



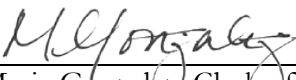
Notice of Meeting Cancellation

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the public that the Regular Meeting of the Phoenix-Mesa Gateway Airport Authority Board of Directors scheduled for **Tuesday, January 16, 2018** at 9:00 a.m., **has been cancelled.**

The next Regular Meeting of the Phoenix-Mesa Gateway Airport Authority Board of Directors is scheduled for Tuesday, February 20, 2018 at 9:00 a.m. in the Board Room (Saguaro A & B) of the Gateway Administration Building, 5835 South Sossaman Road, Mesa, Arizona. The Board may vote to hold an executive session for the purpose of obtaining legal advice from the Board's attorney on any matter listed on the agenda pursuant to A.R.S. § 38-431.03 (A)(3)&(4).

DATED this 8th day of January, 2018.

I, Maria Gonzalez, do hereby certify that I caused to be posted this 8th day of January, 2018, the Notice of Cancellation of the Tuesday, January 16, 2018 Phoenix-Mesa Gateway Airport Authority Board of Directors Meeting in the following places: 1) www.gatewayairport.com; 2) Gateway Administration Building.



Maria Gonzalez, Clerk of the Board



**NOTICE AND AGENDA OF MEETING OF THE
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
BOARD OF DIRECTORS**

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Phoenix-Mesa Gateway Airport Authority and to the public that the Phoenix-Mesa Gateway Airport Authority will hold a meeting open to the public on **Tuesday, February 20, 2018 beginning at 9:00 a.m.** in the Board Room (Saguaro A & B) of the Gateway Administration Building, 5835 South Sossaman Road, Mesa, Arizona. The Board may vote to hold an executive session for the purpose of obtaining legal advice from the Board's attorney on any matter listed on the agenda pursuant to A.R.S. § 38-431.03 (A)(3)&(4).

The agenda for the meeting is as follows:

1. **Call to Order.** (Mayor Jenn Daniels, Chair)
Members of the Phoenix-Mesa Gateway Airport Authority will attend either in person or by telephone conference call.
2. **Call to the Public.**
Members of the Board may not discuss items that are not on the agenda. Therefore, action taken as a result of public comment will be limited to directing staff to study the matter or scheduling the matter for further consideration and decision at a later date. Maximum of three minutes per speaker.
3. **Executive Director's Report.** - J. Brian O'Neill, A.A.E., Executive Director/CEO
4. **Presentations.**
 - a. **SkyBridge Arizona Update** - Shea Joachim, CEcD, Business Development Director
 - b. **FY19 Budget** - Chuck Odom, Chief Financial Officer
5. **Consent Agenda.**
 - a. **Minutes** of the Board Meeting held on **December 19, 2017.**
 - b. **Resolution No. 18-01** Authorizing a contract with **USI Insurance Services, LLC** as the Authority's insurance broker for the procurement of Employee Health & Welfare Programs, at a cost not to exceed \$88,500.
 - c. **Resolution No. 18-02** Authorizing a contract with **Swanson Rink** to provide Design Services for the Baggage Claim Expansion Design Project (CIP 1004), in an amount not to exceed \$130,000.
 - d. **Resolution No. 18-03** Authorizing a contract with **Swanson Rink** to provide Design Services for the Baggage Make-up Expansion Design Project (CIP 1047), in an amount not to exceed \$180,000.

Consideration and Possible Approval of:

6. **Resolution No. 18-04** Authorizing a contract with **Mead & Hunt, Inc.** for Airport Master Planning Services in an amount not-to-exceed \$890,000; pending final approval from the Federal Aviation Administration.
7. **Board Member Comments/Announcements.**
8. **Next Meeting:** Tuesday, March 20, 2018 at 9:00 a.m.
9. **Adjournment.**

Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting Maria Gonzalez at 480-988-7603 or mgonzalez@gatewayairport.com. Requests should be made as early as possible to allow time to arrange the accommodation.



Executive Director's Report

February, 2018

Financial Snapshot

OPERATING INCOME	December		Month Variance	FYTD Comparison		FYTD Variance
	FY17	FY18		FY17	FY18	
Revenues	\$1,380,492	\$1,693,347	\$312,855	\$8,877,102	\$10,179,427	\$1,302,325
Less Expenses	\$1,402,775	\$1,498,913	\$96,138	\$8,655,619	\$9,264,785	\$609,166
Operating Income <i>(before depreciation)</i>	(\$22,283)	\$194,434	\$216,717	\$221,483	\$914,642	\$693,159

Investment Fund Balances: As of December 2017: Local Governmental Investment Pool (LGIP) 700 = \$17,942,908; Wells Fargo Collateralized Savings Account = \$13,744,360; Total \$31,687,268. This is a decrease of \$46,342 from the November balance and represents interest income of \$28,657 and a net transfer of \$75,000 to operating funds

Finance and Accounting

Phoenix-Mesa Gateway Airport Authority (PMGAA) reported a net operating income of \$194,434 in December 2017, a \$216,717 increase over December 2016. FYTD, PMGAA is reporting a net operating income of \$914,642 compared to \$221,483 during the same period in FY17.

Grants, PFCs & Procurements

Active/Pending Solicitations

TYPE OF SOLICITATION	Number	Title	Anticipated Contract Award
Request for Qualifications	2018-009-RFQ	Airport Master Planning Services	February 2018
Request for Qualifications	2018-013-RFQ	Baggage Claim & Baggage Makeup Expansion Designs	February 2018
Request for Proposals	2018-016-RFP	Target Industry Analysis	February 2018
Request for Proposals	2018-012-RFP	Insurance Broker Services – Health & Welfare	February 2018
Request for Proposals	2018-012-RFP	Insurance Broker Services – Property & Casualty	March 2018
Invitation for Bid	2018-005-IFB	Sossaman Rd & Terminal Roadways Improvements	March 2018
Request for Proposals	2018-017-RFP	Development & Implementation of Safety Management System	April 2018
Request for Qualifications	2018-019-RFQ	CMAR for Baggage Claim & Baggage Make-up Expansions	April 2018

Future Solicitations

TYPE OF SOLICITATION	Number	Title	Schedule for Release	Anticipated Contract Award
Invitation for Bid	2018-015-IFB	Taxiway Charlie Phase III	April 2018	June 2018

Information Technology Services

PMGAA recently completed a project to upgrade the public-address system in each airline gate area of the passenger terminal to accommodate the growing flight schedule. This new system includes paging options that make the aircraft boarding process easier and more efficient.

Airport Operations



Fully-Automated Security Exit Lane System

Phoenix-Mesa Gateway Airport became the first airport in the Southwest region to install a fully-automated security exit lane system. This new automated system is easy to use and provides for an efficient flow of passengers exiting the gate area of the terminal. The specialized three-door design prohibits entry to the secure side of the terminal. It also allows the Airport to reassign PMGAA staff that previously monitored the exit lane to other important customer-focused duties within the terminal.

PMGAA would like to recognize Engineering and Facilities Director Bob Draper and his team for expediting the completion of this important project amidst growing passenger activity at the Airport.

Operations Statistics

PASSENGER COUNTS		December		% Change	FYTD		% Change
		FY17	FY18		FY17	FY18	
Passengers	TOTAL	114,383	125,070	9%	624,493	640,263	3%
	Deplaned	58,426	62,977	8%	317,428	324,809	2%
	Enplaned	55,957	62,093	11%	307,065	315,454	3%
Allegiant	Scheduled	113,980	122,528	7%	623,322	633,393	2%
	Charter	377	0	-100%	711	402	-56%
WestJet	Scheduled	0	2400	NA	0	5750	NA
Elite	Charter	26	138	431%	460	718	56%

OPERATIONS	December		% Change	FYTD		% Change
	FY17	FY18		FY17	FY18	
Air Carrier	996	1072	7%	5,445	5,432	0%
Military	363	333	-9%	2,839	3,157	11%
General Aviation	20,691	18,481	-12%	122,193	139,079	14%
TOTAL	22,050	19,886	-11%	130,477	147,668	13%

Noise Report

PMGAA received aircraft noise calls from 10 area residents in December 2017 compared to seven in December 2016. FYTD, PMGAA has received noise calls from 73 individuals compared to 41 during the same time period last fiscal year.

CALLERS	December		FYTD	
	FY17	FY18	FY17	FY18
Total	7	10	41	73

AIRCRAFT	December		FYTD	
	FY17 Callers	FY18 Callers	FY17 Callers	FY18 Callers
Unknown Jet	2	1	6	7
Commercial	4	6	21	34
GA	0	1	2	3
Helicopter	0	0	0	7
Military	1	2	12	22

LOCATION	December		FYTD	
	FY17	FY18	FY17	FY18
Mesa	2	4	21	17
Gilbert	5	5	17	48
Gold Canyon	0	0	0	2
Queen Creek	0	1	1	4
Queen Valley	0	0	0	1
San Tan Valley	0	0	1	1
Apache Junction	0	0	0	0
TOTAL	7	10	41	73

Engineering & Facilities



TSA Security Screening Checkpoint

PMGAA completed the second phase of its Transportation Security Administration (TSA) Security Screening Checkpoint Expansion Project. This phase included construction of a fifth TSA security lane and additional capacity for a sixth lane in the future.

Phase I, which included expansion of the passenger queuing area, was completed prior to the busy holiday travel period and provides a much larger and more efficient passenger queuing experience.

The airfield at Phoenix-Mesa Gateway Airport includes almost six million square feet of concrete that requires significant preventive maintenance and eventual replacement. Work continues on the Taxiway Alpha Reconstruction Project. All concrete and electrical work is complete and asphalt paving of taxiway shoulders is currently underway. This project is scheduled to be completed in mid-March 2018.



Taxiway Alpha Construction

Planning and Zoning

PMGAA is embarking upon an Airport Master Plan Update which will guide the development of Airport facilities and infrastructure over the next 10-20 years. The 2018 Airport Master Plan Update will be an inclusive process with local communities and key stakeholders actively involved in every aspect of the project. After completing the multi-phased consultant selection process, PMGAA staff is recommending Mead & Hunt for PMGAA Board consideration at the February meeting. This Airport Master Plan Update is expected to take 12-18 months to complete.

Gateway Aviation Services

Gateway Aviation Services is reporting \$443,468 in fuel-related revenue for December 2017; a 60% increase compared to the \$276,785 in revenue collected during December last year. Strong military traffic, several large aircraft operations and increased commercial service activity provided most of the additional revenue.

FUEL-RELATED REVENUE	December			FYTD		
	FY17	FY18	% Change	FY17	FY18	% Change
Net Retail (Jet)	\$74,885	\$72,140	-4%	\$508,875	\$495,435	-3%
Net AvGas	\$41,733	\$37,304	-11%	\$264,675	\$318,150	20%
Storage Fees	\$27,457	\$27,964	2%	\$143,135	\$133,618	-7%
Upload Fees	\$132,710	\$306,060	131%	\$998,052	\$1,501,973	50%
TOTAL	\$276,785	\$443,468	60%	\$1,914,737	\$2,449,176	28%

FUEL (Gallons)	December			FYTD		
	FY17	FY18	% Change	FY17	FY18	% Change
Retail (Jet)	38,248	39,686	4%	262,174	243,793	-7%
AvGas	38,210	35,986	-6%	238,848	272,785	14%
Contract	210,362	395,710	88%	1,506,175	2,002,240	33%
Commercial	998,417	1,016,858	2%	5,207,385	4,858,724	-7%
TOTAL	1,285,237	1,488,240	16%	7,214,582	7,377,542	2%



Visiting F-35 Fighter Jet

Gateway Aviation Services staff have earned a much-deserved reputation for taking very good care of our military visitors. The Airport has the great privilege of hosting aircraft from all four branches of service. Gateway Airport benefits from increased fuel sales, and the region benefits from additional hotel reservations, restaurant visits, and retail purchases from out-of-town servicemembers.

Human Resources

PMGAA Human Resources Department began work on an Employee Engagement Study that we intend to complete in the coming month. This study will allow management to receive valuable feedback about what works best and what could be better here at Gateway Airport. PMGAA has some of the best and brightest in the industry and their feedback is a key part of our continued growth and success.

Business Development



Hangar 32 Aircraft Bay



Hangar 32 Office Space

In 2017, the PMGAA Board of Directors approved investing approximately \$500,000 to renovate Hangar 32, a 1940's-era Air Force Hangar. Renovations are complete and PMGAA staff is actively marketing the upgraded facility. PMGAA staff is confident that this hangar will attract high-value tenants that bring good jobs and increased activity to the Airport and the region.

PMGAA staff is currently working with a growing number of prospective companies interested in locating or expanding at Gateway Airport.

PMGAA staff continues to work with the Mesa SkyBridge, LLC team to finalize language in the Master Lease and assist in the establishment of the Unified Cargo Processing Program in Mesa.

Communications and Government Relations

PMGAA partnered with Allegiant Air to host a public Open House for residents of specific areas of Queen Creek and San Tan Valley on January 24th. The open house was coordinated to introduce and discuss Allegiant's application with the Federal Aviation Administration (FAA) for a Visual RNAV approach for landings from the south of the Airport. Over 125 residents attended the event to ask questions and receive specific information about how, if at all, Allegiant's proposed approach flight path modification could impact them.



Public Open House at Combs Traditional Academy



Congresswoman Martha McSally Visit

PMGAA Board members and staff had the pleasure of hosting Congresswoman Martha McSally and a group of businesspeople at the Airport on Saturday January 14th. The Airport Update and Tour included:

- SkyBridge Arizona
- Increasing passenger activity
- Economic impact of the Airport
- Infrastructure development projects
- New Air Traffic Control Tower
- Future development opportunities

Many thanks to Congresswoman McSally for reiterating her support to remove the AIP Contract Tower Construction Cap in the FAA Reauthorization Bill.



**MINUTES OF PUBLIC MEETING OF THE
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
BOARD OF DIRECTORS | November 21, 2017**

A public meeting of the Phoenix-Mesa Gateway Airport Authority was convened on Tuesday, November 21, 2017, beginning at 8:30 a.m. in the Board Room (Saguaro A & B) of the Gateway Administration Building, 5835 S Sossaman Road, Mesa, Arizona.

Members Present

Mayor Jenn Daniels, Gilbert
Mayor Jeff Serdy, Apache Junction
Mayor Gail Barney, Queen Creek
Councilmember Thelda Williams, Phoenix
Mayor John Giles, Mesa
Governor Monica Antone, Gila River
Indian Community

**Neither present nor represented*

Airport Staff Present

J. Brian O'Neill, Executive Director/CEO
Scott Brownlee, Deputy Director/COO
Chuck Odom, CFO
Maria Gonzalez, Clerk of the Board
Ann Marie Anderson, Attorney

Members of the Public

Amy Arguilez, Town of Gilbert
Jason Barney, Circle G
Jamie Bennett, Town of Queen Creek
Luis Borbon, SkyBridge
Chris Brady, City of Mesa
Matt Busby, City of Apache Junction
Scott Butler, City of Mesa
Sergio Chávez-Moreno, Interstemic Partners
Rhonda Curtis, Wells Fargo
Kent Dibble, Dibble Engineering
Keith C. Dougherty, Sletten Construction
Monica Farrell, Sletten Construction
Bob Halbekath, Horizon Aero
Ken Halverson, Jetstrip/KMH
Fred Himovitz, HPI
Brian Howard, CEI
Mike Hutchinson, East Valley Partnership
John Kross, Town of Queen Creek

Marco Lopez, Interstemic Partners
Vice Mayor David Luna, City of Mesa
Jose Pablo Martinez, SkyBridge
Jim McCauley, Wells Fargo
Pearl Meza, City of Phoenix
Kevin Morris, SkyBridge
Lazaro Ortiz, Mesa
Dennis Osuch, CliftonLarsonAllen LLP
Chris Petroff, DPR Construction
Simon Picker, SkyBridge
Laura Pogue, Colliers International
Jody Pokorski, Snell & Wilmer
Bryant Powell, City of Apache Junction
Steve Reeder, Kimley-Horn
Richard Reese, Aeroquest USA
Ernesto Valdés, Grupo Seguritech
Michael Wilke, Horrocks Engineers
Q. P. Williams, GJ

1. **Call to Order** at 8:35 a.m. (Mayor Jenn Daniels)
2. **Motion to Convene into Executive Session.**

Pursuant to A.R.S. §38-431.03(A)(3) and (A)(7), the Board of Directors may convene into executive session for the purpose of discussion or consultation for legal advice with the attorney or attorneys of the public body, and to consider its position and instruct its representatives regarding the purchase, sale, or lease of real property as it relates to the Master Developer Agreement.

Mayor John Giles motioned to convene into Executive Session. Mayor Gail Barney seconded the motion. The motion was carried unanimously.

3. Reconvene from Executive Session to Regular Session (9:30 a.m.)

4. Call to the Public.

Comments are noted with Agenda Item No. 8.

5. Executive Director's Report.

In the interest of time, Chairwoman Daniels proposed to forego the Executive Director's Report noting that the Executive Director's report is included in the Board Packet.

6. Presentation: Audited Financials – Dennis Osuch, Principal-CliftonLarsonAllen LLP

Mr. Osuch provided a brief overview of the Fiscal Year 17 audit, resulting in an issuance of an unmodified (clean) opinion for the Phoenix-Mesa Gateway Airport Authority. No material audit adjustments made.

Mayor Daniels suggested an update to the Board regarding the recommendations provided from the audit in a six-month timeframe.

7. Consent Agenda

- a. **Minutes** of the Board Meeting held on **October 17, 2017**.
- b. **Resolution No. 17-55** Authorizing a contract with **Five Star Concrete Services Inc.** to resurface the floor in Hangar 32 at a cost not-to-exceed \$65,667.50.
- c. **Resolution No. 17-56** Authorizing an amendment to the **Executive Director/CEO's Employment Contract**, effective October 1, 2017.

Mayor Gail Barney moved to approve the Consent Agenda. Mayor Jeff Serdy seconded the motion. The motion was carried unanimously.

8. Resolution No. 17-57 Authorizing a Master Development Agreement with **Mesa SkyBridge, LLC**, an Arizona limited liability company.

Mr. Shea Joachim informed the Board that the Master Development Agreement (MDA) will close the procurement and select Mesa SkyBridge LLC as the Master Developer for the Gateway Aerospace Park. Additionally, with the submission of a security deposit, the property will be reserved for Mesa SkyBridge, LLC, and establishes deadlines for Pre/Post Closing conditions. Closing is defined as the approval and execution of a Master Lease, which will be brought forward for the Board's consideration soon. The MDA also obtains a financial guarantee from Grupo Seguritech, a Mexican-based company and partner in Mesa SkyBridge, LLC. Lastly, the MDA establishes the minimum development requirements, which are not the expectations of either the Authority or the development group; however, it is the minimum development necessary to be compliant with the MDA.

Public comment:

- Mr. Richard Reese requested a clearer understanding of the geographic scope of the developer's responsibility. Mr. Shea Joachim indicated that the information was available as an Exhibit to the MDA which is publicly available at www.gatewayairport.com.

- Mr. Michael Hutchinson representing the East Valley Partnership (EVP) expressed strong support for this project.

Mayor Giles expressed his appreciation to all involved in cultivating and nurturing such a tremendous asset. He shared his excitement for the partnership with Mesa SkyBridge, LLC and the possibility of attracting the Unified Cargo Processing Program. With cargo leaving Gateway Airport as a domestic product, it can travel to any Mexican airport, bringing faster e-commerce to the nation of Mexico and the world.

He noted the tremendous, positive press opportunities for Gateway and the region. Trade with Mexico will become a larger part of the economy. Mesa SkyBridge LLC is a partner that will invest millions of dollars to build infrastructure at Gateway, which will pay dividends and cause a ripple effect throughout the local economy. Mayor Giles expressed his comfort with the agreement and noted the various levels of review on such a complicated agreement to provide safeguards for both parties.

Councilwoman Williams acknowledged the importance and uniqueness of the opportunity the MDA creates. She complimented the staff on such forward thinking and stated it would be a treasure to have the Unified Cargo Processing Program located at Gateway Airport.

Mayor Gail Barney and Mayor Jeff Serdy echoed Councilwoman Williams' comments.

Mayor Daniels thanked the staff for their patience in working through the delicate details of the agreement. She complimented the team and acknowledged the hard-work by staff to bring this deal forward; not only for Gateway Airport, but the entire region. Chair Daniels noted her continued concerns regarding some of the language and the low minimum development requirements contained in the agreement, but she maintained her support and hoped to find opportunities to improve upon the language through the Lease Agreement.

Mayor John Giles moved to approve Resolution No. 17-57. Councilwoman Thelda Williams seconded the motion. The motion was carried unanimously.

9. Board Member Comments/Announcements

Mayor Daniels thanked Lt. Governor Antone for her contributions to the Board.

10. Next Meeting: Tuesday, December 19, 2017 at 9:00 a.m. in the Board Room (Saguaro A&B) of the Gateway Administration Building, 5835 South Sossaman Road, Mesa, Arizona.

11. Adjournment.

The meeting adjourned at 10:02a.m.

Dated this ____ day of _____, 20 ____.

Maria E. Gonzalez, Clerk of the Board



**MINUTES OF PUBLIC MEETING OF THE
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
BOARD OF DIRECTORS | December 19, 2017**

A public meeting of the Phoenix-Mesa Gateway Airport Authority convened on Tuesday, December 19, 2017, beginning at 9:00 a.m. in the Board Room (Saguaro A & B) of the Gateway Administration Building, 5835 S Sossaman Road, Mesa, Arizona.

Members Present

Mayor Jenn Daniels, Gilbert
Mayor Jeff Serdy, Apache Junction
Mayor Gail Barney, Queen Creek
Councilmember Thelda Williams, Phoenix*
Mayor John Giles, Mesa
Lt. Governor Monica Antone, Gila River
Indian Community
**via Telephone*

Airport Staff Present

J. Brian O'Neill, Executive Director/CEO
Scott Brownlee, Deputy Director/COO
Chuck Odom, CFO
Maria Gonzalez, Clerk of the Board
Ann Marie Anderson, Attorney

Amy Arguilez, Town of Gilbert
Jamie Bennett, Town of Queen Creek
Kyle Binder, City of Phoenix
Aric Bopp, City of Mesa
Matt Busby, City of Apache Junction
Dustin Call, Allegiant Air
Kent Dibble, Dibble Engineering
Rob Dilger, Flagship
Eric Fletcher, Allegiant Air
Bob Halbekath, Horizon Aero

Ken Halverson, Jetstrip/KMH
Brian Howard, CEI
John Kross, Town of Queen Creek
John Lewis, East Valley Partnership
John McClean, Multi-Pro Roof Solutions
Warde Nichols, Arizona State University
Steve Reeder, Kimley-Horn
Councilmember Robert Stone, Gila River Indian
Community
Bob Winrow, WSP

1. **Call to Order** at 9:03 a.m. (Mayor Jenn Daniels)
2. **Call to the Public.**
There were no comments from the public.
3. **Executive Director's Report.** - J. Brian O'Neill, A.A.E., Executive Director/CEO

The Board of Directors received information related to operational activity, noise summary, fuel sales and financials. Fiscal Year-to-Date (FYTD) Actual Net Operating Income is \$548,412. Aeronautic-related operating revenue continues to outperform FY18 Budget forecasts and expenditures are being controlled by PMGAA staff.

Gateway Airport had record-setting passenger activity in October, and the second best ever in November, with a 15% increase in passenger activity compared to last November.

WestJet returned in October; three months earlier than the previous season. Allegiant added four new destinations in October and another four in November. Allegiant also announced that in January, there

would be some Airbus 319's (154 seats) upgraded to Airbus 320's (177 seats) on select popular routes, resulting in increased capacity.

Military activity continues to increase, with a reported 2,824 operations this fiscal year; a 14% increase over FYTD 17. The Gateway Aviation Service Staff continues to provide exceptional customer service and is reflective in new and repeat activity.

The Taxiway Alpha reconstruction is underway with an expected completion date of March 2018.

Phase I of the TSA Security Checkpoint Screening project is critically important to gain the additional capacity to keep the customer convenience high. Credit to Erich Hanwell, Project Manager for shepherding the project and completing Phase I. Phase II of the TSA Security Checkpoint Screening project just began and will add a 5th lane with capacity for a 6th lane to address future growth. The expected completion date of Phase II is February 2018.

New automated exit doors are being installed and allows us to repurpose the staff to other areas since staff will no longer need to man the exits when gates are open. These new automated doors are triple doors, meaning passengers leaving the sterile side of the Airport will have to pass through three doors to get to the non-secure side of the Airport and be monitored by video cameras. This is the latest technology in preventing people from "swimming upstream" and getting in to the secured side.

Gateway staff celebrated WestJet's return and surprised the passengers with cupcakes. Mayor Serdy was the Master of Ceremonies and was joined by Mayor John Giles and Mayor Gail Barney. Continuing with celebrations, Gateway staff joined Allegiant in celebrating their 10-Year anniversary, which coincided with their 10-millionth passenger. Inaugural flights to Tampa/St. Pete, Milwaukee, St. Louis, and Indianapolis were also celebrated.

Mayor Jenn Daniels represented the Authority in welcoming Constant Aviation to the Gateway family at their ribbon cutting on November 8th. Constant Aviation took over 70,000 sq ft hangar and office space and are looking at additional opportunities to grow their operations here at Gateway.

4. Presentation: The Positive Impact of Allegiant in Arizona – Eric Fletcher, Director of Governmental Affairs – Allegiant

Mr. Dustin Call stated the relationship with PMGAA is the strongest ever, and Allegiant is very pleased. New routes to Boise and Tampa/St. Pete have exceeded expectations and Allegiant continues to work on marketing the additional routes announced this past summer. Mr. Call reported that fleet transition is an indication of how confident Allegiant is in the East Valley and PMGAA. Additionally, the operating agreement executed 6-months ago is indicative of the relationship and Allegiant looks forward to growing service in the future.

Mr. Eric Fletcher shared Allegiant's excitement with enplaned passenger growth at Gateway Airport growth from 51,000 in 2007 to 1.4 million in 2017. Using the State's study on economic impact, it is reported that each flight to Gateway Airport brings \$80,000 worth of direct visitor spending. In 2017, Allegiant will operate 5,063 flights from Gateway Airport equating to \$405 million in direct visitor spending in the East Valley and greater Phoenix area.

Mr. Fletcher expressed Allegiant's desire to be more engaged in the community and he plans to develop better relationships with State and local officials. Councilwoman Williams inquired if it was possible for Allegiant to provide a customer survey on the inflight to find out where passengers plan to go once they scatter in the Valley. Allegiant is considering a few possibilities, including such a survey.

Mayor Serdy inquired if there is an increased cost for using larger planes. Mr. Fletcher stated in terms of gas/fuel used, absolutely; but Allegiant is confident that any increase in overhead will be more than offset by increased demand.

5. Consent Agenda.

- a. **Minutes** of the Board Meeting held on **November 21, 2017**.
- b. **Resolution No. 17-58** Authorizing a contract with **CBRE, Inc.** for property brokerage services for a term of two years with a one-year option to extend.
- c. **Resolution No. 17-59** Authorizing a facility lease agreement with **Allegiant Air, LLC** for the property located at 6304 S Taxiway Circle, Mesa. The lease term is five years commencing on January 1, 2018.
- d. **Resolution No. 17-60** Authorizing a facility lease agreement with **Jetstrip Inc.** for the property located at 7744 E Velocity Way, Mesa. The lease term is five years commencing on January 1, 2018.
- e. **Resolution No. 17-61** Authorizing a contract with **Centimark Corporation** to complete roof repairs and replacement on facilities airport wide in an amount not to exceed \$200,000.

Mayor Gail Barney moved to approve the Consent Agenda. Mayor Jeff Serdy seconded the motion. The motion was carried unanimously.

Consideration and Possible Approval of:

6. Resolution No. 17-62 Approval of the 2018 Federal and State Legislative Agenda.

Mr. Ryan Smith provided a brief presentation regarding the 2018 Federal & State Legislative Priorities, the Air Traffic Control Tower, and the State Aviation Fund.

Mayor Gail Barney moved to approve Resolution No. 17-62. Mayor John Giles seconded the motion. The motion was carried unanimously.

- 7. Resolution No. 17-63** Authorizing a contract with **Titan Facility Services, LLC** for janitorial services in an amount not to exceed \$1,663,035.48 for three years, including two (2) one-year optional extensions.

Mayor John Giles moved to approve Resolution No. 17-63. Mayor Gail Barney seconded the motion. The motion was carried unanimously.

- 8. Resolution No. 17-64** Authorizing the purchase of an Aircraft Rescue and Fire Fighting (ARFF) Vehicle from **Oshkosh Airport Products, LLC**, in an amount not to exceed \$657,590.

Mayor Gail Barney moved to approve Resolution No. 17-64. Mayor John Giles seconded the motion. The motion was carried unanimously.

9. Board Member Comments/Announcements.

This was the last PMGAA Board of Directors meeting for GRIC Lt. Governor Antone. She was thanked for her commitment, leadership, and vision. She will be missed. GRIC Lt. Governor-Elect Robert Stone will be joining the PMGAA Board of Directors in 2018.

10. Next Meeting: Tuesday, February 20, 2018 at 9:00 a.m. in the Board Room (Saguaro A & B) of the Gateway Administration Building, 5835 South Sossaman Road, Mesa, Arizona. The January 2018 meeting has been cancelled.

11. Adjournment.

The meeting adjourned at 9:51a.m.

Dated this ____ day of _____, 20 ____.

Maria E. Gonzalez, Clerk of the Board

Board Action Item

To: Board of Directors
From: Veronica Lewis, Human Resources Director
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: Broker Services (Health & Welfare)
Date: February 20, 2018

Proposed Motion

To authorize a three-year contract with two additional one-year extensions at the sole option of Phoenix-Mesa Gateway Airport Authority (PMGAA), with USI Insurance Services, LLC as PMGAA's insurance broker for the procurement of Employee Health & Welfare Programs. The total contract will not exceed \$88,500 over a three-year period.

Narrative

Phoenix-Mesa Gateway Airport Authority (PMGAA) utilizes an insurance broker to procure Employee Health & Welfare Programs. The insurance broker negotiates renewals and obtains competitive bids from the insurance industry to negotiate the best terms and coverage from various vendors.

PMGAA issued a Request for Proposals (RFP) No. 2018-012-RFP dated November 16, 2017 for insurance broker services. The RFP was advertised in the Arizona Business Gazette on November 16th, 23rd and 30th, December 7th and 14th, and emailed to a list of prospective respondents. In addition, the RFP was posted on the following websites, PMGAA, Arizona Airports Association and Airports Council International-North America. Two proposals were received by PMGAA and evaluated by an evaluation/selection committee composed of PMGAA staff as well as the City of Mesa's Assistant Benefits Administrator and the Town of Queen Creek's Human Resources Program Manager

After careful consideration and in compliance with PMGAA's Procurement policies and procedures, the evaluation committee recommends awarding the contract to USI Insurance Services, LLC. USI Insurance Services is the current provider of broker services for PMGAA. USI has provided a good level of service to PMGAA over the last five years. The contract will cover an initial three-year period, commencing July 1, 2018, and terminating June 30, 2021 unless terminated, canceled or extended. The proposed contract will allow PMGAA, at its sole option, to renew the contract for two additional one-year renewal terms. The broker service fee will not exceed \$88,500 over the three-year period calculated at an annual fee of \$29,500.

Fiscal Impact

This contract is budgeted in the FY2019 budget.

Attachment(s)

Contract



RESOLUTION NO. 18-01

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS the Authority desires to enter into a contract with USI Insurance Services, LLC ;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes a three-year contract with two additional one-year extensions at the sole option of Phoenix-Mesa Gateway Airport Authority (PMGAA), with USI Insurance Services, LLC as PMGAA’s insurance broker for the procurement of Employee Health & Welfare Programs. The total contract will not exceed \$88,500 over the initial three-year period. This resolution also authorizes the Chair or Executive Director/CEO to execute such Contract, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 20th day of February, 2018.

Jenn Daniels, Chair

ATTEST:

APPROVED AS TO FORM:

Maria Gonzalez, Clerk of the Board

Attorney



PHOENIX-MESA GATEWAY AIRPORT AUTHORITY

AND

USI INSURANCE SERVICES, LLC

FOR

INSURANCE BROKER SERVICES

CONTRACT NUMBER C-2018012A

The Phoenix-Mesa Gateway Airport is owned and operated by the Phoenix-Mesa Gateway Airport Authority (PMGAA), a joint powers airport authority authorized by the State of Arizona and consisting of the City of Mesa, City of Phoenix, City of Apache Junction, Town of Gilbert, Town of Queen Creek and the Gila River Indian Community.

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Phoenix-Mesa Gateway Airport Authority, a joint powers airport authority authorized by the State of Arizona (“PMGAA”) desires performance of the services more fully described in this **Contract Number C-2018012A** (“Contract”) and the attached exhibits. **USI Insurance Services, LLC** a New York Limited Liability Corporation (“Consultant”), with its principal offices located at 100 Summit Lake Drive, Suite 400, Valhalla, New York, 10595, desires to perform these services.

Recitals

- A. PMGAA requires the services as described in this Contract, including any and all exhibits and amendments, and Consultant is willing to provide these and other services under this Contract; and
- B. PMGAA desires to contract with Consultant to provide services as noted herein.

Now therefore, in consideration of the recitals and the mutual covenants set forth below, PMGAA and Consultant agree as follows.

SECTION I – CONSULTANT SERVICES

The services to be performed by Consultant are specified in this Contract. PMGAA will not pay Consultant for any services that have not been authorized under the Contract.

The anticipated services to be provided by Consultant under this Contract shall generally include, but not be limited to, the following: insurance brokerage services, as more specifically described in the detailed scope of work attached as **EXHIBIT A**, “Scope of Services & Fee Schedule.”

PMGAA’s authorized representative shall be the PMGAA Human Resources Director, or his/her duly authorized representative, and that he/she shall be the sole contact for administering this Contract.

All services provided by Consultant under this Contract must be performed in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances in Arizona. Consultant makes no other warranty, expressed or implied.

SECTION II – PMGAA RESPONSIBILITIES

PMGAA shall furnish Consultant, at no cost to Consultant, the following information or services for this Contract:

- A. Access to copies of readily available data pertinent to work assignments affiliated with this Contract. This does not, however, relieve Consultant of the responsibility of searching records for additional information, for requesting specific information or for verification of that information provided. PMGAA does not warrant the accuracy or comprehensiveness of any information or documents provided to Consultant.
- B. In PMGAA’s discretion and upon Consultant’s reasonable request, access to staff for consultation with Consultant during the performance of this contract in order to identify the problems, needs, and other functional aspects of the work.
- C. Prompt review of and feedback on Consultant’s deliverables. PMGAA will advise Consultant concerning progress of PMGAA’s review of the work, as needed.

SECTION III - PERIOD OF SERVICE

Consultant shall complete all work in accordance with the provisions of this Contract as amended.

All work initiated under this Contract must be completed on or before the expiration date of the Contract as amended.

The term of this Contract shall commence on July 1, 2018 and ends on June 30, 2021 (“Base Term”), unless terminated, canceled or extended as provided in this Contract. This Contract has two (2) optional one-year extensions that PMGAA may exercise as its sole discretion. Prior to the expiration of the Contract Base Term, PMGAA may elect to extend the Contract. If PMGAA exercises such right, all terms, conditions and provisions of the original Contract shall remain the same and apply during the extended period with the possible exception of price. All fees for the optional renewal terms are provided for in **EXHIBIT A**, “Scope of Services & Fee Schedule.”. Any extension of this Contract shall require an Amendment signed by both parties.

Consultant shall commence its services within seven (7) days of the written authorization by PMGAA. Consultant shall perform its services in a diligent manner and in accordance with this Contract.

SECTION IV – KEY PERSONNEL

The Consultant itself shall provide all services to be performed under this Contract. If Sub-Consultants are required by Consultant to perform any services listed under this contract, Consultant shall notify PMGAA prior to authorizing work by said Sub-Consultants. PMGAA may, at its sole discretion, accept or reject proposed Sub-Consultants.

SECTION V - PAYMENTS TO THE CONSULTANT

Consultant will be paid for work performed under this Contract plus any adjustments that have been approved in writing by PMGAA in accordance with the Phoenix-Mesa Gateway Airport Authority Procurement Policy. Payments will be made in accordance with **EXHIBIT B**, “Compensation.”

All services to be rendered by Consultant are subject to the terms of **EXHIBIT B**, “Compensation” attached hereto.

PMGAA does not guarantee any minimum or maximum fee during the Term of this Contract, and Consultant, in executing this Contract, shall not anticipate or require any minimum or maximum fee.

PMGAA shall pay Consultant in agreed upon installments for services authorized and rendered under this Contract, provided Consultant has satisfactorily completed the requested work.

SECTION VI - ALTERATION IN SCOPE OF SERVICES

For any alteration in the Scope of Services that would materially increase or decrease the Contract fee, the parties shall negotiate an amendment to the Contract to be executed by PMGAA and Consultant. No work shall commence on any amendment or change until the amendment has been approved by PMGAA and Consultant has been notified to proceed by PMGAA. No claim for extra work done or materials furnished by Consultant will be allowed by PMGAA, except as provided herein, nor shall Consultant do any work or furnish any materials not covered by this Contract unless the work is first authorized in writing by PMGAA and the change complies with PMGAA’s Procurement Policy. Any work or materials furnished by Consultant without advance, written authorization will be at Consultant’s own risk, cost, and expense. Without written authorization, Consultant shall make no claim for compensation for such work or materials furnished.

SECTION VII - WORK ASSIGNMENT COMPLETION

If, during the Term of this Contract, situations arise which prevent work completion within the allotted time, PMGAA may grant an appropriate time extension.

SECTION VIII - OWNERSHIP OF DOCUMENTS

Any documents, including all electronic copies thereof, prepared under or as a result of this Contract, shall be the property of PMGAA. To the extent necessary to effectuate such ownership, Consultant hereby assigns all right, title and interests to such documents to PMGAA. Consultant shall execute any separate agreements or documents, if any, which may be necessary to implement the terms of this Section.

All of Consultant’s documents prepared under this Contract, including electronic files, are instruments of service. All of these documents become the property of PMGAA upon completion of the services and payment in full to Consultant. PMGAA may reuse or modify the documents, as it deems necessary, without Consultant’s prior written authorization. PMGAA shall indemnify and hold harmless Consultant, its officers, directors, employees and subconsultants (collectively, the “Consultant”) against any and all damages, liabilities or costs arising from PMGAA’s modification of documents produced by Consultant under this Contract unless Consultant authorizes the modification in writing.

SECTION IX - COMPLIANCE WITH LAWS

Consultant shall comply with all federal, state and local laws, local ordinances and regulations throughout the Term.

Consultant's signature on this Contract certifies compliance with the provisions of the I-9 requirements of the *Immigration Reform and Control Act of 1986* for all personnel that Consultant and any subconsultants employ to complete any work assignment.

PMGAA shall administer this Contract in accordance with PMGAA's Procurement Policy.

SECTION X - GENERAL CONSIDERATIONS

- A. The failure of either party to enforce any of the provisions of this Contract or require performance of the other party of any of the provisions hereof shall not be construed to be a waiver of the provisions, nor shall it affect the validity of this Contract or the right of either party to enforce each and every provision.
- B. The fact that PMGAA has accepted or approved Consultant's work shall in no way relieve Consultant of responsibility for the work under this Contract.
- C. This Contract shall be governed by the laws of the state of Arizona, both as to interpretation and performance. Any action at law, suit in equity, or judicial proceeding for the enforcement of this Contract, or any provision thereof, shall be instituted only in the courts of the state of Arizona.
- D. All exhibits to this Contract and any amendments to the Contract are incorporated into it.

SECTION XI - NO KICK-BACK CERTIFICATION

Consultant warrants that no person has been employed or retained to solicit or secure this Contract upon any agreement or understanding for a commission, percentage, brokerage, or contingent fee and that no member of the PMGAA Board of Directors or any employee of PMGAA has any interest, financially or otherwise, in Consultant's firm.

For breach or violation of this warranty, PMGAA may annul this Contract without liability.

SECTION XII – SUSPENSION OF SERVICES

Consultant shall, within five (5) business days upon receiving written notice from PMGAA, suspend, delay, or interrupt all or a part of the Scope of Services. Consultant shall resume the Scope of Services within five (5) business days of receiving written notice from PMGAA.

SECTION XIII – TIMES OF PAYMENTS

Consultant shall submit quarterly invoices for services. PMGAA shall review, certify, and approve or reject each invoice in whole or in part. PMGAA shall pay each approved invoice within 30 calendar days of the date that PMGAA approves the invoice.

SECTION XIV – TIMELY REVIEW

PMGAA will review Consultant's studies, reports, proposals, and other related documents and render any decisions required by Consultant in a timely manner. Notwithstanding these reviews, Consultant remains solely responsible for all of its deliverables and services under this Contract. By PMGAA's reviews, PMGAA does not assume any liability for or retained control over Consultant's work or Consultant's responsibility for the safety of its employees.

SECTION XV – MEDIATION; ARBITRATION

All disputes between PMGAA and Consultant arising out of or relating to this Contract must first be submitted to nonbinding mediation unless the parties mutually agree otherwise in writing. In the event that the dispute(s) are not settled via nonbinding mediation, the parties shall proceed to and employ binding arbitration, as set forth in **EXHIBIT D**, "PMGAA Standard Terms and Conditions", attached hereto and incorporated herein by reference.

PMGAA and Consultant shall include a similar mediation/arbitration provision in all agreements with other contractors and consultants retained for the Project and shall require all other independent contractors and consultants to include a similar mediation provision in all agreements with subcontractors, subconsultants, suppliers or fabricators retained by them.

SECTION XVI - LIABILITY OF CONSULTANT

To the fullest extent permitted by law, Consultant shall defend, save, indemnify, and hold harmless PMGAA, its member governments, departments, officers, employees, and agents from and against damages arising out of any act, error, or omission of Consultant relating to its services under this Contract.

SECTION XVII - LAWS AND REGULATIONS

All federal, state, and local laws and regulations that relate to Consultant's services apply to Consultant's performance of this Contract throughout. These laws and regulations are deemed included in this Contract the same as though written out in full, especially the current applicable Federal Aviation Administration (FAA) rules and regulations associated with airport projects; pertinent Airport engineering standards; and local rules, regulations, and industry standards.

SECTION XVIII INSURANCE REQUIREMENTS

1. Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees.
2. Minimum Scope and Limits of Insurance. Coverage shall be at least as broad as:
 - a. Professional Liability (Errors and Omissions): Insurance appropriate to the Consultant's profession, with limit no less than \$5,000,000 per occurrence, claim or incident.
 - b. Commercial General Liability: Insurance Services Office Form CG 00 01 covering Bodily Injury and Property Damage on an "occurrence" basis, including personal & advertising injury with limits no less than \$1,000,000 per occurrence, \$2,000,000 General Aggregate.
 - c. Auto Liability: ISO Form CA 00 01 covering any auto (Symbol 1), or if Consultant has no owned autos, hired, (Symbol 8) and non-owned autos (Symbol 9), with limit no less than \$1,000,000 Combined Single limit per accident for bodily injury and property damage (\$5,000,000 if operating in the Air Operations Area of the Airport).
 - d. Workers' Compensation: Statutory Limits as required by the state of Arizona, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.
3. If the Consultant maintains higher limits than the minimums shown above, the PMGAA requires and shall be entitled to coverage for the higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the PMGAA.
4. Additional insurance provisions. The insurance policies shall provide, or be endorsed to include, the following provisions:
 - a. Notice of Cancellation: Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the PMGAA.
 - b. Waiver of Subrogation: Consultant waives any right to subrogation. Consultant shall obtain an endorsement necessary to affect this waiver of subrogation from the insurer for all lines of coverage required by this Contract.
 - c. Primary Coverage: For all claims related to this Contract, all of Consultant's insurance policies will be primary and non-contributory. Any insurance or self-insurance maintained by PMGAA, its officers, officials, employees, or volunteers will be in excess of Consultant's insurance and will not contribute with it.
 - d. Deductibles and Self-Insured Retentions: Any deductibles or self-insured retentions must be declared to and approved by the PMGAA. The PMGAA may require the Consultant to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.
 - e. Acceptability of Insurers: Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A, VII, unless otherwise acceptable to the PMGAA.

f. Claims Made Policies: No Claims Made policies (other than Professional Liability) will be accepted. For policies that provide claims-made coverage:

- 1) The Retroactive Date must be shown, and must be before the date of the contract or the beginning of contract work.
- 2) Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.
- 3) If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Consultant must purchase “extended reporting” coverage for a minimum of five (5) years after completion of work.

g. Verification of Coverage: Consultant shall furnish the PMGAA with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the PMGAA before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant’s obligation to provide the required insurance. The PMGAA reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

h. Subcontractors: Consultant shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Consultant shall ensure that PMGAA is an additional insured on insurance required from subcontractors.

i. Special Risks or Circumstances: PMGAA reserves the right to modify these requirements, including limits, based on the nature of the risk, scope of services, prior experience, insurer, coverage, or other special circumstances.

OFFER AND ACCEPTANCE

IN WITNESS WHEREOF, the parties herein have executed this Contract.

(Firm Name)	Address
Principal (Signature)	City State Zip
Printed Name	Phone
Federal Tax Identification Number	Fax

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, a joint powers airport authority authorized by the State of Arizona

ACCEPTED AND APPROVED:

J. Brian O’Neill, A.A.E. Executive Director/CEO	Date
--	------

ATTEST:

Name/Clerk of the Board	Date
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EXHIBIT A - SCOPE OF SERVICES & FEE SCHEDULE

The services to be performed by Consultant and the completion of related efforts are specified in the following Scope of Services & Fee Proposal agreed to by the parties.

SCOPE OF SERVICES

SCOPE OF SERVICES

	Confirmed core service included in fee
1. Scope of Work for Health and Welfare Benefits Programs	
<ul style="list-style-type: none"> ▪ Assist in strategic planning, perform financial analysis, analyze and negotiate renewals, assist in the annual enrollment process, provide assistance in compliance issues, and provide ongoing account management services. 	✓
<ul style="list-style-type: none"> ▪ Assist in preparation of insurance coverage specifications. 	✓
<ul style="list-style-type: none"> ▪ Provide a comprehensive risk exposure evaluation to identify avenues for risk transfer of actual or potential loss faced by PMGAA. 	✓
<ul style="list-style-type: none"> ▪ Prepare annual marketing strategy reports identifying anticipated market conditions. 	✓
<ul style="list-style-type: none"> ▪ Analyze and negotiate renewals and obtain competitive bids from the insurance industry in order to negotiate the best terms and coverage from the various vendors. 	✓
<ul style="list-style-type: none"> ▪ Provide all quotations received from insurance companies with detailed rankings and recommendations to PMGAA, of which companies would best provide the desired insurance coverage and services with the associated financial and member impact analysis. PMGAA will review insurance companies proposed, as well as Offeror recommendations, and give approval of acceptability. 	✓
<ul style="list-style-type: none"> ▪ Assure that insurance policies are placed with insurance companies classified by A.M. Best's Key Rating Guide as A+ and Class 7, or better and keep PMGAA informed of any changes in rating of the companies and making recommendations should ratings change during the policy term. 	✓
<ul style="list-style-type: none"> ▪ Provide responsive (i.e., same-day responses to PMGAA inquiries) service for day-to-day contact on insurance related questions and issues. 	✓
<ul style="list-style-type: none"> ▪ Service insurance policies and serve as a liaison between PMGAA and the insurance companies. 	✓
<ul style="list-style-type: none"> ▪ Provide legislative updates as needed and provide signature ready documents and forms to ensure compliance in a timely manner. 	✓
<ul style="list-style-type: none"> ▪ Assist in the planning and coordination of employee annual enrollment meetings and provide presentation and presentation material. 	✓
<ul style="list-style-type: none"> ▪ Provide assistance in the form of advisory services or written reports as is customarily expected from a professional insurance broker on an annual basis, including, but not limited to, projections of future insurance premium costs. 	✓
<ul style="list-style-type: none"> ▪ Provide all services defined in this solicitation, for the compensation the Offeror has stated as set forth in Attachment D. Offeror understands that it will be representing and working on behalf of PMGAA for the term of this agreement. 	✓
<ul style="list-style-type: none"> ▪ Offeror understands that it will be representing and working on behalf of PMGAA for the term of this agreement. 	✓



Below are some of the resources available to PMGAA through your Account team. Based upon our compensation structure, these services may be provided at no additional fee.

USI in-house solutions (Some services require an additional fee. Please consult your USI Account team for details.)	
Health and Productivity Practice	
<i>Wellness consulting</i>	USI offers consultation to our clients in planning, incorporating, and/or enhancing existing wellness programs for your organization. We will provide PMGAA with the tools necessary to plan or enhance your Workplace Wellness Program based on your needs and budget, creating strategies utilizing short-term goals to reach long-term initiatives. We work with medical plan carriers, service providers, and community resources to coordinate compliant incentive plans supporting corporate culture to motivate health behavior change. Our goal is to help our clients establish a compliant wellness initiative to promote, educate, and encourage members to increase their overall health and well-being.
<i>Clinical consulting</i>	USI's Clinical Solutions Services help employers manage their overall health care programs and costs by providing claims data, risk analysis, and recommendations. We will assist PMGAA in identifying and understanding the unique clinical needs within their population, and then build a customized solution to help them improve medical management and member outcomes. Our solutions may include: <ul style="list-style-type: none"> • Focused care review • Comprehensive analysis for larger clients • Data mining solutions • Onsite clinic vendor solutions • RFP evaluation and support
Client Technology Practice	
<i>Benefits administration technology</i>	Benefits Administration Technology practice of USI can provide the help you need to put new systems technology to work for your organization. We have highly specialized experience and an objective viewpoint to guide you to the system solution that makes sense for your organization's needs, time, and budget. The selection of a benefits administration solution, ACA reporting technology, and other employee communication needs is supported with an unbiased viewpoint – helping to ensure PMGAA selects a best-fit solution. We will work with you to accomplish your goals with an insider's understanding of available technology and future trends. We use the right people and a proven process to deliver the technology you need now, and in the future.
<i>ACA measurement and reporting technology</i>	USI will help PMGAA identify third party service providers that offer a variety of solutions at different price points to help you with Affordable Care Act (ACA) measurement and reporting. They work with you to find the best fit to meet your needs and goals. In addition, we can assist in addressing the communications need for educating employees on various aspects of the ACA – posters, flyers, guides, employer to employee letters, etc.



<p><i>Benefits compliance</i></p>	<p>The Employee Benefits Compliance Practice works with your account team to help in identifying and resolving potential compliance issues. They are also responsible for educating our Employee Benefits professionals on health care laws and regulatory updates so that we can keep all parties informed of the applicable benefits rules and regulations, and provide timely and cost-effective solutions to help minimize our clients' benefits compliance risks.</p> <p>This group issues Employee Benefits Compliance Updates and Alerts that will help PMGAA stay informed on topics of interest and importance to you.</p>
<p>USI Integrated Benefit Solutions Practice</p>	
<p><i>Voluntary benefits</i></p>	<p>The Integrated Benefit Solutions Practice (Voluntary benefits) is an integrated approach to voluntary employee benefits offering choice, flexibility, and customization. Integrated Benefit Solutions combines products, programs, and services to offer the most robust, best-in-class voluntary benefit package to employers of all sizes.</p> <p>The solutions and services offered by the practice will assist PMGAA with strategic planning, gap analysis, enrollment strategies, communications strategies, carrier differentiation, product comparison to develop a solution to meet the unique needs of PMGAA's business strategy and employee population.</p>
<p>USI Communications Solutions</p>	
<p><i>Employee communications</i></p>	<p>USI offers full service, customized employee benefits communications consulting. We will work with your human resources department to establish a creative and consistent annual marketing and communication strategy/campaign delivered via a variety of media avenues and available in Spanish, if necessary.</p> <p>We are prepared and equipped to communicate with your employees using various media, ranging from paper to electronic, from web conferencing to face-to-face employee group meetings. By improving employee understanding of their benefits, we reduce employee inquiries to PMGAA's human resources team.</p>
<p>USI CyberSure[®] and CyberWave[®]</p>	
<p><i>eBusiness client website</i></p>	<p>Our process begins with our interactive CyberSure[®] eService. One of its innovative features, eCollaborate, allows our clients to keep track of exposures around the world, manage their global master program, organize their program by region, and access policy documents — all from a single source. Companies may efficiently communicate with our National Account team, schedule meetings, share and discuss documents, and receive email updates on to-do items. And since eCollaborate integrates with Microsoft Office, it can work with PGMAA's existing business software.</p> <ul style="list-style-type: none"> ▪ Document management. Store policies in a centralized online location to quickly find the most up-to-date version and supporting documentation. ▪ File sharing. Rather than struggling to email files all over the world, use our secure sites to easily share files with team members and USI. ▪ Email notifications. With enabled automatic email notifications, PGMAA will be alerted every time USI uploads a document that needs attention. ▪ Task management. Assign and track action items and due dates on a shared calendar. ▪ Anytime, anywhere access. No matter where they work, team members can instantly access documents, calendars, discussions, lists, and tasks. ▪ Database management. Quickly update information on exposures and keep all parties informed in real time. eCollaborate also offers a streamlined process for painless insurance renewals. <p>This program from CyberSure is currently being implemented fourth quarter 2017 and we look forward to providing this for PMGAA.</p>



Third party solutions – Employment law and human resources consulting
 (Services may require an additional fee. Please consult your USI Account team for details.)

<p><i>FordHarrison</i></p>	<p>With more than 200 lawyers in 29 offices across the country, FordHarrison (FH) understands that organizations must operate in a highly regulated, litigious business climate. They help employers minimize the legal risks involved in making employment decisions without compromising business needs.</p> <p>The agreement between USI and FordHarrison entitles any division of Wells Fargo to offer its clients access to the HelpLine for up to 2 free hours of advice per month. FordHarrison maintains a dedicated toll-free line and email address for available for participants.</p>
<p><i>Guardian HR</i></p>	<p>The human resource world is full of complexity with intertwining legal regulations, compliance issues, internal business requirements, and concerns for the employee work experience. Guardian HR provides robust, reliable employment law and human resources support service for businesses of any size and type.</p>

Third party solutions – Online enrollment and employee communication solutions
 (Services may require an additional fee. Please consult your USI Account team for details.)

<p><i>Online enrollment</i></p>	<p>USI has negotiated pricing with several online enrollment service providers many of whom also provide non-enrollment employee website portals.</p> <p>Online enrollment utilizes an easy to use web-based system with direct feeds to the carriers. In addition to eliminating the hassle of paper enrollment, online enrollment can help address not only initial and annual enrollment, but also life event enrollment as well. Online enrollment gives PMGAA the ability to track participant enrollment based on many criteria and to run various reports.</p>
<p><i>GuideSpark</i></p>	<p>GuideSpark is a third-party client service provider. They provide customized online employee communication videos designed to enhance, or even replace an employer’s traditional employee communications package. Their engaging videos make complex topics like health savings accounts and long-term care easy to understand for employees and their families. Employers can even measure how much their employees are watching and learning.</p>

Third party solutions – Employee benefits administrative and data management solutions
 (Services may require an additional fee. Please consult your USI Account team for details.)

<p><i>HSA administration</i></p>	<p>USI works with our clients to identify third party service providers who provide HSA administration services. This is a more cost-effective way for most of our clients to work with qualified HSA administration specialists, as that is their core practice. It allows USI to best serve the needs of our clients as there is no inherent conflict of interest in determining which service provider to select.</p> <p>We will work with PMGAA to determine the best solution to meet your HSA administration needs.</p>
<p><i>COBRA administration</i></p>	<p>USI works with our clients to identify third party service providers who provide COBRA Administration services. This is a more cost-effective way for most of our clients to work with qualified COBRA administration specialists, as that is their core practice. Our Employee Benefits Compliance Practice has prepared a variety of related materials and has significant experience in assisting clients (in their capacity as sponsors of group health plans) with meeting COBRA administration requirements.</p>



Third party solutions – Employer and employee advocacy solutions
(Services may require an additional fee. Please consult your USI Account team for details.)

Health Advocate

Health Advocate, Inc., the nation's leading advocacy and assistance company, offers a range of complementary solutions to employers and plan sponsors. Health Advocate is a call-in center that helps customers find the right doctor, negotiate insurance coverage, and manage other medical system headaches.

Basic services include: patient assistance, healthcare and benefits advocacy and consumer skill-building.

USI Services is pleased to offer a negotiated per employee/per month rate for Health Advocate's services for our clients.

FEE SCHEDULE



Attachment D
Fee Schedule

Offeror to complete applicable section(s). The fee stated herein by Offeror shall be all inclusive, meaning that all related items, including labor, travel, deliverables, tools, materials, equipment, supplies, expenses, etc. shall be factored into the fees listed below. Travel, including airfare, hotel, meals, and any other related accommodations are Offeror's responsibility and will not be reimbursed or paid for by PMGAA.

- 1. Health and Welfare Employee Benefits Programs
\$ 29,500.00 Year One (1)
\$ 29,500.00 Year Two (2)
\$ 29,500.00 Year Three (3)
\$ 29,500.00 Year Four (4) Optional Extension
\$ 29,500.00 Year Five (5) Optional Extension

2. Airport Liability, Property, Automobile, Fuel Farm Property, Fuel Farm Inland Marine, Crime, Directors & Officers and Employment Practices, Environmental and Worker's Compensation Lines of Insurance.
\$ Year One (1)
\$ Year Two (2)
\$ Year Three (3)
\$ Year Four (4) Optional Extension
\$ Year Five (5) Optional Extension

Exceptions / Clarifications:

As in the past, due to insurance company state filings the Permanent Life Insurance (Chubb) does include commissions. The amount is +/- \$560 annually.

Proposal Certification

By my signature, I certify that I am authorized to bind this firm/individual to provide the services accepted herein, in compliance with the scope of work, technical specifications and other terms and conditions in this Request for Proposal at the price provided on this Price Page.

Jim McCauley

James McCauley Digitally signed by James McCauley Date: 2017.12.28 14:17:39 -0700

Printed Name

Signature

EXHIBIT B - COMPENSATION

All compensation for services rendered by Consultant shall be based upon criteria established below. All services must be billed through the Consultant.

1. Fees to be Specified in Contract

Any and all services to be performed under this Contract require approval. All compensation for services shall be identified in writing. The Contract shall describe the scope of services to be performed (by tasks and subtasks, where appropriate), the fees associated with that performance, and any applicable special provisions. Consultant's compensation for services included in this Contract is totaled and set forth in **EXHIBIT A**, "Scope of Services and Fee Schedule".

2. Method of Payment

Subject to the terms of this Contract, PMGAA shall pay Consultant the appropriate price amount for services rendered as described in the Contract only after Consultant has submitted an invoice for services performed and PMGAA has certified and approved each invoice.

Consultant's invoices must specify that Consultant has performed the services, and PMGAA must certify and approve each invoice as a condition to payment.

3. Consultant Responsibilities for Compensation

Consultant shall prepare quarterly invoices in accordance with terms specified in the Contract. All invoices for payment shall be for work completed unless otherwise agreed to by PMGAA.

4. PMGAA Responsibilities for Compensation

PMGAA agrees to pay Consultant's invoices for payment within 30 calendar days after the invoice is approved. PMGAA may withhold payment on any invoice if it believes that Consultant has not performed the work in a satisfactory manner. If PMGAA withholds payment to Consultant, PMGAA shall promptly notify Consultant and explain the reasons for the decision to withhold payment.

5. Billing Address

All invoices submitted to PMGAA for payment shall be submitted to:

Phoenix-Mesa Gateway Airport Authority
Attn: Director of Human Resources
5835 S. Sossaman Road
Mesa, Arizona 85212

EXHIBIT C - SPECIAL PROVISIONS

1. Civil Rights Act of 1964, Title VI – General

The contractor agrees to comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color or national origin, sex, age or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance.

2. Civil Rights Act of 1964, Title VI – Assurances

During the performance of this Contract, the contractor, for itself, its assignees and successors in interest agrees as follows:

- a. Compliance with Regulations – Compliance with Regulations: The contractor (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts And Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.
- b. Nondiscrimination – The contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR Part 21.
- c. Solicitations for Subcontracts, including Procurements of Materials and Equipment – In all solicitations, either by competitive bidding, or negotiation made by the contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the contractor of the contractor's obligations under this contract and the Nondiscrimination Acts And Authorities on the grounds of race, color, or national origin.
- d. Information and Reports – The contractor will provide all information and reports required by the Acts, the Regulations and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by PMGAA or the FAA to be pertinent to ascertain compliance with such Nondiscrimination Acts And Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the contractor will so certify to PMGAA or the FAA as appropriate, and will set forth what efforts it has made to obtain the information.
- e. Sanctions for Noncompliance – In the event of a contractor's noncompliance with the Nondiscrimination provisions of this contract, the Recipient will impose such contract sanctions as it or the FAA may determine to be appropriate, including, but not limited to:
 - i) Withholding of payments to the contractor under the contract until the contractor complies, and/or;
 - ii) Cancellation, termination, or suspension of the Contract, in whole or in part.
- f. Incorporation of Provisions – The contractor will include the provisions of paragraphs one through six of this **EXHIBIT C** in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. The contractor will take action with respect to any subcontract or procurement as PMGAA or the FAA may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the contractor may request PMGAA to enter into any litigation to protect the interests of PMGAA. In addition, the contractor may request the United States to enter into the litigation to protect the interests of the United States.

3. Civil Rights – Title VI List of Pertinent Nondiscrimination Acts and Authorities

During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the “contractor”) agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

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

4. Federal Fair Labor Standards Act

This contract and all subcontracts that result from this contract incorporate by reference the provisions of 29 CFR part 201, the Federal Fair Labor Standards Act (FLSA), with the same force and effect as if given in full text.

The Consultant has full responsibility to monitor compliance to the referenced statute or regulation. The Consultant must address any claims or disputes that arise from this requirement directly with the U.S. Department of Labor – Wage and Hour Division.

5. Occupational Safety and Health Act of 1970

This contract and all subcontracts that result from this contract incorporate by reference the provisions of 29 CFR part 1910 with the same force and effect as if given in full text. Consultant must provide a work environment that is free from recognized hazards that may cause death or serious physical harm to the employee. The Consultant retains full responsibility to monitor its compliance and their subcontractor’s compliance with the applicable requirements of the Occupational Safety and Health Act of 1970 (20CFR Part 1910). Consultant must address any

claims or disputes that pertain to a referenced requirement directly with the U.S. Department of Labor – Occupational Safety and Health Administration.

6. Lobbying and Influencing Federal Employees

- a. No federal appropriated funds shall be paid, by or on behalf of Consultant, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making of any federal grant and the amendment or modification of any federal grant.
- b. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any federal grant, the contractor shall complete and submit Standard Form-LLL, “Disclosure of Lobby Activities,” in accordance with its instructions.

7. Access to Records and Reports

Consultant shall maintain an acceptable cost accounting system. Consultant further agrees to provide PMGAA, the FAA and the Comptroller General of the United States, or any of their duly authorized representatives, access to any books, documents, papers, and records of Consultant which are directly pertinent to this specific Contract for the purpose of making audit, examination, excerpts and transcriptions. Consultant agrees to maintain all books, records and reports required under this Contract for a period of not less than three (3) years after final payment is made and all pending matters are closed.

8. Breach of Contract Terms

Any violation or breach of terms of this Contract on the part of Consultant or its subconsultants or subcontractors may result in suspension or termination of this Contract, or such other action that may be necessary to enforce the rights of the parties with respect thereto. The duties and obligations imposed by the Contract and the rights and remedies available thereunder shall be in addition to, and not a limitation of, any duties, obligations, rights and remedies otherwise imposed or available by law.

9. Rights to Inventions

All rights to inventions and materials generated under this Contract are subject to regulations issued by the FAA and PMGAA of the federal grant under which this Contract is executed.

10. Trade Restriction Clause

- a. Consultant or its subconsultants/subcontractors, by submission of an offer and/or execution of a contract, certifies that it:
 - i. Is not owned or controlled by one or more citizens of a foreign country included in the list of countries that discriminate against U.S. firms published by the Office of the United States Trade Representative (USTR);
 - ii. Has not knowingly entered into any contract or subcontract for this project with a person that is a citizen or national of a foreign country on the list, or is owned or controlled directly or indirectly by one or more citizens or nationals of a foreign country on the list; and
 - iii. Has not procured any product nor subcontracted for the supply of any product for use on the project that is produced in a foreign country on the list.
- b. Unless the restrictions of this clause are waived by the Secretary of Transportation in accordance with 49 CFR 30.17, no contract shall be awarded to a contractor or subcontractor who is unable to certify to the above. If the contractor knowingly procures or subcontracts for the supply of any product or service of a foreign country on the list for use on the project, the FAA may direct PMGAA cancellation of this Contract at no cost to the Government.

- c. Further, Consultant shall incorporate this provision for certification without modification in each contract and in all lower tier subcontracts. Consultant may rely on the certification of a prospective subcontractor unless it has knowledge that the certification is erroneous.
- d. Consultant shall provide immediate written notice to PMGAA if Consultant learns that its certification or that of a subcontractor was erroneous when submitted or has become erroneous by reason of changed circumstances. The subcontractor shall agree to provide written notice to Consultant if at any time it learns that its certification was erroneous by reason of changed circumstances.
- e. This certification is a material representation of fact upon which reliance was placed when the Contract was awarded. If it is later determined that Consultant or its subcontractor knowingly rendered an erroneous certification, the FAA may direct PMGAA cancellation of this Contract or any subcontract for default at no cost to the Government.
- f. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by this provision. The knowledge and information of Consultant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
- g. This certification concerns a matter within the jurisdiction of an agency of the United States of America and the making of a false, fictitious, or fraudulent certification may render the maker subject to prosecution under Title 18, United States Code, Section 1001.

11. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion

Consultant, by accepting this Contract, certifies that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency. Consultant shall include this clause without modification in all lower tier transactions, solicitations, proposals, contracts, and subcontracts. Where the Consultant or any lower tier participant is unable to certify to this statement, it shall provide a written explanation to PMGAA.

12. Project Security

As some or all portions of work possible during the Term of this Contract may be located inside the secured area of the Airport, adherence to and familiarity with federal security regulations is essential. For these projects, Consultant shall be responsible for fulfilling the security requirements described herein.

- a. Secured Area Access – All Consultant personnel who require unescorted access to the secured area of the Airport, prior to the issuance of an Airport Identification badge, must successfully complete the Security Badge Application and Security Badge Authorization forms.
- b. Employee Security Badges – All Contractor and/or subcontractor personnel performing work functions in accordance with this Contract shall obtain and properly display an Airport security badge. Consultant shall submit a Security Badge Application form to the PMGAA security office for each employee requiring unescorted access, along with the current fee for each badge. Badge fees are identified on the current *Airport Fees, Services and Rental Rates* available via the Airport website at www.gatewayairport.com and are subject to change.
 - i. All fees must be paid to PMGAA by cash or check.
 - ii. Airport Security Badge Application forms and instructions are available via the Airport website at www.gatewayairport.com.
 - iii. An authorized representative of Consultant must also obtain and submit a Security Media Authorization form, which is to be submitted to the PMGAA badging office. The Security Media Authorization form and instructions are available via the Airport website at www.gatewayairport.com.
 - iv. A training class on aviation security must be successfully completed before individuals are issued a badge. Fees for the security badge include attendance for the necessary training classes. Attendance at the security classes and issuance of the security badge may take two hours per person.
 - v. Additional information, including a “Frequently Asked Questions” is available via the Airport website at www.gatewayairport.com or by contacting the PMGAA Badging Office at (480) 988-7522. The Badging Office is located at 5803 S. Sossaman Road, Mesa AZ 85212.

- vi. Consultant shall immediately notify the PMGAA Badging Office of any Consultant personnel whose employment status has changed.
 - vii. Consultant shall retrieve all security badges and keys and return them to the PMGAA Badging Office. A fee, as indicated on the most current *Airport Rates and Charges Schedule*, will be charged for each badge that is damaged, lost or not returned.
 - viii. The PMGAA Badging Office will require a completed Security Badge Application from each Consultant employee so certified by Consultant as requiring such before a Security Badge is issued.
 - ix. Under certain circumstances and out of control of PMGAA, security measures may change on short notice. No deviations from any security measure shall be allowed at any time.
 - x. At all times, aircraft shall have the right-of-way over all vehicle traffic.
- c. **Fines** – Due to both the safety and security precautions necessary at the Airport, any failure of the Consultant to adhere to prescribed Airport requirements/regulations has consequences that may jeopardize the health, welfare and lives of Airport customers and employees, as well as the Consultant’s own employees. Therefore, if Consultant is found to be in non-compliance with any security, airfield badging/licensing and airfield safety requirement, a Notice of Violations (NOV) may be issued. A current listing of fines is available by contacting the PMGAA Badging Office.

13. Standard Terms & Conditions

PMGAA’s Standard Terms & Conditions (in **EXHIBIT D** attached) include clauses that pertain to both construction and professional services. For such, the term “contractor” is to be considered same as “consultant.” If a clause implies construction service then it is waived for a professional services contract. PMGAA reserves the right to make that determination if there is a conflict.

14. Federal and State Guidelines and Regulations

All work performed under this Contract must satisfy FAA and applicable agency standards, and be accomplished in accordance with applicable federal, state and local guidelines and regulations, including FAA Advisory Circulars, NEPA and Arizona environmental statutes.

Consultant shall perform the services as described in approved Contract in accordance with the applicable requirements imposed by PMGAA, ADOT, FAA and any other applicable sponsoring agencies. Consultant and its subconsultants/subcontractors, if any, shall comply with any and all applicable laws, regulations, executive orders, policies, guidelines, and any other requirements for FAA Airport Improvement Program (AIP) projects. Consultant shall provide PMGAA all information, reports, documents, and/or certifications requested by PMGAA for the satisfaction of any grant requirements for the reimbursement of services, including, without limitation, identifying the specific services provided by Consultant and the billing period(s) during which services were or are to be provided. Nothing herein shall be construed as making the FAA or ADOT a party to this Contract.

15. Right to Contract With Other Firms

PMGAA shall have the right to contract with other firms and/or persons and/or to self-perform additional services, which may be the subject of this Contract. Consultant shall conduct its operations and perform any services authorized under the Contract so as not to interfere with or hinder the progress of completion of the work being performed by PMGAA and/or other firms and/or persons. Consultants working on the same project shall cooperate with each other in the performance, scheduling, and, if applicable, the integration of their respective services.

16. Independent Contractor Status

At all relevant times, Consultant is - and shall remain - an independent contractor with regard to performance of its services. PMGAA retains no control over Consultant, the performance of its work or services, or the safety of its employees. Consultant is not authorized to enter into any contract or commitment, authorize any payment, or accept any document, services, goods or materials for, in the name of, or on behalf of PMGAA.

EXHIBIT D – PMGAA STANDARD TERMS & CONDITIONS

1. Certification

By signature in the offer section of the Offer and Acceptance page, Consultant certifies:

- a. The award of this Contract did not involve collusion or other anti-competitive practices.
- b. It shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11246, or A.R.S. Section 31-1461, et. seq.
- c. It has not given, offered to give, nor intends to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with this Contract; and Consultant hereby certifies that the individual signing this Contract is an authorized agent for Consultant and has the authority to bind the Consultant to the Contract.

2. Termination of Contract

- a. This Contract may be terminated at any time by mutual written consent or by PMGAA - with or without cause - provided the terminating party gives 14 calendar days' advance written notice to the other party. PMGAA may terminate this Contract, in whole or in part, for PMGAA's convenience and on 14 days' written notice. If this Contract is terminated, then PMGAA is liable only for services rendered and material received, certified, and approved by PMGAA under the Contract before the termination effective date.
- b. PMGAA reserves the right to cancel this Contract in whole or in part due to failure of Consultant to carry out any term, promise, or condition of the Contract. At least ten days before terminating the Contract, PMGAA will issue a written notice of default specifying one of the following reasons.
 - i. Consultant has provided personnel that do not meet the requirements of the Contract.
 - ii. Consultant has failed to perform adequately the stipulations, conditions or services/specifications required in this Contract.
 - iii. Consultant has attempted to impose on PMGAA personnel or materials, products, or workmanship of unacceptable quality.
 - iiii. Consultant has failed to furnish the required service(s) and/or product(s) within the time stipulated in the Contract or associated Authorization of Services.
 - iv. Consultant has failed to make progress in the performance of the requirements of the Contract or Authorization of Services, or Consultant fails to give PMGAA adequate assurance the Consultant will perform the Contract in full and on time.
 - vi. Each payment obligation of PMGAA created hereby is conditioned on the availability of PMGAA, state, or federal funds appropriated for payment of the obligation. If funds are not available or allocated by PMGAA for continuance of service under this Contract, then PMGAA may terminate the Contract. PMGAA shall promptly notify Consultant regarding the service that may be affected by a shortage of funds. No penalty accrues to PMGAA if this provision is exercised, and PMGAA shall not be liable for any future payments due or for any damages as a result of termination under this paragraph.

3. Records

Internal control over all financial transactions related to this Contract shall be in accordance with sound fiscal policies. PMGAA may, at reasonable times and places, audit the books and records of Consultant or any and all of Consultant's subconsultants or subcontractors. The audit shall be limited to this Contract and its scope of services.

4. Arbitration

At PMGAA's sole option, disputes between the parties may be resolved through arbitration as provided in A.R.S. Section 12-1501, *et seq.* Consultant shall continue to render the services required by this Contract without interruption, notwithstanding either party has filed suit against the other or PMGAA has expressly agreed to arbitration and either party has demanded arbitration.

5. Independent Contractor

At all times, each party acts in its individual capacity and not as agent, employee, partner, joint venturer, or associate of the other party. An employee or agent of one party may not be deemed or construed to be the employee or agent of the other party for any purpose whatsoever. Neither Consultant nor any of its employees are entitled to compensation from PMGAA in the form of salaries, paid vacation, or sick days.

PMGAA will not provide any insurance to Consultant, including *Workers' Compensation* coverage. PMGAA will not withhold FICA, taxes, or any similar deductions from PMGAA's payments under this Contract.

6. Affirmative Action

Consultant shall abide by all the federal and state of Arizona provisions for equal opportunity in the work place.

7. Human Relations

Consultant shall abide by all the federal and state of Arizona provisions against discrimination of disadvantaged business enterprises in applicable PMGAA contracts.

8. Non-Exclusive Contract

This Contract is for the sole convenience of PMGAA. PMGAA reserves the right in its discretion to obtain the same or similar goods or services from any other source.

9. Patent Infringement

The procuring agency should advise Consultant of any impending patent suit and provide all information available. Consultant shall defend any suit or proceeding brought against the procurement agency based on a claim that any equipment, or any part thereof, furnished under this contract constitutes an infringement of any patent, and the Contract shall pay all damages and costs awarded therein, excluding incidental and consequential damages, against the procuring agency. In case the equipment, or any part thereof, is in such suit held to constitute infringement and use of the equipment or part is enjoined, Consultant shall, at its own expense and at its option, either procure for the procuring agency the right to continue using the equipment or part, or replace same with non-infringing equipment, or modify it so it becomes non-infringing.

10. Americans with Disabilities Act

Consultant shall comply with all applicable provisions of the *Americans with Disabilities Act* (Public Law 101-336, 42 U.S.C. 12101-12213) and applicable federal regulations under the *Act*.

