

"Personal Property" shall mean (a) all furnishings, materials, supplies, machinery, equipment, related spare parts and other tangible personal property located at the Airport or, if not located at the Airport, used or specifically designated by the City to be used in connection with the administration, maintenance, management, regulation, operation, improvement, development or use of the Airport ~~or the Projects~~, including (without limitation) all tangible personal property used in (i) the air transportation of passengers, freight, baggage and cargo to, from, in, on or about the Leased Premises, (ii) the accommodation and servicing on the Leased Premises of aircraft of all types and (iii) the maintenance, development or improvement of the Leased Premises; and any other materials, supplies, plans and property contained in or about the buildings and structures located on the Leased Premises which are incidental to, or necessary or useful and convenient for, the administration, management, maintenance, regulation, operation, improvement, development or use of the Airport ~~or the Projects~~, ~~but not~~ including fixtures (other than removable trade fixtures) forming a part of the Leased Premises; (b) all books and records, operating data, drawings, designs, plans and other similar property; and (c) all intangible assets related to the Airport ~~or the Projects~~, including without limitation accounts receivable, prepaid expenses, contract rights ~~(including all rights under the Assigned Contracts)~~, choses in action, trademarks and trade



names and the goodwill associated therewith, and all rights under permits, licenses and similar authorizations used in connection with the Airport ~~or the Projects~~, all as the same shall exist on the Effective Date, provided that all accounts receivable which are allocable to the period prior to the Effective Date are hereby expressly excluded, ~~and provided further that any and all leased equipment currently used in the operation of the Airport is hereby expressly excluded.~~

~~"Pre-Existing General Obligation Bonds" shall mean the general obligation bonds issued by the City prior to the Effective Date for the benefit of the Airport amounting to approximately \$2,000,000.00 as more specifically identified by amounts and dates of issue and maturity on Exhibit E attached hereto and made a part hereof.~~

~~"Projects" shall mean (a) the moving of the ASOS System, (b) the construction of the fire-protection building, (c) the completion of the Environmental Impact Study which is concerned with the Safety Overrun areas of runway 02-20 and the extension of Taxiway B, (d) the study and removal of obstructions in the air approaches to the Airport, (e) the permitting phase of the Environmental Impact Study, and (f) reconstruction of the approach end of Runway 32, installation of runway sensors, blast pads and security fencing.~~

~~"Quarterly Financial Statements" shall mean those financial statements with respect to the operation of the Airport to be prepared by the Authority and furnished to the City and consisting of a balance sheet and statements of income and expenses and cash flow for each fiscal quarter during the Demised Term commencing with the fiscal quarter ending September 30, 1998, using financial reporting standards as prescribed by the Governmental Accounting Standards Board, consistently applied during the Demised Term.~~

~~"Required Financial Statements" shall mean the Quarterly Financial Statements and the Annual Financial Statements.~~

"Project" shall mean (i) the design, construction, financing, operation, and maintenance of a new East Terminal and associated ancillary and safety facilities including but not limited to parking, roads, and concessions, and (ii) extension of runway 2-20 to 6,635 feet as described in

“Project Document(s)” has the meaning given to it in Section 11.1(a).

“Responding Party” has the meaning given to it in Section 1.1.

“Rent” has the meaning given to it in Section 3.2.

“Requesting Party” has the meaning given to it in Section 1.1.

“Revenues” shall mean all revenues, fees, income, rents and receipts, received or accrued by the Authority in accordance with generally accepted accounting practices from or attributable to the Airport Assets or otherwise from the administration, management, maintenance, regulation, operation, improvement, development or use of the Airport, including without limitation (a) net payments received in connection with any future lease-, sublease, airline use agreement or other contractual arrangement with respect to the use of any of the Airport Assets; (b) proceeds from the sale or other disposition of any assets owned by the Authority; ~~and~~ (c) the proceeds of any insurance covering casualty losses or business interruption loss not used by the Authority for the restoration of damaged property or required to be paid to a third Person pursuant to the agreements governing any Bonds or any future lease, sublease, airline use agreement or other contractual arrangement with respect to the use of any of the Airport Assets.; and (d) any other revenue of the Authority that is considered to be Airport revenue as defined by provisions of federal law and the FAA’s Policy and Procedure Concerning the Use of Airport Revenue, as such may be amended from time to time.

“Sponsor” shall mean any public agency-, as defined in 49 U.S.C. 47102, authorized by the ~~Airport and Airway Improvement Act of 1982, as amended, 19 U.S.C. App. Section 2202(a)(22),~~ FAA to submit requests for, and thereafter, to accept and be responsible for performing all of the assurances associated with grant agreements with the FAA with respect to airports, and for performing the duties and responsibilities to be assumed by virtue of acceptance of grants from the FAA or from any other agency of the United States, the State ~~of Connecticut, or the City,~~ or the City.

“State” means the State of Connecticut.

~~“Transfer Period” shall mean a period of five (5) years commencing on the Effective Date and expiring at midnight June 30, 2003.~~

~~“Transferred Employees” shall mean any employees of the City who accept comparable positions as employees of the Authority (or any third party operator of the Airport), from and after the Effective Date.~~

~~“Transferred Property” shall mean the Leased Premises and the Personal Property.~~

“State Subsidy” means a State subsidy to the Airport.

“Town” means the Town of East Haven.

“TSA” shall mean the Transportation Security Administration of the U.S. Department of Homeland Security or any successor organization or agency.

<sup>69</sup>  
“West Terminal” shall mean the terminal existing on the west side of at the Airport as of the Amendment and Restatement Effective Date as such terminal may be renovated or modified from time to time.

POWERS ~~AND~~ PURPOSES AND GOVERNANCE OF THE  
AUTHORITY

~~SECTION~~ Section 2.1 ~~- Purposes and Powers of the Authority.~~ As of the Effective Date, the Authority shall be solely responsible for the operation and management of the Airport, in accordance with the rights, duties, and obligations set forth in the Act.

~~SECTION~~ Section 2.2 ~~- Specific Obligations.~~ Without prejudice to the generality of Section 2.1, above, as of the Effective Date, ~~the Authority hereby assumes responsibility for the~~ carrying out ~~of operations at the~~ Projects ~~Airport, including any Airport programs,~~ subject to and in accordance with the FAA Obligations, and, to the extent funded, the implementation of the existing ~~CIP~~ capital improvement program for the Airport, provided, however, that the Authority shall have the right to ~~modify, expand~~ in accordance with the Airport Master Plan, reduce, abandon or otherwise deal with these programs and ~~Projects~~ the Project in any way that the Authority, in its sole discretion, deems necessary or advisable in furtherance of the Authority's duties and purposes hereunder, except to the extent such actions would violate applicable federal law or other applicable law or violate contractual obligations. In particular, the Authority shall not be obligated hereunder to proceed with any ~~Projects or Airport~~ program or projects for which there are no ~~Grants-in-Aid~~ federal grants. The City shall cooperate with and assist the Authority in order to ensure that the Authority receives the full benefit of actions taken by the City prior to the Effective Date with respect to such programs and ~~Projects~~ projects.

~~SECTION 2.3. Airport Management. In the event that the Authority shall decide to retain an individual, corporation or firm to manage the Airport, then as set forth in the Letter of Intent, the City agrees to work jointly with the Authority (to the extent the Authority shall so request) towards the identification of and ultimate retention by the Authority of an entity with experience in the management and operation of airports to perform such management and operation function at the Airport (within parameters to be determined by the Authority) effective July 1, 1998. Prior to execution of any management contract or other such form of agreement with respect to the operation of the Airport during the Transfer Period, then provided that the same is for the initial period which does not extend beyond June 30, 2003, the Authority may present the same to the Development Administrator for written approval of the default and termination provisions contained therein and the overall financial reasonability thereof. If such approval is obtained, then in the event that the Airport Assets shall revert to the City during or at the expiration of the Transfer Period pursuant to the provisions of Section 3.11. below, then such contract or agreement shall be assumed by the City upon any such reversion.~~

~~SECTION 2.4. Resident Involvement. The Authority shall keep the City and the Town fully informed of all significant contemplated changes to the Airport and/or the operation thereof and shall create and maintain the Neighborhood Liaison Committee.~~

~~SECTION 2.5. Section 2.3 Safety and Quality of Life Issues.~~ Without prejudice to the generality of the obligations set forth in Section 2.1 above, the Authority shall comply with all safety requirements now or hereafter promulgated by the FAA and/or by any other federal, state or local authorities and with any and all federal, state or local ~~requirements~~ law affecting the ~~quality of life including (without limitation) any ordinances with respect to noise~~ safe operations at the Airport, provided however, the Authority shall not be deemed to be in default hereunder if the Authority shall oppose (or commence legal proceedings challenging) any state or municipal legislation ~~concerning quality of life issues but only adversely affecting the safety and service levels of the Airport, including~~ where such opposition or challenge is made on the basis of ~~Federal~~ federal preemption or conflict of law. Notwithstanding the foregoing, the ~~Authority~~

~~agrees that in no circumstances shall it seek to oppose or challenge any applicable noise ordinance existing as of the date of the Letter of Intent. For the purposes of this Agreement, the term "airport managed as contained in any applicable City ordinance shall be construed as meaning the City and/or its designees.~~ parties acknowledge that General Ordinance 4-70 is inconsistent with the Airport Master Plan and that if the FAA shall approve the updated Airport Master Plan, the City shall take action as may be necessary to ensure compliance with the approved Airport Master Plan. For clarity, the City acknowledges that that General Ordinance 4-70 cannot now be enforced pursuant to federal law and shall, if not consistent with the Airport Master Plan, be promptly repealed..

Section 2.4 Bylaws to be Amended. Prior to the Amendment and Restatement Effective Date, the Authority amended its Bylaws to require a supermajority, three-fourths, vote of the Board of Directors for authorizing certain actions with respect to the Leased Premises.

### ARTICLE III LEASED PREMISES; DEMISED TERM

#### Section 3.1 Leased Premises; Use.

(a) The City leases and demises the Leased Premises to the Authority, and the Authority hereby leases the Leased Premises from the City for the Demised Term.

~~(b) SECTION 3.1. Leased Premises; Initial Term; Use. The City hereby leases the Leased Premises to the Authority, and the Authority hereby leases the Leased Premises from the City, for the Initial Term, commencing as of the Effective Date.~~ The Authority shall use the Leased Premises to administer, maintain, occupy, regulate, operate, manage, control, improve, develop and use the Airport, to remodel, renovate, rehabilitate, reconstruct, expand, add to or demolish any existing buildings or other improvements (including any current or future terminals, hangars, runways, taxiways, roadways, driveways and parking lots), to construct new buildings and improvements, to enter into any contracts or agreements in furtherance of the foregoing and for any related or ancillary purposes, solely upon the terms and conditions herein expressed, until the expiration or sooner termination of the ~~Initial~~ Demised Term.

(c) ~~The~~ Subject to applicable law (and any regulations promulgated thereunder), the Authority shall have full power and authority over, and complete discretion in, the administration, maintenance, operation, management, control and use of the Leased Premises, including (without limitation) the right to enter into subleases, airline use agreements, concession agreements or management agreements, including subleases or management agreements with provisions which permit receipt of Airport revenues by such sublessee or manager and / or the sharing of Airport revenues between such sublessee or manager and / or the Authority, with discretion in the sublessee with respect to further sub-subleasing or licensing arrangements, and with authority granted to the sublessee and/or manager over any remodeling, renovation, rehabilitation, reconstruction, expansion, addition or demolition projects with respect to any existing or new buildings or other improvements which could be done by the Authority in its own behalf (without regard to whether the other party to such subleases or management agreements is given possession of the buildings or other improvements with respect to which such projects are to be executed) with respect to any portion of the Leased Premises, and to grant concessions and licenses to third parties to operate businesses at the Leased Premises in accordance with applicable law (except that no such sublease, airline use agreement, concession, license or agreement shall extend beyond the ~~Initial Term, or beyond the Extension Term if the Extension Option is exercised,~~ Demised Term without the express written consent of the City); provided that the Authority shall operate the Airport in a manner which is consistent with the Mutual Goals and Objectives FAA, State and applicable local law and applicable regulations thereunder. ~~The City covenants that the Authority shall fully, peaceably and quietly hold and enjoy the full possession of the Leased Premises (subject only to the Permitted Encumbrances, which shall include, without limitation, the rights of all tenants, concessionaires and licensees at the Leased Premises existing on the Effective Date) from the Effective Date until the termination of the Demised Term, howsoever determined.~~

(d) The City covenants that the Authority shall fully, peaceably and quietly hold and enjoy the full possession of the Leased Premises from the Effective Date until the expiration or earlier termination of the Demised Term. Without limiting the generality of the foregoing covenant of quiet enjoyment, the City covenants that it has not and will not during the Demised Term enter into any lease, license, easement or other agreement, course of dealing or arrangement of any kind purporting to allow any Person owning or occupying any land adjacent to the Leased Premises to cross any boundary between such land and the Leased Premises for any purpose related to the operation of the Airport or otherwise including, without limitation, towing, taxiing or otherwise moving an aircraft in preparation for takeoff or after landing between the Airport's runways and taxiways and any off-Airport hangar, tie-down area or parking area, whether for the personal use of the owner or occupant of such land or for any tenant, licensee, invitee, customer or client of such owner or occupant or any business owned or

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operated by them without prior written consent from the Authority. Further, the Parties  
acknowledge and agree that, as of the Amendment and Restatement Effective Date, none of the  
Airport Assets are security for any Bonds of the City.

Section 3.2 Rent.

LEASE AND OPERATING AGREEMENT

ARTICLE VII

~~(a) SECTION 3.2. Compensation.~~ (a) During the Demise Demised Term, the Authority shall pay the City a nominal annual rent of one (\$1.00) dollar (the "Rent").

~~(b) During the Transfer Term, the Authority shall not be required to pay any compensation other than the Rent. Thereafter compensation ("Compensation") shall be determined in accordance with the provisions of Section 3.2 (c) below.~~

~~(c) It is hereby agreed and stipulated that from the fiscal years commencing on July 1, 1992 through June 30, 1998, the City has contributed to the Airport the sum of \$4,112,994.00 in operating, all as more particularly shown on Exhibit F attached hereto and made a part hereof. In accordance with the provisions of this Agreement the City will pay to the Airport a further operating subsidy of up to \$3,000,000.00 and further capital contributions of up to \$2,245,355.00 during the Transfer Period, making a total maximum contribution to the Airport during the eleven (11) year period ending June 30, 2003 of \$9,358,349.00 which, together with interest at the tax exempt bond rate of five and one half (5.5%) percent for the period from July 1, 1998 through June 30, 2003 makes a maximum contribution during said eleven (11) year period of \$11,041,709.00 ("City's Contribution").~~

(b) The City shall have no liability for any obligations incurred by, or any injury, loss or damage to, any Person or property arising out of any defaults of any third party operator, manager or sublessee to which the Authority shall have contracted responsibility for any administration, maintenance, operation, management, control and use of the Leased Premises.

~~(ii) Following the Transfer Period, the Airport shall begin repayment of the City's Contribution, provided that the City's Contribution shall be revised (to the extent necessary) to account for any portion of said operating subsidy and/or capital contribution scheduled to be paid during the Transfer Period which is not paid for any reason whatsoever and/or to account for any repayment of the operating subsidy made or to be made pursuant to Section 3.9 (f) below. In order to effect such repayment, the City's Contribution (as revised pursuant hereto, to the extent appropriate) shall be amortized over the remainder of the Initial Term at an interest rate equal to that interest rate then charged with respect to other municipal investments, or, if less, the then average interest rate payable with respect to tax and loan accounts of the United States Treasury Department, and payable in equal monthly installments in advance, commencing July 1, 2003 and on the first(1<sup>st</sup>) of each month thereafter, provided however that it is hereby agreed and stipulated that if the monthly repayment amount as determined pursuant to the provisions of this Section 3.2(c) (ii) is greater than \$50,000 then \$50,000 shall be the monthly repayment amount hereunder regardless of the City's Contribution or the Repayable Amount.~~

~~(iii) Notwithstanding any other provision of this Section 3.2 (c), it is further agreed and understood that no compensation shall be paid to the City unless the Authority has sufficient funds to make such payment and to operate the Airport and maintain a reasonable reserve for necessary operating and/or capital expenditures. However, the Authority hereby expressly acknowledges that if any Compensation due to the City hereunder is not paid as a result of the provisions hereof, this Section 3.2 (c) (iii) is not and shall not be construed as a waiver of the City's right to receive such Compensation at such time as the Authority shall have sufficient funds to pay the same (together with interest for the period between the date on which the same was payable and the date on which the same is actually paid) which later payment date may be (but without prohibiting earlier payment) during the Extension Term.~~

~~SECTION 3.3. Extension Term. Provided that the Authority shall not then be in default hereunder and provided that the Authority shall have obtained the prior approval of the FAA, then not~~



more than two (2) years and not less than one (1) year prior to the expiration of the Initial Term, the Authority may exercise the Extension Option by way of written notice to the City, in which event, provided that the Authority and the Development Administrator (in consultation with the Controller) shall be able to agree upon a mutually acceptable amount and form of annual Compensation which is permissible under FAA regulations then existing, then the City and the Authority shall enter into a written agreement reflecting such modified terms and conditions (and any other modifications which may be agreed) and this Agreement shall continue in full force and effect for the duration of the Extension Term upon the terms and conditions herein contained except to the extent expressly so modified.

**SECTION 3.4. ~~Section 3.3~~ Condition of the Leased Premises.** The Authority ~~accepts~~ has been in full control of the Leased Premises since the Effective Date to the exclusion of the City and, therefore, acknowledges that it accepted the Leased Premises as of the Effective Date, without warranty or representation by the City, express or implied, as to the condition, design, operation, merchantability or fitness or suitability of the Leased Premises for the Authority's purposes, except to the extent (if at all) specifically set forth in this Agreement. ~~The Authority shall have the right to alter, repair, demolish or remove the improvements on the Leased Premises, to such extent as the Authority, in its sole discretion, shall deem necessary/ or advisable in furtherance of the Authority's performance of its obligations and responsibilities hereunder and under any Authorizing Instrument and to dispose of any of the same in any manner which the Authority deems appropriate in accordance with applicable law, provided however that the Authority shall not, without the express prior written consent of the Development Administrator (in consultation with the Controller), be permitted to demolish or remove any such improvements where such improvements are, at the time of any such proposed demolition or removal, security for (in whole or in part) any indebtedness of the City then existing, whether as primary or secondary debtor. The Authority shall seek all necessary and appropriate permits and approvals for any such proposed construction, alterations or demolition.~~

**Section 3.4 Cooperation.** The City and the Authority agree to cooperate in good faith with one another during the Demised Term with respect to the Authority's operation of the Airport, including compliance with Exhibit C.

**SECTION 3.5. ~~Section 3.5~~ Expiration or Termination of the Demised Term.** Upon the expiration or sooner termination of the Demised Term, the Authority shall give up, surrender and deliver to the City the Leased Premises, in its ~~then~~ condition at such time, together with all other Airport Assets, but free and clear of all liens, charges and encumbrances other than (a) the Permitted Encumbrances; ~~(b)~~ (b) any indebtedness which is permitted hereunder and is incurred by the Authority in connection with the acquisition, construction, improvement, rehabilitation or development of the Leased Premises ~~(provided that with respect to any termination during the Transfer Period, the provisions of Section 3.10, below shall apply to any debt incurred by the Authority)~~, and (c) all FAA Obligations.

**SECTION 3.6. Estoppel Certificates.** The City and the Authority agree to execute and deliver to the other and/or to any other person or entity designated by the party requesting the certificate (the "Requesting Party") at any time and from time to time during the Demised Term, upon not less than thirty (30) days prior written notice from the Requesting Party, a statement in writing in form reasonably satisfactory to counsel to the party from whom the certificate is requested (the "Responding Party"):

(a) certifying that this Agreement is unmodified and in full force and effect, or if there have been modifications, that this Agreement is in full force and effect as modified and stating such modifications;

(b) stating whether, to the best of the Responding Party's knowledge, the Responding Party is

~~in default in the performance of its obligations hereunder and if so, specifying the nature of such default; and~~

## LEASE AND OPERATING AGREEMENT

### ARTICLE VII

~~(c) stating the address to which notices to the Responding Party are to be sent. Any such statement may be relied upon by any lender, bond holder, trustee, credit enhancer, or other person proposing to enter into agreements with the Requesting Party as an estoppel of the Responding Party's right to assert a position inconsistent with the facts set forth in such statement.~~

Section 3.6 Consultation on Authority Performance. In the 20<sup>th</sup> year of the Demised Term, the City and Authority shall meet to consult and evaluate the quality of the Authority's performance under this Agreement and maintenance of the Airport, and will discuss whether performance revisions are appropriate.

~~SECTION 3.7. Section 3.7~~ Recordation and Filing of Agreement or Notice. Upon the Amendment and Restatement Effective Date, the City and the Authority shall execute and cause to be recorded ~~a short-form memorandum of this Agreement, or a notice thereof in accordance with Section 47-12 of the Connecticut General Statutes, and any subsequent amendments thereto~~ in the land records of the City ~~of New Haven~~ and the Town ~~of East Haven~~, and if required by applicable law, shall file a copy of this Agreement in the appropriate offices of the City, the Town ~~of East Haven~~, the FAA, or any other state or federal agency or instrumentality or other public authority.

~~SECTION 3.8. General Assembly Funding. The City and the Authority agree that during the 1998 session of the Connecticut General Assembly (and future sessions if required) they shall jointly support legislation for the provision of a State subsidy to the Airport (the "State Subsidy") sufficient to fund operating deficits arising from the Authority's operation of a first-class airport with regional jet service to multiple destinations.~~

~~SECTION 3.9. Other Funding, (a) As set forth in the Letter of Intent, the regional legislative objectives of (i) The South Central Regional Council of Governments; (ii) The Regional Growth Partnership; (iii) The Greater New Haven Chamber of Commerce and (iv) the Regional Leadership Council, with respect to the 1998 Connecticut General Assembly, all include a request for the State Subsidy, whether as a one-time appropriation or to be appropriated in installments. The Authority agrees to use all reasonable efforts to ensure that said regional organizations maintain said legislative objective as one of high priority and shall seek out any other similar regional organizations (now or hereafter existing) and encourage all such organizations to do the same.~~

~~(b) In addition to the obligations set out in Section 3.8. above, during the Transfer Period and thereafter during the Demised Term, the Authority shall use all reasonable efforts to solicit the financial and political support of the various municipalities listed in Public Act 97-271, with respect to all aspects of the operation and improvement of the Airport and/or its facilities, and at all times during the Transfer Period, the Authority shall consider and develop strategies to obtain additional funding from public and private organizations to be applied against the operating costs of the Airport.~~

~~(c) Regardless of whether the Connecticut General Assembly provides the Authority with the State Subsidy, and subject to the provisions of Section 3.9 (d) below:~~

~~(i) For the fiscal year commencing July 1, 1998, the City shall provide an operating subsidy to the Authority equal to One Million Dollars (\$1,000,000.00);~~

~~(ii) For the fiscal year commencing July 1, 1999, the City shall provide an operating subsidy to the Authority equal to Eight Hundred Thousand Dollars (\$800,000.00);~~

~~LEASE AND OPERATING AGREEMENT~~  
~~ARTICLE VII~~

~~(iii) For the fiscal year commencing July 1, 2000, the City shall provide an operating subsidy to the Authority equal to Six Hundred Thousand Dollars (\$600,000.00);~~

~~(iv) For the fiscal year commencing July 1, 2001, the City shall provide a operating subsidy to the Authority equal to Four Hundred Thousand Dollars (\$400,000.00); and~~

~~(v) For the fiscal year commencing July 1, 2002, the City shall provide an operating subsidy to the Authority equal to Two Hundred Thousand Dollars (\$200,000.00);~~

~~(d) The City and the Authority further agree that the Authority may, at the Authority's option, accelerate subsidy payments by obtaining an operating subsidy from the City of up to One Million Dollars (\$1,000,000.00) during the fiscal year commencing July 1, 1999, and during the fiscal year commencing July 1, 2000, provided that the aggregate dollar amount of all operating subsidies paid by the City to the Authority during the Transfer Period shall not exceed Three Million Dollars (\$3,000,000.00).~~

~~(e) Payments to be made to the Authority under Section 3.9 (c) and/or Section 3.9 (d) above, shall be made quarterly upon delivery of a suitable form of requisition by the Authority. For so long as the City is providing the Authority with any operating subsidy hereunder, the Authority shall be obligated to submit to the City an estimate of the amount of the operating subsidy required from the City for the fiscal year in question, on or before February 1 of such fiscal year, commencing February 1998, and shall be obligated to submit its annual operating and capital budgets to the City not later than April 30 of each such fiscal year.~~

~~(f) Notwithstanding any provision of this Section 3.9, to the extent that operating funds obtained by the Authority from the State of Connecticut (whether by way of appropriations, or monies directed through regional organizations such as the South Central Council of Governments or the Regional Growth Partnership) shall, during the Transfer Period, exceed the sum of \$3,000,000.00, then at the expiration of the Transfer Period (provided that this Agreement shall then remain in full force and effect and the City shall not have taken any action pursuant to Section 11.3 below) the Authority shall make a payment to the City in an amount equivalent to such excess payment as repayment of the operating subsidy payments made pursuant to this Section 3.9 (c) above, provided that in no event shall the Authority be obligated to pay an amount in excess of the operating subsidy received by the Authority from the City hereunder. Any such payment to be made by the Authority to the City pursuant to this Section 3.9 (f) shall take place not later than June 30, 2004.~~

Section 3.8 Funding. The City will pay to the Authority subsidies in the following amounts, in each case, on or before October 1 of such Fiscal Year:

(a) For the Fiscal Year ending on June 30, 2022, Three Hundred Twenty-Five Thousand Dollars (\$325,000); and

(b) For the Fiscal Year ending on June 30, 2023, One Hundred Sixty-two Thousand Five Hundred Dollars (\$162,500).

Section 3.9 State Subsidy. It is understood that the Authority expects to be able to reduce the level of the State Subsidy and to no longer require any subsidy in the absence of unforeseen circumstances (such unforeseen circumstances to include, but be not limited to, a failure to enter into an agreement for the proposed Project) after a target date of June 30, 2024. Nevertheless, the Authority and the City agree to cooperate in seeking State and federal support as necessary.

~~SECTION 3.10. Revenue Bonds. It is agreed and understood that during the Transfer Period, the Authority shall not be permitted to issue general obligation bonds secured by (or otherwise encumbering) any Airport Assets. However, the~~ Section 3.10 Revenue Bonds. The Authority shall be permitted to issue revenue bonds in accordance with the provisions of the Act provided that it is agreed and understood that in no event shall the City be liable for repayment of such revenue bonds from any revenue or assets other than from assets pledged thereof, regardless of whether ~~the Airport Assets such assets~~ shall revert to the City.

~~SECTION 3.11. Reverter. Notwithstanding any other provision of this Agreement, if at any time after January 1, 2001 but prior to January 1, 2003, the Authority determines that it is unable to raise sufficient funds from sources outside the City to continue to operate the Airport in accordance with the purposes of the Act and this Agreement, the Authority may, at its sole discretion, terminate this Agreement by giving six (6) months' written notice to the City and the Town of its decision to do so. Likewise if the City determines at any time after January 1, 2001 but prior to January 1, 2003 that the goals of this Agreement are not being accomplished then the City at its sole discretion may terminate this Agreement by giving six months (6) written notice to the Authority of its decision so to do. The City shall resume operation of the Airport upon the expiration of said notice period, or, at the discretion of the City, prior to such expiration. This Agreement shall thereupon terminate and the Leased Premises and title to the other Airport Assets shall revert to the City (together with all the existing FAA Obligations) on the date the City resumes operation of the Airport.~~

~~SECTION 3.12.~~ Section 3.11 Damage and Destruction. In the event that the Leased Premises and/or the Airport Assets or any portion thereof shall be damaged or destroyed by fire or other perils covered by the casualty insurance described in ~~Section 3.13~~ ARTICLE I below, then subject to and in accordance with any and all requirements of the FAA, the Authority shall commence and proceed diligently with all necessary work of repair, reconstruction and restoration, and this Agreement shall continue in full force and effect, with no ~~abatement of Compensation or any~~ cessation of any other obligation of any party to this Agreement, except insofar as dictated by the FAA or by *force majeure*, arising out of such damage or destruction. With respect to such repair, reconstruction or restoration, the Authority shall be responsible for obtaining all requisite governmental approvals and permits (to the extent required) and the City hereby agrees to cooperate in the granting of the same, to the extent legally permissible. In the event that the Authority shall fail to carry out its obligations pursuant to this Section ~~3.12~~ 3.11, or in the event that such damage or destruction shall result in the closure of the Airport (whether or not as a result of any intervention by the FAA) then all insurance proceeds shall become and remain the sole and absolute property of the City, except insofar as all or any portion of such proceeds are payable to the FAA.

~~SECTION 3.13. Insurance, (a) At all times during the Demised Term, the Authority shall, at the Authority's sole cost and expense, maintain and keep in full force and effect, the following insurance:~~

~~(i) "All Risk" casualty insurance covering all buildings now or hereafter situated at the Leased Premises in an amount equal to the full replacement cost of all such buildings (from time to time) with any dispute as to such full replacement cost being determined by arbitration;~~

~~(ii) property insurance (including fire, extended coverage, vandalism and malicious misuse) with respect to all tangible Personal Property (including all vehicles) used or usable at the Airport, in an amount not less than ninety (90%) percent of the full replacement cost thereof;~~

~~(iii) public liability insurance covering the Airport in such amounts and with limits and deductibles customary for airports of comparable size, and otherwise reasonable to the City;~~

~~(iv) loss of income and extra expense insurance in such amount as will reimburse the Authority for all direct or indirect loss of earnings attributable to all perils commonly insured against by prudent tenants, or attributable to prevention of access to the Leased Premises as a result of any such perils;~~

~~(v) plate glass insurance to the extent necessary; and~~

~~(vi) any other form or forms of insurance as the Authority, the City or the holder of any indebtedness secured by any of the buildings may reasonably require and which is customary in the Airport business.~~

~~(b) All policies of insurance required pursuant to Section 3.13 (a) above shall be taken out with insurance carriers licensed to do business in the State of Connecticut and otherwise acceptable to the City and shall be in a form satisfactory to the City. With respect to the insurance required pursuant to Section 3.13 (a) (i) above, such policy shall~~

name the City and any mortgagee or holder of any Bond having an insurable interest in any such building or buildings as additional insured. With respect to the insurance required pursuant to Section 3.13 (a) (iii) above, such policy or policies shall name the City as additional insured, as its interests may appear. Copies of all insurance carried by the Authority pursuant to the provisions of Section 3.13 (a) above shall be delivered to the City as soon as practicable after the placing of the same, but in no event later than ten (10) days prior to the Effective Date. All such policies shall contain an undertaking by the insurer in question to deliver not less than thirty (30) days prior written notice to the City (and to any other additional insured named in any such policy) of any cancellation, reduction in coverage or other material change to such policy.

#### ARTICLE IV TRANSFER OF PERSONAL PROPERTY AND AIRPORT ASSETS

**SECTION 4.1. Transfer of Tangible Personal Property.** ~~The City hereby transfers and conveys to the Authority, as of the Effective Date, all of its right, title and interest in and to all tangible Personal Property, as is, where is, without warranty or representation, express or implied, as to the condition, design, operation, merchantability or fitness or suitability of the tangible personal property or as to its suitability for the Authority's purposes except to the extent (if at all) as expressly set forth in this Agreement. The Authority shall use the Personal Property (including any After-Acquired Assets) Section 4.1 Tangible Personal Property. The Authority has had exclusive possession of the Leased Premises and all of the Airport Assets since July 1, 1998. Any representations by the City or warranties with regard to the Leased Premises have expired and the City hereby acknowledges that the Leased Premises at one time conveyed by the City to the Authority has been used~~ in furtherance of its obligation to administer, maintain, operate and manage the Airport and for any related or ancillary purpose upon the terms and conditions set forth in this Agreement. The Authority shall have the right, in its sole discretion, to lend, lease, sell or otherwise dispose of or deal with ~~the any~~ tangible Personal Property that have been transferred by the City to the Authority, and to alter, repair or replace the said tangible Personal Property, as the Authority shall, in its sole discretion, deem necessary or advisable in furtherance of the performance of its obligations and responsibilities hereunder. ~~On the Effective Date, and at any time thereafter to the extent necessary, the City shall deliver to the Authority one or more Bills of Sale, effecting the transfer of the tangible Personal Property to the Authority, and such other instruments of transfer, such as certificates of title to motor vehicles, as may be necessary or appropriate to effect such transfer. Title to and ownership of all After-Acquired Assets shall vest in the Authority, regardless of the source of funding to acquire any such After-Acquired Assets. Any funds generated from the sale of Personal Property shall be reinvested in Airport Assets or otherwise used for lawful Airport purposes.~~

**SECTION 4.2. Transfer of Airport Assets.** ~~Upon the expiration or sooner termination of this Agreement, all of the Authority's right, title and interest in any and all Airport Assets then in existence shall immediately and automatically vest in the City, and the Authority shall execute and deliver such instruments of transfer as may be necessary or desirable to accomplish the same, provided that the Authority's failure to execute and deliver any such instrument shall not in any way impair the effectiveness of this Section 4.2.~~

#### **TRANSFER OF REVENUES, GRANTS-IN-AID AND INSURANCE PROCEEDS**

**SECTION 5.1. Transfer and Assignment of Revenues.** ~~The City hereby (i) assigns to the Authority all rights to receive Revenues and Other Proceeds which relate to the period following the Effective Date; and (ii) agrees to transfer to a bank account designated by the Authority, all balances remaining as of the Effective Date (and thereafter, any amounts received by the City following the Effective Date) contained in those Airport Bank Accounts identified on Exhibit G attached hereto, (after appropriate deductions for payment of expenses accruing prior to the Effective Date) provided that it is hereby agreed and understood that any and all funds now or hereafter received by the City from the~~



~~State of Connecticut pursuant to the provisions of Public Act 97-261, shall not be subject to the provisions of this Section 5.1. Without prejudice to the generality of the foregoing, the provisions of this Section 5.1. shall apply to all existing or after-acquired contents of those existing bank accounts known as the K-26 accounts.~~

~~SECTION 5.2. Transfer of Grants-in-Aid and PFC Revenues. The City has received or is entitled to receive certain Grants-in-Aid as described on said Exhibit C. to be used for the carrying out of certain programs at the Airport. The City hereby assigns to the Authority, as of the Effective Date, all of the City's right, title and interest in and to the Grants-in-Aid. The Authority hereby assumes and agrees to comply with and perform all of the FAA Obligations and any other assurances and obligations pertaining to those Grants-in-Aid received by the City from the FAA and any other assurances and obligations related to grants received from any other federal agency prior to the Effective Date. As of the Effective Date, to the extent approved and/or required by the FAA, the City, the Authority and the FAA shall enter into an Assignment and Assumption Agreement in substantially the form attached hereto as Exhibit H pursuant to which (inter alia) the Authority shall be named and accepted by the FAA as the Sponsor with respect to the Airport. In addition, the City hereby assigns and transfers to the Authority, as of the Effective Date, its right to receive the balance of funds constituting those Grants-in-Aid obtained from the FAA, to the extent not received prior to the Effective Date, together with any unexpended balance remaining in any PFC fund or account. The City shall cooperate with and assist the Authority, including provision of additional information and documentation, and shall take such other action as may be reasonably necessary or appropriate to obtain for the Authority the funds and other benefits of the Grants-in-Aid and any other grants subsequently available to the Authority for the purpose of funding Projects at the Airport, provided that the Authority shall reimburse the City for the City's actual and reasonable out-of-pocket costs incurred in connection with providing such assistance.~~

~~SECTION 5.3. Rights to PFC Revenues. The Authority intends to seek FAA approval to impose the PFC. It is understood by both the City and the Authority that the PFC revenues may be collected for Airport use only. The parties anticipate that such authorization shall not be received prior to the Effective Date. The City acknowledges it will not be eligible to impose a PFC from and after the Effective Date, or to receive such authorization from the FAA and agrees the City shall have no claim to monies payable pursuant to the PFC during the Demised Term, all of which shall belong solely to the Authority and the Authority shall be solely responsible for all obligations attaching to the PFC, regardless of whether the City or the Authority submitted the original application. The City shall cooperate with the Authority in its efforts to obtain authorization from the FAA to impose and use the PFC.~~

~~SECTION 5.4. Transfer of Insurance Proceeds. From and after the Effective Date and during the Demised Term, the City hereby gives, grants, conveys and transfers to the Authority all of the City's right, title and interest in any proceeds payable or received from insurance resulting from casualty damage to the Transferred Property prior to the Effective Date, including, without limiting the generality of the foregoing, all of its rights to collect and receive the same, provided that it is hereby agreed and understood that in general, the City is self-insured, and that the provisions of this Section 5.4 shall only apply to monies payable under actual policies of insurance issued by third-party insurance carriers, so that the City shall not be responsible for payment of any sum whatsoever out of the City's own funds, with respect to any casualty occurring at the Leased Premises prior to the Effective Date.~~

~~SECTION 5.5. Accounting; Access to Records; Adjustment of Revenues, (a) On or before the Effective Date, the City shall provide the Authority with an accounting (including a balance sheet), as of the Effective Date, with respect to Grants-in-Aid and other amounts (but not including the proceeds of Pre-Existing General Obligation Bonds) expended by the City prior to the Effective Date with respect to the Projects or the Airport, in reasonable detail identifying at least the nature of the expenditure and the amount and date paid. The Authority shall reimburse the City for any such expenditures which are eligible to be reimbursed from Grants-in-Aid promptly after proceeds of such Grants-in-Aid are received by the Authority after the Effective Date, subject, however, to any restrictions on such payments set~~

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~~forth therein. The Authority shall also reimburse the City for any expenses paid by the City following the Effective Date and relating to the Projects.~~

~~(b) During the Transfer Period, the City and the Authority shall permit each other and/or their respective representatives to have such access to each party's books and records as may be necessary to verify all expenditures with respect to the Projects or the Airport, including records with respect to Grants-in-Aid, and to obtain all information and copies of documentation, and all other cooperation necessary in order for the Authority to be able to receive such Grants-in-Aid during the Transfer Period.~~

~~(c) The Authority shall provide the City with an accounting of the use of any and all proceeds from Future General Obligation Bonds and Grants-in-Aid, on an annual basis, or (if necessary), more frequently, so as to enable the City to comply with the Internal Revenue Code of 1986, as amended, and any and all regulations now or hereafter promulgated thereunder.~~

~~SECTION 5.6. Assumption of Liabilities. As of the Effective Date, the Authority hereby assumes and agrees to perform the City's obligations with respect to any and all FAA Obligations including (without limitation) all Federal Grant Agreements and any other agreements concerning outstanding Grants-in-Aid and containing obligations to be performed after the Effective Date. The City shall advise the Authority as to actions necessary to comply with the assurances set forth in all such agreements and shall assist the Authority in attaining eligibility as a Sponsor with respect to the Federal Grant Agreements.~~

#### ~~ASSIGNMENT OF CONTRACTS AND LEASES, CONTRACTS OF EMPLOYMENT~~

~~SECTION 6.1. **Assignment of Contracts,** (a) The City hereby assigns to the Authority, as of the Effective Date, all of the City's rights in, to and under those contracts, leases, subleases, concession agreements, grant agreements and other contractual obligations between the City and third parties pertaining to the administration, maintenance, management, regulation, operation, development, and use of the Airport or relating to the Projects in effect on the Effective Date, any of which, if material or having a term which extends more than one year from the Effective Date, are identified as Assigned Contracts on Exhibit B attached hereto. The Authority's rights under the Assigned Contracts shall include the right to ask, demand, sue for, levy, recover and receive all such sums of money, debts, dues and other demands whatsoever which may be due, owing and payable to the Authority under the terms of any Assigned Contract, to modify in any way any of the Assigned Contracts (in the manner and to the extent permitted under the applicable laws of the City) and to enforce or fail to enforce the provisions of any Assigned Contract. The Authority shall account to the City for any sum of money received by it under any Assigned Contract that is allocable to a period prior to the Effective Date. The Authority hereby assumes and agrees to perform all obligations of the City under the Assigned Contracts, from and after the Effective Date, provided however, that the Authority shall not be liable for defaults by the City under any of the Assigned Contracts occurring prior to the Effective Date or based upon acts or events occurring prior to the Effective Date, responsibility for which shall remain with the City.~~

~~(b) Notwithstanding the Authority's assumption of the Assigned Contracts, the City shall pay all expenses payable under the Assigned Contracts, with respect to the period up to the Effective Date, in accordance with the terms and conditions of such Assigned Contracts.~~

~~SECTION 6.2. **Contracts of Employment,** (a) It is agreed, stipulated and understood that the provisions of this Article VI do not apply to contracts of employment. Subject to the provisions of Section 6.2/(b) below, the Authority shall be responsible for all Transferred Employees as of the Effective Date, all of whom must receive an employment package with respect to salary and health benefits which is at least equal to that received from the City as of the Effective Date. With respect to all of the City's Airport employees as of the Effective Date who are not Transferred Employees (whether by reason of not being offered an employment package by the Authority or by any third party~~



~~operator of the Airport or by reason of such employee's refusal to accept any such package) the City hereby agrees to provide any such employee with alternative employment within the City commencing as of the Effective Date, with no reduction in salary or benefits, and the Authority shall have no responsibility for any such employees.~~

~~(b) The Authority hereby assumes, from and after the Effective Date, any liability of the City with respect to any sums payable to Transferred Employees, provided that the City shall reimburse the Authority (upon receipt of demand therefor from the Authority) for payments made by the Authority to such Transferred Employees after the Effective Date with respect to amounts accrued and owing as of the Effective Date.~~

ARTICLE V  
AMENDMENT AND  
RESTATEMENT

Section 5.1 Amendment and Restatement Effective Date; Survival of Terms. The City and the Authority, in executing and delivering this Agreement on the Amendment and Restatement Effective Date, intend that the Demised Term shall be treated as a single lease term in continuous effect. The City and the Authority intend to create a single, integrated writing governing their relations with regard to the subject matter hereof to which they can readily refer with regard to the covenants and conditions of their respective obligations beginning with the Amendment and Restatement Effective Date. Various provisions of the Original Lease with regard to conditions that the City and the Authority believe in good faith have been fulfilled, or covenants that had been fully performed, prior to the Amendment and Restatement Effective Date have been deleted. However, to the extent that there shall be any claim, dispute or controversy between the City and the Authority with respect to any act or omission to act on the part of either of them prior to the Amendment and Restatement Effective Date, the deletion or amendment of any provision contained in the Original Lease shall be construed as having prospective effect only and not as having abated or otherwise affected a claim or defense of either party with respect to any act or omission governed by the deleted or amended provision and completed prior to the Amendment and Restatement Effective Date.