11. Confidentiality of Records

Consultant shall establish and maintain procedures and controls that are acceptable to PMGAA for the purpose of assuring that no information contained in its records or obtained from PMGAA or from others in carrying out its functions under the Contract shall be used by or disclosed by it, its agents, officers, or employees, except as required to efficiently perform duties under this Contract. Persons requesting such information should be referred to PMGAA. Consultant also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of Consultant as needed for the performance of duties under the Contract, unless otherwise agreed to in writing by PMGAA.

12. Shipment under Reservation Prohibited

Consultant is not authorized to ship materials under reservation and no tender of a bill of lading shall operate as a tender of the materials. Non-compliance shall conform to the cancellation clause set forth within this Contract.

13. Gratuities

PMGAA may, by written notice to the Consultant, cancel this Contract if it is found that gratuities, in the form of entertainment, gifts or otherwise, were offered or given by Consultant or any agent or representative of Consultant, to any officer or employee of PMGAA involved in the amending, or the making of any determinations with respect to the performing of such Contract. If this Contract is canceled by PMGAA under this provision, PMGAA shall, in addition to any other rights and remedies, repay to the Consultant the amount of the gratuity.

14. Applicable Law

This Contract shall be governed by, and PMGAA and Consultant shall have, all remedies afforded each by the *Uniform Commercial Code*, as adopted in the state of Arizona, except as otherwise provided in this Contract or in laws pertaining specifically to PMGAA. This Contract shall be governed by the laws of the state of Arizona, and suits pertaining to this Contract shall be brought only in federal or state courts in the state of Arizona.

15. Contract

This Contract is based on and the result of a negotiated Scope of Services and Fee Proposal submitted by Consultant. The Contract contains the entire agreement between PMGAA and Consultant. No prior oral or written agreements, contracts, proposals, negotiations, purchase orders, or master agreements (in any form) are enforceable between the parties.

16. Legal Remedies

All claims and controversies shall be subject to the PMGAA Procurement Code.

17. Contract Amendments

This Contract shall be modified only by a written amendment signed by the PMGAA Executive Director or his/her designee, and persons duly authorized to enter into contracts on behalf of Consultant.

18. Provisions Required by Law

Each and every provision of law and any clause required by law to be in the Contract shall be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party the Contract shall forthwith be physically amended to make such insertion or correction.

19. Severability

The provisions of this Contract are severable to the extent that any provision or application held to be invalid shall not affect any other provision or application of the Contract, which may remain in effect without the valid provision, or application.

19. Protection of Government Property

Consultant shall use reasonable care to avoid damaging all PMGAA property, including buildings, equipment, and vegetation (such as trees, shrubs, and grass). If Consultant damages PMGAA's property in any way, Consultant shall immediately repair or replace the damage at no cost to PMGAA, as directed by the PMGAA Executive Director. If Consultant fails or refuses to repair or replace the damage, then PMGAA may terminate the Contract, and PMGAA shall deduct the repair or replacement cost from money due Consultant under the Contract.

21. Interpretation – Parol Evidence

This Contract is intended by the parties as a final expression of their agreement and is intended also as a complete and exclusive statement of the terms thereof. No course of prior dealings between the parties and no usage of the trade shall be relevant to supplement or explain any term used in this Contract. Acceptance or acquiescence in a course of performance rendered under this Contract shall not be relevant to determine the meaning of this Contract even though the accepting or acquiescing party has knowledge of the nature of the performance and opportunity to object.

22. Assignment – Delegation

No right or interest in this Contract shall be assigned by Consultant without prior written permission of PMGAA, and no delegation of any duty of Consultant shall be made without prior written permission of PMGAA's Executive Director or his/her designee. PMGAA shall not unreasonably withhold approval and shall notify Consultant of PMGAA's position within fifteen (15) business days of receipt of written notice by Consultant.

23. Subcontracts

Consultant may not enter into a subcontract with any other party to furnish any of the material/service specified herein without PMGAA's advance written approval. All subcontracts shall comply with federal and state laws and

regulations applicable to the services covered by the subcontract and shall include all the terms and conditions set forth herein, which shall apply with equal force to the subcontract, as if the subcontractor were the Consultant referred to herein. Consultant is responsible for Contract performance whether or not subcontractors are used. PMGAA shall not unreasonably withhold approval and shall notify Consultant of PMGAA's position within fifteen (15) business days of receipt of written notice by Consultant.

24. Rights and Remedies

No provision in this Contract shall be construed, expressly or by implication, to waive either party's existing or future claim, right, or remedy available by law for breach of contract. The failure of either party to insist on strict performance of any Contract term or condition; to exercise or delay exercising any right or remedy provided in the Contract or by law; or to accept materials, services, or Consultant's services under this Contract or imposed by law, shall not be deemed a waiver of any right of either party to insist upon strict performance of the Contract.

25. Warranties

Consultant warrants that all materials and services delivered under this Contract shall conform to the specifications thereof. Mere receipt of shipment of the material or service specified and any inspection incidental thereto by PMGAA, shall not alter or affect the obligations of Consultant or the rights of PMGAA under the foregoing warranties. Additional warranty requirements may be set forth in this Contract.

26. Indemnification

To the fullest extent permitted by law, Consultant shall defend, save, indemnify, and hold harmless PMGAA, its agents, representatives, officers, directors, officials, and employees (collectively the "Indemnitees"), for, from and against all claims, damages, losses and expenses, including but not limited to attorney fees, court costs, expert witness fees, and the cost of appellate proceedings, relating to, arising out of, or alleged to have resulted from the Consultant's acts, errors, omissions, or mistakes relating to Consultant's services under this Contract.

27. Overcharges by Antitrust Violations

PMGAA maintains that, in actual practice, overcharges resulting from antitrust violations are borne by the purchaser. Therefore, to the extent permitted by law, Consultant hereby assigns to PMGAA any and all claims for such overcharges as to the materials or services used to fulfill the Contract.

28. Right to Assurance

Whenever one party to this Contract in good faith has reason to question the other party's intent to perform, the former party may demand that the other party give a written assurance of this intent to perform. If a demand is made and no written assurance is given within five (5) business days, the demanding party may treat this failure as an anticipatory repudiation with this Contract.

29. Advertising

Consultant shall not advertise or publish information concerning this Contract without prior written consent of PMGAA.

30. Right to Inspect

PMGAA may, at reasonable times, and at PMGAA's expense, inspect the place of a Consultant's or subcontractor's business, which is related to the performance of this Contract or related subcontract.

31. Force Majeure

- a. Neither party is liable to the other, and neither party may be deemed in default under this Contract, if and to the extent that such party's performance of this Contract is prevented by reason of Force Majeure. The term "Force Majeure" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Force Majeure does not include late performance by a subcontractor unless the delay arises out of a specific Force Majeure in accordance with this Force Majeure term and condition.
- b. If either party is delayed at any time in the progress of the work by Force Majeure, the delayed party shall notify the other party in writing, as soon as practical, of the delay and shall specify the causes of

delay in the notice. The notice must be hand-delivered or mailed certified-return receipt and must specifically refer to this section. The delayed party shall cause the delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The date of completion will be extended by Contract modification or amendment for the period of time that the completion date is necessarily delayed. This time extension is the Consultant's exclusive remedy for delay.

32. Inspection

All material or service is subject to final inspection and acceptance by PMGAA. Material or service failing to conform to the specifications of this Contract will be held at Consultant's risk and may be returned to Consultant. If so returned, all costs are the responsibility of Consultant. Noncompliance shall conform to the cancellation clause set forth in this Contract.

33. Exclusive Possession

All services, information, computer program elements, reports, and other deliverables, which may be created under this Contract, are the sole property of PMGAA and shall not be used or released by Consultant or any other person except with prior written permission by PMGAA.

34. Title and Risk of Loss

The title and risk of loss of materials or services shall not pass to PMGAA until PMGAA actually receives the material or service at the Airport, unless otherwise provided within this Contract.

35. No Replacement of Defective Tender

Every tender of materials must fully conform to all provisions of this Contract. If Consultant tenders a material or service that does not fully conform, PMGAA may terminate this Contract.

36. Default in One Installment to Constitute Total Breach

Consultant shall deliver conforming materials and services in each installment or lot of this Contract. Consultant may not substitute nonconforming materials or services. Delivery of nonconforming materials or a default of any nature, at the option of PMGAA, will constitute breach of the Contract as a whole.

37. Liens

All materials, services, and other deliverables supplied to PMGAA under this Contract must be free of all liens and other encumbrances. Upon request of PMGAA, Consultant shall provide a formal release of all liens.

38. Licenses

Consultant shall maintain in current status all federal, state, and local licenses and permits required for the operation of the business conducted by Consultant as applicable to this Contract.

39. Cost Of Proposal Preparation

The PMGAA shall not reimburse the cost of developing, presenting, or providing any response to this solicitation. Bids/proposals submitted for consideration should be prepared simply and economically providing adequate information in a straightforward and concise manner.

40. Public Record

All proposals submitted in response to this request shall become the property of the PMGAA and shall become a matter of public record available for review subsequent to the award notification.

41. Subsequent Employment

PMGAA may cancel this Contract without penalty or further obligation in accordance with A.R.S. Section 38-511 if any person significantly involved in initiating, negotiating, securing, drafting, or creating the contract, on behalf of the PMGAA is or becomes, at any time while the Contract or any extension of the contract is in effect, an employee of, or a contractor to any other party to this Contract with respect to the subject matter of the Contract. Such cancellation shall be effective when the parties to this Contract receive written notice from PMGAA, unless the notice specifies a later time.

42. Clean Up

Consultant shall at all times keep Contract performance areas, including storage areas used by the Consultant, free from accumulation of waste material or rubbish and, prior to completion of the work, remove any rubbish from the premises and all tools, scaffolding, equipment and materials not property of PMGAA. Upon completion of any repair, Consultant shall leave the work and premises in clean, neat, and workmanlike condition.

43. Patents

Consultant shall defend, indemnify, and hold harmless PMGAA, its officers and employees from all liabilities, claims, damages, costs, or expenses, including, but not limited to attorneys' fees, for any alleged infringement of any person's patent rights or copyrights in consequence of the use by PMGAA, its officers, employees, agents, and other duly authorized representatives of tangible or intellectual property supplied to PMGAA by Consultant under this Contract.

44. Availability of Project Funding

This Contract's approval and continuation is conditioned on the availability of funds appropriated by PMGAA for this purpose. If funds are not available or appropriated for the Contract's requirements, PMGAA may terminate the Contract. Possible sources of funding for this Contract include FAA and ADOT, and this Contract is contingent on the availability of those funds to PMGAA.

45. Records and Audit Rights

Consultant's and all of its approved subcontractors' books, records, correspondence, accounting procedures and practices, and any other supporting evidence relating to this Contract, including the papers of all Consultant and subcontractor employees that work on the Contract (all the foregoing collectively referred to as "Records"), must be open to inspection and subject to audit and/or reproduction during normal working hours by PMGAA. PMGAA is entitled to evaluate and verify all invoices, payments or claims based on Consultant's and its subcontractor's actual costs (including direct and indirect costs and overhead allocations) incurred or units expended directly in the performance of work under this Contract. For any audit under this Section, Consultant and its subcontractors hereby waive the right to keep such Records confidential. PMGAA is entitled to access to these Records from the effective date of this Contract for the duration of the work and until five years after the date of final payment by PMGAA to Consultant under the Contract. During normal working hours, PMGAA is entitled to access to all necessary Consultant and subcontractor facilities and shall be provided adequate and appropriate workspace, in order to conduct audits under this Section. PMGAA shall give Consultant or subcontractors reasonable advance notice of intended audits. Consultant shall require its subcontractors to comply with the provisions of this Section by including its requirements in all subcontracts related to this Contract.

46. E-Verify Requirements

To the extent applicable under A.R.S. § 41-4401, Offeror and its subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees, and compliance with the E-Verify requirements under A.R.S. §23-214(A). Offeror's or its subcontractors' failure to comply with such warranty shall be deemed a material breach of this Contract and may result in the termination of this Contract by PMGAA.



Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

To: Board of Directors
From: R. J. Draper, P.E., LEED AP, CM Engineering & Facilities Director
Through: Scott Brownlee, Deputy Director/COO
J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: Baggage Claim Expansion Design Project – CIP 1004
Date: February 20, 2018

Proposed Motion

To authorize a contract with Swanson Rink to provide Design Services for the Baggage Claim Expansion Design Project CIP 1004 in an amount not-to-exceed \$130,000.

Narrative

The Phoenix-Mesa Gateway Airport Authority (PMGAA) has seen tremendous growth due to a recent increase in commercial passenger flight activity and new air service. The current baggage claim layout, as identified in the West Terminal Optimization Report, is reaching capacity during peak times of operation and is in need of expansion.

The Scope of Work for this project will be to provide Design Services for the Baggage Claim Expansion which will include modifying the existing baggage belt layout to increase conveyor frontage which will allow passengers to claim luggage in a more efficient manner. This phase of the project includes programming and preliminary design documents to determine the layout that best accommodates the demands of current and planned arriving passengers.

The Notice of Request for Statements of Qualifications (SOQ), Solicitation 2018-013-RFQ was issued on November 6, 2017 and advertised in the Arizona Business Gazette on November 9th, 16th, 23rd and 30th; it was also posted on the AzAA, ACC, ACI-NA and SWAAAE websites as well as the PMGAA website. In addition, the RFQ was emailed to a list of 60 prospective firms and included ACDBE/DBE/SBC outreach. PMGAA staff received three SOQ's on December 11, 2017 and the evaluation panel selected Swanson Rink based on their experience with similar sized projects, extensive knowledge regarding Federal Aviation Administration and Transportation Security Administration regulations, providing a local team, experience of the proposed team, as well as detailed SOQ's submitted that show the company's understanding and approach to the project. The Executive Team concurred with this selection.

Fiscal Impact

This contract is included in the FY18 Capital Budget using PFC funding under CIP 1004.

Attachment(s)

Contract



RESOLUTION NO. 18-02

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS the Authority desires to enter into a contract with Swanson Rink;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes a contract with Swanson Rink to provide design services for the Baggage Claim Expansion Design Project (CIP 1004), in an amount not-to-exceed \$130,000. This resolution also authorizes the Chair or Executive Director/CEO to execute such Contract, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 20th day of February, 2018.

Jenn Daniels, Chair

ATTEST:

APPROVED AS TO FORM:

Maria Gonzalez, Clerk of the Board

Attorney



PHOENIX-MESA GATEWAY AIRPORT AUTHORITY

AND

SWANSON RINK, INC.

FOR

BAGGAGE CLAIM EXPANSION or BAGGAGE MAKE-UP DESIGN

CONTRACT NUMBER C-2018013

The Phoenix-Mesa Gateway Airport is owned and operated by the Phoenix-Mesa Gateway Airport Authority (PMGAA), a joint powers airport authority authorized by the State of Arizona and consisting of the City of Mesa, City of Phoenix, City of Apache Junction, Town of Gilbert, Town of Queen Creek and the Gila River Indian Community.

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Phoenix-Mesa Gateway Airport Authority, a joint powers airport authority authorized by the State of Arizona (“PMGAA”) desires performance of the services more fully described in this **Contract Number C-2018013** (“Contract”) and the attached exhibits. Swanson Rink, Inc., a(n) **<state>** corporation (“Consultant”), with its principal offices located at **[address]**, desires to perform these services.

Recitals

- A. PMGAA requires the services as described in this Contract, including any and all exhibits and amendments, and Consultant is willing to provide these and other services under this Contract; and
- B. PMGAA desires to contract with Consultant to provide services as noted herein.

Now therefore, in consideration of the recitals and the mutual covenants set forth below, PMGAA and Consultant agree as follows.

SECTION I – CONSULTANT SERVICES

The services to be performed by Consultant are specified in this Contract. PMGAA will not pay Consultant for any services that have not been authorized under the Contract.

The anticipated services to be provided by Consultant under this Contract shall generally include, but not be limited to, the following: Baggage Claim Expansion Design and Baggage Makeup Expansion Design, as more specifically described in the detailed scope of work attached as **EXHIBIT A**, “Scope of Services & Fee Schedule.”

PMGAA’s authorized representative shall be the PMGAA Engineering and Facilities Director, or his/her duly authorized representative, and that he/she shall be the sole contact for administering this Contract.

All services provided by Consultant under this Contract must be performed in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances in Arizona. Consultant makes no other warranty, expressed or implied.

SECTION II – PMGAA RESPONSIBILITIES

PMGAA shall furnish Consultant, at no cost to Consultant, the following information or services for this Contract:

- A. Access to copies of readily available maps, records, as-built drawings, benchmarks or other data pertinent to work assignments affiliated with this Contract. This does not, however, relieve Consultant of the responsibility of searching records for additional information, for requesting specific information or for verification of that information provided. PMGAA does not warrant the accuracy or comprehensiveness of any information or documents provided to Consultant.
- B. In PMGAA’s discretion and upon Consultant’s reasonable request, access to staff for consultation with Consultant during the performance of this contract in order to identify the problems, needs, and other functional aspects of the work.
- C. Prompt review of and feedback on Consultant’s deliverables. PMGAA will advise Consultant concerning progress of PMGAA’s review of the work, as needed.

SECTION III - PERIOD OF SERVICE

Consultant shall complete all work in accordance with the provisions of this Contract as amended.

All work initiated under this Contract must be completed on or before the expiration date of the Contract as amended.

The term of this Contract shall commence on **[date]** and ends on **[date]** (“Term”), unless terminated, canceled or extended as provided in this Contract.

Consultant shall commence its services within seven (7) days of the written authorization by PMGAA. Consultant shall perform its services in a diligent manner and in accordance with this Contract.

SECTION IV – KEY PERSONNEL

The Consultant itself shall provide all services to be performed under this Contract. If Sub-Consultants are required by Consultant to perform any services listed under this contract, Consultant shall notify PMGAA prior to authorizing work by said Sub-Consultants. PMGAA may, at its sole discretion, accept or reject proposed Sub-Consultants.

SECTION V - PAYMENTS TO THE CONSULTANT

Consultant will be paid for work performed under this Contract plus any adjustments that have been approved in writing by PMGAA in accordance with the Phoenix-Mesa Gateway Airport Authority Procurement Policy. Payments will be made in accordance with **EXHIBIT B**, “Compensation.”

All services to be rendered by Consultant are subject to the terms of **EXHIBIT B**, “Compensation” attached hereto.

PMGAA does not guarantee any minimum or maximum fee during the Term of this Contract, and Consultant, in executing this Contract, shall not anticipate or require any minimum or maximum fee.

PMGAA shall pay Consultant in agreed upon installments for services authorized and rendered under this Contract at the completion of each work assignment, provided Consultant has satisfactorily completed the requested work. If any such work requires time in excess of 30 calendar days to complete, progress payment(s) may be made on invoices certified and approved by PMGAA.

SECTION VI - ALTERATION IN SCOPE OF SERVICES

For any alteration in the Scope of Services that would materially increase or decrease the Contract fee, the parties shall negotiate an amendment to the Contract to be executed by PMGAA and Consultant. No work shall commence on any amendment or change until the amendment has been approved by PMGAA and Consultant has been notified to proceed by PMGAA. No claim for extra work done or materials furnished by Consultant will be allowed by PMGAA, except as provided herein, nor shall Consultant do any work or furnish any materials not covered by this Contract unless the work is first authorized in writing by PMGAA and the change complies with PMGAA’s Procurement Policy. Any work or materials furnished by Consultant without advance, written authorization will be at Consultant’s own risk, cost, and expense. Without written authorization, Consultant shall make no claim for compensation for such work or materials furnished.

SECTION VII - WORK ASSIGNMENT COMPLETION

If, during the Term of this Contract, situations arise which prevent work completion within the allotted time, PMGAA may grant an appropriate time extension.

SECTION VIII - OWNERSHIP OF DOCUMENTS

Any documents, including all electronic copies thereof, prepared under or as a result of this Contract, shall be the property of PMGAA. To the extent necessary to effectuate such ownership, Consultant hereby assigns all right, title and interests to such documents to PMGAA. Consultant shall execute any separate agreements or documents, if any, which may be necessary to implement the terms of this Section.

All of Consultant’s documents prepared under this Contract, including electronic files, are instruments of service. All of these documents become the property of PMGAA upon completion of the services and payment in full to Consultant. PMGAA may reuse or modify the documents, as it deems necessary, without Consultant’s prior written authorization. PMGAA shall indemnify and hold harmless Consultant, its officers, directors, employees and subconsultants (collectively, the “Consultant”) against any and all damages, liabilities or costs arising from PMGAA’s modification of documents produced by Consultant under this Contract unless Consultant authorizes the modification in writing.

SECTION IX - COMPLIANCE WITH LAWS

Consultant shall comply with all federal, state and local laws, local ordinances and regulations throughout the Term.

Consultant’s signature on this Contract certifies compliance with the provisions of the I-9 requirements of the *Immigration Reform and Control Act of 1986* for all personnel that Consultant and any subconsultants employ to complete any work assignment.

PMGAA shall administer this Contract in accordance with PMGAA's Procurement Policy.

SECTION X - GENERAL CONSIDERATIONS

- A. The failure of either party to enforce any of the provisions of this Contract or require performance of the other party of any of the provisions hereof shall not be construed to be a waiver of the provisions, nor shall it affect the validity of this Contract or the right of either party to enforce each and every provision.
- B. The fact that PMGAA has accepted or approved Consultant's work shall in no way relieve Consultant of responsibility for the work under this Contract.
- C. This Contract shall be governed by the laws of the state of Arizona, both as to interpretation and performance. Any action at law, suit in equity, or judicial proceeding for the enforcement of this Contract, or any provision thereof, shall be instituted only in the courts of the state of Arizona.
- D. All exhibits to this Contract and any amendments to the Contract are incorporated into it.

SECTION XI - NO KICK-BACK CERTIFICATION

Consultant warrants that no person has been employed or retained to solicit or secure this Contract upon any agreement or understanding for a commission, percentage, brokerage, or contingent fee and that no member of the PMGAA Board of Directors or any employee of PMGAA has any interest, financially or otherwise, in Consultant's firm.

For breach or violation of this warranty, PMGAA may annul this Contract without liability.

SECTION XII – SUSPENSION OF SERVICES

Consultant shall, within five (5) business days upon receiving written notice from PMGAA, suspend, delay, or interrupt all or a part of the Scope of Services. Consultant shall resume the Scope of Services within five (5) business days of receiving written notice from PMGAA.

SECTION XIII – TIMES OF PAYMENTS

Consultant shall submit periodic invoices for any unbilled portion of the services actually completed. PMGAA shall review, certify, and approve or reject each invoice in whole or in part. PMGAA shall pay each approved invoice within 30 calendar days of the date that PMGAA approves the invoice.

SECTION XIV – TIMELY REVIEW

PMGAA will review Consultant's studies, reports, proposals, and other related documents and render any decisions required by Consultant in a timely manner. Notwithstanding these reviews, Consultant remains solely responsible for all of its deliverables and services under this Contract. By PMGAA's reviews, PMGAA does not assume any liability for or retained control over Consultant's work or Consultant's responsibility for the safety of its employees.

SECTION XV – MEDIATION; ARBITRATION

All disputes between PMGAA and Consultant arising out of or relating to this Contract must first be submitted to nonbinding mediation unless the parties mutually agree otherwise in writing. In the event that the dispute(s) are not settled via nonbinding mediation, the parties shall proceed to and employ binding arbitration, as set forth in **EXHIBIT E**, "PMGAA Standard Terms and Conditions", attached hereto and incorporated herein by reference.

PMGAA and Consultant shall include a similar mediation/arbitration provision in all agreements with other contractors and consultants retained for the Project and shall require all other independent contractors and consultants to include a similar mediation provision in all agreements with subcontractors, subconsultants, suppliers or fabricators retained by them.

SECTION XVI - LIABILITY OF CONSULTANT

To the fullest extent permitted by law, Consultant shall defend, save, indemnify, and hold harmless PMGAA, its member governments, departments, officers, employees, and agents from and against damages arising out of any act, error, or omission of Consultant relating to its services under this Contract.

SECTION XVII - LAWS AND REGULATIONS

All federal, state, and local laws and regulations that relate to Consultant's services apply to Consultant's performance of this Contract throughout. These laws and regulations are deemed included in this Contract the same as though written out in full, especially the current applicable Federal Aviation Administration (FAA) rules and regulations associated with airport projects; pertinent Airport engineering standards; and local rules, regulations, and industry standards.

SECTION XVIII INSURANCE REQUIREMENTS

1. Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees.
2. Minimum Scope and Limits of Insurance. Coverage shall be at least as broad as:
 - a. Professional Liability (Errors and Omissions): Insurance appropriate to the Consultant's profession, with limit no less than \$1,000,000 per occurrence or claim, \$2,000,000 aggregate.
 - b. Commercial General Liability: Insurance Services Office Form CG 00 01 covering Bodily Injury and Property Damage on an "occurrence" basis, including personal & advertising injury with limits no less than \$1,000,000 per occurrence, \$2,000,000 General Aggregate.
 - c. Workers' Compensation: Statutory Limits as required by the state of Arizona, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.
3. If the Consultant maintains higher limits than the minimums shown above, the PMGAA requires and shall be entitled to coverage for the higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the PMGAA.
4. Additional insurance provisions. The insurance policies shall provide, or be endorsed to include, the following provisions:
 - a. Notice of Cancellation: Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the PMGAA.
 - b. Waiver of Subrogation: Consultant waives any right to subrogation. Consultant shall obtain an endorsement necessary to affect this waiver of subrogation from the insurer for all lines of coverage required by this Contract.
 - c. Primary Coverage: For all claims related to this Contract, all of Consultant's insurance policies will be primary and non-contributory. Any insurance or self-insurance maintained by PMGAA, its officers, officials, employees, or volunteers will be in excess of Consultant's insurance and will not contribute with it.
 - d. Deductibles and Self-Insured Retentions: Any deductibles or self-insured retentions must be declared to and approved by the PMGAA. The PMGAA may require the Consultant to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.
 - e. Acceptability of Insurers: Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A, VII, unless otherwise acceptable to the PMGAA.
 - f. Claims Made Policies: No Claims Made policies (other than Professional Liability) will be accepted. For policies that provide claims-made coverage:
 - 1) The Retroactive Date must be shown, and must be before the date of the contract or the beginning of contract work.
 - 2) Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.
 - 3) If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Consultant must purchase

“extended reporting” coverage for a minimum of five (5) years after completion of work.

g. Verification of Coverage: Consultant shall furnish the PMGAA with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the PMGAA before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant’s obligation to provide the required insurance. The PMGAA reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

h. Subcontractors: Consultant shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Consultant shall ensure that PMGAA is an additional insured on insurance required from subcontractors.

i. Special Risks or Circumstances: PMGAA reserves the right to modify these requirements, including limits, based on the nature of the risk, scope of services, prior experience, insurer, coverage, or other special circumstances.

OFFER AND ACCEPTANCE

IN WITNESS WHEREOF, the parties herein have executed this Contract.

_____	_____
(Firm Name)	Address
_____	_____
Principal (Signature)	City State Zip
_____	_____
Printed Name	Phone
_____	_____
Federal Tax Identification Number	Fax

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, a joint powers airport authority authorized by the State of Arizona

ACCEPTED AND APPROVED:

J. Brian O’Neill, A.A.E. Date
Executive Director/CEO

ATTEST:

Name/Clerk of the Board Date

EXHIBIT A - SCOPE OF SERVICES & FEE SCHEDULE

The services to be performed by Consultant and the completion of related efforts are specified in the following Scope of Services & Fee Proposal agreed to by the parties.

SCOPE OF SERVICES

[Enter]

FEE SCHEDULE

[ENTER FEES]

EXHIBIT B - COMPENSATION

All compensation for services rendered by Consultant shall be based upon criteria established below. All services must be billed through the Consultant.

1. Fees to be Specified in Contract

Any and all services to be performed under this Contract require approval. All compensation for services shall be identified in writing. The Contract shall describe the scope of services to be performed (by tasks and subtasks, where appropriate), the fees associated with that performance, and any applicable special provisions. Consultant's compensation for services included in this Contract is totaled and set forth in **EXHIBIT A**, "Scope of Services and Fee Schedule".

2. Method of Payment

Subject to the terms of this Contract, PMGAA shall pay Consultant the appropriate not to exceed amount for services rendered as described in the Contract only after Consultant has submitted an invoice for services performed and PMGAA has certified and approved each invoice.

For services rendered in accordance with the Contract, Consultant shall submit to PMGAA an invoice depicting tasks performed and/or hours spent for services performed. Invoices must be based on the actual hours and/or expenses incurred for the services completed during the billing period. Consultant's invoices or must specify that Consultant has performed the services, and PMGAA must certify and approve each invoice as a condition to payment.

3. Consultant Responsibilities for Compensation

Consultant shall prepare monthly invoices in accordance with terms specified in the Contract. All invoices for payment shall be for work completed unless otherwise agreed to by PMGAA.

4. PMGAA Responsibilities for Compensation

PMGAA agrees to pay Consultant's invoices for payment within 30 calendar days after the invoice is approved. PMGAA may withhold payment on any invoice if it believes that Consultant has not performed the work in a satisfactory manner. If PMGAA withholds payment to Consultant, PMGAA shall promptly notify Consultant and explain the reasons for the decision to withhold payment.

5. Billing Address

All invoices submitted to PMGAA for payment shall be submitted to:

Phoenix-Mesa Gateway Airport Authority
Attn: Engineering & Facilities Director
5835 S. Sossaman Road
Mesa, Arizona 85212

EXHIBIT C - SPECIAL PROVISIONS

1. Civil Rights Act of 1964, Title VI – General

The contractor agrees to comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color or national origin, sex, age or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance.

2. Civil Rights Act of 1964, Title VI – Assurances

During the performance of this Contract, the contractor, for itself, its assignees and successors in interest agrees as follows:

- a. Compliance with Regulations – Compliance with Regulations: The contractor (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts And Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.
- b. Nondiscrimination – The contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR Part 21.
- c. Solicitations for Subcontracts, including Procurements of Materials and Equipment – In all solicitations, either by competitive bidding, or negotiation made by the contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the contractor of the contractor's obligations under this contract and the Nondiscrimination Acts And Authorities on the grounds of race, color, or national origin.
- d. Information and Reports – The contractor will provide all information and reports required by the Acts, the Regulations and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by PMGAA or the FAA to be pertinent to ascertain compliance with such Nondiscrimination Acts And Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the contractor will so certify to PMGAA or the FAA as appropriate, and will set forth what efforts it has made to obtain the information.
- e. Sanctions for Noncompliance – In the event of a contractor's noncompliance with the Nondiscrimination provisions of this contract, the Recipient will impose such contract sanctions as it or the FAA may determine to be appropriate, including, but not limited to:
 - i) Withholding of payments to the contractor under the contract until the contractor complies, and/or;
 - ii) Cancellation, termination, or suspension of the Contract, in whole or in part.
- f. Incorporation of Provisions – The contractor will include the provisions of paragraphs one through six of this **EXHIBIT C** in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. The contractor will take action with respect to any subcontract or procurement as PMGAA or the FAA may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the contractor may request PMGAA to enter into any litigation to protect the interests of PMGAA. In addition, the contractor may request the United States to enter into the litigation to protect the interests of the United States.

3. Civil Rights – Title VI List of Pertinent Nondiscrimination Acts and Authorities

During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the “contractor”) agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

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

4. Federal Fair Labor Standards Act

This contract and all subcontracts that result from this contract incorporate by reference the provisions of 29 CFR part 201, the Federal Fair Labor Standards Act (FLSA), with the same force and effect as if given in full text.

The Consultant has full responsibility to monitor compliance to the referenced statute or regulation. The Consultant must address any claims or disputes that arise from this requirement directly with the U.S. Department of Labor – Wage and Hour Division.

5. Occupational Safety and Health Act of 1970

This contract and all subcontracts that result from this contract incorporate by reference the provisions of 29 CFR part 1910 with the same force and effect as if given in full text. Consultant must provide a work environment that is free from recognized hazards that may cause death or serious physical harm to the employee. The Consultant

retains full responsibility to monitor its compliance and their subcontractor's compliance with the applicable requirements of the Occupational Safety and Health Act of 1970 (20CFR Part 1910). Consultant must address any claims or disputes that pertain to a referenced requirement directly with the U.S. Department of Labor – Occupational Safety and Health Administration.

6. Lobbying and Influencing Federal Employees

- a. No federal appropriated funds shall be paid, by or on behalf of Consultant, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making of any federal grant and the amendment or modification of any federal grant.
- b. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any federal grant, the contractor shall complete and submit Standard Form-LLL, "Disclosure of Lobby Activities," in accordance with its instructions.

7. Access to Records and Reports

Consultant shall maintain an acceptable cost accounting system. Consultant further agrees to provide PMGAA, the FAA and the Comptroller General of the United States, or any of their duly authorized representatives, access to any books, documents, papers, and records of Consultant which are directly pertinent to this specific Contract for the purpose of making audit, examination, excerpts and transcriptions. Consultant agrees to maintain all books, records and reports required under this Contract for a period of not less than three (3) years after final payment is made and all pending matters are closed.

8. Breach of Contract Terms

Any violation or breach of terms of this Contract on the part of Consultant or its subconsultants or subcontractors may result in suspension or termination of this Contract, or such other action that may be necessary to enforce the rights of the parties with respect thereto. The duties and obligations imposed by the Contract and the rights and remedies available thereunder shall be in addition to, and not a limitation of, any duties, obligations, rights and remedies otherwise imposed or available by law.

9. Rights to Inventions

All rights to inventions and materials generated under this Contract are subject to regulations issued by the FAA and PMGAA of the federal grant under which this Contract is executed.

10. Trade Restriction Clause

- a. Consultant or its subconsultants/subcontractors, by submission of an offer and/or execution of a contract, certifies that it:
 - i. Is not owned or controlled by one or more citizens of a foreign country included in the list of countries that discriminate against U.S. firms published by the Office of the United States Trade Representative (USTR);
 - ii. Has not knowingly entered into any contract or subcontract for this project with a person that is a citizen or national of a foreign country on the list, or is owned or controlled directly or indirectly by one or more citizens or nationals of a foreign country on the list; and
 - iii. Has not procured any product nor subcontracted for the supply of any product for use on the project that is produced in a foreign country on the list.
- b. Unless the restrictions of this clause are waived by the Secretary of Transportation in accordance with 49 CFR 30.17, no contract shall be awarded to a contractor or subcontractor who is unable to certify to the above. If the contractor knowingly procures or subcontracts for the supply of any product or service of a foreign country on the list for use on the project, the FAA may direct PMGAA cancellation of this Contract at no cost to the Government.

- c. Further, Consultant shall incorporate this provision for certification without modification in each contract and in all lower tier subcontracts. Consultant may rely on the certification of a prospective subcontractor unless it has knowledge that the certification is erroneous.
- d. Consultant shall provide immediate written notice to PMGAA if Consultant learns that its certification or that of a subcontractor was erroneous when submitted or has become erroneous by reason of changed circumstances. The subcontractor shall agree to provide written notice to Consultant if at any time it learns that its certification was erroneous by reason of changed circumstances.
- e. This certification is a material representation of fact upon which reliance was placed when the Contract was awarded. If it is later determined that Consultant or its subcontractor knowingly rendered an erroneous certification, the FAA may direct PMGAA cancellation of this Contract or any subcontract for default at no cost to the Government.
- f. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by this provision. The knowledge and information of Consultant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
- g. This certification concerns a matter within the jurisdiction of an agency of the United States of America and the making of a false, fictitious, or fraudulent certification may render the maker subject to prosecution under Title 18, United States Code, Section 1001.

11. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion

Consultant, by accepting this Contract, certifies that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency. Consultant shall include this clause without modification in all lower tier transactions, solicitations, proposals, contracts, and subcontracts. Where the Consultant or any lower tier participant is unable to certify to this statement, it shall provide a written explanation to PMGAA.

12. Project Security

As some or all portions of work possible during the Term of this Contract may be located inside the secured area of the Airport, adherence to and familiarity with federal security regulations is essential. For these projects, Consultant shall be responsible for fulfilling the security requirements described herein.

- a. Secured Area Access – All Consultant personnel who require unescorted access to the secured area of the Airport, prior to the issuance of an Airport Identification badge, must successfully complete the Security Badge Application and Security Badge Authorization forms.
- b. Employee Security Badges – If deemed necessary by PMGAA, Consultant, Consultant's employees and/or subconsultant's performing work functions in accordance with this Contract shall obtain and properly display an Airport security badge. Consultant shall submit a Security Badge Application form to the PMGAA security office for each employee requiring unescorted access, along with the current fee for each badge. Badge fees are identified on the current *Airport Rates and Charges Schedule* listing available via the Airport website at www.gatewayairport.com.
 - i. All fees must be paid to PMGAA by cash or check.
 - ii. Airport Security Badge Application forms and instructions are available via the Airport website at www.gatewayairport.com.
 - iii. An authorized representative of Consultant must also obtain and submit a Security Media Authorization form, which is to be submitted to the PMGAA badging office. The Security Media Authorization form and instructions are available via the Airport website at www.gatewayairport.com.
 - iv. A training class on aviation security must be successfully completed before individuals are issued a badge. Fees for the security badge include attendance for the necessary training classes. Attendance at the security classes and issuance of the security badge may take two hours per person.

- v. Additional information, including a “Frequently Asked Questions” is available via the Airport website at www.gatewairport.com or by contacting the PMGAA Badging Office at (480) 988-7522. The Badging Office is located at 5803 S. Sossaman Road, Mesa AZ 85212.
 - vi. Consultant shall immediately notify the PMGAA Badging Office of any Consultant personnel whose employment status has changed.
 - vii. Consultant shall retrieve all security badges and keys and return them to the PMGAA Badging Office. A fee, as indicated on the most current *Airport Rates and Charges Schedule*, will be charged for each badge that is damaged, lost or not returned.
 - viii. The PMGAA Badging Office will require a completed Security Badge Application from each Consultant employee so certified by Consultant as requiring such before a Security Badge is issued.
 - ix. Under certain circumstances and out of control of PMGAA, security measures may change on short notice. No deviations from any security measure shall be allowed at any time.
 - x. At all times, aircraft shall have the right-of-way over all vehicle traffic.
- c. Fines – Due to both the safety and security precautions necessary at the Airport, any failure of the Consultant to adhere to prescribed Airport requirements/regulations has consequences that may jeopardize the health, welfare and lives of Airport customers and employees, as well as the Consultant’s own employees. Therefore, if Consultant is found to be in non-compliance with any security, airfield badging/licensing and airfield safety requirement, a Notice of Violations (NOV) may be issued. A current listing of fines is available by contacting the PMGAA Badging Office.

13. Standard Terms & Conditions

PMGAA’s Standard Terms & Conditions (in **EXHIBIT D** attached) include clauses that pertain to both construction and professional services. For such, the term “contractor” is to be considered same as “consultant.” If a clause implies construction service then it is waived for a professional services contract. PMGAA reserves the right to make that determination if there is a conflict.

14. Federal and State Guidelines and Regulations

All work performed under this Contract must satisfy FAA and applicable agency standards, and be accomplished in accordance with applicable federal, state and local guidelines and regulations, including FAA Advisory Circulars, NEPA and Arizona environmental statutes.

Consultant shall perform the services as described in approved Contract in accordance with the applicable requirements imposed by PMGAA, ADOT, FAA and any other applicable sponsoring agencies. Consultant and its subconsultants/subcontractors, if any, shall comply with any and all applicable laws, regulations, executive orders, policies, guidelines, and any other requirements for FAA Airport Improvement Program (AIP) projects. Consultant shall provide PMGAA all information, reports, documents, and/or certifications requested by PMGAA for the satisfaction of any grant requirements for the reimbursement of services, including, without limitation, identifying the specific services provided by Consultant and the billing period(s) during which services were or are to be provided. Nothing herein shall be construed as making the FAA or ADOT a party to this Contract.

15. Right to Contract With Other Firms

PMGAA shall have the right to contract with other firms and/or persons and/or to self-perform additional services, which may be the subject of this Contract. Consultant shall conduct its operations and perform any services authorized under the Contract so as not to interfere with or hinder the progress of completion of the work being performed by PMGAA and/or other firms and/or persons. Consultants working on the same project shall cooperate with each other in the performance, scheduling, and, if applicable, the integration of their respective services.

16. Independent Contractor Status

At all relevant times, Consultant is - and shall remain - an independent contractor with regard to performance of its services. PMGAA retains no control over Consultant, the performance of its work or services, or the safety of its employees. Consultant is not authorized to enter into any contract or commitment, authorize any payment, or accept any document, services, goods or materials for, in the name of, or on behalf of PMGAA.

EXHIBIT D – PMGAA STANDARD TERMS & CONDITIONS

1. Certification

By signature in the offer section of the Offer and Acceptance page, Consultant certifies:

- a. The award of this Contract did not involve collusion or other anti-competitive practices.
- b. It shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11246, or A.R.S. Section 31-1461, et. seq.
- c. It has not given, offered to give, nor intends to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with this Contract; and Consultant hereby certifies that the individual signing this Contract is an authorized agent for Consultant and has the authority to bind the Consultant to the Contract.

2. Termination of Contract

- a. This Contract may be terminated at any time by mutual written consent or by PMGAA - with or without cause - provided the terminating party gives 14 calendar days' advance written notice to the other party. PMGAA may terminate this Contract, in whole or in part, for PMGAA's convenience and on 14 days' written notice. If this Contract is terminated, then PMGAA is liable only for services rendered and material received, certified, and approved by PMGAA under the Contract before the termination effective date.
- b. PMGAA reserves the right to cancel this Contract in whole or in part due to failure of Consultant to carry out any term, promise, or condition of the Contract. At least ten days before terminating the Contract, PMGAA will issue a written notice of default specifying one of the following reasons.
 - i. Consultant has provided personnel that do not meet the requirements of the Contract.
 - ii. Consultant has failed to perform adequately the stipulations, conditions or services/specifications required in this Contract.
 - iii. Consultant has attempted to impose on PMGAA personnel or materials, products, or workmanship of unacceptable quality.
 - iiii. Consultant has failed to furnish the required service(s) and/or product(s) within the time stipulated in the Contract or associated Authorization of Services.
 - iv. Consultant has failed to make progress in the performance of the requirements of the Contract or Authorization of Services, or Consultant fails to give PMGAA adequate assurance the Consultant will perform the Contract in full and on time.
 - vi. Each payment obligation of PMGAA created hereby is conditioned on the availability of PMGAA, state, or federal funds appropriated for payment of the obligation. If funds are not available or allocated by PMGAA for continuance of service under this Contract, then PMGAA may terminate the Contract. PMGAA shall promptly notify Consultant regarding the service that may be affected by a shortage of funds. No penalty accrues to PMGAA if this provision is exercised, and PMGAA shall not be liable for any future payments due or for any damages as a result of termination under this paragraph.

3. Records

Internal control over all financial transactions related to this Contract shall be in accordance with sound fiscal policies. PMGAA may, at reasonable times and places, audit the books and records of Consultant or any and all of Consultant's subconsultants or subcontractors. The audit shall be limited to this Contract and its scope of services.

4. Arbitration

At PMGAA's sole option, disputes between the parties may be resolved through arbitration as provided in A.R.S. Section 12-1501, *et seq.* Consultant shall continue to render the services required by this Contract without interruption, notwithstanding either party has filed suit against the other or PMGAA has expressly agreed to arbitration and either party has demanded arbitration.

5. Independent Contractor

At all times, each party acts in its individual capacity and not as agent, employee, partner, joint venturer, or associate of the other party. An employee or agent of one party may not be deemed or construed to be the employee or agent of the other party for any purpose whatsoever. Neither Consultant nor any of its employees are entitled to compensation from PMGAA in the form of salaries, paid vacation, or sick days.

PMGAA will not provide any insurance to Consultant, including *Workers' Compensation* coverage. PMGAA will not withhold FICA, taxes, or any similar deductions from PMGAA's payments under this Contract.

6. Affirmative Action

Consultant shall abide by all the federal and state of Arizona provisions for equal opportunity in the work place.

7. Human Relations

Consultant shall abide by all the federal and state of Arizona provisions against discrimination of disadvantaged business enterprises in applicable PMGAA contracts.

8. Non-Exclusive Contract

This Contract is for the sole convenience of PMGAA. PMGAA reserves the right in its discretion to obtain the same or similar goods or services from any other source.

9. Patent Infringement

The procuring agency should advise Consultant of any impending patent suit and provide all information available. Consultant shall defend any suit or proceeding brought against the procurement agency based on a claim that any equipment, or any part thereof, furnished under this contract constitutes an infringement of any patent, and the Contract shall pay all damages and costs awarded therein, excluding incidental and consequential damages, against the procuring agency. In case the equipment, or any part thereof, is in such suit held to constitute infringement and use of the equipment or part is enjoined, Consultant shall, at its own expense and at its option, either procure for the procuring agency the right to continue using the equipment or part, or replace same with non-infringing equipment, or modify it so it becomes non-infringing.

10. Americans with Disabilities Act

Consultant shall comply with all applicable provisions of the *Americans with Disabilities Act* (Public Law 101-336, 42 U.S.C. 12101-12213) and applicable federal regulations under the *Act*.

11. Confidentiality of Records

Consultant shall establish and maintain procedures and controls that are acceptable to PMGAA for the purpose of assuring that no information contained in its records or obtained from PMGAA or from others in carrying out its functions under the Contract shall be used by or disclosed by it, its agents, officers, or employees, except as required to efficiently perform duties under this Contract. Persons requesting such information should be referred to PMGAA. Consultant also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of Consultant as needed for the performance of duties under the Contract, unless otherwise agreed to in writing by PMGAA.

12. Shipment under Reservation Prohibited

Consultant is not authorized to ship materials under reservation and no tender of a bill of lading shall operate as a tender of the materials. Non-compliance shall conform to the cancellation clause set forth within this Contract.

13. Gratuities

PMGAA may, by written notice to the Consultant, cancel this Contract if it is found that gratuities, in the form of entertainment, gifts or otherwise, were offered or given by Consultant or any agent or representative of Consultant, to any officer or employee of PMGAA involved in the amending, or the making of any determinations with respect to the performing of such Contract. If this Contract is canceled by PMGAA under this provision, PMGAA shall, in addition to any other rights and remedies, repay to the Consultant the amount of the gratuity.

14. Applicable Law

This Contract shall be governed by, and PMGAA and Consultant shall have, all remedies afforded each by the *Uniform Commercial Code*, as adopted in the state of Arizona, except as otherwise provided in this Contract or in laws pertaining specifically to PMGAA. This Contract shall be governed by the laws of the state of Arizona, and suits pertaining to this Contract shall be brought only in federal or state courts in the state of Arizona.

15. Contract

This Contract is based on and the result of a negotiated Scope of Services and Fee Proposal submitted by Consultant. The Contract contains the entire agreement between PMGAA and Consultant. No prior oral or written agreements, contracts, proposals, negotiations, purchase orders, or master agreements (in any form) are enforceable between the parties.

16. Legal Remedies

All claims and controversies shall be subject to the PMGAA Procurement Code.

17. Contract Amendments

This Contract shall be modified only by a written amendment signed by the PMGAA Executive Director or his/her designee, and persons duly authorized to enter into contracts on behalf of Consultant.

18. Provisions Required by Law

Each and every provision of law and any clause required by law to be in the Contract shall be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party the Contract shall forthwith be physically amended to make such insertion or correction.

19. Severability

The provisions of this Contract are severable to the extent that any provision or application held to be invalid shall not affect any other provision or application of the Contract, which may remain in effect without the valid provision, or application.

19. Protection of Government Property

Consultant shall use reasonable care to avoid damaging all PMGAA property, including buildings, equipment, and vegetation (such as trees, shrubs, and grass). If Consultant damages PMGAA's property in any way, Consultant shall immediately repair or replace the damage at no cost to PMGAA, as directed by the PMGAA Executive Director. If Consultant fails or refuses to repair or replace the damage, then PMGAA may terminate the Contract, and PMGAA shall deduct the repair or replacement cost from money due Consultant under the Contract.

21. Interpretation – Parol Evidence

This Contract is intended by the parties as a final expression of their agreement and is intended also as a complete and exclusive statement of the terms thereof. No course of prior dealings between the parties and no usage of the trade shall be relevant to supplement or explain any term used in this Contract. Acceptance or acquiescence in a course of performance rendered under this Contract shall not be relevant to determine the meaning of this Contract even though the accepting or acquiescing party has knowledge of the nature of the performance and opportunity to object.

22. Assignment – Delegation

No right or interest in this Contract shall be assigned by Consultant without prior written permission of PMGAA, and no delegation of any duty of Consultant shall be made without prior written permission of PMGAA's Executive Director or his/her designee. PMGAA shall not unreasonably withhold approval and shall notify Consultant of PMGAA's position within fifteen (15) business days of receipt of written notice by Consultant.

23. Subcontracts

Consultant may not enter into a subcontract with any other party to furnish any of the material/service specified herein without PMGAA's advance written approval. All subcontracts shall comply with federal and state laws and

regulations applicable to the services covered by the subcontract and shall include all the terms and conditions set forth herein, which shall apply with equal force to the subcontract, as if the subcontractor were the Consultant referred to herein. Consultant is responsible for Contract performance whether or not subcontractors are used. PMGAA shall not unreasonably withhold approval and shall notify Consultant of PMGAA's position within fifteen (15) business days of receipt of written notice by Consultant.

24. Rights and Remedies

No provision in this Contract shall be construed, expressly or by implication, to waive either party's existing or future claim, right, or remedy available by law for breach of contract. The failure of either party to insist on strict performance of any Contract term or condition; to exercise or delay exercising any right or remedy provided in the Contract or by law; or to accept materials, services, or Consultant's services under this Contract or imposed by law, shall not be deemed a waiver of any right of either party to insist upon strict performance of the Contract.

25. Warranties

Consultant warrants that all materials and services delivered under this Contract shall conform to the specifications thereof. Mere receipt of shipment of the material or service specified and any inspection incidental thereto by PMGAA, shall not alter or affect the obligations of Consultant or the rights of PMGAA under the foregoing warranties. Additional warranty requirements may be set forth in this Contract.

26. Indemnification

To the fullest extent permitted by law, Consultant shall defend, save, indemnify, and hold harmless PMGAA, its agents, representatives, officers, directors, officials, and employees (collectively the "Indemnitees"), for, from and against all claims, damages, losses and expenses, including but not limited to attorney fees, court costs, expert witness fees, and the cost of appellate proceedings, relating to, arising out of, or alleged to have resulted from the Consultant's acts, errors, omissions, or mistakes relating to Consultant's services under this Contract.

27. Overcharges by Antitrust Violations

PMGAA maintains that, in actual practice, overcharges resulting from antitrust violations are borne by the purchaser. Therefore, to the extent permitted by law, Consultant hereby assigns to PMGAA any and all claims for such overcharges as to the materials or services used to fulfill the Contract.

28. Right to Assurance

Whenever one party to this Contract in good faith has reason to question the other party's intent to perform, the former party may demand that the other party give a written assurance of this intent to perform. If a demand is made and no written assurance is given within five (5) business days, the demanding party may treat this failure as an anticipatory repudiation with this Contract.

29. Advertising

Consultant shall not advertise or publish information concerning this Contract without prior written consent of PMGAA.

30. Right to Inspect

PMGAA may, at reasonable times, and at PMGAA's expense, inspect the place of a Consultant's or subcontractor's business, which is related to the performance of this Contract or related subcontract.

31. Force Majeure

- a. Neither party is liable to the other, and neither party may be deemed in default under this Contract, if and to the extent that such party's performance of this Contract is prevented by reason of Force Majeure. The term "Force Majeure" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Force Majeure does not include late performance by a subcontractor unless the delay arises out of a specific Force Majeure in accordance with this Force Majeure term and condition.
- b. If either party is delayed at any time in the progress of the work by Force Majeure, the delayed party shall notify the other party in writing, as soon as practical, of the delay and shall specify the causes of

delay in the notice. The notice must be hand-delivered or mailed certified-return receipt and must specifically refer to this section. The delayed party shall cause the delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The date of completion will be extended by Contract modification or amendment for the period of time that the completion date is necessarily delayed. This time extension is the Consultant's exclusive remedy for delay.

32. Inspection

All material or service is subject to final inspection and acceptance by PMGAA. Material or service failing to conform to the specifications of this Contract will be held at Consultant's risk and may be returned to Consultant. If so returned, all costs are the responsibility of Consultant. Noncompliance shall conform to the cancellation clause set forth in this Contract.

33. Exclusive Possession

All services, information, computer program elements, reports, and other deliverables, which may be created under this Contract, are the sole property of PMGAA and shall not be used or released by Consultant or any other person except with prior written permission by PMGAA.

34. Title and Risk of Loss

The title and risk of loss of materials or services shall not pass to PMGAA until PMGAA actually receives the material or service at the Airport, unless otherwise provided within this Contract.

35. No Replacement of Defective Tender

Every tender of materials must fully conform to all provisions of this Contract. If Consultant tenders a material or service that does not fully conform, PMGAA may terminate this Contract.

36. Default in One Installment to Constitute Total Breach

Consultant shall deliver conforming materials and services in each installment or lot of this Contract. Consultant may not substitute nonconforming materials or services. Delivery of nonconforming materials or a default of any nature, at the option of PMGAA, will constitute breach of the Contract as a whole.

37. Liens

All materials, services, and other deliverables supplied to PMGAA under this Contract must be free of all liens and other encumbrances. Upon request of PMGAA, Consultant shall provide a formal release of all liens.

38. Licenses

Consultant shall maintain in current status all federal, state, and local licenses and permits required for the operation of the business conducted by Consultant as applicable to this Contract.

39. Cost Of Proposal Preparation

The PMGAA shall not reimburse the cost of developing, presenting, or providing any response to this solicitation. Bids/proposals submitted for consideration should be prepared simply and economically providing adequate information in a straightforward and concise manner.

40. Public Record

All proposals submitted in response to this request shall become the property of the PMGAA and shall become a matter of public record available for review subsequent to the award notification.

41. Subsequent Employment

PMGAA may cancel this Contract without penalty or further obligation in accordance with A.R.S. Section 38-511 if any person significantly involved in initiating, negotiating, securing, drafting, or creating the contract, on behalf of the PMGAA is or becomes, at any time while the Contract or any extension of the contract is in effect, an employee of, or a contractor to any other party to this Contract with respect to the subject matter of the Contract. Such cancellation shall be effective when the parties to this Contract receive written notice from PMGAA, unless the notice specifies a later time.

42. Clean Up

Consultant shall at all times keep Contract performance areas, including storage areas used by the Consultant, free from accumulation of waste material or rubbish and, prior to completion of the work, remove any rubbish from the premises and all tools, scaffolding, equipment and materials not property of PMGAA. Upon completion of any repair, Consultant shall leave the work and premises in clean, neat, and workmanlike condition.

43. Patents

Consultant shall defend, indemnify, and hold harmless PMGAA, its officers and employees from all liabilities, claims, damages, costs, or expenses, including, but not limited to attorneys' fees, for any alleged infringement of any person's patent rights or copyrights in consequence of the use by PMGAA, its officers, employees, agents, and other duly authorized representatives of tangible or intellectual property supplied to PMGAA by Consultant under this Contract.

44. Availability of Project Funding

This Contract's approval and continuation is conditioned on the availability of funds appropriated by PMGAA for this purpose. If funds are not available or appropriated for the Contract's requirements, PMGAA may terminate the Contract. Possible sources of funding for this Contract include FAA and ADOT, and this Contract is contingent on the availability of those funds to PMGAA.

45. Records and Audit Rights

Consultant's and all of its approved subcontractors' books, records, correspondence, accounting procedures and practices, and any other supporting evidence relating to this Contract, including the papers of all Consultant and subcontractor employees that work on the Contract (all the foregoing collectively referred to as "Records"), must be open to inspection and subject to audit and/or reproduction during normal working hours by PMGAA. PMGAA is entitled to evaluate and verify all invoices, payments or claims based on Consultant's and its subcontractor's actual costs (including direct and indirect costs and overhead allocations) incurred or units expended directly in the performance of work under this Contract. For any audit under this Section, Consultant and its subcontractors hereby waive the right to keep such Records confidential. PMGAA is entitled to access to these Records from the effective date of this Contract for the duration of the work and until five years after the date of final payment by PMGAA to Consultant under the Contract. During normal working hours, PMGAA is entitled to access to all necessary Consultant and subcontractor facilities and shall be provided adequate and appropriate workspace, in order to conduct audits under this Section. PMGAA shall give Consultant or subcontractors reasonable advance notice of intended audits. Consultant shall require its subcontractors to comply with the provisions of this Section by including its requirements in all subcontracts related to this Contract.

46. E-Verify Requirements

To the extent applicable under A.R.S. § 41-4401, Offeror and its subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees, and compliance with the E-Verify requirements under A.R.S. §23-214(A). Offeror's or its subcontractors' failure to comply with such warranty shall be deemed a material breach of this Contract and may result in the termination of this Contract by PMGAA.



Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

To: Board of Directors
From: R. J. Draper, P.E., LEED AP, CM Engineering & Facilities Director
Through: Scott Brownlee, Deputy Director/COO
J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: Bag Make-up Expansion Design Project – CIP 1047
Date: February 20, 2018

Proposed Motion

To authorize a contract with Swanson Rink to provide Design Services for the Bag Make-up Expansion Design Project CIP 1047 in an amount not-to-exceed \$180,000.

Narrative

The Phoenix-Mesa Gateway Airport Authority (PMGAA) has seen tremendous growth due to a recent increase in commercial passenger flight activity and new air service. The current bag make-up layout, as identified in the West Terminal Optimization Report, is reaching capacity during peak times of operation and is in need of expansion.

The Scope of Work for this project will be to provide Design Services for the Bag Make-up Expansion which will include modifying the existing bag make-up belts and equipment layout to increase capacity which will allow Transportation Security Administration (TSA) to process bags in a more efficient manner. Currently the ability to serve all 32 tickets counter is limited. This phase of the project includes programming and preliminary design documents to determine the layout that best accommodates the demands of current and planned departing baggage for enplaned passengers.

The Notice of Request for Statements of Qualifications (SOQ), Solicitation 2018-013-RFQ was issued on November 6, 2017 and advertised in the Arizona Business Gazette on November 9th, 16th, 23rd and 30th; it was also posted on the AzAA, ACC, ACI-NA and SWAAAE websites as well as the PMGAA website. In addition, the RFQ was emailed to a list of 60 prospective firms and included ACDBE/DBE/SBC outreach. PMGAA Staff received three SOQ's on December 11, 2017 and the Evaluation Panel selected Swanson Rink based on their experience with similar sized projects, extensive knowledge regarding Federal Aviation Administration and TSA regulations, providing a local team, experience of the proposed team, as well as detailed SOQ's submitted that show the company's understanding and approach to the project. The Executive Team concurred with this selection.

Fiscal Impact

This contract is included in the FY18 Capital Budget using PFC funding under CIP 1047.

Attachment(s)

Contract



RESOLUTION NO. 18-03

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS the Authority desires to enter into a contract with Swanson Rink;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes a contract with Swanson Rink to provide Design Services for the Bag Make-up Expansion Design Project (CIP 1047) in an amount not-to-exceed \$180,000. This resolution also authorizes the Chair or Executive Director/CEO to execute such Contract, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 20th day of February, 2018.

Jenn Daniels, Chair

ATTEST:

APPROVED AS TO FORM:

Maria Gonzalez, Clerk of the Board

Attorney



PHOENIX-MESA GATEWAY AIRPORT AUTHORITY

AND

SWANSON RINK, INC.

FOR

BAGGAGE CLAIM EXPANSION or BAGGAGE MAKE-UP DESIGN

CONTRACT NUMBER C-2018013

The Phoenix-Mesa Gateway Airport is owned and operated by the Phoenix-Mesa Gateway Airport Authority (PMGAA), a joint powers airport authority authorized by the State of Arizona and consisting of the City of Mesa, City of Phoenix, City of Apache Junction, Town of Gilbert, Town of Queen Creek and the Gila River Indian Community.

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Phoenix-Mesa Gateway Airport Authority, a joint powers airport authority authorized by the State of Arizona (“PMGAA”) desires performance of the services more fully described in this **Contract Number C-2018013** (“Contract”) and the attached exhibits. Swanson Rink, Inc., a(n) **<state>** corporation (“Consultant”), with its principal offices located at **[address]**, desires to perform these services.

Recitals

- A. PMGAA requires the services as described in this Contract, including any and all exhibits and amendments, and Consultant is willing to provide these and other services under this Contract; and
- B. PMGAA desires to contract with Consultant to provide services as noted herein.

Now therefore, in consideration of the recitals and the mutual covenants set forth below, PMGAA and Consultant agree as follows.

SECTION I – CONSULTANT SERVICES

The services to be performed by Consultant are specified in this Contract. PMGAA will not pay Consultant for any services that have not been authorized under the Contract.

The anticipated services to be provided by Consultant under this Contract shall generally include, but not be limited to, the following: Baggage Claim Expansion Design and Baggage Makeup Expansion Design, as more specifically described in the detailed scope of work attached as **EXHIBIT A**, “Scope of Services & Fee Schedule.”

PMGAA’s authorized representative shall be the PMGAA Engineering and Facilities Director, or his/her duly authorized representative, and that he/she shall be the sole contact for administering this Contract.

All services provided by Consultant under this Contract must be performed in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances in Arizona. Consultant makes no other warranty, expressed or implied.

SECTION II – PMGAA RESPONSIBILITIES

PMGAA shall furnish Consultant, at no cost to Consultant, the following information or services for this Contract:

- A. Access to copies of readily available maps, records, as-built drawings, benchmarks or other data pertinent to work assignments affiliated with this Contract. This does not, however, relieve Consultant of the responsibility of searching records for additional information, for requesting specific information or for verification of that information provided. PMGAA does not warrant the accuracy or comprehensiveness of any information or documents provided to Consultant.
- B. In PMGAA’s discretion and upon Consultant’s reasonable request, access to staff for consultation with Consultant during the performance of this contract in order to identify the problems, needs, and other functional aspects of the work.
- C. Prompt review of and feedback on Consultant’s deliverables. PMGAA will advise Consultant concerning progress of PMGAA’s review of the work, as needed.

SECTION III - PERIOD OF SERVICE

Consultant shall complete all work in accordance with the provisions of this Contract as amended.

All work initiated under this Contract must be completed on or before the expiration date of the Contract as amended.

The term of this Contract shall commence on **[date]** and ends on **[date]** (“Term”), unless terminated, canceled or extended as provided in this Contract.

Consultant shall commence its services within seven (7) days of the written authorization by PMGAA. Consultant shall perform its services in a diligent manner and in accordance with this Contract.

SECTION IV – KEY PERSONNEL

The Consultant itself shall provide all services to be performed under this Contract. If Sub-Consultants are required by Consultant to perform any services listed under this contract, Consultant shall notify PMGAA prior to authorizing work by said Sub-Consultants. PMGAA may, at its sole discretion, accept or reject proposed Sub-Consultants.

SECTION V - PAYMENTS TO THE CONSULTANT

Consultant will be paid for work performed under this Contract plus any adjustments that have been approved in writing by PMGAA in accordance with the Phoenix-Mesa Gateway Airport Authority Procurement Policy. Payments will be made in accordance with **EXHIBIT B**, “Compensation.”

All services to be rendered by Consultant are subject to the terms of **EXHIBIT B**, “Compensation” attached hereto.

PMGAA does not guarantee any minimum or maximum fee during the Term of this Contract, and Consultant, in executing this Contract, shall not anticipate or require any minimum or maximum fee.

PMGAA shall pay Consultant in agreed upon installments for services authorized and rendered under this Contract at the completion of each work assignment, provided Consultant has satisfactorily completed the requested work. If any such work requires time in excess of 30 calendar days to complete, progress payment(s) may be made on invoices certified and approved by PMGAA.

SECTION VI - ALTERATION IN SCOPE OF SERVICES

For any alteration in the Scope of Services that would materially increase or decrease the Contract fee, the parties shall negotiate an amendment to the Contract to be executed by PMGAA and Consultant. No work shall commence on any amendment or change until the amendment has been approved by PMGAA and Consultant has been notified to proceed by PMGAA. No claim for extra work done or materials furnished by Consultant will be allowed by PMGAA, except as provided herein, nor shall Consultant do any work or furnish any materials not covered by this Contract unless the work is first authorized in writing by PMGAA and the change complies with PMGAA’s Procurement Policy. Any work or materials furnished by Consultant without advance, written authorization will be at Consultant’s own risk, cost, and expense. Without written authorization, Consultant shall make no claim for compensation for such work or materials furnished.

SECTION VII - WORK ASSIGNMENT COMPLETION

If, during the Term of this Contract, situations arise which prevent work completion within the allotted time, PMGAA may grant an appropriate time extension.

SECTION VIII - OWNERSHIP OF DOCUMENTS

Any documents, including all electronic copies thereof, prepared under or as a result of this Contract, shall be the property of PMGAA. To the extent necessary to effectuate such ownership, Consultant hereby assigns all right, title and interests to such documents to PMGAA. Consultant shall execute any separate agreements or documents, if any, which may be necessary to implement the terms of this Section.

All of Consultant’s documents prepared under this Contract, including electronic files, are instruments of service. All of these documents become the property of PMGAA upon completion of the services and payment in full to Consultant. PMGAA may reuse or modify the documents, as it deems necessary, without Consultant’s prior written authorization. PMGAA shall indemnify and hold harmless Consultant, its officers, directors, employees and subconsultants (collectively, the “Consultant”) against any and all damages, liabilities or costs arising from PMGAA’s modification of documents produced by Consultant under this Contract unless Consultant authorizes the modification in writing.

SECTION IX - COMPLIANCE WITH LAWS

Consultant shall comply with all federal, state and local laws, local ordinances and regulations throughout the Term.

Consultant’s signature on this Contract certifies compliance with the provisions of the I-9 requirements of the *Immigration Reform and Control Act of 1986* for all personnel that Consultant and any subconsultants employ to complete any work assignment.

PMGAA shall administer this Contract in accordance with PMGAA's Procurement Policy.

SECTION X - GENERAL CONSIDERATIONS

- A. The failure of either party to enforce any of the provisions of this Contract or require performance of the other party of any of the provisions hereof shall not be construed to be a waiver of the provisions, nor shall it affect the validity of this Contract or the right of either party to enforce each and every provision.
- B. The fact that PMGAA has accepted or approved Consultant's work shall in no way relieve Consultant of responsibility for the work under this Contract.
- C. This Contract shall be governed by the laws of the state of Arizona, both as to interpretation and performance. Any action at law, suit in equity, or judicial proceeding for the enforcement of this Contract, or any provision thereof, shall be instituted only in the courts of the state of Arizona.
- D. All exhibits to this Contract and any amendments to the Contract are incorporated into it.

SECTION XI - NO KICK-BACK CERTIFICATION

Consultant warrants that no person has been employed or retained to solicit or secure this Contract upon any agreement or understanding for a commission, percentage, brokerage, or contingent fee and that no member of the PMGAA Board of Directors or any employee of PMGAA has any interest, financially or otherwise, in Consultant's firm.

For breach or violation of this warranty, PMGAA may annul this Contract without liability.

SECTION XII – SUSPENSION OF SERVICES

Consultant shall, within five (5) business days upon receiving written notice from PMGAA, suspend, delay, or interrupt all or a part of the Scope of Services. Consultant shall resume the Scope of Services within five (5) business days of receiving written notice from PMGAA.

SECTION XIII – TIMES OF PAYMENTS

Consultant shall submit periodic invoices for any unbilled portion of the services actually completed. PMGAA shall review, certify, and approve or reject each invoice in whole or in part. PMGAA shall pay each approved invoice within 30 calendar days of the date that PMGAA approves the invoice.

SECTION XIV – TIMELY REVIEW

PMGAA will review Consultant's studies, reports, proposals, and other related documents and render any decisions required by Consultant in a timely manner. Notwithstanding these reviews, Consultant remains solely responsible for all of its deliverables and services under this Contract. By PMGAA's reviews, PMGAA does not assume any liability for or retained control over Consultant's work or Consultant's responsibility for the safety of its employees.

SECTION XV – MEDIATION; ARBITRATION

All disputes between PMGAA and Consultant arising out of or relating to this Contract must first be submitted to nonbinding mediation unless the parties mutually agree otherwise in writing. In the event that the dispute(s) are not settled via nonbinding mediation, the parties shall proceed to and employ binding arbitration, as set forth in **EXHIBIT E**, "PMGAA Standard Terms and Conditions", attached hereto and incorporated herein by reference.

PMGAA and Consultant shall include a similar mediation/arbitration provision in all agreements with other contractors and consultants retained for the Project and shall require all other independent contractors and consultants to include a similar mediation provision in all agreements with subcontractors, subconsultants, suppliers or fabricators retained by them.

SECTION XVI - LIABILITY OF CONSULTANT

To the fullest extent permitted by law, Consultant shall defend, save, indemnify, and hold harmless PMGAA, its member governments, departments, officers, employees, and agents from and against damages arising out of any act, error, or omission of Consultant relating to its services under this Contract.

SECTION XVII - LAWS AND REGULATIONS

All federal, state, and local laws and regulations that relate to Consultant's services apply to Consultant's performance of this Contract throughout. These laws and regulations are deemed included in this Contract the same as though written out in full, especially the current applicable Federal Aviation Administration (FAA) rules and regulations associated with airport projects; pertinent Airport engineering standards; and local rules, regulations, and industry standards.

SECTION XVIII INSURANCE REQUIREMENTS

1. Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees.
2. Minimum Scope and Limits of Insurance. Coverage shall be at least as broad as:
 - a. Professional Liability (Errors and Omissions): Insurance appropriate to the Consultant's profession, with limit no less than \$1,000,000 per occurrence or claim, \$2,000,000 aggregate.
 - b. Commercial General Liability: Insurance Services Office Form CG 00 01 covering Bodily Injury and Property Damage on an "occurrence" basis, including personal & advertising injury with limits no less than \$1,000,000 per occurrence, \$2,000,000 General Aggregate.
 - c. Workers' Compensation: Statutory Limits as required by the state of Arizona, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.
3. If the Consultant maintains higher limits than the minimums shown above, the PMGAA requires and shall be entitled to coverage for the higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the PMGAA.
4. Additional insurance provisions. The insurance policies shall provide, or be endorsed to include, the following provisions:
 - a. Notice of Cancellation: Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the PMGAA.
 - b. Waiver of Subrogation: Consultant waives any right to subrogation. Consultant shall obtain an endorsement necessary to affect this waiver of subrogation from the insurer for all lines of coverage required by this Contract.
 - c. Primary Coverage: For all claims related to this Contract, all of Consultant's insurance policies will be primary and non-contributory. Any insurance or self-insurance maintained by PMGAA, its officers, officials, employees, or volunteers will be in excess of Consultant's insurance and will not contribute with it.
 - d. Deductibles and Self-Insured Retentions: Any deductibles or self-insured retentions must be declared to and approved by the PMGAA. The PMGAA may require the Consultant to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.
 - e. Acceptability of Insurers: Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A, VII, unless otherwise acceptable to the PMGAA.
 - f. Claims Made Policies: No Claims Made policies (other than Professional Liability) will be accepted. For policies that provide claims-made coverage:
 - 1) The Retroactive Date must be shown, and must be before the date of the contract or the beginning of contract work.
 - 2) Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.
 - 3) If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Consultant must purchase

“extended reporting” coverage for a minimum of five (5) years after completion of work.

g. Verification of Coverage: Consultant shall furnish the PMGAA with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the PMGAA before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant’s obligation to provide the required insurance. The PMGAA reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

h. Subcontractors: Consultant shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Consultant shall ensure that PMGAA is an additional insured on insurance required from subcontractors.

i. Special Risks or Circumstances: PMGAA reserves the right to modify these requirements, including limits, based on the nature of the risk, scope of services, prior experience, insurer, coverage, or other special circumstances.

OFFER AND ACCEPTANCE

IN WITNESS WHEREOF, the parties herein have executed this Contract.

(Firm Name) Address

Principal (Signature) City State Zip

Printed Name Phone

Federal Tax Identification Number Fax

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, a joint powers airport authority authorized by the State of Arizona

ACCEPTED AND APPROVED:

J. Brian O’Neill, A.A.E. Date
Executive Director/CEO

ATTEST:

Name/Clerk of the Board Date

EXHIBIT A - SCOPE OF SERVICES & FEE SCHEDULE

The services to be performed by Consultant and the completion of related efforts are specified in the following Scope of Services & Fee Proposal agreed to by the parties.

SCOPE OF SERVICES

[Enter]

FEE SCHEDULE

[ENTER FEES]

EXHIBIT B - COMPENSATION

All compensation for services rendered by Consultant shall be based upon criteria established below. All services must be billed through the Consultant.

1. Fees to be Specified in Contract

Any and all services to be performed under this Contract require approval. All compensation for services shall be identified in writing. The Contract shall describe the scope of services to be performed (by tasks and subtasks, where appropriate), the fees associated with that performance, and any applicable special provisions. Consultant's compensation for services included in this Contract is totaled and set forth in **EXHIBIT A**, "Scope of Services and Fee Schedule".

2. Method of Payment

Subject to the terms of this Contract, PMGAA shall pay Consultant the appropriate not to exceed amount for services rendered as described in the Contract only after Consultant has submitted an invoice for services performed and PMGAA has certified and approved each invoice.

For services rendered in accordance with the Contract, Consultant shall submit to PMGAA an invoice depicting tasks performed and/or hours spent for services performed. Invoices must be based on the actual hours and/or expenses incurred for the services completed during the billing period. Consultant's invoices or must specify that Consultant has performed the services, and PMGAA must certify and approve each invoice as a condition to payment.

3. Consultant Responsibilities for Compensation

Consultant shall prepare monthly invoices in accordance with terms specified in the Contract. All invoices for payment shall be for work completed unless otherwise agreed to by PMGAA.

4. PMGAA Responsibilities for Compensation

PMGAA agrees to pay Consultant's invoices for payment within 30 calendar days after the invoice is approved. PMGAA may withhold payment on any invoice if it believes that Consultant has not performed the work in a satisfactory manner. If PMGAA withholds payment to Consultant, PMGAA shall promptly notify Consultant and explain the reasons for the decision to withhold payment.

5. Billing Address

All invoices submitted to PMGAA for payment shall be submitted to:

Phoenix-Mesa Gateway Airport Authority
Attn: Engineering & Facilities Director
5835 S. Sossaman Road
Mesa, Arizona 85212

EXHIBIT C - SPECIAL PROVISIONS

1. Civil Rights Act of 1964, Title VI – General

The contractor agrees to comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color or national origin, sex, age or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance.

2. Civil Rights Act of 1964, Title VI – Assurances

During the performance of this Contract, the contractor, for itself, its assignees and successors in interest agrees as follows:

- a. Compliance with Regulations – Compliance with Regulations: The contractor (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts And Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.
- b. Nondiscrimination – The contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR Part 21.
- c. Solicitations for Subcontracts, including Procurements of Materials and Equipment – In all solicitations, either by competitive bidding, or negotiation made by the contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the contractor of the contractor's obligations under this contract and the Nondiscrimination Acts And Authorities on the grounds of race, color, or national origin.
- d. Information and Reports – The contractor will provide all information and reports required by the Acts, the Regulations and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by PMGAA or the FAA to be pertinent to ascertain compliance with such Nondiscrimination Acts And Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the contractor will so certify to PMGAA or the FAA as appropriate, and will set forth what efforts it has made to obtain the information.
- e. Sanctions for Noncompliance – In the event of a contractor's noncompliance with the Nondiscrimination provisions of this contract, the Recipient will impose such contract sanctions as it or the FAA may determine to be appropriate, including, but not limited to:
 - i) Withholding of payments to the contractor under the contract until the contractor complies, and/or;
 - ii) Cancellation, termination, or suspension of the Contract, in whole or in part.
- f. Incorporation of Provisions – The contractor will include the provisions of paragraphs one through six of this **EXHIBIT C** in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. The contractor will take action with respect to any subcontract or procurement as PMGAA or the FAA may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the contractor may request PMGAA to enter into any litigation to protect the interests of PMGAA. In addition, the contractor may request the United States to enter into the litigation to protect the interests of the United States.