Section 5.2 Rights of Third Parties Unaffected. The deletion or amendment of any provision contained in the original Lease and Operating Agreement affecting contractual rights of any sublessee, airline, concessionaire, contractor or other third party shall be construed as having prospective effect only and not as having abated or otherwise affected a claim or defense of any third party with respect to any act by the Authority governed by the deleted or amended provision and taken by such party in reliance on such provision prior to the Amendment and Restatement Effective Date.

ARTICLE VI  
REVENUES; RIGHT TO SET  
FEES

Section 6.1 Authority Right to Revenues. The City hereby acknowledges and agrees that federal law requires that all Revenue generated by the operation of the Airport shall be applied to the operating and capital expenses of the Airport, that all Revenue, inclusive of Customer Facility Charges and Passenger Facility Charges (levied under authority of 49 U.S.C. 40117 and the regulations of the FAA issued thereunder) shall be payable solely to the Authority to be applied to those expenses. Further, the parties acknowledge and agree that pursuant to a lease or other contractual arrangement, an Authority sublessee or other counterparty may be entitled a portion of the Revenues in accordance with the terms of such agreement.

Section 6.2 Authority's Right to Set Fees. The City has, by ordinance adopted by the Board of Alders of the City contemporaneously with the approval of this Agreement, authorized the delegation to the Authority of the City's powers and authority under its Charter and General Ordinances and under any provision of the Connecticut General Statutes, including Section 15-120(j)(3), to set, levy or impose Fees. Such delegation to the Authority is hereby made, ratified and confirmed. For certainty, at all times the Authority remains the Sponsor, the City shall have no right to set, levy, or impose any Fees at the Airport.

TRANSFER OF LICENSES, PERMITS AND APPLICATIONS

~~SECTION~~ Section 7.1 ~~-~~ Transfer of Licenses, Permits and Applications. Where necessary or desirable and to the extent not prohibited by any state or federal law, ~~as of the Effective Date,~~ the City hereby ~~assigns and transfers~~ ratifies and confirms its assignment and transfer to the Authority ~~-, as of the Effective Date~~ any and all licenses, approvals, permits, determinations, findings, awards or decisions heretofore or hereafter issued or granted pursuant to or as a result of any application, review or process in relation to or in furtherance of the purposes of the Airport and previously filed or undertaken by the City, ~~including without limitation City's application for authority to impose the RFC, or any proceeding heretofore commenced by the City with the United States Environmental Protection Agency, the FAA, the State Department of Environmental Protection, and any other federal, state or City agency or instrumentality or other public authority. On the Effective Date.~~ To the extent any prior assignment or transfer by the City may not apply to the extension of the Demised Term effected by this Agreement, the City and the Authority shall enter into one or more agreements as may be necessary to ~~effect~~ extend such assignments and transfers, which agreements shall provide that any such application, review, process or proceeding shall inure to and be for the benefit of and shall be binding upon the Authority to the same extent and in the same manner as if the Authority had been a party to such application, review, process or proceeding from its inception, and that the Authority shall be deemed a party thereto. To the extent permitted by the approving or licensing party, all licenses, approval's, permits, determinations, findings, awards or decisions, hereafter issued or granted pursuant to or as a result of any such application, review process or proceeding shall inure to the benefit of and be binding upon the Authority, and any license, permit or approval granted to the City following the Effective Date shall be assigned and transferred by the City to the Authority to the extent such assignment and transfer is not prohibited by federal, state or municipal law.

ARTICLE VIII  
LIABILITIES

~~NOT~~  
~~ASSUMED~~  
~~BY THE~~  
~~AUTHORITY~~

~~SECTION~~ Section 8.1 Liabilities Not Assumed by the Authority. The Authority shall not be deemed to have assumed or be responsible for any of the following types of liabilities:

- (a) liabilities to employees of the City or former employees of the City for workers' compensation, severance pay, sick pay, vacation pay, overtime or holiday pay, deferred salary or other form of benefit accrued as of the Effective Date or otherwise pertaining to the period prior to the Effective Date;
- (b) liabilities for pension, retirement, death or disability benefits being provided or to be provided after the Effective Date to employees or former employees of the City, to the extent unfunded or partially unfunded as of the Effective Date;
- (c) any claim of employees or former employees of the City for wrongful termination, denial of compensation, denial of benefits, discrimination as to employment or other

(d) any claim of a third party against the City, whether based in tort or contract or otherwise, based upon the acts or omissions of the City prior to the Effective Date;

(e) liabilities of the City for breach of any contract or agreements, whether or not relating to the Assigned Contracts, to the extent based upon events occurring prior to the Effective Date;

<sup>69</sup> ~~(f)~~ violations of laws or regulations, and fines or penalties relating thereto, including violations of grant assurances set forth in grant agreements with the FAA, which occurred or existed prior to the Effective Date; and

~~(g) liability for repayment of any sums now or hereafter due and payable by the City with respect to the Pre-Existing General Obligation Bonds, liability for which shall remain with the City, pursuant to the provisions of Section 11.2(d) below; and~~

(g) all liability and other responsibility relating to the release or threatened release of any pollutant, contaminant, or hazardous or toxic material at the Airport or related to the Leased Premises with respect to the acquisition, storage, handling, use, disposal or management of hazardous or toxic materials or wastes, including all discharges and releases thereof, prior to the Effective Date, and all other environmental liabilities and responsibilities relating to the Airport, the Leased Premises or the Projects, whether known or unknown, contingent or otherwise as of the Effective Date, based upon conditions existing thereat or thereon as of the Effective Date or activities thereat or thereon or with respect thereto prior to the Effective Date, including without limitation liability and responsibility for existing underground storage tanks.

Section 8.2 Liabilities Not Assumed by the City. The City shall assume no responsibility with respect to (i) the obligations of any third-party operator of the Airport or Authority sublessee and (ii) liability arising from defaults under any lease, license, management agreement, or any other agreement concerning operation of the Airport.

## ARTICLE IX ADDITIONAL ASSISTANCE FROM THE CITY

~~SECTION 9.1-~~ Section 9.1- Provision of Services. City shall, ~~(a) If requested upon request~~ by the Authority, ~~the City may~~ provide services at the Airport, consistent with those services normally provided as part of its usual municipal services (e.g., police), which shall be paid for by the Authority at the City's rates then in effect. The Authority may seek such services from other agencies or entities if necessary or desirable in the Authority's discretion.

~~(b) The City shall have full authority to make, execute, acknowledge and deliver contracts and orders and in general to do all things which may be requisite or proper, with respect to the performance of such work. The Authority and the City shall cooperate and assist one another as necessary or advisable to enable either or both of them to apply for and receive grant funds and other aid available to defray the costs incurred for such work, including without limitation proper maintenance of receipts and records substantiating costs so incurred.~~

~~(c) All payments due to the City with respect to work carried out by the City for the benefit of the Airport shall be due and payable within ninety (90) days of the delivery of an invoice with respect thereto, in default of which, the amount of such invoice shall thereafter carry interest until paid at a default rate which is in accordance with the provisions of Title 49 U.S.C. 4701 (O). It is agreed and understood that if at any time the Authority is in default with respect to payment for any services provided pursuant to the provisions of this Section 9.1, then the City may, at the City's sole and absolute discretion, cease to perform any such services until such time as payment is made in full, which shall include any interest payments to be made hereunder.~~

~~SECTION 9.2-~~ Section 9.2 Acquisition of Additional Property. The Authority does not have the power of condemnation. In the event the Authority deems it necessary or advisable, for the safe, efficient and financially prudent operation of the Airport, or to satisfy off-site mitigation

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conditions of any permit, license, permission or approval related to the operation of the Airport to acquire additional property ~~adjacent to the Airport~~ in the vicinity of the Airport, and the Authority has not been able to acquire property that is satisfactory for such purposes through a negotiated purchase, the City may, in the exercise of the City's sole and absolute discretion (and subject to any required legal ~~issues involved~~ processes) exercise its right and power to take such property by eminent domain so long as such acquisition by condemnation is consistent with the Airport Master Plan, and the Authority shall pay to the City any and all costs of so acquiring such property, at least five (5) days prior to the date on which the City is required to pay such amount to the owner of such property. Any property so acquired shall be taken in the name of the City but shall be deemed to be a part of the Leased Premises immediately upon such acquisition. The parties shall promptly execute and record or file all instruments necessary or appropriate to amend this Agreement, so as to include the newly acquired property as a part of the Leased Premises. ~~SECTION 9.3: Cooperation During Transfer Period. Notwithstanding the provisions of Section 9.2. above, it is agreed and understood that during the Transfer Period, the City shall use all reasonable efforts to do such things within its power as may be reasonably requested by the Authority where such assistance is required to enable the Authority to make improvements to the Airport in accordance with the Mutual Goals and Objectives. This may include exercise of the power of eminent domain, provided that it~~ It is agreed and understood that failure to exercise such power of eminent domain shall be deemed to be reasonable and not a default by the City if the City shall receive an independent legal opinion that it has no legal authority to exercise its power of eminent domain in the given circumstances, ~~of or~~ if any court or tribunal having jurisdiction shall make any such ruling.

~~SECTION 9.4. **Future General Obligation Bonds.** Nothing contained in this Agreement shall be deemed to obligate the City to issue its general obligation notes or bonds for the purpose of carrying out its duties and obligations hereunder. In particular (but without limitation) the City shall not be under any obligation to issue any Bonds not previously issued but which have already been proposed and designated as being for the benefit of the Airport and would, had the same been issued prior to the Effective Date, have constituted "Pre-Existing General Obligation Bonds" as herein defined. Notwithstanding the foregoing, it is agreed and understood that during the Transfer Period, the Authority may request the City to issue Future General Obligation Bonds for which the City shall be responsible for repayment, provided that the aggregate amount of such Future General Obligation Bonds shall be limited to the aggregate amount set forth in the five (5) year CIP adopted by the Board of Aldermen of the City for the fiscal year commencing July 1, 1998, and provided further that the Authority shall not seek to accelerate the annual amounts budgeted therein. Provided that the Authority uses all revenues raised from such issuance for capital projects at the Airport (in accordance with generally accepted accounting principals) then the Authority shall be under no obligation to use such revenues for the capital projects specified in said CIP.~~

ARTICLE X  
 REPRESENTATIONS OF THE  
 PARTIES

~~SECTION~~ Section 10.1- Representations of the Authority. The Authority represents and warrants to the City, to the best of the Authority's knowledge, information and belief, as follows:

(a) The Authority is a body corporate and politic duly organized and validly existing under the provisions of the Act and has all necessary power and authority to enter into this Agreement and the other transactions contemplated hereby, and to perform all of the duties and responsibilities undertaken by the Authority under and pursuant to this Agreement.

~~(b) During the Transfer Period, the Authority shall not amend or seek to amend the provisions of Section 3(b) of the Act and/or Section 3 of the Authority's bylaws adopted September 10, 1997, without the express written consent of the City.~~

(b) ~~(c)~~ The Authority, as of the date of execution of this Agreement, has taken all requisite action to approve this Agreement and the other transactions contemplated by this Agreement. This Agreement has been duly and validly authorized, executed and delivered by the Authority and constitutes a valid and legally binding obligation of the Authority, enforceable against the Authority in accordance with all of the terms and conditions contained herein.

~~SECTIONS 0.2-~~ Section 10.2 Representations of the City. The City represents and warrants to the Authority, to the best of the City's knowledge, information and belief, as follows:

~~(a) Attached hereto as Exhibit I is historical financial information showing revenues and expenses of the City's Airport department during the fiscal years ended June 30, 1995, 1996 and 1997 prepared by the City (the "City Financial Information"). The City Financial Information has been prepared from the books and records of the City relating to the Airport department, which books and records have been kept in accordance with generally accepted accounting principles applicable to governmental entities and financial reporting standards prescribed by the Governmental Accounting Standards Board, consistently applied during the periods covered by them.~~

(a) ~~(b)~~ The City has no interest as owner or as lessee in any real estate used in the operations of or acquired for the Airport, except for the Leased Premises.

~~(c) Except as disclosed on Exhibit J, no defect or condition of the Leased Premises or interest of any third party exists which impairs the current use of the Leased Premises by the City or, where applicable, any existing lessees at the Leased Premises.~~

(b) ~~(d) Except as disclosed on Exhibit K, the~~ The City is currently complying in all material respects with all covenants, conditions, restrictions, easements and similar matters affecting the Leased Premises.

(c) ~~(e) Except as disclosed in Exhibit L, there~~ There is no action at law or in equity, no arbitration proceeding and no proceeding before any commission or other administrative or regulatory authority pending, or, to the knowledge of the City, threatened, against or affecting the Airport Assets or the operations of the Airport, or the City's right to carry on such operations as conducted as of the Effective Date.



(d) <sup>69</sup> ~~(f) Exhibit B contains a true and complete list and brief description of all~~ The City is not aware of any material written or oral contracts, agreements and other instruments affecting or arising from the operations of the Airport. ~~Each Assigned Contract is in full force and effect and, except as expressly disclosed in Exhibit B, no material default exists on the part of the City or on the part of any other contracting party thereto in the performance of their respective obligations thereunder. All rent or other payments due under each of the Assigned Contracts have been paid up to date.~~

(e) ~~(g)~~ The City has the power and authority to enter into this Agreement and the other transactions contemplated by this Agreement and to perform its obligations under and pursuant to this Agreement. This Agreement has been duly authorized, executed and delivered by the City and constitutes a valid and binding obligation of the City. No other governmental action is necessary to approve this Agreement and the other transactions contemplated by this Agreement.

#### ARTICLE XI COVENANTS OF THE PARTIES

~~SECTION~~ Section 11.1- Covenants of the Authority. The Authority hereby covenants that, from and after the Effective Date:

(a) With respect to the Project, the Authority shall include the performance standards as, and to the extent, set forth in Exhibit D in a facility lease, operation and maintenance agreement.

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other contract with the private investor, or in another appropriate policy or regulatory document  
(each a "Project Document");

(b) ~~(a)except~~ Except as permitted herein with respect to subleases, licenses, concessions, leasehold mortgages or subtenants to whom the Authority has granted such rights and further assignments or transfers by such Persons, the Authority will not sell, pledge, assign, transfer, mortgage, hypothecate, encumber or otherwise dispose of all or any part of the Leased Premises ~~without the advance approval of the City~~;

(c) ~~(b)the~~ The Authority will use all Revenues and Other Proceeds received and retained by it exclusively for the ~~benefit~~ capital and operating costs of the Airport, and consistent with any Authorizing Instrument, the FAA Grant Agreements ~~-, federal law, and/or other agreements with respect to any other Grants-in-Aid~~ federal grants;

(d) ~~(c)the~~ The Authority, in its administration, maintenance, management, regulation, operation and use of the Airport Assets, will comply with all applicable laws, rules and regulations of the City, the state and the federal government ~~;~~;

(e) ~~(d)the~~ The Authority will establish and maintain a system of accounting in accordance with generally accepted accounting principles and will furnish the City with ~~the Required Financial Statements on a timely basis~~ financial statements as requested by the City;

(f) ~~(e)the~~ The Authority shall at all times remain in compliance with its obligations under ~~Section 3714A above~~ ARTICLE I above;

(g) ~~(f)the~~ The Authority shall obtain and maintain (to the extent required by statute) workers' compensation insurance and/or any other such insurance for the benefit of employees which may now or hereafter be required by law ~~;~~;

(h) ~~(g)the~~ The Authority shall include a provision in all ~~leases~~ subleases, airline use agreements, licenses and concession agreements requiring ~~all aircraft landing at the Airport to carry such noise abatement devices as may be necessary to comply with any applicable noise ordinance existing as of the date of the Letter of Intent, provided that it~~ the applicable counterparty to comply with applicable Law including the General Ordinances, as applicable. It is agreed and understood that no third party rights are ~~credited~~ created hereby, so that in particular (but without limitation) it shall not be the responsibility of the City to enforce the provisions of this Section 11.1 ~~(g)-(h)~~;

~~(h) As set forth in Section 12-1/2 - 19 through 23 of the City's Code of Ordinances, which is entitled "Hiring Practices in the Construction Trades", the Authority will:~~

~~(1) comply with all provisions of Executive Order 11246 and Executive Order 11375, Connecticut Fair Employment Practices Act and the contract compliance ordinance of the City, including all standards and regulations which are promulgated by the government authorities which established such acts and requirements, and all standards and regulations are incorporated herein by reference;~~

~~(2) not discriminate against any employee or applicant for employment because of race, color, religion, age, sex, physical disability, or national origin sexual orientation or physical handicap and will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to race, color, religion, sex, age, national origin, sexual orientation or physical handicap, such action to include (but not be limited to) employment upgrading, demotion or~~

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~~transfer, recruitment or recruitment advertising, layoff or termination rates or any other form of compensation, and selection for training, including apprenticeship;~~

~~(3) post, in conspicuous places available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of these nondiscrimination provisions;~~

~~(4) state, in all solicitations or advertisements for employees placed by or on behalf of the Authority, that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, age, physical disability, national origin, sexual orientation or physical disability;~~

~~(5) send to each labor union or representative of workers with whom the Authority has a collective bargaining agreement, or other contract or understanding, a notice advising the labor union or worker's representative of the Authority's commitments under these provisions and post copies of the notice in conspicuous places available to employees and applicants for employment and register all workers in the skilled trades, who are below the journeyman level, with the Apprentice Training Division of the Connecticut State Labor Department;~~

~~(6) utilize labor department and City sponsored manpower programs as a source of recruitment and to notify the contract compliance unit and such programs of all job vacancies;~~

~~(7) take affirmative action to negotiate with qualified minority contractors, women business enterprises and disadvantaged business enterprises, for any work which may be proposed for subcontracting, or for any additional services, supplies, or work which may be required as a result of this Agreement;~~

~~(8) cooperate with the various departments of the City in implementing the Authority's obligations for increasing the utilization of minority business enterprises, women business enterprises and disadvantaged business enterprises;~~

~~(9) furnish all information and reports required by the contract compliance director pursuant to Section 12-1/2-19 through Section 12-1/2-32 of the City's Code of General Ordinances and permit access to the Authority's books, records and accounts by the contracting agency, the contract compliance officer and the Secretary of Labor for purposes of investigations to ascertain compliance with the program;~~

~~(10) take such action, with respect to any subcontractor, as the City may direct as a means of enforcing the provisions of this Section 11.1(h), including penalties and sanctions for noncompliance, provided however that, in the event the Authority becomes involved in or is threatened with litigation as a result of such direction by the City, the City will intervene in such litigation to the extent necessary to protect the interest of the City and effectuate the City's equal employment opportunity program, it being further understood that in the case of contracts funded directly or indirectly, in whole or in part, under one or more federal assistance programs, the Authority or the City may ask the United States to enter into such litigation to protect the interest of the United States;~~

~~(11) to the extent required under this Agreement, file along with its contractors and subcontractors, if any, compliance reports with the City in the form prescribed by the contract compliance director of the City of New Haven, such compliance reports to be filed at such times as directed and continuing information as to the employment practices, policies, programs and statistics of the Authority and its contractors and subcontractors, if any;~~

~~(12) include the provisions of this Section 11.1(h) in every contract, subcontract or purchase order so that said provisions will be binding upon each such contractor, subcontractor or vendor.~~

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~~It is further acknowledged by the Authority that a finding of a refusal by the Authority, or any contractor or subcontractor, to comply with any portion of this Section 11.1(h), may subject the offending party to the withholding of all future payments (if any) to be made by the City to the Authority hereunder (but excluding subsidy payments to be made under Section 3.9 hereof) until it is determined that the Authority (or the offending contractor or subcontractor) is in compliance with the provisions of this Section 11.1 (h) and/or the refusal of all future bids for any public contract with the City, or any of its departments or divisions, until such time as the Authority (or the offending contractor or subcontractor), is in compliance with the provisions of this Section 11.1(h) and/or the cancellation of this Agreement pursuant to Section 13.1 below and/or the recovery of any specified monetary penalties, and in the case of substantial or material violation (or the threat of substantial or material violation) of the provisions of this Section 11.1 (h), appropriate equitable or legal proceedings may be brought to enforce these provisions against the Authority or any such non-complying contractors or subcontractors.~~

~~(i) the Authority shall at all times comply with the provisions of Article XVII (living wage) of the City's Code of General Ordinances.~~

~~9) the Authority hereby agrees to join with the City with respect to the implementation of the City's voluntary participation plan concerning the revised Section of the City Code of General Ordinances (as currently proposed) at such time as such voluntary participation plan is adopted to the extent that such participation does not violate any rules or regulations of the FAA.~~

~~(k) —no person employed in the work covered by this Agreement shall be discharged or in any way discriminated against because such person has filed any complaint or instituted or caused to be instituted any proceeding or has testified or is about to testify in any proceeding under or related to the labor standards applicable hereunder to such person's employer.~~

~~(l) the Authority shall use all reasonable efforts to solicit the financial and political support of all those municipalities in the region of South Central Connecticut referred to in Section 4 of the Act with respect to all aspects of the operation of the Airport and improvement of its facilities.~~

~~(i) (m)the Authority will comply with all Federal~~ The Authority will comply with all federal laws, regulations, executive orders, policies and requirements ~~including but not limited to those set out on Exhibit M attached hereto and made a part thereof;~~ and

~~(j) —~~ The Authority will comply with certain General Ordinances with respect to equal opportunity as set forth in Exhibit C.

Section 11.2 Covenants of the City. The City hereby covenants that, from and after the Effective Date:

(a) The City shall not encumber the Airport Assets as security for any obligation; and

<sup>69</sup> (b) The City shall not make any claim to any Revenues, or represent to any Person that any Revenues are assets of the City which may be attached by the City's creditors, including for the purpose of repaying any financial obligations, including City issued Bonds.