3. Civil Rights – Title VI List of Pertinent Nondiscrimination Acts and Authorities

During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the “contractor”) agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

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

4. Federal Fair Labor Standards Act

This contract and all subcontracts that result from this contract incorporate by reference the provisions of 29 CFR part 201, the Federal Fair Labor Standards Act (FLSA), with the same force and effect as if given in full text.

The Consultant has full responsibility to monitor compliance to the referenced statute or regulation. The Consultant must address any claims or disputes that arise from this requirement directly with the U.S. Department of Labor – Wage and Hour Division.

5. Occupational Safety and Health Act of 1970

This contract and all subcontracts that result from this contract incorporate by reference the provisions of 29 CFR part 1910 with the same force and effect as if given in full text. Consultant must provide a work environment that is free from recognized hazards that may cause death or serious physical harm to the employee. The Consultant

retains full responsibility to monitor its compliance and their subcontractor's compliance with the applicable requirements of the Occupational Safety and Health Act of 1970 (20CFR Part 1910). Consultant must address any claims or disputes that pertain to a referenced requirement directly with the U.S. Department of Labor – Occupational Safety and Health Administration.

6. Lobbying and Influencing Federal Employees

- a. No federal appropriated funds shall be paid, by or on behalf of Consultant, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making of any federal grant and the amendment or modification of any federal grant.
- b. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any federal grant, the contractor shall complete and submit Standard Form-LLL, "Disclosure of Lobby Activities," in accordance with its instructions.

7. Access to Records and Reports

Consultant shall maintain an acceptable cost accounting system. Consultant further agrees to provide PMGAA, the FAA and the Comptroller General of the United States, or any of their duly authorized representatives, access to any books, documents, papers, and records of Consultant which are directly pertinent to this specific Contract for the purpose of making audit, examination, excerpts and transcriptions. Consultant agrees to maintain all books, records and reports required under this Contract for a period of not less than three (3) years after final payment is made and all pending matters are closed.

8. Breach of Contract Terms

Any violation or breach of terms of this Contract on the part of Consultant or its subconsultants or subcontractors may result in suspension or termination of this Contract, or such other action that may be necessary to enforce the rights of the parties with respect thereto. The duties and obligations imposed by the Contract and the rights and remedies available thereunder shall be in addition to, and not a limitation of, any duties, obligations, rights and remedies otherwise imposed or available by law.

9. Rights to Inventions

All rights to inventions and materials generated under this Contract are subject to regulations issued by the FAA and PMGAA of the federal grant under which this Contract is executed.

10. Trade Restriction Clause

- a. Consultant or its subconsultants/subcontractors, by submission of an offer and/or execution of a contract, certifies that it:
 - i. Is not owned or controlled by one or more citizens of a foreign country included in the list of countries that discriminate against U.S. firms published by the Office of the United States Trade Representative (USTR);
 - ii. Has not knowingly entered into any contract or subcontract for this project with a person that is a citizen or national of a foreign country on the list, or is owned or controlled directly or indirectly by one or more citizens or nationals of a foreign country on the list; and
 - iii. Has not procured any product nor subcontracted for the supply of any product for use on the project that is produced in a foreign country on the list.
- b. Unless the restrictions of this clause are waived by the Secretary of Transportation in accordance with 49 CFR 30.17, no contract shall be awarded to a contractor or subcontractor who is unable to certify to the above. If the contractor knowingly procures or subcontracts for the supply of any product or service of a foreign country on the list for use on the project, the FAA may direct PMGAA cancellation of this Contract at no cost to the Government.

- c. Further, Consultant shall incorporate this provision for certification without modification in each contract and in all lower tier subcontracts. Consultant may rely on the certification of a prospective subcontractor unless it has knowledge that the certification is erroneous.
- d. Consultant shall provide immediate written notice to PMGAA if Consultant learns that its certification or that of a subcontractor was erroneous when submitted or has become erroneous by reason of changed circumstances. The subcontractor shall agree to provide written notice to Consultant if at any time it learns that its certification was erroneous by reason of changed circumstances.
- e. This certification is a material representation of fact upon which reliance was placed when the Contract was awarded. If it is later determined that Consultant or its subcontractor knowingly rendered an erroneous certification, the FAA may direct PMGAA cancellation of this Contract or any subcontract for default at no cost to the Government.
- f. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by this provision. The knowledge and information of Consultant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
- g. This certification concerns a matter within the jurisdiction of an agency of the United States of America and the making of a false, fictitious, or fraudulent certification may render the maker subject to prosecution under Title 18, United States Code, Section 1001.

11. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion

Consultant, by accepting this Contract, certifies that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency. Consultant shall include this clause without modification in all lower tier transactions, solicitations, proposals, contracts, and subcontracts. Where the Consultant or any lower tier participant is unable to certify to this statement, it shall provide a written explanation to PMGAA.

12. Project Security

As some or all portions of work possible during the Term of this Contract may be located inside the secured area of the Airport, adherence to and familiarity with federal security regulations is essential. For these projects, Consultant shall be responsible for fulfilling the security requirements described herein.

- a. Secured Area Access – All Consultant personnel who require unescorted access to the secured area of the Airport, prior to the issuance of an Airport Identification badge, must successfully complete the Security Badge Application and Security Badge Authorization forms.
- b. Employee Security Badges – If deemed necessary by PMGAA, Consultant, Consultant's employees and/or subconsultant's performing work functions in accordance with this Contract shall obtain and properly display an Airport security badge. Consultant shall submit a Security Badge Application form to the PMGAA security office for each employee requiring unescorted access, along with the current fee for each badge. Badge fees are identified on the current *Airport Rates and Charges Schedule* listing available via the Airport website at www.gatewayairport.com.
 - i. All fees must be paid to PMGAA by cash or check.
 - ii. Airport Security Badge Application forms and instructions are available via the Airport website at www.gatewayairport.com.
 - iii. An authorized representative of Consultant must also obtain and submit a Security Media Authorization form, which is to be submitted to the PMGAA badging office. The Security Media Authorization form and instructions are available via the Airport website at www.gatewayairport.com.
 - iv. A training class on aviation security must be successfully completed before individuals are issued a badge. Fees for the security badge include attendance for the necessary training classes. Attendance at the security classes and issuance of the security badge may take two hours per person.

- v. Additional information, including a “Frequently Asked Questions” is available via the Airport website at www.gatewairport.com or by contacting the PMGAA Badging Office at (480) 988-7522. The Badging Office is located at 5803 S. Sossaman Road, Mesa AZ 85212.
 - vi. Consultant shall immediately notify the PMGAA Badging Office of any Consultant personnel whose employment status has changed.
 - vii. Consultant shall retrieve all security badges and keys and return them to the PMGAA Badging Office. A fee, as indicated on the most current *Airport Rates and Charges Schedule*, will be charged for each badge that is damaged, lost or not returned.
 - viii. The PMGAA Badging Office will require a completed Security Badge Application from each Consultant employee so certified by Consultant as requiring such before a Security Badge is issued.
 - ix. Under certain circumstances and out of control of PMGAA, security measures may change on short notice. No deviations from any security measure shall be allowed at any time.
 - x. At all times, aircraft shall have the right-of-way over all vehicle traffic.
- c. Fines – Due to both the safety and security precautions necessary at the Airport, any failure of the Consultant to adhere to prescribed Airport requirements/regulations has consequences that may jeopardize the health, welfare and lives of Airport customers and employees, as well as the Consultant’s own employees. Therefore, if Consultant is found to be in non-compliance with any security, airfield badging/licensing and airfield safety requirement, a Notice of Violations (NOV) may be issued. A current listing of fines is available by contacting the PMGAA Badging Office.

13. Standard Terms & Conditions

PMGAA’s Standard Terms & Conditions (in **EXHIBIT D** attached) include clauses that pertain to both construction and professional services. For such, the term “contractor” is to be considered same as “consultant.” If a clause implies construction service then it is waived for a professional services contract. PMGAA reserves the right to make that determination if there is a conflict.

14. Federal and State Guidelines and Regulations

All work performed under this Contract must satisfy FAA and applicable agency standards, and be accomplished in accordance with applicable federal, state and local guidelines and regulations, including FAA Advisory Circulars, NEPA and Arizona environmental statutes.

Consultant shall perform the services as described in approved Contract in accordance with the applicable requirements imposed by PMGAA, ADOT, FAA and any other applicable sponsoring agencies. Consultant and its subconsultants/subcontractors, if any, shall comply with any and all applicable laws, regulations, executive orders, policies, guidelines, and any other requirements for FAA Airport Improvement Program (AIP) projects. Consultant shall provide PMGAA all information, reports, documents, and/or certifications requested by PMGAA for the satisfaction of any grant requirements for the reimbursement of services, including, without limitation, identifying the specific services provided by Consultant and the billing period(s) during which services were or are to be provided. Nothing herein shall be construed as making the FAA or ADOT a party to this Contract.

15. Right to Contract With Other Firms

PMGAA shall have the right to contract with other firms and/or persons and/or to self-perform additional services, which may be the subject of this Contract. Consultant shall conduct its operations and perform any services authorized under the Contract so as not to interfere with or hinder the progress of completion of the work being performed by PMGAA and/or other firms and/or persons. Consultants working on the same project shall cooperate with each other in the performance, scheduling, and, if applicable, the integration of their respective services.

16. Independent Contractor Status

At all relevant times, Consultant is - and shall remain - an independent contractor with regard to performance of its services. PMGAA retains no control over Consultant, the performance of its work or services, or the safety of its employees. Consultant is not authorized to enter into any contract or commitment, authorize any payment, or accept any document, services, goods or materials for, in the name of, or on behalf of PMGAA.

EXHIBIT D – PMGAA STANDARD TERMS & CONDITIONS

1. Certification

By signature in the offer section of the Offer and Acceptance page, Consultant certifies:

- a. The award of this Contract did not involve collusion or other anti-competitive practices.
- b. It shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11246, or A.R.S. Section 31-1461, et. seq.
- c. It has not given, offered to give, nor intends to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with this Contract; and Consultant hereby certifies that the individual signing this Contract is an authorized agent for Consultant and has the authority to bind the Consultant to the Contract.

2. Termination of Contract

- a. This Contract may be terminated at any time by mutual written consent or by PMGAA - with or without cause - provided the terminating party gives 14 calendar days' advance written notice to the other party. PMGAA may terminate this Contract, in whole or in part, for PMGAA's convenience and on 14 days' written notice. If this Contract is terminated, then PMGAA is liable only for services rendered and material received, certified, and approved by PMGAA under the Contract before the termination effective date.
- b. PMGAA reserves the right to cancel this Contract in whole or in part due to failure of Consultant to carry out any term, promise, or condition of the Contract. At least ten days before terminating the Contract, PMGAA will issue a written notice of default specifying one of the following reasons.
 - i. Consultant has provided personnel that do not meet the requirements of the Contract.
 - ii. Consultant has failed to perform adequately the stipulations, conditions or services/specifications required in this Contract.
 - iii. Consultant has attempted to impose on PMGAA personnel or materials, products, or workmanship of unacceptable quality.
 - iiii. Consultant has failed to furnish the required service(s) and/or product(s) within the time stipulated in the Contract or associated Authorization of Services.
 - iv. Consultant has failed to make progress in the performance of the requirements of the Contract or Authorization of Services, or Consultant fails to give PMGAA adequate assurance the Consultant will perform the Contract in full and on time.
 - vi. Each payment obligation of PMGAA created hereby is conditioned on the availability of PMGAA, state, or federal funds appropriated for payment of the obligation. If funds are not available or allocated by PMGAA for continuance of service under this Contract, then PMGAA may terminate the Contract. PMGAA shall promptly notify Consultant regarding the service that may be affected by a shortage of funds. No penalty accrues to PMGAA if this provision is exercised, and PMGAA shall not be liable for any future payments due or for any damages as a result of termination under this paragraph.

3. Records

Internal control over all financial transactions related to this Contract shall be in accordance with sound fiscal policies. PMGAA may, at reasonable times and places, audit the books and records of Consultant or any and all of Consultant's subconsultants or subcontractors. The audit shall be limited to this Contract and its scope of services.

4. Arbitration

At PMGAA's sole option, disputes between the parties may be resolved through arbitration as provided in A.R.S. Section 12-1501, *et seq.* Consultant shall continue to render the services required by this Contract without interruption, notwithstanding either party has filed suit against the other or PMGAA has expressly agreed to arbitration and either party has demanded arbitration.

5. Independent Contractor

At all times, each party acts in its individual capacity and not as agent, employee, partner, joint venturer, or associate of the other party. An employee or agent of one party may not be deemed or construed to be the employee or agent of the other party for any purpose whatsoever. Neither Consultant nor any of its employees are entitled to compensation from PMGAA in the form of salaries, paid vacation, or sick days.

PMGAA will not provide any insurance to Consultant, including *Workers' Compensation* coverage. PMGAA will not withhold FICA, taxes, or any similar deductions from PMGAA's payments under this Contract.

6. Affirmative Action

Consultant shall abide by all the federal and state of Arizona provisions for equal opportunity in the work place.

7. Human Relations

Consultant shall abide by all the federal and state of Arizona provisions against discrimination of disadvantaged business enterprises in applicable PMGAA contracts.

8. Non-Exclusive Contract

This Contract is for the sole convenience of PMGAA. PMGAA reserves the right in its discretion to obtain the same or similar goods or services from any other source.

9. Patent Infringement

The procuring agency should advise Consultant of any impending patent suit and provide all information available. Consultant shall defend any suit or proceeding brought against the procurement agency based on a claim that any equipment, or any part thereof, furnished under this contract constitutes an infringement of any patent, and the Contract shall pay all damages and costs awarded therein, excluding incidental and consequential damages, against the procuring agency. In case the equipment, or any part thereof, is in such suit held to constitute infringement and use of the equipment or part is enjoined, Consultant shall, at its own expense and at its option, either procure for the procuring agency the right to continue using the equipment or part, or replace same with non-infringing equipment, or modify it so it becomes non-infringing.

10. Americans with Disabilities Act

Consultant shall comply with all applicable provisions of the *Americans with Disabilities Act* (Public Law 101-336, 42 U.S.C. 12101-12213) and applicable federal regulations under the *Act*.

11. Confidentiality of Records

Consultant shall establish and maintain procedures and controls that are acceptable to PMGAA for the purpose of assuring that no information contained in its records or obtained from PMGAA or from others in carrying out its functions under the Contract shall be used by or disclosed by it, its agents, officers, or employees, except as required to efficiently perform duties under this Contract. Persons requesting such information should be referred to PMGAA. Consultant also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of Consultant as needed for the performance of duties under the Contract, unless otherwise agreed to in writing by PMGAA.

12. Shipment under Reservation Prohibited

Consultant is not authorized to ship materials under reservation and no tender of a bill of lading shall operate as a tender of the materials. Non-compliance shall conform to the cancellation clause set forth within this Contract.

13. Gratuities

PMGAA may, by written notice to the Consultant, cancel this Contract if it is found that gratuities, in the form of entertainment, gifts or otherwise, were offered or given by Consultant or any agent or representative of Consultant, to any officer or employee of PMGAA involved in the amending, or the making of any determinations with respect to the performing of such Contract. If this Contract is canceled by PMGAA under this provision, PMGAA shall, in addition to any other rights and remedies, repay to the Consultant the amount of the gratuity.

14. Applicable Law

This Contract shall be governed by, and PMGAA and Consultant shall have, all remedies afforded each by the *Uniform Commercial Code*, as adopted in the state of Arizona, except as otherwise provided in this Contract or in laws pertaining specifically to PMGAA. This Contract shall be governed by the laws of the state of Arizona, and suits pertaining to this Contract shall be brought only in federal or state courts in the state of Arizona.

15. Contract

This Contract is based on and the result of a negotiated Scope of Services and Fee Proposal submitted by Consultant. The Contract contains the entire agreement between PMGAA and Consultant. No prior oral or written agreements, contracts, proposals, negotiations, purchase orders, or master agreements (in any form) are enforceable between the parties.

16. Legal Remedies

All claims and controversies shall be subject to the PMGAA Procurement Code.

17. Contract Amendments

This Contract shall be modified only by a written amendment signed by the PMGAA Executive Director or his/her designee, and persons duly authorized to enter into contracts on behalf of Consultant.

18. Provisions Required by Law

Each and every provision of law and any clause required by law to be in the Contract shall be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party the Contract shall forthwith be physically amended to make such insertion or correction.

19. Severability

The provisions of this Contract are severable to the extent that any provision or application held to be invalid shall not affect any other provision or application of the Contract, which may remain in effect without the valid provision, or application.

19. Protection of Government Property

Consultant shall use reasonable care to avoid damaging all PMGAA property, including buildings, equipment, and vegetation (such as trees, shrubs, and grass). If Consultant damages PMGAA's property in any way, Consultant shall immediately repair or replace the damage at no cost to PMGAA, as directed by the PMGAA Executive Director. If Consultant fails or refuses to repair or replace the damage, then PMGAA may terminate the Contract, and PMGAA shall deduct the repair or replacement cost from money due Consultant under the Contract.

21. Interpretation – Parol Evidence

This Contract is intended by the parties as a final expression of their agreement and is intended also as a complete and exclusive statement of the terms thereof. No course of prior dealings between the parties and no usage of the trade shall be relevant to supplement or explain any term used in this Contract. Acceptance or acquiescence in a course of performance rendered under this Contract shall not be relevant to determine the meaning of this Contract even though the accepting or acquiescing party has knowledge of the nature of the performance and opportunity to object.

22. Assignment – Delegation

No right or interest in this Contract shall be assigned by Consultant without prior written permission of PMGAA, and no delegation of any duty of Consultant shall be made without prior written permission of PMGAA's Executive Director or his/her designee. PMGAA shall not unreasonably withhold approval and shall notify Consultant of PMGAA's position within fifteen (15) business days of receipt of written notice by Consultant.

23. Subcontracts

Consultant may not enter into a subcontract with any other party to furnish any of the material/service specified herein without PMGAA's advance written approval. All subcontracts shall comply with federal and state laws and

regulations applicable to the services covered by the subcontract and shall include all the terms and conditions set forth herein, which shall apply with equal force to the subcontract, as if the subcontractor were the Consultant referred to herein. Consultant is responsible for Contract performance whether or not subcontractors are used. PMGAA shall not unreasonably withhold approval and shall notify Consultant of PMGAA's position within fifteen (15) business days of receipt of written notice by Consultant.

24. Rights and Remedies

No provision in this Contract shall be construed, expressly or by implication, to waive either party's existing or future claim, right, or remedy available by law for breach of contract. The failure of either party to insist on strict performance of any Contract term or condition; to exercise or delay exercising any right or remedy provided in the Contract or by law; or to accept materials, services, or Consultant's services under this Contract or imposed by law, shall not be deemed a waiver of any right of either party to insist upon strict performance of the Contract.

25. Warranties

Consultant warrants that all materials and services delivered under this Contract shall conform to the specifications thereof. Mere receipt of shipment of the material or service specified and any inspection incidental thereto by PMGAA, shall not alter or affect the obligations of Consultant or the rights of PMGAA under the foregoing warranties. Additional warranty requirements may be set forth in this Contract.

26. Indemnification

To the fullest extent permitted by law, Consultant shall defend, save, indemnify, and hold harmless PMGAA, its agents, representatives, officers, directors, officials, and employees (collectively the "Indemnitees"), for, from and against all claims, damages, losses and expenses, including but not limited to attorney fees, court costs, expert witness fees, and the cost of appellate proceedings, relating to, arising out of, or alleged to have resulted from the Consultant's acts, errors, omissions, or mistakes relating to Consultant's services under this Contract.

27. Overcharges by Antitrust Violations

PMGAA maintains that, in actual practice, overcharges resulting from antitrust violations are borne by the purchaser. Therefore, to the extent permitted by law, Consultant hereby assigns to PMGAA any and all claims for such overcharges as to the materials or services used to fulfill the Contract.

28. Right to Assurance

Whenever one party to this Contract in good faith has reason to question the other party's intent to perform, the former party may demand that the other party give a written assurance of this intent to perform. If a demand is made and no written assurance is given within five (5) business days, the demanding party may treat this failure as an anticipatory repudiation with this Contract.

29. Advertising

Consultant shall not advertise or publish information concerning this Contract without prior written consent of PMGAA.

30. Right to Inspect

PMGAA may, at reasonable times, and at PMGAA's expense, inspect the place of a Consultant's or subcontractor's business, which is related to the performance of this Contract or related subcontract.

31. Force Majeure

- a. Neither party is liable to the other, and neither party may be deemed in default under this Contract, if and to the extent that such party's performance of this Contract is prevented by reason of Force Majeure. The term "Force Majeure" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Force Majeure does not include late performance by a subcontractor unless the delay arises out of a specific Force Majeure in accordance with this Force Majeure term and condition.
- b. If either party is delayed at any time in the progress of the work by Force Majeure, the delayed party shall notify the other party in writing, as soon as practical, of the delay and shall specify the causes of

delay in the notice. The notice must be hand-delivered or mailed certified-return receipt and must specifically refer to this section. The delayed party shall cause the delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The date of completion will be extended by Contract modification or amendment for the period of time that the completion date is necessarily delayed. This time extension is the Consultant's exclusive remedy for delay.

32. Inspection

All material or service is subject to final inspection and acceptance by PMGAA. Material or service failing to conform to the specifications of this Contract will be held at Consultant's risk and may be returned to Consultant. If so returned, all costs are the responsibility of Consultant. Noncompliance shall conform to the cancellation clause set forth in this Contract.

33. Exclusive Possession

All services, information, computer program elements, reports, and other deliverables, which may be created under this Contract, are the sole property of PMGAA and shall not be used or released by Consultant or any other person except with prior written permission by PMGAA.

34. Title and Risk of Loss

The title and risk of loss of materials or services shall not pass to PMGAA until PMGAA actually receives the material or service at the Airport, unless otherwise provided within this Contract.

35. No Replacement of Defective Tender

Every tender of materials must fully conform to all provisions of this Contract. If Consultant tenders a material or service that does not fully conform, PMGAA may terminate this Contract.

36. Default in One Installment to Constitute Total Breach

Consultant shall deliver conforming materials and services in each installment or lot of this Contract. Consultant may not substitute nonconforming materials or services. Delivery of nonconforming materials or a default of any nature, at the option of PMGAA, will constitute breach of the Contract as a whole.

37. Liens

All materials, services, and other deliverables supplied to PMGAA under this Contract must be free of all liens and other encumbrances. Upon request of PMGAA, Consultant shall provide a formal release of all liens.

38. Licenses

Consultant shall maintain in current status all federal, state, and local licenses and permits required for the operation of the business conducted by Consultant as applicable to this Contract.

39. Cost Of Proposal Preparation

The PMGAA shall not reimburse the cost of developing, presenting, or providing any response to this solicitation. Bids/proposals submitted for consideration should be prepared simply and economically providing adequate information in a straightforward and concise manner.

40. Public Record

All proposals submitted in response to this request shall become the property of the PMGAA and shall become a matter of public record available for review subsequent to the award notification.

41. Subsequent Employment

PMGAA may cancel this Contract without penalty or further obligation in accordance with A.R.S. Section 38-511 if any person significantly involved in initiating, negotiating, securing, drafting, or creating the contract, on behalf of the PMGAA is or becomes, at any time while the Contract or any extension of the contract is in effect, an employee of, or a contractor to any other party to this Contract with respect to the subject matter of the Contract. Such cancellation shall be effective when the parties to this Contract receive written notice from PMGAA, unless the notice specifies a later time.

42. Clean Up

Consultant shall at all times keep Contract performance areas, including storage areas used by the Consultant, free from accumulation of waste material or rubbish and, prior to completion of the work, remove any rubbish from the premises and all tools, scaffolding, equipment and materials not property of PMGAA. Upon completion of any repair, Consultant shall leave the work and premises in clean, neat, and workmanlike condition.

43. Patents

Consultant shall defend, indemnify, and hold harmless PMGAA, its officers and employees from all liabilities, claims, damages, costs, or expenses, including, but not limited to attorneys' fees, for any alleged infringement of any person's patent rights or copyrights in consequence of the use by PMGAA, its officers, employees, agents, and other duly authorized representatives of tangible or intellectual property supplied to PMGAA by Consultant under this Contract.

44. Availability of Project Funding

This Contract's approval and continuation is conditioned on the availability of funds appropriated by PMGAA for this purpose. If funds are not available or appropriated for the Contract's requirements, PMGAA may terminate the Contract. Possible sources of funding for this Contract include FAA and ADOT, and this Contract is contingent on the availability of those funds to PMGAA.

45. Records and Audit Rights

Consultant's and all of its approved subcontractors' books, records, correspondence, accounting procedures and practices, and any other supporting evidence relating to this Contract, including the papers of all Consultant and subcontractor employees that work on the Contract (all the foregoing collectively referred to as "Records"), must be open to inspection and subject to audit and/or reproduction during normal working hours by PMGAA. PMGAA is entitled to evaluate and verify all invoices, payments or claims based on Consultant's and its subcontractor's actual costs (including direct and indirect costs and overhead allocations) incurred or units expended directly in the performance of work under this Contract. For any audit under this Section, Consultant and its subcontractors hereby waive the right to keep such Records confidential. PMGAA is entitled to access to these Records from the effective date of this Contract for the duration of the work and until five years after the date of final payment by PMGAA to Consultant under the Contract. During normal working hours, PMGAA is entitled to access to all necessary Consultant and subcontractor facilities and shall be provided adequate and appropriate workspace, in order to conduct audits under this Section. PMGAA shall give Consultant or subcontractors reasonable advance notice of intended audits. Consultant shall require its subcontractors to comply with the provisions of this Section by including its requirements in all subcontracts related to this Contract.

46. E-Verify Requirements

To the extent applicable under A.R.S. § 41-4401, Offeror and its subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees, and compliance with the E-Verify requirements under A.R.S. §23-214(A). Offeror's or its subcontractors' failure to comply with such warranty shall be deemed a material breach of this Contract and may result in the termination of this Contract by PMGAA.



Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

To: Board of Directors
From: R. J. Draper, P.E., LEED AP, CM Engineering & Facilities Director
Through: Scott Brownlee, Deputy Director/COO
J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: Airport Master Planning Services
Date: February 20, 2018

Proposed Motion

To authorize a contract with Mead & Hunt, Inc., for Airport Master Planning Services, in an amount not-to-exceed \$890,000, under CIP929.

Narrative

An Airport Master Plan is the primary document an airport uses for long range planning and to aid in capital project prioritization with the Federal Aviation Administration (FAA). The current Airport Master Plan was last updated in 2008. Since that update, Phoenix-Mesa Gateway Airport (Airport) has grown to become a focus city for Allegiant Air, added WestJet Airlines, increased on-airport development and employment, and has completed numerous airport capital improvement projects. Airports periodically update their Airport Master Plan's to address changing operations and conditions. The Airport's first Airport Master Plan was completed in 1993 and updated in 1999.

In an effort to facilitate the planning of future airport improvements, the Airport is seeking to update its Airport Master Plan in 2018. This Airport Master Plan Update is intended to provide a framework to guide future Airport development to meet aviation demands for the next 10-20 years; and will include updated aviation forecasts, facility requirements, evaluate development alternatives, and facilities implementation. The FAA is supportive of an Airport Master Plan Update at this time and actually recommends airports of our size complete one every five to seven years. The update is a public process and is anticipated to take up to 18-months to complete.

Request for Qualifications 2018-009-RFQ for Airport Master Planning Services for Phoenix-Mesa Gateway Airport Authority was issued on October 26, 2017. The Statements of Qualifications (SOQ's) were opened on December 4, 2017 and seven SOQ's were received. The evaluation panel reviewed all submitted SOQ's and selected three firms for further consideration to present/interview (Kimley-Horn, Landrum & Brown and Mead & Hunt) on January 10, 2018. Based on the outcome of those factors, the evaluation panel's recommendation is to select Mead & Hunt, Inc. for the Airport Master Planning Services.

Fiscal Impact

This contract was included in the FY18 budget and will be funded with an FAA grant under the AIP as CIP929 subject to final approval from the FAA.

Attachment(s): Contract



RESOLUTION NO. 18-04

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS the Authority desires to enter into a contract with Mead & Hunt, Inc.;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes To authorize a contract with Mead & Hunt, Inc., for Airport Master Planning Services, in an amount not-to-exceed \$890,000, under CIP929; pending final approval from the Federal Aviation Administration. This resolution also authorizes the Chair or Executive Director/CEO to execute such Contract, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 20th day of February, 2018.

Jenn Daniels, Chair

ATTEST:

APPROVED AS TO FORM:

Maria Gonzalez, Clerk of the Board

Attorney



PHOENIX-MESA GATEWAY AIRPORT AUTHORITY

AND

Mead & Hunt, Inc.

FOR

AIRPORT MASTER PLANNING SERVICES

CONTRACT NUMBER C-2018009

The Phoenix-Mesa Gateway Airport is owned and operated by the Phoenix-Mesa Gateway Airport Authority (PMGAA), a joint powers airport authority authorized by the State of Arizona and consisting of the City of Mesa, City of Phoenix, City of Apache Junction, Town of Gilbert, Town of Queen Creek and the Gila River Indian Community.

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Phoenix-Mesa Gateway Airport Authority, a joint powers airport authority authorized by the State of Arizona (“PMGAA”) desires performance of the services more fully described in this **Contract Number C-2018009** (“Contract”) and the attached exhibits. Mead & Hunt, Inc., a(n) <state> <type of company> (“Consultant”), with its principal offices located at [address], desires to perform these services.

Recitals

- A. PMGAA requires the services as described in this Contract, including any and all exhibits and amendments, and Consultant is willing to provide these and other services under this Contract; and
- B. PMGAA desires to contract with Consultant to provide services as noted herein.

Now therefore, in consideration of the recitals and the mutual covenants set forth below, PMGAA and Consultant agree as follows.

SECTION I – CONSULTANT SERVICES

The services to be performed by Consultant are specified in this Contract. PMGAA will not pay Consultant for any services that have not been authorized under the Contract.

The anticipated services to be provided by Consultant under this Contract shall generally include, but not be limited to, the following: airport master planning services, as more specifically described in Consultant’s detailed scope of work attached as **EXHIBIT B**, “Scope of Services & Fee Schedule.”

PMGAA’s authorized representative shall be the PMGAA Engineering and Facilities Director, or his/her duly authorized representative, and that he/she shall be the sole contact for administering this Contract.

All services provided by Consultant under this Contract must be performed in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances in Arizona. Consultant makes no other warranty, expressed or implied.

SECTION II – PMGAA RESPONSIBILITIES

PMGAA shall furnish Consultant, at no cost to Consultant, the following information or services for this Contract:

- A. Access to copies of readily available studies, maps, records, as-built drawings, benchmarks or other data pertinent to work assignments affiliated with this Contract. This does not, however, relieve Consultant of the responsibility of searching records for additional information, for requesting specific information or for verification of that information provided. PMGAA does not warrant the accuracy or comprehensiveness of any information or documents provided to Consultant.
- B. In PMGAA’s discretion and upon Consultant’s reasonable request, access to staff for consultation with Consultant during the performance of this contract in order to identify the problems, needs, and other functional aspects of the work.
- C. Prompt review of and feedback on Consultant’s deliverables. PMGAA will advise Consultant concerning progress of PMGAA’s review of the work, as needed.

SECTION III - PERIOD OF SERVICE

Consultant shall complete all work in accordance with the provisions of this Contract as amended.

All work initiated under this Contract must be completed on or before the expiration date of the Contract as amended.

The term of this Contract commences on the date of award and ends on [date] (“Term”), unless terminated, canceled or extended as provided in this Contract. PMGAA reserves the right, at its sole option, to extend the Term for such additional time as may be warranted and/or appropriate. If PMGAA exercises such right, all terms, conditions and provisions of the original Contract shall remain the same and apply during the extended period with the possible exception of price. All prices stated in the original Contract shall apply unless a percent of increase or decrease is agreed to by PMGAA.

Consultant shall commence its services within seven (7) days of the written authorization by PMGAA. Consultant shall perform its services in a diligent manner and in accordance with this Contract.

SECTION IV – KEY PERSONNEL

The Consultant and its Sub-Consultant's, as listed below, shall provide all services to be performed under this Contract. If additional Sub-Consultants are required by Consultant to perform any services listed under this contract, Consultant shall notify PMGAA prior to authorizing work by said Sub-Consultants. PMGAA may, at its sole discretion, accept or reject proposed Sub-Consultants.

Sub-Consultants:

[insert name]
[insert name]
[insert name]

SECTION V - PAYMENTS TO THE CONSULTANT

Consultant will be paid for work performed under this Contract plus any adjustments that have been approved in writing by PMGAA in accordance with the Phoenix-Mesa Gateway Airport Authority Procurement Policy. Payments will be made for the actual hours worked, services performed and/or other costs incurred or provided for in accordance with **EXHIBIT C**, "Compensation."

All services to be rendered by Consultant are subject to the terms of **EXHIBIT C**, "Compensation" attached hereto.

PMGAA does not guarantee any minimum fee during the Term of this Contract, and Consultant, in executing this Contract, shall not anticipate or require any minimum fee.

SECTION VI - ALTERATION IN SCOPE OF SERVICES

For any alteration in the Scope of Services that would materially increase or decrease the Contract fee, the parties shall negotiate an amendment to the Contract to be executed by PMGAA and Consultant. No work shall commence on any amendment or change until the amendment has been approved by PMGAA and Consultant has been notified to proceed by PMGAA. No claim for extra work done or materials furnished by Consultant will be allowed by PMGAA, except as provided herein, nor shall Consultant do any work or furnish any materials not covered by this Contract unless the work is first authorized in writing by PMGAA and the change complies with PMGAA's Procurement Policy. Any work or materials furnished by Consultant without advance, written authorization will be at Consultant's own risk, cost, and expense. Without written authorization, Consultant shall make no claim for compensation for such work or materials furnished.

SECTION VII - WORK ASSIGNMENT COMPLETION

If, during the Term of this Contract, situations arise which prevent work completion within the allotted time, PMGAA may grant an appropriate time extension.

SECTION VIII - OWNERSHIP OF DOCUMENTS

Any documents, including all electronic copies thereof, prepared under or as a result of this Contract, shall be the property of PMGAA. To the extent necessary to effectuate such ownership, Consultant hereby assigns all right, title and interests to such documents to PMGAA. Consultant shall execute any separate agreements or documents, if any, which may be necessary to implement the terms of this Section.

All of Consultant's documents prepared under this Contract, including electronic files, are instruments of service. All of these documents become the property of PMGAA upon completion of the services and payment in full to Consultant. PMGAA may reuse or modify the documents, as it deems necessary, without Consultant's prior written authorization. PMGAA shall indemnify and hold harmless Consultant, its officers, directors, employees and subconsultants (collectively, the "Consultant") against any and all damages, liabilities or costs arising from PMGAA's modification of documents produced by Consultant under this Contract unless Consultant authorizes the modification in writing.

SECTION IX - COMPLIANCE WITH LAWS

Consultant shall comply with all federal, state and local laws, local ordinances and regulations throughout the Term.

Consultant's signature on this Contract certifies compliance with the provisions of the I-9 requirements of the *Immigration Reform and Control Act of 1986* for all personnel that Consultant and any subconsultants employ to complete any work assignment.

PMGAA shall administer this Contract in accordance with PMGAA's Procurement Policy.

SECTION X - GENERAL CONSIDERATIONS

- A. The failure of either party to enforce any of the provisions of this Contract or require performance of the other party of any of the provisions hereof shall not be construed to be a waiver of the provisions, nor shall it affect the validity of this Contract or the right of either party to enforce each and every provision.
- B. The fact that PMGAA has accepted or approved Consultant's work shall in no way relieve Consultant of responsibility for the work under this Contract.
- C. This Contract shall be governed by the laws of the state of Arizona, both as to interpretation and performance. Any action at law, suit in equity, or judicial proceeding for the enforcement of this Contract, or any provision thereof, shall be instituted only in the courts of the state of Arizona.
- D. All exhibits to this Contract and any amendments to the Contract are incorporated into it.

SECTION XI - NO KICK-BACK CERTIFICATION

Consultant warrants that no person has been employed or retained to solicit or secure this Contract upon any agreement or understanding for a commission, percentage, brokerage, or contingent fee and that no member of the PMGAA Board of Directors or any employee of PMGAA has any interest, financially or otherwise, in Consultant's firm.

For breach or violation of this warranty, PMGAA may annul this Contract without liability.

SECTION XII – SUSPENSION OF SERVICES

Consultant shall, within five (5) business days upon receiving written notice from PMGAA, suspend, delay, or interrupt all or a part of the Scope of Services. Consultant shall resume the Scope of Services within five (5) business days of receiving written notice from PMGAA.

SECTION XIII – TIMES OF PAYMENTS

Consultant shall submit monthly invoices for any unbilled portion of the services completed. PMGAA shall review, certify, and approve or reject each invoice in whole or in part. PMGAA shall pay each approved invoice within 30 calendar days of the date that PMGAA approves the invoice.

SECTION XIV – TIMELY REVIEW

PMGAA will review Consultant's studies, reports, proposals, and other related documents and render any decisions required by Consultant in a timely manner. Notwithstanding these reviews, Consultant remains solely responsible for all of its deliverables and services under this Contract. By PMGAA's reviews, PMGAA does not assume any liability for or retained control over Consultant's work or Consultant's responsibility for the safety of its employees.

SECTION XV – MEDIATION; ARBITRATION

All disputes between PMGAA and Consultant arising out of or relating to this Contract must first be submitted to nonbinding mediation unless the parties mutually agree otherwise in writing. In the event that the dispute(s) are not settled via nonbinding mediation, the parties shall proceed to and employ binding arbitration, as set forth in **EXHIBIT K**, "PMGAA Standard Terms and Conditions", attached hereto and incorporated herein by reference.

PMGAA and Consultant shall include a similar mediation/arbitration provision in all agreements with other contractors and consultants retained for the Project and shall require all other independent contractors and

consultants to include a similar mediation provision in all agreements with subcontractors, subconsultants, suppliers or fabricators retained by them.

SECTION XVI - LIABILITY OF CONSULTANT

To the fullest extent permitted by law, Consultant shall defend, save, indemnify, and hold harmless PMGAA, its member governments, departments, officers, employees, and agents from and against damages arising out of any act, error, or omission of Consultant relating to its services under this Contract.

SECTION XVII - LAWS AND REGULATIONS

All federal, state, and local laws and regulations that relate to Consultant's services apply to Consultant's performance of this Contract throughout. These laws and regulations are deemed included in this Contract the same as though written out in full, especially the current applicable Federal Aviation Administration (FAA) rules and regulations associated with airport projects; pertinent Airport engineering standards; and local rules, regulations, and industry standards.

SECTION XVIII – ARCHAEOLOGICAL RESOURCE PROTECTION

While performing services under this Contract, Consultant may encounter a known or unknown archaeological site located at the Airport. If Consultant encounters what it believes to be an archaeological site, Consultant shall immediately notify PMGAA of the site's location and take all reasonable precautions to protect and preserve the site until PMGAA otherwise directs.

SECTION XIX – INSURANCE REQUIREMENTS FOR PROFESSIONAL SERVICES CONTRACTS

- A. Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees.
- B. Minimum Scope and Limits of Insurance. Coverage shall be at least as broad as:
- i. Professional Liability (Errors and Omissions): Insurance appropriate to the Consultant's profession, with limit no less than \$1,000,000 per occurrence or claim, \$2,000,000 aggregate.
 - ii. Workers' Compensation: Statutory Limits as required by the state of Arizona, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.
- C. If the Consultant maintains higher limits than the minimums shown above, the PMGAA requires and shall be entitled to coverage for the higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the PMGAA.
- D. Additional insurance provisions.

The insurance policies shall provide, or be endorsed to include:

- i. Notice of Cancellation: Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the PMGAA.
- ii. Waiver of Subrogation: Consultant waives any right to subrogation. Consultant shall obtain an endorsement necessary to affect this waiver of subrogation from the insurer for all lines of coverage required by this Contract.
- iii. Primary Coverage: For all claims related to this Contract, all of Consultant's insurance policies will be primary and non-contributory. Any insurance or self-insurance maintained by PMGAA, its officers, officials, employees, or volunteers will be in excess of Consultant's insurance and will not contribute with it.

- iv. Deductibles and Self-Insured Retentions: Any deductibles or self-insured retentions must be declared to and approved by the PMGAA. The PMGAA may require the Consultant to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.
- v. Acceptability of Insurers: Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A, VII, unless otherwise acceptable to the PMGAA.
- vi. Claims Made Policies: No Claims Made policies (other than Professional Liability) will be accepted. For policies that provide claims-made coverage:
 - a) The Retroactive Date must be shown, and must be before the date of the contract or the beginning of contract work.
 - b) Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.
 - c) If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Consultant must purchase "extended reporting" coverage for a minimum of five (5) years after completion of work.
- vii. Verification of Coverage: Consultant shall furnish the PMGAA with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the PMGAA before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide the required insurance. The PMGAA reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.
- viii. Subcontractors: Consultant shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Consultant shall ensure that PMGAA is an additional insured on insurance required from subcontractors.
- ix. Special Risks or Circumstances: PMGAA reserves the right to modify these requirements, including limits, based on the nature of the risk, scope of services, prior experience, insurer, coverage, or other special circumstances.

SECTION XX – DISADVANTAGED BUSINESS ENTERPRISE

Consultant or subconsultant shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. Consultant shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of DOT assisted contracts. Failure by Consultant to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy, as PMGAA deems appropriate, which may include, but is not limited to: (1) withholding monthly progress payments; (2) assessing sanctions; (3) liquidated damages; and/or (4) disqualifying the consultant/contractor from future bidding as non-responsible.

A. Definitions:

Disadvantaged Business Enterprise (DBE) means a small business concern that has successfully completed a DBE certification process and been granted DBE status by the Arizona Unified Certification Program or by a U.S. Department of Transportation (USDOT) recognized agency who certifies DBE applicants pursuant to the criteria contained in 49 CFR Part 26.

Small Business Concern means a small business as defined pursuant to Section 3 of the Small Business Act and relevant regulations promulgated pursuant thereto. A small business concern shall not include any concern or group of concerns controlled by the same socially and economically disadvantaged individual(s) that has annual average gross receipts in excess of the cap established by federal regulation. The Secretary shall adjust this figure from time to time for inflation.

Socially and Economically Disadvantaged Individuals means those individuals who are citizens of the United States (or lawfully admitted permanent residents) and who are women, Black Americans, Hispanic Americans, Native Americans, Asian-Pacific Americans, or Asian-Indian Americans. Membership in one of the above-mentioned groups does not qualify the firm to be considered a DBE for purposes of this contract. Only firms that have completed a DBE certification process and been granted DBE status shall be considered socially and economically disadvantaged individuals for purposes of this contract.

DBE Joint Venture is an association between two or more persons, partnerships, corporations, or any combination thereof, formed to carry on a single business activity. One participant in the joint venture arrangement must hold DBE status from a recognized certifying entity. The joint venture is limited in scope and duration to this contract, and resources, assets and labor of the participants must be combined in an effort to accrue profit.

Sole Proprietorship is a DBE for purposes of this contract, if it is 100 percent owned, operated, and controlled by a socially and economically disadvantaged individual.

Corporation is a DBE, for purposes of this contract, if the ownership, operation, and control of the business is conditioned upon the control of its shares of stock or other equitable securities, at least 51 percent of which (of all shares) is legally and equitably owned by socially and economically disadvantaged individuals.

Partnership is a DBE, for purposes of this contract, if one or more socially and economically disadvantaged individuals own more than 51 percent of the assets or interest in the partnership's property.

Purchaser for purposes of this contract, means the Phoenix-Mesa Gateway Airport Authority.

Contract is a written agreement obligating the seller or business enterprise to furnish goods or services as proposed and the Purchaser or Buyer to pay for such goods or services.

Subcontract is any contract at any tier below the prime contract, including purchase orders.

Supplier is a business enterprise that manufactures the goods or materials it sells.

Wholesaler, Distributor, Broker, or Jobber is a business enterprise that does not manufacture the goods or materials it sells, or does not perform the essential work of the contract.

B. Utilization:

Phoenix-Mesa Gateway Airport Authority's DBE Program Goal is **11.5%**

The Consultant shall utilize the specific DBE's listed herein on **EXHIBIT D**, to perform the work and supply the materials for which each is listed unless the Consultant obtains PMGAA's written consent as provided in this Contract and that, unless PMGAA consent is provided under this Contract, the Consultant shall not be entitled to any payment for work or material unless it is performed or supplied by the listed DBE.

Degrees of DBE Percentage Attainment:

In determining whether the Consultant has met this requirement, rounding up of DBE subcontract amounts shall not be allowed.

Subcontracts with DBE Firms: DBE participation on the contract will be calculated based on that portion (dollar value) of the contract that DBEs actually perform with their own forces. This includes the cost of

supplies and materials obtained by the DBE for the work on the contract, except when supplies and/or equipment is purchased or leased from Consultant or its affiliate. Special emphasis and care should be taken to ensure that the following types of participation are handled properly.

Fees & Commissions: DBE firms that supply a bona fide service for a fee or commission may be counted only to the extent of the fees or commissions charged by the DBE. This includes, but is not limited to, providing professional, technical, consultant, or managerial services, and bonds or insurance specifically required for the performance of a contract. The fees must be reasonable and not excessive as compared with fees customarily allowed for similar services.

Trucking & Hauling: The amount of a trucking/hauling subcontract that may be counted towards the DBE utilization requirement may be limited. A DBE must itself own and operate at least one fully licensed, insured, and operational truck that will be used on the contract. The DBE subcontractor may lease trucks from another DBE firm and receive full credit for the services of those leased vehicles. Non-DBE trucks may also be leased to perform work on the contract, but non-DBE leased trucks can be counted fully only up to the value of transportation services provided by all DBE-owned trucks on the contract. Any additional non-DBE leased trucks may only be credited for the fees or commissions the DBE subcontractor retains over and above the cost of the lease arrangement.

DBE Prime Concessionaire: An ACDBE prime concessionaire will be credited with ACDBE participation for that portion of the contract that they themselves perform, in addition to any portion of the contract that is subcontracted and performed by an eligible ACDBE subcontractor.

DBE/Non-DBE Joint Ventures: A DBE/non-DBE joint venture, functioning as the Consultant or as a subconsultant on a Phoenix-Mesa Gateway Airport Authority project, will be credited with DBE participation on the basis of the percentage of profit accruing to the DBE firm.

Lower Tier Non-DBE Participation: Subcontract dollars paid by DBE primes and/or qualifying joint ventures to non-DBE subcontractors/subconsultants will not be considered when determining the percentage of DBE participation on this contract. Amounts subcontracted to a non-DBE by a DBE subcontractor/subconsultant (2nd tier or lower) may not be counted.

DBE Suppliers: Purchases from DBE suppliers may be counted towards the goals as follows:

Manufacturers: Amounts paid to a DBE supplier that manufactures or substantially alters the material or product it supplies will be credited at 100% of the expenditure when determining the percentage of DBE participation.

Regular Dealer: Purchases from a DBE firm that is an established, regular business that engages, as its principal business, in the purchase, sale, or lease of the products being supplied may be credited towards the DBE goal at sixty percent (60%) of the sale price when determining the percentage of DBE participation.

Packagers, Brokers, Manufacturers' Representatives: Purchases from a DBE firm who arranges or expedites transactions not as regular dealers, may not be counted in full when determining DBE participation. Only the fees or commissions charged in the procurement of the materials or supplies, or fees or transportation charges for the delivery of the materials or supplies may be credited towards achievement of the DBE goal.

C. Required Forms:

List of DBE Consultants and Scope of Work. Consultant shall complete, sign, date and submit to PMGAA the list of certified DBE Subconsultants that Consultant will utilize for completing work under this Contract, **EXHIBIT D**. Consultant shall notify PMGAA of any changes, including additions or deletions, to the list of DBE subconsultants prior to making such change. PMGAA shall, at its sole discretion, accept or reject the proposed changes.

Where a final contract amount cannot readily be determined for utilization of a DBE (trucking, hauling, security officers, etc.), the minimum dollar amount agreed upon between the Consultant and DBE subconsultant that can be counted towards meeting the DBE goal should be reflected on **EXHIBIT D**. PMGAA will not release the Consultant from the obligation to meet the DBE requirements of the Contract

based on a failure to utilize DBEs in these areas of work to the extent reflected on **EXHIBIT D**. Intentionally inflating the amount of such work in order to meet the DBE goal will be viewed as a lack of good faith on behalf of the Consultant.

It is the responsibility of Consultant to ensure that the scope of work to be performed by the DBE is consistent with the area in which the firm has been granted DBE certification. DBE scopes of work listed on the form that fall outside the trade or performance area in which the DBE has been granted certification shall not be counted in determining if Consultant has met the DBE goal requirements. If there are questions, the Offeror should contact the Phoenix-Mesa Gateway Airport Authority, Procurement Department, for verification. PMGAA reserves the right to validate information on the form with the DBE subcontractor/subconsultant and/or other certifying entities or licensing agents as part of the verification process.

Identification Statement for Disadvantaged Business Enterprises (where applicable). If a DBE listed on **EXHIBIT D** is not certified with the Arizona Unified Certification Program (UCP) a completed **EXHIBIT H**, Identification Statement for DBE, is required. The form must be signed by a duly authorized representative of the DBE firm and must contain the name of the agency that has granted DBE status to the firm. DBE firms must hold a valid and current DBE certification granted by a USDOT-recognized certification entity. DBE subcontractors/subconsultants/suppliers not certified by the Arizona Unified Certification Program (UCP) shall be required to provide written proof of their DBE status prior to the Phoenix-Mesa Gateway Airport Authority's determination. Such proof shall be in the form of documentation supplied by the certifying entity.

Letter of Intent to Perform as a Subconsultant/Subcontractor/Supplier. Consultant shall obtain from each DBE a signed letter of intent (**EXHIBIT I**) prior to PMGAA executing this Contract.

Consultant's Statement of DBE Utilization. If Consultant utilized a DBE for any work Consultant is submitting an invoice for payment, then Consultant must include a completed and signed **EXHIBIT E** and attach it to each invoice for payment.

Certification of Payment to DBE Firms. Upon payment by Consultant to any DBE, Consultant shall complete, sign, have DBE firm sign, and submit to PMGAA the "Certification of Payment to DBE Firms", **EXHIBIT F**.

Certification of Payment of DBE to Lower Tier. If Consultant utilizes a subconsultant/subcontractor that is a DBE and that subconsultant/subcontractor utilizes a non-DBE subconsultant/subcontractor for any portion of work, the DBE subconsultant/subcontractor shall complete, sign, and submit to PMGAA a "Certification of Payment of DBE to Lower Tier", **EXHIBIT G**, upon payment to the non-DBE subcontractor.

D. Approved DBE Program:

The Phoenix-Mesa Gateway Airport Authority's Disadvantaged Business Enterprise Program, dated August 1, 2017 and approved by the FAA, all its terms and conditions is hereby incorporated into and made part of this Contract by reference.

The approved DBE Program can be found at: <http://www.gatewayairport.com/Procurements.aspx>

OFFER AND ACCEPTANCE

IN WITNESS WHEREOF, the parties herein have executed this Contract.

(Firm Name)	Address
Principal (Signature)	City State Zip
Printed Name	Phone
Federal Tax Identification Number	Fax

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, a joint powers airport authority authorized by the State of Arizona

ACCEPTED AND APPROVED:

J. Brian O’Neill, A.A.E. Executive Director/CEO	Date
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ATTEST:

Name/Clerk of the Board	Date
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EXHIBIT A - CERTIFICATE OF PERFORMANCE AND PAYMENT OF ALL CLAIMS

The requirement to submit a *Certificate of Performance and Payment of all Claims* as part of this agreement is hereby waived.

EXHIBIT B - SCOPE OF SERVICES & FEE SCHEDULE

The services to be performed by Consultant and the completion of related efforts are specified in the following Scope of Services & Fee Proposal agreed to by the parties.

SCOPE OF SERVICES

[Enter finalized scope]

FEE SCHEDULE

[Enter agreed upon fees]

EXHIBIT C - COMPENSATION

All compensation for services rendered by Consultant shall be based upon criteria established below. All services must be billed through the Consultant.

1. Fees to be Specified in Contract

Any and all services to be performed under this Contract require approval. All compensation for services shall be identified in writing. The Contract shall describe the scope of services to be performed (by tasks and subtasks, where appropriate), the amount of time required for performance, the fees associated with that performance, and any applicable special provisions. Consultant's compensation for services included in this Contract is totaled and set forth in **EXHIBIT B**, Scope of Services & Fee Schedule.

2. Method of Payment

Subject to the terms of this Contract, PMGAA shall pay Consultant the appropriate not to exceed amount for services rendered as described in the Contract only after Consultant has certified in writing that it has performed the services and PMGAA has certified and approved each payment application.

For services rendered in accordance with the Contract, Consultant shall submit to PMGAA an invoice or payment application depicting tasks performed, hours spent, utilized and expenses incurred for services performed. Invoices or payment applications must be based on the actual hours required and expenses incurred for the services completed during the billing period. Consultant's invoices or payment applications must specify that Consultant has performed the services, and PMGAA must certify and approve each invoice or application as a condition to payment.

3. Consultant Responsibilities for Compensation

Consultant shall prepare monthly invoices and progress reports in accordance with terms specified in the Contract, which clearly indicate the progress to date and the amount of compensation due by virtue of that progress. All invoices for payment shall be for work completed unless otherwise agreed to by PMGAA. Invoices for payment for services subject to funding by the FAA and/or ADOT shall include the documentation requirements of the FAA and/or ADOT, which are outlined in the *Airport Improvement Program (AIP) Handbook* dated June 28, 2005, Chapter 13, Section 1.

4. PMGAA Responsibilities for Compensation

PMGAA agrees to pay Consultant's invoices/requisitions for payment within 30 calendar days after the invoice is approved. PMGAA may withhold payment on any invoice if it believes that Consultant has not performed the work in a satisfactory manner. If PMGAA withholds payment to Consultant, PMGAA shall promptly notify Consultant and explain the reasons for the decision to withhold payment.

5. Billing Address

All invoices submitted to PMGAA for payment shall be submitted to:

Phoenix-Mesa Gateway Airport Authority
Attn: Engineering and Facilities Director
5835 S. Sossaman Road
Mesa, Arizona 85212

EXHIBIT D – LIST OF DBE SUBCONSULTANTS AND SCOPE OF WORK

Project Description: Airport Master Planning Services

Project No.: CIP 929 / 842

The following are certified DBE's, as of the date of this contract, with the indicated agency and are prepared to perform the scope(s) of work on the above referenced project:

COMPLETE THIS PORTION IF SCOPE OF WORK IS PAID BY UNIT PRICE OR HOURLY RATE					
Name & Address of DBE Firm	Description of Scope of Work	Certifying Agency	Unit/Hour Estimate	Unit/Hourly Price	Total Minimum Contract Amount
					\$

COMPLETE THIS PORTION IF SCOPE OF WORK IS NOT PAID BY UNIT PRICE OR HOURLY RATE			
Name & Address of DBE Firm	Description of Scope of Work	Certifying Agency	Total Minimum Contract Amount
			\$
			\$
			\$

**THE UNDERSIGNED HEREIN AFFIRMS THAT THE CONSULTANT WILL ENTER INTO A FORMAL AGREEMENT WITH THE DBE CONSULTANTS/CONTRACTORS/SUPPLIERS LISTED ABOVE
CONDITIONED UPON THE EXECUTION OF A CONTRACT WITH THE PHOENIX-MESA GATEWAY AIRPORT AUTHORITY.**

Signed: _____ Title: _____ Date: _____

EXHIBIT E – CONSULTANT’S STATEMENT OF DBE UTILIZATION

SHEET ____ OF ____

(1) PAY REQUEST NO. _____

(2) REPORT PERIOD FROM _____ TO _____

(3) PROJECT NAME Airport Master Planning Services

(4) PROJECT NO. CIP 929 / 842

(5) CONTRACT NO. C-2018009

(6) PROGRAM GOAL 11.5 %

(7) PROPOSED DBE UTILIZATION _____ %

(8) DBE NAME REPRESENTATIVE NAME & TELEPHONE NUMBER	(9) CLASS OF WORK	(10) CONTRACT AMOUNT	(11) CONTRACT ADJUSTMENTS	(12) REVISED CONTRACT AMOUNT	(13) AMOUNT EARNED THIS PERIOD	(14) AMOUNT EARNED TO DATE	(15) AMOUNT RETAINED THIS PERIOD	(16) AMOUNT RETAINED TO DATE	(17) % OF CONTRACT COMPLETE TO DATE
(18) DBE TOTALS									

(19) CONSULTANT _____

(20) AUTHORIZED SIGNATURE _____

(21) DATE _____

(22) PERCENTAGE OF TOTAL CONTRACT COMPLETED TO DATE _____ %

EXHIBIT F – CERTIFICATION OF PAYMENT TO DBE FIRMS

(To Be Completed by Prime Consultant and DBE Subconsultant)

PRIME CONSULTANT AFFIDAVIT:

The undersigned, having contracted as the prime Consultant on Project # CIP 929 / 842, hereby certifies that full payment has been made to the DBE subconsultant/subcontractor cited below. The total value of all payments made to the DBE firm for materials and/or work performed on this project contract is as follows:

DBE Subconsultant: _____ **Total Amount Paid: \$** _____

This certification is made under Federal and State laws concerning false statement. Supporting documentation for this payment is subject to audit and should be retained for a minimum of three (3) years from the project acceptance date. In the event the DBE was not paid in accordance with affidavits submitted by the prime consultant, all documentation supporting the Prime Consultant’s position should be submitted.

I DECLARE UNDER PENALTY OF PERJURY IN THE SECOND DEGREE, AND ANY OTHER APPLICABLE STATE OR FEDERAL LAW, THE STATEMENTS MADE ON THIS DOCUMENT ARE TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE.

By: _____
Authorized Agent for Prime Consultant (Print Name and Title)

Date: _____

DBE SUBCONSULTANT/SUBCONTRACTOR AFFIDAVIT:

The undersigned DBE subconsultant/subcontractor/supplier/manufacture hereby certifies that a contract was entered into with the above named Prime Consultant to perform work or provide materials on the project cited in this document. I further certify that the total amount of payments received as provided herein by the Prime Consultant is accurate and unchallenged.

I DECLARE UNDER PENALTY OF PERJURY IN THE SECOND DEGREE, AND ANY OTHER APPLICABLE STATE OF FEDERAL LAWS, THE STATEMENTS MADE ON THIS DOCUMENT ARE TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE.

By: _____
Authorized Agent for DBE Subconsultant (Print Name and Title)

Date: _____

FOR ADDITIONAL INFORMATION ON THE COMPLETION OF THIS FORM, PLEASE CONTACT THE PHOENIX-MESA GATEWAY AIRPORT AUTHORITY GRANTS OFFICE AT (480) 988-7652.

EXHIBIT G – CERTIFICATION OF PAYMENT OF DBE TO LOWER TIER

(To Be Completed by the DBE Subconsultant)

Project No.: CIP 929 / 842

DBE Firm: _____ **AZ UTRACS Registration No.:** _____

Select: Consultant Trucker Broker (Fees/Commission) Supplier (60% DBE Credit) Manufacturer
Other

UNIT PRICE OR HOURLY RATE BID					
Start Date	End Date	Description / Scope of Work	Unit/Hourly Quantity	Unit/Hourly Price	Total Minimum Contract Amount

TOTAL \$ _____

The undersigned has sublet \$ _____ of the above work bid to a non-DBE firm for the time frame listed above.

OR

The undersigned has sublet \$ _____ of the above work bid to another certified DBE firm for the time frame listed above.

I, _____ confirm that _____
(Authorized DBE firm officer, print name) (Name of DBE firm)

For the time period represented above, the DBE firm has performed the scope(s) as described above for \$ _____
(Total DBE Credit Dollar Value)

(Authorized DBE firm officer, signature)

(Title)

(Date)

EXHIBIT H – IDENTIFICATION STATEMENT FOR DBE'S

(To Be Completed By Any DBE Who Is Not Certified By The Arizona Unified Certification Program)

The undersigned herein affirms that the firm submitting this statement has qualified as a Disadvantaged Business Enterprise and holds a current DBE certification from a U.S. Department of Transportation (USDOT) recognized certifying agency as follows:

DBE CERTIFYING AGENCY: _____ PHONE # _____
EXPIRATION DATE OF CURRENT DBE CERTIFICATION: _____, 201_

DBE BUSINESS NAME: _____
DBE PRINCIPAL BUSINESS ADDRESS: _____
CITY: _____ STATE: _____ ZIP: _____
PHONE #:(____) _____
DBE QUALIFYING OWNER: _____ TITLE _____

LICENSES HELD BY DBE FIRM: _____
ISSUED BY: _____
SERVICES/WORK/PRODUCTS PROVIDED: _____

SIGNED AND DATED this _____ day of _____, 201_

Authorized Signature

Print Name and Title

**EXHIBIT I – LETTER OF INTENT TO PERFORM AS A SUBCONSULTANT /
SUBCONTRACTOR / SUPPLIER**

(To Be Completed By The DBE Subconsultant/Subcontractor/Supplier)

PROJECT DESCRIPTION:
Airport Master Planning Services

PROJECT NUMBER:
CIP929 / 842

TO: _____ (Insert name of prime Consultant)

1. The undersigned is certified as a DBE as of the date of this proposal with the following agency:

- City of Phoenix
 City of Tucson
 AZ Department of Transportation
 Other (please provide agency name and complete Attachment C)

2. The undersigned is prepared to perform the following scope(s) of work on the above referenced project:

Description

On the _____ day of _____, 201_, by signature below, the undersigned agrees to enter into a formal agreement/subcontract for the work cited herein should the prime Consultant receive award of this contract from the Phoenix-Mesa Gateway Airport Authority.

(Print DBE Firm Name)

(Phone Number)

(Authorized Signature)

(Print Name and Title)

EXHIBIT J – SPECIAL PROVISIONS

1. Project Security

As some or all portions of work possible during the Term of this Contract may be located inside the secured area of the Airport, adherence to and familiarity with federal security regulations is essential. For these projects, Consultant shall be responsible for fulfilling the security requirements described herein.

- a. Secured Area Access – All Consultant personnel who require unescorted access to the secured area of the Airport, prior to the issuance of an Airport Identification badge, must successfully complete the Security Badge Application and Security Badge Authorization forms.
- b. Employee Security Badges – If deemed necessary by PMGAA, Consultant, Consultant’s employees and/or subconsultant’s personnel performing work functions in accordance with this Contract shall obtain and properly display an Airport security badge. Consultant shall submit a Security Badge Application form to the PMGAA security office for each employee requiring unescorted access, along with the current fee for each badge. Badge fees are identified on the current *Airport Rates and Charges Schedule* listing available via the Airport website at www.gatewayairport.com.
 - i. All fees must be paid to PMGAA by cash or check.
 - ii. Airport Security Badge Application forms and instructions are available via the Airport website at www.gatewayairport.com.
 - iii. An authorized representative of Consultant must also obtain and submit a Security Media Authorization form, which is to be submitted to the PMGAA badging office. The Security Media Authorization form and instructions are available via the Airport website at www.gatewairport.com.
 - iv. A training class on aviation security must be successfully completed before individuals are issued a badge. Fees for the security badge include attendance for the necessary training classes. Attendance at the security classes and issuance of the security badge may take two hours per person.
 - v. Additional information, including a “Frequently Asked Questions” is available via the Airport website at www.gatewairport.com or by contacting the PMGAA Badging Office at (480) 988-7522. The Badging Office is located at 5803 S. Sossaman Road, Mesa AZ 85212.
 - vi. Consultant shall immediately notify the PMGAA Badging Office of any Consultant personnel whose employment status has changed.
 - vii. Consultant shall retrieve all security badges and keys and return them to the PMGAA Badging Office. A fee, as indicated on the most current *Airport Rates and Charges Schedule*, will be charged for each badge that is damaged, lost or not returned.
 - viii. The PMGAA Badging Office will require a completed Security Badge Application from each Consultant employee so certified by Consultant as requiring such before a Security Badge is issued.
 - ix. Under certain circumstances and out of control of PMGAA, security measures may change on short notice. No deviations from any security measure shall be allowed at any time.
 - x. At all times, aircraft shall have the right-of-way over all vehicle traffic.
- c. Fines – Due to both the safety and security precautions necessary at the Airport, any failure of the Consultant to adhere to prescribed Airport requirements/regulations has consequences that may jeopardize the health, welfare and lives of Airport customers and employees, as well as the Consultant’s own employees. Therefore, if Consultant is found to be in non-compliance with any security, airfield badging/licensing and airfield safety requirement, a Notice of Violations (NOV) may be issued. A current listing of fines is available by contacting the PMGAA Badging Office.

2. Standard Terms & Conditions

PMGAA’s Standard Terms & Conditions (in **EXHIBIT K** attached) include clauses that pertain to both construction and professional services. For such, the term “contractor” is to be considered same as “consultant.” If a clause implies construction service, then it is waived for a professional services contract. PMGAA reserves the right to make that determination if there is a conflict. Wherever Standard Terms & Conditions are in conflict with conditions stated in this Special Provisions Section, the conditions stated in this Section shall take precedence.

3. Federal and State Guidelines and Regulations

All work performed under this Contract must satisfy FAA and applicable agency standards, and be accomplished in accordance with applicable federal, state and local guidelines and regulations, including FAA Advisory Circulars, NEPA and Arizona environmental statutes.

Consultant shall perform the services as described in approved Contract in accordance with the applicable requirements imposed by PMGAA, ADOT, FAA and any other applicable sponsoring agencies. Consultant and its subconsultants/subcontractors, if any, shall comply with any and all applicable laws, regulations, executive orders, policies, guidelines, and any other requirements for FAA Airport Improvement Program (AIP) projects. Consultant shall provide PMGAA all information, reports, documents, and/or certifications requested by PMGAA for the satisfaction of any grant requirements for the reimbursement of services, including, without limitation, identifying the specific services provided by Consultant and the billing period(s) during which services were or are to be provided. Nothing herein shall be construed as making the FAA or ADOT a party to this Contract.

4. Right to Contract With Other Firms

PMGAA shall have the right to contract with other firms and/or persons and/or to self-perform additional services, which may be the subject of this Contract. Consultant shall conduct its operations and perform any services authorized under the Contract so as not to interfere with or hinder the progress of completion of the work being performed by PMGAA and/or other firms and/or persons. Consultants working on the same project shall cooperate with each other in the performance, scheduling, and, if applicable, the integration of their respective services.

5. Independent Contractor/Consultant Status

At all relevant times, Consultant is - and shall remain - an independent contractor/consultant with regard to performance of its services. PMGAA retains no control over Consultant, the performance of its work or services, or the safety of its employees. Consultant is not authorized to enter into any contract or commitment, authorize any payment, or accept any document, services, goods or materials for, in the name of, or on behalf of PMGAA.

EXHIBIT K – PMGAA STANDARD TERMS AND CONDITIONS

1. Certification

By signature of this Contract, Consultant certifies:

- a. The award of this Contract did not involve collusion or other anti-competitive practices.
- b. It shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11246, or A.R.S. Section 31-1461, et. seq.
- c. It has not given, offered to give, nor intends to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with this Contract; and Consultant hereby certifies that the individual signing this Contract is an authorized agent for Consultant and has the authority to bind the Consultant to the Contract.

2. Records

Internal control over all financial transactions related to this Contract shall be in accordance with sound fiscal policies. PMGAA may, at reasonable times and places, audit the books and records of Consultant or any and all of Consultant's subconsultants or subcontractors. The audit shall be limited to this Contract and its scope of services.

3. Arbitration

At PMGAA's sole option, disputes between the parties may be resolved through arbitration as provided in A.R.S. Section 12-1501, *et seq.* Consultant shall continue to render the services required by this Contract without interruption, notwithstanding either party has filed suit against the other or PMGAA has expressly agreed to arbitration and either party has demanded arbitration.

4. Independent Contractor

At all times, each party acts in its individual capacity and not as agent, employee, partner, joint venturer, or associate of the other party. An employee or agent of one party may not be deemed or construed to be the employee or agent of the other party for any purpose whatsoever. Neither Consultant nor any of its employees are entitled to compensation from PMGAA in the form of salaries, paid vacation, or sick days.

PMGAA will not provide any insurance to Consultant, including *Workers' Compensation* coverage. PMGAA will not withhold FICA, taxes, or any similar deductions from PMGAA's payments under this Contract.

5. Affirmative Action

Consultant shall abide by all the federal and state of Arizona provisions for equal opportunity in the work place.

6. Human Relations

Consultant shall abide by all the federal and state of Arizona provisions against discrimination of disadvantaged business enterprises in applicable PMGAA contracts.

7. Non-Exclusive Contract

This Contract is for the sole convenience of PMGAA. PMGAA reserves the right in its discretion to obtain the same or similar goods or services from any other source.

8. Patent Infringement

The procuring agency should advise Consultant of any impending patent suit and provide all information available. Consultant shall defend any suit or proceeding brought against the procurement agency based on a claim that any equipment, or any part thereof, furnished under this contract constitutes an infringement of any patent, and the Contract shall pay all damages and costs awarded therein, excluding incidental and consequential damages, against the procuring agency. In case the equipment, or any part thereof, is in such suit held to constitute infringement and use of the equipment or part is enjoined, Consultant shall, at its own expense and at its option, either procure for the procuring agency the right to continue using the equipment or part, or replace same with non-infringing equipment, or modify it so it becomes non-infringing.

9. Americans with Disabilities Act

Consultant shall comply with all applicable provisions of the *Americans with Disabilities Act* (Public Law 101-336, 42 U.S.C. 12101-12213) and applicable federal regulations under the *Act*.

10. Confidentiality of Records

Consultant shall establish and maintain procedures and controls that are acceptable to PMGAA for the purpose of assuring that no information contained in its records or obtained from PMGAA or from others in carrying out its functions under the Contract shall be used by or disclosed by it, its agents, officers, or employees, except as required to efficiently perform duties under this Contract. Persons requesting such information should be referred to

PMGAA. Consultant also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of Consultant as needed for the performance of duties under the Contract, unless otherwise agreed to in writing by PMGAA.

11. Shipment under Reservation Prohibited

Consultant is not authorized to ship materials under reservation and no tender of a bill of lading shall operate as a tender of the materials. Non-compliance shall conform to the cancellation clause set forth within this Contract.

12. Gratuities

PMGAA may, by written notice to the Consultant, cancel this Contract if it is found that gratuities, in the form of entertainment, gifts or otherwise, were offered or given by Consultant or any agent or representative of Consultant, to any officer or employee of PMGAA involved in the amending, or the making of any determinations with respect to the performing of such Contract. If this Contract is canceled by PMGAA under this provision, PMGAA shall, in addition to any other rights and remedies, repay to the Consultant the amount of the gratuity.

13. Applicable Law

This Contract shall be governed by, and PMGAA and Consultant shall have, all remedies afforded each by the *Uniform Commercial Code*, as adopted in the state of Arizona, except as otherwise provided in this Contract or in laws pertaining specifically to PMGAA. This Contract shall be governed by the laws of the state of Arizona, and suits pertaining to this Contract shall be brought only in federal or state courts in the state of Arizona.

14. Contract

This Contract is based on and the result of a negotiated Scope of Services and Fee Proposal submitted by Consultant. The Contract contains the entire agreement between PMGAA and Consultant. No prior oral or written agreements, contracts, proposals, negotiations, purchase orders, or master agreements (in any form) are enforceable between the parties.

15. Legal Remedies

All claims and controversies shall be subject to the PMGAA Procurement Code.

16. Contract Amendments

This Contract shall be modified only by a written amendment signed by the PMGAA Executive Director or his/her designee, and persons duly authorized to enter into contracts on behalf of Consultant.

17. Provisions Required by Law

Each and every provision of law and any clause required by law to be in the Contract shall be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party the Contract shall forthwith be physically amended to make such insertion or correction.

18. Severability

The provisions of this Contract are severable to the extent that any provision or application held to be invalid shall not affect any other provision or application of the Contract, which may remain in effect without the valid provision, or application.

19. Protection of Government Property

Consultant shall use reasonable care to avoid damaging all PMGAA property, including buildings, equipment, and vegetation (such as trees, shrubs, and grass). If Consultant damages PMGAA's property in any way, Consultant shall immediately repair or replace the damage at no cost to PMGAA, as directed by the PMGAA Executive Director. If Consultant fails or refuses to repair or replace the damage, then PMGAA may terminate the Contract, and PMGAA shall deduct the repair or replacement cost from money due Consultant under the Contract.

20. Interpretation – Parol Evidence

This Contract is intended by the parties as a final expression of their agreement and is intended also as a complete and exclusive statement of the terms thereof. No course of prior dealings between the parties and no usage of the trade shall be relevant to supplement or explain any term used in this Contract. Acceptance or acquiescence in a course of performance rendered under this Contract shall not be relevant to determine the meaning of this Contract even though the accepting or acquiescing party has knowledge of the nature of the performance and opportunity to object.

21. Assignment – Delegation

No right or interest in this Contract shall be assigned by Consultant without prior written permission of PMGAA, and no delegation of any duty of Consultant shall be made without prior written permission of PMGAA's Executive Director or his/her designee. PMGAA shall not unreasonably withhold approval and shall notify Consultant of PMGAA's position within fifteen (15) business days of receipt of written notice by Consultant.

22. Subcontracts

Consultant may not enter into a subcontract with any other party to furnish any of the material/service specified herein without PMGAA's advance written approval. All subcontracts shall comply with federal and state laws and regulations applicable to the services covered by the subcontract and shall include all the terms and conditions set forth herein, which shall apply with equal force to the subcontract, as if the subcontractor were the Consultant referred to herein. Consultant is responsible for Contract performance whether or not subcontractors are used. PMGAA shall not unreasonably withhold approval and shall notify Consultant of PMGAA's position within fifteen (15) business days of receipt of written notice by Consultant.

23. Rights and Remedies

No provision in this Contract shall be construed, expressly or by implication, to waive either party's existing or future claim, right, or remedy available by law for breach of contract. The failure of either party to insist on strict performance of any Contract term or condition; to exercise or delay exercising any right or remedy provided in the Contract or by law; or to accept materials, services, or Consultant's services under this Contract or imposed by law, shall not be deemed a waiver of any right of either party to insist upon strict performance of the Contract.

24. Warranties

Consultant warrants that all materials and services delivered under this Contract shall conform to the specifications thereof. Mere receipt of shipment of the material or service specified and any inspection incidental thereto by PMGAA, shall not alter or affect the obligations of Consultant or the rights of PMGAA under the foregoing warranties. Additional warranty requirements may be set forth in this Contract.