## ARTICLE XII

### PROTECTION OF SUBLESSEES AND THEIR LEASEHOLD MORTGAGEES

Section 12.1 Protection of Sublessees. The City hereby agrees (upon thirty (30) days' prior notice) to execute a non-disturbance agreement, in such form as is reasonably acceptable to each applicable sublessee, whereby the City will agree to recognize the rights of all sublessees to occupy the subleased portions of the Leased Premises notwithstanding any termination of this Agreement or proceedings brought by the City to dispossess the Authority; provided, however, that such non-disturbance agreement shall only be effective with respect to subleases which contain a clause whereby the sublessee thereunder agrees that, in the event of the cancellation, termination or surrender of this Agreement, it shall attorn to the City to the same extent and with the same force as though said sublease was a direct lease from the City to such sublessee. Except as such non-disturbance agreement may otherwise provide, each leasehold mortgagee, assignee and sub-sublessee of the sublessee party thereto shall be an intended third-party beneficiary thereof. The failure of the City to execute and deliver such non-disturbance agreement to the Authority, as aforesaid, shall constitute a material breach of this Agreement on the part of the City entitling the Authority to injunctive relief, damages and any other remedy available to it at law or equity.

Section 12.2 Estoppel Certificates. The City and the Authority agree to execute and deliver to the other and/or to any other Person designated by the party (including an Authority sublessee) requesting the certificate (the "Requesting Party") at any time and from time to time during the Demised Term, upon not less than thirty (30) days prior written notice from the Requesting Party, a statement in writing (the "Responding Party"):

(a) certifying that this Agreement is unmodified and in full force and effect, or if there have been modifications, that this Agreement is in full force and effect as modified and stating such modifications;

(b) stating whether, to the best of the Responding Party's knowledge, the Responding Party is in default in the performance of its obligations hereunder and if so, specifying the nature of such default; and

(c) stating the address to which notices to the Responding Party are to be sent.

Any such statement may be relied upon by any lender, bond holder, trustee, credit enhancer, or other Person proposing to enter into agreements with the Requesting Party as an estoppel of the Responding Party's right to assert a position inconsistent with the facts set forth in such statement.

Section 12.3 Leasehold Mortgages Granted by Sublessees Conditionally Permitted. Any sublessee of the Authority may, from time to time during the Demised Term, mortgage all or portions of its leasehold estate, provided in each case that:

<sup>69</sup>  
(a) the leasehold mortgage shall encumber only the sublessee's interest in the Leased Premises and its interest, if any, in any improvements constructed or acquired by the sublessee; and

(b) the sublessee or the holder of the leasehold mortgage shall promptly deliver to the City, in the manner herein provided for the giving of notice to the City, a true copy of the leasehold mortgage and any assignment thereof, and shall notify the City of the address of the holder of the leasehold mortgage to which notices from the City may be sent.

Section 12.4 Status of Leasehold Mortgages. The following provisions shall apply with respect to any leasehold mortgage made in accordance with this Article and as to which the requirements of Section 12.4 have been satisfied:

(a) the leasehold mortgage shall be superior and prior in interest to any mortgage placed on, or any other interest created with respect to, the fee title underlying the Leased Premises, except involuntary liens which by law are superior and prior in interest;

(b) whenever giving notice to the Authority or a sublessee of the Authority of a claimed default by the Authority under this Agreement, the City will serve a copy of such notice on the holder of any leasehold mortgage of the sublessee in the manner herein provided for the giving of notice to the Authority, addressed to the holder of the leasehold mortgage at the address(es) furnished to the City pursuant to Section 12.4. No notice to the Authority or a sublessee of the Authority shall be effective unless a copy thereof is served on the holder of the leasehold mortgage(s) as herein provided;

(c) in the event of a curable default by the Authority under this Agreement, the holder of any leasehold mortgage with respect to a sublease shall have the right to cure such default within twice the time period herein given to the Authority, and the City shall accept such performance by the holder of the leasehold mortgage as though it had been performed timely by the Authority;

(d) in the event of a non-curable default by the Authority under this Agreement, if the holder of the leasehold mortgage with respect to a sublease commences a civil action to foreclose the leasehold mortgage within ninety (90) days after receipt of notice of such default from the City and prosecutes such action with reasonable diligence, the City shall take no action to terminate this Agreement as long as the foreclosure action is pending; and if a final judgment of foreclosure is entered in favor of the holder of the leasehold mortgage and is not followed by redemption by the Authority, the City will permanently forego its right to terminate the lease for such default;

(e) no cancellation, surrender, or material modification (including a partial cancellation or partial surrender) of this Agreement shall be effective as to any holder of a leasehold mortgage unless written notice has been provided to such leasehold mortgagee at least ninety (90) days prior to the effective date of such cancellation, surrender, or modification. Notwithstanding the foregoing, no modification with respect to ARTICLE III and this ARTICLE XII (including this paragraph (e)) shall be effective without the prior written consent of the holder of the leasehold mortgage. For purposes of this paragraph, a partial cancellation, partial surrender or modification of this Agreement is "material" if it reduces the term of the sublessee's sublease, purports to reduce the area of the premises demised to the sublessee in

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its sublease, increases the costs of the

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sublessee's occupancy by more than 10% of rent paid by sublessee in the preceding twelve-month period, or eliminates or reduces, without substantially equivalent replacement, an appurtenant right to the use of common facilities at the Airport actually used by the sublessee for utilities, access, parking or signage, but not a modification of this Agreement to conform the description of the Leased Premises to reflect a taking condemnation of any part thereof by any authority exercising the power of eminent domain; and

(f) notwithstanding the acquisition by the City or its successor in interest of the leasehold estate pursuant to Section 13.1 or otherwise, there shall be no merger of the fee estate and the leasehold estate until the holder of the leasehold mortgage has fully released and discharged its leasehold mortgage.

Section 12.5 Amendments to Facilitate Leasehold Mortgages. The City hereby agrees and acknowledges that what is considered to be commercially reasonable market standard for leasehold mortgage financing may change during the course of this Agreement, and that the Authority's ability to sublease its interests hereunder and for such sublessee to be able to secure commercially reasonable leasehold financing is a material consideration for the Authority's willingness to enter into this Agreement. Based on the foregoing, the City agrees, throughout the Demised Term, to enter into any such amendments to this Agreement which may be reasonably required by any such leasehold mortgagee, as requested by the Authority, but only to the extent that the City's rights hereunder as a result of such amendment are not materially adversely affected.

~~SECTION 11.2: Covenants of the City, (a) Except as contemplated by this Agreement or with the prior written consent of the Authority, during the period from the date of execution of this Agreement until the Effective Date, the City will conduct the operation of the Airport in the ordinary and usual course of business.~~

~~(b) During the period from the actual date of execution of this Agreement until the Effective Date, the City will assist the Authority in establishing and enforcing on behalf of the Authority rules and regulations necessary and appropriate to the proper and efficient operation of the Airport, and the City shall provide to the Authority and its representatives reasonable access to all personnel, facilities, offices and other properties, and to all books, contracts, and records relating to the operations of the Airport and will furnish the Authority with such financial and other information as the Authority may from time to time reasonably request.~~

~~(c) In any case where the properties, franchises, agreements, leases, contracts or other rights or commitments of the City relating to the Airport are not transferable or assignable to the Authority or cannot be purchased or assumed by the Authority pursuant to this Agreement without the consent of another party, the City will use all reasonable efforts to obtain such consent or consents, and the Authority will cooperate with the City in such efforts in order to effect any reasonable arrangement which may be necessary to obtain the same. The City and the Authority will also use all reasonable efforts to obtain the release of the City from its obligations under any such agreements at the time any such consents are obtained.~~

~~(d) The City shall continue to pay all principal, interest and/or other debt service payments required pursuant to the Pre-Existing General Obligation Bonds and any Future General Obligation Bonds.~~

## ~~CONDITIONS TO THE OBLIGATIONS OF THE PARTIES~~

~~SECTION 12.1. Conditions to the Obligations of the Authority. The obligations of the Authority~~



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hereunder (including the obligation of the Authority to close the transactions and consummate the transfers herein contemplated) are subject to satisfaction of the following conditions precedent:

(a) ~~The representations and warranties made by the City herein or in any Exhibit attached hereto shall be true and correct in all material respects on and as of the Effective Date with the same effect as if such representations and warranties had been made on and as of the Effective Date.~~

(b) ~~The City shall have in all material respects performed and complied with all agreements, covenants and conditions on their part, if any, required to be performed or complied with on or prior to the Effective Date.~~

(c) ~~The City shall not have on the Effective Date any material liability of any nature, whether accrued, absolute or contingent, relating to the Leased Premises or the City's operation of the Airport, other than those disclosed in the City's Financial Information, the Exhibits hereto and those incurred in the ordinary course of business after the date of execution of this Agreement (but prior to the Effective Date) which are disclosed and acceptable to the Authority.~~

(d) ~~All proceedings to be taken prior to the Effective Date in connection with this Agreement and all documents incidental thereto, shall be reasonably satisfactory in form and substance to the Authority and its counsel, and the Authority and its counsel shall have received copies of such documents as they may reasonably request in connection with said transactions.~~

(e) ~~The following consents and approvals shall have been obtained in writing prior to the Effective Date: (i) the FAA's concurrence in designation of the Authority as the sole Sponsor of the Airport; (ii) the FAA's agreement to issue a Part 139 Certificate to the Authority enabling the Authority to operate the Airport; and (iii) the FAA's approval of the assignment to the Authority of those Grants-in-Aid made by the FAA.~~

(f) ~~The Authority shall have made such arrangements with the City regarding the employment or use of the employees of the Airport department as may be deemed by the Authority as being reasonably necessary for the continued operation of the Airport.~~

**SECTION 12.2. ~~Conditions to the Obligations of the City.~~** The obligations of the City hereunder (including the obligation of the City to close the transactions and consummate the transfers herein contemplated) are subject to satisfaction of the following conditions:

(a) ~~The representations and warranties made by the Authority shall be true and correct in all material respects on and as of the Effective Date with the same effect as if such representations and warranties had been made on and as of the Effective Date.~~

(b) ~~The Authority shall in all material respects have performed and complied with all agreements, covenants and conditions on its part required to be performed or complied with on or prior to the Effective Date.~~

(c) ~~All proceedings to be taken in connection with this Agreement, and all documents incidental thereto, shall be reasonably satisfactory in form and substance to the City and its legal counsel, and the City and its legal counsel shall have received copies of such documents as it may reasonably request in connection with said transactions.~~

## ARTICLE XIII EVENTS OF DEFAULT

~~SECTION~~ Section 13.1- Events of Default of the Authority. In the event the Authority

shall fail to<sup>69</sup> perform any of its obligations hereunder, then the City shall give written notice thereof to the Authority, and the Authority shall undertake to cure such default within thirty days of receiving such notice. In the event the Authority fails to cure such default during such thirty-day period, such failure shall constitute an Event of Default hereunder. Upon the occurrence of an Event of Default, or in the event that the Authority shall have any bankruptcy proceedings instigated against it (and such proceedings are not lifted within thirty (30) days of commencement of the same) or in the event that the Authority shall itself commit any act of bankruptcy, then, following delivery of sixty~~(60)~~

(60) days written notice by the City, if such Event of Default is not cured by the Authority during such sixty (60) day period (or if such Event of Default is of a nature which cannot reasonably be cured within such sixty (60) day period, then if the Authority shall not have promptly commenced a cure thereof within such sixty (60) day period and thereafter diligently pursued the same), or in the event that the Authority shall dissolve itself or be dissolved, the City shall terminate this Agreement and regain possession of the Leased Premises and all other Airport Assets at any time thereafter, but subject to (a) all FAA Obligations and (b) the rights of each sublessee and licensee of the Authority which is not then in default beyond the time allowed for cure under its sublease or license agreement and of each holder with respect to their sublet or licensed premises. Upon termination of this Agreement, the City shall be entitled to take full possession of the Leased Premises and all other Airport Assets ~~and that are not then subject to the rights of each sublessee and licensee of the Authority and of each holder with respect to their sublet or licensed premises and~~

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shall assume sole responsibility for the administration, management, maintenance, regulation, operation and use of the Airport.

~~SECTION~~ Section 13.2 ~~Events of Default of the City~~. In the event the City shall fail to perform any of its obligations hereunder, the Authority shall give notice thereof to the City. In the event the City shall fail to cure such ninety (90) days after receiving notice thereof, such failure shall constitute an Event of Default by such party. The Authority shall be entitled to take all action as permitted and to seek all remedies available at law or in equity and, in addition, shall be entitled (but not obligated) to make any payment or perform any act to cure such Event of Default and recover all such amounts expended from the City. The Authority shall provide to the City appropriate documentation of all amounts or costs and expenses so paid or incurred, and the City shall have the right to review the Authority's books and records relating thereto.

~~SECTION 13.3. Mutual Goals and Objectives. Notwithstanding the provisions of Section 13.1. above (and without prejudice thereto) at the expiration of the Transfer Period, the City shall review the operation of the Airport in terms of the progress made in fulfilling the Mutual Goals and Objectives. In the event that the City shall make a preliminary determination that the Authority is not operating the Airport in accordance with the Mutual Goals and Objectives and that there is no apparent likelihood of the same being achieved within the foreseeable future, then the City may apply to the Superior Court (Judicial District of New Haven) for the appointment of a special master to evaluate the issues and make recommendations as to the future operation and governance of the Airport, which may include (without limitation) termination of this Agreement, provided that any such recommendation shall be in accordance with all FAA Obligations then existing.~~

#### ARTICLE XIV

#### ~~RELEASE AND~~ INDEMNIFICATION AND INSURANCE

Section 14.1 Indemnification. The Authority hereby agrees to defend, indemnify, and hold harmless the City, and City's officers, agents, servants, and employees, from and against any and all actions, lawsuits, claims, damages, losses, judgements, liens, costs, expenses, and reasonable counsel and consultant fees sustained by any person or entity ("Claims"), to the extent such Claims are caused by the acts, errors, or omissions of the Authority or their respective employees, agents, or subcontractors, directly or indirectly arising out of, or in any way in connection with, any use of the Leased Premises pursuant to this Agreement.

#### Section 14.2 Insurance

(a) The Authority shall purchase from and maintain, with a company or companies with an A- or greater A.M. Best & Co. rating acceptable to the City and lawfully authorized to do business in Connecticut, such insurance as will protect the City and the Authority from claims which may arise out of or result from use of the Leased Premises by the Authority and/or by the invitees or permittees or others who may use or enter upon the Leased Premises under this Agreement for which the Authority is or may be legally liable.

(b) <sup>69</sup> The Authority shall not act nor permit any actions on or at the Leased Premises which are or may be contrary to law or which will invalidate or be in conflict with any policy of insurance at any time carried by or for the benefit of the Authority with respect to the Leased Premises.

(c) Without prejudice to the generality of Section 14.2(b) above, the Authority shall obtain and maintain Commercial General Liability coverage including:

- (i) a combined Bodily Injury and Property Damage Limit of not less than One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) in the General Aggregate.

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(ii) Fire Damage Legal Liability Limit of no less than One Hundred Thousand Dollars (\$100,000).

(iii) Medical Payments Liability Limit of not less than Ten Thousand Dollars (\$10,000).

(d) This limit of liability can be provided by a combination of an Umbrella and/or Excess Liability policy(ies).

Coverage must include the following endorsements:

(i) Blanket Contractual Liability for liability assumed under this Agreement;

(ii) Severability of Interests; and

(iii) that the insurance provided is to be primary for the City, and all other indemnitees named in this Agreement.

(e) The Authority must carry Workers' Compensation insurance as follows:

(i) Coverage A – Statutory Benefits Liability imposed by the Workers' Compensation and/or Occupational disease statute of the State of Connecticut and any other governmental authority having jurisdiction.

(ii) Coverage B – Employer's Liability – Limits of not less than One Hundred Thousand Dollars (\$100,000) per accident; One Hundred Thousand Dollars (\$100,000) bodily injury per disease/employee; Five Hundred Thousand Dollars (\$500,000) policy by disease.

(iii) Extensions of Coverage  
Other States Endorsement  
Amendment of the Notice of Occurrence  
Thirty (30) day written notice of cancellation, non-renewal.

(f) The insurance required pursuant to this Section 14 shall be written for not less than the limits of liability specified herein or as required by law, whichever coverage is greater. Insurance coverage written on an occurrence basis shall be maintained without interruption throughout the Term from the Effective Date. If liability coverage is written on a claims-made basis, "tail" or "extended reporting period" coverage will be required at the expiration of the Term for a duration of twenty-four (24) months, or the maximum time period reasonably available in the marketplace. The Authority shall furnish certification of "tail" coverage as described or continuous "claims-made" liability coverage for twenty-four (24) months following the expiration of the Term. Continuous claims-made coverage will be acceptable in lieu of "tail" coverage, provided its retroactive date is on or before the Effective Date. If continuous claims-made coverage is used, the

<sup>69</sup>  
Authority shall be required to keep the coverage in effect for the duration of not less than twenty-four (24) months from the date of expiration of the Term or, if appropriate, from earlier termination of this Agreement.

(g) For all policies required hereunder the Authority hereby waives (or shall cause to be waived) subrogation against the City and any and all other indemnitees pursuant to Section 14 of this Agreement, and shall name the City as Certificate Holder and, except for Worker's Compensation, an additional insured. Further, each such policy shall provide that the insurance company will endeavor to give a minimum of thirty (30) days' written notice to the City prior to any modification or cancellation (except for reason of non-payment of premium which shall be ten (10) days' notice) of any such insurance coverage and such notice shall be directed to the City in accordance with the notice provisions of the Agreement. The Authority shall furnish the City with the insurance policy(ies) and corresponding Certificate(s) of Insurance evidencing that it has complied with the obligations of this Section 14 on an arrival basis, including, but not limited to, requirements for

(1) waiver of subrogation, (2) additional insured (with the exception of Worker's Compensation coverage), (3) notice of cancellation, and (4) Certificate Holder information. Certificates of Insurance acceptable to the City shall be filed with the City prior to the Effective Date and thereafter upon renewal or replacement of each required policy of insurance. If any of the insurance coverage required herein is to remain in force after the expiration of the Term, an additional Certificate of Insurance evidencing continuation of such coverage shall be delivered to the City.

(h) The Authority shall notify the City whenever fifty percent (50%) of the aggregate limits required hereunder are eroded during the required coverage period. If the aggregate limit is eroded for the full limit, the Authority agrees to reinstate or purchase additional limits to meet the minimum limit requirements stated herein. Any premium for such shall be paid by the Authority.

(i) Unless requested otherwise by the City, the Authority and the Authority's insurer shall waive governmental immunity as defense and shall not use the defense of governmental immunity in the adjustment of claims or in the defense of any suit brought against the City.

(j) Any deductible or self-insured retention must be declared to, and approved by the City. All deductibles or self-insured retentions are the sole responsibility of the Authority to pay and/or to indemnify the City.

~~SECTION 14.1. Release. To the extent permitted by law, the City hereby releases the Authority and its directors, officers, employees and agents from: (a) any and all liability and responsibility not assumed by the Authority hereunder, including, without limitation, any liability for loss or damage to property or injury to or death of any and all persons that may be occasioned by, directly or indirectly, any cause whatsoever pertaining to the Transferred Property, the Airport or the Projects arising prior to the Effective Date; (b) any liability for fines, penalties, or other amounts assessed against the Authority which result from the City's failure to comply with applicable laws, rules and regulations prior to the~~

<sup>69</sup>Effective Date, ~~(c) any losses, damages, liability and expenses incurred by the Authority based upon or as a result of a misrepresentation by the City herein or in any other document, certificate or agreement delivered pursuant hereto or in connection with the Pre-Existing General Obligation Bonds or any omission of facts necessary to prevent any statement herein or in any other document, certificate or agreement delivered pursuant hereto or in connection with the Pre-Existing General Obligation Bonds from being misleading; and (d) any liability arising from the City's actions in entering into this Agreement, including without limitation the City's agreement hereunder to lease the Leased Premises to the Authority and to transfer the Personal Property to the Authority.~~

~~SECTION 14.2. Indemnification. To the extent permitted by law, and except for any matter with respect to which the Authority is released pursuant to Section 14.1 above, and subject to Section 14.3. hereof, the Authority agrees to indemnify and hold harmless the City, and its directors, officers, employees and agents from and against: (a) any and all liability and responsibility of the City expressly assumed by the Authority hereunder; (b) any liability for fines, penalties or other amounts assessed against the City which result from the Authority's failure to comply with applicable laws, rules and regulations; (c) any losses, damages, liability and expenses incurred by the City based upon or as a result of a misrepresentation by the Authority herein or in any other document, certificate or agreement delivered pursuant hereto or in connection with the Bonds or any omission of facts necessary to prevent any statement herein or in any other document, certificate or agreement delivered pursuant hereto or in connection with the Bonds from being misleading; and (d) any liability of the City arising from the Authority's actions in entering into this Agreement. Each indemnified party shall be entitled to reasonable attorneys' fees and any other expenses incurred in investigating or defending any suits or actions which may arise as a result of any of the foregoing, provided that any such losses, damages, liabilities or expenses of any such party seeking indemnification hereunder do not result from the gross negligence or willful misconduct of such party. Except as stated, the foregoing indemnity shall apply notwithstanding the fault or negligence on the part of any of the parties seeking indemnification hereunder and irrespective of the breach of any statutory obligation or the application of any rule of comparative or apportioned liability. The willful misconduct or gross negligence of any party seeking indemnification hereunder will not affect the indemnity of any other party so indemnified. In addition, the Authority hereby releases the City for any liability existing at the Airport and not disclosed by the City hereunder, in the event that such non-disclosure was a result of the City's ignorance of such condition.~~

~~SECTION 14.3. **Statute of Limitations.** Notwithstanding any other provisions of this Agreement, the obligations of the Authority under Section 14.2 above, shall remain in full force and effect after the expiration or earlier termination of this Agreement until the expiration of the period stated in the applicable statute of limitations during which a claim, cause of action or prosecution relating to the matters herein described may be brought against anyone entitled to indemnification hereunder (the "Indemnified Parties") and payment in full or the satisfaction of such claim, cause of action or prosecution and the payment of all expenses and charges incurred by any of the Indemnified Parties relating to the indemnification obligations of the Authority or the enforcement of such indemnification against the Authority.~~

## ARTICLE XV MISCELLANEOUS

~~SECTION~~ Section 15.1. No Personal Liability. Absent wanton or willful conduct, nothing contained in this Agreement and no act of the Authority, any member or group of members thereof, or of the City or any official, officer or employee of the City, performed or omitted in pursuance, effectuation or implementation of this Agreement, shall be construed to give rise to or create any

personal liability whatsoever on the part of any present or future director, officer or employee of the Authority or any official, officer or employee of the City.

~~SECTION~~Section 15.2.- Waivers and Amendments. No failure to exercise and no delay in exercising on the part of the City or the Authority, as the case may be, any right, power or privilege hereunder, shall operate as the waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof, or the exercise of any other right, power or privilege. Except as specifically provided herein, the rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by law. This Agreement sets forth the entire agreement between the parties with respect to the matters addressed herein and may not be amended or modified unless such amendment or modification is in writing and duly executed and delivered by the City and the Authority.

~~SECTION~~Section 15.3.- Notices. All notices, requests and other communications under this Agreement shall be deemed to have been duly given if in writing and delivered personally or by certified mail (a) to the Mayor of the City, with a copy to the Corporation Counsel of the City; (b) to the Authority at its offices, attention: Chairperson, or to such other address as the City or the Authority (as the case may be), shall hereafter designate by notice in writing pursuant to this Section 15.3. Such notices, requests and communications shall be deemed given and effective in the case of personal delivery upon receipt, and in the case of certified mail, two days after mailing thereof- to the following addresses:

If to the City: []<sup>2</sup>

If to the Authority:

Tweed-New Haven Airport Authority

155 Burr Street,

New Haven,

CT 06512

Attn: Executive Director

~~SECTION~~Section 15.4.- Severability. In the event that any one or more of the provisions contained in this Agreement is or are invalid, irregular or unenforceable in any respect, the validity, regularity and enforceability of the remaining provisions contained in this Agreement shall be in no way affected, prejudiced or disturbed thereby.

~~SECTION~~Section 15.5.- Headings. The descriptive headings of the several Articles and Sections of this Agreement are inserted in this Agreement for convenience only and shall not be deemed to affect the meaning or construction of any of the provisions hereof.

~~SECTION~~Section 15.6.- Authorized Representatives. The Authority may appoint one or more members, officers or employees as its authorized representatives for the purpose of taking any action by the Authority hereunder. The Authority shall notify the City in writing of its authorized representatives and may change the same by notice in writing.

---

<sup>2</sup> Note to Draft: City to input.



~~SECTION 15.7.~~ Section 15.7. No Assignment. ~~Neither Except as expressly permitted by this Agreement, neither~~ the City nor the Authority shall assign the benefit (in whole or in part) or any of the burdens of this Agreement without the prior written consent of the other, which consent may be granted or withheld in the sole and absolute discretion of such party.

~~SECTION 15.8. FAA Approval~~ Section 15.8 FAA Non-Objection. Without prejudice to any specific provision contained herein ~~(, and to the extent required) by federal law,~~ every provision of this ~~Lease Agreement~~ is subject to the ~~written approval of the FAA FAA's non-objection~~ and in the event that any provision for which approval is required by federal law is disapproved by the FAA, then the provisions of Section 15.4 ~~above shall take effect~~ above shall apply. The Authority shall continue to be the sole signatory for FAA grant agreements and subject to FAA grant assurances as of the Effective Date.

Section 15.9 Incorporation of Exhibits. The exhibits attached hereto and referred to herein are incorporated herein and made a part hereof for all purposes as if fully set forth in this Agreement.

~~SECTION 15.9.~~ Section 15.10 Governing Law. It is hereby agreed, stipulated and understood that this Agreement is made under, and shall be governed by, the laws of the State ~~of Connecticut~~ and of the United States of America.

~~SECTION 15.10.~~ Section 15.11 Department of Airports. For so long as this Agreement shall remain in full force and effect: ~~the City shall not appoint any commissioners pursuant to Section 201 of the City Charter, and the provisions of the Act shall constitute compliance by the City with the obligations set forth in Article XXXIII of the said City Charter; and.~~

~~(b) the provisions of General Ordinances 4.6, 4.7 and 4.8 shall be ineffective, and the City shall take such action as may be required to repeal the same for the duration of this Agreement, so that during the term of this Agreement all rates, fees, charges and penalties with respect to the operation of the Airport shall be determined and published by the Authority.~~

~~SECTION 15.11.~~ Section 15.12 Airport Master Plan. The Authority hereby agrees that it may not adopt any new Airport Master Plan ~~without the same first being approved (other than the Airport Master Plan currently being finalized~~ for submission to the FAA) without first seeking review and comment by the City. Notwithstanding the foregoing it is agreed and understood that no ~~approval or lack of approval input by the City~~ under this Section 15.12 shall affect the Authority's ability to operate the Airport in accordance with the provisions of the Airport Master Plan and the FAA ~~obligations~~ Obligations in effect as of the Amendment and Restatement Effective Date.

#### Section 15.13 Subordination.

This Agreement will be subject and subordinate to all the terms and conditions of any instruments and documents under which the City acquired the Leased Premises or improvements thereon. This Agreement shall be subject and subordinate to the provisions of any existing or future agreements between the Authority and the United States of America, or any of its agencies, relative to the operation and maintenance of the Airport, the terms and execution of which have been, or may be, required as a condition precedent to the expenditure or

reimbursement to the Authority of federal funds for the development of the Airport, and to any terms or conditions imposed upon the Airport by any other governmental entity ("Grant Assurances"). In the event of an assertion of preemption with respect to this Agreement, the Authority shall use best efforts to preserve the intent of this Agreement. The parties agree that nothing in this Agreement shall violate applicable federal law or FAA Grant Assurances, and to the extent, any portion of this Agreement violates

applicable federal law or the Grant Assurances, the parties shall amend such portions of this Agreement to comply with applicable law and FAA Grant Assurances.

WITNESS

THE CITY OF NEW HAVEN

by the

Witness

Patricia Smith  
Carol McGee

By: [Signature]

John DeStefano, Jr.  
Mayor

Approved as to Form  
and Correctness:

[Signature]  
John R. Ward, Esquire

~~Deputy Corporation Counsel~~

TWEED NEW HAVEN AIRPORT AUTHORITY

**EXHIBITS**

Witness

**A through M**

[Signature]

[Signature]

By: [Signature]

Roger F. Joyce  
Chairperson

~~Approved as to Form  
and Correctness:~~

[Signature]  
By: [Signature]  
Hugh H. Manke, Esquire  
General Counsel



~~Page 2 of 5~~

John DeStefano, Jr.  
Mayor

Witness  
Patricia Lavelle

[illegible]

HHHf  
-E!:

~~sheet 4 of 3~~ PROPERTY MAP  
SHEET 3 OF 3



~~Exhibit A~~  
~~PROPERTY MAP~~



~~Page 5 of 5~~

~~Exhibit B~~  
~~ASSIGNED CONTRACTS~~

[illegible]

EXHIBIT A  
TWEED - NEW HAVEN AIRPORT  
NEW HAVEN, CONNECTICUT

### SCHEDULE OF TRANSACTIONS

**SHEET 3 OF 5**

**Graham**

~~Page 1 of 1~~

~~Pennsylvania Airlines, Inc. (US Airways Express)~~

~~Existing term of contract is month too month. Airline provides public transportation, currently to two destinations (Philadelphia International and Ronald Reagan Washington National Airport).~~

~~Crown High Corporation (Avis Car Rental)~~

~~Existing term is month to month. Rental car agency provides automobile rentals to the the Airport. City receives a percentage of the gross revenues derived at the Airport.~~

## ~~The Hertz Corporation~~

~~Existing term is month to month. Rental car agency provides automobile rentals to the the Airport. City receives a percentage of the gross revenues derived at the public-~~

Airport.

**Budget Rent-A-Car**

Existing term is month to month. Rental car agency provides automobile rentals to the public at the the Airport. City receives a percentage of the gross revenues derived at the at

Airport.

**Robinson Associates Limited Partnership**

Forty (40) year contract, expires November 30, 2026. Full service Fixed Based Operator. Services provided in accordance with "Minimum Standards and Regulations for the Development and Operation of Aviation Facilities at Tweed New Haven Airport".

**Aramark Educational Services, Inc.**

One year agreement expires on June 30, 1998. Provides limited menu food service to the traveling public.

**New Haven Parking Authority**

Existing term of the contract is month to month. Manages and oversees the operation of the parking lot at the Airport.

**Interspace Advertising, Inc.**

Current agreement expires December 31, 1998. The contractor provides, services, maintains, operates and sells quality designed commercial advertising displays within assigned areas of the Terminal Building. City receives 15% of gross revenue derived from the sale of advertising at the Airport.

**United States of America - Federal Aviation Administration**

One year agreement expires September 30, 1998. The City allows the FAA to store and maintain a Remote Transmitter Receiver Facility in the Old Terminal Building.

**Exhibit C**  
**GRANTS-IN-AID**

Page 1 of 1

<del>9-06-007-</del>	<del>Addition to Administration</del>		<del>8-09-0013-</del>	<del>Rehab Perimeter Road</del>
<del>9-06-007-</del>	<del>Grading, Draining &amp;</del>		<del>3-09-0013-01</del>	<del>Install Fence</del>
<del>9-06-007-</del>	<del>Master Plan Drawings</del>		<del>3-09-0013-02</del>	<del>Reconstruct Parking</del>
<del>9-06-007-</del>	<del>Land Acquisition</del>		<del>3-09-0013-03</del>	<del>Acquire Snow Removal</del>
<del>9-06-007-</del>	<del>Land Acquisition</del>		<del>3-09-0013-04</del>	<del>Install HIRLS &amp; MITLS</del>
<del>9-06-007-</del>	<del>Land Acquisition</del>		<del>3-09-0013-05</del>	<del>Reconstruct T/W *C/*A",</del>
<del>C606</del>				<del>"B",</del>
<del>9-06-007-</del>	<del>Land Acquisition</del>		<del>3-09-0013-06</del>	<del>Airport Master Plan</del>
<del>9-06-007-</del>	<del>Overlay &amp; Mark R/W 2-20</del>		<del>3-09-0013-07</del>	<del>Update Terminal</del>
<del>9-06-007-</del>	<del>Overlay &amp; Mark R/W 2-20</del>		<del>3-09-0013-07</del>	<del>Acquire Snow Removal</del>
<del>8-09-0013-01</del>	<del>Localizer Site Grading</del>		<del>3-09-0013-08</del>	<del>Extend, Mark &amp; Ught T/w</del>
<del>8-09-0013-02</del>	<del>Reconstruct Aircraft</del>		<del>3-09-0013-09</del>	<del>Rehab T/W 'A' &amp; 'F',</del>
<del>8-09-0013-03</del>	<del>Install Security Fencing</del>		<del>3-09-0013-10</del>	<del>Purchase Snow Removal</del>
<del>8-09-0013-05</del>	<del>Reconstruct &amp; Mark Fl/W</del>		<del>3-09-0013-11</del>	<del>Equipment</del>
<del>8-09-0013-06</del>	<del>Groove R/W 2-20</del>		<del>3-09-0013-12</del>	<del>Environmental Impact</del>
<del>8-09-0013-07</del>	<del>Install MIRLS on R/W 14</del>		<del>3-09-0013-13</del>	<del>Design for Reconstruct of</del>
<del>8-09-0013-09</del>	<del>Construct &amp; Light Parking</del>		<del>3-09-0013-14</del>	<del>R/W 14 32</del>
<del>8-09-0013-10</del>	<del>Acquisition of Snow</del>		<del>3-09-0013-15</del>	<del>Environmental Impact</del>
<del>8-09-0013-11</del>	<del>Removal Equipment</del>		<del>3-09-0013-16</del>	<del>Purchase AREF Vehicle</del>
	<del>Relocate Existing 4 Box</del>			<del>Construct Single Bay</del>
	<del>VASI For RAW 2-20</del>			<del>AREF</del>
				<del>Permits for Runway</del>
				<del>Safety</del>

**Exhibit C**  
**GRANTS-IN-AID**

Page 1 of 1

<del>9-06-007-</del>	<del>Addition to Administration</del>		<del>8-09-0013-</del>	<del>Rehab Perimeter Road</del>
<del>9-06-007-</del>	<del>Grading, Draining &amp;</del>		<del>3-09-0013-01</del>	<del>Install Fence</del>
<del>9-06-007-</del>	<del>Master Plan Drawings</del>		<del>3-09-0013-02</del>	<del>Reconstruct Parking</del>
<del>9-06-007-</del>	<del>Land Acquisition</del>		<del>3-09-0013-03</del>	<del>Acquire Snow Removal</del>
<del>9-06-007-</del>	<del>Land Acquisition</del>		<del>3-09-0013-04</del>	<del>Install HIRLS &amp; MITLS</del>
<del>9-06-007-</del>	<del>Land Acquisition</del>		<del>3-09-0013-05</del>	<del>Reconstruct T/W ■CYA<sup>+</sup>, 'B*,'</del>
<del>9-06-007-</del>	<del>Land Acquisition</del>		<del>3-09-0013-06</del>	<del>Airport Master Plan Update Terminal</del>
<del>9-06-007-</del>	<del>Overlay &amp; Mark R/W 2-20</del>		<del>3-09-0013-07</del>	<del>Acquire Snow Removal</del>
<del>8-09-0013-01</del>	<del>Localizer Site Grading</del>		<del>3-09-0013-08</del>	<del>Extend, Mark &amp; Light</del>
<del>8-09-0013-02</del>	<del>Reconstruct Aircraft</del>		<del>3-09-0013-09</del>	<del>Rehab T/W 'A' &amp; 'F',</del>
<del>8-09-0013-03</del>	<del>Install Security Fencing</del>		<del>3-09-0013-</del>	<del>Purchase Snow Removal Equipment</del>
<del>8-09-0013-05</del>	<del>Reconstruct &amp; Mark R/W</del>		<del>3-09-0013-</del>	<del>Environmental Impact</del>
<del>8-09-0013-06</del>	<del>Groove R/W 2-20</del>		<del>3-09-0013-</del>	<del>Design for Reconstruct of R/W 14-32</del>
<del>8-09-0013-07</del>	<del>Install MIRLS on R/W 14-</del>		<del>3-09-0013-</del>	<del>Environmental Impact</del>
<del>8-09-0013-09</del>	<del>Construct &amp; Light Parking</del>		<del>3-09-0013-</del>	<del>Purchase AREF Vehicle</del>
<del>8-09-0013-</del>	<del>Acquisition of Snow Removal Equipment</del>		<del>3-09-0013-</del>	<del>Construct Single Bay AREF</del>
<del>8-09-0013-</del>	<del>Relocate Existing 4 Box VASI For R/W 2-20</del>		<del>3-09-0013-</del>	<del>Permits for Runway Safety</del>

## **Exhibit D**

### **MUTUAL GOALS AND OBJECTIVES**

Page 1 of 2

#### **POSITION OF MAYOR JOHN DESTEFANO, JR. ON THE REPORT OF THE REGIONAL GROWTH PARTNERSHIP (RGP) REGARDING TWEED-NEW HAVEN AIRPORT**

**FEBRUARY 20, 1998**

### **INTRODUCTION**

This position statement outlines the City's response to the report issued in January 1997 by the Regional Growth Partnership (RGP). It lists the action steps that the Greater New Haven region must take in order to proceed in its analysis of the airport's short-term and long-term needs.

### **STATEMENT OF PRINCIPLES**

- ~~Fairness: All of South Central Connecticut must share in the responsibility and burden of supporting the regional asset at Tweed-New Haven Airport, both now and in the future.~~
- ~~Openness: The entire process surrounding increased air service at Tweed must be open and accessible to the citizens and stakeholders of this region. Special attention must be paid to the residents of the neighborhoods in Tweed's immediate vicinity.~~
- ~~Compensation: If there is any displacement of homes in the vicinity of the airport or if there is a serious compromise in the quality of life in the surrounding neighborhoods, then affected homeowners must be adequately compensated.~~

### **RECOMMENDATIONS**

- ~~Tweed-New Haven Airport would work to establish links with four major air service hubs within 1,000 miles. Such hubs would include Chicago, Pittsburgh, Atlanta and Cincinnati.~~
- ~~It is clear that jet service must be reinstated at Tweed in order to make the major hubs accessible and to increase that reliability of air service.~~
- ~~It is also clear that, barring the introduction of new jet technology, the runway at Tweed must be expanded to accommodate the longer takeoff and landing requirements of jet planes to ensure that they can depart and arrive on a scheduled, uninterrupted basis.~~

#### **MARKET ANALYSIS MASTER PLAN UPDATE**

~~The RGP report constitutes a preliminary assessment. A Market Analysis and Master Plan Update that will outline the financial costs, real life implications, and the potential economic benefits of the above recommendations must be undertaken before initiating implementation. Officials have met with FAA administrators to obtain technical guidance for the process of undertaking such a Master Plan Update. It is estimated that the update process will take a minimum of two years to complete and will cost between \$500,000 and \$1 million, depending on the final scope of the work developed.~~

#### **ELEMENTS OF THE MARKET ANALYSIS AND MASTER PLAN UPDATE**

- ~~The Master Plan update would be preceded by a Market Analysis.~~
- ~~First, the Market Analysis would analyze the air travel market in detail so as to determine the level of justification and need for expansion and enhancement of service. The strength of the linkage between runway expansion and air services goals must be tested.~~
- ~~Second, the Master Plan Update would accurately answer key questions about the proposed changes at Tweed, such as: how much the modifications will cost (FAA funding of large expansion projects such as contemplated by the RGP consistently fall well below 50% of total costs); determine what traffic, noise, wetlands, housing relocation and site and technical issues must be taken into account and addressed to accomplish runway expansion. This inquiry will help to determine the feasibility and practicality of proceeding with the RGP plan.~~
- ~~A minimum of two years will be required to undertake the Market Analysis and Master Plan Update.~~
- ~~A minimum of two to three additional years will be needed in order to implement the Master Plan Update's recommendations.~~

~~CONCLUSION: Should it be determined practical and feasible, physical improvements at Tweed, principally a runway extension, would be accomplished in five to seven years.~~

#### **NEAR TERM OPERATION OF THE AIRPORT**

~~In the near term, it is essential that Tweed be operated as safely and efficiently as possible, and we must work towards the goal of improving all services to the extent possible. Accordingly, the following near term agenda will be followed.~~

- ~~Field operation and safety: Institute Environmental Impact Statement (EIS) improvements, including safety zone and taxiway bravo enhancements. Completion of the EIS improvements, the public hearing process, permitting, design, bid, and construction will require about three years. It is estimated that these improvements will cost several million dollars. FAA discretionary funds will be pursued to finance this project. It is the strong position of both the City and the FAA that construction of the EIS improvements is of the highest priority. No element of the proposed Master Plan Update should be permitted to jeopardize the EIS effort.~~
- ~~ASOS Automated Weather System: To be completed by November, 1998. Funding is in place to accomplish this goal.~~
- ~~Work to lower landing minimums: Survey of approach zone obstructions is nearing completion. Remove obstructions quickly and wherever possible. Install improved navigational lighting aids. Funding for removal of the obstructions and improved navigational lighting is not yet in place.~~
- ~~Marketing effort: To ensure that people in our service area are aware of the various flights already available at Tweed, a marketing effort is underway.~~

~~Operational arrangement: Subject to FAA approval, an agreement for contract operation of all functions of the airport shall be executed by the~~  
WITNESSES **Tweed-New Haven**  
**Airport Authority** ~~with a qualified airport management company. All city employees not hired by the Management Company or Authority will be relocated to other activities.~~ a political subdivision of the State of Connecticut

\_\_\_\_\_  
Name: \_\_\_\_\_ John Picard, Chairman

\_\_\_\_\_  
Name: \_\_\_\_\_

WITNESSES City of New Haven, a municipal corporation

\_\_\_\_\_  
Name: \_\_\_\_\_ [\_\_\_\_\_]

\_\_\_\_\_  
Name: \_\_\_\_\_

EXHIBIT A  
PROPERTY MAP

*[attached separately]*

EXHIBIT C  
EQUAL OPPORTUNITY<sup>3</sup>

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<sup>3</sup> Note to Draft: City to provide.



EXHIBIT D<sup>4</sup>  
PERFORMANCE STANDARDS

**DRAFT**

In furtherance of the implementation of the Airport Master Plan, the Authority is in negotiations for certain subleases, airline use agreements, licenses and concession agreements. The parties acknowledge that, for certainty, (i) the performance standards set forth below are intended to guide the Authority's negotiation of relevant Project Documents, and (ii) as such, with the appropriate Project Document, the Authority shall incorporate such performance standards as the Authority determines appropriate pursuant to good faith negotiations (iii) the Authority's issuance of the appropriate Project Documents will be conclusive evidence of the Authority having made such determination, and attached hereto.