25. Indemnification

To the fullest extent permitted by law, Consultant shall defend, save, indemnify, and hold harmless PMGAA, its agents, representatives, officers, directors, officials, and employees (collectively the "Indemnitees"), for, from and against all claims, damages, losses and expenses, including but not limited to attorney fees, court costs, expert witness fees, and the cost of appellate proceedings, relating to, arising out of, or alleged to have resulted from the

Consultant's acts, errors, omissions, or mistakes relating to Consultant's services under this Contract.

26. Overcharges by Antitrust Violations

PMGAA maintains that, in actual practice, overcharges resulting from antitrust violations are borne by the purchaser. Therefore, to the extent permitted by law, Consultant hereby assigns to PMGAA any and all claims for such overcharges as to the materials or services used to fulfill the Contract.

27. Right to Assurance

Whenever one party to this Contract in good faith has reason to question the other party's intent to perform, the former party may demand that the other party give a written assurance of this intent to perform. If a demand is made and no written assurance is given within five (5) business days, the demanding party may treat this failure as an anticipatory repudiation with this Contract.

28. Advertising

Consultant shall not advertise or publish information concerning this Contract without prior written consent of PMGAA.

29. Right to Inspect

PMGAA may, at reasonable times, and at PMGAA's expense, inspect the place of a Consultant's or subcontractor's business, which is related to the performance of this Contract or related subcontract.

30. Force Majeure

- a. Neither party is liable to the other, and neither party may be deemed in default under this Contract, if and to the extent that such party's performance of this Contract is prevented by reason of Force Majeure. The term "Force Majeure" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Force Majeure does not include late performance by a subcontractor unless the delay arises out of a specific Force Majeure in accordance with this Force Majeure term and condition.
- b. If either party is delayed at any time in the progress of the work by Force Majeure, the delayed party shall notify the other party in writing, as soon as practical, of the delay and shall specify the causes of delay in the notice. The notice must be hand-delivered or mailed certified-return receipt and must specifically refer to this section. The delayed party shall cause the delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The date of completion will be extended by Contract modification or amendment for the period of time that the completion date is necessarily delayed. This time extension is the Consultant's exclusive remedy for delay.

31. Inspection

All material or service is subject to final inspection and acceptance by PMGAA. Material or service failing to conform to the specifications of this Contract will be held at Consultant's risk and may be returned to Consultant. If so returned, all costs are the responsibility of Consultant. Noncompliance shall conform to the cancellation clause set forth in this Contract.

32. Exclusive Possession

All services, information, computer program elements, reports, and other deliverables, which may be created under this Contract, are the sole property of PMGAA and shall not be used or released by Consultant or any other person except with prior written permission by PMGAA.

33. Title and Risk of Loss

The title and risk of loss of materials or services shall not pass to PMGAA until PMGAA actually receives the material or service at the Airport, unless otherwise provided within this Contract.

34. No Replacement of Defective Tender

Every tender of materials must fully conform to all provisions of this Contract. If Consultant tenders a material or service that does not fully conform, PMGAA may terminate this Contract.

35. Default in One Installment to Constitute Total Breach

Consultant shall deliver conforming materials and services in each installment or lot of this Contract. Consultant may not substitute nonconforming materials or services. Delivery of nonconforming materials or a default of any nature, at the option of PMGAA, will constitute breach of the Contract as a whole.

36. Liens

All materials, services, and other deliverables supplied to PMGAA under this Contract must be free of all liens and other encumbrances. Upon request of PMGAA, Consultant shall provide a formal release of all liens.

37. Licenses

Consultant shall maintain in current status all federal, state, and local licenses and permits required for the operation of the business conducted by Consultant as applicable to this Contract.

38. Cost Of Proposal Preparation

PMGAA shall not reimburse the cost of developing, presenting, or providing any response to this solicitation. Bids/proposals submitted for consideration should be prepared simply and economically providing adequate information in a straightforward and concise manner.

39. Public Record

All proposals submitted in response to this request shall become the property of PMGAA and shall become a matter of public record available for review subsequent to the award notification.

40. Subsequent Employment

PMGAA may cancel this Contract without penalty or further obligation in accordance with A.R.S. Section 38-511 if any person significantly involved in initiating, negotiating, securing, drafting, or creating the contract, on behalf of PMGAA is or becomes, at any time while the Contract or any extension of the contract is in effect, an employee of, or a contractor to any other party to this Contract with respect to the subject matter of the Contract. Such cancellation shall be effective when the parties to this Contract receive written notice from PMGAA, unless the notice specifies a later time.

41. Clean Up

Consultant shall at all times keep Contract performance areas, including storage areas used by the Consultant, free from accumulation of waste material or rubbish and, prior to completion of the work, remove any rubbish from the premises and all tools, scaffolding, equipment and materials not property of PMGAA. Upon completion of any repair, Consultant shall leave the work and premises in clean, neat, and workmanlike condition.

42. Patents

Consultant shall defend, indemnify, and hold harmless PMGAA, its officers and employees from all liabilities, claims, damages, costs, or expenses, including, but not limited to attorneys' fees, for any alleged infringement of any person's patent rights or copyrights in consequence of the use by PMGAA, its officers, employees, agents, and other duly authorized representatives of tangible or intellectual property supplied to PMGAA by Consultant under this Contract.

43. Availability of Project Funding

This Contract's approval and continuation is conditioned on the availability of funds appropriated by PMGAA for this purpose. If funds are not available or appropriated for the Contract's requirements, PMGAA may terminate the Contract. Possible sources of funding for this Contract include FAA and ADOT, and this Contract is contingent on the availability of those funds to PMGAA.

44. Records and Audit Rights

Consultant's and all of its approved subcontractors' books, records, correspondence, accounting procedures and practices, and any other supporting evidence relating to this Contract, including the papers of all Consultant and subcontractor employees that work on the Contract (all the foregoing collectively referred to as "Records"), must be open to inspection and subject to audit and/or reproduction during normal working hours by PMGAA. PMGAA is

entitled to evaluate and verify all invoices, payments or claims based on Consultant's and its subcontractor's actual costs (including direct and indirect costs and overhead allocations) incurred or units expended directly in the performance of work under this Contract. For any audit under this Section, Consultant and its subcontractors hereby waive the right to keep such Records confidential. PMGAA is entitled to access to these Records from the effective date of this Contract for the duration of the work and until five years after the date of final payment by PMGAA to Consultant under the Contract. During normal working hours, PMGAA is entitled to access to all necessary Consultant and subcontractor facilities and shall be provided adequate and appropriate workspace, in order to conduct audits under this Section. PMGAA shall give Consultant or subcontractors reasonable advance notice of intended audits. Consultant shall require its subcontractors to comply with the provisions of this Section by including its requirements in all subcontracts related to this Contract.

45. E-Verify Requirements

To the extent applicable under A.R.S. § 41-4401, Offeror and its subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees, and compliance with the E-Verify requirements under A.R.S. §23-214(A). Offeror's or its subcontractors' failure to comply with such warranty shall be deemed a material breach of this Contract and may result in the termination of this Contract by PMGAA.

EXHIBIT L – FEDERAL PROVISIONS

1. Access to Records and Reports

Consultant must maintain an acceptable cost accounting system. Consultant further agrees to provide PMGAA, the FAA and the Comptroller General of the United States, or any of their duly authorized representatives, access to any books, documents, papers, and records of Consultant which are directly pertinent to this specific Contract for the purpose of making audit, examination, excerpts and transcriptions. Consultant agrees to maintain all books, records and reports required under this Contract for a period of not less than three (3) years after final payment is made and all pending matters are closed.

2. Civil Rights Act of 1964, Title VI – General

The contractor/consultant agrees to comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color or national origin, sex, age or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance.

3. Civil Rights Act of 1964, Title VI – Assurances

During the performance of this Contract, the contractor/consultant, for itself, its assignees and successors in interest agrees as follows:

- a. Compliance with Regulations – Compliance with Regulations: The contractor (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts And Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.
- b. Nondiscrimination – The contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR Part 21.
- c. Solicitations for Subcontracts, including Procurements of Materials and Equipment – In all solicitations, either by competitive bidding, or negotiation made by the contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the contractor of the contractor's obligations under this contract and the Nondiscrimination Acts And Authorities on the grounds of race, color, or national origin.
- d. Information and Reports – The contractor will provide all information and reports required by the Acts, the Regulations and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by PMGAA or the FAA to be pertinent to ascertain compliance with such Nondiscrimination Acts And Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the contractor will so certify to PMGAA or the FAA as appropriate, and will set forth what efforts it has made to obtain the information.
- e. Sanctions for Noncompliance – In the event of a contractor's noncompliance with the Nondiscrimination provisions of this contract, the Recipient will impose such contract sanctions as it or the FAA may determine to be appropriate, including, but not limited to:
 - i) Withholding of payments to the contractor under the contract until the contractor complies, and/or;
 - ii) Cancellation, termination, or suspension of the Contract, in whole or in part.
- f. Incorporation of Provisions – The contractor will include the provisions of paragraphs one through six of this **EXHIBIT L** in every subcontract, including procurements of materials and leases of equipment,

unless exempt by the Acts, the Regulations and directives issued pursuant thereto. The contractor will take action with respect to any subcontract or procurement as PMGAA or the FAA may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the contractor may request PMGAA to enter into any litigation to protect the interests of PMGAA. In addition, the contractor may request the United States to enter into the litigation to protect the interests of the United States.

4. Civil Rights – Title VI List of Pertinent Nondiscrimination Acts and Authorities

During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the “contractor”) agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

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

5. Disadvantaged Business Enterprises (DBE)

The requirements of 49 CFR Part 26 apply to this contract.

- a. Contract Assurance (§26.13) – Consultant and/or subcontractor(s) shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. Consultant shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of DOT assisted contracts.

Failure by Consultant to carry out these requirements is a material breach of this Contract, which may result in the termination thereof or such other remedy, as the recipient deems appropriate.

- b. Prompt Payment (§26.29) – Consultant agrees to pay each subcontractor under this Contract for satisfactory performance of its contract obligations no later than seven (7) calendar days from the receipt of each payment Consultant receives from PMGAA. Consultant agrees further to return retainage payments to each subcontractor within seven (7) calendar days after the subcontractor's work is satisfactorily completed. Any delay or postponement of payment from the above referenced time frame may occur only for good cause following written approval of PMGAA. This clause applies to both DBE and non-DBE subcontractors.

6. Energy Conservation Requirements

Consultant and Subconsultant agree to comply with mandatory standards and policies relating to energy efficiency as contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (42 U.S.C. 6201 *et seq*)

7. Federal Fair Labor Standards Act

This contract and all subcontracts that result from this contract incorporate by reference the provisions of 29 CFR part 201, the Federal Fair Labor Standards Act (FLSA), with the same force and effect as if given in full text. The FLSA sets minimum wage, overtime pay, recordkeeping, and child labor standards for full and part time workers.

The Consultant has full responsibility to monitor compliance to the referenced statute or regulation. The Consultant must address any claims or disputes that arise from this requirement directly with the U.S. Department of Labor – Wage and Hour Division.

8. Occupational Safety and Health Act of 1970

This contract and all subcontracts that result from this contract incorporate by reference the provisions of 29 CFR part 1910 with the same force and effect as if given in full text. Consultant must provide a work environment that is free from recognized hazards that may cause death or serious physical harm to the employee. The Consultant retains full responsibility to monitor its compliance and their subcontractor's compliance with the applicable requirements of the Occupational Safety and Health Act of 1970 (20CFR Part 1910). Consultant must address any claims or disputes that pertain to a referenced requirement directly with the U.S. Department of Labor – Occupational Safety and Health Administration.

9. Termination for Convenience

PMGAA may, by written notice to the Consultant, terminate this Agreement for its convenience and without cause or default on the part of Consultant. Upon receipt of the notice of termination, except as explicitly directed by PMGAA, the Consultant must immediately discontinue all services affected.

Upon termination of the Agreement, the Consultant must deliver to PMGAA all data, surveys, models, drawings, specifications, reports, maps, photographs, estimates, summaries, and other documents and materials prepared by the Engineer under this contract, whether complete or partially complete.

Owner agrees to make just and equitable compensation to the Consultant for satisfactory work completed up through the date the Consultant receives the termination notice. Compensation will not include anticipated profit on non-performed services.

Owner further agrees to hold Consultant harmless for errors or omissions in documents that are incomplete as a result of the termination action under this clause.

10. Termination for Default

Either party may terminate this Agreement for cause if the other party fails to fulfil its obligations that are

Essential to the completion of the work per the terms and conditions of the Agreement. The party initiating the termination action must allow the breaching party an opportunity to dispute or cure the breach.

The terminating party must provide the breaching party [7] days advance written notice of its intent to terminate the Agreement. The notice must specify the nature and extent of the breach, the conditions necessary to cure the breach, and the effective date of the termination action. The rights and remedies in this clause are in addition to any other rights and remedies provided by law or under this agreement.

- a. Termination by Owner: PMGAA may terminate this Agreement in whole or in part, for the failure of the Consultant to:
 - i. Perform the services within the time specified in this contract or by Owner approved extension;
 - ii. Make adequate progress so as to endanger satisfactory performance of the Project;
 - iii. Fulfill the obligations of the Agreement that are essential to the completion of the Project.

Upon receipt of the notice of termination, the Consultant must immediately discontinue all services affected unless the notice directs otherwise. Upon termination of the Agreement, the Consultant must deliver to PMGAA all data, surveys, models, drawings, specifications, reports, maps, photographs, estimates, summaries, and other documents and materials prepared by the Engineer under this contract, whether complete or partially complete.

Owner agrees to make just and equitable compensation to the Consultant for satisfactory work completed up through the date the Consultant receives the termination notice. Compensation will not include anticipated profit on non-performed services.

Owner further agrees to hold Consultant harmless for errors or omissions in documents that are incomplete as a result of the termination action under this clause.

If, after finalization of the termination action, PMGAA determines the Consultant was not in default of the Agreement, the rights and obligations of the parties shall be the same as if PMGAA issued the termination for the convenience of PMGAA.

- b. Termination by Consultant: The Consultant may terminate this Agreement in whole or in part, if the Owner:
 - i. Defaults on its obligations under this Agreement;
 - ii. Fails to make payment to the Consultant in accordance with the terms of this Agreement;
 - iii. Suspends the Project for more than [180] days due to reasons beyond the control of the Consultant.

Upon receipt of a notice of termination from the Consultant, Owner agrees to cooperate with Consultant for the purpose of terminating the agreement or portion thereof, by mutual consent. If Owner and Consultant cannot reach mutual agreement on the termination settlement, the Consultant may, without prejudice to any rights and remedies it may have, proceed with terminating all or parts of this Agreement based upon PMGAA's breach of the contract.

In the event of termination due to Owner breach, the Engineer is entitled to invoice Owner and to receive full payment for all services performed or furnished in accordance with this Agreement and all justified reimbursable expenses incurred by the Consultant through the effective date of termination action. Owner agrees to hold Consultant harmless for errors or omissions in documents that are incomplete as a result of the termination action under this clause.

11. Trade Restriction Clause

By submission of an offer, the Offeror/Contractor/Consultant certifies that with respect to this solicitation and any resultant contract, the Offeror/Contractor/Consultant -

- a. is not owned or controlled by one or more citizens of a foreign country included in the list of countries that discriminate against U.S. firms as published by the Office of the United States Trade Representative (U.S.T.R.);

- b. has not knowingly entered into any contract or subcontract for this project with a person that is a citizen or national of a foreign country included on the list of countries that discriminate against U.S. firms as published by the U.S.T.R.; and
- c. has not entered into any subcontract for any product to be used on the Federal on the project that is produced in a foreign country included on the list of countries that discriminate against U.S. firms published by the U.S.T.R.

This certification concerns a matter within the jurisdiction of an agency of the United States of America and the making of a false, fictitious, or fraudulent certification may render the maker subject to prosecution under Title 18, United States Code, Section 1001.

The Offeror/Contractor/Consultant must provide immediate written notice to PMGAA if the Offeror/Contractor/Consultant learns that its certification or that of a subcontractor was erroneous when submitted or has become erroneous by reason of changed circumstances. The Consultant must require subcontractors provide immediate written notice to the Consultant if at any time it learns that its certification was erroneous by reason of changed circumstances.

Unless the restrictions of this clause are waived by the Secretary of Transportation in accordance with 49 CFR 30.17, no contract shall be awarded to an Offeror or subcontractor:

- a. who is owned or controlled by one or more citizens or nationals of a foreign country included on the list of countries that discriminate against U.S. firms published by the U.S.T.R. or
- b. whose subcontractors are owned or controlled by one or more citizens or nationals of a foreign country on such U.S.T.R. list or
- c. who incorporates in the public works project any product of a foreign country on such U.S.T.R. list;

Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by this provision. The knowledge and information of a contractor/consultant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

The Offeror/Contractor/Consultant agrees that, if awarded a contract resulting from this solicitation, it will incorporate this provision for certification without modification in in all lower tier subcontracts. The contractor/consultant may rely on the certification of a prospective subcontractor that it is not a firm from a foreign country included on the list of countries that discriminate against U.S. firms as published by U.S.T.R., unless the Offeror/Contractor/Consultant has knowledge that the certification is erroneous.

This certification is a material representation of fact upon which reliance was placed when making an award. If it is later determined that the Contractor/Consultant or subcontractor/subconsultant knowingly rendered an erroneous certification, the Federal Aviation Administration may direct through PMGAA cancellation of the contract or subcontract for default at no cost to PMGAA or the FAA.

12. Veteran's Preference

In the employment of labor (excluding executive, administrative, and supervisory positions), the consultant and all sub-tier consultants must give preference to covered veterans as defined within Title 49 United States Code Section 47112. Covered veterans include Vietnam-era veterans, Persian Gulf veterans, Afghanistan-Iraq war veterans, disabled veterans, and small business concerns (as defined by 15 U.S.C. 632) owned and controlled by disabled veterans. This preference only applies when there are covered veterans readily available and qualified to perform the work to which the employment relates.

13. Debarment and Suspension

- a. Certification of Consultant. Consultant, by accepting this Contract, certifies that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.

b. Certification of Lower Tier Subconsultants

Consultant, by administering each lower tier subcontract that is equal to or exceeds \$25,000 as a “covered transaction”, must verify each lower tier participant of a “covered transaction” under the project is not presently debarred or otherwise disqualified from participation in this federally assisted project. The consultant will accomplish this by:

1. Checking the System for Award Management website at: <http://www.sam.gov>
2. Collecting a certification statement similar to the Certificate Regarding Debarment and Suspension above
3. Inserting a clause or condition in the covered transaction with the lower tier contract

If the FAA later determines that a lower tier participant failed to disclose to a higher tier participant that it was excluded or disqualified at the time it entered the covered transaction, the FAA may pursue any available remedies, including suspension and debarment of the non-compliant participant.

14. Breach of Contract Terms

Any violation or breach of terms of this Contract on the part of Consultant or its subconsultants or subcontractors may result in suspension or termination of this Contract, or such other action that may be necessary to enforce the rights of the parties with respect thereto. The duties and obligations imposed by the Contract and the rights and remedies available thereunder shall be in addition to, and not a limitation of, any duties, obligations, rights and remedies otherwise imposed or available by law.

PMGAA will provide Consultant written notice that describes the nature of the breach and corrective actions the Consultant must undertake in order to avoid termination of the Contract. PMGAA reserves the right to withhold payment to the Consultant until such time the Consultant corrects the breach or PMGAA elects to terminate the Contract. PMGAA’s notice will identify a specific date by which the Consultant must correct the breach. PMGAA may proceed with termination of the Contract if the Consultant fails to correct the breach by the deadline indicated in PMGAA’s notice.

15. Distracted Driving

In accordance with Executive Order 13513, “Federal Leadership on Reducing Text Messaging While Driving” (10/1/2009) and DOT Order 3902.10 “Text Messaging While Driving” (12/30/2009), the FAA encourages recipients of Federal grant funds to adopt and enforce safety policies that decrease crashes by distracted drivers, including policies to ban text messaging while driving when performing work related to a grant or sub-grant.

In support of this initiative, PMGAA encourages the Consultant to promote policies and initiatives for its employees and other work personnel that decrease crashes by distracted drivers, including policies that ban text messaging while driving motor vehicles while performing work activities associated with the project. The Consultant must include the substance of this clause in all sub-tier contracts exceeding \$3,500 and involve driving a motor vehicle in performance of work activities associated with the project.

16. Lobbying and Influencing Federal Employees

Consultant certifies by signing and accepting this contract, to the best of his or her knowledge and belief that:

- a. No federal appropriated funds shall be paid, by or on behalf of Consultant, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making of any federal grant and the amendment or modification of any federal grant.
- b. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any federal grant, the Consultant shall complete and submit Standard Form-LLL, “Disclosure of Lobby Activities,” in accordance with its instructions.
- c. Consultant, by submission of an offer and/or execution of a contract, certifies that the language above will be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-

grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

17. Clean Air and Water Pollution Control

Consultant agrees to comply with all applicable standards, orders, and regulations issued pursuant to the Clear Air Act (42 U.S.C. § 740-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. § 1251-1387). Consultant agrees to report any violation to PMGAA immediately upon discovery. PMGAA assumes responsibility for notifying the Environmental Protection Agency (EPA) and the FAA.

Consultant must include this requirement in all subcontracts that exceed \$150,000.

18. Rights to Inventions

Contracts or agreements that include the performance of experimental, developmental, or research work must provide for the rights of the Federal Government and PMGAA in any resulting invention as established by 37 CFR part 401, Rights to Inventions Made by Non-profit Organizations and Small Business Firms under Government Grants, Contracts, and Cooperative Agreements. This contract incorporates by reference the patent and inventions rights as specified within in the 37 CFR §401.14. Consultant must include this requirement in all sub-tier contracts involving experimental, developmental or research work.

19. Contract Workhours and Safety Standards Act Requirements

a. Overtime Requirements.

No Consultant or subconsultant contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic, including watchmen and guards, in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

b. Violation; Liability for Unpaid Wages; Liquidated Damages.

In the event of any violation of the clause set forth in paragraph (1) of this clause, the Consultant and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such Consultant and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (1) of this clause, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (1) of this clause.

c. Withholding for Unpaid Wages and Liquidated Damages.

The Federal Aviation Administration (FAA) or PMGAA shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the Consultant or subcontractor under any such contract or any other Federal contract with the same prime Consultant, or any other Federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime Consultant, such sums as may be determined to be necessary to satisfy any liabilities of such Consultant or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph 2 of this clause.

d. Subcontractors.

The Consultant or subconsultant shall insert in any subcontracts the clauses set forth in paragraphs (1) through (4) and also a clause requiring the subcontractor to include these clauses in any lower tier subcontracts. The prime Consultant shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (1) through (4) of this clause.

20. Equal Employment Opportunity (E.E.O)

During the performance of this contract, Consultant agrees as follows:

- a. The Consultant will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Consultant will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, sexual orientation, gender identify or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Consultant agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.
- b. The Consultant will, in all solicitations or advertisements for employees placed by or on behalf of the Consultant, state that all qualified applicants will receive considerations for employment without regard to race, color, religion, sex, or national origin.
- c. The Consultant will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the Consultant's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- d. The Consultant will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- e. The Consultant will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- f. In the event of the Consultant's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part and the Consultant may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
- g. The Consultant will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Consultant will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: *Provided, however,* That in the event a Consultant becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering

agency the Consultant may request the United States to enter into such litigation to protect the interests of the United States.

21. Prohibition of Segregated Facilities
- a. The Consultant agrees that it does not and will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not and will not permit its employees to perform their services at any location under its control where segregated facilities are maintained. The Consultant agrees that a breach of this clause is a violation of the Equal Opportunity clause in this contract.
 - b. “Segregated facilities,” as used in this clause, means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees, that are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, sex, or national origin because of written or oral policies or employee custom. The term does not include separate or single-user rest rooms or necessary dressing or sleeping areas provided to assure privacy between the sexes.
 - c. The Consultant shall include this clause in every subcontract and purchase order that is subject to the Equal Opportunity clause of this contract.



Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Management Information Report

To: Board of Directors
From: Chuck Odom, Chief Financial Officer
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Re: Solicitation Notification
Date: January 25, 2018

This report is to provide notification of the active and upcoming solicitations to help ensure compliance with the Phoenix-Mesa Gateway Airport Authority procurement transparency clause. The active activities include the following:

Active/Pending Solicitations

Type Solicitation	Number	Title	Anticipated Contract Award (Board Action)
Request for Qualifications	2018-009-RFQ	Airport Master Planning Services	February 2018
Request for Qualifications	2018-013-RFQ	Baggage Claim & Baggage Makeup Expansion Designs	February 2018
Request for Proposals	2018-016-RFP	Target Industry Analysis	February 2018
Request for Proposals	2018-012-RFP	Insurance Broker Services – Health & Welfare	February 2018
Request for Proposals	2018-012-RFP	Insurance Broker Services – Property & Casualty	March 2018
Invitation for Bid	2018-005-IFB	Sossaman Rd & Terminal Roadways Improvements	March 2018
Request for Proposals	2018-017-RFP	Development & Implementation of Safety Management System	April 2018
Request for Qualifications	2018-019-RFQ	CMAR for Baggage Claim & Baggage Make-up Expansions	April 2018

Future Solicitations

Type Solicitation	Number	Title	Scheduled for Release	Anticipated Contract Award (Board Action)
Invitation for Bid	2018-015-IFB	Taxiway Charlie Phase III	April 2018	June 2018

Equipment Disposals

Fiscal year totals from sales of decommissioned / nonworking equipment total \$12,296 consisting of 5 pieces.

If you have any questions about the solicitations or the procurement process, please feel free to contact me at 480-988-7613.



Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
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Management Information Report

To: Board of Directors
From: Shea Joachim
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Re: Legal Counsel for Master Development Agreement
Date: February 20, 2018

The Phoenix Mesa Gateway Airport Authority (PMGAA) requires continued legal counsel for the development and implementation of the Master Development Agreement (MDA) and associated documents with Mesa SkyBridge, LLC (SkyBridge). In May 2017 PMGAA interviewed three potential firms to provide legal services for this project and selected Snell & Wilmer LLP due to their demonstrated competency with significant, complex real estate transactions involving public entries and the firm's significant resources.

To date, the legal expenses associated with the project have exceeded \$50,000. The Executive Director granted an exception to our normal procurement of professional legal counsel services due to Snell & Wilmer LLP's familiarity of the transaction and demonstrated competencies in complex real estate transactions. It is advantageous to PMGAA to continue to utilize Snell & Wilmer LLP's services for the development of the Master Lease and Development Lease.

The Master Lease and Development Lease are important contractual documents necessary to implement the SkyBridge project vision. Snell & Wilmer LLP has been valuable in assisting PMGAA with the development of the Master Development Agreement and will continue to assist with the development of the Master Lease and Development Lease.

On December 11, 2017, the Business Development Director requested and received approval from the Executive Team for additional funding in the amount of \$65,000. This \$65,000 in legal services was classified under "Impractical Procurements" according to PMGAA Procurement Policy No. 1-46. Due to limited timing, PMGAA Staff was unable to submit a Board Action Item for this procurement at the December 19, 2017 Board Meeting; so in accordance with the PMGAA Procurement Policy, the Business Development Director is submitting a Management Information Report for the February Board Meeting.



**NOTICE AND AMENDED AGENDA OF MEETING OF THE
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
BOARD OF DIRECTORS**

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Phoenix-Mesa Gateway Airport Authority and to the public that the Phoenix-Mesa Gateway Airport Authority will hold a meeting open to the public on **Tuesday, March 20, 2018 beginning at 8:15 a.m.** in the Board Room (Saguaro A & B) of the Gateway Administration Building, 5835 South Sossaman Road, Mesa, Arizona. The Board may vote to hold an executive session for the purpose of obtaining legal advice from the Board's attorney on any matter listed on the agenda pursuant to A.R.S. § 38-431.03 (A)(3)&(4).

The agenda for the meeting is as follows:

1. Call to Order. (Mayor Jenn Daniels, Chair)

Members of the Phoenix-Mesa Gateway Airport Authority will attend either in person or by telephone conference call.

2. Motion to Convene into Executive Session.

Pursuant to A.R.S. § 38-431.03(A)(3) and (A)(7), the Board of Directors may convene into executive session for the purpose of discussion or consultation for legal advice with the attorney or attorneys of the public body and to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property as it relates to the Master Lease with SkyBridge Arizona, LLC.

3. Motion to Reconvene from Executive Session into Regular Session.

4. Call to the Public.

Members of the Board may not discuss items that are not on the agenda. Therefore, action taken as a result of public comment will be limited to directing staff to study the matter or scheduling the matter for further consideration and decision at a later date. Maximum of three minutes per speaker.

5. Executive Director's Report. - J. Brian O'Neill, A.A.E., Executive Director/CEO

6. Consent Agenda.

a. Minutes of the Board Meetings held on **February 20, 2018.**

b. Resolution No. 18-06 - Authorizing a three-year contract, with two additional one-year periods at the sole option of Phoenix-Mesa Gateway Airport Authority, with **Mountain West Series of Lockton Companies, LLC** for Insurance Broker Services in an amount not to exceed \$225,000 for a period of five years.

c. Resolution No. 18-07 - Authorizing an Amendment 1 to a facility lease agreement with **Allegiant Air, LLC** for property located at 6304 S Taxiway Circle, Mesa AZ 85212. The effective date of this Amendment 1 is April 1, 2018.

d. Resolution No. 18-08 - Authorizing a Professional Services Agreement with **DWL Architects + Planners, Inc. (DWL)** to provide Architectural and Engineering Design Services for Gateway General Aviation Center Improvements under CIP 954 in an amount not-to-exceed \$90,000.

Consideration and Possible Approval of:

7. Resolution No. 18-09 - Adoption of the **Operating Budget, Capital Budget, and Member Government Contributions** for the Fiscal Year ending June 30, 2019.

8. **Resolution No. 18-10** - Authorizing a Master Lease Agreement with **Mesa SkyBridge, LLC** for approximately 360 acres of property generally located at the Southeast Corner of Sossaman Road and Velocity Way. The effective date of this Agreement is April 1, 2018.
9. **Discussion on the Phoenix-Mesa Gateway Airport Authority legal services contract.**
10. **Board Member Comments/Announcements.**
11. **Next Meeting:** Tuesday, April 17, 2018 at 9:00 a.m.
12. **Adjournment.**

Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting Maria Gonzalez at 480-988-7603 or mgonzalez@gatewayairport.com. Requests should be made as early as possible to allow time to arrange the accommodation.



Executive Director's Report

March, 2018

Financial Snapshot

OPERATING INCOME	January		Month Variance	FYTD Comparison		FYTD Variance
	FY17	FY18		FY17	FY18	
Revenues	\$1,743,703	\$1,880,094	\$136,391	\$10,620,805	\$12,059,521	\$1,438,716
Less Expenses	\$1,485,008	\$1,511,021	\$26,013	\$10,140,627	\$10,775,801	\$635,174
Operating Income <i>(before depreciation)</i>	\$258,695	\$369,073	\$110,378	\$480,178	\$1,283,720	\$803,542

Investment Fund Balances: As of January: Local Governmental Investment Pool (LGIP) 700 = \$17,966,965; Wells Fargo Collateralized Savings Account = \$13,804,955; Total \$31,807,920. This is an increase of \$120,652 from the December balance and represents interest income of \$25,652 and a net transfer of \$95,000 from operating funds.

Finance and Accounting

Phoenix-Mesa Gateway Airport Authority (PMGAA) reported a net operating income of \$369,073 in January 2018 which is a \$110,378 improvement over January 2017. FYTD, PMGAA is reporting a net operating income of \$1,283,720 compared to \$480,178 during the same time period in FY17.

Grants, PFCs & Procurements

Active/Pending Solicitations

TYPE OF SOLICITATION	Number	Title	Anticipated Contract Award
Request for Proposals	2018-012-RFP	Insurance Broker Services – Property & Casualty	March 2018
Request for Proposals	2018-017-RFP	Development & Implementation of Safety Management System	April 2018
Request for Qualifications	2018-019-RFQ	CMAR for Baggage Claim & Baggage Make-up Expansions	April 2018

Future Solicitations

TYPE OF SOLICITATION	Number	Title	Schedule for Release	Anticipated Contract Award
Invitation for Bid	2018-015-IFB	Taxiway Charlie Phase III	April 2018	June 2018
Invitation for Bid	2018-005-IFB	Sossaman Rd & Terminal Roadways Improvements	May 2018	June 2018

Information Technology Services

For the past two years, PMGAA has been transitioning to a new Enterprise Resource Planning (ERP) System. Once the new system is installed and training completed, PMGAA will operate more efficiently and securely. PMGAA staff have been working hard learning the new system and customizing the different modules to meet the unique needs of the organization. Big thank you to Doug, Art, and Brian for leading the way!

ENTERPRISE RESOURCE PLANNING (ERP) SYSTEM IMPLEMENTATION SCHEDULE		
<i>Phase I</i>	<i>Phase II</i>	<i>Phase III</i>
Organization Financials	Human Resources	Inventory
Capital Projects	Payroll	Asset Management
Point of Sale		Work Orders
Completion Date – 7/1/2018	Completion Date – 1/1/2019	Completion Date – 1/1/2019

Airport Operations

Each year, Phoenix-Mesa Gateway Airport (Gateway Airport) participates in an intense, multi-day certification and compliance inspection by the Federal Aviation Administration (FAA). This inspection, conducted at commercial airports nationwide, ensures that all airports are following national safety standards. The rigorous inspection includes: pavement condition; airfield markings, signs and lighting; emergency response; training records; fueling; and communication.

This year, for the second consecutive year, Gateway Airport passed its FAR Part 139-Certification and Operations Inspection with flying colors. It's very rare that an airport has no reportable conditions during its annual FAA inspection, and is a strong testament to the dedication and preparation that occurs all year long to keep Gateway Airport operating safe, secure, and efficient. Congratulations and thank you to our PMGAA Operations Crew for a job very well done!



Mutual Aid Training with Mesa and Gilbert Fire

Gateway Airport is surrounded by three communities with growing reputations for exceptional public safety. In January, fire department officials from Mesa and Gilbert conducted mutual aid training and aircraft familiarization with Gateway Airport's largest air carrier, Allegiant Air. Thank you to Allegiant Air and our first responders for always being prepared and ready to answer the call.



Operations Statistics

PASSENGER COUNTS		January		% Change	FYTD		% Change
		FY17	FY18		FY17	FY18	
Passengers	TOTAL	107,509	118,926	11%	732,002	759,189	4%
	Deplaned	55,738	61,799	11%	373,166	386,608	4%
	Enplaned	51,771	57,127	10%	358,836	372,581	4%
Allegiant	Scheduled	105,585	116,312	10%	729,618	750,107	3%
	Charter	213	0	-100%	924	402	-56%
WestJet	Scheduled	1898	2614	38%	1898	8364	341%
Elite	Charter	26	0	-100%	486	718	48%

OPERATIONS		January		% Change	FYTD		% Change
		FY17	FY18		FY17	FY18	
Air Carrier		938	1012	7%	6,383	6,444	1%
Military		1836	776	-137%	4,675	3,933	-16%
General Aviation		21,306	21,043	-1%	143,499	160,122	12%
TOTAL		24,080	22,831	-5%	154,557	170,499	10%

Noise Report

PMGAA received aircraft noise calls from 11 area residents in January 2018 compared to aircraft noise calls from 22 area residents last January. FYTD, PMGAA has received noise calls from 84 individuals compared to 63 during the same time period last fiscal year.

CALLERS	January		FYTD		LOCATION	January		FYTD	
	FY17	FY18	FY17	FY18		FY17	FY18	FY17	FY18
Total	22	11	63	84					
TYPE OF AIRCRAFT	January		FYTD		Mesa	3	6	24	23
	Callers	Callers	Callers	Callers	Gilbert	13	5	30	53
Unknown Jet	3	1	9	8	Gold Canyon	1	0	1	2
A-319	9	4	26	23	Queen Creek	2	0	3	4
Commercial	0	1	4	16	Queen Valley	0	0	0	1
GA Total	1	2	3	5	San Tan Valley	3	0	4	1
Helicopter	0	0	0	7	Apache Junction	0	0	0	0
Military	9	3	21	25	Unknown	0	0	1	0
Total	22	11	63	84	TOTAL	22	11	63	84

Engineering & Facilities

PMGAA recently completed several projects to improve security and increase capacity at the TSA Security Screening Checkpoint. These projects included passenger queuing area expansion, development of additional security screening lanes, and construction of a fully-automated security exit door system. PMGAA staff are now focusing their efforts on a couple of new projects that will maximize efficiency and the customer experience of the checked baggage delivery system within the passenger terminal. The Terminal Baggage Makeup System Project and the Baggage Claim Improvement Project are both being designed to expand capacity of the Airport's current baggage delivery system.

Construction continues on the Taxiway Alpha Reconstruction Project. Asphalt paving for the shoulders and project clean-up is currently underway. The project is expected to be completed mid-March 2018.

The next airfield improvement project is the completion of Taxiway Charlie on the east side of the airport. This important infrastructure project will begin in early FY19.



Taxiway Alpha Construction

Environmental and Archeological

An investigation to assess the presence or absence of perfluorinated compounds at 18 potential areas where aqueous film forming foam (AFFF) may have been released is in the process of being coordinated with the United States Air Force and Aerostar SES. An introductory meeting was held on January 29, 2018. The investigation is scheduled to start mid-March pending schedule approval.

Planning and Zoning

Integration of the new Airport Land Use Compatibility Plan zoning recommendations continues with surrounding communities. The Gilbert Town Council considered the updated overlays at their February 15th meeting. Additional information and clarification on the zoning language was requested and it will be brought back for consideration at a meeting in the near future. The Mesa Planning & Zoning Board is scheduled to vote on the zoning overlay at their March 21st meeting, and then City Council consideration at a later date. Language is being finalized with the Town of Queen Creek.

PMGAA appreciates and values the strong working relationship it has with officials from communities surrounding Phoenix-Mesa Gateway Airport. This partnership is critically important as both the Airport and communities continue to develop in the future.

PMGAA staff have been involved in the City of Mesa's ongoing Inner Loop Area Plan Update. This large parcel of land is roughly defined from Power Road east to the 202, and from Ray Road north to near Guadalupe Road. City of Mesa staff and property owners within the study area are working together to refine planned land uses for the Inner Loop Area. PMGAA is participating to reinforce the importance of identifying land uses that are compatible for development projects adjacent to Gateway Airport. Mesa held an initial stakeholder meeting on February 22nd and meetings will continue through March and April.

Gateway Aviation Services

Gateway Aviation Services is reporting \$422,101 in fuel-related revenue for January 2018; a 1% increase compared to the \$419,492 in revenue collected during January last year.

FUEL-RELATED REVENUE	December			FYTD		
	FY17	FY18	% Change	FY17	FY18	% Change
Net Retail (Jet)	\$107,595	\$89,591	-17%	\$ 616,470	\$ 585,025	-5%
Net AvGas	\$43,458	\$51,587	19%	\$ 308,133	\$ 369,737	20%
Storage Fees	\$26,326	\$26,864	2%	\$ 169,461	\$ 160,302	-5%
Upload Fees	\$242,113	\$254,059	5%	\$1,240,165	\$ 1,756,032	42%
TOTAL	\$419,492	\$422,101	1%	\$2,334,229	\$2,871,096	23%

FUEL (Gallons)	December			FYTD		
	FY17	FY18	% Change	FY17	FY18	% Change
Retail (Jet)	52,613	40,522	-23%	314,787	284,315	-10%
AvGas	38,220	46,675	22%	277,068	319,460	15%
Contract	323,406	348,138	8%	1,829,581	2,350,378	28%
Commercial	957,294	970,295	1%	6,164,679	5,829,019	-5%
TOTAL	1,371,533	1,405,630	2%	8,586,115	8,783,172	2%



Gateway Airport continues to be a very attractive location for active duty military training. The Airport hosted jets from all branches of the military most weekends this February.

Human Resources

PMGAA Human Resources Department completed work on the Employee Engagement Study and will begin to process the comments and feedback received from the employees that participated. The group also continues to grow the Gateway Wellness Program with new initiatives and efforts intended to help PMGAA associates be healthier and happier at work and in their personal lives.

Business Development



Unified Cargo Processing Program Delegation

On February 8, 2018, PMGAA played host to a bilateral delegation representing Mexican Customs and Agriculture, US Customs and Border Protection, US Department of Agriculture, SkyBridge Arizona, and the City of Mesa. The meeting was the latest in continuing efforts to establish the Unified Cargo Processing Program at Gateway Airport. Results of the meeting were encouraging and PMGAA is optimistic that the new air cargo pre-clearance program will be operational within the next few months.

PMGAA staff continue to work with the Mesa SkyBridge, LLC team to finalize the language in the Master Lease Agreement and Development Lease Agreement. It is anticipated that the PMGAA Board of Directors will consider approval of the document at the March Board of Directors Meeting.

Communications and Government Relations

One of the highest infrastructure priorities for Gateway Airport is constructing a new air traffic control tower. PMGAA has completed a tower siting study and has received environmental clearance from the FAA on the new tower location. As we continue to move forward with new tower design and project funding, PMGAA staff are working with our Arizona Congressional Delegation and others to eliminate an FAA provision that greatly limits the use of federal funds for construction of contract air traffic control towers. PMGAA Director of Communications and Government Affairs Ryan Smith will be in Washington, DC during March to work with our US Senators and US Representatives to try and change the provision in the proposed FAA Authorization Bill. PMGAA appreciates the strong support it receives from our Arizona Delegation.



**MINUTES OF PUBLIC MEETING OF THE
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
BOARD OF DIRECTORS | February 20, 2018**

A public meeting of the Phoenix-Mesa Gateway Airport Authority was convened on Tuesday, February 20, 2018, beginning at 9:00 a.m. in the Board Room (Saguaro A & B) of the Gateway Administration Building, 5835 S Sossaman Road, Mesa, Arizona.

Members Present

Mayor Jenn Daniels, Gilbert
Mayor Jeff Serdy, Apache Junction
Mayor Gail Barney, Queen Creek
Councilmember Thelda Williams, Phoenix
Mayor John Giles, Mesa
Lt. Governor Robert Stone, Gila River
Indian Community*

**Neither present nor represented*

Airport Staff Present

J. Brian O'Neill, Executive Director/CEO
Scott Brownlee, Deputy Director/COO
Chuck Odom, CFO
Maria Gonzalez, Clerk of the Board
Ann Marie Anderson, Attorney

Amy Arguilez, Town of Gilbert
Jamie Bennett, Town of Queen Creek
Stephen Bennett, Swanson Rink
Aric Bopp, City of Mesa
Matt Busby, City of Apache Junction
John Cox, Garver
Kent Dibble, Dibble Engineering
Patty Erfman, Grand Canyon Title
Chris Hacker, Mead & Hunt

Ken Halverson, Jetstrip/KMH
Fred Himovitz, HPI
Mitch Hooper, Mead & Hunt
Brian Howard, CEI
Jim McCauley, USI Insurance Services, LLC
Pearl Meza, City of Phoenix
Warde Nichols, Arizona State University
Steve Reeder, Kimley-Horn
Michael Wilke, Horrocks Engineers

1. Call to Order at 9:00 a.m. (Mayor Jenn Daniels)

2. Call to the Public

There were not comments from the public.

3. Executive Director's Report - J. Brian O'Neill, A.A.E., Executive Director/CEO

The Board of Directors received information related to operational activity, noise summary, fuel sales and financials. Fiscal Year-to-Date Actual Net Operating Income is \$914,612.

Mr. O'Neill briefed the Board of ongoing construction projects such as the TSA Security Screening Checkpoint Capacity Enhancement, Taxiway Alpha reconstruction, improvements to (South) Sossaman Road, renovation of Hangar 32, the expansion of the baggage handling system, and the Air Traffic Control Tower Remediation and Repair.

The 2018 FAR Part 139 Certification Inspection is complete without any reportable conditions. This is the second year in a row that PMGAA received a clean inspection and are awaiting the letter from the Federal Aviation Administration. The inspectors were effusive of the quality of the staff and condition of the Airport.

Since the November Board meeting, Mr. O'Neill met with United, Delta and Spirit to discuss the changes in the east valley and opportunities existing at Gateway Airport. The goal is to get them all out for a springs training game, and immerse them in the east valley buzz.

With respect to the Northeast Development Area Land Use Plan/Infrastructure Assessment, the FAA gave the environmental clearance for the 700 acres on the northeast side of the Airport. PMGAA is in the process of doing the highest and best land study to ensure the proper mix of public, private, aeronautical and non-aeronautical. The consultant and staff are drafting the study with intent to share with the Board in the near future. A key component is to find a way to invest enough infrastructure to unlock the 700 acres to get interest in relocating to Gateway Airport.

4. Presentations

a. SkyBridge Arizona Update - Shea Joachim, Business Development Director

Mr. Joachim updated the Board on the status of the two primary pre-closing conditions of the Master Development Agreement (MDA) approved in November 2017, as well as a few post-closing conditions to get a head start; pending Board approval.

During the due diligence process, SkyBridge went through on the site, a variety of areas and/or structures that had some environmental contamination. Specific areas were excluded as part of the Master Lease; however, there are certain structures SkyBridge included and will remediate. Expect remediation to be completed first week of March.

PMGAA required continued legal counsel for the development and implementation of the MDA and associated documents projected a not-to-exceed of \$50,000. To date, the project has exceeded the \$50,000 threshold for legal counsel and a request for additional funding in the amount of \$65,000 was approved. PMGAA Procurement Policy No. 16-46, the additional funding was classified under "Impractical Procurements".

b. FY19 Budget - Chuck Odom, Chief Financial Officer

Mr. Odom provided a conceptual budget for the Board's review with plans to return on March 20th for adoption of the FY19 Budget and Capital Budget.

5. Consent Agenda.

a. Minutes of the Board Meetings held on **December 19, 2017.**

b. **Resolution No. 18-01** Authorizing a contract with **USI Insurance Services, LLC** as the Authority's insurance broker for the procurement of Employee Health & Wellness Programs, at a cost not to exceed \$88,500.

c. **Resolution No. 18-02** Authorizing a contract with **Swanson Rink** to provide Design Services for the Baggage Claim Expansion Design Project (CIP 1004), in an amount not to exceed \$130,000.

d. **Resolution No. 18-03** Authorizing a contract with **Swanson Rink** to provide Design Services for the Bag Make-up Expansion Design Project (CIP 1047) in an amount not to exceed \$180,000.

**Mayor Gail Barney moved to approve the Consent Agenda.
Councilwoman Thelda Williams seconded the motion. The motion
was carried unanimously.**

Consideration and Possible Approval of:

- 6. Resolution No. 18-04** Authorizing a contract with **Mead & Hunt, Inc.** for Airport Master Planning Services in an amount not-to-exceed \$890,000; pending final approval from the Federal Aviation Administration.

Mayor Gail Barney moved to approve Resolution No. 18-04. Councilwoman Thelda Williams seconded the motion. The motion was carried unanimously.

7. Board Member Comments/Announcements.

Mayor Barney welcomed all to attend the State of the Town Address in Queen Creek on Wednesday, February 21 at 7:00 p.m.

- 8. Next Meeting: Tuesday, March 20, 2018 at 8:00 a.m.**

9. Adjournment.

The meeting adjourned at 9:51a.m.

- 10.** Dated this _____ day of _____, 20_____.

Maria E. Gonzalez, Clerk of the Board



Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

To: Board of Directors
From: Chuck Odom, Chief Financial Officer
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: Insurance Broker Services – All Lines Other Than Health & Welfare/Benefits
Date: March 5, 2018

Proposed Motion

To authorize a three-year contract, with two additional one-year periods at the sole option of Phoenix Mesa Gateway Airport Authority (PMGAA), with Mountain West Series of Lockton Companies, LLC (Lockton) for Insurance Broker Services in an amount not to exceed \$225,000 for a period of five (5) years.

Narrative

PMGAA utilizes insurance brokers to provide analysis, recommendations, and negotiations for property, automobile, workers' compensation, public officials/directors and officers, aviation liability, environmental, and other insurance coverages needed for the Airport. PMGAA also relies on our insurance broker to audit current insurance lines and limits to ensure they meet the benchmarks associated with industry standards, provide a comprehensive risk exposure evaluation, market trends and loss control services, work with PMGAA staff to review insurance requirements for contracts, provide training when requested to PMGAA staff and act as PMGAA's agent with insurance carriers to help resolve claims.

Request for Proposals No. 2018-012-RFP for Property and Casualty Insurance Broker Services was issued on November 16, 2017 and advertised in the Arizona Business Gazette from November 16, 2017 through December 14, 2017 on a weekly basis. The notice was also posted on PMGAA's website as well as the Arizona Airports Association, Airport Consultants Council, and Airports Council International-North America websites. Ten prospective respondents received the solicitation notice and PMGAA performed DBE and SBC outreach.

PMGAA staff evaluated the proposals received and recommends the contract be awarded to Lockton based on the fees charged, extensive airport, aviation, and environmental experience, in depth market knowledge, as well as PMGAA's access to insurance aviation experts throughout Lockton. Additionally, the evaluation panel unanimously ranked Lockton as number one.

The base contract period is from July 1, 2018 through June 30, 2021

Fiscal Impact

This contract was included in the FY19 operating budget and is funded under Insurance.

Attachment(s)

Professional Services Agreement C-2018012B.



RESOLUTION NO. 18-06

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS the Authority desires to enter into a contract with Mountain West Series of Lockton Companies, LLC;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes a three-year contract, with two additional one-year periods at the sole option of Phoenix-Mesa Gateway Airport Authority, with Mountain West Series of Lockton Companies, LLC (Lockton) for Insurance Broker Services in an amount not to exceed \$225,000 for a period of five (5) years. This resolution also authorizes the Chair or Executive Director/CEO to execute such Contract, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 20th day of March, 2018.

Jenn Daniels, Chair

ATTEST:

APPROVED AS TO FORM:

Maria Gonzalez, Clerk of the Board

Attorney



PHOENIX-MESA GATEWAY AIRPORT AUTHORITY

AND

**MOUNTAIN WEST SERIES OF LOCKTON COMPANIES, LLC
A SERIES ESTABLISHED BY LOCKTON COMPANIES, LLC**

FOR

INSURANCE BROKER SERVICES

CONTRACT NUMBER C-2018012B

The Phoenix-Mesa Gateway Airport is owned and operated by the Phoenix-Mesa Gateway Airport Authority (PMGAA), a joint powers airport authority authorized by the State of Arizona and consisting of the City of Mesa, City of Phoenix, City of Apache Junction, Town of Gilbert, Town of Queen Creek and the Gila River Indian Community.

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Phoenix-Mesa Gateway Airport Authority, a joint powers airport authority authorized by the State of Arizona (“PMGAA”) desires performance of the services more fully described in this **Contract Number C-2018012B** (“Contract”) and the attached exhibits. Mountain West Series of Lockton Companies, LLC, a Series established by Lockton Companies, LLC, a Missouri Series Limited Liability Company (“Consultant”), with its principal offices located at 8110 E. Union Avenue, Suite 700, Denver, Colorado, 80237, desires to perform these services.

Recitals

- A. PMGAA requires the services as described in this Contract, including any and all exhibits and amendments, and Consultant is willing to provide these and other services under this Contract; and
- B. PMGAA desires to contract with Consultant to provide services as noted herein.

Now therefore, in consideration of the recitals and the mutual covenants set forth below, PMGAA and Consultant agree as follows.

SECTION I – CONSULTANT SERVICES

The services to be performed by Consultant are specified in this Contract. PMGAA will not pay Consultant for any services that have not been authorized under the Contract.

The anticipated services to be provided by Consultant under this Contract shall generally include, but not be limited to, the following: insurance brokerage services, as more specifically described in the detailed scope of work attached as **EXHIBIT A**, “Scope of Services & Fee Schedule.”

PMGAA’s authorized representative shall be the PMGAA Chief Financial Officer, or his/her duly authorized representative, and that he/she shall be the sole contact for administering this Contract.

All services provided by Consultant under this Contract must be performed in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances in Arizona. Consultant makes no other warranty, expressed or implied.

SECTION II – PMGAA RESPONSIBILITIES

PMGAA shall furnish Consultant, at no cost to Consultant, the following information or services for this Contract:

- A. Access to copies of readily available data pertinent to work assignments affiliated with this Contract. This does not, however, relieve Consultant of the responsibility of searching records for additional information, for requesting specific information or for verification of that information provided. PMGAA does not warrant the accuracy or comprehensiveness of any information or documents provided to Consultant, except that PMGAA, to the best of its knowledge, will affirm the accuracy of insurance applications and other information submitted to Consultant.
- B. In PMGAA’s discretion and upon Consultant’s reasonable request, access to staff for consultation with Consultant during the performance of this contract in order to identify the problems, needs, and other functional aspects of the work.
- C. Prompt review of and feedback on Consultant’s deliverables. PMGAA will advise Consultant concerning progress of PMGAA’s review of the work, as needed.

SECTION III - PERIOD OF SERVICE

Consultant shall complete all work in accordance with the provisions of this Contract as amended.

All work initiated under this Contract must be completed on or before the expiration date of the Contract as amended.

The term of this Contract shall commence on July 1, 2018 and ends on June 30, 2021 (“Base Term”), unless terminated, canceled or extended as provided in this Contract. This Contract has two (2) optional one-year extensions that PMGAA may exercise as its sole discretion. Prior to the expiration of the Contract Base Term, PMGAA may elect to extend the Contract. If PMGAA exercises such right, all terms, conditions and provisions of the original Contract shall remain the same and apply during the extended period with the possible exception of

price. All fees for the optional renewal terms are provided for in **EXHIBIT A**, "Scope of Services & Fee Schedule.". Any extension of this Contract shall require an Amendment signed by both parties.

Consultant shall perform its services in a diligent manner and in accordance with this Contract.

SECTION IV – KEY PERSONNEL

The Consultant itself shall provide all services to be performed under this Contract. If Sub-Consultants are required by Consultant to perform any services listed under this contract, Consultant shall notify PMGAA prior to authorizing work by said Sub-Consultants. PMGAA may, at its sole discretion, accept or reject proposed Sub-Consultants.

When, in the Consultant's professional judgment, it is necessary, Consultant may utilize the services of foreign or domestic intermediaries to assist in the servicing, marketing and/or placement of PMGAA's insurance/risk management programs. However, this may only be done after consultation with and prior approval by PMGAA. Consultant will advise PMGAA whether any proposed intermediary is affiliated with Consultant. Any such intermediary shall be compensated by commissions earned on placement of PMGAA's policies handled by that intermediary, or by payment of a separate fee agreed to, in writing, by PMGAA and the intermediary if commissions are not properly payable on PMGAA's placements. Such commissions and fee shall be in addition to the compensation paid to Consultant as described herein.

Consultant shall not utilize a foreign intermediary that is included in the current list of countries that discriminate against United States firms as published by the Office of the United States Trade Representative (U.S.T.R).

SECTION V - PAYMENTS TO THE CONSULTANT

Consultant will be paid for work performed under this Contract plus any adjustments that have been approved in writing by PMGAA in accordance with the Phoenix-Mesa Gateway Airport Authority Procurement Policy. Payments will be made in accordance with **EXHIBIT B**, "Compensation."

All services to be rendered by Consultant are subject to the terms of **EXHIBIT B**, "Compensation" attached hereto.

PMGAA does not guarantee any minimum or maximum fee during the Term of this Contract, and Consultant, in executing this Contract, shall not anticipate or require any minimum or maximum fee.

PMGAA shall pay Consultant in agreed upon installments for services authorized and rendered under this Contract, provided Consultant has satisfactorily completed the requested work.

SECTION VI - ALTERATION IN SCOPE OF SERVICES

For any alteration in the Scope of Services that would materially increase or decrease the Contract fee, the parties shall negotiate an amendment to the Contract to be executed by PMGAA and Consultant. No work shall commence on any amendment or change until the amendment has been approved by PMGAA and Consultant has been notified to proceed by PMGAA. No claim for extra work done or materials furnished by Consultant will be allowed by PMGAA, except as provided herein, nor shall Consultant do any work or furnish any materials not covered by this Contract unless the work is first authorized in writing by PMGAA and the change complies with PMGAA's Procurement Policy. Any work or materials furnished by Consultant without advance, written authorization will be at Consultant's own risk, cost, and expense. Without written authorization, Consultant shall make no claim for compensation for such work or materials furnished.

SECTION VII - WORK ASSIGNMENT COMPLETION

If, during the Term of this Contract, situations arise which prevent work completion within the allotted time, PMGAA may grant an appropriate time extension.

SECTION VIII - OWNERSHIP OF DOCUMENTS

Any documents, including all electronic copies thereof, prepared under or as a result of this Contract, shall be the property of PMGAA. To the extent necessary to effectuate such ownership, Consultant hereby assigns all right, title

and interests to such documents to PMGAA. Consultant shall execute any separate agreements or documents, if any, which may be necessary to implement the terms of this Section.

All of Consultant's documents prepared under this Contract, including electronic files, are instruments of service. All of these documents become the property of PMGAA upon completion of the services and payment in full to Consultant. PMGAA may reuse or modify the documents, as it deems necessary, without Consultant's prior written authorization. PMGAA shall indemnify and hold harmless Consultant, its officers, directors, employees and subconsultants (collectively, the "Consultant") against any and all damages, liabilities or costs arising from PMGAA's modification of documents produced by Consultant under this Contract unless Consultant authorizes the modification in writing.

SECTION IX - COMPLIANCE WITH LAWS

Consultant shall comply with all federal, state and local laws, local ordinances and regulations throughout the Term.

Consultant's signature on this Contract certifies compliance with the provisions of the I-9 requirements of the *Immigration Reform and Control Act of 1986* for all personnel that Consultant and any subconsultants employ to complete any work assignment.

PMGAA shall administer this Contract in accordance with PMGAA's Procurement Policy.

SECTION X - GENERAL CONSIDERATIONS

- A. The failure of either party to enforce any of the provisions of this Contract or require performance of the other party of any of the provisions hereof shall not be construed to be a waiver of the provisions, nor shall it affect the validity of this Contract or the right of either party to enforce each and every provision.
- B. The fact that PMGAA has accepted or approved Consultant's work shall in no way relieve Consultant of responsibility for the work under this Contract.
- C. This Contract shall be governed by the laws of the state of Arizona, both as to interpretation and performance. Any action at law, suit in equity, or judicial proceeding for the enforcement of this Contract, or any provision thereof, shall be instituted only in the courts of the state of Arizona.
- D. All exhibits to this Contract and any amendments to the Contract are incorporated into it.

SECTION XI - NO KICK-BACK CERTIFICATION

Consultant warrants that no person has been employed or retained to solicit or secure this Contract upon any agreement or understanding for a commission, percentage, brokerage, or contingent fee and that no member of the PMGAA Board of Directors or any employee of PMGAA has any interest, financially or otherwise, in Consultant's firm.

For breach or violation of this warranty, PMGAA may annul this Contract without liability.

SECTION XII – SUSPENSION OF SERVICES

Consultant shall, within five (5) business days upon receiving written notice from PMGAA, suspend, delay, or interrupt all or a part of the Scope of Services. Consultant shall resume the Scope of Services within five (5) business days of receiving written notice from PMGAA.

SECTION XIII – TIMES OF PAYMENTS

Consultant shall submit quarterly invoices for services. PMGAA shall review, certify, and approve or reject each invoice in whole or in part. PMGAA shall pay each approved invoice within 30 calendar days of the date that PMGAA approves the invoice.

SECTION XIV – TIMELY REVIEW

PMGAA will review Consultant's studies, reports, proposals, and other related documents and render any decisions required by Consultant in a timely manner. Notwithstanding these reviews, Consultant remains solely responsible for all of its deliverables and services under this Contract. By PMGAA's reviews, PMGAA does not assume any liability for or retained control over Consultant's work or Consultant's responsibility for the safety of its employees.

SECTION XV – MEDIATION; ARBITRATION

All disputes between PMGAA and Consultant arising out of or relating to this Contract must first be submitted to nonbinding mediation unless the parties mutually agree otherwise in writing. In the event that the dispute(s) are not settled via nonbinding mediation, the parties shall proceed to and employ binding arbitration, as set forth in **EXHIBIT D**, “PMGAA Standard Terms and Conditions”, attached hereto and incorporated herein by reference.

PMGAA and Consultant shall include a similar mediation/arbitration provision in all agreements with other contractors and consultants retained for the Project and shall require all other independent contractors and consultants to include a similar mediation provision in all agreements with subcontractors, subconsultants, suppliers or fabricators retained by them.

SECTION XVI - LIABILITY OF CONSULTANT

To the fullest extent permitted by law, Consultant shall defend, save, indemnify, and hold harmless PMGAA, its member governments, departments, officers, employees, and agents from and against damages arising out of any act, error, or omission of Consultant arising directly from its services under this Contract.

SECTION XVII - LAWS AND REGULATIONS

All federal, state, and local laws and regulations that relate to Consultant’s services apply to Consultant’s performance of this Contract throughout. These laws and regulations are deemed included in this Contract the same as though written out in full, especially the current applicable Federal Aviation Administration (FAA) rules and regulations associated with airport projects; pertinent Airport engineering standards; and local rules, regulations, and industry standards.

SECTION XVIII INSURANCE REQUIREMENTS

1. Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees.
2. Minimum Scope and Limits of Insurance. Coverage shall be at least as broad as:
 - a. Professional Liability (Errors and Omissions): Insurance appropriate to the Consultant’s profession, with limit no less than \$5,000,000 per occurrence, claim or incident.
 - b. Commercial General Liability: Insurance Services Office Form CG 00 01, or equivalent form, covering Bodily Injury and Property Damage on an “occurrence” basis, including personal & advertising injury with limits no less than \$1,000,000 per occurrence, \$2,000,000 General Aggregate.
 - c. Auto Liability: ISO Form CA 00 01, or equivalent form, covering any auto (Symbol 1), or if Consultant has no owned autos, hired, (Symbol 8) and non-owned autos (Symbol 9), with limit no less than \$1,000,000 Combined Single limit per accident for bodily injury and property damage (\$5,000,000 if operating in the Air Operations Area of the Airport).
 - d. Workers’ Compensation: Statutory Limits as required by the state of Arizona, and Employer’s Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.
 - e. Privacy Liability: with limits no less than \$2,000,000 per occurrence and \$2,000,000 aggregate covering liability arising out of the breach of personally identifiable information whether the disclosure is committed intentionally, negligently, electronically or non-electronically. In addition, coverage is required for the breach of confidential corporate information.
 - f. Network Security Liability: with limits no less than \$2,000,000 per occurrence and \$2,000,000 aggregate covering liability arising from the interruption of PMGA systems caused by damage to Consultant’s computer programs or data that results from virus, hacking, a denial of service attack, a denial of access or a simple mistake by authorized personnel.
3. Additional insurance provisions. The insurance policies shall provide, or be endorsed to include, the following provisions:

- a. Notice of Cancellation: Consultant agrees to provide notice of cancellation in accordance with policy provisions.
- b. Waiver of Subrogation: Consultant waives any right to subrogation for Commercial General Liability, Commercial Auto Liability, and Workers' Compensation. Consultant shall obtain an endorsement necessary to affect this waiver of subrogation from the insurer required by this Contract.
- c. Primary Coverage: For all claims related to this Contract, Consultant's General Liability, Commercial Auto Liability, and Workers' Compensation insurance policies will be primary and non-contributory. Any insurance or self-insurance maintained by PMGAA, its officers, officials, employees, or volunteers will be in excess of Consultant's insurance and will not contribute with it.
- d. Acceptability of Insurers: Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A, VII, unless otherwise acceptable to the PMGAA.
- e. Claims Made Policies: No Claims Made policies (other than Professional Liability) will be accepted. For policies that provide claims-made coverage:
- 1) The Retroactive Date must be shown, and must be before the date of the contract or the beginning of contract work.
 - 2) Insurance must be maintained and evidence of insurance must be provided for at least two (2) years after completion of the contract of work if commercially available.
 - 3) If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Consultant must purchase "extended reporting" coverage for a minimum of two (2) years after completion of work if commercially available.
- f. Verification of Coverage: Consultant shall furnish the PMGAA with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the PMGAA before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide the required insurance.
- g. Subcontractors: Consultant shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Consultant shall ensure that PMGAA is an additional insured on insurance required from subcontractors.
- h. Special Risks or Circumstances: PMGAA reserves the right to modify these requirements with advance written notice to and consultation with Consultant to reach a mutually agreeable outcome as respects to any new insurance requirements that coincide with expanded services offered by Consultant, including limits, based on the nature of the risk, scope of services, prior experience, insurer, coverage, or other special circumstances.

OFFER AND ACCEPTANCE

IN WITNESS WHEREOF, the parties herein have executed this Contract.

(Firm Name)	Address
Principal (Signature)	City State Zip
Printed Name	Phone
Federal Tax Identification Number	Fax

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, a joint powers airport authority authorized by the State of Arizona

ACCEPTED AND APPROVED:

J. Brian O’Neill, A.A.E. Executive Director/CEO	Date
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ATTEST:

Name/Clerk of the Board	Date
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EXHIBIT A - SCOPE OF SERVICES & FEE SCHEDULE

The services to be performed by Consultant and the completion of related efforts are specified in the following Scope of Services & Fee Proposal agreed to by the parties.

SCOPE OF SERVICES:

Consultant must provide, at a minimum, the following insurance brokerage services for the insurance coverages Consultant is to provide and they must possess and keep in force all licenses and permits required to perform the services listed herein but which are not limited to the following:

- Market PMGAA's insurance program for coverage when instructed to do so by PMGAA, including assisting staff in the completion of all applications, documents and gathering data which may be requested by insurance companies.
- Analyze proposals received from various insurance companies and other parties, negotiate changes for the benefit of PMGAA and verify the reasonableness of the price for the coverage provided. Make recommendations to PMGAA as to the most advantageous insurance program providing the highest level of coverage at the best possible price to meet PMGAA's needs and objectives.
- Provide PMGAA with a summary of various insurance program quotations and options, including but not limited to: limits, coverages, retention levels, terms, conditions, and payment options.
- Provide analysis and recommendations as to the most cost-effective means for addressing PMGAA's airport exposures.
- Represent PMGAA in all negotiations with insurers, underwriters and other parties with regard to the insurance program.
- When instructed to do so by PMGAA, administer the placement of coverage and provide original binders, policies and endorsements as required by PMGAA.
- Provide extensive review of binders and policies including verification of conformity to specifications. Request any necessary endorsements/changes/revisions that may be required.
- Provide verifications of insurance, as needed by PMGAA, to satisfy various lending institutions, mortgage holders, lessors and contracts.
- Assure that insurance policies are placed with insurance companies classified by A.M. Best's Key Rating Guide as A+ and Class 7, or better and keep PMGAA informed of any changes in rating of the companies and making recommendations should ratings change during the policy term.
- Continually evaluate the insurance program and recommend coverage changes and improvements to provide the highest level of coverage at the least possible cost to PMGAA. Oversee and coordinate all relevant services performed by insurance companies/underwriters or any service agencies.
- Perform administrative and clerical services relative to account management, including but not limited to, issuance of certificates of insurance, and verification of audits and all premium adjustments.
- If applicable, submit all premiums/payments to carriers, and other parties.
- Assign an Account Manager to PMGAA who will be responsible for communication with the staff and who, along with any other team members assigned, must be available on a daily basis to the staff for advice and consultation on insurance program related issues and concerns.
- Audit current lines and limits and ensure all are in line with other similar size airports and also meet the benchmarks associated with industry standards.
- Provide, on an annual basis, a comprehensive risk exposure evaluation to identify avenues for risk transfer of actual or potential loss faced by PMGAA.
- Review any related insurance company audits for accuracy.
- Provide PMGAA with aviation insurance market trends on a regular basis.

- Work with staff to review insurance requirements / recommendations for all contracts and agreements PMGAA enters into in order to ensure proper coverage for PMGAA.
- Act as PMGAA's agent with carriers to resolve claims.
- Provide loss control services to include analyzing of current programs and providing recommendations to improve. This should include reviewing of open claims and trends with respect to loss control.
- Provide training on insurance coverage, industry recommendations, insurance terminology, etc. to PMGAA staff as requested.
- Provide all services defined in this solicitation, for the flat fee compensation as set forth in Exhibit A, Scope of Services & Fee Schedule. No other fee/compensation is applicable.
- Consultant understands that it will be representing and working on behalf of PMGAA for the term of this agreement.

Consultant agrees to provide additional services as those outlined in Consultant's Proposal in response to PMGAA's Request for Qualifications, Solicitation 2018-012-RFP, which is made a part of this Agreement by reference.

FEE SCHEDULE:



Attachment D
Fee Schedule

Offeror to complete applicable section(s). The fee stated herein by Offeror shall be all inclusive, meaning that all related items, including labor, travel, deliverables, tools, materials, equipment, supplies, expenses, etc. shall be factored into the fees listed below. Travel, including airfare, hotel, meals, and any other related accommodations are Offeror's responsibility and will not be reimbursed or paid for by PMGAA.

1. Health and Welfare Employee Benefits Programs

- \$ _____ Year One (1)
\$ _____ Year Two (2)
\$ _____ Year Three (3)
\$ _____ Year Four (4) Optional Extension
\$ _____ Year Five (5) Optional Extension

2. Airport Liability, Property, Automobile, Fuel Farm Property, Fuel Farm Inland Marine, Crime, Directors & Officers and Employment Practices, Environmental and Worker's Compensation Lines of Insurance.

- \$45,000 _____ Year One (1)
\$45,000 _____ Year Two (2)
\$45,000 _____ Year Three (3)
\$45,000 _____ Year Four (4) Optional Extension
\$45,000 _____ Year Five (5) Optional Extension

Exceptions / Clarifications:

New lines of coverage outside of those included above shall be written with commission.

Proposal Certification

By my signature, I certify that I am authorized to bind this firm/individual to provide the services accepted herein, in compliance with the scope of work, technical specifications and other terms and conditions in this Request for Proposal at the price provided on this Price Page.

Kevin P. Cummings
Printed Name Signature

EXHIBIT B - COMPENSATION

All compensation for services rendered by Consultant shall be based upon criteria established below. All services must be billed through the Consultant.

1. Fees to be Specified in Contract

Any and all services to be performed under this Contract require approval. All compensation for services shall be identified in writing. The Contract shall describe the scope of services to be performed (by tasks and subtasks, where appropriate), the fees associated with that performance, and any applicable special provisions. Consultant's compensation for services included in this Contract is totaled and set forth in **EXHIBIT A**, "Scope of Services and Fee Schedule".

2. Method of Payment

Subject to the terms of this Contract, PMGAA shall pay Consultant the appropriate price amount for services rendered as described in the Contract only after Consultant has submitted an invoice for services performed and PMGAA has certified and approved each invoice.

Consultant's invoices must specify that Consultant has performed the services, and PMGAA must certify and approve each invoice as a condition to payment.

3. Consultant Responsibilities for Compensation

Consultant shall prepare quarterly invoices in accordance with terms specified in the Contract. All invoices for payment shall be for work completed unless otherwise agreed to by PMGAA.

4. PMGAA Responsibilities for Compensation

PMGAA agrees to pay Consultant's invoices for payment within 30 calendar days after the invoice is approved. PMGAA may withhold payment on any invoice if it believes that Consultant has not performed the work in a satisfactory manner. If PMGAA withholds payment to Consultant, PMGAA shall promptly notify Consultant and explain the reasons for the decision to withhold payment.

5. Billing Address

All invoices submitted to PMGAA for payment shall be submitted to:

Phoenix-Mesa Gateway Airport Authority
Attn: Procurement Coordinator
5835 S. Sossaman Road
Mesa, Arizona 85212

EXHIBIT C - SPECIAL PROVISIONS

1. Civil Rights Act of 1964, Title VI – General

The contractor agrees to comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color or national origin, sex, age or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance.

2. Civil Rights Act of 1964, Title VI – Assurances

During the performance of this Contract, the contractor, for itself, its assignees and successors in interest agrees as follows:

- a. Compliance with Regulations – Compliance with Regulations: The contractor (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts And Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.
- b. Nondiscrimination – The contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR Part 21.
- c. Solicitations for Subcontracts, including Procurements of Materials and Equipment – In all solicitations, either by competitive bidding, or negotiation made by the contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the contractor of the contractor's obligations under this contract and the Nondiscrimination Acts And Authorities on the grounds of race, color, or national origin.
- d. Information and Reports – The contractor will provide all information and reports required by the Acts, the Regulations and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by PMGAA or the FAA to be pertinent to ascertain compliance with such Nondiscrimination Acts And Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the contractor will so certify to PMGAA or the FAA as appropriate, and will set forth what efforts it has made to obtain the information.
- e. Sanctions for Noncompliance – In the event of a contractor's noncompliance with the Nondiscrimination provisions of this contract, the Recipient will impose such contract sanctions as it or the FAA may determine to be appropriate, including, but not limited to:
 - i) Withholding of payments to the contractor under the contract until the contractor complies, and/or;
 - ii) Cancellation, termination, or suspension of the Contract, in whole or in part.
- f. Incorporation of Provisions – The contractor will include the provisions of paragraphs one through six of this **EXHIBIT C** in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. The contractor will take action with respect to any subcontract or procurement as PMGAA or the FAA may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the contractor may request PMGAA to enter into any litigation to protect the interests of PMGAA. In addition, the contractor may request the United States to enter into the litigation to protect the interests of the United States.

3. Civil Rights – Title VI List of Pertinent Nondiscrimination Acts and Authorities

During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the “contractor”) agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

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

4. Federal Fair Labor Standards Act

This contract and all subcontracts that result from this contract incorporate by reference the provisions of 29 CFR part 201, the Federal Fair Labor Standards Act (FLSA), with the same force and effect as if given in full text.

The Consultant has full responsibility to monitor compliance to the referenced statute or regulation. The Consultant must address any claims or disputes that arise from this requirement directly with the U.S. Department of Labor – Wage and Hour Division.

5. Occupational Safety and Health Act of 1970

This contract and all subcontracts that result from this contract incorporate by reference the provisions of 29 CFR part 1910 with the same force and effect as if given in full text. Consultant must provide a work environment that is free from recognized hazards that may cause death or serious physical harm to the employee. The Consultant retains full responsibility to monitor its compliance and their subcontractor’s compliance with the applicable requirements of the Occupational Safety and Health Act of 1970 (20CFR Part 1910). Consultant must address any

claims or disputes that pertain to a referenced requirement directly with the U.S. Department of Labor – Occupational Safety and Health Administration.

6. Lobbying and Influencing Federal Employees

- a. No federal appropriated funds shall be paid, by or on behalf of Consultant, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making of any federal grant and the amendment or modification of any federal grant.
- b. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any federal grant, the contractor shall complete and submit Standard Form-LLL, “Disclosure of Lobby Activities,” in accordance with its instructions.

7. Access to Records and Reports

Consultant shall maintain an acceptable cost accounting system. Consultant further agrees to provide PMGAA, the FAA and the Comptroller General of the United States, or any of their duly authorized representatives, access to any books, documents, papers, and records of Consultant which are directly pertinent to this specific Contract for the purpose of making audit, examination, excerpts and transcriptions. Access shall be granted with prior written notice, at a mutually agreed upon time and place, and during normal business hours. Consultant agrees to maintain all books, records and reports required under this Contract for a period of not less than three (3) years after final payment is made and all pending matters are closed.