Basic Terms

1. The Original Lease will be extended to be the same length of the Authority sublease to AirportCo (total of 43 years).
2. The runway will be extended to a length of 6,635 feet as per the 2021 Airport Master Plan recommendations and, on a schedule consistent with the runway extension project, the Authority will work with AirportCo on the construction of a new East Terminal with a defined building footprint that accommodates four aircraft gates and allows reasonable flexibility of space within that footprint for as many as two more aircraft gates. Any expansion of the footprint will require the Authority's prior approval.
3. Passenger parking will be moved to the east side upon completion of the East Terminal.

~~Lease and Operating Agreement dated as pursuant to which (inter alia), the Authority has agreed (a) to operate the Airport during the term of the Lease; (b) to assume the City's responsibility as a Sponsor under the Airport and Airway Improvement Act of 1982 in connection with the Existing Grant Agreements, and (c) to assume the City's obligations for projects funded with grants awarded pursuant to the Existing Grant Agreements (collectively, the "Airport Projects") all effective as of the date hereof. The parties wish to effect the formal assignment to and assumption by the Authority of all of the rights and obligations of the City and here above referred and to obtain FAA approval to such assignment and assumption and to the transfer of operational control of the Airport pursuant to the Lease.~~

~~NOW, THEREFORE, the FAA, the City and the Authority hereby agree as follows:~~

~~1. **Assignment and Assumption.** The City hereby assigns to the Authority all of the City's rights in, to and under, the Existing Grant Agreements, and the Authority hereby assumes and agrees to perform, from and after July 1, 1998 all of the City's obligations thereunder and to assume responsibility for the Airport Projects as of the date, provided however, that nothing herein is intended to impair or otherwise affect the City's obligations to the Authority under the Lease with respect to liabilities incurred by the Authority in connection with events occurring prior to or circumstances or conditions existing as of the date hereof, or liabilities arising after the date hereof based in whole or in part on or as a result of events, circumstances or conditions existing as of the date hereof and/or as otherwise set forth in the Lease.~~

~~2. **Pre-Approval.** (a) The FAA hereby consents to the transfer of responsibility for the Airport to~~

the Authority pursuant to the Lease, and to the assignment to the Authority of the City's rights and obligations, under the Existing Grant Agreements. The FAA agrees henceforth during the term of the Lease to recognize the Authority as the sole "Sponsor" under the Act.

(b) The Authority and the City hereby agree that they will not, without the prior written approval of the FAA, enter into any amendment of the Lease, if such amendment modifies in any material respect the provisions of the Lease relating to operation of the Airport including (without limitation) the rent payable thereunder, or affects the ability of the Authority or the City to comply with the Existing Grant Agreements.

**3. Acknowledgments.** The City hereby acknowledges and agrees that the assignment and assumption described in this Agreement does not relieve the City of the City's responsibility to comply with and carry out the terms of the Existing Grant Agreements. The City and the Authority hereby agree that the FAA shall have the right to bring suit directly against the City and/or the Authority, as the FAA may in its sole discretion deem necessary or appropriate, in order to enforce the obligations of the City and the Authority hereunder and under the Existing Grant Agreements. In the event that the Authority shall cease to exist or function for any reason, including (without limitation) withdrawal, dissolution or liquidation of the Authority and/or expiration of the Lease, then the City shall be deemed to have assumed all responsibility of the Authority under the Existing Grant Agreements. In the event of a conflict between the terms and conditions of this Agreement and the Lease, the terms and conditions of this Agreement shall control.

**Federal Aviation Administration**

By: \_\_\_\_\_  
 Manager, Airports Division \_\_\_\_\_ Witness  
 FAA, New England Region

**City of New Haven**

By: \_\_\_\_\_  
 John DeStefano, Jr. \_\_\_\_\_ Witness  
 Mayor

Approved as to Form and Correctness:

John R. Ward, Esquire Deputy  
 Corporation Counsel

**Tweed-New Haven Airport Authority**

By: \_\_\_\_\_  
 Roger F. Joyce \_\_\_\_\_ Witness  
 Chairperson

Approved as to Form and Correctness:

Hugh I. Manke, Esquire  
 General Counsel

**Exhibit I  
 Financial Information of the City**

# LEASE AND OPERATING AGREEMENT

Page 50 of 69

## OPERATING AND FINANCIAL SUMMARY FOR TWEED-NEW HAVEN AIRPORT FOR FISCAL YEAR 1997-1998

<del>REVENUE (Projected)</del>		<del>Operating Expenses (As Budgeted)</del>	
<del>Airport Parking</del>	<del>70,000.00</del>	<del>Personnel Compensation</del>	<del>365,319.00</del>
<del>Rentals</del>	<del>300,000.00</del>	<del>Medical Benefits 24.00%</del>	<del>133,676.32</del>
<del>TOTAL OPERATING REVENUE</del>	<del>370,000.00</del>	<del>Pension Expenses 11.50%</del>	<del>65,011.69</del>
<del>Non-Operating Revenue and Other Receipts</del>		<del>Worker's Comp 3.30%</del>	<del>18,655.53</del>
<del>Bond Proceeds</del>		<del>Indirect Admin Expenses</del>	<del>381,810.00</del>
<del>Proceeds from sale of property not subject to fee</del>	<del>0.00</del>	<del>Communications &amp; Utilities</del>	<del>138,300.00</del>
<del>Proceeds from sale of property subject to SPA's</del>	<del>0.00</del>	<del>Supplies, Materials, Repairs and Maintenance</del>	<del>0.00</del>
<del>Grant payments</del>	<del>0.00</del>	<del>Services</del>	<del>440,408.00</del>
<del>Passenger Facility Charges</del>	<del>0.00</del>	<del>Insurance &amp; Claims</del>	<del>0.00</del>
<del>Other</del>	<del>0.00</del>	<del>Government in lieu, permit, impact fees</del>	<del>0.00</del>
<del>Total Non-operating Revenue and Other Receipts</del>	<del>0.00</del>	<del>Misc. not exceeding 5% of total</del>	<del>1,765,180.77</del>
<del>Total Revenue and Other Receipts</del>	<del>0.00</del>	<del>Total Operating Expenditures</del>	<del>1,765,180.77</del>
		<del>Debt Service Payments Net of Capitalized Interest</del>	
		<del>Transfers to Reserves</del>	
		<del>Non-operating Capital Expenditures</del>	

<del>Total Capital Expenditures</del>	<del>0.00</del>
<del>Other Expenditures</del>	<del>0.00</del>
<del>Total Other</del>	<del>0.00</del>
<del>Total Non-Operating Expenditures</del>	<del>0.00</del>
<del>Total Expenditures</del>	<del>1,765,180.77</del>
<del>REVENUE SURPLUS(LOSS)</del>	<del>(1,395,180.77)</del>
<del>OPERATING DEFICIT</del>	<del>(1,395,180.77)</del>

## Exhibit I Financial Information of the City

Page 2 of 3

## OPERATING AND FINANCIAL SUMMARY FOR TWEED-NEW HAVEN AIRPORT FOR FISCAL YEAR 1996-1997

Operating Revenue		Operating Expenses	
Airline and other aeronautical revenue		Personnel Compensation	500,088.01
Landing fees	61,081.3	Medical Benefits 24.00%	120,021.12
Terminal/International arrival	0.00	Pension Expenses 11.50%	57,510.12
Apron charges/holdowns	1,650.00	Workers Comp 3.50%	16,502.90
Fuel flowage	44,638.7	Indirect Admin Expenses	327,346.00
Utilities	0.00	Communications & Utilities	122,873.61
FBO revenue	44,876.9	Supplies, Materials, Repairs and	145,456.14
Cargo and hangar rentals	0.00	Maintenance	0.00
Securities reimbursement	0.00	Insurance & Claims	19,249.00
Misc. not exceeding 5% of total	12,964.2	Government in lieu, permit, impact	0.00
aeronautical		Misc. not exceeding 5% of total	203,331.19
Total aeronautical revenue	165,211.67	operating expenses	
		Total Operating Expenditures	1,512,378.10
Non-aeronautical Revenue		Debt Service Payments Net of	
Rent/land rental	133,431.1	Capitalized Interest	
Concessions	3,383.00	Transfers to Reserves	
Parking	108,129.1	Non-operating Capital Expenditures	769,822.29
Rental Cars	66,764.7	Total Capital Expenditures	
Royalties from natural resource	0.00	Other Expenditures	
Misc. not exceeding 5% total	0.00	Land Acquisition	113,100.76
non-aeronautic		Total Other	
Total non-aeronautical revenue	311,744.01		113,100.76
TOTAL OPERATING	476,955.68	Total Non-Operating Expenditures	882,923.05
REVENUE		Total Expenditures	2,395,301.2
Non-Operating Revenue and Other Receipts		REVENUE SURPLUS(LOSS)	(578,906.01)
Bond Proceeds	480,000.00		
Proceeds from sale of property	0.00	OPERATING DEFICIT	(1,035,442.42)
not subject to			
Proceeds from sale of property	0.00		
subject to			
Grant payments	644,383.10		
Passenger Facility Charges	204,947.1		
Other	9,931.90		
Total Non-operating Revenue	1,339,211.10		
and Other	9.46		
Total Revenue and Other	1,816,399.14		
Receipts			

## Exhibit I

### Financial Information of the City

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Operating Revenue		Operating Expenses	
Airline and other aeronautical revenue		Personnel Compensation	485,868.05
Landing fees	101,649.70	Medical Benefits 24.00%	116,608.33
Terminal/international arrival area rental	70,684.80	Pension Expenses 11.50%	55,874.83
Apron charges/tiedowns	13,313.00	Worker's Comp 3.30%	16,033.65
Fuel flowage	103,927.70	Indirect Admin Expenses	293,371.00
Utilities	0.00	Communications & Utilities	156,666.58
FBO revenue	40,143.80	Supplies, Materials, Repairs and Maintenance Services	114,220.66
Cargo and hangar rentals	0.00	Insurance & Claims	0.00
Securities reimbursement	0.00	Government in lieu, permit, impact fees	22,162.00
Misc. not exceeding 5% of total aeronautical	14,373.00	Misc. not exceeding 5% of total operating expenses	0.00
Total aeronautical revenue	346,494.30	Total Operating Expenditures	1,367,988.72
Non-aeronautical Revenue		Debt Service Payments Net of Capitalized Interest	
Rent/land rental	36,332.40	Transfers to Reserves	
Concessions	0.00	Non-operating Capital Expenditures	329,631.00
Parking	169,149.26	Total Capital Expenditures	529,631.00
Rental Cars	128,488.71	Other Expenditures	
Royalties from natural resource	0.00	Land Acquisition	291,233.36
Misc. not exceeding 5% total non-aeronautical	0.00	Total Other	291,235.56
Total non-aeronautical revenue	334,141.27	Total Non-Operating Expenditures	820,866.56
TOTAL OPERATING REVENUE	700,664.57	Total Expenditures	2,188,833.60
Non-Operating Revenue and Other Receipts		REVENUE SURPLUS(LOSS)	(1,167,731.41)
Bond Proceeds	0.00	OPERATING DEFICIT	(667,324.15)
Proceeds from sale of property not subject to Fed. Tax	0.00		
Proceeds from sale of property subject to SBA loan	0.00		
Grant payments	0.00		
Passenger Facility Charges	310,748.05		
Other	9,730.33		
Total Non-operating Revenue and Other Receipts	320,478.38		
Total Revenue and Other Receipts	1,021,142.95		

**Exhibit J****KNOWN DEFECTS AND CONDITIONS**

Page 1 of 1

There are none known.

**Exhibit K****KNOWN CONDITIONS AFFECTING THE LEASED PREMISES**

Page 1 of 1

There are none known.

## Exhibit L

**KNOWN LEGAL OR ADMINISTRATIVE/REGULATORY PROCEEDINGS**

Page 1 of 1

There are none known.

## Exhibit M

**FEDERAL ASSURANCES**

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Appendix  
4ASSURANCES  
Airport Sponsors

## A. General.

1. These assurances shall be complied with in the performance of grant agreements for airport development, airport planning, and noise compatibility program grants for airport sponsors.
2. These assurances are required to be submitted as part of the project application by sponsors requesting funds under the provisions of Title 49, U.S.C., subtitle VII, as amended. As used herein, the term "public agency sponsor" means a public agency with control of a public-use airport; the term "private sponsor" means a private owner of a public-use airport; and the term "sponsor" includes both public agency sponsors and private sponsors.
3. Upon acceptance of the grant offer by the sponsor, these assurances are incorporated in and become part of the grant agreement.

## B. Duration and Applicability:

1. Airport development or Noise Compatibility Program Projects Undertaken by a Public Agency Sponsor. The terms, conditions and assurances of the grant agreement shall remain in full force and effect throughout the useful life of the facilities developed or equipment acquired for an airport development or noise compatibility program project, or throughout the useful life of the project items installed within a facility under a noise compatibility program project, but in any event not to exceed twenty (20) years from the date of acceptance of a grant offer of Federal funds for the project. However, there shall be no limit on the duration of the assurance against exclusive rights or the terms, conditions and assurances with respect to real property acquired with Federal funds. Furthermore, the duration of the Civil Rights assurance shall be specified in the assurances.
2. Airport Development or Noise Compatibility Projects Undertaken by a Private Sponsor. The preceding paragraph 1 also applies to a private sponsor except that the useful life of project items installed within a facility or the useful life of the facilities developed or equipment acquired under an airport development or noise compatibility program project shall be no less than ten (10) years from the date of acceptance of Federal aid for the project.
3. Airport Planning Undertaken by a Sponsor. Unless otherwise specified in the grant agreement, only Assurances 1, 2, 3, 5, 6, 13, 18, 30, 32, 33, and 34 in section C apply to planning projects. The terms, conditions, and assurances of the grant agreement shall remain in full force and effect during the life of the project.

## C. Sponsor Certification. The sponsor hereby assures and certifies, with respect to this grant that;

1. General Federal Requirements. It will comply with all applicable Federal laws, regulations, executive orders, policies, guidelines, and requirements as they relate to the application, acceptance and use of Federal funds for this project including but not limited to the following; Federal Legislation
  - a. Title 49, U.S.C., subtitle VII, as amended.
  - b. Davis-Bacon Act - 40 U.S.C. 276(a), et seq.<sup>a</sup>
  - c. Federal Fair Labor Standards Act - 29 U.S.C. 201, et seq.
  - d. Hatch Act - 5 U.S.C. 1501, et seq.<sup>2</sup>
  - e. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 Title 42 U.S.C. 4601, et seq.<sup>1,2</sup>
  - f. National Historic Preservation Act of 1966 - Section 106-16 U.S.C. 470(f).<sup>Δ</sup>
  - g. Archeological and Historic Preservation Act of 1974 - 16 U.S.C. 469 through 469c.<sup>Δ</sup>
  - h. Native Americans Grave Repatriation Act - 25 U.S.C. Section 3001, et seq.
  - i. Clean Air Act, P.L. 90-148, as amended.
  - j. Coastal Zone Management Act, P.L. 93-205, as amended.

- k. ~~Flood Disaster Protection Act of 1973 – Section 102(a) – 42 U.S.C. 4012a.<sup>4</sup>~~
- l. ~~Title 49, U.S.C., Section 303, (formerly known as Section 4(f))~~
- m. ~~Rehabilitation Act of 1973 – 29 U.S.C. 794.~~

~~Airport Assurances (5/97)~~

## **Exhibit M FEDERAL ASSURANCES**

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- n. ~~Civil Rights Act of 1964 – Title VI – 42 U.S.C. 2000d through d-4.~~
- o. ~~Age Discrimination Act of 1975 – 42 U.S.C. 6101, et seq.~~
- p. ~~American Indian Religious Freedom Act, P.L. 95-341, as amended.~~
- q. ~~Architectural Barriers Act of 1968 – 42 U.S.C. 4151, et seq.<sup>4</sup>~~
- r. ~~Powerplant and Industrial Fuel Use Act of 1978 – Section 403-2 U.S.C. 8373.1~~
- s. ~~Contract Work Hours and Safety Standards Act – 40 U.S.C. 327, et seq.<sup>1</sup>~~
- t. ~~Copeland-Antikickback Act – 18 U.S.C. 874.<sup>5</sup>~~
- u. ~~National Environmental Policy Act of 1969 – 42 U.S.C. 4321, et seq.<sup>1</sup>~~
- v. ~~Wild and Scenic Rivers Act, P.L. 90-542, as amended.~~
- w. ~~Single Audit Act of 1984 – 31 U.S.C. 7501, et seq.<sup>2</sup>~~
- x. ~~Drug-Free Workplace Act of 1988 – 41 U.S.C. 702 through 706.~~

### ~~Executive Orders~~

~~Executive Order 11246 – Equal Employment Opportunity<sup>6</sup>~~

~~Executive Order 11990 – Protection of Wetlands~~

~~Executive Order 11998 – Flood Plain Management~~

~~Executive Order 12372 – Intergovernmental Review of Federal Programs.~~

~~Executive Order 12699 – Seismic Safety of Federal and Federally Assisted New Building Construction<sup>4</sup>~~

~~Executive Order 12898 – Environmental Justice Federal Regulations~~

~~a. 14 CFR Part 13 – Investigative and Enforcement Procedures.~~

~~b. 14 CFR Part 16 – Rules of Practice For Federally Assisted Airport Enforcement Proceedings.~~

~~c. 14 CFR Part 150 – Airport noise compatibility planning.~~

~~d. 29 CFR Part 1 – Procedures for predetermination of wage rates.<sup>7</sup>~~

~~e. 29 CFR Part 3 – Contractors and subcontractors on public building or public work financed in whole or part by loans or grants from the United States.<sup>8</sup>~~

~~29 CFR Part 5 – Labor standards provisions applicable to contracts covering federally financed and assisted construction (also labor standards provisions applicable to nonconstruction contracts subject to the Contract Work Hours and Safety Standards Act).<sup>9</sup>~~

~~g. 41 CFR Part 60 – Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor (Federal and federally assisted contracting requirements).<sup>4</sup>~~

~~h. 49 CFR Part 18 – Uniform administrative requirements for grants and cooperative agreements to state and local governments.<sup>3</sup>~~

~~i. 49 CFR Part 20 – New restrictions on lobbying.~~

~~j. 49 CFR Part 21 – Nondiscrimination in federally assisted programs of the Department of Transportation – effectuation of Title VI of the Civil Rights Act of 1964.~~

~~k. 49 CFR Part 23 – Participation by minority business enterprise in Department of Transportation programs.~~

~~l. 49 CFR Part 24 – Uniform relocation assistance and real property acquisition for Federal and federally assisted programs.<sup>4,9</sup>~~

~~m. 49 CFR Part 27 – Nondiscrimination on the basis of handicap in programs and activities receiving or benefitting from Federal financial assistance.<sup>4</sup>~~

~~n. 49 CFR Part 29 – Governmentwide debarment and suspension (non-procurement) and governmentwide requirements for drug-free workplace (grants).~~

~~o. 49 CFR Part 30 – Denial of public works contracts to suppliers of goods and services of countries that deny procurement market access to U.S. contractors.~~

~~p. 49 CFR Part 41 – Seismic safety of Federal and federally assisted or regulated new building construction.<sup>4</sup>~~

### ~~Office of Management and Budget Circulars~~

~~a. A-87 – Cost Principles Applicable to Grants and Contracts with State and Local Governments.~~

## Exhibit M FEDERAL ASSURANCES

Page 3 of 11

### Exhibit M

Appendix 1

#### ~~b A-128 – Audits of State and Local Governments.~~

~~1—These laws do not apply to airport planning sponsors.~~

~~2—These laws do not apply to private sponsors.~~

~~^ 49 CFR Part 18 and OMB Circular A-87 contain requirements for State and Local Governments receiving Federal assistance. Any requirement levied upon State and Local Governments by this regulation and circular shall also be applicable to private sponsors receiving Federal assistance under Title 49, United States Code.~~

~~Specific assurances required to be included in grant agreements by any of the above laws, regulations or circulars are incorporated by reference in the grant agreement.~~

#### ~~2—Responsibility and Authority of the Sponsor.~~

~~a. ——— Public Agency Sponsor: It has legal authority to apply for the grant, and to finance and carry out the proposed project; that a resolution, motion or similar action has been duly adopted or passed as an official act of the applicant's governing body authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.~~

~~b. ——— Private Sponsor: It has legal authority to apply for the grant and to finance and carry out the proposed project and comply with all terms, conditions, and assurances of this grant agreement. It shall designate an official representative and shall in writing direct and authorize that person to file this application, including all understandings and assurances contained therein; to act in connection with this application; and to provide such additional information as may be required.~~

#### ~~3—Sponsor Fund Availability. It has sufficient funds available for that portion of the project costs which are not to be paid by the United States. It has sufficient funds available to assure operation and maintenance of items funded under the grant agreement which it will own or control.~~

#### ~~4—Good Title.~~

~~a. ——— It holds good title, satisfactory to the Secretary, to the landing area of the airport or site thereof, or will give assurance satisfactory to the Secretary that good title will be acquired.~~

~~b. ——— For noise compatibility program projects to be carried out on the property of the sponsor, it holds good title satisfactory to the Secretary to that portion of the property upon which Federal funds will be expended or will give assurance to the Secretary that good title will be obtained.~~

#### ~~5—Preserving Rights and Powers.~~

~~a. ——— It will not take or permit any action which would operate to deprive it of any of the rights and powers necessary to perform any or all of the terms, conditions, and assurances in the grant agreement without the written approval of the Secretary, and will act promptly to acquire, extinguish or modify any outstanding rights or claims of right of others which would interfere with such performance by the sponsor. This shall be done in a manner acceptable to the Secretary.~~