8. Breach of Contract Terms

Any violation or breach of terms of this Contract on the part of Consultant or its subconsultants or subcontractors may result in suspension or termination of this Contract, or such other action that may be necessary to enforce the rights of the parties with respect thereto. The duties and obligations imposed by the Contract and the rights and remedies available thereunder shall be in addition to, and not a limitation of, any duties, obligations, rights and remedies otherwise imposed or available by law.

9. Rights to Inventions

All rights to inventions and materials generated under this Contract are subject to regulations issued by the FAA and PMGAA of the federal grant under which this Contract is executed.

10. Trade Restriction Clause

- a. Consultant or its subconsultants/subcontractors, by submission of an offer and/or execution of a contract, certifies that it:
 - i. Is not owned or controlled by one or more citizens of a foreign country included in the list of countries that discriminate against U.S. firms published by the Office of the United States Trade Representative (USTR);
 - ii. Has not knowingly entered into any contract or subcontract for this project with a person that is a citizen or national of a foreign country on the list, or is owned or controlled directly or indirectly by one or more citizens or nationals of a foreign country on the list; and
 - iii. Has not procured any product nor subcontracted for the supply of any product for use on the project that is produced in a foreign country on the list.
- b. Unless the restrictions of this clause are waived by the Secretary of Transportation in accordance with 49 CFR 30.17, no contract shall be awarded to a contractor or subcontractor who is unable to certify to the above. If the contractor knowingly procures or subcontracts for the supply of any product or service of a foreign country on the list for use on the project, the FAA may direct PMGAA cancellation of this Contract at no cost to the Government.

- c. Further, Consultant shall incorporate this provision for certification without modification in each contract and in all lower tier subcontracts. Consultant may rely on the certification of a prospective subcontractor unless it has knowledge that the certification is erroneous.
- d. Consultant shall provide immediate written notice to PMGAA if Consultant learns that its certification or that of a subcontractor was erroneous when submitted or has become erroneous by reason of changed circumstances. The subcontractor shall agree to provide written notice to Consultant if at any time it learns that its certification was erroneous by reason of changed circumstances.
- e. This certification is a material representation of fact upon which reliance was placed when the Contract was awarded. If it is later determined that Consultant or its subcontractor knowingly rendered an erroneous certification, the FAA may direct PMGAA cancellation of this Contract or any subcontract for default at no cost to the Government.
- f. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by this provision. The knowledge and information of Consultant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
- g. This certification concerns a matter within the jurisdiction of an agency of the United States of America and the making of a false, fictitious, or fraudulent certification may render the maker subject to prosecution under Title 18, United States Code, Section 1001.

11. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion

Consultant, by accepting this Contract, certifies that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency. Consultant shall include this clause without modification in all lower tier transactions, solicitations, proposals, contracts, and subcontracts. Where the Consultant or any lower tier participant is unable to certify to this statement, it shall provide a written explanation to PMGAA.

12. Project Security

As some or all portions of work possible during the Term of this Contract may be located inside the secured area of the Airport, adherence to and familiarity with federal security regulations is essential. For these projects, Consultant shall be responsible for fulfilling the security requirements described herein.

- a. Secured Area Access – All Consultant personnel who require unescorted access to the secured area of the Airport, prior to the issuance of an Airport Identification badge, must successfully complete the Security Badge Application and Security Badge Authorization forms.
- b. Employee Security Badges – All Contractor and/or subcontractor personnel performing work functions in accordance with this Contract shall obtain and properly display an Airport security badge. Consultant shall submit a Security Badge Application form to the PMGAA security office for each employee requiring unescorted access, along with the current fee for each badge. Badge fees are identified on the current *Airport Fees, Services and Rental Rates* available via the Airport website at www.gatewayairport.com and are subject to change.
 - i. All fees must be paid to PMGAA by cash or check.
 - ii. Airport Security Badge Application forms and instructions are available via the Airport website at www.gatewayairport.com.
 - iii. An authorized representative of Consultant must also obtain and submit a Security Media Authorization form, which is to be submitted to the PMGAA badging office. The Security Media Authorization form and instructions are available via the Airport website at www.gatewayairport.com.
 - iv. A training class on aviation security must be successfully completed before individuals are issued a badge. Fees for the security badge include attendance for the necessary training classes. Attendance at the security classes and issuance of the security badge may take two hours per person.
 - v. Additional information, including a “Frequently Asked Questions” is available via the Airport website at www.gatewayairport.com or by contacting the PMGAA Badging Office at (480) 988-7522. The Badging Office is located at 5803 S. Sossaman Road, Mesa AZ 85212.

- vi. Consultant shall immediately notify the PMGAA Badging Office of any Consultant personnel whose employment status has changed.
 - vii. Consultant shall retrieve all security badges and keys and return them to the PMGAA Badging Office. A fee, as indicated on the most current *Airport Rates and Charges Schedule*, will be charged for each badge that is damaged, lost or not returned.
 - viii. The PMGAA Badging Office will require a completed Security Badge Application from each Consultant employee so certified by Consultant as requiring such before a Security Badge is issued.
 - ix. Under certain circumstances and out of control of PMGAA, security measures may change on short notice. No deviations from any security measure shall be allowed at any time.
 - x. At all times, aircraft shall have the right-of-way over all vehicle traffic.
- c. **Fines** – Due to both the safety and security precautions necessary at the Airport, any failure of the Consultant to adhere to prescribed Airport requirements/regulations has consequences that may jeopardize the health, welfare and lives of Airport customers and employees, as well as the Consultant’s own employees. Therefore, if Consultant is found to be in non-compliance with any security, airfield badging/licensing and airfield safety requirement, a Notice of Violations (NOV) may be issued. A current listing of fines is available by contacting the PMGAA Badging Office.

13. Standard Terms & Conditions

PMGAA’s Standard Terms & Conditions (in **EXHIBIT D** attached) include clauses that pertain to both construction and professional services. For such, the term “contractor” is to be considered same as “consultant.” If a clause implies construction service then it is waived for a professional services contract. PMGAA reserves the right to make that determination if there is a conflict.

14. Federal and State Guidelines and Regulations

All work performed under this Contract must satisfy FAA and applicable agency standards, and be accomplished in accordance with applicable federal, state and local guidelines and regulations, including FAA Advisory Circulars, NEPA and Arizona environmental statutes.

Consultant shall perform the services as described in approved Contract in accordance with the applicable requirements imposed by PMGAA, ADOT, FAA and any other applicable sponsoring agencies. Consultant and its subconsultants/subcontractors, if any, shall comply with any and all applicable laws, regulations, executive orders, policies, guidelines, and any other requirements for FAA Airport Improvement Program (AIP) projects. Consultant shall provide PMGAA all information, reports, documents, and/or certifications requested by PMGAA for the satisfaction of any grant requirements for the reimbursement of services, including, without limitation, identifying the specific services provided by Consultant and the billing period(s) during which services were or are to be provided. Nothing herein shall be construed as making the FAA or ADOT a party to this Contract.

15. Right to Contract With Other Firms

PMGAA shall have the right to contract with other firms and/or persons and/or to self-perform additional services, which may be the subject of this Contract. Consultant shall conduct its operations and perform any services authorized under the Contract so as not to interfere with or hinder the progress of completion of the work being performed by PMGAA and/or other firms and/or persons. Consultants working on the same project shall cooperate with each other in the performance, scheduling, and, if applicable, the integration of their respective services.

16. Independent Contractor Status

At all relevant times, Consultant is - and shall remain - an independent contractor with regard to performance of its services. PMGAA retains no control over Consultant, the performance of its work or services, or the safety of its employees. Consultant is not authorized to enter into any contract or commitment, authorize any payment, or accept any document, services, goods or materials for, in the name of, or on behalf of PMGAA.

EXHIBIT D – PMGAA STANDARD TERMS & CONDITIONS

1. Certification

By signature in the offer section of the Offer and Acceptance page, Consultant certifies:

- a. The award of this Contract did not involve collusion or other anti-competitive practices.
- b. It shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11246, or A.R.S. Section 31-1461, et. seq.
- c. It has not given, offered to give, nor intends to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with this Contract; and Consultant hereby certifies that the individual signing this Contract is an authorized agent for Consultant and has the authority to bind the Consultant to the Contract.

2. Termination of Contract

- a. This Contract may be terminated at any time by mutual written consent or by PMGAA - with or without cause - provided the terminating party gives 30 calendar days' advance written notice to the other party. PMGAA may terminate this Contract, in whole or in part, for PMGAA's convenience and on 30 days' written notice. If this Contract is terminated, then PMGAA is liable only for services rendered and material received, certified, and approved by PMGAA under the Contract before the termination effective date.
- b. PMGAA reserves the right to cancel this Contract in whole or in part due to failure of Consultant to carry out any term, promise, or condition of the Contract. At least thirty (30) days before terminating the Contract, PMGAA will issue a written notice of default specifying one of the following reasons.
 - i. Consultant has provided personnel that do not meet the requirements of the Contract.
 - ii. Consultant has failed to perform adequately the stipulations, conditions or services/specifications required in this Contract.
 - iii. Consultant has attempted to impose on PMGAA personnel or materials, products, or workmanship of unacceptable quality.
 - iiii. Consultant has failed to furnish the required service(s) and/or product(s) within the time stipulated in the Contract or associated Authorization of Services.
 - iv. Consultant has failed to make progress in the performance of the requirements of the Contract or Authorization of Services, or Consultant fails to give PMGAA adequate assurance the Consultant will perform the Contract in full and on time.
 - vi. Each payment obligation of PMGAA created hereby is conditioned on the availability of PMGAA, state, or federal funds appropriated for payment of the obligation. If funds are not available or allocated by PMGAA for continuance of service under this Contract, then PMGAA may terminate the Contract. PMGAA shall promptly notify Consultant regarding the service that may be affected by a shortage of funds. No penalty accrues to PMGAA if this provision is exercised, and PMGAA shall not be liable for any future payments due or for any damages as a result of termination under this paragraph.

3. Records

Internal control over all financial transactions related to this Contract shall be in accordance with sound fiscal policies. PMGAA may, after prior written notice and at a mutually agreed upon time and place during normal business hours, audit the books and records of Consultant or any and all of Consultant's subconsultants or subcontractors. The audit shall be limited to this Contract and its scope of services.

4. Arbitration

At PMGAA's sole option, disputes between the parties may be resolved through arbitration as provided in A.R.S. Section 12-1501, *et seq.* Consultant shall continue to render the services required by this Contract without interruption, notwithstanding either party has filed suit against the other or PMGAA has expressly agreed to arbitration and either party has demanded arbitration.

5. Independent Contractor

At all times, each party acts in its individual capacity and not as agent, employee, partner, joint venturer, or associate the other party. An employee or agent of one party may not be deemed or construed to be the employee or agent of the other party for any purpose whatsoever. Neither Consultant nor any of its employees are entitled to compensation from PMGAA in the form of salaries, paid vacation, or sick days.

PMGAA will not provide any insurance to Consultant, including *Workers' Compensation* coverage. PMGAA will not withhold FICA, taxes, or any similar deductions from PMGAA's payments under this Contract.

6. Affirmative Action

Consultant shall abide by all the federal and state of Arizona provisions for equal opportunity in the work place.

7. Human Relations

Consultant shall abide by all the federal and state of Arizona provisions against discrimination of disadvantaged business enterprises in applicable PMGAA contracts.

8. Non-Exclusive Contract

This Contract is for the sole convenience of PMGAA. PMGAA reserves the right in its discretion to obtain the same or similar goods or services from any other source.

9. Patent Infringement

The procuring agency should advise Consultant of any impending patent suit and provide all information available. Consultant shall defend any suit or proceeding brought against the procurement agency based on a claim that any equipment, or any part thereof, furnished under this contract constitutes an infringement of any patent, and the Contract shall pay all damages and costs awarded therein, excluding incidental and consequential damages, against the procuring agency. In case the equipment, or any part thereof, is in such suit held to constitute infringement and use of the equipment or part is enjoined, Consultant shall, at its own expense and at its option, either procure for the procuring agency the right to continue using the equipment or part, or replace same with non-infringing equipment, or modify it so it becomes non-infringing.

10. Americans with Disabilities Act

Consultant shall comply with all applicable provisions of the *Americans with Disabilities Act* (Public Law 101-336, 42 U.S.C. 12101-12213) and applicable federal regulations under the *Act*.

11. Confidentiality of Records

Consultant shall establish and maintain procedures and controls that are reasonably acceptable to PMGAA for the purpose of assuring that no information contained in its records or obtained from PMGAA or from others in carrying out its functions under the Contract shall be used by or disclosed by it, its agents, officers, or employees, except as required to efficiently perform duties under this Contract. Persons requesting such information should be referred to PMGAA. Consultant also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of Consultant as needed for the performance of duties under the Contract, unless otherwise agreed to in writing by PMGAA.

Consultant may retain a copy of the information for archival purposes (the "Archival Copy"), provided, that such Archival Copy shall remain subject to Consultant's confidentiality obligations hereunder. Upon PMGAA's request, Consultant shall promptly destroy or return to PMGAA all of PMGAA's information including all copies thereof (except the Archival Copy).

Notwithstanding the foregoing, Consultant shall not be obligated to erase or destroy information that is contained on archived computer system backup tapes or other forms of electronic backup media.

12. Shipment under Reservation Prohibited

Consultant is not authorized to ship materials under reservation and no tender of a bill of lading shall operate as a tender of the materials. Non-compliance shall conform to the cancellation clause set forth within this Contract.

13. Gratuities

PMGAA may, by written notice to the Consultant, cancel this Contract if it is found that gratuities, in the form of entertainment, gifts or otherwise, were offered or given by Consultant or any agent or representative of Consultant, to any officer or employee of PMGAA involved in the amending, or the making of any determinations with respect to the performing of such Contract. If this Contract is canceled by PMGAA under this provision, PMGAA shall, in addition to any other rights and remedies, repay to the Consultant the amount of the gratuity.

14. Applicable Law

This Contract shall be governed by, and PMGAA and Consultant shall have, all remedies afforded each by the *Uniform Commercial Code*, as adopted in the state of Arizona, except as otherwise provided in this Contract or in laws pertaining specifically to PMGAA. This Contract shall be governed by the laws of the state of Arizona, and suits pertaining to this Contract shall be brought only in federal or state courts in the state of Arizona.

15. Contract

This Contract is based on and the result of a negotiated Scope of Services and Fee Proposal submitted by Consultant. The Contract contains the entire agreement between PMGAA and Consultant. No prior oral or written agreements, contracts, proposals, negotiations, purchase orders, or master agreements (in any form) are enforceable between the parties.

16. Legal Remedies

All claims and controversies shall be subject to the PMGAA Procurement Code.

17. Contract Amendments

This Contract shall be modified only by a written amendment signed by the PMGAA Executive Director or his/her designee, and persons duly authorized to enter into contracts on behalf of Consultant.

18. Provisions Required by Law

Each and every provision of law and any clause required by law to be in the Contract shall be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party the Contract shall forthwith be physically amended to make such insertion or correction.

19. Severability

The provisions of this Contract are severable to the extent that any provision or application held to be invalid shall not affect any other provision or application of the Contract, which may remain in effect without the valid provision, or application.

19. Protection of Government Property

Consultant shall use reasonable care to avoid damaging all PMGAA property, including buildings, equipment, and vegetation (such as trees, shrubs, and grass). If Consultant damages PMGAA's property in any way, Consultant shall immediately repair or replace the damage at no cost to PMGAA, as directed by the PMGAA Executive Director. If Consultant fails or refuses to repair or replace the damage, then PMGAA may terminate the Contract, and PMGAA shall deduct the repair or replacement cost from money due Consultant under the Contract.

21. Interpretation – Parol Evidence

This Contract is intended by the parties as a final expression of their agreement and is intended also as a complete and exclusive statement of the terms thereof. No course of prior dealings between the parties and no usage of the trade shall be relevant to supplement or explain any term used in this Contract. Acceptance or acquiescence in a course of performance rendered under this Contract shall not be relevant to determine the meaning of this Contract even though the accepting or acquiescing party has knowledge of the nature of the performance and opportunity to object.

22. Assignment – Delegation

No right or interest in this Contract shall be assigned by Consultant without prior written permission of PMGAA, and no delegation of any duty of Consultant shall be made without prior written permission of PMGAA's Executive Director or his/her designee. PMGAA shall not unreasonably withhold approval and shall notify Consultant of PMGAA's position within fifteen (15) business days of receipt of written notice by Consultant.

23. Subcontracts

Consultant may not enter into a subcontract with any other party to furnish any of the material/service specified herein without PMGAA's advance written approval. All subcontracts shall comply with federal and state laws and regulations applicable to the services covered by the subcontract and shall include all the terms and conditions set forth herein, which shall apply with equal force to the subcontract, as if the subcontractor were the Consultant referred to herein. Consultant is responsible for Contract performance whether or not subcontractors are used. PMGAA shall not unreasonably withhold approval and shall notify Consultant of PMGAA's position within fifteen (15) business days of receipt of written notice by Consultant.

For the avoidance of doubt, underwriters, wholesalers, insurance intermediaries, and carriers shall not be considered subcontractors under this Agreement.

24. Rights and Remedies

No provision in this Contract shall be construed, expressly or by implication, to waive either party's existing or future claim, right, or remedy available by law for breach of contract. The failure of either party to insist on strict performance of any Contract term or condition; to exercise or delay exercising any right or remedy provided in the Contract or by law; or to accept materials, services, or Consultant's services under this Contract or imposed by law, shall not be deemed a waiver of any right of either party to insist upon strict performance of the Contract.

25. Warranties

Consultant warrants that all materials and services delivered under this Contract shall conform to the specifications thereof. Mere receipt of shipment of the material or service specified and any inspection incidental thereto by PMGAA, shall not alter or affect the obligations of Consultant or the rights of PMGAA under the foregoing warranties. Additional warranty requirements may be set forth in this Contract.

26. Indemnification

To the fullest extent permitted by law, Consultant shall defend, save, indemnify, and hold harmless PMGAA, its agents, representatives, officers, directors, officials, and employees (collectively the "Indemnitees"), for, from and against all claims, damages, losses and expenses, including but not limited to attorney fees, court costs, expert witness fees, and the cost of appellate proceedings, relating to and arising directly out of the Consultant's acts, errors, omissions, or mistakes relating to Consultant's services under this Contract.

27. Overcharges by Antitrust Violations

PMGAA maintains that, in actual practice, overcharges resulting from antitrust violations are borne by the purchaser. Therefore, to the extent permitted by law, Consultant hereby assigns to PMGAA any and all claims for such overcharges as to the materials or services used to fulfill the Contract.

28. Right to Assurance

Whenever one party to this Contract in good faith has reason to question the other party's intent to perform, the former party may demand that the other party give a written assurance of this intent to perform. If a demand is made and no written assurance is given within five (5) business days, the demanding party may treat this failure as an anticipatory repudiation with this Contract.

29. Advertising

Consultant shall not advertise or publish information concerning this Contract without prior written consent of PMGAA.

30. Right to Inspect

PMGAA may, after prior written notice and at a mutually agreed upon time and place during normal business hours, and at PMGAA's expense, inspect the place of a Consultant's or subcontractor's business, which is related to the performance of this Contract or related subcontract.

31. Force Majeure

- a. Neither party is liable to the other, and neither party may be deemed in default under this Contract, if and to the extent that such party's performance of this Contract is prevented by reason of Force Majeure. The term "Force Majeure" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Force Majeure does not include late performance by a subcontractor unless the delay arises out of a specific Force Majeure in accordance with this Force Majeure term and condition.
- b. If either party is delayed at any time in the progress of the work by Force Majeure, the delayed party shall notify the other party in writing, as soon as practical, of the delay and shall specify the causes of delay in the notice. The notice must be hand-delivered or mailed certified-return receipt and must specifically refer to this section. The delayed party shall cause the delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The date of completion will be extended by Contract modification or amendment for the period of time that the completion date is necessarily delayed. This time extension is the Consultant's exclusive remedy for delay.

32. Inspection

All material or service is subject to final inspection and acceptance by PMGAA. Material or service failing to conform to the specifications of this Contract will be held at Consultant's risk and may be returned to Consultant. Noncompliance shall conform to the cancellation clause set forth in this Contract.

33. Exclusive Possession

All services, information, computer program elements, reports, and other deliverables, which may be created under this Contract, are the sole property of PMGAA and shall not be used or released by Consultant or any other person except with prior written permission by PMGAA.

34. Title and Risk of Loss

The title and risk of loss of materials or services shall not pass to PMGAA until PMGAA actually receives the material or service at the Airport, unless otherwise provided within this Contract.

35. No Replacement of Defective Tender

Every tender of materials must fully conform to all provisions of this Contract. If Consultant tenders a material or service that does not fully conform, PMGAA may terminate this Contract.

36. Default in One Installment to Constitute Total Breach

Consultant shall deliver conforming materials and services in each installment or lot of this Contract. Consultant may not substitute nonconforming materials or services. Delivery of nonconforming materials or a default of any nature, at the option of PMGAA, will constitute breach of the Contract as a whole.

37. Liens

All materials, services, and other deliverables supplied to PMGAA under this Contract must be free of all liens and other encumbrances. Upon request of PMGAA, Consultant shall provide a formal release of all liens.

38. Licenses

Consultant shall maintain in current status all federal, state, and local licenses and permits required for the operation of the business conducted by Consultant as applicable to this Contract.

39. Cost Of Proposal Preparation

The PMGAA shall not reimburse the cost of developing, presenting, or providing any response to this solicitation. Bids/proposals submitted for consideration should be prepared simply and economically providing adequate information in a straightforward and concise manner.

40. Public Record

All proposals submitted in response to this request shall become the property of the PMGAA and shall become a matter of public record available for review subsequent to the award notification.

41. Subsequent Employment

PMGAA may cancel this Contract without penalty or further obligation in accordance with A.R.S. Section 38-511 if any person significantly involved in initiating, negotiating, securing, drafting, or creating the contract, on behalf of the PMGAA is or becomes, at any time while the Contract or any extension of the contract is in effect, an employee of, or a contractor to any other party to this Contract with respect to the subject matter of the Contract. Such cancellation shall be effective when the parties to this Contract receive written notice from PMGAA, unless the notice specifies a later time.

42. Clean Up

Consultant shall at all times keep Contract performance areas, including storage areas used by the Consultant, free from accumulation of waste material or rubbish and, prior to completion of the work, remove any rubbish from the premises and all tools, scaffolding, equipment and materials not property of PMGAA. Upon completion of any repair, Consultant shall leave the work and premises in clean, neat, and workmanlike condition.

43. Patents

Consultant shall defend, indemnify, and hold harmless PMGAA, its officers and employees from all liabilities, claims, damages, costs, or expenses, including, but not limited to attorneys' fees, for any alleged infringement of any person's patent rights or copyrights in consequence of the use by PMGAA, its officers, employees, agents, and other duly authorized representatives of tangible or intellectual property supplied to PMGAA by Consultant under this Contract.

44. Availability of Project Funding

This Contract's approval and continuation is conditioned on the availability of funds appropriated by PMGAA for this purpose. If funds are not available or appropriated for the Contract's requirements, PMGAA may terminate the Contract. Possible sources of funding for this Contract include FAA and ADOT, and this Contract is contingent on the availability of those funds to PMGAA.

45. Records and Audit Rights

Consultant's and all of its approved subcontractors' books, records, correspondence, accounting procedures and practices, and any other supporting evidence relating to this Contract, including the papers of all Consultant and subcontractor employees that work on the Contract (all the foregoing collectively referred to as "Records"), must be open to inspection and subject to audit and/or reproduction with reasonable advance written notice and at mutually agreed upon time and place during normal working hours by PMGAA. PMGAA is entitled to evaluate and verify all invoices, payments or claims based on Consultant's and its subcontractor's actual costs incurred or units expended directly in the performance of work under this Contract.

For any audit under this Section, Consultant and its subcontractors hereby waive the right to keep such Records confidential. PMGAA is entitled to access to these Records from the effective date of this Contract for the duration of the work and until five years after the date of final payment by PMGAA to Consultant under the Contract.

After advance written notice and at a mutually agreed upon time and place during normal working hours, PMGAA is entitled to access to all necessary Consultant and subcontractor facilities and shall be provided adequate and appropriate workspace, in order to conduct audits under this Section. PMGAA shall give Consultant or subcontractors reasonable advance notice of intended audits. Consultant shall require its subcontractors to comply with the provisions of this Section by including its requirements in all subcontracts related to this Contract.

46. E-Verify Requirements

To the extent applicable under A.R.S. § 41-4401, Offeror and its subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees, and compliance with the E-Verify requirements under A.R.S. §23-214(A). Offeror's or its subcontractors' failure to comply with such warranty shall be deemed a material breach of this Contract and may result in the termination of this Contract by PMGAA.



Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

To: Board of Directors
From: Shea Joachim, CEcD, Business Development Director
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: Allegiant Air, LLC, Facility Lease Agreement
Date: March 20, 2018

Proposed Motion

To authorize an Amendment 1 to a facility lease agreement with Allegiant Air, LLC for the property located at 6304 S. Taxiway Circle, Mesa AZ 85212. The effective date of this Amendment 1 is April 1, 2018.

Narrative

Allegiant Air, LLC ("Allegiant") currently leases 10,000 square feet of the facility located at 6304 S Taxiway Circle. Allegiant seeks to add an additional 10,000 SF bringing the total lease premises to 20,000 square feet of the 36,005 SF facility to store aircraft parts.

Agreement Term and Rate

The term of the original facility lease agreement is five (5) years. This Amendment 1 shall maintain the same term.

The lease rate will double the current rate and shall be \$170,000 annually or \$14,166.67 per month for 20,000 SF.

The initial lease rate will increase by two percent on every 12-month anniversary of the Effective Date of the original lease agreement.

Attachment(s)

Amendment 1



RESOLUTION NO. 18-07

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority formed pursuant to Arizona Revised Statute § 28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS, the Authority desires to amend a facility lease agreement with Allegiant Air, LLC;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes an Amendment 1 to a facility lease agreement with Allegiant Air, LLC for property located at 6304 S Taxiway Circle, Mesa AZ 85212. The effective date of this Amendment 1 is April 1, 2018. This resolution also authorizes the Chair or Executive Director/CEO to execute such Agreement, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 20th day of March, 2018.

Jenn Daniels, Chair

ATTEST:

APPROVED AS TO FORM:

Maria Gonzalez, Clerk of the Board

Attorney



Phoenix-Mesa Gateway Airport Authority
First Amendment to Lease

This FIRST AMENDMENT TO LEASE (“Amendment 1”) is executed to be effective as of the FIRST (1ST) day of APRIL 2018, by and between the **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY**, authorized under the laws of the State of Arizona, its successors and assigns (“Lessor”), and **ALLEGIANT AIR, LLC**, a Nevada limited liability company (“Lessee”). This Amendment 1 hereby amends that certain Lease Agreement (the “Lease”) between Lessor and Lessee dated and effective on January 1, 2018 (the “Lease”) with respect to that certain real property at the Airport located at 6304 S. Taxiway Circle and described as Building 1085 (the “Premises”). Lessor and Lessee may be referred to jointly as “Parties,” and each separately may be referred to as a “Party.”

WITNESSETH:

WHEREAS, Lessor and Lessee desire to enter into this Amendment 1 in order to modify the Lease; and

WHEREAS, Lessor is the present owner and operator of the Phoenix-Mesa Gateway Airport generally located at the intersection of Ray Road and South Sossaman Road, City of Mesa, Maricopa County, Arizona (the “Airport”);

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Amendment 1 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. The provisions of the **THIRD WHEREAS**, are hereby deleted in their entirety and replaced with:

WHEREAS, Lessor desires to lease to Lessee, and Lessee desires to lease from Lessor, that certain real property, at the Airport located at 6304 South Taxiway Circle., described as Building 1085, consisting of approximately 20,000 square feet within the larger 36,005 square foot building, as set forth in **EXHIBIT A** attached hereto (the “Premises”);

2. Section 4.1 Base Rent is hereby deleted in its entirety and replaces with:

4.1 Base Rent. Lessee agrees to pay Lessor annual rent for the use of the Premises in the amount of One Hundred Seventy Thousand and 00/100 Dollars (\$170,000), payable in equal monthly installments of Fourteen Thousand One Hundred Sixty-Six and 60/100 Dollars (\$14,166.60) (“Base Rent”). The Base Rent shall be payable in advance, without any prior demand therefor and without any abatement, deductions or set-offs whatsoever and tendered in lawful currency of the United States, either by check or electronic transfer. All payments referenced in this Lease shall be payable exclusively in United States Dollars.

3. The contents of **EXHIBIT A** is deleted in its entirety and replaced with the **REVISED EXHIBIT A** attached hereto.

4. Lessee warrants and represents to Lessor that: (i)-all necessary actions have been taken to authorize the execution of this Amendment 1 by Lessee; (ii)-the persons who have executed this Amendment 1 on behalf of Lessee are duly authorized to do so; and (iii)-this Amendment 1 constitutes a legal, valid and binding obligation of Lessee, enforceable against Lessee in accordance with its terms and the terms of the Lease.

5. In all other respects the Lease shall remain unchanged and in full force and effect. The Lease, as amended by this Amendment 1 shall continue to be binding upon the Lessor and Lessee and their permitted successors and assigns.

6. All of the Recitals set forth above are incorporated into this Amendment 1 by this reference.

7. Lessee recognizes and acknowledges that execution of this Amendment 1 shall in no way constitute a waiver by Lessor of any other sums which may be due and owing to Lessor or which may hereafter accrue.

IN WITNESS WHEREOF, the Parties have entered into this Amendment 1 as of the date first set forth above.

FOR LESSOR:

FOR LESSEE:

**PHOENIX-MESA GATEWAY AIRPORT
AUTHORITY**, an Arizona joint powers airport
authority

ALLEGIANT AIR, LLC, a Nevada
limited liability corporation.

By: _____

By: _____

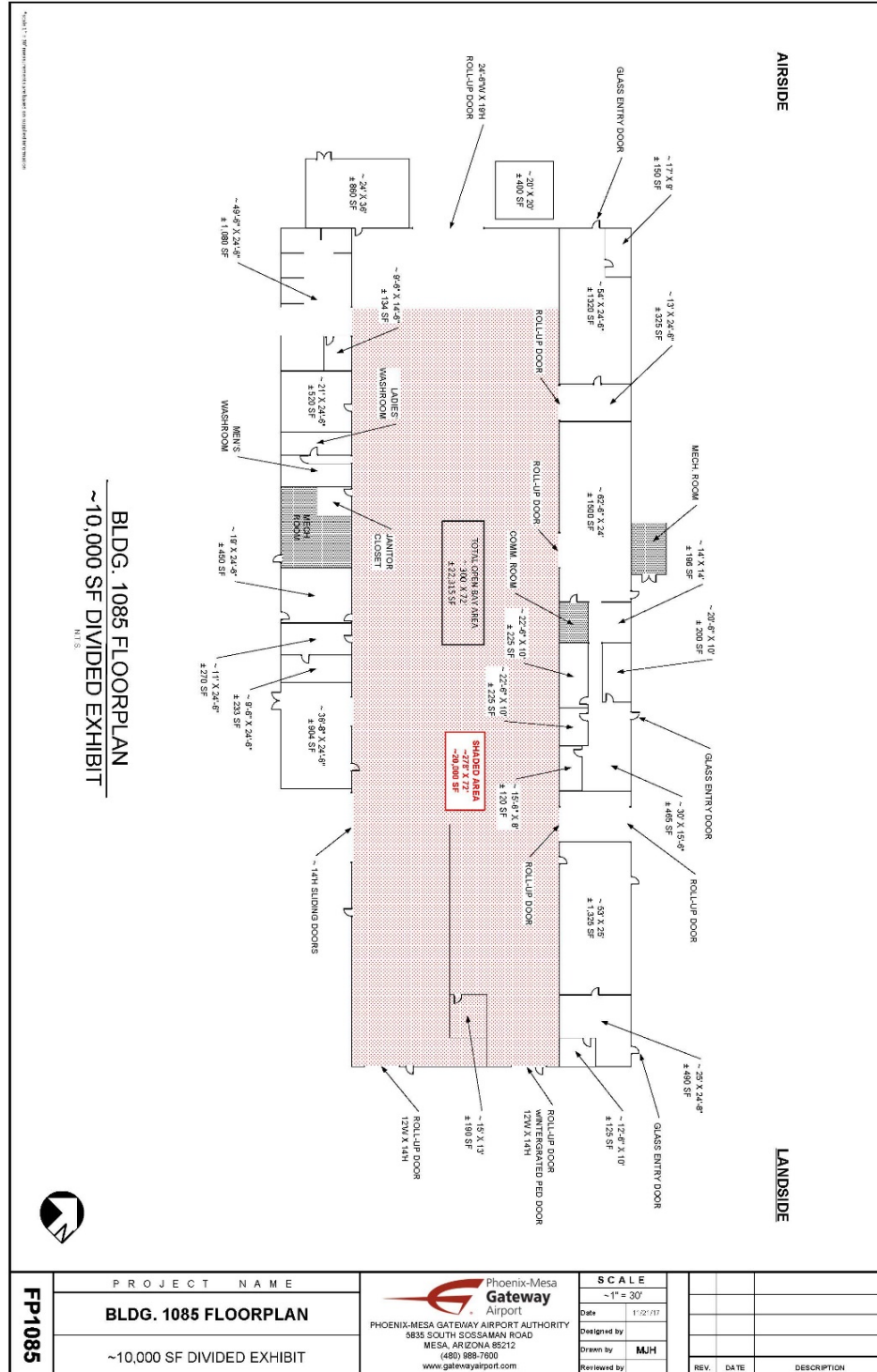
Name: J. Brian O’Neill, A.A.E.

Name: Thayne Klingler

Its: Executive Director/CEO

Its: Director, Airports

Revised Exhibit A
DEPICTION OF THE PREMISES





Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

To: Board of Directors
From: R. J. Draper, P.E., LEED AP, CM Engineering & Facilities Director
Through: Scott Brownlee, Deputy Director/COO
J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: General Aviation Center Improvements – CIP 954
Date: March 20, 2018

Proposed Motion

To authorize a Professional Services Agreement with DWL Architects + Planners, Inc. (DWL) to provide Architectural and Engineering Design Services for Gateway General Aviation Center Improvements under CIP 954 in an amount not-to-exceed \$90,000.

Narrative

Due to the age of the Gateway Aviation Services Facility (Building 45), there is a renewed focus on implementing needed improvements that will create a more customer service and hospitality oriented facility.

Phoenix-Mesa Gateway Airport Authority is engaging the services of DWL to design improvements that will include redesign of the customer service desk area to create a better customer experience and improve operational efficiency for the staff; the refresh will also incorporate updated flooring and the addition of awnings to the airside and landside exterior entries.

DWL Architects + Planners, Inc. was selected as the most qualified firm for this design project because of their extensive knowledge of the Gateway Aviation Services Center and their involvement in the initial conceptual design and schematics.

Fiscal Impact

This Professional Services Agreement was included in the FY18 Capital Budget with non-grant funding under CIP 954.

Attachment(s)

Professional Services Agreement



RESOLUTION NO. 18-08

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS the Authority desires to enter in to an agreement with DWL Architects + Planners, Inc.;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes To authorize a Professional Services Agreement with DWL Architects + Planners, Inc. (DWL) to provide Architectural and Engineering Design Services for Gateway General Aviation Center Improvements under CIP 954 in an amount not-to-exceed \$90,000.. This resolution also authorizes the Chair or Executive Director/CEO to execute such Contract, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 20th day of March, 2018.

Jenn Daniels, Chair

ATTEST:

APPROVED AS TO FORM:

Maria Gonzalez, Clerk of the Board

Attorney



PHOENIX-MESA GATEWAY AIRPORT AUTHORITY

AND

DWL ARCHITECTS + PLANNERS, INC.

FOR

**ARCHITECTURAL DESIGN SERVICES
Gateway Aviation Center Improvements, Phase II**

CONTRACT NUMBER C-2018021

The Phoenix-Mesa Gateway Airport is owned and operated by the Phoenix-Mesa Gateway Airport Authority (PMGAA), a joint powers airport authority authorized by the State of Arizona and consisting of the City of Mesa, City of Phoenix, City of Apache Junction, Town of Gilbert, Town of Queen Creek and the Gila River Indian Community.

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Phoenix-Mesa Gateway Airport Authority, a joint powers airport authority authorized by the State of Arizona (“PMGAA”) desires performance of the services more fully described in this **Contract Number C-2018021** (“Contract”) and the attached exhibits. DWL Architects + Planners, Inc., an Arizona Corporation (“Consultant”), with its principal offices located at 2333 North Central Avenue, Phoenix, Arizona, 85004, desires to perform these services.

Recitals

- A. PMGAA requires the services as described in this Contract, including any and all exhibits and amendments, and Consultant is willing to provide these and other services under this Contract; and
- B. PMGAA desires to contract with Consultant to provide services as noted herein.

Now therefore, in consideration of the recitals and the mutual covenants set forth below, PMGAA and Consultant agree as follows.

SECTION I – CONSULTANT SERVICES

The services to be performed by Consultant are specified in this Contract. PMGAA will not pay Consultant for any services that have not been authorized under the Contract. There is no guarantee of a minimum purchase of services.

The anticipated services to be provided by Consultant under this Contract shall generally include, but not be limited to, the following: Architectural and Design services for the Gateway Aviation Center Improvements, Phase II, as more specifically described in the detailed scope of work attached as **EXHIBIT A**, “Scope of Services & Fee Schedule.”

PMGAA’s authorized representative shall be the PMGAA Engineering and Facilities Director or his/her duly authorized representative, and that he/she shall be the sole contact for administering this Contract.

All services provided by Consultant under this Contract must be performed in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances in Arizona. Consultant makes no other warranty, expressed or implied.

SECTION II – PMGAA RESPONSIBILITIES

PMGAA shall furnish Consultant, at no cost to Consultant, the following information or services for this Contract:

- A. Access to copies of readily available maps, records, as-built drawings, benchmarks or other data pertinent to work assignments affiliated with this Contract. This does not, however, relieve Consultant of the responsibility of searching records for additional information, for requesting specific information or for verification of that information provided. PMGAA does not warrant the accuracy or comprehensiveness of any information or documents provided to Consultant.
- B. In PMGAA’s discretion and upon Consultant’s reasonable request, access to staff for consultation with Consultant during the performance of this contract in order to identify the problems, needs, and other functional aspects of the work.
- C. Prompt review of and feedback on Consultant’s deliverables. PMGAA will advise Consultant concerning progress of PMGAA’s review of the work, as needed.

SECTION III - PERIOD OF SERVICE

This Contract shall commence on the date of award and end upon final acceptance by PMGAA of the work performed by the Consultant (the “Term”).

Consultant shall complete all work in accordance with the provisions of this Contract as amended.

All work initiated under this Contract must be completed on or before the expiration date of the Contract as amended.

Consultant shall commence its services within seven (7) days of the written authorization by PMGAA. Consultant shall perform its services in a diligent manner and in accordance with this Contract.

SECTION IV – KEY PERSONNEL

The Consultant itself shall provide all services to be performed under this Contract. If Sub-Consultants are required by Consultant to perform any services listed under this contract, Consultant shall notify PMGAA prior to authorizing work by said Sub-Consultants. PMGAA may, at its sole discretion, accept or reject proposed Sub-Consultants.

SECTION V - PAYMENTS TO THE CONSULTANT

Consultant will be paid for work performed under this Contract plus any adjustments that have been approved in writing by PMGAA in accordance with the Phoenix-Mesa Gateway Airport Authority Procurement Policy. Payments will be made in accordance with **EXHIBIT B**, “Compensation.”

All services to be rendered by Consultant are subject to the terms of **EXHIBIT B**, “Compensation” attached hereto. PMGAA does not guarantee any minimum or maximum fee during the Term of this Contract, and Consultant, in executing this Contract, shall not anticipate or require any minimum or maximum fee.

SECTION VI - ALTERATION IN SCOPE OF SERVICES

For any alteration in the Scope of Services that would materially increase or decrease the Contract fee, the parties shall negotiate an amendment to the Contract to be executed by PMGAA and Consultant. No work shall commence on any amendment or change until the amendment has been approved by PMGAA and Consultant has been notified to proceed by PMGAA. No claim for extra work done or materials furnished by Consultant will be allowed by PMGAA, except as provided herein, nor shall Consultant do any work or furnish any materials not covered by this Contract unless the work is first authorized in writing by PMGAA and the change complies with PMGAA’s Procurement Policy. Any work or materials furnished by Consultant without advance, written authorization will be at Consultant’s own risk, cost, and expense. Without written authorization, Consultant shall make no claim for compensation for such work or materials furnished.

SECTION VII - WORK ASSIGNMENT COMPLETION

If, during the Term of this Contract, situations arise which prevent work completion within the allotted time, PMGAA may grant an appropriate time extension.

SECTION VIII - OWNERSHIP OF DOCUMENTS

Any documents, including all electronic copies thereof, prepared under or as a result of this Contract, shall be the property of PMGAA. To the extent necessary to effectuate such ownership, Consultant hereby assigns all right, title and interests to such documents to PMGAA. Consultant shall execute any separate agreements or documents, if any, which may be necessary to implement the terms of this Section.

All of Consultant’s documents prepared under this Contract, including electronic files, are instruments of service. All of these documents become the property of PMGAA upon completion of the services and payment in full to Consultant. PMGAA may reuse or modify the documents, as it deems necessary, without Consultant’s prior written authorization. PMGAA shall indemnify and hold harmless Consultant, its officers, directors, employees and subconsultants (collectively, the “Consultant”) against any and all damages, liabilities or costs arising from PMGAA’s modification of documents produced by Consultant under this Contract unless Consultant authorizes the modification in writing.

SECTION IX - COMPLIANCE WITH LAWS

Consultant shall comply with all federal, state and local laws, local ordinances and regulations throughout the Term.

Consultant’s signature on this Contract certifies compliance with the provisions of the I-9 requirements of the *Immigration Reform and Control Act of 1986* for all personnel that Consultant and any subconsultants employ to complete any work assignment.

PMGAA shall administer this Contract in accordance with PMGAA’s Procurement Policy.

SECTION X - GENERAL CONSIDERATIONS

- A. The failure of either party to enforce any of the provisions of this Contract or require performance of the other party of any of the provisions hereof shall not be construed to be a waiver of the provisions, nor shall it affect the validity of this Contract or the right of either party to enforce each and every provision.
- B. The fact that PMGAA has accepted or approved Consultant's work shall in no way relieve Consultant of responsibility for the work under this Contract.
- C. This Contract shall be governed by the laws of the state of Arizona, both as to interpretation and performance. Any action at law, suit in equity, or judicial proceeding for the enforcement of this Contract, or any provision thereof, shall be instituted only in the courts of the state of Arizona.
- D. All exhibits to this Contract and any amendments to the Contract are incorporated into it.

SECTION XI - NO KICK-BACK CERTIFICATION

Consultant warrants that no person has been employed or retained to solicit or secure this Contract upon any agreement or understanding for a commission, percentage, brokerage, or contingent fee and that no member of the PMGAA Board of Directors or any employee of PMGAA has any interest, financially or otherwise, in Consultant's firm.

For breach or violation of this warranty, PMGAA may annul this Contract without liability.

SECTION XII – SUSPENSION OF SERVICES

Consultant shall, within five (5) business days upon receiving written notice from PMGAA, suspend, delay, or interrupt all or a part of the Scope of Services. Consultant shall resume the Scope of Services within five (5) business days of receiving written notice from PMGAA.

SECTION XIII – TIMES OF PAYMENTS

Consultant shall submit to PMGAA on a periodic basis an itemized and detailed invoice for services rendered. Consultant will be paid only after PMGAA has received and reviewed Consultant's itemized and detailed invoice(s) for services rendered and approved the invoice(s). No payment shall be processed without a detailed and itemized billing statement. PMGAA shall pay each approved invoice within 30 calendar days of the date that PMGAA approves the invoice.

SECTION XIV – TIMELY REVIEW

PMGAA will review Consultant's studies, reports, proposals, and other related documents and render any decisions required by Consultant in a timely manner. Notwithstanding these reviews, Consultant remains solely responsible for all of its deliverables and services under this Contract. By PMGAA's reviews, PMGAA does not assume any liability for or retained control over Consultant's work or Consultant's responsibility for the safety of its employees.

SECTION XV – MEDIATION; ARBITRATION

All disputes between PMGAA and Consultant arising out of or relating to this Contract must first be submitted to nonbinding mediation unless the parties mutually agree otherwise in writing. In the event that the dispute(s) are not settled via nonbinding mediation, the parties shall proceed to and employ binding arbitration, as set forth in **EXHIBIT D**, "PMGAA Standard Terms and Conditions", attached hereto and incorporated herein by reference.

PMGAA and Consultant shall include a similar mediation/arbitration provision in all agreements with other contractors and consultants retained for the Project and shall require all other independent contractors and consultants to include a similar mediation provision in all agreements with subcontractors, subconsultants, suppliers or fabricators retained by them.

SECTION XVI - LIABILITY OF CONSULTANT

To the fullest extent permitted by law, Consultant shall defend, save, indemnify, and hold harmless PMGAA, its member governments, departments, officers, employees, and agents from and against damages arising out of any act, error, or omission of Consultant relating to its services under this Contract.

SECTION XVII - LAWS AND REGULATIONS

All federal, state, and local laws and regulations that relate to Consultant's services apply to Consultant's performance of this Contract throughout. These laws and regulations are deemed included in this Contract the same as though written out in full, especially the current applicable Federal Aviation Administration (FAA) rules and regulations associated with airport projects; pertinent Airport engineering standards; and local rules, regulations, and industry standards.

SECTION XVIII – INSURANCE REQUIREMENTS

1. Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees.
2. Minimum Scope and Limits of Insurance. Coverage shall be at least as broad as:
 - a. Professional Liability (Errors and Omissions): Insurance appropriate to the Consultant's profession, with limit no less than \$1,000,000 per occurrence or claim, \$2,000,000 aggregate.
 - b. Commercial General Liability: Insurance Services Office Form CG 00 01 covering Bodily Injury and Property Damage on an "occurrence" basis, including personal & advertising injury with limits no less than \$1,000,000 per occurrence, \$2,000,000 General Aggregate.
 - c. Workers' Compensation: Statutory Limits as required by the state of Arizona, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.
3. If the Consultant maintains higher limits than the minimums shown above, the PMGAA requires and shall be entitled to coverage for the higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the PMGAA.
4. Additional insurance provisions. The insurance policies shall provide, or be endorsed to include, the following provisions:
 - a. Notice of Cancellation: Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the PMGAA.
 - b. Waiver of Subrogation: Consultant waives any right to subrogation. Consultant shall obtain an endorsement necessary to affect this waiver of subrogation from the insurer for the lines of coverage in Section 2b and 2c above as required by this Contract.
 - c. Primary Coverage: For all claims related to this Contract, all of Consultant's insurance policies will be primary and non-contributory. Any insurance or self-insurance maintained by PMGAA, its officers, officials, employees, or volunteers will be in excess of Consultant's insurance and will not contribute with it.
 - d. Deductibles and Self-Insured Retentions: Any deductibles or self-insured retentions must be declared to and approved by the PMGAA. The PMGAA may require the Consultant to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.
 - e. Acceptability of Insurers: Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A, VII, unless otherwise acceptable to the PMGAA.
 - f. Claims Made Policies: No Claims Made policies (other than Professional Liability) will be accepted. For policies that provide claims-made coverage:
 - 1) The Retroactive Date must be shown, and must be before the date of the contract or the beginning of contract work.
 - 2) Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.
 - 3) If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Consultant must purchase "extended reporting" coverage for a minimum of five (5) years after completion of work.

g. Verification of Coverage: Consultant shall furnish the PMGAA with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the PMGAA before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide the required insurance. The PMGAA reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

h. Subcontractors: Consultant shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Consultant shall ensure that PMGAA is an additional insured on insurance required from subcontractors.

i. Special Risks or Circumstances: PMGAA reserves the right to modify these requirements, including limits, based on the nature of the risk, scope of services, prior experience, insurer, coverage, or other special circumstances.

OFFER AND ACCEPTANCE

IN WITNESS WHEREOF, the parties herein have executed this Contract.

(Firm Name)	Address
Principal (Signature)	City State Zip
Printed Name	Phone
Federal Tax Identification Number	Fax

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, a joint powers airport authority authorized by the State of Arizona

ACCEPTED AND APPROVED:

J. Brian O’Neill, A.A.E. Executive Director/CEO	Date
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ATTEST:

Name/Clerk of the Board	Date
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EXHIBIT A - SCOPE OF SERVICES & FEE SCHEDULE

The services to be performed by Consultant and the completion of related efforts are specified in the following Scope of Services & Fee Proposal agreed to by the parties.

SCOPE OF SERVICES

SEE ATTACHED

FEE SCHEDULE

SEE ATTACHED

EXHIBIT B - COMPENSATION

All compensation for services rendered by Consultant shall be based upon criteria established below. All services must be billed through the Consultant.

1. Fees to be Specified in Contract

Any and all services to be performed under this Contract require approval. All compensation for services shall be identified in writing. The Contract shall describe the scope of services to be performed (by tasks and subtasks, where appropriate), the fees associated with that performance, and any applicable special provisions. Consultant's compensation for services included in this Contract is totaled and set forth in **EXHIBIT A**, "Scope of Services and Fee Schedule".

2. Method of Payment

Subject to the terms of this Contract, PMGAA shall pay Consultant the appropriate rate or fixed price amount for services rendered as described in the Contract only after Consultant has submitted an invoice for services performed and PMGAA has certified and approved each invoice.

For services rendered in accordance with the Contract, Consultant shall submit to PMGAA an invoice depicting tasks performed and/or hours spent for services performed. Invoices must be based on the actual hours and/or expenses incurred for the services completed during the billing period. Consultant's invoices must specify that Consultant has performed the services, and PMGAA must certify and approve each invoice as a condition to payment.

3. Consultant Responsibilities for Compensation

Consultant shall prepare periodic invoices in accordance with terms specified in the Contract. All invoices for payment shall be for work completed unless otherwise agreed to by PMGAA.

4. PMGAA Responsibilities for Compensation

PMGAA agrees to pay Consultant's invoices for payment within 30 calendar days after the invoice is approved. PMGAA may withhold payment on any invoice if it believes that Consultant has not performed the work in a satisfactory manner. If PMGAA withholds payment to Consultant, PMGAA shall promptly notify Consultant and explain the reasons for the decision to withhold payment.

5. Billing Address

All invoices submitted to PMGAA for payment shall be submitted to:

Phoenix-Mesa Gateway Airport Authority
Attn: Engineering and Facilities Director
5835 S. Sossaman Road
Mesa, Arizona 85212

EXHIBIT C - SPECIAL PROVISIONS

1. Civil Rights Act of 1964, Title VI – General

The contractor agrees to comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color or national origin, sex, age or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance.

2. Civil Rights Act of 1964, Title VI – Assurances

During the performance of this Contract, the contractor, for itself, its assignees and successors in interest agrees as follows:

- a. Compliance with Regulations – Compliance with Regulations: The contractor (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts And Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.
- b. Nondiscrimination – The contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR Part 21.
- c. Solicitations for Subcontracts, including Procurements of Materials and Equipment – In all solicitations, either by competitive bidding, or negotiation made by the contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the contractor of the contractor's obligations under this contract and the Nondiscrimination Acts And Authorities on the grounds of race, color, or national origin.
- d. Information and Reports – The contractor will provide all information and reports required by the Acts, the Regulations and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by PMGAA or the FAA to be pertinent to ascertain compliance with such Nondiscrimination Acts And Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the contractor will so certify to PMGAA or the FAA as appropriate, and will set forth what efforts it has made to obtain the information.
- e. Sanctions for Noncompliance – In the event of a contractor's noncompliance with the Nondiscrimination provisions of this contract, the Recipient will impose such contract sanctions as it or the FAA may determine to be appropriate, including, but not limited to:
 - i) Withholding of payments to the contractor under the contract until the contractor complies, and/or;
 - ii) Cancellation, termination, or suspension of the Contract, in whole or in part.
- f. Incorporation of Provisions – The contractor will include the provisions of paragraphs one through six of this **EXHIBIT C** in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. The contractor will take action with respect to any subcontract or procurement as PMGAA or the FAA may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the contractor may request PMGAA to enter into any litigation to protect the interests of PMGAA. In addition, the contractor may request the United States to enter into the litigation to protect the interests of the United States.

3. Civil Rights – Title VI List of Pertinent Nondiscrimination Acts and Authorities

During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the “contractor”) agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

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

4. Federal Fair Labor Standards Act

This contract and all subcontracts that result from this contract incorporate by reference the provisions of 29 CFR part 201, the Federal Fair Labor Standards Act (FLSA), with the same force and effect as if given in full text.

The Consultant has full responsibility to monitor compliance to the referenced statute or regulation. The Consultant must address any claims or disputes that arise from this requirement directly with the U.S. Department of Labor – Wage and Hour Division.

5. Occupational Safety and Health Act of 1970

This contract and all subcontracts that result from this contract incorporate by reference the provisions of 29 CFR part 1910 with the same force and effect as if given in full text. Consultant must provide a work environment that is free from recognized hazards that may cause death or serious physical harm to the employee. The Consultant retains full responsibility to monitor its compliance and their subcontractor’s compliance with the applicable requirements of the Occupational Safety and Health Act of 1970 (20CFR Part 1910). Consultant must address any

claims or disputes that pertain to a referenced requirement directly with the U.S. Department of Labor – Occupational Safety and Health Administration.

6. Lobbying and Influencing Federal Employees

- a. No federal appropriated funds shall be paid, by or on behalf of Consultant, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making of any federal grant and the amendment or modification of any federal grant.
- b. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any federal grant, the contractor shall complete and submit Standard Form-LLL, “Disclosure of Lobby Activities,” in accordance with its instructions.

7. Access to Records and Reports

Consultant shall maintain an acceptable cost accounting system. Consultant further agrees to provide PMGAA, the FAA and the Comptroller General of the United States, or any of their duly authorized representatives, access to any books, documents, papers, and records of Consultant which are directly pertinent to this specific Contract for the purpose of making audit, examination, excerpts and transcriptions. Consultant agrees to maintain all books, records and reports required under this Contract for a period of not less than three (3) years after final payment is made and all pending matters are closed.

8. Breach of Contract Terms

Any violation or breach of terms of this Contract on the part of Consultant or its subconsultants or subcontractors may result in suspension or termination of this Contract, or such other action that may be necessary to enforce the rights of the parties with respect thereto. The duties and obligations imposed by the Contract and the rights and remedies available thereunder shall be in addition to, and not a limitation of, any duties, obligations, rights and remedies otherwise imposed or available by law.

9. Rights to Inventions

All rights to inventions and materials generated under this Contract are subject to regulations issued by the FAA and PMGAA of the federal grant under which this Contract is executed.

10. Trade Restriction Clause

- a. Consultant or its subconsultants/subcontractors, by submission of an offer and/or execution of a contract, certifies that it:
 - i. Is not owned or controlled by one or more citizens of a foreign country included in the list of countries that discriminate against U.S. firms published by the Office of the United States Trade Representative (USTR);
 - ii. Has not knowingly entered into any contract or subcontract for this project with a person that is a citizen or national of a foreign country on the list, or is owned or controlled directly or indirectly by one or more citizens or nationals of a foreign country on the list; and
 - iii. Has not procured any product nor subcontracted for the supply of any product for use on the project that is produced in a foreign country on the list.
- b. Unless the restrictions of this clause are waived by the Secretary of Transportation in accordance with 49 CFR 30.17, no contract shall be awarded to a contractor or subcontractor who is unable to certify to the above. If the contractor knowingly procures or subcontracts for the supply of any product or service of a foreign country on the list for use on the project, the FAA may direct PMGAA cancellation of this Contract at no cost to the Government.

- c. Further, Consultant shall incorporate this provision for certification without modification in each contract and in all lower tier subcontracts. Consultant may rely on the certification of a prospective subcontractor unless it has knowledge that the certification is erroneous.
- d. Consultant shall provide immediate written notice to PMGAA if Consultant learns that its certification or that of a subcontractor was erroneous when submitted or has become erroneous by reason of changed circumstances. The subcontractor shall agree to provide written notice to Consultant if at any time it learns that its certification was erroneous by reason of changed circumstances.
- e. This certification is a material representation of fact upon which reliance was placed when the Contract was awarded. If it is later determined that Consultant or its subcontractor knowingly rendered an erroneous certification, the FAA may direct PMGAA cancellation of this Contract or any subcontract for default at no cost to the Government.
- f. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by this provision. The knowledge and information of Consultant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
- g. This certification concerns a matter within the jurisdiction of an agency of the United States of America and the making of a false, fictitious, or fraudulent certification may render the maker subject to prosecution under Title 18, United States Code, Section 1001.

11. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion

Consultant, by accepting this Contract, certifies that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency. Consultant shall include this clause without modification in all lower tier transactions, solicitations, proposals, contracts, and subcontracts. Where the Consultant or any lower tier participant is unable to certify to this statement, it shall provide a written explanation to PMGAA.

12. Project Security

As some or all portions of work possible during the Term of this Contract may be located inside the secured area of the Airport, adherence to and familiarity with federal security regulations is essential. For these projects, Consultant shall be responsible for fulfilling the security requirements described herein.

- a. Secured Area Access – All Consultant personnel who require unescorted access to the secured area of the Airport, prior to the issuance of an Airport Identification badge, must successfully complete the Security Badge Application and Security Badge Authorization forms.
- b. Employee Security Badges – All Contractor and/or subcontractor personnel performing work functions in accordance with this Contract shall obtain and properly display an Airport security badge. Consultant shall submit a Security Badge Application form to the PMGAA security office for each employee requiring unescorted access, along with the current fee for each badge. Badge fees are identified on the current *Airport Fees, Services and Rental Rates* available via the Airport website at www.gatewayairport.com and are subject to change.
 - i. All fees must be paid to PMGAA by cash or check.
 - ii. Airport Security Badge Application forms and instructions are available via the Airport website at www.gatewayairport.com.
 - iii. An authorized representative of Consultant must also obtain and submit a Security Media Authorization form, which is to be submitted to the PMGAA badging office. The Security Media Authorization form and instructions are available via the Airport website at www.gatewairport.com.
 - iv. A training class on aviation security must be successfully completed before individuals are issued a badge. Fees for the security badge include attendance for the necessary training classes. Attendance at the security classes and issuance of the security badge may take two hours per person.
 - v. Additional information, including a “Frequently Asked Questions” is available via the Airport website at www.gatewairport.com or by contacting the PMGAA Badging Office at (480) 988-7522. The Badging Office is located at 5803 S. Sossaman Road, Mesa AZ 85212.

- vi. Consultant shall immediately notify the PMGAA Badging Office of any Consultant personnel whose employment status has changed.
 - vii. Consultant shall retrieve all security badges and keys and return them to the PMGAA Badging Office. A fee, as indicated on the most current *Airport Rates and Charges Schedule*, will be charged for each badge that is damaged, lost or not returned.
 - viii. The PMGAA Badging Office will require a completed Security Badge Application from each Consultant employee so certified by Consultant as requiring such before a Security Badge is issued.
 - ix. Under certain circumstances and out of control of PMGAA, security measures may change on short notice. No deviations from any security measure shall be allowed at any time.
 - x. At all times, aircraft shall have the right-of-way over all vehicle traffic.
- c. **Fines** – Due to both the safety and security precautions necessary at the Airport, any failure of the Consultant to adhere to prescribed Airport requirements/regulations has consequences that may jeopardize the health, welfare and lives of Airport customers and employees, as well as the Consultant’s own employees. Therefore, if Consultant is found to be in non-compliance with any security, airfield badging/licensing and airfield safety requirement, a Notice of Violations (NOV) may be issued. A current listing of fines is available by contacting the PMGAA Badging Office.

13. Standard Terms & Conditions

PMGAA’s Standard Terms & Conditions (in **EXHIBIT D** attached) include clauses that pertain to both construction and professional services. For such, the term “contractor” is to be considered same as “consultant.” If a clause implies construction service then it is waived for a professional services contract. PMGAA reserves the right to make that determination if there is a conflict.

14. Federal and State Guidelines and Regulations

All work performed under this Contract must satisfy FAA and applicable agency standards, and be accomplished in accordance with applicable federal, state and local guidelines and regulations, including FAA Advisory Circulars, NEPA and Arizona environmental statutes.

Consultant shall perform the services as described in approved Contract in accordance with the applicable requirements imposed by PMGAA, ADOT, FAA and any other applicable sponsoring agencies. Consultant and its subconsultants/subcontractors, if any, shall comply with any and all applicable laws, regulations, executive orders, policies, guidelines, and any other requirements for FAA Airport Improvement Program (AIP) projects. Consultant shall provide PMGAA all information, reports, documents, and/or certifications requested by PMGAA for the satisfaction of any grant requirements for the reimbursement of services, including, without limitation, identifying the specific services provided by Consultant and the billing period(s) during which services were or are to be provided. Nothing herein shall be construed as making the FAA or ADOT a party to this Contract.

15. Right to Contract With Other Firms

PMGAA shall have the right to contract with other firms and/or persons and/or to self-perform additional services, which may be the subject of this Contract. Consultant shall conduct its operations and perform any services authorized under the Contract so as not to interfere with or hinder the progress of completion of the work being performed by PMGAA and/or other firms and/or persons. Consultants working on the same project shall cooperate with each other in the performance, scheduling, and, if applicable, the integration of their respective services.

16. Independent Contractor Status

At all relevant times, Consultant is - and shall remain - an independent contractor with regard to performance of its services. PMGAA retains no control over Consultant, the performance of its work or services, or the safety of its employees. Consultant is not authorized to enter into any contract or commitment, authorize any payment, or accept any document, services, goods or materials for, in the name of, or on behalf of PMGAA.

1. Certification

By signature in the offer section of the Offer and Acceptance page, Consultant certifies:

- a. The award of this Contract did not involve collusion or other anti-competitive practices.
- b. It shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11246, or A.R.S. Section 31-1461, et. seq.
- c. It has not given, offered to give, nor intends to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with this Contract; and Consultant hereby certifies that the individual signing this Contract is an authorized agent for Consultant and has the authority to bind the Consultant to the Contract.

2. Termination of Contract

- a. This Contract may be terminated at any time by mutual written consent or by PMGAA - with or without cause - provided the terminating party gives 14 calendar days' advance written notice to the other party. PMGAA may terminate this Contract, in whole or in part, for PMGAA's convenience and on 14 days' written notice. If this Contract is terminated, then PMGAA is liable only for services rendered and material received, certified, and approved by PMGAA under the Contract before the termination effective date.
- b. PMGAA reserves the right to cancel this Contract in whole or in part due to failure of Consultant to carry out any term, promise, or condition of the Contract. At least ten days before terminating the Contract, PMGAA will issue a written notice of default specifying one of the following reasons.
 - i. Consultant has provided personnel that do not meet the requirements of the Contract.
 - ii. Consultant has failed to perform adequately the stipulations, conditions or services/specifications required in this Contract.
 - iii. Consultant has attempted to impose on PMGAA personnel or materials, products, or workmanship of unacceptable quality.
 - iiii. Consultant has failed to furnish the required service(s) and/or product(s) within the time stipulated in the Contract or associated Authorization of Services.
 - iv. Consultant has failed to make progress in the performance of the requirements of the Contract or Authorization of Services, or Consultant fails to give PMGAA adequate assurance the Consultant will perform the Contract in full and on time.
 - vi. Each payment obligation of PMGAA created hereby is conditioned on the availability of PMGAA, state, or federal funds appropriated for payment of the obligation. If funds are not available or allocated by PMGAA for continuance of service under this Contract, then PMGAA may terminate the Contract. PMGAA shall promptly notify Consultant regarding the service that may be affected by a shortage of funds. No penalty accrues to PMGAA if this provision is exercised, and PMGAA shall not be liable for any future payments due or for any damages as a result of termination under this paragraph.

3. Records

Internal control over all financial transactions related to this Contract shall be in accordance with sound fiscal policies. PMGAA may, at reasonable times and places, audit the books and records of Consultant or any and all of Consultant's subconsultants or subcontractors. The audit shall be limited to this Contract and its scope of services.

4. Arbitration

At PMGAA's sole option, disputes between the parties may be resolved through arbitration as provided in A.R.S. Section 12-1501, *et seq.* Consultant shall continue to render the services required by this Contract without interruption, notwithstanding either party has filed suit against the other or PMGAA has expressly agreed to arbitration and either party has demanded arbitration.

5. Independent Contractor

At all times, each party acts in its individual capacity and not as agent, employee, partner, joint venturer, or associate of the other party. An employee or agent of one party may not be deemed or construed to be the employee or agent of the other party for any purpose whatsoever. Neither Consultant nor any of its employees are entitled to compensation from PMGAA in the form of salaries, paid vacation, or sick days.

PMGAA will not provide any insurance to Consultant, including *Workers' Compensation* coverage. PMGAA will not withhold FICA, taxes, or any similar deductions from PMGAA's payments under this Contract.

6. Affirmative Action

Consultant shall abide by all the federal and state of Arizona provisions for equal opportunity in the work place.

7. Human Relations

Consultant shall abide by all the federal and state of Arizona provisions against discrimination of disadvantaged business enterprises in applicable PMGAA contracts.

8. Non-Exclusive Contract

This Contract is for the sole convenience of PMGAA. PMGAA reserves the right in its discretion to obtain the same or similar goods or services from any other source.

9. Patent Infringement

The procuring agency should advise Consultant of any impending patent suit and provide all information available. Consultant shall defend any suit or proceeding brought against the procurement agency based on a claim that any equipment, or any part thereof, furnished under this contract constitutes an infringement of any patent, and the Contract shall pay all damages and costs awarded therein, excluding incidental and consequential damages, against the procuring agency. In case the equipment, or any part thereof, is in such suit held to constitute infringement and use of the equipment or part is enjoined, Consultant shall, at its own expense and at its option, either procure for the procuring agency the right to continue using the equipment or part, or replace same with non-infringing equipment, or modify it so it becomes non-infringing.

10. Americans with Disabilities Act

Consultant shall comply with all applicable provisions of the *Americans with Disabilities Act* (Public Law 101-336, 42 U.S.C. 12101-12213) and applicable federal regulations under the *Act*.

11. Confidentiality of Records

Consultant shall establish and maintain procedures and controls that are acceptable to PMGAA for the purpose of assuring that no information contained in its records or obtained from PMGAA or from others in carrying out its functions under the Contract shall be used by or disclosed by it, its agents, officers, or employees, except as required to efficiently perform duties under this Contract. Persons requesting such information should be referred to PMGAA. Consultant also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of Consultant as needed for the performance of duties under the Contract, unless otherwise agreed to in writing by PMGAA.

12. Shipment under Reservation Prohibited

Consultant is not authorized to ship materials under reservation and no tender of a bill of lading shall operate as a tender of the materials. Non-compliance shall conform to the cancellation clause set forth within this Contract.

13. Gratuities

PMGAA may, by written notice to the Consultant, cancel this Contract if it is found that gratuities, in the form of entertainment, gifts or otherwise, were offered or given by Consultant or any agent or representative of Consultant, to any officer or employee of PMGAA involved in the amending, or the making of any determinations with respect to the performing of such Contract. If this Contract is canceled by PMGAA under this provision, PMGAA shall, in addition to any other rights and remedies, repay to the Consultant the amount of the gratuity.

14. Applicable Law

This Contract shall be governed by, and PMGAA and Consultant shall have, all remedies afforded each by the *Uniform Commercial Code*, as adopted in the state of Arizona, except as otherwise provided in this Contract or in laws pertaining specifically to PMGAA. This Contract shall be governed by the laws of the state of Arizona, and suits pertaining to this Contract shall be brought only in federal or state courts in the state of Arizona.

15. Contract

This Contract is based on and the result of a negotiated Scope of Services and Fee Proposal submitted by Consultant. The Contract contains the entire agreement between PMGAA and Consultant. No prior oral or written agreements, contracts, proposals, negotiations, purchase orders, or master agreements (in any form) are enforceable between the parties. Wherever PMGA Standard Terms and Conditions are in conflict with conditions set forth in the Professional Services Agreement, the conditions stated in the Professional Services Agreement shall take precedence.

16. Legal Remedies

All claims and controversies shall be subject to the PMGAA Procurement Code.

17. Contract Amendments

This Contract shall be modified only by a written amendment signed by the PMGAA Executive Director or his/her designee, and persons duly authorized to enter into contracts on behalf of Consultant.

18. Provisions Required by Law

Each and every provision of law and any clause required by law to be in the Contract shall be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party the Contract shall forthwith be physically amended to make such insertion or correction.

19. Severability

The provisions of this Contract are severable to the extent that any provision or application held to be invalid shall not affect any other provision or application of the Contract, which may remain in effect without the valid provision, or application.

19. Protection of Government Property

Consultant shall use reasonable care to avoid damaging all PMGAA property, including buildings, equipment, and vegetation (such as trees, shrubs, and grass). If Consultant damages PMGAA's property in any way, Consultant shall immediately repair or replace the damage at no cost to PMGAA, as directed by the PMGAA Executive Director. If Consultant fails or refuses to repair or replace the damage, then PMGAA may terminate the Contract, and PMGAA shall deduct the repair or replacement cost from money due Consultant under the Contract.

21. Interpretation – Parol Evidence

This Contract is intended by the parties as a final expression of their agreement and is intended also as a complete and exclusive statement of the terms thereof. No course of prior dealings between the parties and no usage of the trade shall be relevant to supplement or explain any term used in this Contract. Acceptance or acquiescence in a course of performance rendered under this Contract shall not be relevant to determine the meaning of this Contract even though the accepting or acquiescing party has knowledge of the nature of the performance and opportunity to object.

22. Assignment – Delegation

No right or interest in this Contract shall be assigned by Consultant without prior written permission of PMGAA, and no delegation of any duty of Consultant shall be made without prior written permission of PMGAA's Executive

Director or his/her designee. PMGAA shall not unreasonably withhold approval and shall notify Consultant of PMGAA's position within fifteen (15) business days of receipt of written notice by Consultant.

23. Subcontracts

Consultant may not enter into a subcontract with any other party to furnish any of the material/service specified herein without PMGAA's advance written approval. All subcontracts shall comply with federal and state laws and regulations applicable to the services covered by the subcontract and shall include all the terms and conditions set forth herein, which shall apply with equal force to the subcontract, as if the subcontractor were the Consultant referred to herein. Consultant is responsible for Contract performance whether or not subcontractors are used. PMGAA shall not unreasonably withhold approval and shall notify Consultant of PMGAA's position within fifteen (15) business days of receipt of written notice by Consultant.

24. Rights and Remedies

No provision in this Contract shall be construed, expressly or by implication, to waive either party's existing or future claim, right, or remedy available by law for breach of contract. The failure of either party to insist on strict performance of any Contract term or condition; to exercise or delay exercising any right or remedy provided in the Contract or by law; or to accept materials, services, or Consultant's services under this Contract or imposed by law, shall not be deemed a waiver of any right of either party to insist upon strict performance of the Contract.

25. Warranties

Consultant warrants that all materials and services delivered under this Contract shall conform to the specifications thereof. Mere receipt of shipment of the material or service specified and any inspection incidental thereto by PMGAA, shall not alter or affect the obligations of Consultant or the rights of PMGAA under the foregoing warranties. Additional warranty requirements may be set forth in this Contract.

26. Indemnification

To the fullest extent permitted by law, Consultant shall defend, save, indemnify, and hold harmless PMGAA, its agents, representatives, officers, directors, officials, and employees (collectively the "Indemnitees"), for, from and against all claims, damages, losses and expenses, including but not limited to attorney fees, court costs, expert witness fees, and the cost of appellate proceedings, relating to, arising out of, or alleged to have resulted from the Consultant's acts, errors, omissions, or mistakes relating to Consultant's services under this Contract.

27. Overcharges by Antitrust Violations

PMGAA maintains that, in actual practice, overcharges resulting from antitrust violations are borne by the purchaser. Therefore, to the extent permitted by law, Consultant hereby assigns to PMGAA any and all claims for such overcharges as to the materials or services used to fulfill the Contract.

28. Right to Assurance

Whenever one party to this Contract in good faith has reason to question the other party's intent to perform, the former party may demand that the other party give a written assurance of this intent to perform. If a demand is made and no written assurance is given within five (5) business days, the demanding party may treat this failure as an anticipatory repudiation with this Contract.

29. Advertising

Consultant shall not advertise or publish information concerning this Contract without prior written consent of PMGAA.

30. Right to Inspect

PMGAA may, at reasonable times, and at PMGAA's expense, inspect the place of a Consultant's or subcontractor's business, which is related to the performance of this Contract or related subcontract.

31. Force Majeure

- a. Neither party is liable to the other, and neither party may be deemed in default under this Contract, if and to the extent that such party's performance of this Contract is prevented by reason of Force Majeure. The term "Force Majeure" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Force Majeure does not include late performance by a subcontractor unless the delay arises out of a specific Force Majeure in accordance with this Force Majeure term and condition.
- b. If either party is delayed at any time in the progress of the work by Force Majeure, the delayed party shall notify the other party in writing, as soon as practical, of the delay and shall specify the causes of delay in the notice. The notice must be hand-delivered or mailed certified-return receipt and must specifically refer to this section. The delayed party shall cause the delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The date of completion will be extended by Contract modification or amendment for the period of time that the completion date is necessarily delayed. This time extension is the Consultant's exclusive remedy for delay.

32. Inspection

All material or service is subject to final inspection and acceptance by PMGAA. Material or service failing to conform to the specifications of this Contract will be held at Consultant's risk and may be returned to Consultant. If so returned, all costs are the responsibility of Consultant. Noncompliance shall conform to the cancellation clause set forth in this Contract.

33. Exclusive Possession

All services, information, computer program elements, reports, and other deliverables, which may be created under this Contract, are the sole property of PMGAA and shall not be used or released by Consultant or any other person except with prior written permission by PMGAA.

34. Title and Risk of Loss

The title and risk of loss of materials or services shall not pass to PMGAA until PMGAA actually receives the material or service at the Airport, unless otherwise provided within this Contract.

35. No Replacement of Defective Tender

Every tender of materials must fully conform to all provisions of this Contract. If Consultant tenders a material or service that does not fully conform, PMGAA may terminate this Contract.

36. Default in One Installment to Constitute Total Breach

Consultant shall deliver conforming materials and services in each installment or lot of this Contract. Consultant may not substitute nonconforming materials or services. Delivery of nonconforming materials or a default of any nature, at the option of PMGAA, will constitute breach of the Contract as a whole.

37. Liens

All materials, services, and other deliverables supplied to PMGAA under this Contract must be free of all liens and other encumbrances. Upon request of PMGAA, Consultant shall provide a formal release of all liens.

38. Licenses

Consultant shall maintain in current status all federal, state, and local licenses and permits required for the operation of the business conducted by Consultant as applicable to this Contract.

39. Cost Of Proposal Preparation

The PMGAA shall not reimburse the cost of developing, presenting, or providing any response to this solicitation. Bids/proposals submitted for consideration should be prepared simply and economically providing adequate information in a straightforward and concise manner.

40. Public Record

All proposals submitted in response to this request shall become the property of the PMGAA and shall become a matter of public record available for review subsequent to the award notification.