~~b. ——— It will not sell, lease, encumber, or otherwise transfer or dispose of any part of its title or other interests in the property shown on Exhibit A to this application or, for a noise compatibility program project, that portion of the property upon which Federal funds have been expended, for the duration of the terms, conditions, and assurances in the grant agreement without approval by the Secretary. If the transferee is found by the Secretary to be eligible under Title 49, United States Code, to assume the obligations of the grant agreement and to have the power, authority, and financial resources to carry out all such obligations, the sponsor shall insert in the contract or document transferring or disposing of the sponsor's interest, and make binding upon the transferee all of the terms, conditions, and assurances contained in this grant agreement.~~

Airport Assurances (5/97)

## FEDERAL ASSURANCES

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Appendix 1



- c. ~~For all noise compatibility program projects which are to be carried out by another unit of local government or are on property owned by a unit of local government other than the sponsor, it will enter into an agreement with that government. Except as otherwise specified by the Secretary, that agreement shall obligate that government to the same terms, conditions, and assurances that would be applicable to it if it applied directly to the FAA for a grant to undertake the noise compatibility program project. That agreement and changes thereto must be satisfactory to the Secretary. It will take steps to enforce this agreement against the local government if there is substantial non-compliance with the terms of the agreement.~~
- d. ~~For noise compatibility program projects to be carried out on privately owned property, it will enter into an agreement with the owner of that property which includes provisions specified by the Secretary. It will take steps to enforce this agreement against the property owner whenever there is substantial non-compliance with the terms of the agreement.~~
- e. ~~If the sponsor is a private sponsor, it will take steps satisfactory to the Secretary to ensure that the airport will continue to function as a public-use airport in accordance with these assurances for the duration of these assurances.~~
- f. ~~If an arrangement is made for management and operation of the airport by any agency or person other than the sponsor or an employee of the sponsor, the sponsor will reserve sufficient rights and authority to insure that the airport will be operated and maintained in accordance Title 49, United States Code, the regulations and the terms, conditions and assurances in the grant agreement and shall insure that such arrangement also requires compliance therewith.~~
- 6. ~~Consistency with Local Plans. The project is reasonably consistent with plans (existing at the time of submission of this application) of public agencies that are authorized by the State in which the project is located to plan for the development of the area surrounding the airport. For noise compatibility program projects, other than land acquisition, to be carried out on property not owned by the airport and over which property another agency has land use control or authority, the sponsor shall obtain from each such agency a written declaration that such agency supports that project and the project is reasonably consistent with the agency's plans regarding the property.~~
- 7. ~~Consideration of Local Interest It has given fair consideration to the interest of communities in or near where the project may be located.~~
- 8. ~~Consultation with Users. In making a decision to undertake any airport development project under Title 49, United States Code, it has undertaken reasonable consultations with affected parties using the airport at which project is proposed.~~
- 9. ~~Public Hearings. In projects involving the location of an airport, an airport runway, or a major runway extension, it has afforded the opportunity for public hearings for the purpose of considering the economic, social, and environmental effects of the airport or runway location and its consistency with goals and objectives of such planning as has been carried out by the community and it shall, when requested by the Secretary, submit a copy of the transcript of such hearings to the Secretary. Further, for such projects, it has on its management board either voting representation from the communities where the project is located or has advised the communities that they have the right to petition the Secretary concerning a proposed project.~~
- 10. ~~Air and Water Quality Standards. In projects involving airport location, a major runway extension, or runway location it will provide for the Governor of the state in which the project is located to certify in writing to the Secretary that the project will be located, designed, constructed, and operated so as to comply with applicable air and water quality standards. In any case where such standards have not been approved and where applicable air and water quality standards have been promulgated by the Administrator of the Environmental Protection Agency, certification shall be obtained from such Administrator. Notice of certification or refusal to certify shall be provided within sixty days after the project application has been received by the Secretary.~~
- 11. ~~Pavement Preventive Maintenance. With respect to a project approved after January 1, 1995, for the replacement or reconstruction of pavement at the airport, it assures or certifies that it has~~

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## Exhibit M FEDERAL ASSURANCES

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- a. ~~It will execute the project in accordance with the approved program narrative contained in the project application or with the modifications similarly approved.~~
- b. ~~It will furnish the Secretary with such periodic reports as required pertaining to the planning project and planning work activities.~~
- c. ~~It will include in all published material prepared in connection with the planning project a notice that the~~

- material was prepared under a grant provided by the United States.
- d. It will make such material available for examination by the public, and agrees that no material prepared with funds under this project shall be subject to copyright in the United States or any other country.
  - e. It will give the Secretary unrestricted authority to publish, disclose, distribute, and otherwise use any of the material prepared in connection with, this grant.
  - f. It will grant the Secretary the right to disapprove the sponsor's employment of specific consultants and their subcontractors to do all or any part of this project as well as the right to disapprove the proposed scope and cost of professional services.
  - g. It will grant the Secretary the right to disapprove the use of the sponsor's employees to do all or any part of the project.
  - h. It understands and agrees that the Secretary's approval of this project grant or the Secretary's approval of any planning material developed as part of this grant does, not constitute or imply any assurance or commitment on the part of the Secretary to approve any pending or future application for a Federal airport grant.
19. Operation and Maintenance.
- a. The airport and all facilities which are necessary to serve the aeronautical users of the airport, other than facilities owned or controlled by the United States, shall be operated at all times in a safe and serviceable condition and in accordance with the minimum standards as may be required or prescribed by applicable Federal, state and local agencies for maintenance and operation. It will not cause or permit any activity or action thereon which would interfere with its use for airport purposes. It will suitably operate and maintain the airport and all facilities thereon or connected therewith, with due regard to climatic and flood conditions. Any proposal to temporarily close the airport for nonaeronautical purposes must first be approved by the Secretary. In furtherance of this assurance, the sponsor will have in effect arrangements for:
    - (1) Operating the airport's aeronautical facilities whenever required;
    - (2) Promptly marking and lighting hazards resulting from airport conditions, including temporary conditions; and
    - (3) Promptly notifying airmen of any condition affecting aeronautical use of the airport.
 Nothing contained herein shall be construed to require that the airport be operated for aeronautical use during temporary periods when snow, flood or other climatic conditions interfere with such operation and maintenance. Further, nothing herein shall be construed as requiring the maintenance, repair, restoration, or replacement of any structure or facility which is substantially damaged or destroyed due to an act of God or other condition or circumstance beyond the control of the sponsor.
  - b. It will suitably operate and maintain noise compatibility program items that it owns or controls upon which Federal funds have been expended.
20. Hazard Removal and Mitigation. It will take appropriate action to assure that such terminal airspace as is required to protect instrument and visual operations to the airport (including established minimum flight altitudes) will be adequately cleared and protected by removing, lowering, relocating, marking, or lighting or otherwise mitigating existing airport hazards and by preventing the establishment or creation of future airport hazards.

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21. Compatible Land Use. It will take appropriate action, including the adoption of zoning laws, to the extent reasonable, to restrict the use of land adjacent to or in the immediate vicinity of the airport to activities and purposes compatible with normal airport operations, including landing and takeoff of aircraft. In addition, if the project is for noise compatibility program implementation, it will not cause or permit any change in land use, within its jurisdiction, that will reduce its compatibility, with respect to the airport, of the noise compatibility program measures upon which Federal funds have been expended.
22. Economic Nondiscrimination.
- a. It will make its airport available as an airport for public use on reasonable terms and without unjust discrimination, to any person, firm, or corporation to conduct or to engage in any aeronautical activity for furnishing services to the public at the airport.
  - b. In any agreement, contract, lease, or other arrangement under which a right or privilege at the airport is granted to any person, firm, or corporation to conduct or to engage in any aeronautical activity for furnishing services to the public at the airport, the sponsor will insert and enforce provisions requiring the contractor to:
    - (1) furnish said services on a reasonable, and not unjustly discriminatory, basis to all users thereof, and
    - (2) charge reasonable, and not unjustly discriminatory, prices for each unit or service, provided that the contractor may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.
  - c. Each fixed-based operator at the airport shall be subject to the same rates, fees, rentals, and other

- charges as are uniformly applicable to all other fixed-based operators making the same or similar uses of such airport and utilizing the same or similar facilities.
- d. Each air carrier using such airport shall have the right to service itself or to use any fixed-based operator that is authorized or permitted by the airport to serve any air carrier at such airport.
  - e. Each air carrier using such airport (whether as a tenant, nontenant, or subtenant of another air carrier-tenant) shall be subject to such nondiscriminatory and substantiafiy comparable rules, regulations, conditions, rates, fees, rentals, and other charges with respect to facilities directly and substantially related to providing air transportation as are applicable to all such air carriers which make similar use of such airport and utilize similar facilities, subject to reasonable classifications such as tenants or nontenants and signatory carriers and nonsignatory earners. Classification or status as tenant or signatory shall not be unreasonably withheld by any airport provided an air carrier assumes obligations substantially similar to those already imposed on air carriers in such classification or status.
  - f. It will not exercise or grant any right or privilege which operates to prevent any person, firm, or corporation operating aircraft on the airport, from performing any services on its own aircraft with its own employees (including, but not limited to maintenance, repair, and fueling) that it may choose to perform.
  - g. In the event the sponsor itself exercises any of the rights and privileges referred to in this assurance, the services involved will be provided on the same conditions as would apply to the furnishing of such services by commercial aeronautical service providers authorized by the sponsor under these provisions.
  - h. The sponsor may establish such reasonable, and not unjustly discriminatory, conditions to be met by all users of the airport as may be necessary for the safe and efficient operation of the airport.
  - i. The sponsor may prohibit or limit any given type, kind or class of aeronautical use of the airport if such action is necessary for the safe operation of the airport or necessary to serve the civil aviation needs of the public.
23. Exclusive Rights. It will permit no exclusive right for the use of the airport by any person providing, or intending to provide, aeronautical services to the public. For purposes of this

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- paragraph, the providing of the services at an airport by a single fixed-based operator shall not be construed as an exclusive right if both of the following apply:
- a. It would be unreasonably costly, burdensome, or impractical for more than one fixed-based operator to provide such services, and
  - b. If allowing more than one fixed-based operator to provide such services would require the reduction of space leased pursuant to an existing agreement between such single fixed-based operator and such airport.
- It further agrees that it will not, either directly or indirectly, grant or permit any person, firm, or corporation, the exclusive right at the airport to conduct any aeronautical activities, including, but not limited to charter flights, pilot training, aircraft rental and sightseeing, aerial photography, crop dusting, aerial advertising and surveying, air carrier operations, aircraft sales and services, sale of aviation petroleum products whether or not conducted in conjunction with other aeronautical activity, repair and maintenance of aircraft, sale of aircraft parts, and any other activities which because of their direct relationship to the operation of aircraft can be regarded as an aeronautical activity, and that it will terminate any exclusive right to conduct an aeronautical activity now existing at such an airport before the grant of any assistance under Title 49, United States Code.
24. Fee and Rental Structure. It will maintain a fee and rental structure for the facilities and services at the airport which will make the airport as self-sustaining as possible under the circumstances existing at the particular airport, taking into account such factors as the volume of traffic and economy of collection. No part of the Federal share of an airport development, airport planning or noise compatibility project for which a grant is made under Title 49, United States Code, the Airport and Airway Improvement Act of 1982, the Federal Airport Act or the Airport and Airway Development Act of 1970 shall be included in the rate basis in establishing fees, rates, and charges for users of that airport.
25. Airport Revenues. A
- y. All revenues generated by the airport and any local taxes on aviation fuel established after December 30, 1987, will be expended by it for the capital or operating costs of the airport: the local airport system: or other local facilities which are owned or operated by the owner or operator of the airport and which are directly and substantially related to the actual air transportation of passengers or property; or for noise mitigation purposes on or off the airport. Provided, however, that if covenants or assurances in debt obligations issued before September 3, 1982, by the owner or operator of the airport, or provisions enacted before September 3, 1982, in governing statutes controlling the owner or operator's financing, provide for the use of the revenues from any of the airport owner or operator's facilities, including the airport, to support not only the airport but also the airport owner or operator's general debt obligations or other facilities, then this limitation on the use of all revenues generated by the airport (and, in the case of a public airport, local taxes on aviation fuel) shall not apply.

z. ~~As part of the annual audit required under the Single Audit Act of 1984, the sponsor will direct that the audit will review, and the resulting audit report will provide an opinion concerning, the use of airport revenue and taxes in paragraph (a), and indicating whether funds paid or transferred to the owner or operator are paid or transferred in a manner consistent with Title 49, United States Code and any other applicable provision of law, including any regulation promulgated by the Secretary or Administrator.~~

aa. ~~Any civil penalties or other sanctions will be imposed for violation of this assurance in accordance with the provisions of Section 47107 of Title 49, United States Code.~~

26. ~~Reports and Inspections. It will:~~

- a. ~~submit to the Secretary such annual or special financial and operations reports as the Secretary may reasonably request and make such reports available to the public; make available to the public at reasonable times and places a report of the airport budget in a format prescribed by the Secretary;~~
- b. ~~for airport development projects, make the airport and all airport records and documents affecting the airport, including deeds, leases, operation and use~~

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## Exhibit M FEDERAL ASSURANCES

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~~agreements, regulations and other instruments, available for inspection by any duly authorized agent of the Secretary upon reasonable request;~~

c. ~~for noise compatibility program projects, make records and documents relating to the project and continued compliance with the terms, conditions, and assurances of the grant agreement including deeds, leases, agreements, regulations, and other instruments, available for inspection by any duly authorized agent of the Secretary upon reasonable request; and~~

d. ~~in a format and time prescribed by the Secretary, provide to the Secretary and make available to the public following each of its fiscal years, an annual report listing in detail;~~

(i) ~~all amounts paid by the airport to any other unit of government and the purposes for which each such payment was made; and~~

(ii) ~~all services and property provided by the airport to other units of government and the amount of compensation received for provision of each such service and property.~~

27. ~~Use by Government Aircraft. It will make available all of the facilities of the airport developed with Federal financial assistance and all those usable for landing and takeoff of aircraft to the United States for use by Government aircraft in common with other aircraft at all times without charge, except, if the use by Government aircraft is substantial, charge may be made for a reasonable share, proportional to such use, for the cost of operating and maintaining the facilities used. Unless otherwise determined by the Secretary, or otherwise agreed to by the sponsor and the using agency, substantial use of an airport by Government aircraft will be considered to exist when operations of such aircraft are in excess of those which, in the opinion of the Secretary, would unduly interfere with use of the landing areas by other authorized aircraft, or during any calendar month that~~

a. ~~Five (5) or more Government aircraft are regularly based at the airport or on land adjacent thereto; or~~

b. ~~The total number of movements (counting each landing as a movement) of Government aircraft is 300 or more, or the gross accumulative weight of Government aircraft using the airport (the total movement of Government aircraft multiplied by gross weights of such aircraft) is in excess of five million pounds.~~

28. ~~Land for Federal Facilities. It will furnish without cost to the Federal Government for use in connection with any air traffic control or air navigation activities, or weather reporting and communication activities related to air traffic control, any areas of land or water, or estate therein, or rights in buildings of the sponsor as the Secretary considers necessary or desirable for construction, operation, and maintenance at Federal expense of space or facilities for such purposes. Such areas or any portion thereof will be made available as provided herein within four months after receipt of a written request from the Secretary.~~

29. ~~Airport Layout Plan.~~

a. ~~It will keep up to date at all times an airport layout plan of the airport showing (1) boundaries of the airport and all proposed additions thereto, together with the boundaries of all offsite areas owned or controlled by the sponsor for airport purposes and proposed additions thereto; (2) the location and nature of all existing and proposed airport facilities and structures (such as runways, taxiways, aprons, terminal buildings, hangars and roads), including all proposed extensions and reductions of existing airport facilities; and (3) the location of all existing and proposed nonaviation areas and of all existing improvements thereon. Such airport layout plans and each amendment, revision, or modification thereof, shall be subject to the approval of the Secretary which approval shall be evidenced by the signature of a duly authorized representative of the Secretary on the face of the airport layout plan. The sponsor will not make or permit any changes or alterations in the airport or any of its facilities which are not in conformity with the airport layout plan as approved by the Secretary and which might, in the opinion of the Secretary, adversely affect the safety, utility or efficiency of the airport.~~

Airport Assurances (5/97)

**Exhibit M**  
**FEDERAL ASSURANCES**

Page 11 of 11

Appendix I

with respect to the project in the same manner as a contract for architectural and engineering services is negotiated under Title IX of the Federal Property and Administrative Services Act of 1949 or an equivalent qualifications-based requirement prescribed for or by the sponsor of the airport.

33. Foreign Market Restrictions. It will not allow funds provided under this grant to be used to fund any project which uses any product or service of a foreign country during the period in which such foreign country is listed by the United States Trade Representative as denying fair and equitable market opportunities for products and suppliers of the United States in procurement and construction.
34. Policies, Standards, and Specifications. It will carry out the project in accordance with policies, standards, and specifications approved by the Secretary including but not limited to the advisory circulars listed in the Current FAA Advisory Circulars for AIP projects, dated \_\_\_\_\_ and included in this grant, and in accordance with applicable state policies, standards, and specifications approved by the Secretary.
35. Relocation and Real Property Acquisition. (1) It will be guided in acquiring real property, to the greatest extent practicable under State law, by the land acquisition policies in Subpart B of 49 CFR Part 24 and will pay or reimburse property owners for necessary expenses as specified in Subpart B. (2) It will provide a relocation assistance program offering the services described in Subpart C and fair and reasonable relocation payments and assistance to displaced persons as required in Subpart D and E of 49 CFR Part 24. (3) It will make available within a reasonable period of time prior to displacement, comparable replacement dwellings to displaced persons in accordance with Subpart E of 49 CFR Part 24.
36. Access By Intercity Buses. The airport owner or operator will permit, to the maximum extent practicable, intercity buses or other modes of transportation to have access to the airport, however, it has no obligation to fund special facilities for intercity buses or for other modes of transportation.

Airport Assurances (5/97)

**Exhibit M**  
**FEDERAL ASSURANCES**

Page 10 of 11

Appendix I

- b. If a change or alteration in the airport or the facilities is made which the Secretary determines adversely affects-

~~the safety, utility, or efficiency of any federally owned, leased, or funded property on or off the airport and which is not in conformity with the airport layout plan as approved by the Secretary, the owner or operator will, if requested, by the Secretary (1) eliminate such adverse effect in a manner approved by the Secretary; or (2) bear all costs of relocating such property (or replacement thereof) to a site acceptable to the Secretary and all costs of restoring such property (or replacement thereof) to the level of safety, utility, efficiency, and cost of operation existing before the unapproved change in the airport or its facilities.~~

- ~~30. Civil Rights. It will comply with such rules as are promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or handicap be excluded from participating in any activity conducted with or benefiting from funds received from this grant. This assurance obligates the sponsor for the period during which Federal financial assistance is extended to the program, except where Federal financial assistance is to provide, or is in the form of personal property or real property or interest therein or structures or improvements thereon in which case the assurance obligates the sponsor or any transferee for the longer of the following periods: (a) the period during which the property is used for a purpose for which Federal financial assistance is extended, or for another purpose involving the provision of similar services or benefits, or (b) the period during which the sponsor retains ownership or possession of the property.~~
- ~~31. Disposal of Land.~~
- ~~a. For land purchased under a grant for airport noise compatibility purposes, it will dispose of the land, when the land is no longer needed for such purposes, at fair market value, at the earliest practicable time. That portion of the proceeds of such disposition which is proportionate to the United States' share of acquisition of such land will, at the discretion of the Secretary, (1) be paid to the Secretary for deposit in the Trust Fund, or (2) be reinvested in an approved noise compatibility project as prescribed by the Secretary.~~
  - ~~b. (1) For land purchased under a grant for airport development purposes (other than noise compatibility), it will, when the land is no longer needed for airport purposes, dispose of such land at fair market value or make available to the Secretary an amount equal to the United States' proportionate share of the fair market value of the land. That portion of the proceeds of such disposition which is proportionate to the United States' share of the cost of acquisition of such land will, (a) upon application to the Secretary, be reinvested in another eligible airport improvement project or projects approved by the Secretary at that airport or within the national airport system, or (b) be paid to the Secretary for deposit in the Trust Fund if no eligible project exists.~~  
~~(2) Land shall be considered to be needed for airport purposes under this assurance if (a) it may be needed for aeronautical purposes (including runway protection zones) or serve as noise buffer land, and (b) the revenue from interim uses of such land contributes to the financial self-sufficiency of the airport. Further, land purchased with a grant received by an airport operator or owner before December 31, 1987, will be considered to be needed for airport purposes if the Secretary or Federal agency making such grant before December 31, 1987, was notified by the operator or owner of the uses of such land, did not object to such use, and the land continues to be used for that purpose, such use having commenced no later than December 15, 1989.~~
  - ~~c. Disposition of such land under (a) or (b) will be subject to the retention or reservation of any interest or right therein necessary to ensure that such land will only be used for purposes which are compatible with noise levels associated with operation of the airport.~~
- ~~32. Engineering and Design Services. It will award each contract, or sub-contract for program management, construction management, planning studies, feasibility studies, architectural services, preliminary engineering, design, engineering, surveying, mapping or related services~~

~~Airport Assurances (5/97)~~

## ~~ASSIGNMENT AND ASSUMPTION AGREEMENT nrWEED-NEW HAVEN AIRPORTS~~

~~THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (the "Agreement") is made and is effective as of the first (1st) day of July, 1998 by and among the FEDERAL AVIATION ADMINISTRATION ("FAA"), the CITY OF NEW HAVEN (the "City") and the TWEED-NEW HAVEN AIRPORT AUTHORITY (the "Authority").~~

~~(1) Prior to the date hereof, the FAA has made various grants to the City to fund various projects at Tweed-New Haven Airport (the "Airport") including projects, which are currently in the process of being completed. The existing grants awarded by the FAA to the City are listed on Exhibit A attached hereto and are made a part hereof (the "Existing Grant Agreements").~~

~~(2) The City and the Authority have entered into a Lease and Operating Agreement dated as pursuant to which (inter alia), the Authority has agreed (a) to operate the Airport during the term of the Lease; (b) to assume the City's responsibility as a Sponsor under the Airport and Airway~~

Improvement Act of 1982 in connection with the Existing Grant Agreements, and (c) to assume the City's obligations for projects funded with grants awarded pursuant to the Existing Grant Agreements (collectively, the "Airport Projects") all effective as of the date hereof.