41. Subsequent Employment

PMGAA may cancel this Contract without penalty or further obligation in accordance with A.R.S. Section 38-511 if any person significantly involved in initiating, negotiating, securing, drafting, or creating the contract, on behalf of the PMGAA is or becomes, at any time while the Contract or any extension of the contract is in effect, an employee of, or a contractor to any other party to this Contract with respect to the subject matter of the Contract. Such cancellation shall be effective when the parties to this Contract receive written notice from PMGAA, unless the notice specifies a later time.

42. Clean Up

Consultant shall at all times keep Contract performance areas, including storage areas used by the Consultant, free from accumulation of waste material or rubbish and, prior to completion of the work, remove any rubbish from the premises and all tools, scaffolding, equipment and materials not property of PMGAA. Upon completion of any repair, Consultant shall leave the work and premises in clean, neat, and workmanlike condition.

43. Patents

Consultant shall defend, indemnify, and hold harmless PMGAA, its officers and employees from all liabilities, claims, damages, costs, or expenses, including, but not limited to attorneys' fees, for any alleged infringement of any person's patent rights or copyrights in consequence of the use by PMGAA, its officers, employees, agents, and other duly authorized representatives of tangible or intellectual property supplied to PMGAA by Consultant under this Contract.

44. Availability of Project Funding

This Contract's approval and continuation is conditioned on the availability of funds appropriated by PMGAA for this purpose. If funds are not available or appropriated for the Contract's requirements, PMGAA may terminate the Contract. Possible sources of funding for this Contract include FAA and ADOT, and this Contract is contingent on the availability of those funds to PMGAA.

45. Records and Audit Rights

Consultant's and all of its approved subcontractors' books, records, correspondence, accounting procedures and practices, and any other supporting evidence relating to this Contract, including the papers of all Consultant and subcontractor employees that work on the Contract (all the foregoing collectively referred to as "Records"), must be open to inspection and subject to audit and/or reproduction during normal working hours by PMGAA. PMGAA is entitled to evaluate and verify all invoices, payments or claims based on Consultant's and its subcontractor's actual costs (including direct and indirect costs and overhead allocations) incurred or units expended directly in the performance of work under this Contract. For any audit under this Section, Consultant and its subcontractors hereby waive the right to keep such Records confidential. PMGAA is entitled to access to these Records from the effective date of this Contract for the duration of the work and until five years after the date of final payment by PMGAA to Consultant under the Contract. During normal working hours, PMGAA is entitled to access to all necessary Consultant and subcontractor facilities and shall be provided adequate and appropriate workspace, in order to conduct audits under this Section. PMGAA shall give Consultant or subcontractors reasonable advance notice of intended audits. Consultant shall require its subcontractors to comply with the provisions of this Section by including its requirements in all subcontracts related to this Contract.

46. E-Verify Requirements

To the extent applicable under A.R.S. § 41-4401, Offeror and its subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees, and compliance with the E-Verify requirements under A.R.S. §23-214(A). Offeror's or its subcontractors' failure to comply with such warranty shall be deemed a material breach of this Contract and may result in the termination of this Contract by PMGAA.

~~February 12, 2018~~

March 1, 2018



Mr. Bob Draper, PE, LEED AP
Engineering & Facilities Director
Phoenix Mesa Gateway Airport Authority (PMGAA)
5835 S. Sossaman Road
Mesa, AZ 85212

RE: Phoenix-Mesa Gateway Airport – Gateway Aviation Center (Bldg. 45)
Architectural and Engineering Services
Scope and Fee Proposal for Program Validation, DD, CD, & PS

Dear Bob:

We are very pleased for this opportunity to submit an Architectural and Engineering Services scope and fee proposal for Gateway Aviation Center (Bldg. 45) at Phoenix-Mesa Gateway Airport. This scope includes services for Program Validation (PV), Design Development (DD), Construction Documents (CD), and Pre-construction Services (PS). This scope has been prepared in accordance with our understanding of the project based upon the Gateway Aviation Center (Bldg. 45) Conceptual Improvements Report prepared by DWL Architects + Planners, Inc. dated November 2017.

SCOPE OF WORK – PROJECT DESCRIPTIONS:

The scope of this project is to provide Architectural and Engineering Design Services (Program Validation, DD, CD, and PS) for the Gateway Aviation Center (Bldg. 45) project, which includes the following components:

- Expansion of the entryways and Ready Room.
- Tenant improvements of customer lounge and services area.
- Enhancements on the building exterior.

Refer to the Gateway Aviation Center (Bldg. 45) Conceptual Improvements Report for more information.

DESIGN SERVICES:

The following complete tasks are included:

- Program Validation
- Design Development
- Construction Documents
- Pre-construction Services

PRINCIPALS
Steve Rao, President
Mark Dee, Exec VP
Peter Pascu, Exec VP
Dwight Todd, Exec VP
Sandra Kukla, Exec VP
Adam Sprenger, Exec VP
Michael Braun, Exec VP
Michael Haake, Chairman

ASSOCIATES
Philip Ralston
Kiyomi Kurooka
Nithya Rachel Jebaraj
Mark Fulkis
Melissa Wolter
Jenia Lynn
Sean Warfield
Athavan Rajasundaram
Mary Ann Modzelewski



Description of Tasks:

Program Validation (PV):

- A. The Program Validation phase includes confirming the scope of the project with stakeholders. Meetings will be held in order to reconcile the program and approximate construction budget of \$630,000. Detailed cost estimating and engineering are not included in this phase. However, we propose to provide an addendum to the cost estimate which describes the additions and deletions to the concept design scope. Rough Order of Magnitude cost method will be utilized for the revised scope items. At the end of this phase, approval from the stakeholders will be needed prior to the start of design development design.
- B. Meetings: Up to two (2) Program Validation meetings are anticipated with DWL, PMGAA project team and stakeholders. Engineers are not anticipated to attend PV meetings with the owner.

Design Development (DD):

- A. Based upon the Conceptual Improvements Report and any adjustments authorized by PMGAA in the program, schedule or cost estimate, the Design Team shall prepare Design Development Documents (60%) for approval by PMGAA. The Design Development documents shall consist of drawings and other documents to fix and describe the size and character of the Project as to civil, architectural, structural, mechanical, plumbing, electrical and special systems, materials and other applicable elements. Specifications that identify major materials and systems and establish a general quality level shall be included.
- B. Meetings: Two (2) design meetings are anticipated with DWL, PMGAA project team and stakeholders. Engineers are anticipated to attend one (1) of these DD meetings.
- C. A cost estimate shall be provided after the completion of the Design Development Package.

Construction Documents:

- A. Based upon the approved Design Development Documents and minor adjustments in the scope or budget authorized by PMGAA, the Design Team shall prepare Construction Documents which include a PMGAA Construction Review Submittal and Bid Documents Submittal. (See deliverables section for more information.) The documents include drawings and specifications with sufficient detail to obtain approval by PMGAA.
- B. Meetings: One (1) meeting is anticipated. Meeting is a page-turn meeting with DWL, PMGAA project team and stakeholders. Engineers are anticipated to attend this meeting.
- C. An approximately 90% drawing submittal will be provided to PMGAA for review.
- D. Cost estimating services are excluded during this phase.

Pre-construction Services:

- A. The Design team shall consider substitution requests and shall prepare associated addenda.
- B. The Design team shall respond to CMAR questions and requests for clarification.
- C. Cost estimating services are excluded during this phase. The scope will not include analysis or verification of the GMP.



EXCLUSIONS:

In order to provide clarity and to prevent any misunderstandings, we want to identify items that are excluded from this proposal. If for any reason PMGAA requires these services, we can provide them for additional compensation.

- 1) Services from engineers or consultants not identified in this proposal and beyond this project's scope will not be provided.
- 2) Tests or investigations requiring demolition of existing construction or other types of forensic investigation are not included in this proposal.
- 3) The design or selection of furniture (FFE) is not included in this proposal.
- 4) Deliverables beyond those described below.
- 5) Value Engineering within 10% of the budget.
- 6) Rendering (\$1,500 for first rendering, \$1,200 for subsequent renderings)
- 7) Construction permit (and other authorities having jurisdiction) review and permit fees are excluded.
- 8) GMP Documents review.
- 9) Acoustic Consultant.

ASSUMPTIONS:

- The Construction Contract delivery method is CM@Risk.
- This proposal assumes that all the scopes are to be documented in one package.
- Reimbursables include project related expenses such as mileage, courier, webex, printing, and copying (in or out of office).
- Subconsultants included in this proposal. Please review their attached proposals for further scope details.

Dibble Engineering (Civil)

ASE Advanced Structural Engineering (Structural)

LSW Engineers (Mechanical, Plumbing, Electrical, and Special Systems)

CCMC (Cost Estimating)

ALLOWANCE (included in ASE/kpff proposal):

Should it be determined during the Program Validation project that the Design Development and Construction Documents services of a Structural Engineer be needed, we propose an allowance of \$13,000.00 for such services to be performed on a not-to-exceed time and material basis. Prior use of the allowance will require PMGAA written approval.

DELIVERABLES:

Deliverables for the previously described scope include:

- Program Validation – Includes updated architectural floor plans and ROM.
- Project Design Schedule
- Design Development – 60% Design Review: Includes civil, architectural, structural, mechanical, plumbing, electrical, and special systems. A design development specification shall be included.
- Construction Documents – 90% Design Review: Includes all necessary disciplines and a Project Manual.



- PMGA Construction Submittal – 100% Construction Documents. Includes all necessary disciplines and a Project Manual. Corrections or changes prior to GMP bid, due to PMGA Review Corrections, are included.

COMPENSATION

We propose to provide the previously mentioned design services as a Hourly Not-to-Exceed fee as follows:

Design & Engineering Services - DWL	\$44,465.00
Design & Engineering Services – Sub Consultants	\$43,716.06
Reimbursable Expense	\$1,750.00

I have attached a proposed hourly breakdown for your review.

Once again we are very grateful for this opportunity and look forward to working with you and the PMGAA Team. If you have any questions or require further explanation regarding any item, please do not hesitate to contact me or Steve Rao.

Sincerely,

DWL ARCHITECTS + PLANNERS, INC.

Sandra Kukla, AIA, LEED AP
Executive Vice President

SMK.kk

cc: Steve Rao
Kathryn Maxwell
Mary Ann Modzelewski
Kiyomi Kurooka



GATEWAY AVIATION CENTER (BUILDING 45)

COMPENSATION ESTIMATE

3/1/2018

ARCHITECTURAL - Design Phase

Task Description		Labor Hours																Task Total		
		Principal 189.00 per hr.		Project Director 158.00 per hr.		Proj. Manager 114.00 per hr.		Building Code Mgr 128.00 per hr.		Field Representative 107.00 per hr.		Apprentice Arch. 78.00 per hr.		CADD Tech. 71.00 per hr.		Specifier 109.00 per hr.			Clerical 65.00 per hr.	
		Hours	Direct Cost	Hours	Direct Cost	Hours	Direct Cost	Hours	Direct Cost	Hours	Direct Cost	Hours	Direct Cost	Hours	Direct Cost	Hours	Direct Cost		Hours	Direct Cost
1	Program Validation	9	1,701.00	0	0.00	42	4,788.00	4	512.00	0	0.00	52	4,056.00	0	0.00	0	0.00	0	0.00	11,057.00
2	Design Development	12	2,268.00	0	0.00	54	6,156.00	1	128.00	0	0.00	60	4,680.00	0	0.00	32	3,488.00	2	130.00	16,850.00
3	Construction Documents	7	1,323.00	0	0.00	54	6,156.00	0	0.00	0	0.00	64	4,992.00	0	0.00	24	2,616.00	2	130.00	15,217.00
4	Pre-construction Services	1	189.00	0	0.00	6	684.00	0	0.00	0	0.00	6	468.00	0	0.00	0	0.00	0	0.00	1,341.00
DESIGN PHASE TOTAL		29	5,481.00	0	0.00	156	17,784.00	5	640.00	0	0.00	182	14,196.00	0	0.00	56	6,104.00	4	260.00	\$44,465.00

TEAM SUMMARY

Discipline	Basic Services					Add'l Services	Allowance	Totals
	Firm	Program Validation	Design Development	Construction Documents	Pre-construction Services	Survey	Structural Design	
Basic Design & Engineering								
Architectural	DWL Architects	11,057.00	16,850.00	15,217.00	1,341.00			44,465.00
Structural	ASE/ KPFF	670.00			605.00		13,000.00	14,275.00
MPE/ FS/SS	LSW Engineers	2,990.00	5,420.00	5,420.00				13,830.00
		Subtotal	Subtotal	Subtotal	Subtotal	Subtotal	Subtotal	
		14,717.00	22,270.00	20,637.00	1,946.00	0.00	13,000.00	
Basic Design & Engineering Sub-Total								\$72,570.00
Other Design & Engineering								
Civil	Dibble		3,079.00	3,080.07	909.63	1,142.36		8,211.06
Cost Estimate	CCMC	2,600.00	4,800.00					7,400.00
		Subtotal	Subtotal	Subtotal	Subtotal	Subtotal	Subtotal	
		2,600.00	7,879.00	3,080.07	909.63	1,142.36	0.00	
Other Design & Engineering Sub-Total								\$15,611.06
Total								\$88,181.06

REIMBURSABLE EXPENSES

Firm	Expense	
DWL	Printing/ Courier - Billed only as needed	1,600.00
Dibble		150.00
Total Reimbursable		\$1,750.00

TOTAL COMPENSATION

Basic Design & Engineering	\$72,570.00
Other Design & Engineering	\$15,611.06
Reimbursable Expense	\$1,750.00
Total	\$89,931.06



Advanced Structural Engineering

2800 N. Central Ave., Suite 1010, Phoenix, AZ 85004 602.264.1010 AdvancedStructuralEng.com



January 22, 2018 revised February 27, 2018
Sandra Kukla, AIA, LEED AP, Executive Vice President
DWL Architects + Planners, Inc.
2333 N. Central Avenue
Phoenix, AZ 85004

Subject: Phoenix-Mesa Gateway Airport – Gateway Aviation Center (Bldg. 45) Design
S. Sossaman Road, Mesa, AZ 85212
Proposal for Structural Engineering Services
ASE-KPFF Proposal No.: P18015 revised

Dear Ms. Kukla:

We are pleased to submit this proposal for structural engineering services for the above referenced project.

PARTIES TO AGREEMENT

This agreement is between the client, **DWL ARCHITECTS + PLANNERS, INC.**, (hereinafter referred to as "CLIENT"), and **ADVANCED STRUCTURAL ENGINEERING - KPFF** (hereinafter referred to as "ASE-KPFF") for professional structural engineering services on the above referenced project.

PROJECT DESCRIPTION-BASIC SERVICES

We have based this understanding on your draft scope of work, dated 2/12/2018. We understand that this project scope is based on Gateway Aviation Center (Building 45) Conceptual Improvements Report prepared by DWL Architects and Planners, Inc. dated November 2017. This scope includes Program Validation, Design Development (DD), Construction Documents (CD) and Preconstruction for expansion of entryways and enhancements of the building exterior. The scope of work for the DD and CD phase will be determined during the Program Validation phase with structural scope expected to be less than what was shown in the Conceptual Improvements Report.

COMPENSATION

We propose to bill our services on an Hourly not to exceed (**HNTE**) basis with the not to exceed amount for Program Validation and Pre-Construction as indicated below. The Structural DD and CD portion of the work will be determined during Program Validation with the compensation covered by an allowance of \$13,000. See attachment for hourly fee proposal backup and rates information.

Program Validation	\$670
Design Development and Construction Documents	\$13,000 (Allowance)
Pre-construction	\$605



EXCLUSIONS

Construction Administration, site visits and special inspections are not included but could be performed as additional services.

REIMBURSABLE EXPENSES

Reimbursable expenses, if any, are included in the fees indicated.

AUTHORIZATION TO PROCEED

The undersigned hereby authorizes the services described herein and explicitly acknowledges the terms and conditions of this consulting agreement. It is understood that ASE-KPFF and CLIENT may execute a formal Amendment to our current Agreement and that the Terms and Conditions therein shall control.

Thank you very much for requesting this proposal from us. Upon review and acceptance of this proposal, please sign and return one copy to ASE-KPFF. Please do not hesitate to contact us with any questions or comments.

Submitted By: **ASE-KPFF**

Agreed to by: **CLIENT**

Signed: 

Signed: _____

By: Steve Wrublik
Project Manager

By: _____
Type or Print Name/Title

Attachments: Exhibit A: Terms and Conditions

cc: Brian B. Raji, PE, SE, Managing Partner, ASE-KPFF
Karen Ratliff, Marketing, ASE-KPFF
Sheila Perez, Accounting, ASE-KPFF



EXHIBIT A

TERMS AND CONDITIONS

ASE-KPFF shall perform the services outlined in this agreement pursuant to the stated fee arrangement.

1. **Additional Services** Should the Scope of Services change from those set forth in the Agreement for Professional Services, the fee for such additional services will be negotiated between CLIENT and ASE-KPFF.
2. **Limitation of Liability** To the greatest extent allowed by law, the aggregate liability of ASE-KPFF for any and all injuries, claims, demands, losses, expenses or damages, of whatever kind, arising out of or in any way related to this Agreement or the services provided by ASE-KPFF on this project, shall be limited to \$50,000 or the total fee received by ASE-KPFF pursuant to this Agreement, whichever is greater. Further, no officer, director, shareholder or employee of ASE-KPFF shall bear any personal liability to CLIENT for any and all injuries, claims, demands, losses, expenses or damages, of whatever kind or character, arising out of or in any way related to this Agreement or the services provided by ASE-KPFF on this project.
3. **Mediation** All disputes between CLIENT and ASE-KPFF arising out of or relating to this Agreement shall be submitted to nonbinding mediation prior to commencement of any other judicial proceeding.
4. **Dispute Handling** ASE-KPFF shall make no claim against CLIENT without first providing CLIENT with a written notice of damages and providing CLIENT thirty (30) days to cure before an action is commenced. CLIENT shall make no claim either directly or in a third party claim, against ASE-KPFF unless CLIENT has first provided ASE-KPFF with a written certification executed by an independent professional currently practicing in the same discipline as ASE-KPFF and licensed in the state of the subject project. This certification shall a) contain the name and license number of the certifier; b) specify each and every act or omission that the certifier contends is a violation of the standard of care expected of a professional performing professional services under similar circumstances; and c) state in complete detail the basis for the certifier's opinion that each such act or omission constitutes such a violation. This certificate shall be provided to ASE-KPFF not less than thirty (30) calendar days prior to the presentation of any claim or the institution of any judicial proceeding.
5. **Suspension of Services** If CLIENT fails to make payments to ASE-KPFF in accordance with this Agreement, such failure shall provide ASE-KPFF the option to suspend performance of services under this Agreement upon seven (7) days written notice to CLIENT. In the event of a suspension of services, ASE-KPFF shall have no liability for any delays or damages caused because of such suspension. Before resuming services, ASE-KPFF shall be paid all sums due prior to suspension and any expenses incurred by ASE-KPFF in the interruption and resumption of its services. ASE-KPFF's fees for the remaining services and time schedules shall be equitably adjusted. If any invoice is in dispute, CLIENT shall pay under written protest to keep the project on schedule and resolve the payment dispute after substantial completion.
6. **Termination** This Agreement may be terminated by either party with seven (7) days written notice to the other in the event of a substantial failure of performance by the other party through no fault of the terminating party. If this Agreement is terminated, ASE-KPFF shall be paid for services performed to the termination notice date, including reimbursable expenses due.
7. **Ownership of Documents** The drawings, calculations and specifications are instruments of service and are, and shall remain, the property of ASE-KPFF, whether the project for which they are made is executed or not. They are not to be used on other projects or extensions to this project except by agreement in writing.
8. **Contract Administration** It is understood that ASE-KPFF will not provide design and construction review services relating to safety measures of any contractor or subcontractor on the project. Further, it is understood that ASE-KPFF will not provide any supervisory services relating to the construction for the project. Any opinions solicited from ASE-KPFF relating to any such review or supervisory services shall be considered only as general information and shall not be the basis for any claim against ASE-KPFF.
9. **No Third Party Beneficiary** Nothing in this Agreement shall create a contractual relationship with or a cause of action in favor of any third party against ASE-KPFF or CLIENT.
10. **No Assignments** Neither party to this Agreement shall transfer, sublet or assign any rights under or interest in this Agreement (including but not limited to monies that are due or monies that may be due) without the prior written consent of the other party.
11. **Payments** ASE-KPFF will submit monthly invoices. Payment is due on the date of the invoice and becomes delinquent one month thereafter. A late charge will be added to delinquent amounts at the rate of one-and-one-half percent (1 ½ %) for each one month of delinquency (or the maximum allowable by law, whichever is lower). If ASE-KPFF initiates suit to recover delinquent sums owed by CLIENT, ASE-KPFF shall be entitled to recover all reasonable costs incurred, including staff time, court costs, attorney's fees, expert fees and other related costs and expenses.



**GATEWAY AVIATION CENTER (BLDG 45) revised 2/27/2018
PHOENIX-MESA GATEWAY AIRPORT**

**FEE PROPOSAL BACKUP
DESIGN AND PRE-CONSTRUCTION SERVICES ONLY**

TASK ITEMS	PRINCIPAL	PROJECT MANAGER	SENIOR PROJECT ENGINEER	PROJECT ENGINEER/ SR. INSPTR	ENGINEER/ SPECIAL INSPECTOR	DRAFTING / TECHNICIAN	CLERICAL	TASK SUB-TOTAL
Design								\$ -
Program Validation		2			4			\$ 670
Design Development (TBD)								\$ -
Construction Documents (TBD)								\$ -
								\$ -
								\$ -
								\$ -
Pre-construction								\$ -
Respond to CMAR questions		3			2			\$ 605
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
TOTAL HOURS	0	5	0	0	6	0	0	11
HOURLY RATES	\$ 174.92	\$ 134.94	\$ 124.94	\$ 109.95	\$ 99.95	\$ 74.97	\$ 59.97	
SUB-TOTALS	\$ -	\$ 675	\$ -	\$ -	\$ 600	\$ -	\$ -	\$ 1,275
Reimbursibles / Expenses	Travel, mileage, per-diem, courier, printing							
Subconsultants	(List subs here, if any)							\$ -
								\$ -
								\$ -
TOTAL								\$ 1,275



February 22, 2018

DWL Architects + Planners, Inc.
2333 North Central Avenue
Phoenix, AZ 85004

Attn: Sandra Kukla, AIA, LEED AP

Re: Phoenix-Mesa Gateway Airport – Gateway Aviation Center (Building 45)
LSW Proposal No. PR2018-024 (Revised)

Ms. Kukla:

We are pleased to offer our engineering services for the Gateway Aviation Center (building 45) Renovation project at Phoenix-Mesa Gateway Airport located at 5803 South Sossaman Road in Mesa, Arizona.

PROJECT UNDERSTANDING

This project is understood to be the renovation of the existing Gateway Aviation Center as outlined in the Gateway Aviation Center (Bldg. 45) Conceptual Improvement Report dated November 15, 2017. Total renovated area is approximately 4,100 SF with a 500 SF addition. Programing efforts will be made to reduce the project cost to \$630,000.

Our mechanical, electrical and technology engineering services for this project will consist of the following. Services not indicated below are considered outside of our basic scope and will be provided upon request as an additional service.

It is our understanding that the design of this project will include deliverables as defined below. The design duration for this project is estimated to be six months.

Program Validation (PV)

1. Provide a written narrative on revised engineering systems from the conceptual report.

Design Development (DD)

1. Design development drawings showing all main engineering systems equipment locations and sizes. Equipment weights will be shown as needed for the Structural Engineer.
2. Engineering systems equipment cut sheets for review.
3. Routing of mechanical duct mains.
4. Mechanical zoning layout and thermostat locations for review.



5. Routing of main plumbing.
6. Assist the architectural design team in the development of the ceiling plan.

90 % Construction Documents

1. Completion of the engineering design drawings.
2. Completion of the engineering specifications.

Construction Documents

1. Finalizing the design drawings and specifications addressing the Owner comments.

SCOPE OF WORK

Mechanical

The mechanical scope for this project is anticipated to include:

1. Complete heating, cooling, and ventilation load calculations.
2. Design to extend the existing mechanical HVAC system for this remodel project.

Electrical

The electrical scope for this project is anticipated to include:

1. Design of the electrical power distribution for this project, including connection to the equipment, receptacles, lighting, and Owner equipment. Our design includes connection to the existing power distribution system within this facility.
2. General Lighting: Our design includes selection of lighting fixtures, locating the lighting fixtures and the associated switching/control of the lighting systems.
3. Lighting system illumination and energy compliance calculations for lighting fixtures selected by LSW are included if required by the local jurisdiction.
4. Exterior Lighting: Our design includes exterior building mounted lighting. Site lighting, walkway lighting, offsite lighting, street lighting, and traffic control lighting systems are not included in the base scope of services.
5. Load Calculations: Our design service includes preparation of electrical load calculations based on information available from existing record drawings and site investigations or from owner provided demand load readings.



Technology Systems

The technology scope for this project is anticipated to include:

1. **Passive Network Cabling:** Our design service includes cabling system design from outlet locations to the Main Equipment Room (MER) or Telecommunications Room (TR), cable support and pathway system, and outside plant fiber optic and multiple pair copper cabling.
2. **Access Control/Security System:** Our design service includes the access control, intrusion detection, card reader, door monitoring, door control, motion sensor, duress systems, and associated control panels. The door hardware will be specified by the Architect.
3. **Camera Surveillance:** Our design includes camera layout and associated cabling and pathways, camera specification, and video recording requirements. Existing camera positioning will be evaluated to ensure adequate coverage is maintained due to addition and relocate cameras as required.

Fire Sprinkler

The fire sprinkler scope for this project is anticipated to include:

1. **Revise and extend existing fire sprinkler system as required by new ceiling layout and addition.** Performance based specification addressing the fire sprinkler system design for bidding purposes. The installation drawings (including detailed piping drawings and calculations) will be a deferred submittal by the Fire Sprinkler Contractor.

Fire Alarm

The fire alarm scope for this project is anticipated to include:

1. **Revise and extend existing fire alarm system as required for remodel and addition.** Performance based fire alarm system design for bidding purposes, including device placement, a typical riser diagram, and specifications. The installation drawings (including detailed wiring diagrams, load calculations, voltage drop calculations, etc.) will be a deferred submittal by the Fire Alarm Contractor.

GENERAL

Our scope will include the following general engineering services for the project:

1. **Site investigation to observe the systems associated with this project (site investigation is limited to accessible areas only).**
2. **Attend up to two Owner meetings during the design phase of this project with two members of our staff.**



3. Design using Revit. Our Revit design includes uploads of our model on a bi-weekly basis. It is anticipated that we will receive a “frozen” architectural model background 14 days before each milestone deliverable.
4. Provide one final set of signed and sealed drawings in electronic portable document format (PDF).
5. Provide one final set of signed and sealed specifications in electronic portable document format (PDF).
6. Respond to pre-construction CMAR questions, requests for clarification, and substitution requests.

PROFESSIONAL FEE

Our services for the work outlined above will be billed at our standard hourly rates with a not-to-exceed limit of \$13,830. An estimated cost breakdown follows.

<u>Professional Services</u>	
Construction Documents	\$10,840
Program Validation	\$2,990

NOTE: This fee includes all travel expenses incurred within the metropolitan Phoenix area. Travel outside the metropolitan Phoenix area will be billed as a reimbursable expense, including, but not limited to, travel, rentals, meals, lodging, and reasonable incidental expenses.

This fee does not include plotting or printing of sets of our drawings or other discipline's drawings for interprofessional coordination or distribution.

CLIENT SERVICES

Services requested of the Client and/or Owner include the following:

1. Provide the following as required to assist us in the site investigation of existing conditions: facility access and an escort, ladders or other means to access overhead systems and equipment, and authorization for the use of cameras.
2. Provide copies of the existing construction documents.
3. Provide access to the building maintenance staff to answer questions.
4. Provide all connection requirements for Owner-provided equipment.
5. Provide a project title block and updated Revit model in a timely manner to meet the established project deliverables.



6. Provide the following building and Owner information:
 - a. Building Occupancy Classification.
 - b. Building Construction Type.
 - c. Building Hazard Classification.
 - d. Building Seismic and Risk Category.
 - e. Owner's Fire Suppression Insurance Requirements.
7. Provide a PDF set of the drawings at each established deliverable.

EXCLUSIONS

1. Cost estimating.
2. Meetings or teleconference meetings beyond those listed.
3. All work associated with LEED certification of the project.
4. Building Information Modeling (BIM) beyond an LOD-200 or clash-free modeling.
5. Building energy consumption calculations or modeling.
6. Documenting energy code compliance of the building envelope or other systems not in our scope of services described above.
7. Utility company energy rebate data collection and/or submission.
8. Life cycle cost analysis.
9. Functional testing or commissioning services.
10. Value engineering services or changes after completion of the associated design development documents.
11. Any design services caused by scope changes.
12. Preparation of fire sprinkler record drawings which were designed by the installing Fire Sprinkler Contractor.
13. Work in relation to the delinquency or insolvency of the Contractor(s).
14. Project partnering meetings.
15. Plumbing design.



ADDITIONAL SERVICES

Additional services will be performed on an hourly basis at our standard billing rates or a separate fixed fee contract as determined by your firm. Our current rate structure is shown for your reference. Hourly contracted work will be invoiced based on our published LSW rate structure matching the time frame when the work is being completed.

2018:	Principal	\$185./ hour
	Sr. Engineer	\$165./ hour
	Engineer	\$140./ hour
	Senior Designer	\$120./ hour
	Field Observer	\$115./ hour
	Designer	\$90./ hour
	CAD Operator	\$80./ hour
	Clerical	\$75./ hour
	Outside Services	Our cost

This proposal is effective for not more than 90 days.

LSW accepts the AIA C401 contract and requests that you prepare this document reflecting the terms and conditions of this proposal for our mutual execution prior to our beginning work.

We appreciate this opportunity and look forward to working with your firm on this project.

Regards,

LSW ENGINEERS ARIZONA, INC.

Cory Killpack, P.E.
 Vice President

CEK:nj

Please indicate your acceptance of this proposal by signing and returning one copy of this letter for our files.

APPROVED: _____ DATE: _____

YOUR PROJECT / REFERENCE NO.: _____



Scope of Work and Fee Summary
Gateway Aviation Center (Building 45)
Entrance Modifications
Civil Design

Phoenix Mesa Gateway Airport
Mesa, Arizona
January 19, 2018
Rev'd February 5, Feb 12, 2018

DIBBLE ENGINEERING (Dibble), to the satisfaction of the DWL ARCHITECTS (DWL), and THE PHOENIX MESA GATEWAY AIRPORT (Airport); shall prepare civil engineering designs, plans, specifications, and construction support for modifications to the airside entrance to the Gateway Aviation Center at Phoenix Mesa Gateway Airport.

PROJECT UNDERSTANDING:

DWL Architects will prepare plans for modifications to the Gateway Aviation Center (GAC) including internal tenant improvements, building exterior enhancements, and expansions to the building entries on both landside and airside. Dibble's scope will include modifications to existing civil infrastructure to accommodate the airside entrance expansion. Dibble will obtain site survey and generate a demolition plan and a site and grading plan for construction, along with Civil Technical Specifications.

A. SCOPE OF SERVICES:

1. Site Survey – Dibble prepared design drawings for the General Aviation Ramp adjacent to the GAC, and will conduct a site survey for the airside entrance modifications to update this base map with current conditions. Survey will be approximately 25' (two PCCP panels out from the building) by 100' (six panels parallel to the building) including panel joint locations and elevations, fire hydrant, bollards, sign, and any other surface features.
2. Plans
 - a. Demolition Plan – prepare plans for removal of PCCP as needed to accommodate the entrance expansion and fire hydrant relocation.
 - b. Site, Grading and Paving Plan – prepare plans for new concrete pavement and revised grading from the new entrance finished floor to the existing ramp. Include relocation of the existing fire hydrant and bollards if required.
 - c. Details – prepare details as needed (bollards, pavement section, pavement typical section). Pavement section will be to replace existing in kind.
3. Specifications – prepare Civil Technical Specifications based on MAG Standard Specifications with City of Mesa Amendments.

B. SUBMITTALS

- 1. Design Development (60%): preliminary plans and draft specifications.
- 2. Construction Documents (90%): prefinal plans and specifications.
- 3. Permit Submittal (100%): Final plans specifications.
- 4. Bid Submittal (100%): Bid-ready Final plans and specifications.

C. MEETINGS – Dibble will attend two project meetings upon request.

D. PRE-CONSTRUCTION SERVICES

- 1. Construction will be delivered by a Construction Manager At Risk (CMAR). Provide review of civil-items substitution requests and pre-construction RFI's.

E. EXCLUSIONS:

- 1. Program Validation
- 2. Cost Estimating
- 3. Utility Locating/Potholing.
- 4. Geotechnical investigations or Pavement Design (match existing pavement).
- 5. Project Meetings except as noted
- 6. Structural Engineering or Design
- 7. Multiple bid or construction packages
- 8. Review and Permit fees
- 9. Value Engineering
- 10. Construction Administration

F. FEES:

1. Surveying	\$1,142.36
2. Construction Documents.....	\$6,159.07
3. Pre-Construction Services.....	\$ 909.63
4. Expenses.....	<u>\$ 150.00</u>
Hourly NTE.....	\$8,361.06

END OF SCOPE OF WORK & FEE

FIRM:	Dibble Engineering	Contract Number:	
	Phoenix Mesa Gateway Airport	Client Project Number:	
PROJECT:	Gateway Aviation Center/Building 45 Airside Entrance Mods	Task Number:	
	Civil Sitework	Amendment Number:	
	Phoenix Arizona	FAA Number:	
DATE:	2/5/2018 Rev'd 2/12/18	ADOT Number:	

ESTIMATED STAFF HOURS

TASK	Sr. Project Manager	Project Manager	Sr. Engineer	Project Engineer	Ass't Engineer	Sr. Designer	Survey Manager	Survey Crew	Total Hours	Total Fees
	\$190.09	\$159.32	\$156.95	\$138.18	\$98.99	\$83.41	\$139.35	\$174.21	by Task	by Task
10.00 Topo Survey										
10.01 Survey/Base Mapping						2	2	4	8	\$1,142.36
11.00 Construction Documents										
11.01 Demo Plan	1			6		8			15	\$1,686.45
11.02 Site, Grading & Paving Plan	2			8		8			18	\$2,152.90
11.03 Paving Section/Details	1			2		4			7	\$800.09
11.04 Hydrant Relocation Plan	1			2		6			9	\$966.91
11.05 Coordination Meetings (2)				4					4	<u>\$552.72</u>
										\$6,159.07
12.00 Pre-construction Service										
12.01 Substitutions & RFI Reviews	1			4		2			7	\$909.63
Total Hours by Position	6	0	0	26	0	28	0	0	60	
Total Fees by Position	\$1,141	\$0	\$0	\$3,593	\$0	\$2,335	\$0	\$0		\$8,211.06

A. Total Basic Services \$8,211.06

INDIRECT COSTS

Printing & Mileage \$150.00

B. Indirect Costs (Not to Exceed) \$150.00

C. Project Total (Not to Exceed) \$8,361.06



19th February, 2018
DWL Architects + Planners, Inc.
2333 N. Central Avenue,
Phoenix, AZ 85004
Attention: Kiyomi Kurooka

Re: Phoenix-Mesa Gateway Airport - Building 45 – Revised Fee Proposal for Cost Estimating

Dear Kiyomi,

Scope of the project comprises:

- Expansion of the entryways and ready room
- Tenant improvements of customer lounge and services area
- Enhancements on the building exterior
- Approximate construction value \$ 630,000, after completion of value engineering

We propose to provide cost estimating services on the above project as summarized below:

1. Program Validation (PV):

- Participation in Conference Call / Value Engineering session aimed at reducing the construction cost down to \$ 630,000
- Preparation of log to track deletions to the concept design phase to arrive at revised project construction budget

Certified cost professional	20 hours @ \$ 130.00 / hour	<u>\$ 2,600.00</u>
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HNTE FEE at PV		\$ 2,600.00
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2. Design Development (DD):

Prepare a detailed cost estimate
Reconcile cost estimate with CMAR

Certified cost professional	20 hours @ \$ 130.00 / hour	\$ 2,600.00
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Senior cost estimator	20 hours @ \$ 110.00 hours	<u>\$ 2,200.00</u>
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HNTE FEE at DD		\$ 4,800.00
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3. Construction documents

excluded

- Exclusions:
- (i) Field visits
 - (ii) Cost estimating for abatement of asbestos or other hazardous materials
 - (iii) Cost estimating for scope increases due to budget creeps beyond \$ 630,000
 - (iv) Cost estimating for F.F.E.
 - (v) Exclusions identified by DWL in their scope proposal

We thank you for giving CCMC the opportunity to participate on this project. We trust our revised proposal will meet with your approval and look forward to working with you and the team. If you have any questions regarding this proposal, please contact me.

Sincerely,



Adriana Crnjac
Certified Cost Professional



Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

To: Board of Directors
From: Chuck Odom, Chief Financial Officer
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: Operating and Capital Budget for Fiscal Year ending June 30, 2019.
Date: March 20, 2018

Proposed Motion

To adopt the proposed Operating Budget, Capital Budget, and Member Government Contributions for the fiscal year ending June 30, 2019.

Narrative

The following is an overview of the proposed budgets.

Key Assumptions for FY19 Budget

1. Member contributions will continue to fund capital improvements.
2. Enplaning passenger activity will increase by 42,919 or 6.1% to 739,066. This does not include flights shifting from A320 aircraft.
3. Commercial flights will increase by 483 or 9.5% to 5,554.
4. Fuel sales will be up by \$982k; Volume \$636k and Price \$346k.
5. Lease Income – Aero will increase by \$442k in FY19.
6. Air-Service Incentive Program carries over from previous year.
7. Operating Contingency is 10% of total expense from unrestricted cash reserve.

FY19 Operating Budget Highlights

Operating Revenues:	FY18 Budget	FY19 Budget	Difference	%
Aeronautical Revenue	\$ 12,066,381	\$ 13,763,002	\$ 1,696,622	14%
Non-Aeronautical Revenue	6,877,680	6,994,078	116,398	2%
Total Operating Revenue	\$ 18,944,061	\$ 20,757,080	\$ 1,813,019	10%

Operating Revenues:	FY18 Budget	FY19 Budget	Difference	%
Aero Op Rev: Aircraft Parking	\$ 236,800	\$ 325,200	\$ 88,400	37%
Aero Op Rev: Fuel Flowage	549,000	606,697	57,697	11%
Aero Op Rev: Landing Fees	958,344	1,049,103	90,760	9%
Aero Op Rev: Lease Income	2,153,944	2,596,278	442,334	21%
Aero Op Rev: Svcs Sold	4,169,352	4,205,677	36,324	1%
Aero Op Rev: Fuel Sales	3,998,940	4,980,047	981,107	25%
Total Aero Op Revenue	12,066,381	13,763,002	1,696,622	14%

Non-Aero Op Rev: Concess	574,297	660,563	86,266	15%
Non-Aero Op Rev: Lease Inc	1,161,642	1,173,257	11,615	1%
Non-Aero Op Rev: Parking	3,297,637	3,322,609	24,972	1%
Non-Aero Op Rev: Rental Car	1,753,520	1,780,828	27,308	2%
Non-Aero Op Rev: Svcs Sold	90,584	56,821	(33,763)	-37%
Total Non-Aero Op Revenue	6,877,680	6,994,078	116,398	2%

Total Operating Revenue	\$ 18,944,061	\$ 20,757,080	\$ 1,813,019	10%
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Operating Expenditures:	FY18 Budget	FY19 Budget	Difference	%
Communication & Utilities	\$ 945,751	\$ 916,041	\$ (29,710)	-3%
Contractual Services	4,818,645	5,092,502	273,858	6%
Cost of Goods Sold	2,696,330	3,500,705	804,374	30%
Insurance	327,314	523,853	196,539	60%
Other	290,881	372,430	81,549	28%
Compensation & Benefits	8,049,157	8,470,850	421,693	5%
Repair & Maintenance	937,930	1,070,150	132,220	14%
Supplies & Materials	877,420	798,340	(79,080)	-9%
Total Operating Expense	\$ 18,943,428	\$ 20,744,872	\$ 1,801,444	10%

Operating Income	\$ 632	\$ 12,208	\$ 11,576	1830%
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Total Operating Expense	\$ 20,744,872
Potential Air Incentive	2,000,000
10% Contingency	2,074,487
Tota Budgeted Operating Expense Capacity	\$ 24,819,359

Capital Improvement Program (CIP) Project Summary

The proposed capital budget for FY19 is \$11,418,000. The projects are listed in [Attachment 1](#) with more detailed description of the projects in [Attachment 2](#). The carry over capital projects from FY18 total \$14,927,771 and are listed in [Attachment 3](#) with the descriptions in [Attachment 4](#).

FY19 Capital Improvement Program Funding Summary

FAA Grants	\$ 4,917,240
Member Contribution	4,060,000
PFC's	1,000,000
CFC's	766,000
PMGAA Cash Reserve	433,380
ADOT	241,380
	<hr/>
	\$ 11,418,000

FY18 Carry Over Capital Funding Sources

FAA Grants	\$ 8,468,580
ADOT	1,495,710
PFC's	3,510,000
PMGAA Cash Reserve	1,453,481
	<hr/>
	\$ 14,927,771

Total Operating and Capital Budget Combined

Total Operating Expense	\$	20,744,872
Potential Air Incentive		2,000,000
10% Contingency		2,074,487
FY19 Capital Budget		11,418,000
FY18 Carry Over Capital Projects		14,927,771
Capital/Maintenance Reserve		300,000
Total Budgeted Operating and Capital	\$	<u>51,465,130</u>

Attachment(s)

1. Proposed FY19 Capital Budget
2. FY19 Capital Improvement Project Descriptions
3. FY18 Carry Over Capital Improvement Projects
4. FY18 Capital Improvement Project Descriptions
5. FY19 Project Location Map



RESOLUTION NO. 18-09

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS, the Authority is required pursuant to Arizona Revised Statutes and Section 9 of the Joint Powers Airport Authority Agreement to recommend to the governing bodies of the Authority’s members an operating budget, capital budget, and capital improvement program for each fiscal year; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Phoenix-Mesa Gateway Airport Authority as follows:

The Phoenix-Mesa Gateway Airport Authority Board of Directors hereby adopts the Phoenix-Mesa Gateway Airport Authority Fiscal Year 2019 Operating Budget in the amount of \$24,819,359 the Fiscal Year 2019 Phoenix-Mesa Gateway Airport Authority Capital improvement Program in the amount of \$11,418,000 and incorporated as if fully set forth herein, subject to the authority granted to the Executive Director/CEO under Board Policy #15-04, and including the member government contributions and proportions provided as follows: City of Mesa \$1,700,000 (41.87%); City of Phoenix \$1,300,000 (32.02%); Gila River Indian Community \$450,000 (11.08%); Town of Gilbert \$350,000 (8.62%); Town of Queen Creek \$130,000 (3.20%); City of Apache Junction \$130,000 (3.20%).

Passed and adopted by the Authority this 20th day of March, 2018.

Jenn Daniels, Chair

ATTEST:

APPROVED AS TO FORM:

Maria Gonzalez, Clerk of the Board

Attorney

Phoenix - Mesa Gateway Airport Authority FY19 Capital Budget		Funding Sources						Project Totals
		Grant Funding			Local Funding			
Project Category	Project ID - Project Name	Federal Aviation Admin (FAA)	State of Arizona (ADOT)	PMGAA Grant Match Funds	PMGAA Non-Grant Funds	Passenger Facility Charges (PFC)	Customer Facility Charges (CFC)	
Eastside	713-NADP Project Management				\$500,000			\$500,000
Airside	726/728-RIM-Twy K Between Rwy 12R/12C & Hot Spot 1-Des	\$3,642,400	\$178,800	\$178,800				\$4,000,000
Airside	815-Fuel Tanker 7000 gallon annual cost				\$44,000			\$44,000
Airside	872-Airport Lightning Detection System				\$150,000			\$150,000
Non-Aero	883-Replace 1-'98 Cargo Van, 2-'96 & '06 Pssnger Vans, 1-'97 Svc Trk				\$150,000			\$150,000
Landside	894-Replace Parking Equipment (Multi-Year)				\$20,000			\$20,000
Airside	941-Low Level Wind Shear Alert System				\$150,000			\$150,000
Airside	947-Design of New Air Traffic Control Tower (ATCT)	\$1,274,840	\$62,580	\$62,580				\$1,400,000
Non-Aero	949-Enterprise Reporting ERP Phase 3				\$300,000			\$300,000
Non-Aero	957-Replace Graco Paint Striper				\$15,000			\$15,000
Airside	958-CR-South perimeter Road Rehab				\$80,000			\$80,000
Airside	966-South Airfield Access Road Overlay				\$100,000			\$100,000
Landside	996-Ray Road Covered Parking				\$330,000			\$330,000
Airside	1000-Convert Existing Ramp Lights to LED Lights				\$600,000			\$600,000
Landside	1005-Replace Ray Road Economy Lot Shuttle Stop				\$70,000			\$70,000
Landside	1006-Gen Aviation Center Improvements Phase III				\$639,000			\$639,000
Airside	1007-Security Perimeter Enhancement				\$25,000			\$25,000
Terminal	1008-Terminal Visual Paging (compliant with ADA requirement)				\$100,000			\$100,000
Non-Aero	1016-Purchase New Airfield Mower				\$20,000			\$20,000
Airside	1025-Terminal Apron GPU Replacement (3 Units)				\$350,000			\$350,000
Non-Aero	1026-ITS Information Refresh 50% Desktops and 25% Monitors				\$75,000			\$75,000
Terminal	1046-CR ADA Improvements				\$100,000			\$100,000
Landside	1048-Fuel Facility for Landside				\$234,000		\$266,000	\$500,000
Landside	1049-Covered Parking - Rental Car Ready Lot						\$500,000	\$500,000
Terminal	1050-Covered Walkway Ticketing to TSA					\$1,000,000		\$1,000,000
Airside	1053-General Aviation Self-Serve Fueling				\$200,000			\$200,000
		\$4,917,240	\$241,380	\$241,380	\$4,252,000	\$1,000,000	\$766,000	\$11,418,000

Total PMGAA Funds
 Member Government Contribution used to cover PMGAA Non-Grant and PMGAA Match Funds
 PMGAA portion over/(under) contribution level

\$241,380
 \$4,493,380
 \$4,060,000
 \$433,380

Phoenix - Mesa Gateway Airport Authority
 FY19 Capital Budget

CIP#	Title/Description	Cost
	AIRSIDE	
726/728	RIM-Twy K Between Rwy 12R/12C & Hot Spot 1-Des-Taxiway K design between Rwy 12R & Rwy 12C. 953' x 150' (17,000 SY PCCP) to Twy K, 35' x 953' (8,000 SY AC) for taxiway shoulders, including lighting, drainage, signage & marking. According to AP Tech report dated March 2010, the pavement condition index (PCI) is rated at 30 at the most critical section, approaching pavement failure if not reconstructed in the short term. Hot Spot 1 is the intersections of Twy V,A, B and K west of Rwy 12R/30L. This area is a concern for RSAT. Construction phase is Project #728. (RIM=Runway Incursion Mitigation)	\$4,000,000
815	Fuel Tanker 7000 gallon annual cost- This project will be in FY16 to FY20 until paid off. \$60,000 per year in the budget.	\$44,000
872	Airport Lightning Detection System- Lightning Strike Detector (An Airport lightning detection system will increase safety for aircraft and personnel operation at or near the airport.)	\$150,000
941	Low Level Wind Shear Alert System- Purchase and install a low level wind shear alert system	\$150,000
947	Design of New Air Traffic Control Tower (ATCT)- Design new ATCT	\$1,400,000
958	South perimeter Road Rehab- Crack seal and seal coat the South Perimeter Road from Ellsworth to Gate 54V, Alpha Apron Service Road, 1080 Service Road and ARFF gate access road.	\$80,000
966	South Airfield Access Road Overlay- Add a 1-1/2" asphalt overlay to existing deteriorated service road. AFLD Access Road renewal K to S. Perimeter Rd.	\$100,000
1000	Convert Existing Ramp Lights to LED Lights- Replace existing ramp light fixtures with LED fixtures and replace all electrical wiring to main electrical service. Install emergency generators. May qualify for SRP rebate. Expect significant energy savings.	\$600,000
1007	Security Perimeter Enhancement- Improve perimeter security utilizing current technology to monitor and detect breaches to fence line	\$25,000
1025	Replace Terminal Apron GPU's and PCAIR units - three units total. Equipment is aging out and in need of replacement	\$350,000
1053	General Aviation Self Serve Fueling Station- Construct a 100LL Avgas self serve station to include a 12,000 gallon tank along with supporting infrastructure, including but not limited to: piping, hoses, nozzles, credit card processor, security cameras and safety features.	\$200,000
	EASTSIDE	

CIP#	Title/Description	Cost
713	NADP Project Management -Continuation of required programming, planning and design efforts associated with the development of the northeast development property. This project represents an allocation of funds to continue with various programming, planning and design efforts. The specific scope and scale of which are to be determined as other work in completed including but not limited to the Ellsworth Channel Relocation, Spine Road Development, Commercial Development and environmental requirements.	\$500,000
LANDSIDE		
894	Replace Parking Equipment (Multi-Year) -Replace parking system components. Margi mentioned that there would probably be an ongoing cost of approximately \$20,000 per year (on-going) to maintain/refurbish these devices.	\$20,000
996	Ray Road Covered Parking -1. Work with architect, Parking System Manufacturer, and Airport Staff to determine design and layout of covered parking area. 2. Put project out for total design/construction bid or design with architect. 3. Put project out to bid if designed with independent architect. 4. Finalize design and construct covered structure/parking infrastructure. 5. Amend Rates & charges for covered parking and market new product offering.	\$330,000
1005	Ray Road Economy Lot Shuttle Stop Replacement -Design and replace 5 shuttle bus stops at the Ray Economy Lot. Scope of Work includes : Design, RFP, Construction - Demo existing bus stops and rebuild (All phased)	\$70,000
1006	Gen Aviation Center Improvements Phase III -Construction phase of FBO improvements from projects 954 Gen Aviation Center Improvements Phase II & 814 CR-5803 Improvements	\$639,000
1048	Fuel Facility for Landside -Onsite fueling provides lower fuel costs for airport vehicles as well as increases operational efficiency for the airport rental car companies. All onsite rental car companies have requested a fueling station on airport in proximity to the car care facility. Use CFC to pay for approx \$266,000 of project	\$500,000
1049	Covered Parking - Car Rental Ready Lot-Improve customer service and provide a professional image. This project has been requested by all onsite rental car companies.	\$500,000
TERMINAL		
1008	Visual Paging -Install software and hardware capable of displaying "visual paging" through out terminal in compliance with ADA requirements/ 14CFR385	\$100,000
1046	CR ADA Improvements PMGAA conducted an ADA Self-Evaluation to determine our level of ADA compliance which is a requirement of Federal Grant Assurances. Study determined that we have some areas that need some improvement.	\$100,000

CIP#	Title/Description	Cost
1050	Covered Walkway Ticketing to TSA -When leaving the ticketing terminal and walking along the sidewalk to the doors that lead to the TSA check-in queue, there is no protection from the weather. This covered walkway will enhance our passenger experience when moving from one building to another. Passengers will be protected from the hot weather by the provided shade, and they also will not be exposed to other inclement weather.	\$1,000,000
	Non-Aero	
883	Purchase 1 Cargo Van and 2 Passenger Vans, 1 Service Truck- Replacement for 4 vehicles purchased in 1998, 1996 & 2006 Van-515, Van-103, Van-107 & Trk-550.	\$150,000
949	Enterprise Reporting ERP Phase 3 -Currently in progress as CIP903 - ERP Business Systems Planning and Design Phase 1 and 943 Phase 2 were awarded to the JW Group, Inc. The ERP Committee (Sr. Leadership, IT Manager & Finance Rep) are gathering benchmark metrics in alignment with Strategic Objectives and Goals of the organization. The JW Group will be back onsite to capture processes with several workgroups to gather the required information to put together an RFP for an ERP solution for PMGAA - March 2016 timeframe. Phase 2 is to implement an ERP system once the RFP is awarded. Phases 3 and 4 would be future modules in place to complete the enterprise integration for metrics and service functionality to be an enterprise wide solution with data driven requirements.	\$300,000
957	Replace Graco Paint Striper -Replace aging walk behind paint striper with new model and add a Line Driver for increased efficiency. Model year 2000 item.	\$15,000
1016	Purchase New Airfield Mower - Replace Mow-316 (1994 John Deer 1418 Cutter) unit is 23 years old and is at then end of its service life	\$20,000
1026	ITS Information Refresh - 50% Desktops and 25% Monitors	\$75,000
		\$11,418,000

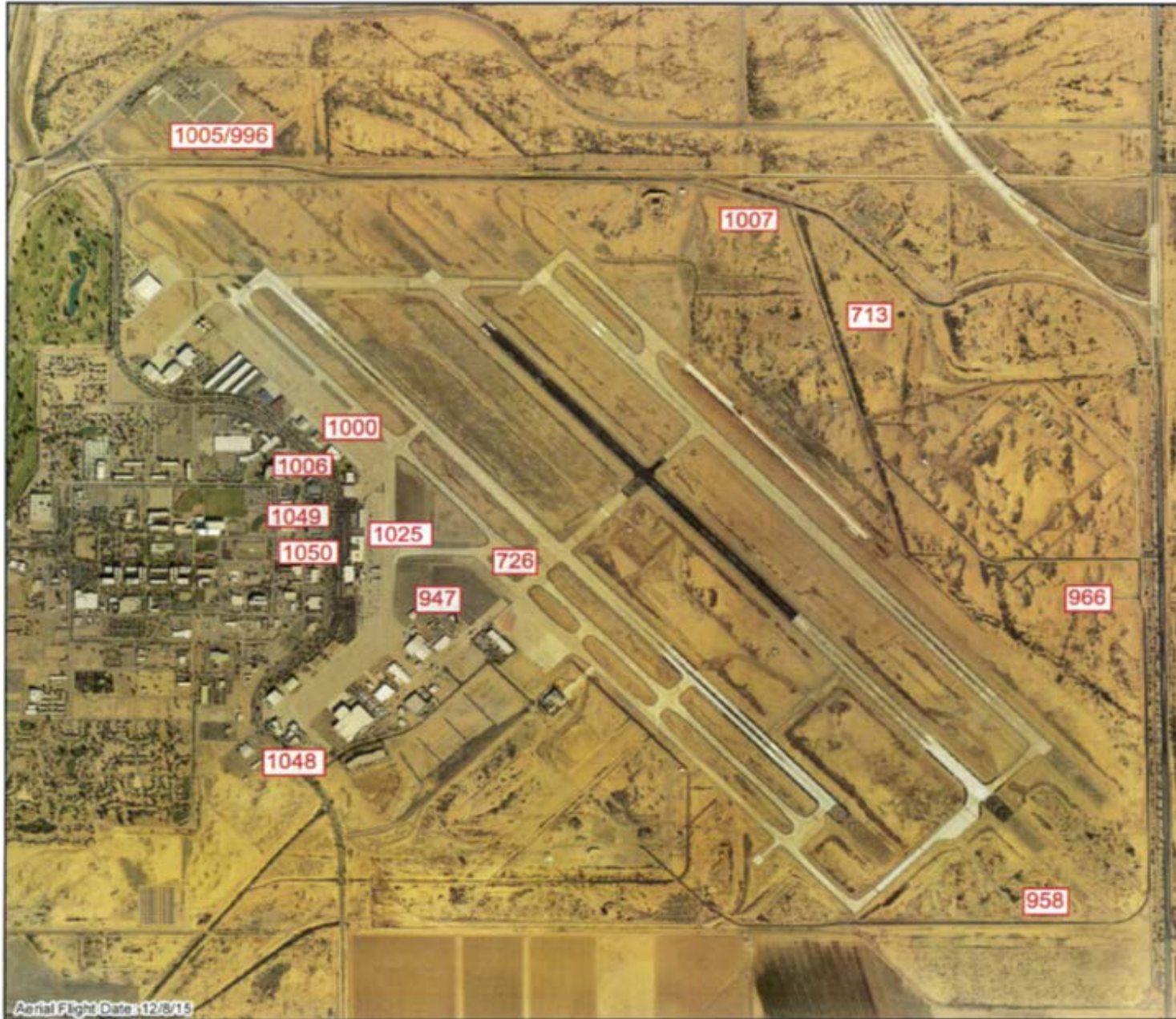
Carry Overs Projects	FY18-FY19
649-Construction Taxiway C (L to Rwy End 30R) Phase 3	\$ 8,400,000
699-ARFF Truck Replacement	710,000
726/728-RIM-Twy K Between Rwy 12R/12C & Hot Spot 1-Design	1,200,000
842-NADP Benefit Cost Analysis	200,000
864-US Customs Technology Refresh	25,000
929-Airport Master Plan	900,000
931-Replacement Emergency Backup Generator Bldg 516	35,000
943-ERP Financial System Phase I	264,271
954-General Aviation Center Improvement Phase II	50,000
975-Safety Management System Implementation	40,000
1001-Fuel Storage Facility Renewal Project Phase 2	303,500
1004-Terminal Baggage Claim Expansion	1,800,000
1047-Bag Make-up Expansion	1,000,000
Total Carry Over for FY19	\$ 14,927,771

Phoenix - Mesa Gateway Airport Authority
 FY19 Capit Carry Over Descriptions

CIP#	Title/Description	Cost
649	Construct Taxiway C (L to Rwy End 30R) - Phase 3- Construct Taxiway C from L to P (C3 to C6), Phase III. 75' x 4,100 (34,170 SY PCCP) plus 30' x 4,100 shoulders (15,950 SY AC), including connecting taxiways, drainage, markings and lighting. Full design (J to P) is CIP#514. Phase II is CIP #402. Phase III design has two right angle connecting taxiways and one high speed or acute angled taxiway.	\$8,400,000
699	ARFF Truck Replacement- Purchase an Airport Rescue and Fire Fighting apparatus as replacement for aging Oshkosh T-1500 (F21).	\$710,000
726/728	RIM-Twy K Between Rwy 12R/12C & Hot Spot 1-Des- Taxiway K design between Rwy 12R & Rwy 12C. 953' x 150' (17,000 SY PCCP) to Twy K, 35' x 953' (8,000 SY AC) for taxiway shoulders, including lighting, drainage, signage & marking. According to AP Tech report dated March 2010, the pavement condition index (PCI) is rated at 30 at the most critical section, approaching pavement failure if not reconstructed in the short term. Hot Spot 1 is the intersections of Twy V,A, B and K west of Rwy 12R/30L. This area is a concern for RSAT. Construction phase is Project #728. (RIM=Runway Incursion Mitigation)	\$1,200,000
842	NADP Benefit Cost Analysis- Prepare a benefit cost analysis for the East Side Terminal complex and supporting facilities. This is a follow-up to the preliminary BCA completed under project 777. The BCA is designed to guide the FAA in its consideration of discretionary AIP funding for the new East Side Terminal. Study includes updates of cost estimates, economic analysis, funding criteria, and related financial information for the NEADP.	\$200,000
864	US Customs Technology Refresh- Perform technology refresh on US Customs computer network and equipment.	\$25,000

CIP#	Title/Description	Cost
929	<p>Airport Master Plan Update-Update Master Plan following FAA and ADOT guidelines, and industry accepted practices. Scope will include updated airport inventories and local demographic growth, updated demand forecasts, refined east and south side development planning for master plan concept and airport layout plan inclusion, consideration of more recent security and technology planning along with airfield and facility priorities and financial planning, update and review of e-GIS.</p>	\$900,000
931	<p>Replacement Emergency Backup Generator Bldg 516-Backup Emergency Generator for Radio Repeater Building 516 - critical communications ACARS, ABM, Company radio not currently on backup.</p>	\$35,000
943	<p>Enterprise Rptg Plan (ERP)/Financial Sys Phase 1-CIP943 is the planned Phase Three of the ERP (Enterprise Resource Planning) System MUNIS implementation. The Finance leadership is working with Tyler Technologies Analysts to ensure our Chart of Accounts (COA), Accounts Receivable/Payable, Billing, Purchasing, Budgeting, & Projects / Grants are configured properly. Phoenix-Mesa Gateway Airport will be decentralizing the finance department, making real-time budgets and reports available at the department level. The project will take one year to implement the financials and one more year to implement HR, Payroll, Asset Management, Work Orders, Inventory Control, & Performance Measures. This will provide the airport an enterprise wide platform to manage future growth. Phase Three will include; Total FBO replacement which may include automation of fuel requests, integration with FBO System, POS, tank fuel loads, labor hours, and real time fuel distribution capabilities. Tyler Technologies MUNIS Fleet Management module could be included to meet business measurements between inventory, work orders, & performance measures.</p>	\$264,271
954	<p>General Aviation Center Improvements Phase II - Construction of design work laid out in CIP814. Improvements to include airside entry way, redesign of customer service desk area, floors and awning entries for both landside and airside</p>	\$50,000

CIP#	Title/Description	Cost
975	Safety Management System Implementation -SMS Software to track and report on Safety Hazards, Safety Recommendations, and Safety Events. 2016 SNPRM requires implementation within 24 months of the approval of the new rule for small, medium, and large hubs and airports with over 100,000 operations. Initial software purchase, hardware purchase if need to support SMS, installation, training, first term service warranty, and first year annual subscription.	\$40,000
1001	Fuel Storage Facility Renewal Project Phase 2 -Fuel Storage Facility Renewal Phase 2	\$303,500
1004	Terminal Baggage Claim Expansion -Extend the existing inbound baggage belts from 100 feet to 205 feet. This will result in total of 410 linear feet of baggage claim from frontage. Project includes planning, design, and construction. Improvements to accommodate demands of 800 terminating passengers per hour. Project is part of West Terminal Optimization Phase IV.	\$1,800,000
1047	Bag Make-up Expansion -Bag Make-up design and construction for TSA checked baggage in ticketing building.	\$1,000,000
		\$14,927,771



FY19 CIP Project Locations

CIP projects* not shown
by location on map:

815, 949,
941, 872,
894, 957,
883, 1008,
1026, 1046,
1016

* NOTE:
See FY19 CIP project list
for all project descriptions



Aerial Flight Date 11/28/15



Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

To: Board of Directors
From: Shea Joachim, CEcD, Business Development Director
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: Master Lease Agreement for the Gateway Aerospace Park
Date: March 20, 2018

Proposed Motion

To authorize a Master Lease Agreement with Mesa SkyBridge, LLC for approximately 360 acres of property generally located at the southeast corner of Sossaman Road and Velocity Way. The effective date of this Agreement is April 1, 2018.

Narrative

In November 2017 the Phoenix-Mesa Gateway Airport Authority (PMGAA) Board approved a Master Development Agreement (MDA) with Mesa SkyBridge, LLC. The MDA completed a nearly two-year long procurement for a Master Developer for the Gateway Aerospace Park. The MDA established Minimum Development Requirements and Deadlines, obtained a financial guarantee from Grupo Seguritech Privada, S.A.P.I. DE C.V., and outlined several pre-closing and post-closing conditions for the transaction. One of the most critical pre-closing conditions was the negotiation of a Master Lease Agreement.

The Master Lease Agreement does transfer leasehold control of the property to Mesa SkyBridge, LLC however it is designed to only allow Mesa SkyBridge, LLC to perform Horizontal Improvements (e.g. infrastructure). The Effective Date of the Master Lease Agreement is the key date that is used to calculate the implementation and adjustments of Base Rent and the Minimum Development Requirement Deadlines. Any Vertical Improvements would require the review and approval of a Development Lease Agreement. The Development Lease Agreement template is attached to the Master Lease Agreement as Exhibit B.

The Development Lease Agreement template is designed to most closely resemble a typical ground lease agreement. Property that is included in a Development Lease Agreement will be simultaneously excluded from the Master Lease Agreement. Development Lease Agreements will be reviewed by the Airport for their compliance with the Development Lease Template, Master Plan and other governing document such as the Airport's Rules and Regulations and the Airport's Minimum Standards.

Master Lease Agreement Term and Rate

The Master Lease Agreement has a term of forty-nine (49) years with no extensions

The Base Rent schedule for the Master Lease Agreement is as follows:

Effective Date thru the end of third (3 rd) Lease Year:	\$0.00 / SF
Start of the fourth (4 th) Lease Year thru the end of the seventh (7 th) Lease Year:	\$0.03 / SF
Start of eighth (8 th) Lease Year thru the end of thirtieth (30 th) Lease Year:	\$0.04 / SF

Base Rent will be adjusted to Fair Market Value through a “Market Adjustment” on the thirty-first (31st) anniversary of the Effective Date. Base Rent will be adjusted by changes in the Consumer Price Index (CPI) commencing on the sixth (6th) anniversary of the Effective Date and every three (3) years thereafter.

Development Lease Agreement Term & Rate

Development Lease Agreements will have a 49-term for all Aeronautical property and a 60-year term for all Non-Aeronautical property. On occasion, and with the Airport’s written consent, some Non-Aeronautical Development Lease Agreements will be granted a 15-year extension.

The Base Rent schedule for Development Lease Agreement(s) is as follows:

Effective Date thru the end of the second (2 nd) Lease Year:	\$0.00 / SF
Start of the third (3 rd) Lease Year thru the end of the thirtieth (30 th) Master Lease Year	\$0.10 / SF

Base Rent will be adjusted to Fair Market Value through a “Market Adjustment” on the date that corresponds with the thirty-first (31st) anniversary of the Master Lease Effective Date and every tenth (10th) anniversary thereafter. Base Rent will be adjusted by changes in the Consumer Price Index (CPI) commencing on the sixth (6th) anniversary of the Effective Date and every three (3) years thereafter.

Staff Recommendation

Mesa SkyBridge, LLC has satisfied all of the pre-closing conditions outlined in the MDA. As such, PMGAA Staff recommends the PMGAA Board approves the Master Lease Agreement and associated Exhibits and authorize the Executive Director / CEO to execute the Master Lease Agreement thereby “Closing” the transaction.

Attachment(s)

Master Lease Agreement & Exhibits



RESOLUTION NO. 18-10

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority formed pursuant to Arizona Revised Statute § 28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS, the Authority desires to enter into an Agreement with Mesa SkyBridge, LLC;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorize a Master Lease Agreement with Mesa SkyBridge, LLC for approximately 360 acres of property generally located at the southeast corner of Sossaman Road and Velocity Way. The effective date of this Agreement is April 1, 2018. This resolution also authorizes the Chair or Executive Director/CEO to execute such Agreement, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 20th day of March, 2018.

Jenn Daniels, Chair

ATTEST:

APPROVED AS TO FORM:

Maria Gonzalez, Clerk of the Board

Attorney



Phoenix-Mesa Gateway Airport Authority

MASTER LEASE

with

MESA SKYBRIDGE LLC

Effective Date:

_____, 2018

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Phoenix-Mesa Gateway Airport Authority
MASTER DEVELOPMENT LEASE

This Master Development Lease (“**Lease**”) is executed to be effective the 1st day of _____, 2018 (“**Effective Date**”) between the **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY**, a joint powers airport authority authorized and existing under the laws of the State of Arizona (“**Lessor**”), and **MESA SKYBRIDGE LLC**, an Arizona limited liability company (“**Lessee**”). Lessor and Lessee may be referred to jointly as “Parties,” and each separately may be referred to as a “Party.”

RECITALS:

A. Lessor is the owner and operator of the Phoenix-Mesa Gateway Airport generally located at the intersection of Ray Road and Sossaman Road, City of Mesa, Maricopa County, Arizona (“**Airport**”); and

B. In furtherance of its mission to develop, reuse, operate, and maintain the Airport and facilities at the former Williams Air Force Base, Lessor commenced a competitive solicitation process to select a master developer for the Gateway Aerospace Park (“**Park**”) at the Airport, and Lessor selected Lessee as the master developer for the Park. A description of the real property on which the Park is located is set forth on **Exhibit A** attached hereto (“**Property**”).

C. Lessor and Lessee are parties to that certain Master Development Agreement dated November 21, 2017 (“**MDA**”), pursuant to which, and in conjunction with this Lease, Lessee intends to develop the Park as a hub for research, manufacturing, logistics, and other aeronautical and non-aeronautical uses, including serving as an air logistics hub to meet the growing demand for e-commerce fulfillment and logistics services between the U.S., Mexico and Latin America, and all uses relating or incidental thereto, including office and administrative purposes.

D. Lessee shall construct only Horizontal Improvements (as defined in the MDA) on the Property pursuant to this Lease and no Vertical Improvements (as defined in the MDA) shall be constructed on any portion of the Property during such time that such portion of the Property is subject to this Lease; provided, however, that Lessor acknowledges and agrees that certain improvements may be installed and constructed above ground, such as fencing, transformers, lines, tanks, and other similar improvements, as an incidental part of Horizontal Improvements. Vertical Improvements may only be constructed on a Development Parcel which is subject to a Development Lease as more particularly set forth in Section 2.1 below.

E. Lessor has the right to lease, license and grant the use of property and facilities on the Airport and has full power and authority to enter into this Lease in respect thereof; and

F. Lessor desires to lease to Lessee, and Lessee desires to lease from Lessor, the Property on the terms and conditions set forth herein.

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

1. LEASE.

Lessor hereby leases the Property to Lessee, subject to all easements, deed restrictions and other similar matters of record in the Official Records of Maricopa County, Arizona (but excluding any deeds of trust, mortgages, judgment liens, mechanics' liens, and other similar liens not caused by Lessee), that encumber the Property, and further subject to all operational and use restrictions and other terms and conditions expressly set forth in this Lease, and subject to the rights and privileges of Lessee under the MDA.

1.1 Right to Use Property. Lessor agrees that so long as no Event of Default shall have occurred and is continuing, Lessor agrees that Lessee shall peaceably have and enjoy the use and development of the Property without hindrance from Lessor or those claiming through Lessor. Except for, and subject to, the representations, warranties, and obligations of Lessor under this Lease and the MDA, Lessee specially acknowledges that Lessee has inspected the Property prior to entering into this Lease and agrees to accept the Property in an "as is, where is" condition without any warranty or representation from Lessor, either express or implied, of any kind or nature whatsoever with respect to the Property, including, but not limited to, any warranty of merchantability, habitability, or fitness for any particular or specific purpose, and all such warranties are hereby disclaimed, except for representations and warranties contained in this Lease. Without limiting Lessor's representations, warranties, and obligations, should Lessee desire any inspection report, environmental assessment, survey, creation of a legal description, drainage report, or any similar study, Lessee shall be responsible for the same at Lessee's sole expense.

1.2 Access. Lessee (and Lessee's agents, contractors, employees, and designees) are hereby granted the right of reasonable access to and from the Property via such portions of the Airport as are or may be reasonably necessary to allow Lessee (and Lessee's agents, contractors, employees, and designees) to conduct their business operations permitted herein at and on the Property and the Airport. Lessor reserves the right to reasonably designate the location of such access and to change its location from time to time, as Lessor deems reasonably necessary and appropriate; provided such changes do not materially interfere with, or prevent, the use of or access to the Property by Lessee (or Lessee's agents, contractors, employees, and designees), or increase Lessee's costs or obligations under this Lease.

1.3 Permitted Uses. Subject to the provisions of Section 1.4, Lessee may use the Property consistent with the uses described in this Lease and Lessee's rights and obligations set forth in the MDA and for the purposes of the MDA and for no other purpose. Lessee's use of the Property and operation of its business at and on the Airport and the Property is subject to all applicable laws, the *Airport Rules and Regulations*, and *Airport Minimum Standards* (current version is attached to this Lease as **Exhibit F**). All of Lessor's measures shall be non-discriminatory, and adopted in compliance or in accordance with applicable federal and state regulations.

1.4 Prohibited Activities. Lessee shall not use or permit its agents, employees, contractors, invitees, licensees or customers to use the Property or the Airport for any use that is in violation of the *Airport Rules and Regulations*, the *Airport Minimum Standards*, any matters of record, or applicable laws, or for any other activity or operation not specified in Section 1.3 herein, or that does not have advance, written approval of Lessor's Executive Director or other authorized signatory of Lessor. Lessor agrees to reasonably consult with Lessee prior to executing or entering into any agreement that could reasonably be expected to have a material effect on the Property, or on Lessee or its subtenants, or on any Permitted Uses, with the stated purpose of attempting in good faith to avoid any interference with, disruption of, or restriction or limitation on Lessee's intended use and development of the Property in accordance with the MDA and this Lease.

1.5 Lessee Acknowledgement. Lessee acknowledges that, except as otherwise provided in this Lease, its obligations to pay Rent and all other charges due and owing under the terms hereof shall be absolute and unconditional, and shall not be affected by any circumstances whatsoever, including, without limitation: (i) any set-off, counterclaim, recoupment, defense or other right which Lessee may have against Lessor or the United States of America or anyone else for any reason whatsoever; (ii) any liens, encumbrances

or rights of others with respect to the Property; (iii) the invalidity or unenforceability or lack of due authorization or other infirmity of this Lease or any lack of right, power or authority of Lessor or Lessee to enter into this Lease; (iv) any insolvency, bankruptcy, reorganization or similar proceedings by or against Lessee, or any other person; or (v) any other cause, whether similar or dissimilar to the foregoing, any future or present law notwithstanding, it being the intention of the Parties hereto that all rent being payable by Lessee hereunder shall continue to be payable in all events and in the manner and at the times provided herein.

1.6 FAA Review. The parties acknowledge that this Lease is subject to Federal Aviation Administration (“**FAA**”) review and concurrence as and to the extent required under applicable federal law. In the event the FAA objects in writing to any terms in this Lease that could reasonably be expected to result in significant monetary penalties imposed on Lessor or the FAA withholding of grant funding to Lessor, the parties agree to work together in good faith (at no or nominal cost to Lessee) to attempt to resolve and address the FAA’s objections, including jointly meeting with the FAA, and upon mutual resolution of the FAA’s objections, to amend this Lease in a manner that satisfactorily addresses the FAA’s objections. Lessor agrees to promptly provide Lessee with a copy of any objections made by the FAA to this Lease.

2. **ADJUSTMENTS TO PROPERTY BOUNDARIES.**

2.1 Takedown of Development Parcels.

2.1.1 Takedown Notice. As provided in the MDA and in accordance with this Lease, the Property shall be master planned with separate legally-described parcels identified for vertical development (each, “**Development Parcel**”) as shown on the Master Plan (as defined in the MDA). At such time as a Development Parcel is readied for vertical development, as determined by Lessee, one or more Development Parcels may be removed from the Property under this Lease and subjected to a Development Lease between Lessor and Lessee or an Affiliate (as defined in the MDA) of Lessee in the form attached hereto as **Exhibit B** (“**Development Lease**”), in which event such Development Parcel shall no longer be subject to this Lease. At such time as Lessee is prepared to either proceed with construction of Vertical Improvements (as defined in the MDA) on a Development Parcel or sublease a Development Parcel to an Affiliate or a third party that will construct Vertical Improvements on a Development Parcel (such person referred to herein as the “**Vertical Developer**”), Lessee will notify Lessor in writing (“**Takedown Notice**”) specifying the following:

(a) the Development Parcel to be leased pursuant to the Development Lease, or the proposed boundaries for a new Development Parcel, together with a request for such development-related easements as are reasonably necessary for the development of such Development Parcel, as Lessee may reasonably require;

(b) the Horizontal Improvements that will serve such Development Parcel and whether such Horizontal Improvements have been constructed, and if not, the date by which such Horizontal Improvements will be completed by the Vertical Developer;

(c) the estimated dates by which Vertical Improvements will be commenced and completed under the terms of the Development Lease;

(d) the proposed use(s) of the Development Parcel;

(e) the Vertical Developer, and if the Vertical Developer does not intend to occupy the Development Parcel, the proposed or intended occupants thereof, including whether the Developer intends to make Vertical Improvements on a spec basis and market such Development Parcel and spec Vertical Improvements to third parties; and

(f) proposed term of Development Lease, if such proposed term is different from the maximum term permitted hereunder for a Development Lease.