The parties wish to effect the formal assignment to and assumption by the Authority of all of the rights and obligations of the City and here above referred and to obtain FAA approval to such assignment and assumption and to the transfer of operational control of the Airport pursuant to the Lease.

NOW, THEREFORE, the FAA, the City and the Authority hereby agree as follows:

1. ~~Assignment and Assumption.~~ The City hereby assigns to the Authority all of the City's rights in, to and under, the Existing Grant Agreements, and the Authority hereby assumes and agrees to perform, from and after July 1, 1998 all of the City's obligations thereunder and to assume responsibility for the Airport Projects as of the date, provided however, that nothing herein is intended to impair or otherwise affect the City's obligations to the Authority under the Lease with respect to liabilities incurred by the Authority in connection with events occurring prior to or circumstances or conditions existing as of the date hereof, or liabilities arising after the date hereof based in whole or in part on or as a result of events, circumstances or conditions existing as of the date hereof and/or as otherwise set forth in the Lease.

2. ~~Pre-Approval.~~ (a) The FAA hereby consents to the transfer of responsibility for the Airport to the Authority pursuant to the Lease, and to the assignment to the Authority of the City's rights and obligations, under the Existing Grant Agreements. The FAA agrees henceforth during the term of the Lease to recognize the Authority as the sole "Sponsor under the Act."

~~(b) The Authority and the City hereby agree that they will not, without the prior written approval of the FAA, enter into any amendment of the Lease, if such amendment modifies in any material respect the provisions of the Lease relating to operation of the Airport including (without limitation) the rent payable thereunder, or affects the ability of the Authority or the City to comply with the Existing Grant Agreements.~~

3. ~~Acknowledgments.~~ The City hereby acknowledges and agrees that the assignment and assumption described in this Agreement does not relieve the City of the

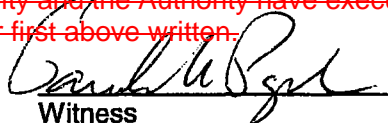
City's responsibility  
Assignment and Assumption Agreement

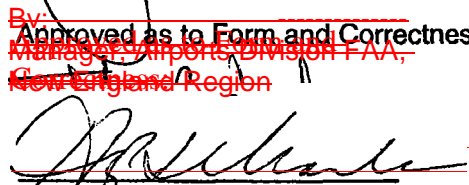
Page 2  
of 3

to comply with and carry out the terms of the Existing Grant Agreements. The City and the Authority hereby agree that the FAA shall have the right to bring suit directly against the City and/or the Authority, as the FAA may in its sole discretion deem necessary or appropriate, in order to enforce the obligations of the City and the Authority hereunder and under the Existing Grant Agreements. In the event that the Authority shall cease to exist or function for any reason, including (without limitation) withdrawal, dissolution or liquidation of the Authority and/or expiration of the Lease, then the City shall be deemed to have assumed all responsibility of the Authority under the Existing Grant Agreements. In the event of a conflict between the terms and conditions of this Agreement and the Lease, the terms and conditions of this Agreement shall control.

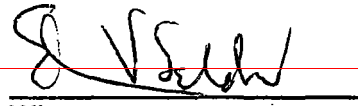
~~IN WITNESS WHEREOF~~, the FAA, the City and the Authority have executed and delivered this Agreement as of the day, month and year first above written.

By:   
John DeStefano, Jr.  
Mayor

  
Witness

By:   
Approved as to Form and Correctness:  
Manager, Airports Division FAA,  
New England Region

  
Hugh J. Manke, Esquire  
General Counsel

  
Witness

## **Exhibit A** **GRANTS-IN-AID**

Page 1 of 1

<del>9-06-007-</del> <del>9-06-007-</del> <del>9-06-007-</del> <del>9-06-007-</del> <del>5804</del>	<del>Addition to</del> <del>Grading, Draining &amp;</del> <del>Master Plan Drawings</del> <del>Land Acquisition</del>		<del>8-09-0013-</del> <del>8-09-0013-</del> <del>8-09-0013-</del> <del>8-09-0013-</del> <del>03</del>	<del>Rehab. Perimeter</del> <del>Install Fence</del> <del>Reconstruct Parking</del> <del>Acquire Snow-</del> <del>Removal Equipment</del>
<del>9-06-007-</del> <del>9-06-007-</del> <del>C606</del>	<del>Land Acquisition</del> <del>Land Acquisition</del>		<del>8-09-0013-</del> <del>8-09-0013-</del> <del>05</del>	<del>Install MIRLS &amp;</del> <del>Reconstruct I/W-</del> <del>"C," "A," "B,"</del> <del>"D," &amp; "G," "D" and</del>
<del>9-06-007-</del> <del>C607</del>	<del>Land Acquisition</del>		<del>8-09-0013-</del> <del>06</del>	<del>Airport Master Plan</del> <del>Update Terminal</del>
<del>9-06-007-</del> <del>C908</del>	<del>Overlay &amp; Mark R/W 2-20</del>		<del>8-09-0013-</del> <del>07</del>	<del>Acquire Snow-</del> <del>Removal Equipment</del>
<del>8-09-0013-</del> <del>01</del>	<del>Localizer Site Grading</del>		<del>8-09-0013-</del> <del>08</del>	<del>Extend, Mark &amp; Ught</del> <del>I/W "D," &amp;</del>
<del>8-09-0013-</del> <del>02</del>	<del>Reconstruct Aircraft-</del> <del>Parking Area</del>		<del>8-09-0013-</del> <del>09</del>	<del>Rehab I/W "A" &amp;</del> <del>"F," Install</del>
<del>8-09-0013-</del> <del>03</del>	<del>Install Security Fencing</del>		<del>8-09-0013-</del> <del>10</del>	<del>Purchase Snow-</del> <del>Removal Equipment</del>
<del>8-09-0013-</del> <del>05</del>	<del>Reconstruct &amp; Mark R/W</del> <del>14-32</del>		<del>8-09-0013-</del> <del>11</del>	<del>Environmental Impact</del> <del>Statement</del>
<del>8-09-0013-</del> <del>06</del>	<del>Groove F/W 2-20</del>		<del>8-09-0013-</del> <del>12</del>	<del>Design for Reconstruct</del> <del>of R/W 14-32</del>
<del>8-09-0013-</del> <del>07</del>	<del>Install MIRLS on R/W 14-</del> <del>32</del>		<del>8-09-0013-</del> <del>13</del>	<del>Environmental Impact</del> <del>Statement</del>
<del>8-09-0013-</del> <del>8-09-0013-</del> <del>10</del>	<del>Construct &amp; Light-</del> <del>Acquisition of Snow-</del> <del>Removal</del>		<del>8-09-0013-</del> <del>8-09-0013-</del> <del>15</del>	<del>Purchase ARFF</del> <del>Construct Single Bay-</del> <del>ARFF</del>
<del>8-09-0013-</del> <del>11</del>	<del>Relocate Existing 4 Box-</del> <del>VASI For</del>		<del>8-09-0013-</del> <del>16</del>	<del>Permits for Runway-</del> <del>Safety</del>

- ~~• Governance: Oversight of the airport and a Director will be responsibility of a new, independent fourteen (14) member authority. The State of Connecticut, the City of New Haven, the communities of the South Central Council of Governments and the business community will develop a plan to finance the \$1.2 million annual operating loss at Tweed and to finance the debt consistently issued on an annual basis by the City on behalf of Tweed.~~

## **Exhibit E** **PRE-EXISTING GENERAL OBLIGATION BONDS**

Page 1 of 1

~~CITY OF NEW HAVEN~~  
~~BONDED AIRPORT PROJECTS~~  
~~RELATIVE TO GENERAL OBLIGATION BONDS~~



**BONDS**

DATE OF BONDS	ORIGINAL ISSUE AMOUNT	AIRPORT PROJECTS	% OF TOTAL	OUTSTANDING 12/31/97
12/1/97	25,000,000	382,500	1.530%	25,000,000
5/1/97	40,000,000	480,000	1.200%	40,000,000
2/15/95	25,000,000	286,000	0.144%	22,500,000
12/1/92	14,875,000	0	0.000%	4,045,000
12/1/92	6,315,000	71,000	1.124%	0
3/1/92	25,000,000	0	0.000%	0
8/15/91	11,500,000	10,000	0.087%	2,590,000
8/1/90	30,500,000	39,000	0.128%	1,785,000
9/15/89	29,000,000	350,000	1.207%	4,960,000
10/1/88	20,000,000	75,000	0.375%	1,070,000
8/1/86	13,000,000	30,000	0.231%	3,200,000
10/15/85	14,000,000	300,000	2.143%	2,100,000
12/1/84	11,200,000	0	0.000%	1,050,000
3/1/84	7,560,000	N/A(2)	N/A	1,735,000
11/15/83	15,000,000	0	0.000%	4,200,000
11/1/82	15,400,000	N/A(2)	N/A	1,625,000
4/1/82	13,260,000	135,000	1.018%	760,000
6/1/81	5,800,000	N/A(2)	N/A	1,100,000
11/1/79	14,240,000	0	0.000%	1,050,000
8/1/78	11,340,000	N/A(2)	N/A	400,000
	210,135,000	2,158,500	1.0272%	180,255,000
Total Bond Debt Service FY-1997/98 > 26,268,337				
Airport Projects Bonded > 2,158,500				
Airport Projects as a % of Original Bond- 1.0272%				
Pro-Rata Portion of Airport Debt Service > 269.828				

**NOTES:**

(1) Refunding Bond Issues are not included in total of Original Issue Amount, however bond issues must be considered in calculating Airport pro-rata debt service.

(2) Information concerning projects financed by bond issue is currently unavailable

**Exhibit F****PAST EXPENDITURES**

Page 1 of 1

**CITY OF NEW HAVEN  
STATEMENT OF REVENUES & EXPENSES  
TWEED-NEW HAVEN AIRPORT**

1992-93 1993-94 1994-95 1995-96 1996-97 1997-98

**Total**

Airline/Aeronautical		\$273,722.	\$307,706.	\$258,969.	\$346,494.	\$165,212.	\$70,000.0	\$-
Non-Aeronautical		\$518,150.	\$542,741.	\$528,115.	\$354,170.	\$311,724.	\$300,000.	\$-
Total Operating Revenues		\$791,872.	\$850,447.	\$787,085.	\$700,664.	\$476,936.	\$370,000.	\$1,422,104
Operating Expenses								\$.00
Personnel Compensation		460,693.	447,807.	465,115.	485,868.	500,088.	565,319.	2,554,900
Medical Benefits	24.00%	110,566.	107,473.	111,627.	116,608.	120,021.	135,676.	.97
Pension Expenses	11.50%	52,979.7	51,497.9	53,488.2	55,874.8	57,510.1	65,011.6	.97
Worker's Comp	3.30%	15,202.8	14,777.6	15,348.8	16,033.6	16,502.9	18,655.5	3,977,004
Indirect Admin		247,210.	243,922.	253,907.	293,371.	327,346.	381,810.	.97
Communications & supplies, Materials, Repairs and insurance & Claims		114,261.	101,741.	102,626.	156,666.	122,873.	158,300.	
Misc. not exceeding 5% of total		74,112.7	79,322.4	87,810.3	114,220.	145,456.	440,408.	
Total Operating Expenses		19,839.0	23,861.7	24,996.0	22,162.0	19,249.0	-	
Operating Income (Loss)		48,030.6	57,290.8	107,183.	203,331.	-	-	
		\$1,142,89\$	\$1,127,69\$	\$1,173,85\$	\$1,367,98\$	\$1,512,37t	\$1,765,18	
		\$ (351.02t	(277,248.	(386,77t	(667,324t	8,780.	\$(1,395,1	
		\$ 511t	97t	338t	1671	035.44	8078t	

Final NHL&O-  
Agreement 5-30-98

Exhibit G

Page 1 of 2

AIRPORT BANK ACCOUNTS

K26 Account Balance

Fund: K26  
 Account #: 20 301 547 91026  
 Bank: First Union National Bank  
 P. O. Box 248  
 Upper Darby, PA 19082  
 Title: Airport Passenger Facility  
 Balance: \$465,437.51 DATED 2/27/98  
 (see Bank Statement, next page)

**Exhibit G**

**AIRPORT BANK ACCOUNTS**

Page 2 of 2

fsAX-Co

PAGE 01 203015^791026 :  
 33 751 130 S  
 0

111111  
 CITY OF NEW  
 HAVEN  
 AIRPORT PFC  
 ATTN: CONTROLLERS  
 OFFICE 200 ORANGE  
 INVESTMENT STREET ROOM 105 NEW  
 HAVEN CT 06510-2016  
 UNION NATIONAL  
 BANK P.O. BOX 248  
 UPPER DARBY PA  
 19082 1-800-225-5332  
 C  
 B  
 STATEMENT DATE  
 02/27/1998  
 CUSTOMER INFORMATION  
 CONSUMER LOAN  
 ACCOUNTS FIRST  
 UNION NATIONAL  
 BANK P.O. BOX 248  
 UPPER DARBY PA  
 19082 1-800-225-5332  
 LOST OR STOLEN 24 HOUR BANKING CARD FIRST UNION CARD RETURN TO LOSS PREVENTION OFFICE BOX 563966 CHARLOTTE NC  
 28226 30861 24 HOURS A YEAR 1-800-359-3862 740 40 0343 1-800-225-5332

# LEASE AND OPERATING AGREEMENT

Page 50 of 69

REVOLVING CREDIT FIRST UNION CARD PRODUCTS POST OFFICE BOX 563966 CHARLOTTE NC 28256-3966 24 HOURS A DAY, 365 DAYS A YEAR 1-800-359-3862

ADVANTAGE INTEREST CHECKING

FOR: CITY OF NEW HAVEN  
 AIRPORT PEC  
 ATTN: CONTROLLERS  
 OFFICE PREVIOUS  
 STATEMENT BALANCE  
 01/30/1998  
 DEPOSITS/CREDITS +  
 CHECKS/DEBITS SERVICE  
 CHARGE

ACCOUNT NUMBER REPLACES ACCOUNT- 2030154791  
 NUMBER TAXPAYER ID NUMBER  
 456,133.78 9,334.68+ 026  
 30.95--00 (0003015479  
 465,437.51 105)  
 462,452.42 MINIMUM BALANCE 06,600.1876  
 456,133.78

ENDING STATEMENT AMO DESCRIP  
 BALANCE 02/27/1998 UNT TION  
 AVERAGE BALANCE 11.68 DEPOSIT  
 02/0 9.323.8 DEPOSIT  
 9

DEBITS

DEPOSITS/CREDITS

DATE	AMOUNT	DESCRIPTION
02/12	30.95	AUTOMATED DEBIT FUNB-CT CLARKE CHK ORDERS CO. ID. 3114000006 980212 PPD MISC X63V92820221600

DATE	AMOUNT	DAILY	BALANCE SUMMARY	DATE	AMOUNT
02/04	456,145.46	02/09	465,468.46	02/12	465,437.51

RECEIVED

MAR 30 1998  
 TWEED-NEW HAVEN  
 airport

## Exhibit H ASSIGNMENT AND ASSUMPTION AGREEMENT Page 1 of 2

## ASSIGNMENT AND ASSUMPTION AGREEMENT (TWEED-NEW HAVEN AIRPORT)

~~THIS ASSIGNMENT AND ASSUMPTION AGREEMENT~~ (the "Agreement") is made and is effective as of the first (1st) day of July, ~~1998~~ by and among the ~~FEDERAL AVIATION ADMINISTRATION ("FAA"), the CITY OF NEW HAVEN (the "City") and the TWEED-NEW HAVEN AIRPORT AUTHORITY (the "Authority").~~

(1) Prior to the date hereof, the FAA has made various grants to the City to fund various projects at Tweed-New Haven Airport (the "Airport") including projects, which are currently in the process of being completed. The existing grants awarded by the FAA to the City are listed on Exhibit A attached hereto and are made a part hereof (the "Existing Grant Agreements").

~~4. (2) The City and the Authority have entered into a~~ Before the East Terminal is built,  
AirportCo will render FEDERAL ASSISTANCE to accommodate new air service. In the  
event the East Terminal is not constructed, the size and capacity of the existing West  
Terminal will not exceed the aggregate of the existing passenger terminal and existing  
operations building and the capacity of parking will not exceed the aggregate of the

~~implemented an effective airport pavement maintenance management program and it assures that it will use such program for the useful life of any pavement constructed, reconstructed or repaired with Federal financial assistance at the airport. It will provide such reports on pavement condition and pavement~~

existing passenger parking area and existing overflow lots to the north without Authority approval. Notwithstanding the foregoing, any use of the overflow lot south of the West Terminal shall terminate after two years from the notice to proceed on East Terminal construction. The Authority or AirportCo may invest in overflow parking off-airport and shuttle services if that proves necessary to support commercial operations prior to construction of the East Terminal. If, three years after the facility lease is executed, AirportCo has not started work on the East Terminal, AirportCo will in good faith seek FAA approval to relocate half of the parking from the West Terminal to the East Terminal to take advantage of existing pavement on the east side of the Airport.

5. "New Haven" to remain in the Airport name with any future airport naming rights requiring City approval.
6. AirportCo shall not be allowed to use landing fees or other financial incentives to attract general aviation to the Airport.

---

<sup>4</sup> **Note to Draft:** limited to Section A of the City / Authority Term Sheet. The provision are inserted in this Exhibit verbatim, except with respect to making use of defined terms consistent.

Mitigation

7. AirportCo will promptly prepare and implement a traffic calming and wayfinding plan for areas affected by access to the Airport in coordination with the City and Authority and will invest \$1.5 million to implement the plan.
8. AirportCo will coordinate a new stormwater management model for the Airport and surrounding neighborhood and integrate recommendations into future Airport capital improvement programs. In tandem with the modeling effort, the Authority shall commit to a 2:1 ratio for wetland restoration and coastal habitat enrichment either on site or within the watershed of Tuttle Brook.
9. AirportCo will continue to operate and maintain, and upgrade (as appropriate), the Morris Creek tide gates, including potential installation of remote monitors and real time water level measuring system.
10. AirportCo will minimize the extent to which the runway extension will require changes to the current Airport Imaginary Surface Overlay Zone under the City's zoning ordinance.
11. AirportCo will develop a Sustainable Airport Development Plan according to current FAA guidance.
12. AirportCo will employ environmentally responsible principles including carbon neutral and LEED principles in the design of the east side terminal.
13. AirportCo will establish an Environmental Stewardship Advisory Committee consisting of 3 New Haven residents, 2 East Haven residents and staffed by the City's Engineering Department to assist AirportCo in promoting and maintaining sustainability efforts.
14. AirportCo will work with the flight school to minimize its impact at a minimum through arranging for quarterly inspections of flight school operations by the FAA Flight Standards District Office (FSDO) to ensure compliance with regulations for low lying aircraft over congested areas.
15. AirportCo will work with any fixed base operator at the Airport and the FAA Flight Standards District Office (FSDO) to ensure compliance with regulations for general aviation operations.
16. AirportCo's total commitment for noise mitigation, other mitigation, and community enrichment is \$5 million.

Jobs and Economic Impact

17. General Ordinances 12½ and 12¼ will be applicable for non-federal aid portions of the Project.
18. AirportCo will develop a permanent job pipeline in partnership with New Haven Works.
19. AirportCo will create and implement a robust Diversity Equity Inclusion (DEI) program for the Authority and all entities operating out of the Airport, including but not limited to car rental companies, news, gift, food and beverage concessionaires, airlines, contractors and fixed base tenants.

Noise

20. City noise ordinances will remain in effect. Provisions include requirements that engine

run-ups can only be conducted in designated locations and that engine run-ups and use of ground power units and auxiliary power units are only permitted between 7:00 AM and 10:00 PM. Existing penalties and fines will also be retained.

21. As set forth in the Airport Master Plan, the existing east-west runway will be closed and the East Terminal would be moved to the old runway, thereby decreasing noise exposure in existing City neighborhoods. Requirements from the updated noise study will be implemented within 5 years of FAA approval with an additional \$1.5 million to be invested by AirportCo for noise mitigation programs beyond that required under the noise study and \$250,000 to address general aviation noise. Noise mitigation will particularly focus on areas under the flight path that are higher in elevation such as Raynham Hill Rd.
22. AirportCo will implement additional noise limitations, after consultation with the Authority, FAA and the City to determine whether they would be useful and lawful. These additional limitations may include:
  - a. Additional restrictions on hours of operation;
  - b. Extended hours in which touch-and-go operations are prohibited, including limitations on weekends and holidays;
  - c. Extended hours prohibiting the use of GPUs and APUs;
  - d. Extended hours prohibiting aircraft maintenance run-ups and setting permissible locations as approved by the Authority for run-ups that minimizes noise impact;
  - e. Limitations on use of reverse thrust limitations on jet aircraft;
  - f. Implementation of voluntary restraint from flying program;
  - g. Additional investment in noise abatement programs for affected neighborhoods including expanded residential sound insulation; and
  - h. Independent review airport flight pattern requirements (including helicopter operations), and revise, if feasible, to further reduce noise impacts below runway approaches and departures.