2.1.2 Takedown Package. The Takedown Notice shall be accompanied by the proposed Development Lease to be executed by Lessor, as the landlord, and the Vertical Developer, as the tenant, as well as the proposed Adjustment Amendment (as defined in Section 2.1.4) proposed to be executed by Lessor and Lessee (collectively, “**Takedown Package**”).

The Takedown Package shall be subject to approval of Lessor, which approval shall not be unreasonably withheld, delayed or conditioned, so long as:

(a) the Takedown Package, including the proposed use, is consistent with this Lease, the MDA, the Master Plan (as amended), and the Airport Layout Plan (as amended);

(b) the lease of the Development Parcel for Vertical Improvements will not leave the remainder of the Property landlocked, and/or if the lease of the Development Parcel will leave the remainder of the Property landlocked, Lessor and Lessee agree to work together in good faith to provide for access to such landlocked portions of the Property;

(c) if the Takedown Package is for a new Development Parcel not then currently identified on the Master Plan, the proposed Takedown (as defined in the MDA) will not have a material adverse effect on all or a portion of the Airport or otherwise negatively impact the development of the Property (e.g., failing to provide for utilities to serve such Property);

(d) [omitted];

(e) Lessor approves (which approval may not be unreasonably withheld, conditioned or delayed, taking into consideration the commercial development experience, legal standing and financial capability of such Vertical Developer), the Vertical Developer if other than Lessee or an Affiliate and if the Vertical Developer does not intend to occupy the Vertical Improvements, the proposed or intended occupants thereof; and

(f) no Event of Default with respect to this Lease and no “Developer Event of Default” with respect to the MDA (as defined therein) on the part of Lessee shall have occurred and is continuing.

Lessor will have THIRTY (30) days following receipt of a Takedown Package to either approve or disapprove the same. If Lessor disapproves, Lessor shall provide Lessee with a reasonably-detailed explanation for Lessor’s disapproval and suggestions for revisions that would reasonably satisfy Lessor’s disapproval. If Lessor fails to respond within such THIRTY (30)-day period Lessee may give a second notice to Lessor requesting approval of the Takedown Package, on which the following language must appear in bold print: “**FAILURE TO RESPOND TO THIS NOTICE WITHIN FIVE (5) BUSINESS DAYS FROM ITS RECEIPT SHALL RESULT IN THE TAKEDOWN PACKAGE BEING DEEMED APPROVED.**” If Lessor fails to respond in writing (in the manner described above) to any matter in such second notice within FIVE (5) business days following delivery of such notice, the Takedown Package shall be deemed to have been approved by Lessor. If Lessor disapproves a request for approval, then Lessee may resubmit a revised Takedown Package for review and approval. This cycle will repeat itself until Lessor either approves the request or is deemed to have approved the same. If the Takedown Package is approved or deemed approved, the Vertical Developer shall execute the Development Lease within NINETY (90) days following approval of the Takedown Package, and Lessor shall execute the Development Lease within THIRTY (30) days following receipt of the Development Lease executed by the Vertical Developer. If the Development Lease is not executed by the Vertical Developer within such NINETY (90)-day period, and

received by Lessor within FIVE (5) business days thereafter, Lessee shall be required to submit a new Takedown Package, unless an extension to such deadline has been approved in writing by Lessor.

In the event Lessor approves a Takedown Package for a proposed new Development Parcel not then shown on the Master Plan or for a proposed use not then shown on the approved Master Plan, Lessee shall promptly amend the Master Plan in accordance with the MDA to reflect the changed Development Parcel(s) or use(s).

2.1.3 Development Lease. A Development Lease shall not be executed until such time as (i) Lessee or an Affiliate of Lessee intends to commence construction within THREE HUNDRED SIXTY-FIVE (365) days after execution of the Development Lease; or (ii) Lessee intends to sublease the Development Parcel to a user or developer who intends to commence construction within THREE HUNDRED SIXTY-FIVE (365) days after execution of the Development Lease. Each Development Lease shall conform to the following criteria:

- (a) each Development Lease shall include only one Development Parcel.
- (b) each Development Lease for an Aeronautical Development Parcel (as defined in the MDA) shall be for a total term (including any extension terms) not to exceed FORTY-NINE (49) years.
- (c) each Development Lease for a Non-Aeronautical Development Parcel shall be for a total term not to exceed SIXTY (60) years (and Lessor may, in Lessor’s sole discretion, on a case-by-case basis, upon request from Lessee, approve an extension of such term for a period of up to FIFTEEN (15) years.
- (d) subject to the terms of the MDA and each such Development Lease, Rent under each Development Lease that is executed prior to the THIRTIETH (30th) anniversary of the Effective Date shall be as follows:

Term	Rent (in U.S. Dollars)
Effective Date of Development Lease to end of Year 2 of such Development Lease	\$0.00 / SF
Start of Year 3 of Development Lease to the end of Year 30 of Master Lease	\$0.10 per SF per Year*
	<i>*CPI Adjustments in years 6, 9, 12, 15, 18, 21, 24 of Development Lease</i>
Start of Year 31 of Master Lease	Adjust to Fair Market Value**
	<i>**CPI Adjustments every 3-years for the remainder of the term starting in year 27 and Market Value adjustments every 10-years for the remainder of the term.</i>

- (e) Subject to the terms of the MDA and each such Development Lease, Rent under each Development Lease that is executed on or after the THIRTIETH (30th) anniversary of the Effective Date shall be as follows:

Term	Rent (in U.S. Dollars)
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Effective Date of Development Lease to end of Year 2 of such Development Lease	\$0.00 / SF
Start of Year 3 of Development Lease	Adjust to Fair Market Value*
	<i>*CPI Adjustments every 3-years for the remainder of the term and Market Value Adjustments every 10-years for the remainder of the term</i>

2.1.4 Master Lease Amendment. To effect the removal of a Development Parcel from the Property under this Lease, concurrently with the execution of the Development Lease for the Development Parcel, or with respect to any other adjustment contemplated by this Lease, the Parties shall execute an amendment to this Lease substantially in the form attached hereto as **Exhibit D** (“**Adjustment Amendment**”). Lessee shall provide the legal description of the Development Parcel.

2.2 Terminated Development Leases.

2.2.1 In the event a Development Lease is terminated in accordance with its terms for any reason prior to the date of commencement of any Vertical Improvements on the Development Parcel, Lessee may elect to amend this Lease to include such Development Parcel as part of the Property upon full satisfaction of the following conditions:

(a) Lessee shall pay to Lessor an amount equal to the Base Rent that would have otherwise been due and payable for the Development Parcel in accordance with Section 5 for the period commencing with the date the Development Parcel was removed from the Property in accordance with Section 2.1 and ending with the date of termination of the Development Lease; and

(b) Lessee shall reimburse Lessor for any and all reasonable Development Lease negotiation costs and expenses and shall indemnify Lessor against all third-party claims arising from such terminated Development Lease, including from any default thereunder by the Vertical Developer;

If Lessee elects to include the Development Parcel as part of the Property, Lessee shall provide to Lessor written notice of such election and this Lease shall be automatically amended to include the Development Parcel as part of the Property effective as of the date of termination of the Development Lease. Upon request, a Party shall execute an Adjustment Amendment within TEN (10) days of request therefor from the other Party, and Lessee shall pay to Lessor outstanding Base Rent for the Development Parcel in accordance with Section 5, if any, for the period of time commencing with the date of termination of the Development Lease and ending with the date of Lessee’s election.

2.2.2 In the event a Development Lease is terminated in accordance with its terms on or after the date of commencement of any Vertical Improvements on the Development Parcel, the Development Parcel shall remain excluded from the Property under this Lease.

2.3 Dedication of Taxiway/Taxilane. From time to time portions of the Property may be developed as taxiways or taxilanes. Lessee shall notify Lessor in writing at least THIRTY (30) days prior to the date that Lessee anticipates that taxiway/taxilane will be complete, and Lessor shall arrange promptly to inspect the taxiway/taxilane for legal compliance, working order and condition of the taxiway/taxilane. Within FIVE (5) days after the inspection, Lessor shall deliver to Lessee a written punch list of all incomplete items or faulty items of construction and any necessary finish work needed for the taxiway/taxilane to pass inspection and be reasonably accepted by Lessor. Upon completion of the punch list items by Lessee, Lessor shall promptly issue to Lessee Lessor’s written acceptance of such taxiway/taxilane. At such time as a portion of the Property has been improved with a taxiway/taxilane accepted by Lessor, (i) upon request from

Lessor, Lessee shall transfer or assign, to the extent transferable or assignable, to Lessor all warranties, express or implied, under any contract or subcontracts relating to construction of the taxiway/taxilane; (ii) the taxiway/taxilane will be removed from the Property under this Lease; and (iii) appropriate adjustments shall be made to this Lease by way of an Adjustment Amendment reasonably acceptable to Lessor and Lessee. Upon acceptance by Lessor of any taxiway/taxilane, thereafter Lessee shall have no further duty or obligation with respect to such taxiway/taxilane, including no duty to maintain, repair or restore such taxiway. Lessor agrees to reasonably cooperate with Lessee in connection with any design, permitting, and construction of such taxiways/taxilanes, including executing any applications or other documents reasonably required in connection with such design, permitting and construction, and any approval of the same, including third-party approval. To effect such removal of the taxiway/taxilane from the Property, a Party shall execute an Adjustment Amendment within TEN (10) days of written request therefor from the other Party. Except as expressly required by law, in no event shall Lessee be obligated to comply with any public procurement laws, procedures or requirements in connection with the completion of any taxiway/taxilane.

2.4 Dedication of Public Streets and Horizontal Improvements. At such time as a portion of the Property has been improved with a public street or other public improvement inspected and approved by City, (i) upon request from City, Lessee shall transfer or assign, to the extent transferable or assignable, to City all warranties, express or implied, under any contract or subcontracts relating to construction of the public street or other public improvement; (ii) the public street or improvement will be removed from the Property under this Lease; and (iii) appropriate adjustments shall be made to this Lease by way of an Adjustment Amendment reasonably acceptable to Lessor and Lessee. Upon acceptance by City of such public improvement, Lessee shall have no further duties, liabilities or obligations relating thereto. Lessor agrees to reasonably cooperate with Lessee in connection with any design, permitting, and construction of such public improvements, including executing any applications or other documents reasonably required in connection with such design, permitting and construction, and any approval of the same, including third-party approval. To effect such removal of any public improvements from the Property, a Party shall execute an Adjustment Amendment within TEN (10) days of written request therefor from the other Party. Except as expressly required by law, in no event shall Lessee be obligated to comply with any public procurement laws, procedures or requirements in connection with the completion of any public improvements.

3. TERM.

3.1 Term. The term of this Lease shall be for a period of FORTY-NINE (49) years, commencing on the Effective Date and terminating on _____, 20__ thereafter (“**Term**”).

3.2 Lease Year. For the purpose of this Lease, subject to the additional provisions set forth below in this Section 3.2, “**Lease Year**” shall mean and refer to that period of TWELVE (12) full consecutive calendar months beginning with the first full calendar month of the Term and each subsequent period of TWELVE (12) consecutive calendar months during the Term.

4. NONEXCLUSIVE RIGHTS.

Lessee shall have the exclusive right to lease, use, occupy and develop the Property in compliance with the terms and conditions of this Lease during the Term. All other rights granted to Lessee under this Lease are nonexclusive. Lessor may, in its sole discretion and at any time, permit third parties to conduct any and all business activities at the Airport (other than on the Property) that Lessor deems appropriate, provided that such activities do not limit, prevent, materially interfere with, or prevent or disrupt the use and development of the Property by Lessee.

5. RENT.

5.1 Base Rent. Subject to the terms of the MDA, Lessee agrees to pay Lessor annual rental (“**Base Rent**”) for the use of the Property as follows:

5.1.1 Commencing on the Effective Date through the end of the THIRD (3rd) Lease Year, Base Rent shall be \$0.00 per square foot of Rentable Premises (as defined in Section 5.9 below).

5.1.2 Commencing on the FOURTH (4th) anniversary of the Effective Date through the end of the seventh (7th) Lease Year, Base Rent shall be \$0.03 per square foot of Rentable Premises, subject to the triennial CPI Adjustment set forth in Section 5.3 below.

5.1.3 Commencing on the EIGHTH (8th) anniversary of the Effective Date through the end of the THIRTIETH (30th) Lease Year, Base Rent per square foot of Rentable Premises shall be an amount equal to \$0.04 per square feet of Rentable Premises, subject retroactively to the triennial CPI Adjustments set forth in Section 5.3 below.

5.1.4 Commencing on the THIRTIETH (30th) anniversary of the Effective Date through the end of the Term, Base Rent per square foot of Rentable Premises shall be an amount equal to fair market value as determined in accordance with Section 5.4 below, subject to the triennial CPI Adjustments set forth in Section 5.3 below.

5.2 Base Rent Adjustment Option Per Master Development Agreement. Notwithstanding anything in this Section 5 to the contrary, in the event (i) Lessee elects “Base Rent Adjustment Option” in accordance with Section 9(b)(ii) of the MDA, or (ii) Lessee is deemed to have elected the base Rent Adjustment Option in accordance with Section 9(c) of the MDA, Base Rent shall be adjusted effective as of the date of a Minimum Development Failure Notice (as defined in the MDA) in accordance with Section 9(b)(ii) of the MDA. Upon request, a Party shall execute an Adjustment Amendment reflecting the automatic adjustment within TEN (10) days of request therefor from the other Party.

5.3 Base Rent Increases. Commencing on the SIXTH (6th) anniversary of the Effective Date and continuing thereafter on every THREE (3) year anniversary of the Effective Date of this Lease, the annual Base Rent paid by Lessee shall be adjusted (whether increased or decreased) by a percentage equal to the percentage that the Consumer Price Index (CPI) (as defined below) changed during the immediately preceding THIRTY-SIX (36) month period ending NINETY (90) days prior to the end of the adjustment period during the Term hereof (“**CPI Adjustment**”). For purposes of this Lease, CPI means the United States Department of Labor, Bureau of Statistics Consumer Price Index for all Urban Consumers (CPI-U), U.S. City Average (1982-1984=100). If at any time CPI ceases to exist, Lessor may substitute any official index published by the Bureau of Labor Statistics or by a successor or similar government agency as may then exist and which in Lessor’s reasonable business judgment shall be most nearly equivalent to the CPI.

5.4 Market Adjustment to Base Rent.

5.4.1 On the THIRTIETH (30th) year anniversary of the Effective Date of this Lease (“**Market Adjustment Date**”), the Base Rent shall be adjusted to the fair market base rental rate of the Rentable Premises.

5.4.2 Lessor’s determination of such fair market base rental rate for the Rentable Premises shall be delivered to Lessee no later than ONE HUNDRED TWENTY (120) calendar days prior to the Market Adjustment Date. If Lessee disputes Lessor’s determination of such fair market base rental rate, Lessee shall deliver written notice of such dispute, together with Lessee’s determination of such fair market base rent rate, to Lessor within SIXTY (60) calendar days of Lessee’s receipt of Lessor’s determination. The Parties shall then attempt in good faith to agree upon such fair market base rental rate. The fair market base rental rate shall take into consideration and reflect the limitations and restrictions on Lessee and on the use

and development of the Property and the location of the Property relative to other regional, national and international airport facilities. If the Parties fail to agree within FIFTEEN (15) business days, they shall, within TEN (10) calendar days thereafter, mutually appoint an appraiser to determine the fair market base rental rate. Said appraiser shall be a qualified MAI appraiser, licensed in the state of Arizona, with at least FIVE (5) years of recent continuous experience in determining the fair market rates for commercial properties similar to the Rentable Premises and be a member of the Appraisal Institute or comparable professional organization. If the Parties are unable to agree upon an appraiser within such 10-day period, they shall, within FIVE (5) business days thereafter, jointly apply to the president of the local Board of Realtors for the selection of an appraiser. The president of the Board of Realtors shall, within FIFTEEN (15) business days, select an appraiser with the above qualifications who has not acted in any capacity for either Party within the prior FIVE (5) years. Within SEVEN (7) calendar days of the appointment (either by agreement or selection) of the appraiser, the Parties shall submit to the appraiser their respective determinations of the fair market base rental rate and any/all substantiated information. Within TWENTY (20) business days thereafter, the appraiser shall review each Party's submittal (and such other information as the appraiser deems necessary) and shall select one Party's submittal as representing the most reasonable approximation of such fair market base rental rate, and the appraiser's fees and expenses shall be paid one-half each by each Party.

5.5 Payment.

5.5.1 Base Rent shall be payable in equal monthly installments, in advance, on the first day of each month, without any prior demand therefor and, except as otherwise provided in this Lease, without any abatement, deductions or set-offs whatsoever, and tendered in lawful currency of the United States, either by check or electronic transfer. Base Rent and any other charges due for any period during the Term less than ONE (1) calendar month shall be prorated on a daily basis based on a three hundred SIXTY-FIVE (365) day year.

5.5.2 No payment to or receipt by Lessor of a lesser amount than that which is due and payable under the provisions of this Lease at the time of such payment shall be deemed to be other than a payment on account of the earliest payment due, nor shall any endorsement or statement on any check or payment prejudice in any way Lessor's right to recover the balance of such payment or pursue any other remedy provided in this Lease or by law.

5.5.3 All payments required by this Section 5.5.3 shall be remitted to the following address by the due date(s) specified hereinabove:

Phoenix-Mesa Gateway Airport Authority
Attn.: Department of Finance (Accounts Receivable)
5835 S. Sossaman Road
Mesa, Arizona 85212-6014

or such other address specified in writing by Lessor to Lessee.

5.6 Finance Charges and Late Fees. If Lessee fails to pay any installment of Base Rent or any other charge due and owing to Lessor in full on or before the applicable due date, Lessee shall be responsible for interest on the unpaid installment at the rate of EIGHTEEN PERCENT (18%) per annum from the due date until payment in full is made. In addition, in the event any installment of Base Rent or other charge owing to Lessor is paid more than TEN (10) days after the due date, a late penalty of TEN PERCENT (10%) of the amount of such delinquent Base Rent installment or other charge shall be due and payable in addition thereto.

5.7 Taxes. In the event any governmental authority shall impose a tax or imposition based upon any Base Rent payments or any other sums paid or owing hereunder, or the receipt of such payments by Lessor, Lessee shall pay such amounts to Lessor at the same time and in addition to payments hereunder, which amounts may include, but are not limited to, any or all rental, transaction privilege, sales, excise or

other similar tax except income taxes. Lessor, as a governmental authority or quasi-governmental authority, agrees not to enact or impose any taxes or impositions on any aspect of the business activities, use or development of the Property of Lessee in a discriminatory manner.

5.8 Survival. Lessee's obligation to pay all amounts stated herein, together with any interest thereon and/or penalties therefor, shall survive the termination of this Lease.

5.9 Rentable Premises. For purpose of this Lease, "Rentable Premises" shall mean the developable portions of the Property as set forth on the Master Plan approved by Lessor and Lessee in accordance with the MDA, as may be amended from time to time in accordance with the MDA and Section 12.16 of this Lease. As of the Effective Date, the Rentable Premises is estimated to be approximately 14,648,771 square feet.

6. GUARANTY.

Concurrently with the execution of the MDA, Grupo Seguritech Privada, S.A.P.I. de C.V. guaranteed the performance of Lessee's obligations hereunder in accordance with Section 17 of the MDA.

7. HORIZONTAL IMPROVEMENTS.

7.1 Construction by Lessee. Lessee shall, at its sole cost and expense, construct all Horizontal Improvements on the Property in accordance with all applicable governmental regulations, restrictions, building codes, and the Park Property Governance Documents (as defined in the MDA). Lessor and Lessee agree that Lessee shall be solely responsible for: (i) any required curb cuts and other connection(s) between the Property and the terminating point of the existing or future public rights of way, to the extent required by applicable law; (ii) constructing all Horizontal Improvements, if any, necessary to bring all utilities onto the Property, including, without limitation, electrical, gas, water, sewer, cable and telephone utilities; (iii) installing all utility meters and water and sewer lines to service all Horizontal Improvements constructed on the Property; and (iv) constructing all Horizontal Improvements necessary to connect the Property to existing taxiways or taxilanes in accordance with Airport and FAA rules, regulations and other requirements. Lessor agrees to reasonably cooperate with Lessee in connection with any design, permitting, construction and third-party approval, if necessary, of such Horizontal Improvements, including taxiways, including executing any applications or other documents reasonably required in connection with such design, permitting and construction, and in connection with obtaining any FAA approval. Lessor agrees not to challenge, object to or oppose any application for approval or any construction or development activities on or at the Property by Lessee that is consistent with the MDA, the Master Plan, the Park Property Governance Documents, and this Lease. Lessor acknowledges and agrees that in connection with the construction and installation of Horizontal Improvements, certain limited improvements will necessarily be above-ground, such as above-ground transformers, boxes, cabinets, and other related facilities, and all such above-ground improvements and equipment shall be part of Horizontal Improvements.

7.2 No Alterations. Lessee shall make no material improvements or alterations to the Property except as provided for in, and approved by Lessor in accordance with, the MDA and the Master Plan. Any material improvements or alterations to be made by Lessee are subject to prior written approval of Lessor, which approval may not be unreasonably withheld, delayed or conditioned. Lessor will have FORTY-FIVE (45) days following receipt of a written request by Lessee for approval of material improvements or alterations to either approve or disapprove the same. If Lessor disapproves, Lessor shall provide Lessee with a reasonably-detailed explanation for Lessor's disapproval and suggestions for revisions that would reasonably satisfy Lessor's disapproval. If Lessor fails to respond within such FORTY-FIVE (45)-day period Lessee may give a second notice to Lessor requesting approval of material improvements or alterations, on which the following language must appear in bold print: **"FAILURE TO RESPOND TO THIS NOTICE WITHIN FIVE (5) BUSINESS DAYS FROM ITS RECEIPT SHALL RESULT IN THE**

LESSEE'S PROPOSED IMPROVEMENTS AND ALTERATIONS BEING DEEMED APPROVED." If Lessor fails to respond in writing (in the manner described above) to any matter in such second notice within FIVE (5) business days following delivery of such notice, Lessee's proposed improvements and alterations shall be deemed to have been approved by Lessor. If Lessor disapproves a request for approval and sets forth the reason for its disapproval, then Lessee may resubmit a revised description of the improvements or alterations for review and approval. This cycle will repeat itself until Lessor either approves the request or is deemed to have approved the same.

7.3 Title to Alterations and Improvements. Unless previously dedicated or accepted in accordance with Section 2.3 or Section 2.4, title to all improvements and alterations on the Property (but not personal property or trade fixtures) shall vest in Lessor upon the expiration of this Lease, and Lessee agrees to execute and deliver to Lessor, after the expiration or termination of this Lease, and within TEN (10) business days after Lessor's written request therefor, a quitclaim deed quitclaiming (without covenant, representation or warranty, express or implied) Lessor's title to such improvements and alterations to Lessor.

7.4 Mechanics' Liens. Lessee shall keep the Property and all improvements constructed by Lessee thereon free of any mechanic or materialmen's liens that arise from the actions or omissions of Lessee or any work done at the request of or on behalf of Lessee ("**Lessee Liens**"). In the event that any Lessee Lien is filed, Lessee shall, at its sole cost, cause such lien to be removed from the Property by bonding or otherwise within FORTY-FIVE (45) calendar days of written notice to Lessee thereof.

7.5 Permit Required. Lessee shall be responsible for determining whether it is subject to local building/construction codes or permit requirements, and for compliance with them to the extent they are applicable. All structural, electrical, plumbing or mechanical construction or reconstruction shall conform to City construction and technical codes, to the extent required under applicable law. No such work shall be commenced without first submitting required plans to Lessor for Lessor's approval, which approval may not be unreasonably withheld, delayed or conditioned. Lessee shall be responsible for obtaining any required permit from the City for any improvements to be constructed by Lessee. All such work shall be permitted, inspected and approved by the City prior to concealment or use, to the extent required under applicable law. Lessee shall provide to Lessor a contemporaneous copy of Lessee's permit application and the associated plans and specifications. Lessor agrees to reasonably cooperate with Lessee in connection with any rezoning, land use approval, permitting, variances, and special permits, including any required third-party approval, governmental or otherwise, necessary in connection with the development and use of the Property, Lessor agrees not to challenge, object to or oppose any application for approval or any rezoning, land use approval, permitting, variances, and special permits, including any required third-party approval, governmental or otherwise by Lessee that is consistent with the MDA, the Master Plan, and this Lease.

7.6 Damage or Destruction. During course of construction and prior to dedication or acceptance in accordance with Section 2.3 or Section 2.4, Lessee shall maintain insurance on all of Lessee's improvements to the Property. In the event that all or any portion Lessee's improvements are destroyed or rendered unusable due to fire or other catastrophe prior to Lessee's completion of the same and dedication or acceptance of Horizontal Improvements by Lessor or the City, as the case may be, Lessee shall replace, repair, restore, modify or improve said improvements, subject to the provisions of Section 7.5, using available insurance proceeds.

8. MAINTENANCE.

8.1 Lessee Responsibilities. Lessee shall, at its sole cost and expense, keep the Property in a clean condition and in good order, condition and repair throughout the Term, reasonable wear and tear excepted. Lessee's maintenance of the Property shall consist of, as reasonably necessary, the inspection, servicing and repair of all improvements, including pest control, landscaping and grounds maintenance.

8.2 Damage to Lessor Property. Any real or personal property of Lessor damaged or destroyed by Lessee (or its agents, contractors, employees, managers and representatives) as a result of Lessee's use or occupancy of the Property shall be promptly repaired or replaced by Lessee to the reasonable satisfaction of Lessor; provided however, that Lessor acknowledges and agrees that Lessor's real property will be permanently altered, changed and modified as a result of the development and use of the Property, and Lessor hereby consents thereto, and agrees that such development and use of the Property as permitted in accordance with this Lease shall not constitute waste, damage or destruction to Lessor's real property. Lessor also approves of Lessee demolishing any and all improvements located on or under the Property.

8.3 Trash Removal. Subject to Lessor's obligations under Section 7(k) of the MDA, Lessee shall at all times keep the Property in a clean, safe, sanitary and orderly condition and shall keep such area reasonably free of all trash and debris, and in any event in compliance with all applicable laws and ordinances. Lessee shall be responsible for all trash removal from the Property and Lessee shall deposit all trash and debris only at collection stations located on or in proximity to the Property, in accordance with City code.

8.4 Emergency Repairs. The names and telephone numbers for 24-hour emergency contact for Lessee for the Property are as follows: Jose Pablo Martinez, +52 155 295 55798, and if Mr. Martinez is not available, then Quinn Williams, 602.619.9002. Lessee shall promptly provide Lessor with updated lists and changes as necessary.

9. ASSIGNMENT, SUBLETTING AND OTHER TRANSFERS.

9.1 No Right to Transfer; Except for Leasehold Financings. Lessee may not transfer, assign, sublease, encumber, pledge or hypothecate ("**Transfer**") its interest in this Lease or any right or interest hereunder without the prior consent of Lessor, which consent may not be unreasonably withheld, delayed or conditioned. Lessor will have FORTY-FIVE (45) days following receipt of a written request by Lessee for approval of a Transfer to either approve or disapprove the same. If Lessor disapproves, Lessor shall provide Lessee with a reasonably-detailed explanation for Lessor's disapproval. If Lessor fails to respond within such FORTY-FIVE (45)-day period Lessee may give a second notice to Lessor requesting approval of a Transfer, on which the following language must appear in bold print: "**FAILURE TO RESPOND TO THIS NOTICE WITHIN FIVE (5) BUSINESS DAYS FROM ITS RECEIPT SHALL RESULT IN THE LESSEE'S PROPOSED TRANSFER BEING DEEMED APPROVED.**" If Lessor fails to respond in writing (in the manner described above) to any matter in such second notice within FIVE (5) business days following delivery of such notice, Lessee's proposed Transfer shall be deemed to have been approved by Lessor. If Lessor disapproves a request for approval and sets forth the reason for its disapproval, then Lessee may resubmit a revised proposal for a Transfer for review and approval. This cycle will repeat itself until Lessor either approves the request or is deemed to have approved the same. Notwithstanding the foregoing, however, Lessee may assign or encumber its leasehold interest, including any title to any improvements, as security in conjunction with or as part of one or more leasehold mortgages or deeds of trust, including assignments by means of a foreclosures or trustee's sales thereunder without Lessor's consent. In the case of an assignment (other than an assignment or encumbrance as security), the assignee must expressly assume in writing all of Lessee's obligations under this Lease from and after the date of such assignment.

9.2 Deemed Transfers. For the purposes of this Lease, a Transfer shall be deemed to include the following: (i) the transfer of any ownership interest in Lessee resulting in a change in the present control of Lessee by the person or persons owning a majority of the ownership interest thereof as of the date of this Lease; provided, however, if Lessee is a corporation whose stock is traded on a nationally recognized stock exchange, the transfer of Lessee's stock shall not constitute a Transfer requiring Lessor's consent; and (ii) the sale of greater than FORTY-NINE PERCENT (49%) or more in value of the assets of Lessee, whether in a single transaction or a series of transactions.

10. DEFAULT; TERMINATION BY LESSOR.

10.1 Events of Default. Each of the following shall constitute a material default of this Lease by Lessee (“**Event of Default**”):

10.1.1 Failure to pay any installment of Base Rent or other amount due from Lessee hereunder, provided that Lessee does not cure such failure within TEN (10) business days after delivery by Lessor to Lessee of a written notice of such failure.

10.1.2 Failure to perform any of its other obligations under this Lease, provided that Lessee does not cure such failure within THIRTY (30) calendar days after delivery by Lessor to Lessee of a written notice of such default; provided, however, if a cure of the default reasonably requires more than THIRTY (30) calendar days to complete, then the time to cure shall be extended so long as the cure is being diligently pursued.

10.1.3 The Transfer or attempted transfer of any interest in the Lease to any transferee in violation of Section 9, provided that Lessee does not cancel or otherwise negate such Transfer or attempted transfer within THIRTY (30) calendar days after delivery by Lessor to Lessee of a written notice of such default.

10.1.4 The filing of any mechanic’s, materialmen’s or other lien or any kind against the Property because of any act or omission of Lessee which lien is not discharged, by bonding or otherwise, within FORTY-FIVE (45) calendar days of receipt of actual notice thereof by Lessee.

10.1.5 Failure to cure any “Developer Event of Default” as defined in and pursuant to the MDA within any applicable notice and cure period provided for therein.

10.1.6 The Termination of the MDA.

10.2 Lessor’s Remedies. Upon the occurrence of an Event of Default under this Lease, Lessor may, without prejudice to any other rights and remedies available to a Lessor at law, in equity or by statute, exercise one or more of the following remedies, all of which shall be construed and held to be cumulative and non-exclusive:

10.2.1 Terminate this Lease and re-enter and take possession of the Property; or

10.2.2 Without terminating this Lease, re-enter and take possession of the Property; or

10.2.3 Without such re-entry, recover possession of the Property in the manner prescribed by any statute relating to summary process, and any demand for Base Rent, re-entry for condition broken, and any and all notices to quit, or other formalities of any nature to which Lessee may be entitled, are hereby specifically waived to the extent permitted by law; or

10.2.4 With or without terminating this Lease, Lessor may re-let the Property or any portion thereof.

Lessor agrees that Lessor’s right to re-enter the Property under Arizona Revised Statutes Section 33-361 and other similar rights shall arise after, and only after, the applicable notice and cure or grace periods under this Lease have been given and expired without such default or failure having been cured by Lessee.

10.3 No Implied Termination. Lessor shall not be deemed to have terminated this Lease unless Lessor shall have notified Lessee in writing that it has so elected to terminate this Lease. Except for Lessor’s

negligence or willful misconduct, Lessee hereby waives all claims based on Lessor's legally valid reentering and taking possession of the Property, or removing and storing the property of Lessee, and Lessee shall reimburse Lessor for all reasonable costs incurred by Lessor thereby. No such reentry shall be considered or construed to be a forcible entry by Lessor.

10.4 Lessor's Current Damages. Upon the occurrence and during the continuance of an Event of Default, Lessor is authorized to make such repairs, refurbishments or improvements to the Property as may be necessary for the purpose of attempting to re-let the Property, and the reasonable costs and expenses incurred in respect of such repairs, redecorating, refurbishments and improvements shall be paid by Lessee to Lessor within TEN (10) business days after receipt of Lessor's statement. If Lessor exercises any of the remedies stated above, Lessor shall be entitled to recover from Lessee all actual damages incurred by Lessor by reason of the Event of Default, which shall include, without limitation, (i) the equivalent of the amount of the present value of Base Rent and all other payments which would be payable under this Lease by Lessee for the remainder of the Term as if this Lease were still in effect, less (ii) the net proceeds of any re-letting by Lessor after deducting all of Lessor's reasonable expenses in connection with such re-letting, which shall include, without limitation, repossession costs, repairs, redecorating, refurbishments or improvements to the Property, brokerage commissions, attorneys' fees, and legal expenses. Lessee shall pay such current damages to Lessor, in the amount set forth in the preceding sentence ("**Deficiency**"), in monthly installments on the days on which the Base Rent would have been payable under this Lease as if this Lease were still in effect. In no event shall Lessee be liable for punitive, consequential or speculative damages under this Lease. Lessor agrees to satisfy its obligations to mitigate its damages.

10.5 Lessor's Final Damages. At any time after an Event of Default, whether or not Lessor shall have collected any monthly Deficiency as set forth above, Lessor shall be entitled to recover (without duplication) from Lessee, and Lessee shall pay to Lessor, promptly on demand, as Lessor's final damages for the applicable Event of Default, the sum of (a) the then present worth (at a discount at the rate of SIX PERCENT (6%) per annum) of (i) the aggregate of the Base Rent and all other amounts to be paid by Lessee hereunder for the unexpired portion of the Term of this Lease (assuming this Lease had not been terminated), less (ii) the amount of Rent and any losses that could have been reasonably avoided, plus (b) reasonable repossession costs, reasonable Lessor's expenses in connection with any attempts it may have made to re-let the Property (which shall include, without limitation, repairs, refurbishments or improvements to the Property and brokerage commissions), reasonable attorneys' fees, reasonable legal expenses, and all other actual damages incurred by Lessor as a result of such Event of Default.

10.6 No Waiver by Lessor. No waiver by Lessor of any breach or default by Lessee in the performance of its obligations under this Lease shall be deemed to be a waiver of any subsequent default by Lessee in the performance of any of such obligations, and no express waiver shall affect an Event of Default in a manner other than as specified in said waiver. The consent or approval by Lessor to or of any act by Lessee requiring Lessor's consent or approval shall not be deemed to waive or render unnecessary Lessor's consent or approval to or of any subsequent similar acts by Lessee.

10.7 Content of Default Notice. Any default notice tendered to Lessee hereunder shall be deemed to be sufficient if it reasonably describes the nature of such default, and is made in accordance with Section 18 herein.

10.8 Limitation on Exercise of Termination Remedy by Lessor. Notwithstanding anything to the contrary in Section 10.2 hereinabove, if an Event of Default occurs, Lessor shall not have the remedy of terminating this Lease or of taking possession of the Property unless: (i) the Event of Default consists of a failure to pay Base Rent or other amounts owed to Lessor; (ii) the Event of Default is Section 10.1.6, Termination of the MDA, or (iii) Lessor has no other remedy that is adequate to protect Lessor's interests. Nothing in this Section 10 shall limit the exercise of any such other remedy.

10.9 Subordination of Landlord's Lien. Lessor hereby agrees from time to time to subordinate to one or more Mortgagees all statutory or common law landlord's lien rights with respect to property or assets of Lessee located on the Property, including, without limitation, Lessor's rights under Arizona Revised Statutes Sections 33-361 and 362 and other similar laws. Upon written request from Lessee, Lessor agrees to promptly execute and deliver such commercially reasonable landlord subordination agreement and access agreement that any Mortgagee may request of Lessor. Lessee shall reimburse Lessor for reasonable third-party costs, including reasonable attorneys' fees, incurred by Lessor in connection with the review and negotiation of any such agreement within THIRTY (30) days after receipt of a an invoice from Lessor.

11. INDEMNIFICATION.

11.1 Lessee's Indemnity. Except for the actions and omissions of Lessor and its agents, contractors, employees, managers and representatives, to the fullest extent permitted by law, Lessee hereby agrees to defend, indemnify and hold harmless Lessor and its members, elected or appointed officials, agents, contractors, subcontractors, boards, commissions and employees (hereinafter referred to collectively as the "Lessor" for purposes of this Section 11.1) for, from and against any and all third-party claims, causes of action, liability, suits, litigation (including reasonable attorney's fees and other costs of investigation and litigation), actions, losses, damages or claims of any nature whatsoever to the extent such arise out of or in connection with (i) any accident, injury or actual damages occurring within the Property during the Term caused by Lessee or its agents, employees, contractors, or subcontractors, or (ii) any negligent act or omission of Lessee or its agents, employees, contractors, or subcontractors (hereinafter referred to collectively as "Lessee" for purposes of this Section 11.1) on the Property or the Airport and which result directly or indirectly in the injury to or death of any persons or the damage to or loss of any property, or (iii) the failure of Lessee to comply with any provisions of this Lease. This indemnification shall exclude responsibility for any damages and for claims arising by reason of the acts or omissions of Lessor or its employees, contractors or agents.

11.2 Lessor's Indemnity. Except for the actions and omissions of Lessee and its agents, contractors, employees, managers and representatives, to the fullest extent permitted by law, Lessor hereby agrees to defend, indemnify and hold harmless Lessee and its members, elected or appointed officials, agents, contractors, subcontractors, boards, commissions and employees (hereinafter referred to collectively as the "Lessee" for purposes of this Section 11.2) for, from and against any and all third-party claims, causes of action, liability, suits, litigation (including reasonable attorney's fees and other costs of investigation and litigation), actions, losses, damages or claims of any nature whatsoever to the extent such arise out of or in connection with (i) any negligent act or omission or intentional misconduct by Lessor or its agents, employees, contractors, or subcontractors (hereinafter referred to collectively as "Lessor" for purposes of this Section 11.2) on the Property or the Airport and which result directly or indirectly in the injury to or death of any persons or the damage to or loss of any property, or (ii) the failure of Lessor to comply with any provisions of this Lease. This indemnification shall exclude responsibility for any damages and for claims arising by reason of the acts or omissions of Lessee or its employees, contractors or agents.

11.3 Lessor's Damage to Improvements. Lessor shall be responsible and liable for any damage to any Improvements or alterations on the Property to the extent caused by Lessor or its agents, employees, contractors or subcontractors, and Lessor shall promptly repair any damage caused by Lessor or its agents, employees, contractors or subcontractors.

12. ENVIRONMENTAL PROTECTION.

12.1 Definitions. Unless the context shall clearly require otherwise, the terms defined in this Section 12 shall, for all purposes of this Lease and of any agreement amendatory hereof or supplemental hereto, have the meanings herein specified, with the following definitions to be equally applicable to both the single and plural forms of any of the following:

12.1.1 Environmental Laws. The term “Environmental Laws” shall mean any one or all of the following, as the same are amended from time to time: the *Comprehensive Environmental Response, Compensation, and Liability Act*, 42 USC Section 9601 et seq.; the *Resource Conservation and Recovery Act*, 42 USC Section 6901, et seq.; the *Toxic Substances Control Act*, 15 USC Section 2601 et seq.; the *Safe Drinking Water Act*, 42 USC Section 300f et seq.; the Clean Water Act, 33 USC Section 1251 et seq.; the *Clean Air Act*, 42 USC Section 7401 et seq.; the *Arizona Hazardous Waste Management Act*, A.R.S. Section 49-921 et seq. the *Arizona Environmental Quality Act*, A.R.S. Title 49, as amended; and all regulations thereunder and any other laws, regulations and ordinances (whether enacted by the local, state or federal government) now in effect or hereafter enacted that deal with the regulation or protection of the environment, including the ambient air, ground water, surface water, and land use, including substrata land, or that govern the use of hazardous materials, hazardous waste and hazardous substances and petroleum products.

12.1.2 Hazardous Material. The term “**Hazardous Material**” shall mean any toxic or hazardous material, substance or waste, or any pollutant or contaminant as defined or regulated pursuant to any Environmental Law and petroleum products. For purposes of this definition, petroleum includes petroleum-based substances comprised of a complex blend of hydrocarbons derived from crude oil through processes of separation, conversion, upgrading and finishing (e.g., distillate fuel oils, petroleum solvents and used oils).

12.2 [Intentionally Omitted].

12.3 Environmental Compliance.

12.3.1 Lessee shall, at the Lessee’s own expense, comply with all present and hereafter enacted Environmental Law, including any amendments thereto, affecting Lessee’s activities on and property interest in the Property during the period of Lessee’s occupancy of thereof under this Lease. To the extent that Lessor, or any Lessor’s employees, agents or contractors, conducts any activities on the Property during the period of Lessee’s occupancy, Lessor shall, at Lessor’s own expense, comply with all present and hereafter Environmental Law, including any amendments thereto, affecting any of Lessor’s activities on the Property.

12.3.2 Lessee shall not cause or permit any Hazardous Material to be brought upon, kept or used in or about the Property or the Airport by Lessee’s agents, employees, contractors or invitees in violation or threatened or suspected violation of any Environmental Law. The Parties recognize and agree that Lessee may bring on the Property and Airport and use Hazardous Material that is ordinarily and customarily used in the conduct of Lessee’s permitted activities under this Lease, provided that such use shall comply fully with all applicable Environmental Laws. Lessor shall not cause or permit any Hazardous Material to be brought upon, kept, or used in or about the Property or by Lessor’s agents, employees, contractors for any activity Lessor conducts on the Property during Lessee’s occupancy, without prior notification to and approval by Lessee (which shall not be unreasonably withheld), and any such use or presence shall be in compliance with Environmental Law.

12.4 Indemnification. To the fullest extent permitted by law, Lessee shall indemnify, defend (with counsel reasonably acceptable to Lessor), protect and hold harmless Lessor and its employees and agents for, from and against any and all liability, loss, damage, expense, penalties and legal and investigation fees or costs, arising from or related to any claim or action for injury, liability, or damage to persons or property and any and all claims or actions brought by any person, entity or governmental body, alleging or arising in connection with contamination of the environment or violation of any Environmental Law or other statute, ordinance, rule, regulation, judgment or order of any government or judicial entity (“**Environmental Damages**”) which are incurred or assessed as a result of any of Lessee’s activities or operations on the Property or Airport. This obligation includes, but is not limited to, all costs and expenses related to cleaning up the property, land, soil and underground or surface water as required under the law. Lessee’s obligations and liabilities under this Section 12.4 shall survive the termination of this Lease. The indemnification of

Lessor by Lessee as described above includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision. Lessor reserves the right to seek injunctive relief as may be permitted under law and equity. This Section 12.4 explicitly excludes Lessee duty, liability or indemnity to Lessor for any claims or Environmental Damages of any kind whatsoever arising from or in connection with any contamination of any kind existing on the Property prior to the Effective Date, except and only to the extent known contamination is exacerbated by Lessee or unknown contamination is exacerbated by Lessee's negligence.

12.5 Remediation. Without limiting the foregoing, if the presence of any Hazardous Material during the Term of this Lease caused or permitted by Lessee to be first brought on the Airport or Property upon or after the Effective Date results in any Release on the Airport or Property in violation of any Environmental Law, Lessee shall promptly take action to remediate the affected property at its sole expense as necessary to return the Airport or Property to the condition existing prior to the introduction of any such Hazardous Material to the Airport or Property; provided that Lessor's approval of such actions shall first be obtained, which approval shall not, except in an emergency, be unreasonably withheld so long as such actions would not potentially have any material adverse long-term effect on the Airport and Lessee is not under administrative or court order related to such remediation action. Notwithstanding Lessor's approval pursuant to this Section 12.5, Lessor is not responsible for directing or managing any remediation action. For purposes of this Section 12.5, the term "Release" means any releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, disposing, or dumping. This Section 12.5 also applies to Lessee's remediation of any contamination of any kind existing on the Property or Airport prior to the Effective Date, including any such contamination that may be first discovered after the Effective Date but not caused by Lessee, except and only to the extent known contamination is exacerbated by Lessee or unknown contamination is exacerbated by Lessee's negligence.

12.6 Governmental Submittals. Lessee shall, at Lessee's own expense, make all submissions to, provide all information to, and comply with all requirements of the appropriate governmental authority ("**Government**") under the Environmental Laws related to Lessee's activities from the Effective Date. Should the Government determine that a site characterization, site assessment and/or cleanup plan should be prepared and/or that a cleanup should be undertaken because of any spills or discharges of Hazardous Material first caused or permitted by Lessee to be brought on the Airport after the Effective Date or by reasons of Lessee's activities or actions at the Airport which occur after the Effective Date, then Lessee shall, at the Lessee's own expense, prepare and submit the required plans and financial assurances, and carry out the approved plans.

12.7 Information Sharing. Lessee shall immediately notify Lessor of any of the following: (i) Lessee's receipt of any notification from any governmental entity either charging or informing Lessee that it will be charged with a significant violation of Environmental Law (as defined below), and (ii) any significant change in Lessee's activities on the Property that is reasonably likely to adversely change Lessee's obligations or liabilities under the Environmental Laws. In addition, Lessee agrees to provide Lessor with non-privileged copies of documents reflecting the physical condition of the Property, including but not limited to, environmental testing of soils and groundwater, and existing, non-privileged information reasonably requested by Lessor to determine the applicability of the Environmental Laws to the Property, or to assist in the response to any governmental investigation or claim of liability by third parties which is related to environmental contamination of the Property, to the extent that such investigations or claims are related to Lessee's activities thereon. A "significant violation of Environmental Law" shall be any violation that requires more than ONE HUNDRED EIGHTY (180) calendar days to resolve.

12.8 Actions of Lessee. The activities or actions of Lessee under this Section 12 shall include the activities or actions of Lessee's officers, directors, employees, agents, contractors, invitees and successors.

12.9 Clean Water Act; NPDES Permits and SWPPPs. Without in any way limiting the foregoing, Lessee shall comply with all Environmental Laws regarding discharges to water and land, including, without limitation, obtaining and complying with an individual National Pollutant Discharge Elimination System (NPDES) permit, or requesting coverage under and complying with any applicable Multi-Sector General Permit (“**MSGP**”). If applicable, Lessee shall also prepare and comply with a site-specific MSGP with an individual Storm Water Pollution Prevention Plan (“**SWPPP**”) or any revisions to a SWPPP, with respect to Lessee’s operations or activities on the Property or Airport. Proof of individual compliance shall be provided in the form of both the Lessee’s Notice of Intent (“**NOI**”) that has been received by the Arizona Department of Environmental Quality (“**ADEQ**”) and the individual Arizona Multi-Sector General Permit (AZMSGP) number associated with the NOI, within the times prescribed by law.

12.10 Protective Devices and Plans. If Lessee is required by the City to estimate the possible constituents of sanitary sewer discharges in order that the City may define certain discharge limitations for the Property, Lessee shall complete and return an Industrial Wastewater Discharge Questionnaire (“**Questionnaire**”) to the City and promptly provide Lessor with updates to the Questionnaire as they arise. Also, if the City so requires, Lessee shall install and maintain appropriate protective devices to prevent accidental discharge of any Hazardous Material into domestic or industrial drains on or near the Property and elsewhere on the Airport, as appropriate, and for any other material for which a slug load discharge could pollute the Airport’s storm water discharge or disrupt operations at the sewage treatment plant serving the Property. Lessee shall post a notice in a prominent place on the Property advising employees what actions to take and whom to call in the event of said discharge, and shall ensure that all employees of Lessee are trained with regard to the spill protection plan hereinafter referenced. Lessee also shall provide Lessor with immediate notice of any spill.

12.11 Right to Enter Property. In addition to the rights afforded to Lessor in Section 17, this Lease specifically includes the right of the United States Government, the Environmental Protection Agency (the EPA), ADEQ and the Arizona Department of Occupational Safety and Health (ADOSH) to enter the Property upon reasonable notice to Lessee for purposes of: (i) inspecting Lessee’s compliance with environmental, occupational safety and health laws and regulations, whether or not such party is responsible for enforcing such laws; (ii) conducting environmental investigation or remediation, including, without limitation, performing tests and surveys, drillings, test-pitting, borings, compiling data and/or records, and other activities related to environmental investigation; and (iii) carrying out remedial or removal actions as required or necessary under applicable laws, including, without limitation, installing monitoring wells, pumping wells and/or treatment facilities. Lessee shall have no claim against Lessor for any entries by the United States, EPA, ADEQ, Arizona ADOSH, or any officer, agent, employee or contractor thereof.

12.12 U.S. Air Force Use and Remedial Action.

12.12.1 The Parties assume no liability or responsibility for environmental impacts and Environmental Damages or claims of any kind whatsoever caused by or resulting from the U.S. Air Force’s use of Hazardous Material on any portion of the Airport, including the Property, prior to the Effective Date, and have no obligation under this Lease to undertake the defense of any claim or action, whether in existence now or brought in the future, solely arising out of the use of or release of any Hazardous Material or deposits of solid waste on or from any part of the Airport, including, but not limited to, the Property, even if such claims or contamination are first discovered or made after the Effective Date. Further, the Parties have no obligation under this Lease to undertake environmental response, remediation, or cleanup relating to any contamination caused by or related to such use or release. For purposes of this Section 12.12, “defense” or “environmental response, remediation, or cleanup” shall include liability and responsibility for the costs of damage, penalties, legal and investigative services relating to such use or release. The terms, “Occupation” or “Use” shall mean any activity or presence (in or upon) such portion of, or such building, facility or other improvement on the Property.

12.12.2 Pursuant to Section VII.E.3 of the Deed (as defined herein), the U.S. Air Force warrants and covenants that all remedial action necessary to protect human health and the environment with respect to hazardous substances remaining on the Airport, including the Property, has been completed prior to the date of the Deed and, further, any remedial action found to be necessary after the date of the Deed shall be conducted by the U.S. Air Force; provided, however, that the foregoing covenant does not apply where Lessor or Lessee is a potentially responsible party with respect to any portion of the Property or the Airport.

12.13 Cleanup Requirements. Lessee agrees that Lessor assumes no liability to Lessee should Hazardous Material cleanup or related requirements, whether imposed by law, regulatory agencies, the U.S. Air Force or Department of Defense cause delays or interferes with Lessee's use of the Property. Lessee shall have no claim against Lessor or the United States or any officer, agent, employee or contractor thereof on account of any such interference whether due to entry, performance of remedial or removal investigations, or exercise of any right with respect to the Federal Facilities Agreement (FFA) or the Installation Restoration Program (IRP) or under this Lease or otherwise. Lessee agrees to comply with the provisions of any health or safety plan in effect under the IRP or any hazardous substance remediation or response agreement with environmental regulatory authorities during the course of any of the above described response or remedial actions. Any inspection, survey, investigation, or other response or remedial action conducted by Governmental Authorities or Lessor shall, to the extent practicable, be coordinated with representatives designated by Lessee.

12.14 Wells. Lessee shall not install any drinking water or other wells in any location on the Property without the prior written approval of Lessor, except to the extent that the installation of a monitoring well is required by Governmental Authorities.

12.15 Construction Activities and Surface Disturbances. After construction of Lessee's improvements on the Property, if any, either in the future or as otherwise provided herein, Lessee shall not conduct any subsurface excavation, digging, drilling or other disturbance of the surface other than what is usual and customary for the anticipated uses without the prior written approval of Lessor, which shall not be unreasonably withheld, conditioned or delayed.

12.16 Later Discovered Hazardous Material.

12.16.1 Exclusion of Impacted Property. If any Hazardous Material is newly discovered on a portion of the Property after the Effective Date that: (a) (i) were not placed on or introduced to the Property by Lessee, and (ii) were present on the Property prior to the Effective Date (collectively, "**Later-Discovered, Pre-Existing Hazmat**"); and (b) such Later-Discovered, Pre-Existing Hazmat will cause Unavoidable Delay in the construction of Horizontal Improvements or Lessee's ability to proceed with vertical development under a Development Lease; Lessee shall immediately notify Lessor and cease development activity in the impacted area of the Property, and Lessee shall have the right to either (a) conduct such investigations and remedial actions as necessary under applicable Environmental Law and continue development activity as the remedial process allows (and reserve any rights it may have to seek whatever compensation it is entitled to recover), if Lessor does not agree, within SEVEN (7) business days of receiving notice contemplated under this Section, to promptly investigate and remediate the detected contamination in accordance with Environmental Law, and on a schedule and in a manner that does not interfere with Lessee's development, use or construction plans, or (b) exclude such portion of the Property ("**Later Excluded Parcel**") from the Property under this Lease, and appropriate adjustments shall be made to this Lease by way of an Adjustment Amendment reasonably acceptable to Lessor and Lessee. To effect such removal of the portion of the Property impacted by the Hazardous Material, a Party shall execute an Adjustment Amendment within TEN (10) days of written request therefor from the other Party. The investigation and remediation of the Later Excluded Parcel, if necessary under Environmental Law to allow

the planned development to occur, shall be conducted by the party legally obligated to conduct such investigatory or remedial activities.

In the event a Development Lease is terminated due to Later-Discovered, Pre-Existing Hazmat, the Development Parcel subject to the terminated Development Lease shall be deemed a Later Excluded Parcel for purposes of this Lease.

The Parties assume no liability or responsibility for any Later-Discovered, Pre-Existing Hazmat. Lessee's sole remedy with respect to the Later-Discovered, Pre-Existing Hazmat shall be as set forth in (a) or (b) above.

12.16.2 Inclusion of Property. For any portion of the Property that is designated as a Later Excluded Parcel, following remediation, if any, of the Later-Discovered, Pre-Existing Hazmat on the Later Excluded Parcel, Lessor shall notify Lessee in writing, and Lessee shall have NINETY (90) days to perform Investigations (as defined in the MDA) on the Later Excluded Parcel and notify Lessor in writing if it wishes to add the Later Excluded Parcel to the Property under this Lease in the same manner as provided in Section 2(d)(v) of the MDA with respect to an Excluded Parcel (as defined in the MDA). If Lessee elects or is deemed to have elected to not add the Later Excluded Parcel to the Property, Lessor shall have the right to determine use of the Later Excluded Parcel in the same manner for an Excluded Parcel as set forth in Section 2(d)(v) of the MDA. If Lessee elects to add the Later Excluded Parcel to the Property, appropriate adjustments shall be made to this Lease by way of an Adjustment Amendment reasonably acceptable to Lessor and Lessee. To effect such addition of the Later Excluded Parcel, a Party shall execute an Adjustment Amendment within TEN (10) days of written request therefor from the other Party.

13. PROTECTION OF WETLANDS.

Lessee shall minimize the destruction, loss, or degradation of any wetlands located on the Property. Lessor believes there are no wetlands existing on the Property as of the Effective Date. However, before locating new construction in wetlands, if any exist, Lessee shall contact Lessor and the permitting authority and obtain a permit or waivers under Section 404 of the Clean Water Act. For purposes of this Section 13, the term, "new construction," includes structures, facilities, draining, dredging, channeling, filling, diking, impounding, and related activities.

14. SPECIAL PROVISIONS.

14.1 Lessee shall comply with all applicable Federal, State, and local laws, rules, regulations, requirements, and ordinances, including occupational safety and health regulations.

14.2 Lessee shall be responsible for determining whether it is subject to State and local sanitation, licensing, building code or building permit requirements and whether or not it requires a permit to do business and for compliance with them to the extent they are applicable.

15. INSURANCE.

15.1 Coverage Required. On or before the Effective Date under this Lease, Lessee shall procure and maintain, or cause to be procured and maintained, the following types and amounts of insurance with respect to the Property:

15.1.1 *Workman's Compensation* insurance as required by law and *Employers Liability* insurance in the amount of \$100,000 per accident, \$100,000 disease per person, \$500,000 disease policy limit or \$1,000,000 total.

15.1.2 *Airport Premises Liability* insurance in the amount of \$5,000,000 per occurrence, and \$10,000,000 annual aggregate.

15.1.3 *Contractual Liability* insurance in the amount of \$2,000,000 covering applicable leases, licenses, permits, or agreements is required.

15.1.4 *Commercial Operators/Automobile Liability* insurance for all owned, non-owned and hired vehicles operating on the airside, assigned to or used in the performance of commercial activities in the amount of at least \$5,000,000 per occurrence. If any hazardous material, as defined by any local, state or federal authority, is the subject, or transported, in the performance of this contract, an MCS 90 endorsement is required providing \$5,000,000 per occurrence limits of liability for bodily injury and property damage.

15.1.5 *Environmental Impairment Liability/Pollution* coverage for any hazardous material storage facility, tank, piping, ancillary equipment, containment system or structure used, controlled, constructed, or maintained by the Lessee, in the amount of \$2,000,000 each incident, \$5,000,000 aggregate. The policy shall cover on-site and off-site third party bodily injury and property damage including expenses for defense, corrective action for storage tank releases and tank cleanup for storage tank releases and may be included as part of a blanket pollution liability program covering the entire Property.

15.1.6 *Builders Risk* insurance to cover all approved improvements or facilities during construction for an amount equal to the completed value of the improvement or facility.

15.2 Form. Each insurance policy obtained pursuant to this Section, except for *Worker's Compensation* and *Employer's Liability* policies, shall: (i) name Lessor as a certificate holder or additional named insured; (ii) contain a provision that written notice of cancellation or modification thereof shall be given to Lessor not less than THIRTY (30) calendar days before such cancellation or modification takes effect (TEN (10) days in case of nonpayment of premium); and (iii) contain a waiver of subrogation in favor of Lessor. Lessee shall not permit any insurance policy to be canceled or modified without Lessor's written consent unless equivalent replacement policies are issued with no lapse in coverage. All policies shall be obtained from insurance companies licensed to do business in the State of Arizona and possessing a rating of at least A – VII or higher from the A.M. Best Company, or an equivalent rating and approved by Lessor.

15.3 Certificates of Insurance. Lessee shall deliver to Lessor a certificate of insurance for each policy required herein, in standard Acord or equivalent form, prior to the Effective Date and shall continue to provide such certificates throughout the Term of this Lease.

15.4 Additional Insurance. At any time during the Term of this Lease, Lessor may, if in its reasonable determination the insurance coverage required by this Section 15 is no longer adequate, require Lessee to increase its coverage to commercially reasonable amounts.

15.5 Blanket Insurance. Lessee's insurance obligations under this Lease may be satisfied by means of "blanket" or excess policies.

15.6 Insurance by Lessor.

15.6.1 In the event Lessee shall fail to procure any insurance required hereunder, Lessor may, upon written notice to Lessee, procure and maintain any or all of the insurance required of Lessee under this Section. In such event, all costs of such insurance procured and maintained by Lessor on behalf of Lessee shall be the responsibility of Lessee and shall be fully reimbursed to Lessor within TEN (10) business days after Lessor advises Lessee of the cost thereof.

15.6.2 On or before the Effective Date under this Lease, Lessor shall procure and maintain, or cause to be procured and maintained, the insurance policies required to be maintained by Lessor pursuant to **Exhibit D** attached to the MDA.

16. SURRENDER OF POSSESSION.

16.1 Condition of Property.

16.1.1 Upon the expiration or earlier termination of this Lease, Lessee's right to occupy the Property and exercise the privileges and rights granted thereunder shall cease, and Lessee shall peaceably surrender the same and leave the Property in broom clean and in good condition except for normal wear and tear, casualty (subject to Lessee's obligations under Section 7.6) and condemnation. Lessee shall not be responsible for the removal or remediation of any Hazardous Material that was present on, under or near the Property prior to occupancy, regardless of the date of discovery of such Hazardous Material, and shall not be responsible for returning the Property in a better condition than existed on the Effective Date, except as expressly provided hereunder. All trade fixtures, equipment, and other personal property installed or placed by Lessee on the Property shall remain the property of Lessee, and Lessee shall have the right at any time during the Term of this Lease, to remove the same from the Airport and Lessee shall repair, at its sole cost, any damage caused by such removal. Any property not removed by Lessee within FIFTEEN (15) calendar days of the expiration or earlier termination of this Lease, or revocation of Lessee's right to occupy the Property, shall become a part of the Property, and ownership thereof shall vest in Lessor. Lessee shall, however, remain financially liable to Lessor for the cost of repairs to the Property incurred as a result of Lessor's removal and/or relocation of property formerly belonging to Lessee and not otherwise removed from the Property, as provided herein, and shall remit to Lessor payment for such reasonable costs within TEN (10) business days of Lessee's receipt of Lessor's invoice therefor.

16.1.2 Any trade fixtures, equipment or other property affixed to the Property by Lessee shall, if required in a written notice to Lessee from Lessor at the time of Lessor's approval of the same, be removed from the Property by Lessee, at Lessee's expense, within FIFTEEN (15) business days of Lease termination. Should Lessee fail to remove such trade fixtures, equipment or other property within said time, Lessor may remove and dispose of such trade fixtures, equipment or other property at Lessee's expense, and Lessee shall reimburse Lessor for the costs thereof within TEN (10) business days of receipt of Lessor's invoice therefor.

16.2 Holding Over. Lessee shall not remain in possession of the Property after the expiration or earlier termination of the Term without the express written consent of Lessor. Should Lessee hold over without the express written consent of Lessor, such tenancy shall be at the sufferance of Lessor and not a renewal of the Term. In such case, the Base Rent and all other charges due pursuant to this Lease shall be payable at ONE HUNDRED FIFTY PERCENT (150%) of the amount payable during the last year of the Term, and such tenancy at sufferance shall be subject to every other term, covenant and provision of this Lease. In the event Lessee holds over, Lessee shall be liable for all of Lessor's direct and consequential damages, which shall include, without limitation, costs, fees, expenses, damages and attorneys' fees incurred by Lessor as a result of Lessee's holding over, and damages and expenses incurred by Lessor for its inability to deliver possession of the Property to a new lessee.

17. INSPECTION BY LESSOR.

Lessor may enter upon the Property at reasonable times during Lessee's normal business hours and upon at least TWO (2) business days' prior written notice to Lessee (except in emergencies, in which event Lessor shall notify Lessee promptly following such emergency entry) for any reasonable purpose, including, but not limited to, compliance with the terms and conditions of this Lease and the exercise of its governmental functions for such activities as fire protection or security. Lessee may accompany Lessor on

any Lessor inspections and entries. Lessor shall take reasonable steps to avoid interrupting or disrupting the conduct of business of Lessee on the Property.

18. NOTICES.

18.1 All notices required or permitted under this Lease shall not be effective unless personally delivered or mailed by certified mail, return receipt requested, postage prepaid, or by reputable commercial overnight courier service, to the following addresses:

TO LESSOR:	Phoenix-Mesa Gateway Airport Authority Attn: Business Development Department 5835 South Sossaman Road Mesa, Arizona 85212 Email: sjoachim@gatewayairport.com
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TO LESSEE:	Mesa SkyBridge LLC 2375 E. Camelback Road, Suite 700 Phoenix, Arizona 85016 Attention: Jose Pablo Martinez, Project Manager Email: jose.martinez@seguritech.com
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With a required copy to: (which shall not constitute notice)	Greenberg Traurig, LLP 2375 E. Camelback Road, Suite 700 Phoenix, Arizona 85016 Attention: Quinn P. Williams Email: williamsq@gtlaw.com
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18.2 Any notice shall be deemed to have been received TWO (2) business days after the date of mailing, if given by certified mail, or upon actual receipt if personally delivered or if given by reputable commercial overnight courier service. Any Party may designate in writing a different address for notice purposes pursuant to this Section.

19. SEVERABILITY.

Should a court of competent jurisdiction declare any provision of this Lease invalid, the remaining terms shall remain effective.

20. SALES AND PROPERTY TAXES.

Lessee shall pay any leasehold tax, sales tax, personal property tax, transaction privilege tax, license or permit fee, or any other tax assessed as the result of its occupancy of Property or conduct of any activity at the Airport under authority of this Lease, including any such tax assessable on Lessor. In the event that laws or judicial decisions result in the imposition of a real property tax or any other form of tax or imposition on the interest of Lessor, such tax shall also be paid by Lessee for the period this Lease is in effect, to the extent such taxes are reasonably attributable to the Property or a portion thereof or the operation of Lessee's business. Lessor agrees not to enact or impose any taxes or impositions on any aspect of the business activities, use or development of the Property of Lessee in a discriminatory manner.

21. APPROVALS, CONSENTS AND NOTICES.

All approvals, consents and notices called for in this Lease shall be in writing, signed by the

appropriate Party, and may not be established solely by oral testimony.

22. LIENS AND MORTGAGES.

22.1 General Provisions.

22.1.1 Except as provided in this Section 22, Lessee shall not engage in any financing or other transaction creating any mortgage or deed of trust upon the Property, place or suffer to be placed upon the Property any lien or other encumbrance, or suffer any levy or attachment to be made on Lessee's interest in the Property. Any such mortgage or deed of trust, encumbrance or lien shall be deemed a violation of this Section, constituting a failure by Lessee to comply with the terms of the Lease, on the date of its execution or filing of record regardless of whether or when it is foreclosed or otherwise enforced.

22.1.2 Notwithstanding anything to the contrary in Section 9 herein, Lessee shall, during the Term, be permitted to mortgage, collaterally assign, or otherwise encumber its leasehold interest (including any interest in the improvements) under this Lease pursuant to one or more Mortgages, as defined below, to secure indebtedness, including, without limitation, one or more loans to finance construction of improvements and other development on the Property, and including refinancings thereof, subject to the restrictions of Section 22.1.4, provided that such leasehold liens comply with this Section 22.

22.1.3 Any such encumbrance, including leasehold deed of trust, is referred to as a "Mortgage" and the holder thereof a "Mortgagee." The Mortgagee, upon taking possession or upon foreclosure or taking an assignment in lieu thereof, shall be liable for all future rents and obligations hereunder and shall attorn to Lessor. The Mortgagee shall not be liable for any act or omission of Lessee's under this Lease except to the extent that any breach of Lessee's obligations under the Lease continues after (i) Mortgagee shall have obtained possession or ownership of the Property, (ii) Mortgagee shall have received written notice of such breach of this Lease at the same time that Lessor notifies Lessee of such breach, and (iii) any notice or cure period related to such breach as provided in this Lease and in Section 22.2 below shall have elapsed without such breach having been cured. No Mortgage shall encumber Lessor's interest in the Property or Lessor's interest in the improvements thereon. Further and promptly after Lessee assigns or encumbers any portion of the Property or the improvements thereon, Lessee shall furnish Lessor with a written notice setting forth the name and address of such Mortgagee or trustee.

22.1.4 No Mortgage or deed of trust shall extend to or affect the fee, the reversionary fee interest or the estate of Lessor in the Property.

22.2 Lessor Agreement. With respect to Mortgagees of the Property, Lessor agrees that:

22.2.1 If requested by a Mortgagee, whose name and address has been provided in writing to Lessor, and if Lessor shall give any notice, demand, election or other communication required hereunder ("**Notices**") to Lessee, Lessor shall concurrently give a copy of each such Notice to the Mortgagee at the address designated by it. Notices shall be sent by registered or certified mail, return receipt requested, and shall be deemed given SEVENTY-TWO (72) hours after the time they are deposited in a United States Post Office with postage charges prepaid, addressed to the Mortgagee. No Notice given by Lessor to Lessee shall be binding upon or affect Lessee or the Mortgagee unless a copy of the Notice shall be given to the Mortgagee pursuant to this Section 22.2.1.

22.2.2 Such Mortgagee entitled to such Notices, as specified above, shall have any and all rights of Lessee with respect to the curing of any Event of Default hereunder by Lessee but excluding Section 10.1.6, Termination of the MDA, which Event of Default, notwithstanding anything to the contrary in this Lease, is not curable.

22.2.3 If Lessor shall elect to terminate this Lease by reason of any Event of Default by Lessee with respect to the Property, the Mortgagee that shall have become entitled to Notice as provided in this Section 22.2 shall have any and all rights of Lessee with respect to curing of any default with respect to the Property, but excluding Section 10.1.6, Termination of the MDA, which Event of Default, notwithstanding anything to the contrary in this Lease, is not curable.

22.2.4 Nothing herein contained shall be deemed to impose any obligation on the part of Lessor to deliver physical possession of the Property to such holder of a Mortgage, but Lessor agrees to reasonably cooperate with Mortgagee in connection with its efforts to acquire possession.

22.2.5 If more than one Mortgagee shall seek to exercise any of the rights provided for in this Section 22, the holder of the Mortgage having priority of lien over the other Mortgagees shall be entitled, as against the others, to first exercise such rights. Should a dispute arise among Mortgagees regarding the priority of lien, the Mortgagees shall prove to the reasonable satisfaction of Lessor that they have settled that dispute.

22.3 Protection of Mortgagee(s). Until the time, if any, that a Mortgage shall be satisfied and released of record:

22.3.1 A Mortgagee shall have the right, for a period equal to the period afforded Lessee to perform any term, covenant, or condition and to remedy any default by Lessee hereunder, plus such additional time that is reasonably needed for Mortgagee to exercise Lessee's rights to cure any defaults subject to the following: (a) if the default cannot be cured by Mortgage, no additional time shall be allowed; (b) if the default can be cured by Mortgage, such additional period of time shall not exceed TWELVE (12) months; (c) if curing the default requires that Mortgagee has possession or control or ownership of the Property, Mortgagee shall be diligently pursuing action to take possession or control or ownership of the Property; and (d) Mortgagee shall not be entitled to more than TEN (10) days of additional time to cure any defaults in the payment of Base Rent. Lessor shall accept such performance with the same force and effect as if furnished by Lessee, and the Mortgagee shall thereby and hereby be subrogated to the rights of Lessor. Such Mortgagee cure period shall begin on the later of: (i) the date Mortgagee receives notice pursuant to Section 22.2, or (ii) the date that Lessee's cure period expires under the Lease. During such Mortgagee cure period, Lessor will not terminate this Lease or disturb possession, interest or quiet enjoyment by the Lessee or Mortgagee in the Property or improvements for any reason, subject to the terms of this Lease, until such Mortgagee cure period has expired. The Mortgagees and their respective designees shall have the right to enter upon the Property to give such performance.

22.3.2 In case of an Event of Default by Lessee in the performance or observance of any non-monetary term, covenant or condition to be performed by it hereunder, if such Event of Default cannot practicably be cured by the Mortgagees without taking possession or ownership of the Property, in such Mortgagee's reasonable opinion, or if such Event of Default is not susceptible of being cured by the Mortgagees, then:

(a) The Mortgagee shall proceed diligently to obtain possession or ownership of the Property (including possession by a receiver), and, upon obtaining such possession, shall proceed diligently to cure such defaults as are reasonably susceptible of cure (subject to any order by a court of competent jurisdiction staying or otherwise precluding such Mortgagee from obtaining such possession); or

(b) The Mortgagee shall institute foreclosure proceedings and diligently prosecute the same to completion (unless in the meantime it shall acquire Lessee's estate hereunder, either in its own name or through a nominee, by assignment in lieu of foreclosure), subject to any order by a court of competent jurisdiction staying or otherwise precluding such Mortgagee from obtaining such possession.

(c) The Mortgagee shall not be required to obtain possession or to continue in possession of the Property pursuant to Section 22.3.2(a), or to continue to prosecute foreclosure proceedings pursuant to Section 22.3.2(b), if and when such Event of Default shall be cured.

(d) If any Mortgagee is prohibited from commencing or prosecuting foreclosure or other appropriate proceedings in the nature thereof by any process or injunction issued by any court, or by reason of any action by any court having jurisdiction of any bankruptcy or insolvency proceeding involving Lessee, the times for commencing or prosecuting foreclosure or other proceedings, including proceedings to obtain possession, shall be extended for the period of the prohibition.

22.4 New Lease. Lessor will not enter into a new lease of the Property.

22.5 Effect of Transfer. Neither the foreclosure of any Mortgage (whether by judicial proceedings or by virtue of any power of sale contained in the Mortgage), nor any conveyance of the leasehold estate created by this Lease by Lessee to any Mortgagee or its designee by an assignment or deed in lieu of foreclosure or other similar instrument, shall require the consent of Lessor or constitute a default or Event of Default under this Lease, and upon such foreclosure, sale or conveyance, Lessor shall recognize the purchaser or other transferee in connection therewith as the Lessee under this Lease, subject only to an assumption in writing by such purchaser or transferee of all obligations of Lessee first arising or first accruing under this Lease from and after the date of such foreclosure, sale or conveyance.

23. GOVERNING LAW; ATTORNEY'S FEES.

The laws of the State of Arizona shall govern the matters set forth in this Lease. Venue of any action brought under this Lease shall, at the option of Lessor, lie in Maricopa County, Arizona.

24. RULES AND REGULATIONS.

Lessee shall at all times comply with all Federal, state and local laws, ordinances, rules, and regulations which are applicable to its activities on the Airport, the Property itself (including but not limited to the *Americans with Disabilities Act*), or the operation, management, maintenance, or administration of the Airport, including all laws, ordinances, rules and regulations adopted after the Effective Date. Lessee shall at all times comply with the *Airport Minimum Standards* and *Airport Rules and Regulations*, as the same may be amended from time to time. Copies of the current *Airport Minimum Standards* and *Airport Rules and Regulations* are attached hereto as **Exhibit F**. Lessee acknowledges and agrees that Lessor may amend the *Airport Minimum Standards* and *Airport Rules and Regulations* at any time in Lessor's commercially reasonable discretion. Lessee shall, within a reasonable period of time, reasonably display to Lessor any permits, licenses, or other evidence of compliance with laws upon written request.

25. CORPORATE AUTHORIZATION.

In executing this Agreement, each of Lessor and Lessee represents and warrants to the other that if such Party is a corporation, or other legal entity, each Party has obtained and been granted the full right, power and authority to enter into this Lease.

26. UTILITY LINES AND SERVICE CHARGES.

26.1 Lessee shall, at no cost or expense to Lessor, provide or arrange for any public utility, water and sewage lines, connections and services that are needed in connection with any building(s), structure(s) or other improvement(s) placed on the Property by Lessee, or required for Lessee's activities thereon, and shall be responsible for the maintenance of such lines and connections from where they enter the Property. If requested to do so by Lessee from time to time during the Term, Lessor will grant reasonable easements,

licenses and rights-of-way on or across the Airport for the proper development and use of the Property, including, without limitation, to suppliers of public or private utility services for the purpose of supplying Lessee with such services, but Lessor reserves the right to reasonably designate the lands along which such easements, licenses and rights-of-way shall be granted so as to minimize the disruption of the operation of the Airport and other Airport tenants.

26.2 Lessee shall pay for all utilities, including trash collection, used in its operations at the Property. The charges and method of payment for each utility or service shall be determined by the appropriate supplier of the utility or service in accordance with applicable laws and regulations, on such basis as the appropriate supplier of the utility or service may establish.

26.3 Notwithstanding the execution of this Lease, Lessor retains the right to the continued use of such utility lines and services as are presently on the Property (so long as Lessor's use does not interfere with or disrupt Lessee's use, occupancy, development and subleasing activities), and the right to repair the same when necessary in Lessor's reasonable discretion, including but not limited to, any utility easements on the Property. Lessor agrees to coordinate any entries onto the Property with Lessee. Lessor shall conduct such use and repairs in such a manner and at such times as to not interfere with Lessee's activities thereon.

27. RESERVATIONS TO LESSOR.

Subject to Lessor's representations, warranties and obligations, the Property are accepted "as is, where is" by Lessee, subject to any and all existing easements or other encumbrances. In advance consultation with Lessee, Lessor reserves the right to grant reasonable easements, rights-of-way, and permits, over, on, or across any portions of the Property for commercially reasonable purposes; provided, that Lessor and the grantee, as applicable, shall not exercise such rights so as to interfere with or disrupt Lessee's activities on the Property, including the development of the Property, to be determined in the reasonable judgment of Lessor and Lessee, and all such interference shall be minimized. Lessor shall provide Lessee reasonable notice of any plan to undertake the activities contemplated under this Section and shall coordinate with Lessee regarding the execution of such plans to minimize any interference with Lessee's or any subtenant's activities on the Property, that all work shall be in compliance with all applicable laws, including Environmental Law, and that the surface of the Property shall be restored to its original condition, including any necessary remediation in accordance with Environmental Law of any contamination associated with any Hazardous Material disturbed during any construction, at no cost to Lessee, upon the completion of any construction. Lessor agrees that any rights granted to any parties by reason of this clause shall contain provisions obligating such parties to at a minimum the same conditions applicable to Lessor under this Section 27, including but not limited to that the surface of the Property and any Horizontal Improvements shall be promptly restored to their original condition, at no cost to Lessee, promptly upon the completion of any construction.

28. FEDERAL AVIATION ADMINISTRATION (FAA) PROVISIONS.

28.1 Lessee agrees that in the event improvements are constructed, maintained, or otherwise operated on the Property for a purpose for which a Department of Transportation (DOT) program or activity is intended, or for another purpose involving the providing of similar services or benefits, Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, *Nondiscrimination in Federally Assisted Programs of the Department of Transportation*, as it may be amended.

28.2 Lessee agrees that: (i) no person shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination on the grounds of race, color, creed, disability, age, sex or national origin in the use of the Property; (ii) that in the construction of any improvements on, over, or under the Property and the furnishing of services thereon, no person shall be excluded from participation in, denied

the benefits of, or otherwise be subjected to discrimination on the grounds of race, color, or national origin; and (iii) that Lessee shall use the Property in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, as it may be amended.

28.3 Lessee assures Lessor that it will comply with pertinent statutes, Executive Orders, and rules promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, or sex, age or handicap, be excluded from participating in any activity.

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

28.5 Lessor reserves the right, but shall not be obligated to Lessee, to maintain and keep in repair the landing area of the Airport and all publicly owned facilities of the Airport, together with the right to direct and control all activities of Lessee in this regard. Lessor and Lessee agree that Lessee has no responsibility whatsoever with respect to maintenance and repair of the landing area of the Airport, or any publicly owned facilities of the Airport.

28.6 This Lease shall be subordinate to the provisions and requirements of any existing or future agreement between Lessor and the United States relative to the development, operation or maintenance of the Airport. Lessor agrees to reasonably consult with Lessee prior to executing or entering into any agreement that could reasonably be expected to have a material effect on the Property, or on Lessee or its subtenants, or on any Permitted Uses, with the stated purpose of attempting in good faith to avoid any interference with, disruption of, or restriction or limitation on Lessee's intended use and development of the Property in accordance with the MDA and this Lease.

28.7 There is reserved unto Lessor, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Property, which shall include the right to cause in the airspace any noise inherent in the operation of aircraft, now known or hereafter used for navigation of or flight in or through the airspace, and for the use of such airspace for landing on, taking off from, or operation on the Airport.

28.8 Lessee agrees to comply with the notification and review requirements covered in 14 CFR Part 77 in the event future construction of a building is planned for the Property or in the event of any planned modification or alteration of any present or future building or structure situated on the Property.

28.9 Lessee shall not erect or permit the erection of any structure or building, nor permit the growth of any tree on the Property, or any other obstruction that exceeds height requirements contained in 14 CFR Part 77 or amendments thereto, or interferes with the runway and/or taxiway "line of sight" of the control tower. In the event these covenants are breached, Lessor reserves the right to enter upon the Property and to remove the offending structure or object at the expense of Lessee.

28.10 Lessee shall not make use of the Property in any manner that might interfere with the landing and taking off of aircraft from the Airport or otherwise constitute a hazard. In the event this covenant is breached, Lessor reserves the right to enter upon the Property and cause the abatement of such interference at the expense of Lessee.

28.11 Nothing contained in this Lease shall be construed to grant or authorize the granting of an exclusive right within the meaning 49 U.S.C. §40103(e) and 47107 (a)(4).

28.12 This Lease and all of the provisions hereof shall be subject to whatever right the United States government now has, or in the future may have or acquire, affecting the control, operation, regulation

and taking over of the Airport, or the exclusive or non-exclusive use of the Airport by the United States during the time of war or national emergency.

28.13 To the extent that Lessee conducts or engages in any aeronautical activity for furnishing services to the public at the Airport, Lessee shall furnish its services on a reasonable and not unjustly discriminatory basis to all users and charge reasonable and not unjustly discriminatory prices for each unit or service; except, however, that Lessee may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar type of price reductions to volume purchasers.

28.14 Lessee shall conform to Lessor, FAA and TSA safety and security rules and regulations regarding use of the Airport air operations area including runways, taxiways, taxilanes and aircraft aprons by vehicles, employees, customers, visitors, etc., in order to prevent security breaches and avoid aircraft incursions and vehicle/pedestrian deviations; complete and pass an airfield safe driving instruction program when offered or required by Lessor; and be subject to penalties as prescribed by Lessor for violations of Airport safety and security requirements.

29. TITLE VI OF THE CIVIL RIGHTS ACT OF 1964.

29.1 Lessee agrees to comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color or national origin, sex, age or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. Lessee understands and acknowledges that the FAA requires inclusion of and adherence to the terms and conditions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. §§2000d to 2000d-4) (“**Title VI**”) in all airport/aviation lease agreements where Lessor receives federal funding, including the Lease in this instance.

29.2 During the Term, Lessee, for itself, its assignees, and successors in interest agrees as follows:

29.2.1 Compliance with Regulations: Lessee will comply with the Title VI List of Pertinent Non-Discrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this Lease.

29.2.2 Non-discrimination: Lessee, with regard to the work performed by it during Lease, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. Lessee will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR Part 21.

29.2.3 Solicitations for Subcontracts, Including Procurements of Materials and Equipment: In all solicitations, either by competitive bidding, or negotiation made by Lessee for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by Lessee of Lessee’s obligations under this Lease and the Non-discrimination Acts And Authorities on the grounds of race, color, or national origin.

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

29.2.5 Sanctions for Noncompliance: In the event of Lessee's noncompliance with the Nondiscrimination provisions of this Lease, Lessor will impose such default remedies as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:

(a) withholding payments, if any, to Lessee under the Lease until Lessee complies; and/or

(b) cancelling, terminating, or suspending the Lease, in whole or in part, in accordance with Section 10.

29.2.6 Incorporation of Provisions: Lessee will include the provisions subsections 29.2.1 through 29.2.6 in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. Lessee will take action with respect to any subcontract or procurement as the sponsor or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if Lessee becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, Lessee may request Lessor to enter into any litigation to protect the interests of Lessor. In addition, Lessee may request the United States to enter into the litigation to protect the interests of the United States.

29.3 The Lessee for itself, and its successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree that (1) no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land, and the furnishing of services thereon, no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that Lessee will use the Property in compliance with all other requirements imposed by or pursuant to the List of Pertinent Non-Discrimination Acts and Authorities.

29.4 During the performance of this Lease, Lessee, for itself, its assignees, and successors in interest agrees to comply with the following non-discrimination statutes and authorities; including but not limited to the following (which Lessor is required to disclose and include in such Lease and other agreements, pursuant to FAA regulation):

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq.*, 78 Stat. 252) (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR Part 21 (Non-discrimination In Federally-Assisted Programs of The Department of Transportation—Effectuation of Title VI of The Civil Rights Act of 1964);
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. § 4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 *et seq.*), as amended, (prohibits discrimination on the basis of disability); and 49 CFR part 27;
- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 *et seq.*) (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as

amended (prohibits discrimination based on race, creed, color, national origin, or sex);

- The Civil Rights Restoration Act of 1987 (PL 100-209) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms “programs or activities” to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 CFR parts 37 and 38;
- The Federal Aviation Administration’s Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures non-discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq.).

29.5 Lessee agrees that in the event improvements are constructed, maintained, or otherwise operated on the Premises for a purpose for which a Department of Transportation (DOT) program or activity is intended, or for another purpose involving the providing of similar services or benefits, Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, as it may be amended.

30. FEDERAL FAIR LABOR STANDARDS ACT

This Lease incorporates by reference the provisions of 29 CFR Part 201, the Federal Fair Labor Standards Act (FLSA), with the same force and effect as if given in full text. Lessee has full responsibility to monitor compliance to the referenced statute or regulation. Lessee must address any claims or disputes that arise from this requirement directly with the U.S. Department of Labor – Wage and Hour Division.

31. OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970.

This Lease incorporates by reference the provisions of 29 CFR Part 1910 with the same force and effect as if given in full text. Lessee must provide a work environment that is free from recognized hazards

that may cause death or serious physical harm to the employee. Lessee retains full responsibility to monitor its compliance and their subcontractor's compliance with the applicable requirements of the Occupational Safety and Health Act of 1970 (20 CFR Part 1910). Lessee must address any claims or disputes that pertain to a referenced requirement directly with the U.S. Department of Labor – Occupational Safety and Health Administration.

32. INCORPORATION OF QUITCLAIM DEED.

Lessor owns the Airport pursuant to a Quitclaim Deed from the United States Government (“**Deed**”), a copy of which is available to Lessee upon request and is hereby incorporated in its entirety. To the extent the Deed has terms, conditions, obligations, requirements or restrictions that apply to this Lease, Lessor, Lessee or any matter in connection herewith, Lessee agrees to be bound by all the terms, covenants and conditions of the Deed, including the following:

32.1 That this Lease is subject to all terms and conditions of the Deed; and

32.2 That in case of any conflict between the Deed and this Lease, the Deed shall control.

33. REQUIRED PROVISIONS OF QUITCLAIM DEED.

33.1 Section VI (A)(5)(c) of the Deed requires that the following provisions be included in this Lease:

33.1.1 In furnishing services to the public, Lessee shall not discriminate against any person or class of persons by reason of race, color, creed, or national origin, and Lessee shall otherwise provide such services on a fair, equal, and not unjustly discriminatory basis to all users thereof.

33.1.2 Lessee shall charge fair, reasonable, and not unjustly discriminatory prices for each unit for service; except, however, that the Lessee may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

33.2 If the Property are within any of the archaeological sites identified in Section VIII.A of the Deed, then, the provisions of Section VIII of the Deed shall be deemed incorporated in this Lease by this express reference to Section VIII of the Deed.

33.3 To the extent the Deed requires that other specific provisions thereof be inserted in this Lease by express reference to the Deed, this sentence shall constitute an express reference to all such applicable provisions of the Deed.

34. AIRPORT SECURITY.

34.1 Airport Security Plan.

34.1.1 Lessor's Operations Department maintains an approved Airport Security Plan (“**Security Plan**”) pursuant to 49 CFR Parts 1540 and 1542, and 14 CFR Part 139. Lessee shall at all times comply with Lessor's Operations Department security directives, security bulletins, or verbal notifications existing now or in the future.

34.1.2 Lessee is responsible for maintaining security practices, facilities, and perimeter boundaries on their leasehold that meet the security standards set forth by Lessor's Operations Department.

34.1.3 Lessee shall promptly upon written request from Lessor correct physical or procedural deficiencies caused by Lessee that are located on the Property which are contrary to Lessor's Operations Department, security directives, security bulletins, or verbal notifications existing now or in the future. Within TWENTY-FOUR (24) hours of Lessor notifying Lessee of any deficiency, Lessor shall provide Lessee with a reasonably-detailed explanation of the deficiencies. Lessee shall be given a reasonable period of time (under the circumstances) to correct such deficiencies.

34.1.4 Lessee shall, to the fullest extent permitted by law, indemnify, defend and hold Lessor harmless for, from and against any security violation committed by any agents, employees, invitees, subcontractors, sub-lessees or independent contractors of Lessee.

34.1.5 Lessee shall conduct and document all self-audits and self-inspections as required by Transportation Security Administration ("TSA") or Lessor's Operations Department and make such audits available for inspection.

34.1.6 Lessee shall designate a primary security coordinator to receive security related briefings, bulletins and sensitive security information.

34.1.7 Lessor reserves the right to modify the Security Plan from time to time, as necessary or as directed by TSA. Lessor's Operations Department shall notify the Lessee security coordinator regarding modifications that effect Lessee.

34.2 Airport Security Badge.

34.2.1 Lessee's employees and contractors that require a badge shall be obligated to complete all training and comply with all security requirements and directives issued by Lessor's Operations Department, TSA or other entity having security jurisdiction at the Airport. Lessee, employees, and contractors will surrender security badges upon request by Lessor's Operations Department; physical security media (badges and keys) remain the property of Lessor. Within SEVENTY-TWO (72) hours of Lessor's confiscation of any security badges, Lessor shall provide Lessee with a reasonably-detailed explanation of the violations that caused Lessor to confiscate the security badges.

34.2.2 Lessee, employees and contractors shall comply with all security related audits, inspections, and screenings conducted by the Lessor's Operations Department

34.2.3 Lessee will promptly return badges to the Lessor's badging office when badge holders employment is terminated, the badge is no longer needed or the employee/contractor is on extended leave.

34.2.4 Misuse of a badge or security procedures will bring about action, including, but not limited to, retraining, suspension or revocation of one or all misused badges.

35. DEFAULT BY LESSOR.

In the event of any alleged breach by Lessor of its covenants or duties contained in this Lease, Lessee shall have available all rights and remedies provided in contract, at law and/or in equity, provided, however, Lessee may not exercise any such right or remedy unless Lessee has notified Lessor by written notice of such alleged default, and Lessor has not cured such default within the THIRTY (30) calendar day period subsequent to receipt of such notice or, in the event such alleged default is of such a nature that it cannot reasonably be cured within such THIRTY (30) calendar day period, Lessor has failed to pursue a cure of such alleged default with all due diligence. Notwithstanding anything to the contrary contained in this Lease, in no event shall Lessee be entitled to terminate this Lease or abate or offset any installment of Base Rent, or any other

payments to be made by Lessee hereunder except as expressly permitted in this Lease.

36. BROKERS.

Lessee represents and warrants that it has not had any dealings with any real estate brokers, finders or agents in connection with this Lease. Lessee further agrees to indemnify, defend (with counsel selected by Lessor) and hold Lessor and Lessor's nominees, successors and assigns harmless from any and all claims, costs, commissions, fees or damages by any person or firm claiming by or through Lessee or whom Lessee authorized or employed, to act for Lessee in connection with this Lease.

37. SALE BY LESSOR.

Lessee agrees to look solely to Lessor's interest in the Property, including rents, issues, profits, proceeds, and awards for the recovery of any judgment against Lessor, it being agreed that the members, partners, officers, directors or shareholders of Lessor shall not be personally liable for any such judgment. In the event of any sale or other conveyance by Lessor of its interest in the Property, Lessor shall be automatically freed and released from all personal liability accruing from and after the date of such sale or conveyance as respects the performance of any covenant or obligation on the part of Lessor contained in this Lease to be performed, it being intended hereby that the covenants and obligations contained in this Lease on the part of Lessor shall be binding on the Lessor and its successors and assigns only during and in respect to the respective successive periods of ownership of the Property.

38. ESTOPPEL CERTIFICATE.

Each of Lessor and Lessee shall, without charge, at any time and from time to time hereafter, within TEN (10) business days after written request from the other Party to do so, certify, by written instrument duly executed and acknowledged by such Party and certified to the other Party and to any prospective lender or purchaser/assignee: (i) as to whether this Lease has been supplemented or amended, and if so, the substance and manner of such supplement or amendment; (ii) as to the existence of any default hereunder to the best of such Party's knowledge; (iii) as to the date on which Lessee was obligated to commence paying Base Rent and all other charges hereunder and the expiration date of the Term; (iv) as to whether this Lessee has assigned or transferred its interests or any portion thereof in this Lease; and (v) as to any other matters relating to this Lease and the Property as may be reasonably requested. The requesting Party and any prospective purchaser or lender to whom the same was certified may rely upon any such certificate.

39. UNAVOIDABLE DELAY.

In the event either Party shall be delayed or hindered in or prevented from the performance of any covenant, agreement, work, service, or other act required under this Lease to be performed by such Party ("Required Act"), and such delay or hindrance is due to Unavoidable Delay (as defined below), then the performance of such Required Act shall be excused for the period of delay and the time period for performance of the Required Act shall be extended by the same number of days in the period of Unavoidable Delay. For purposes of this Lease, "Unavoidable Delay" shall mean, with respect to either Party, an unavoidable delay in the performance by such Party of any non-monetary conditions or obligations under this Lease due including but not limited to: (a) construction delay to the extent caused by the other Party, (b) legal proceeding brought by a non-Party with respect to the Improvements or any provision or requirement of this Lease which by its nature prohibits the Improvements from being commenced, continued and/or completed, (c) a Party not receiving a governmental permit, license, approval or inspection in time to meet a contractual time period imposed hereunder provided that Party, in good faith, was diligent in the application or request for and prosecution of the process to obtain that permit, license, approval or inspection, (d) flood, (e) epidemic, (f) quarantine restriction, (g) unusually severe weather not reasonably anticipated, (h) strike, (i) walkout, (j) lock-out, (k) war, (l) national emergency, (m) fire, (n) act of God, (o) act of terrorism, (p) natural

disaster, (q) explosion, (r) default by the other Party hereunder in the performance of its obligations hereunder, or (s) other causes beyond such Party's control; provided that no Unavoidable Delay shall exist unless the Party claiming such Unavoidable Delay shall give written notice to the other Party of the occurrence of the Unavoidable Delay not later than FORTY-FIVE (45) days after the commencement of such Unavoidable Delay.

40. MISCELLANEOUS.

40.1 Personal Liability. No member of or employee of either Party shall be charged personally or held contractually liable by or to the other Party under any term or provision of this Lease because of any breach thereof, or because of its execution or attempted execution.

40.2 No Waiver. No provision of this Lease may be waived or modified except by a writing signed by the Party against whom such waiver or modification is sought.

40.3 Non-Waiver of Rights. No waiver or default by Lessor of any of the terms, conditions, covenants or agreements hereof to be performed, kept or observed by Lessee shall be construed or act as a waiver of any subsequent default of any of the terms, covenants, conditions or agreements herein contained to be performed, kept or observed by Lessee, and Lessor shall not be restricted from later enforcing any of the terms and conditions of this Lease.

40.4 Amendment. This Lease and the MDA contain all agreements of the Parties as of the date hereof with respect to any matter mentioned herein. No prior agreement, correspondence, or understanding pertaining to any such matter shall be effective to interpret or modify the terms hereof. Oral commitments or promises are not enforceable and shall not be binding or made part of this Lease. Any revisions or modifications to this Lease must be in writing and mutually accepted by persons with full and complete authority to bind the party.

40.5 Invalid Provisions. Should any provision of this Lease or any application thereof be held invalid by a court of competent jurisdiction, the remainder of this Lease shall not be affected thereby, unless one or both Parties would be substantially and materially prejudiced.

40.6 Litigation Expenses. In the event of litigation between Lessor and Lessee, the prevailing Party shall be entitled to recover its reasonable attorneys' fees and all costs and expenses of litigation, including witness fees, expert witness fees, and court costs.

40.7 Headings. The headings contained herein are for convenience in reference only and are not intended to define or limit the scope of this Lease or any term thereof.

40.8 Entire Agreement. This Lease, including exhibits attached hereto at the time of its execution, constitutes the entire agreement between the Parties hereto and supersedes all prior negotiations, understandings and agreements between the Parties concerning such matters, subject to the MDA.

40.9 Memorandum of Lease. As of the Effective Date, or thereafter upon request from Lessee to Lessor, Lessor and Lessee agree to execute, acknowledge and deliver to one another a short form memorandum of lease for recording purposes in form and substance attached hereto as **Exhibit G**. In the event that such a memorandum of lease has been recorded, upon termination or expiration of this Lease, Lessee shall promptly execute such documents as reasonably requested by Lessor in recordable form to confirm the termination of this Lease

40.10 Non-Disturbance. In the event that Lessor encumbers or liens any portion of the Property, now or in the future, Lessor agrees to promptly (and in any event prior to the Effective Date in the event the

Airport is encumbered as of such date) obtain for the benefit of Lessee and leasehold lenders a commercially reasonable non-disturbance agreement (in form reasonably acceptable to Lessor, Lessee and Lessor's lender) (an "NDA") stating that, among other provisions, provided no Event of Default has occurred and is continuing under this Lease, then this Lease shall not be terminated and the right of possession of Lessee to the Property shall not be affected or disturbed in the exercise of any of its rights or remedies under such encumbrance or lien.

41. INCORPORATION OF RECITALS.

The recitals set forth herein are acknowledged by the Parties to be true and correct and are incorporated herein by this reference.

[Signature page follows]

IN WITNESS WHEREOF, the Parties have executed this Lease the day and year first above written.

EXECUTED to be effective on the date specified above.

LESSOR:

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, an Arizona joint powers airport authority

By: _____
J. Brian O'Neill, A.A.E.
Executive Director/CEO

STATE OF ARIZONA)
) ss.
County of Maricopa)

ACKNOWLEDGED before me this ___ day of _____, 20__, by J. Brian O'Neill, in his capacity as the Executive Director/CEO of the Phoenix-Mesa Gateway Airport Authority.

Notary Public

My Commission Expires:

LESSEE:

MESA SKYBRIDGE LLC, an Arizona limited liability company

By: _____
<Signatory Name>, <Title>

STATE OF _____)
) ss.
County of _____)

ACKNOWLEDGED before me this ___ day of _____, 20__, by <Signatory Name>, in his capacity as <Title>, <Company Name>, a/an <State> <type of company>, for and on behalf of said <type of company>.

Notary Public

My Commission Expires:

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

[TO COME. EXCLUDED PARCELS TO BE IDENTIFIED]

EXHIBIT B

DEVELOPMENT LEASE

EXHIBIT D

ADJUSTMENT AMENDMENT

EXHIBIT F

MINIMUM STANDARDS
&
AIRPORT RULES AND REGULATIONS

AIRPORT MINIMUM STANDARDS

www.gatewayairport.com/Documents/DocumentLibrary/Board%20Policies/Airport%20Minimum%20Standards.pdf?Uniqueifier=FUYZt7TgCg

AIRPORT RULES & REGULATIONS

www.gatewayairport.com/Documents/DocumentLibrary/Board%20Policies/Rules%20&%20Regulations_16-53.pdf?Uniqueifier=FUYZt7TgCg

EXHIBIT G**Memorandum of Lease**

WHEN RECORDED,
RETURN TO:

Kevin Morris
Greenberg Traurig, LLP
2375 East Camelback Road, Suite 700
Phoenix, Arizona 85016

MEMORANDUM OF LEASE

This MEMORANDUM OF LEASE ("Memorandum"), is made and executed as of the ____ day of _____, 20____ (the "Effective Date"), by and between **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY**, a joint powers airport authority authorized and existing under the laws of the State of Arizona ("**Landlord**"), whose mailing address is Phoenix-Mesa Gateway Airport Authority, Attn: Business Development Department, 5835 South Sossaman Road, Mesa, Arizona 85212, and **MESA SKYBRIDGE LLC**, an Arizona limited liability company ("**Tenant**"), whose mailing address is Mesa SkyBridge LLC c/o Greenberg Traurig, LLP, 2375 East Camelback Road, Suite 700, Phoenix, Arizona 85016.

RECITALS:

A. Landlord and Tenant entered into that certain Master Lease dated _____, 20____ (the "Lease"), covering that certain real property legally described on Exhibit A attached hereto and incorporated herein by this reference (the "Leased Premises").

B. Landlord and Tenant have agreed to enter into this Memorandum for the purposes of providing record notice of the Lease, and to protect the rights and interests of Landlord and Tenant as to third parties. All capitalized terms not specifically defined herein shall have the meaning ascribed to such terms in the Lease.

NOW, THEREFORE, for and in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

1. Lease and Premises. Subject to the covenants and conditions contained in the Lease, Landlord has leased to Tenant, and Tenant has leased from Landlord, the Leased Premises. Notice to the world is hereby given of the Lease and of the terms of the Lease.

2. Term. The term of the Lease commenced on _____, 2018, and expires on _____, unless earlier terminated pursuant to the terms of the Lease.

3. Conflict. This Memorandum is prepared for the purpose of constructive notice and in no way modifies the provisions of the Lease. In the event of any conflict or any inconsistency between the terms and provisions of the Lease and the terms and provisions of this Memorandum, the terms and provisions of the Lease shall control.

4. Successors and Assigns. This Memorandum shall be binding upon and inure to the benefit of the parties and their permitted successors and assigns.

5. Counterparts. This Memorandum may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same document, provided that all parties are furnished a copy thereof reflecting the signature of all parties.

(Signatures appear on the following page.)

IN WITNESS WHEREOF, the parties hereto have duly executed this Memorandum as of the Effective Date set forth above.

LANDLORD:

**PHOENIX-MESA GATEWAY AIRPORT
AUTHORITY**, an Arizona joint powers airport
authority

By: _____
J. Brian O'Neill, A.A.E.
Executive Director/CEO

STATE OF ARIZONA)
) ss.
County of Maricopa)

ACKNOWLEDGED before me this ____ day of _____, 20__, by J. Brian O'Neill, in his capacity as the Executive Director/CEO of the Phoenix-Mesa Gateway Airport Authority.

Notary Public

My Commission Expires:

EXHIBIT A

LEGAL DESCRIPTION

[TO COME]



Phoenix-Mesa Gateway Airport Authority

DEVELOPMENT LEASE NO.
[an Aeronautical Development Parcel] [or] [a Non-Aeronautical Development Parcel]

with

< **COMPANY** >

Effective Date:

< **Month Day, Year** >

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Phoenix-Mesa Gateway Airport Authority
DEVELOPMENT LEASE

[*an Aeronautical Development Parcel*] [or] [*a Non-Aeronautical Development Parcel*]

This Development Lease (“**Lease**”) is executed to be effective the **<number>** (**<#>**) day of **<month>** **<year>** (“**Effective Date**”) between the **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY**, a joint powers airport authority authorized and existing under the laws of the State of Arizona (“**Lessor**”), and **<TENANT NAME>**, a/an **<State>** **<company type>** (“**Lessee**”). Lessor and Lessee may be referred to jointly as “Parties,” and each separately may be referred to as a “Party.”

RECITALS:

A. Lessor is the owner and operator of the Phoenix-Mesa Gateway Airport generally located at the intersection of Ray Road and Sossaman Road, City of Mesa, Maricopa County, Arizona (“**Airport**”); and

B. Lessor has the right to lease, license and grant the use of property and facilities on the Airport and has full power and authority to enter into this Lease in respect thereof; and

C. Lessor desires to lease to Lessee, and Lessee desires to lease from Lessor, that certain real property at the Airport located at **<address >**, and containing approximately **<square feet>** square feet of land, as set forth in **Exhibit A** attached hereto (“**Premises**”);

D. The Premises is identified in the Development Master Plan and the Airport Layout Plan as **<an Aeronautical Development Parcel>** **<a Non-Aeronautical Development Parcel>**; and

E. Lessor desires to lease the Premises to Lessee on the terms and conditions set forth herein;

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

1. LEASE.

Lessor hereby leases the Premises to Lessee, subject to all easements, deed restrictions and other similar matters of record in the Official Records of Maricopa County, Arizona, that encumber the Premises, and further subject to all operational and use restrictions and other terms and conditions expressly set forth in this Lease.

1.1 Right to Use Premises. Lessor agrees that so long as no Event of Default shall have occurred and is continuing, Lessee shall peaceably have and enjoy the use of the Premises without hindrance from Lessor and those claiming through Lessor. Lessee specially acknowledges that Lessee has inspected the Premises prior to entering into this Lease and agrees to accept the Premises in an “as is, where is” condition without any warranty or representation from Lessor, either express or implied, of any kind or nature whatsoever with respect to the Premises, including, but not limited to, any warranty of merchantability, habitability, or fitness for any particular or specific purpose, and all such warranties are hereby disclaimed, except for representations and warranties contained in this Lease. Should Lessee desire any inspection report, environmental assessment, survey, creation of a legal description, drainage report, or any similar study, Lessee

shall be responsible for the same at Lessee's sole expense, subject to Lessor's duty to cooperate with Lessee (at no or nominal cost to Lessor) in connection with such activities and undertakings.

1.2 Intentionally Omitted.

1.3 Access. Lessee is granted the right of access to and from the Premises via such portions of the Airport as are or may be reasonably necessary to allow Lessee to conduct its business operations permitted herein at and on the Premises and the Airport, provided that Lessor reserves the right to limit access to the Premises in emergencies and in connection with Lessor's construction activities on the Airport, so long as Lessor provides Lessee with reasonable advance written notice of any limitations on Lessee's access to the Premises due to Lessor's construction activities, and Lessor and Lessee coordinate such construction activities and cooperate one with the other to minimize any interference with, or disruption of, Lessee's business activities. Lessor reserves the right to designate the location of such alternative access due to emergencies and Lessor's construction activities, and to change its location from time to time, as Lessor deems reasonably necessary and appropriate; provided such changes do not materially interfere with Lessee's use of or access to the Premises.

1.4 Permitted Uses. Subject to the provisions of Section 1.5, Lessee may use the Premises for <Permitted Use> and for no other use. Lessee shall not use any portion of the Premises for a Prohibited Use, which Prohibited Uses are set forth on **Exhibit E**. Lessee's use of the Premises and operation of its business at and on the Airport and the Premises is subject to all applicable laws, rules and regulations of any governmental authority, including Lessor, and to Lessee's compliance with applicable provisions of the *Airport Rules and Regulations* and *Airport Minimum Standards*.

1.5 Prohibited Activities. Lessee shall not use, or permit its agents, employees or contractors acting for or on behalf of Lessee in connection with their scope of employment to use, the Premises or the Airport for any use that is in violation of the *Airport Rules and Regulations*, the *Airport Minimum Standards*, any matters of record, or applicable laws, or for any other activity or operation not specified in Section 1.4 herein, or that does not have advance, written approval of Lessor's Executive Director or other authorized signatory of Lessor.

Lessor agrees to reasonably consult with Lessee prior to executing or entering into any agreement that could reasonably be expected to have a material effect on the Premises, or on Lessee or its subtenants, or on any Permitted Uses, with the stated purpose of attempting in good faith to avoid any interference with, disruption of, or restriction or limitation on Lessee's intended use and development of the Premises in accordance with this Lease.

1.6 On-Site Manager. Upon commencement of business operations at and on the Premises, Lessee shall designate an on-site manager for the Term of this Lease who shall generally be available to Lessor and Lessee's customers, if any, during Lessee's normal business hours, and otherwise as required by the *Airport Minimum Standards*, as applicable. Lessee may change Lessee's on-site manager from time to time.

1.7 Lessee Acknowledgement. Lessee acknowledges that, except as otherwise provided in this Lease, its obligations to pay Base Rent and all other charges due and owing under the terms hereof shall be absolute and unconditional, and shall not be affected by any circumstances whatsoever, including, without limitation: (i) any set-off, counterclaim, recoupment, defense or other right which Lessee may have against Lessor or the United States of America or anyone else for any reason whatsoever; (ii) any liens, encumbrances or rights of others with respect to the Premises; (iii) the invalidity or unenforceability or lack of due authorization or other infirmity of this Lease or any lack of right, power or authority of Lessor or Lessee to enter into this Lease; (iv) any insolvency, bankruptcy, reorganization or similar proceedings by or against Lessee, or any other person; or (v) any other cause, whether similar or dissimilar to the foregoing, any future or present law notwithstanding, it being the intention of the Parties hereto that all rent being payable by

Lessee hereunder shall continue to be payable in all events and in the manner and at the times provided herein.

2. TERM.

[Section 2 for a Development Lease of an aeronautical Development Parcel:]

The term of this Lease shall be for a period of FORTY-NINE (49) years, commencing on the Effective Date and terminating on <Date> thereafter (“Term”).

[Alternate Section 2 for a Development Lease of a non-aeronautical Development Parcel without Renewal Term:]

2.1 Initial Term. The term of this Lease shall be for a period of SIXTY (60) years, commencing on the Effective Date and terminating on <Date> thereafter (“Term”).

[Alternate Section 2 for a Development Lease of a non-aeronautical Development Parcel where Lessor and Lessee have agreed to a Renewal Term:]

2.1 Initial Term. The term of this Lease shall be for a period of SIXTY (60) years, commencing on the Effective Date and terminating on <Date> thereafter (“Term”).

2.2 Renewal Term(s). Provided that no Event of Default shall have occurred and is continuing, Lessee shall have the right and option (“**Renewal Option**”) to extend the Term of this Lease for a period of FIFTEEN (15) years (“**Renewal Term**”). If Lessee elects to exercise Lessee’s Renewal Option, Lessee shall notify Lessor in writing of such exercise at least one (1) year prior to the expiration of the initial 60-year Term. At the commencement of the Renewal Term, Base Rent per square foot of the Premises per year shall be an amount equal to fair market base rental rate as determined herein, subject to the triennial CPI Adjustments set forth in Section 4.2 below, which CPI Adjustment shall first be made on the first day of the calendar month following the THIRD (3rd) anniversary of the Renewal Term, and thereafter on each THREE (3) year anniversary thereof. Lessor shall determine the fair market base rental rate for the Premises for the commencement of the Renewal Term and shall notify Lessee of Lessor’s determination no later than SIXTY (60) calendar days after Lessor’s receipt of Lessee’s exercise of Lessee’s Renewal Option. If Lessee disputes Lessor’s determination of such fair market base rental rate, Lessee shall deliver written notice of such dispute, together with Lessee’s determination of such fair market base rent rate, to Lessor within SIXTY (60) calendar days of Lessee’s receipt of Lessor’s determination. The Parties shall then attempt in good faith to agree upon such fair market base rental rate. The fair market base rental rate shall take into consideration and reflect the limitations and restrictions on Lessee and on the use and development of the Premises and the location of the Premises relative to other regional, national and international airport facilities in the Metropolitan Phoenix area, and also take into consideration the differences between the Airport and other regional, national and international airport facilities in the Metropolitan Phoenix area. If the Parties fail to agree within FIFTEEN (15) business days, they shall, within TEN (10) calendar days after the expiration of such 15-business day period, mutually appoint an appraiser to determine the fair market base rental rate. Said appraiser shall be a qualified MAI appraiser, licensed in the state of Arizona, with at least FIVE (5) years of recent continuous experience in determining the fair market rental rates for commercial properties similar to the Premises and be a member of the Appraisal Institute or comparable professional organization. If the Parties are unable to agree upon an appraiser within such 10-day period, they shall, within FIVE (5) business days thereafter, jointly apply to the president of the local Board of Realtors for the selection of a qualified appraiser. The president of the Board of Realtors shall be asked to select a qualified appraiser within FIFTEEN (15) business days who has not acted in any capacity for either Party within the prior TEN (10) years. Within SEVEN (7) calendar days of the appointment (either by agreement or selection) of the appraiser, the Parties shall submit to the appraiser their respective determinations of the fair market base rental rate and any/all relevant information.

Within TWENTY (20) business days of the selected qualified appraiser's receipt of the Parties' respective determinations, the appraiser shall review each Party's submittal (and such other information as the appraiser deems necessary) and shall select one Party's determination as representing the most reasonable approximation of such fair market base rental rate, and the appraiser's fees and expenses shall be paid one-half each by each Party. Upon determining the Base Rent for the Premises at the commencement of the Renewal Term, Lessor and Lessee shall promptly enter into an amendment to this Lease to memorialize the Renewal Term and the Base Rent. All other terms of this Lease shall govern during the Renewal Term.

3. NONEXCLUSIVE RIGHTS.

Lessee shall have the exclusive right to lease, use, occupy and develop the Premises in compliance with the terms and conditions of this Lease during the Term. All other rights granted to Lessee under this Lease are nonexclusive. Lessor may, in its sole discretion and at any time, permit third parties to conduct any and all business activities at the Airport (other than on the Premises) that Lessor deems appropriate, provided that such activities do not limit, prevent, materially interfere with, or prevent or disrupt the use and development of the Premises by Lessee.

4. RENT.

[Section 4.1 for Development Leases executed prior to the 30th anniversary of the Effective Date of the Master Lease:]

4.1 Base Rent. Lessee agrees to pay Lessor annual rental ("Base Rent") for the use of the Premises as follows:

4.1.1 Subject to Section 4.4 below, commencing on the Effective Date through the end of the SECOND (2nd) Lease Year, Base Rent shall be \$0.00 per square foot of the Premises per year.

4.1.2 Commencing on the THIRD (3rd) anniversary of the Effective Date through the end of the <insert date corresponding with 30th Anniversary of Effective Date of Master Lease> _____ (____) Lease Year, Base Rent shall be \$0.10 per square foot of the Premises per year, subject to the triennial CPI Adjustment set forth in Section 4.1 below.

4.1.3 Commencing on the <insert date corresponding with 30th Anniversary of Effective Date of Master Lease> _____ (____) anniversary of the Effective Date through the end of the Term, Base Rent per square foot of the Premises per year shall be an amount equal to fair market value as determined in accordance with Section 4.2 below, subject to the triennial CPI Adjustments set forth in Section 4.1 below.

[Alternate Section 4.1 for Development Leases executed on or after the 30th anniversary of the Effective Date of the Master Lease:]

4.1 Base Rent. Lessee agrees to pay Lessor annual rental ("Base Rent") for the use of the Premises as follows:

4.1.1 Subject to Section 4.5 below, commencing on the Effective Date through the end of the SECOND (2nd) Lease Year, Base Rent shall be \$0.00 per square foot of the Premises per year.

4.1.2 Commencing on the THIRD (3rd) anniversary of the Effective Date through the end of the Term, Base Rent per square foot of the Premises per year shall be an amount equal to fair market value as determined in accordance with Section 4.3 below, subject to the triennial CPI Adjustments set forth in Section 4.2 below.

4.2 Base Rent Adjustments. Commencing on the SIXTH (6th) anniversary of the Effective Date and continuing thereafter on every THREE (3) year anniversary of the Effective Date of this Lease, the annual Base Rent paid by Lessee shall be adjusted (whether increased or decreased) by a percentage equal to the percentage that the Consumer Price Index (CPI) (as defined below) changed during the immediately preceding THIRTY-SIX (36) month period ending NINETY (90) days prior to the end of the adjustment period during the Term hereof (“**CPI Adjustment**”). For purposes of this Lease, CPI means the United States Department of Labor, Bureau of Statistics Consumer Price Index for all Urban Consumers (CPI-U), U.S. City Average (1982-1984=100). If at any time CPI ceases to exist, Lessor may substitute any official index published by the Bureau of Labor Statistics or by a successor or similar government agency as may then exist and which in Lessor’s reasonable business judgment shall be most nearly equivalent to the CPI. Lessor agrees to promptly notify Lessee of any CPI Adjustment (and in any event at least THIRTY (30) days prior to any adjustment in Base Rent payments as a result of any CPI Adjustment), and to provide Lessee with a reasonably-detailed description of Lessor’s calculations of any CPI Adjustment and any adjustment in Base Rent payments.

4.3 Market Adjustments to Base Rent.

[Section 4.3.1 for Development Leases executed prior to the 30th anniversary of the Effective Date of the Master Lease:]

4.3.1 Notwithstanding the Base Rent increases referenced in Section 4.2, On (a) the <insert date corresponding with 30th Anniversary of Effective Date of Master Lease> _____ (___) anniversary of the Effective Date of this Lease, and (b) each subsequent TEN (10) year anniversary of the date set forth in Section 4.1.3, the annual Base Rent shall be adjusted (each, a “**Market Adjustment Date**”) as hereinafter set forth in this Section. On each such Market Adjustment Date, the Base Rent shall be adjusted to the fair market base rental rate of the Premises, in relation to comparable (in quality, size, and value) airport-related facilities.

[Alternative Section 4.3.1 for Development Leases executed one or after the 30th anniversary of the Effective Date of the Master Lease:]

4.3.1 Notwithstanding the Base Rent increases referenced in Section 4.2, On (a) the TENTH (10th) anniversary of the Effective Date of this Lease, and (b) each subsequent TEN (10) year anniversary thereof, the annual Base Rent shall be adjusted (each, a “**Market Adjustment Date**”) as hereinafter set forth in this Section. On each such Market Adjustment Date, the Base Rent shall be adjusted to the fair market base rental rate of the Premises, in relation to comparable (in quality, size, and value) airport-related facilities.

4.3.2 Lessor’s determination of such fair market base rental rate for the Premises shall be delivered to Lessee no later than ONE HUNDRED TWENTY (120) calendar days prior to the Market Adjustment Date. If Lessee disputes Lessor’s determination of such fair market base rental rate, Lessee shall deliver written notice of such dispute, together with Lessee’s determination of such fair market base rent rate, to Lessor within SIXTY (60) calendar days of Lessee’s receipt of Lessor’s determination. The Parties shall then attempt in good faith to agree upon such fair market base rental rate. The fair market base rental rate shall take into consideration and reflect the limitations and restrictions on Lessee and on the use and development of the Premises and the location of the Premises relative to other regional, national and international airport facilities. If the Parties fail to agree within FIFTEEN (15) business days, they shall, within TEN (10) calendar days thereafter, mutually appoint an appraiser to determine the fair market base rental rate. Said appraiser shall be a qualified MAI appraiser, licensed in the state of Arizona, with at least FIVE (5) years of recent continuous experience in determining the fair market rates for commercial properties similar to the Premises and be a member of the Appraisal Institute or comparable professional organization. If the Parties are unable to agree upon an appraiser within such 10-day period, they shall, within FIVE (5) business days

thereafter, jointly apply to the president of the local Board of Realtors for the selection of an appraiser. The president of the Board of Realtors shall, within FIFTEEN (15) business days, select an appraiser with the above qualifications who has not acted in any capacity for either Party within the prior FIVE (5) years. Within SEVEN (7) calendar days of the appointment (either by agreement or selection) of the appraiser, the Parties shall submit to the appraiser their respective determinations of the fair market base rental rate and any/all substantiated information. Within TWENTY (20) business days thereafter, the appraiser shall review each Party's submittal (and such other information as the appraiser deems necessary) and shall select one Party's submittal as representing the most reasonable approximation of such fair market base rental rate, and the appraiser's fees and expenses shall be paid one-half each by each Party.

4.4 Vacancy Relief Periods. Provided no Event of Default shall have occurred and is continuing, Lessee shall have the continuing option to exercise up to TWO (2) Vacancy Relief Periods of up to TWELVE (12) months for each Vacancy Relief Period during any period of time that the Improvements on the Premises are at least FIFTY PERCENT (50%) vacant. Lessee may initiate a Vacancy Relief Period by giving written notice ("**Vacancy Relief Notice**") to Lessor of its desire to do so. Lessee's use and occupancy of the Premises shall not be taken into consideration in determining whether the Improvements are vacant, unless Lessee is actively conducting Lessee's business activities for a Permitted Use within such Improvements. An office maintained by Lessee in the Premises for the purpose of marketing and subleasing the Premises shall not be considered as Lessee actively conducting Lessee's business activities. The Vacancy Relief Notice shall identify the starting date and ending date for the Vacancy Relief Period (not to exceed TWELVE (12) months), and Lessee shall provide, simultaneously with each Vacancy Relief Notice, evidence reasonably satisfactory to Lessor that the Improvements on the Premises are at least FIFTY PERCENT (50%) vacant. During a Vacancy Relief Period, Lessee shall be entitled to pay a reduced Base Rent equal to FIFTY PERCENT (50%) of the Base Rent that would otherwise be applicable during such time. A Vacancy Relief Period shall terminate on the earlier of (a) the expiration of the TWELVE (12)-month period identified in the Vacancy Relief Notice, or (b) the date on which FIFTY-ONE PERCENT (51%) of the occupiable Improvements on the Premises are occupied, evidenced by executed subleases. Upon expiration of the Vacancy Relief Period, Lessee shall resume paying full Base Rent.

Section 4.5 for Development Leases executed prior to the 30th anniversary of the Effective Date of the Master Lease:

4.5 Construction Rent Period. A modified base rent for a construction period during the first TWO (2) Lease years ("**Construction Base Rent Period**") has been granted to Lessee as additional consideration for entering into this Lease and agreeing to pay the Base Rent and all other charges hereunder, and to perform the terms and provisions otherwise required under this Lease. If an Event of Default by Lessee occurs, which is not cured within the applicable cure period, in addition to all other rights and remedies of Lessor provided by law, equity, statute or otherwise provided in this Lease, at Lessor's option in its sole and absolute discretion, (i) if the Event of Default occurs within the Construction Base Rent Period, Lessee shall commence paying the full Base Rent at the rate of \$0.10 per square foot per year for the balance of the Construction Base Rent Period, and (ii) if an Event of Default by Lessee occurs during the initial Term, which is not cured within the applicable cure period, Lessee shall immediately pay to Lessor an amount equal to the unamortized portion of Base Rent at the rate of \$0.10 per square foot per year during the Construction Base Rent Period, which Lessor shall amortize over the initial Term on a straight-line basis.

[Alternate Section 4.5 for Development Leases executed on or after the 30th anniversary of the Effective Date of the Master Lease:]

4.5 Construction Rent Period. A modified base rent for a construction period during the first TWO (2) Lease years ("**Construction Base Rent Period**") has been granted to Lessee as additional consideration for entering into this Lease and agreeing to pay the Base Rent and all other charges hereunder, and to perform the terms and provisions otherwise required under this Lease. If an Event of Default by

Lessee occurs, which is not cured within the applicable cure period, in addition to all other rights and remedies of Lessor provided by law, equity, statute or otherwise provided in this Lease, at Lessor's option in its sole and absolute discretion, (i) if the Event of Default occurs within the Construction Base Rent Period, Lessee shall commence paying the full Base Rent at the at the fair market value established in accordance with Section 4.3 for the balance of the Construction Base Rent Period, and (ii) if an Event of Default by Lessee occurs during the initial Term, which is not cured within the applicable cure period, Lessee shall immediately pay to Lessor an amount equal to the unamortized portion of Base Rent at the fair market value established in accordance with Section 4.3 for the Construction Base Rent Period, which Lessor shall amortize over the initial Term on a straight-line basis.

4.6 Payment.

4.6.1 Base Rent shall be payable in equal monthly installments, in advance, without any prior demand therefor and without any abatement, deductions or set-offs whatsoever, and tendered in lawful currency of the United States, either by check or electronic transfer. Base Rent and any other charges due for any period during the Term less than ONE (1) calendar month shall be prorated on a daily basis based on a THREE HUNDRED SIXTY-FIVE (365) day year.

4.6.2 No payment to or receipt by Lessor of a lesser amount than that which is due and payable under the provisions of this Lease at the time of such payment shall be deemed to be other than a payment on account of the earliest payment due, nor shall any endorsement or statement on any check or payment prejudice in any way Lessor's right to recover the balance of such payment or pursue any other remedy provided in this Lease or by law.

4.6.3 All payments (and reports, if any) required by this Section 4.6 shall be remitted to the following address by the due date(s) specified hereinabove:

Phoenix-Mesa Gateway Airport Authority
Attn.: Department of Finance (Accounts Receivable)
5835 S. Sossaman Road
Mesa, Arizona 85212-6014

or such other address specified in advance in writing by Lessor to Lessee.

4.7 Finance Charges and Late Fees. If Lessee fails to pay any installment of Base Rent or any other charge due and owing to Lessor in full on or before the applicable due date, Lessee shall be responsible for interest on the unpaid installment at the rate of EIGHTEEN PERCENT (18%) per annum from the due date until payment in full is made. In addition, in the event any installment of Base Rent or other charge owing to Lessor is paid more than TEN (10) days after the due date, a late penalty of TEN PERCENT (10%) of the amount of such delinquent Base Rent installment or other charge shall be due and payable in addition thereto.

4.8 Taxes. In the event any governmental authority shall impose a tax or imposition based upon any Base Rent payments or any other sums paid or owing hereunder, or the receipt of such payments by Lessor, Lessee shall pay such amounts to Lessor at the same time and in addition to payments hereunder, which amounts may include, but are not limited to, any or all rental, transaction privilege, sales, excise or other similar tax except income taxes.

4.9 Survival. Lessee's obligation to pay all amounts stated herein, together with any interest thereon and/or penalties therefor, shall survive the termination of this Lease.

4.10 Airport Rates and Charges Schedule. Lessee or its subtenants, as applicable and including its contractors, agents, etc., shall pay all fees identified in the most current *Airport Rates and Charges Schedule* at

the time of receipt of any covered service or use of any covered facilities, unless specifically outlined in this Lease. The current *Airport Rates and Charges Schedule* is included as **Exhibit B** and is subject to change upon prior notice to Lessee. Lessee acknowledges and agrees that Lessor may amend the *Airport Rates and Charges Schedule* at any time at Lessor's sole discretion, and that no fee shall apply to the use or occupancy of the Premises or access to and from the Premises.

5. PERFORMANCE GUARANTEE.

5.1 Security Deposit.

5.1.1 On or before the Effective Date, Lessee shall pay to Lessor an amount equal to TWO (2) months' worth of Base Rent payments as of the Effective Date of this Lease, as a security deposit ("Security Deposit") to insure the faithful performance of all of Lessee's obligations hereunder.

5.1.2 The Security Deposit, upon the occurrence of an Event of Default, at the election of Lessor, may be applied to any actual loss and/or actual damage sustained by Lessor by reason of the occurrence of such Event of Default by Lessee under this Lease without the waiver of any other right or remedy available to Lessor at law, in equity or under the terms of this Lease. If any portion of the Security Deposit is so used or applied, Lessee shall, within FIVE (5) business days after written notice from Lessor, deposit with Lessor immediately available funds in an amount sufficient to restore the Security Deposit to its original amount. In the event of a sale or other transfer of the Premises by Lessor, Lessor shall transfer the remaining balance (if any) of the Security Deposit to Lessor's successor in interest, whereupon the transferor Lessor shall be released from liability to Lessee for the return of such Security Deposit. Unless this Lease is terminated as a result of Lessee's default whereupon Lessee shall immediately forfeit its Security Deposit to Lessor, upon termination or expiration, Lessor shall return to Lessee all portions of the Security Deposit which were not otherwise applied by Lessor as permitted above. Lessor shall have no obligation to maintain a separate account for such security deposit and shall have no obligation to pay interest thereon.

[If Lessee or a proposed Lease guarantor can demonstrate to Lessor's reasonable satisfaction (with audited financial statements) financial strength of a net worth of not less than three (3) times the projected development costs, Section 5.2 will be waived by Lessor. Lessor, in its sole discretion, will consider other waivers on a case by case basis.]

5.2 Improvement Construction Guarantee.

5.2.1 Payment Guarantee. Notwithstanding and in addition to the Security Deposit, Lessee shall protect claimants supplying labor and materials in connection with the construction, by providing, at Lessee's sole cost and expense and prior to commencement of construction of said improvements, one of the following instruments, chosen at Lessee's discretion:

(a) Payment Bond. Lessee shall require the contractor to provide a labor and materials payment bond in the full contract amount to protect claimants supplying labor and materials in connection with the construction. The bond shall comply in all respects with the requirements of A.R.S. § 33-1003 as it may be amended or renumbered from time to time. The parties agree that Lessee is not a public body, and the improvements to be constructed under this Lease by Lessee at Lessee's sole cost are not public buildings, public works or public improvements. The bond shall be issued by a surety company reasonably acceptable to Lessor and duly licensed for such undertaking in the state of Arizona and shall be accompanied by a power of attorney disclosing the authority of the person executing it on behalf of the surety. The bond and a copy of the contract shall be recorded in the office of the Maricopa County Recorder as required under A.R.S. § 33-1003, and a copy of the bond shall be provided to Lessor; or

(b) Letter of Credit. Such instrument (“**Letter of Credit**”) shall be irrevocable, in an amount equal to the total amount of the construction contract(s) for the construction of the improvements (described in Section 7 herein) plus TEN PERCENT (10%) of such amount (“**Improvement Costs**”) and be issued to Lessee by a financial institution (“**Bank**”) reasonably acceptable to Lessor. The Letter of Credit shall have a term extending from the date of commencement of construction until the date which is TWENTY-FOUR (24) months thereafter, after which date it shall be renewed on a year-to-year basis until construction of such improvements are completed, and final and unconditional lien waivers have been obtained from all contractors supplying labor and materials in connection with the construction. Should Lessee utilize the Letter of Credit option hereunder, and should Lessee fail to pay any sum owing to contractors supplying labor and materials in connection with the construction then, in addition to any other remedies set forth in this Lease, Lessor shall be entitled to apply to the Bank, following a period of THIRTY (30) calendar days prior written notice to Lessee (which notice shall include a reasonably-detailed description of Lessee’s failure to pay any sum owing), for release to Lessor (in accordance with the terms of the Letter of Credit) from the Letter of Credit of a dollar amount sufficient to pay amounts owing to contractors supplying labor and materials in connection with the construction and obtain final, unconditional lien waivers in connection therewith. Lessor’s application shall contain evidence of the failure of payment and the estimated dollar amount needed to satisfy payment obligations. The terms of the Letter of Credit shall require prompt payment to Lessor for the amount set forth in Lessor’s application upon satisfaction of the conditions set forth in the Letter of Credit. Upon and following any partial payment to Lessor, the Letter of Credit shall remain in full force for the remaining undisbursed amount of the Letter of Credit to accommodate further applications, if any, and shall not be subject to cancellation or revocation until fully drawn or otherwise released or satisfied upon completion of construction of the improvements and final, unconditional lien waivers have been obtained from all contractors supplying labor and materials in connection with the construction. Lessor must approve the form and content of any Letter of Credit in writing, which approval shall not be unreasonably withheld, conditioned, or delayed.

5.2.2 Performance Guarantee. In addition to the Security Deposit, Lessee’s obligation to timely complete the improvements described in Section 7 herein shall be secured, at Lessee’s sole cost and expense and prior to commencement of construction of said improvements, by any one of the following instruments, chosen at Lessee’s discretion:

(a) Performance Bond. Lessee shall require the contractor to provide a performance bond in the full contract amount conditioned upon the faithful performance of the contract in accordance with plans, specifications and conditions thereof. The bond shall be in a form reasonably acceptable to Lessor; shall be issued by a surety company reasonably acceptable to Lessor and duly licensed for such undertaking in the state of Arizona; and shall be accompanied by a power of attorney disclosing the authority of the person executing it on behalf of the surety; or

(b) Completion Bond. Lessee shall deliver to Lessor a completion bond in form and substance reasonably acceptable to Lessor pursuant to which Lessor shall have the unconditional, direct and unilateral right to draw upon or use such bond for completion of construction of the Improvements under Section 7.1 of this Lease if an Event of Default occurs and is continuing under Section 7.2.2 of this Lease. The bond shall be in a form reasonably acceptable to Lessor; shall be issued by a surety company reasonably acceptable to Lessor and duly licensed for such undertaking in the state of Arizona; and shall be accompanied by a power of attorney disclosing the authority of the person executing it on behalf of the surety

6. AIRCRAFT OPERATIONS GUIDELINES.

If and to the extent that Lessee operates aircraft at or on the Airport, Lessee shall be subject to the provisions of **Exhibit C**. If any subtenant, contractor or agent of Lessee conducting activities on or at the Premises for or on behalf of Lessee and acting within the scope of their employment operates aircraft at the

Airport, all shall be subject to the provisions of **Exhibit C**, which Lessor may enforce directly against such subtenant, contractor or agent, but Lessee shall have no direct liability or responsibility with respect to such matters; except, however, Lessee shall be responsible for compliance by its subtenants, contractors and/or agents with the *Airport Rules and Regulations* and *Airport Minimum Standards*, as appropriate.

7. IMPROVEMENTS.

7.1 Construction by Lessee. Lessee shall, at its sole cost and expense, construct improvements on the Premises that are generally described as <general project description> and generally shall consist of \$<###> (“**Improvements**”) in accordance with a site plan prepared by Lessee and approved by Lessor or by Lessor’s Design Review Committee, if any, such approval not to be unreasonably withheld, conditioned, or delayed, and in compliance with all applicable governmental regulations, restrictions, building codes and any declaration of covenants, conditions, restrictions and easements of record affecting the Premises and any design guidelines promulgated pursuant thereto that are applicable to the Premises. Lessor and Lessee agree that Lessee shall be solely responsible for: (i) any connection(s) between the Premises and the terminating point of the existing vehicular access way to the Premises that is required by applicable or utility provider or is requested by Lessee; (ii) constructing all improvements necessary to bring all utilities to the Improvements; (iii) installing all utility meters and water and sewer lines to service all Improvements constructed on the Premises; and (iv) if applicable, constructing all Improvements necessary to connect the Premises to existing taxiways or taxilanes in accordance with and if allowable under all Airport and FAA rules, regulations and other requirements.

7.2 Construction Milestones; Termination. Lessee shall construct its Improvements pursuant to the following schedule (each of which events are herein called a “**Construction Milestone**”):

7.2.1 Lessee shall submit its Improvement design plans to Lessor for review and approval no later than SIX (6) months from the Effective Date.

7.2.2 Lessee shall complete construction of all Improvements to be constructed by Lessee at and on the Premises, and shall have obtained a CoFO (or its equivalent) from the City of Mesa therefor, [no later than <_____ (____)> months from the Effective Date] or [no later than <_____ (____)> months from the date that Lessee has a fully executed contract with its general contractor for construction of the Improvements].

7.2.3 If Lessee fails to commence construction within <_____ (____)> calendar days after the issuance of all necessary construction permits and receipt of all approvals required for such, including any approvals required from the FAA, but subject to any applicable notice and cure periods provided for in Section 11, Lessor shall have the right to terminate this Lease by written notice to Lessee delivered at any time prior to commencement of construction. For purposes of this section “commencement of construction” shall be the date on which Lessee has obtained its permits, has executed a contract for construction of the Improvements and engaged in material work, such as grading or pouring of footings and slabs.

7.3 No Alterations. Lessee shall make no material improvements or alterations to the Premises during the Term of this Lease without the prior written permission of Lessor, which shall not be unreasonably withheld, conditioned, or delayed including, if and to the extent applicable, the approval by Lessor’s Design Review Committee. The process of approving any material improvements or alterations by Lessor and Lessor’s Design Review Committee shall occur within the same period of time (without duplication) given to Lessor for approval of the same. Lessor will have FORTY-FIVE (45) days following receipt of a written request by Lessee for approval of material improvements or alterations to either approve or disapprove the same. If Lessor disapproves, Lessor shall provide Lessee with a reasonably-detailed explanation for Lessor’s disapproval and suggestions for revisions that would reasonably satisfy Lessor’s

disapproval. If Lessor fails to respond within such FORTY-FIVE (45)-day period Lessee may give a second notice to Lessor requesting approval of material improvements or alterations, on which the following language must appear in bold print: “**FAILURE TO RESPOND TO THIS NOTICE WITHIN FIVE (5) BUSINESS DAYS FROM ITS RECEIPT SHALL RESULT IN THE LESSEE’S PROPOSED IMPROVEMENTS AND ALTERATIONS BEING DEEMED APPROVED.**” If Lessor fails to respond in writing (in the manner described above) to any matter in such second notice within FIVE (5) business days following delivery of such notice, Lessee’s proposed improvements and alterations shall be deemed to have been approved by Lessor. If Lessor disapproves a request for approval and sets forth the reason for its disapproval, then Lessee may resubmit a revised description of the improvements or alterations for review and approval. This cycle will repeat itself until Lessor either approves the request or is deemed to have approved the same. Lessee shall provide Lessor with electronic as-built drawings (or their equivalent) when any improvement or alteration is completed for which such drawings are reasonably required.

7.4 Title to Alterations and Improvements. Title to all Improvements and alterations on the Premises (but not personal property or trade fixtures) shall vest in Lessor upon the expiration of this Lease, and Lessee agrees to execute and deliver to Lessor, within TEN (10) business days after Lessor’s written request therefor, a quitclaim deed quitclaiming such Improvements and alterations to Lessor.

7.5 Mechanics’ Liens. Lessee shall keep the Premises and all improvements constructed by Lessee thereon free of any mechanic or materialmen’s liens. In the event that any such lien is filed, Lessee shall, at its sole cost, cause such lien to be removed from the Premises by bonding or otherwise within THIRTY (30) calendar days of notice thereof.

7.6 Permit Required. Lessee shall be responsible for determining whether it is subject to local building/construction codes or permit requirements, and for compliance with them to the extent they are applicable. All structural, electrical, plumbing or mechanical construction or reconstruction of the Improvements shall conform to City of Mesa (“City”) construction and technical codes. No such work shall be commenced without first obtaining required permits from the City. All such work shall be permitted, inspected and approved by the City prior to concealment or use, as required by applicable laws. Lessee shall provide to Lessor a contemporaneous copy of Lessee’s permit application and a copy of the final stamped approval and the associated plans and specifications.

7.7 Damage or Destruction. Lessee shall maintain insurance on all of Lessee’s Improvements to the Premises. In the event that all or any portion Lessee’s Improvements are destroyed or rendered unusable due to fire or other catastrophe, Lessee shall replace, repair, restore, modify or improve said Improvements, subject to the provisions of Section 7.6, using available insurance proceeds together with any additional funds from other available sources. Notwithstanding the foregoing, if any damage or destruction occurs to the Premises during the last <_____(##)> years of the Initial Term or any Extension Term and the cost to repair the damage exceeds <_____\$> Dollars (<\$##>), Lessee may terminate this Lease upon giving Lessor thirty (30) days’ written notice, whereupon Lessee shall pay the replacement cost of the Improvements to Lessor.

8. MAINTENANCE.

8.1 Lessee Responsibilities. Lessee shall, at its sole cost and expense, keep the Premises in a clean condition and in good order, condition and repair throughout the Term, reasonable wear and tear excepted. Lessee’s maintenance of the Premises shall consist of, as reasonably necessary, the inspection, servicing and repair of all improvements, including pest control, landscaping and grounds maintenance.

8.2 Damage to Lessor Property. Any real or personal property of Lessor damaged or destroyed by Lessee (or its agents, contractors, employees, managers and representatives) as a result of Lessee’s use or occupancy of the Premises shall be promptly repaired or replaced by Lessee to the reasonable satisfaction of

Lessor; provided however, that Lessor acknowledges and agrees that Lessor's real property will be permanently altered, changed and modified as a result of the development and use of the Premises, and Lessor hereby consents thereto, and agrees that such development and use of the Premises as permitted in accordance with this Lease shall not constitute waste, damage or destruction to Lessor's real property. Lessor also approves of Lessee demolishing any and all improvements located on or under the Premises.

8.3 Trash Removal. Lessee shall at all times keep the Premises in a clean, safe, sanitary and orderly condition and shall keep such area reasonably free of all trash and debris, and in any event in compliance with all applicable laws and ordinances. Lessee shall be responsible for all trash removal from the Premises and Lessee shall deposit all trash and debris only at collection stations located on or in proximity to the Premises, in accordance with City code.

8.4 Emergency Repairs. Within FIFTEEN (15) days of the Effective Date, Lessee shall provide Lessor with a list of names and telephone numbers for 24-hour emergency contact for the Premises. Lessee shall promptly provide Lessor with updated lists and changes as necessary.

9. ASSIGNMENT, SUBLETTING AND OTHER TRANSFERS.

9.1 Assignment.

9.1.1 Consent Required. Subject to Lessee's rights under Article 24, Liens and Mortgages, Lessee may not transfer or assign ("**Transfer**") its interest in this Lease or any right or interest hereunder without the prior consent of Lessor, which consent may not be unreasonably withheld, delayed or conditioned. Lessor will have FORTY-FIVE (45) days following receipt of a written request by Lessee for approval of a Transfer to either approve or disapprove the same. If Lessor disapproves, Lessor shall provide Lessee with a reasonably-detailed explanation for Lessor's disapproval. If Lessor fails to respond within such FORTY-FIVE (45)-day period Lessee may give a second notice to Lessor requesting approval of a Transfer, on which the following language must appear in bold print: "**FAILURE TO RESPOND TO THIS NOTICE WITHIN FIVE (5) BUSINESS DAYS FROM ITS RECEIPT SHALL RESULT IN THE LESSEE'S PROPOSED TRANSFER BEING DEEMED APPROVED.**" If Lessor fails to respond in writing (in the manner described above) to any matter in such second notice within FIVE (5) business days following delivery of such notice, Lessee's proposed Transfer shall be deemed to have been approved by Lessor. If Lessor disapproves a request for approval and sets forth the reason for its disapproval, then Lessee may resubmit a revised proposal for a Transfer for review and approval. This cycle will repeat itself until Lessor either approves the request or is deemed to have approved the same. Notwithstanding the foregoing, however, Lessee may assign or encumber its leasehold interest, including any title to any improvements, as security in conjunction with or as part of one or more leasehold mortgages or deeds of trust, including assignments by means of a foreclosures or trustee's sales thereunder without Lessor's consent. In the case of an assignment (other than an assignment or encumbrance as security), the assignee must expressly assume in writing all of Lessee's obligations under this Lease from and after the date of such assignment.

9.1.2 Deemed Transfers. For the purposes of this Lease, a Transfer shall be deemed to include the following: (i) the transfer of any ownership interest in Lessee resulting in a change in the present control of Lessee by the person or persons owning a majority of the ownership interest thereof as of the date of this Lease; provided, however, if Lessee is a corporation whose stock is traded on a nationally recognized stock exchange, the transfer of Lessee's stock shall not constitute a Transfer requiring Lessor's consent; and (ii) the sale of greater than FORTY-NINE PERCENT (49%) or more in value of the assets of Lessee, whether in a single transaction or a series of transactions.

9.2 Subletting.

9.2.1 Lessee may sublease all or portions of the Premises if the following conditions are met:

(a) The sublease and any amendments or modifications thereto are approved in advance and in writing by Lessor (which approval shall not be unreasonably withheld, delayed or conditioned), or is/are in a form which shall have been previously approved in writing (except for changes that do not materially impact Lessor's rights and interests) by Lessor. If a pre-approved form is used, Lessor's advance approval of the actual sublease and any amendments or modifications thereto is not required. Lessor will have FORTY-FIVE (45) days with respect to a new sublease, or FIFTEEN (15) days with respect to amendments or modifications to a sublease, following receipt of a written request by Lessee for approval of a Transfer to either approve or disapprove the same. If Lessor disapproves, Lessor shall provide Lessee with a reasonably-detailed explanation for Lessor's disapproval. If Lessor fails to respond within such FORTY-FIVE (45)-day or FIFTEEN (15)-day period, as the case may be, Lessee may give a second notice to Lessor requesting approval of a Transfer, on which the following language must appear in bold print: **"FAILURE TO RESPOND TO THIS NOTICE WITHIN FIVE (5) BUSINESS DAYS FROM ITS RECEIPT SHALL RESULT IN THE LESSEE'S PROPOSED TRANSFER BEING DEEMED APPROVED."** If Lessor fails to respond in writing (in the manner described above) to any matter in such second notice within FIVE (5) business days following delivery of such notice, Lessee's proposed sublease, amendment or modification, as the case may be, shall be deemed to have been approved by Lessor. If Lessor disapproves a request for approval and sets forth the reason for its disapproval, then Lessee may resubmit a revised proposal for a Transfer for review and approval. This cycle will repeat itself until Lessor either approves the request or is deemed to have approved the same.

(b) Rent for subleased premises shall not be less than fair market value unless otherwise approved in writing by Lessor.

(c) The sublease(s) and sublessee(s) shall at all times be subject to the terms and conditions of this Lease.

(d) The permitted uses of the Premises under any sublease shall be the same as that permitted under this Lease. Sublessees shall agree in the sublease not to engage in any Prohibited Use.

(e) The term of any sublease shall not extend beyond the stated expiration of this Lease.

(f) Except for the payment of a security deposit, the sublessee under such sublease shall not pay rent more than SIX (6) months in advance of its due date under the sublease.

9.2.2 Upon request from Lessee and/or any sublessee, Lessor shall enter into a Non-Disturbance and Attornment Agreement (in form and substance reasonably acceptable to Lessor, Lessee, sublessee and any applicable Mortgagee of Lessee or sublessee) so long as (i) the conditions of Section 9.2.1 have been met; (ii) the sublessee is not then in default beyond an applicable notice and cure period under the sublease and there is no existing Event of Default under this Lease; and (iii) the sublessee does not have a history of five (5) or more documented events of noncompliance with the *Airport Rules and Regulations* or *Airport Minimum Standards*. All reasonable legal fees incurred by Lessor in connection with any reasonably necessary third-party legal counsel review and approval of a Non-Disturbance and Attornment Agreement shall be paid by Lessee or sublessee.

9.2.3 Lessee shall not permit any sublessee unescorted access to the secured areas of the Airport unless and until the sublessee has obtained its own valid Airport security clearance and access credentials from Lessor. Lessee acknowledges that it may take THIRTY (30) calendar days or more to process sublessee for security clearance and access credentials.

9.2.4 Lessee shall submit a copy of each fully executed sublease to Lessor as soon as possible, but no later than FIVE (5) business days after Lessee receives the fully executed sublease.

9.3 Non-Disturbance. Lessor agrees, for the benefit of all subtenants of all or any part of the Premises, that if this Lease or Lessee's right to possession of the Premises is terminated for default or otherwise, all subleases of all or any part of the Premises, except any sublease to an Affiliate of Lessee, shall continue in full force and effect, notwithstanding the termination, as direct leases between Lessor and the subtenants and all such subtenants shall, upon request, attorn in writing to Lessor.

10. SIGNS.

Lessee may install on the Premises, including the Improvements, one or more signs, including signs identifying its business and, if Lessee so desires, a monument sign on the Premises; provided, however, that the general type, size, and location of such sign(s) shall conform to Lessee's Comprehensive Sign Plan, be approved in writing by Lessor in advance of installation, which approval may not be unreasonably withheld, conditioned or delayed, and be subject to any signage rules, codes and/or regulations of any governmental authority.

11. DEFAULT; TERMINATION BY LESSOR.

11.1 Events of Default. Each of the following shall constitute a material default of this Lease by Lessee ("**Event of Default**"):

11.1.1 Failure to pay any installment of Base Rent or other amount due from Lessee hereunder, provided that Lessee does not cure such failure within TEN (10) business days after delivery by Lessor of a written notice of such failure.

11.1.2 Failure to perform any of its other obligations under this Lease, provided that Lessee does not cure such failure within THIRTY (30) calendar days after delivery by Lessor of a written notice of such default; provided, however, if a cure of the default reasonably requires more than THIRTY (30) calendar days to complete, then the time to cure shall be extended so long as the cure is being diligently pursued.

11.1.3 The filing of any mechanic's, materialmen's or other lien or any kind against the Premises because of any act or omission of Lessee which lien is not discharged, by bonding or otherwise, within THIRTY (30) calendar days of receipt of actual notice thereof by Lessee.

11.1.4 The Transfer or attempted transfer of any interest in the Lease to any transferee in violation of Section 9, provided that Lessee does not cancel or otherwise negate such Transfer or attempted transfer within THIRTY (30) calendar days after delivery by Lessor to Lessee of a written notice of such default.

11.2 Lessor's Remedies. Upon the occurrence of an Event of Default under this Lease, Lessor may, without prejudice to any other rights and remedies available to a Lessor at law, in equity or by statute, exercise one or more of the following remedies, all of which shall be construed and held to be cumulative and non-exclusive:

11.2.1 Terminate this Lease and re-enter and take possession of the Premises; or

11.2.2 Without terminating this Lease, re-enter and take possession of the Premises; or

11.2.3 Without such re-entry, recover possession of the Premises in the manner prescribed by any statute relating to summary process, and any demand for Base Rent, and any and all notices to quit, or other formalities of any nature to which Lessee may be entitled, are hereby specifically waived to the extent permitted by law; or

11.2.4 With or without terminating this Lease, Lessor may re-let the Premises or any portion thereof.

Lessor agrees that Lessor's right to re-enter the Premises under Arizona Revised Statutes Section 33-361 and other similar rights shall arise after, and only after, the applicable notice and cure or grace periods under this Lease have been given and expired without such default or failure having been cured by Lessee.

11.3 No Implied Termination. Lessor shall not be deemed to have terminated this Lease unless Lessor shall have notified Lessee in writing that it has so elected to terminate this Lease. Except for Lessor's negligence or willful misconduct, Lessee hereby waives all claims based on Lessor's reentering and taking possession of the Premises, or removing and storing the property of Lessee, and Lessee shall reimburse Lessor for all reasonable costs incurred by Lessor occasioned thereby. No such reentry shall be considered or construed to be a forcible entry by Lessor.

11.4 Lessor's Current Damages. Upon the occurrence and during the continuance of an Event of Default, Lessor is authorized to make such repairs, refurbishments or improvements to the Premises as may be necessary for the purpose of attempting to re-let the Premises, and the reasonable costs and expenses incurred in respect of such repairs, redecorating, refurbishments and improvements shall be paid by Lessee to Lessor within TEN (10) business days after receipt of Lessor's statement. If Lessor exercises any of the remedies stated above, Lessor shall be entitled to recover from Lessee all actual damages incurred by Lessor by reason of the Event of Default, which shall include, without limitation, (i) the equivalent of the amount of the present value of Base Rent and all other payments which would be payable under this Lease by Lessee for the remainder of the Term as if this Lease were still in effect, less (ii) the net proceeds of any re-letting by Lessor after deducting all of Lessor's reasonable expenses in connection with such re-letting, which shall include, without limitation, repossession costs, repairs, redecorating, refurbishments or improvements to the Premises, brokerage commissions, attorneys' fees, and legal expenses. Lessee shall pay such current damages to Lessor, in the amount set forth in the preceding sentence ("**Deficiency**"), in monthly installments on the days on which the Base Rent would have been payable under this Lease as if this Lease were still in effect. In no event shall Lessee be liable for punitive, consequential or speculative damages under this Lease. Lessor agrees to satisfy its obligations to mitigate its damages.

11.5 Lessor's Final Damages. At any time after an Event of Default, whether or not Lessor shall have collected any monthly Deficiency as set forth above, Lessor shall be entitled to recover (without duplication) from Lessee, and Lessee shall pay to Lessor, promptly on demand, as Lessor's final damages for the applicable Event of Default, the sum of (a) the then present worth (at a discount at the rate of SIX PERCENT (6%) per annum) of (i) the aggregate of the Base Rent and all other amounts to be paid by Lessee hereunder for the unexpired portion of the Term of this Lease (assuming this Lease had not been terminated), less (ii) the amount of Rent and any losses that could have been reasonably avoided, plus (b) reasonable repossession costs, reasonable Lessor's expenses in connection with any attempts it may have made to re-let the Premises (which shall include, without limitation, repairs, refurbishments or improvements to the Premises and brokerage commissions), reasonable attorneys' fees, reasonable legal expenses, and all other actual damages incurred by Lessor as a result of such Event of Default.

11.6 No Waiver by Lessor. No waiver by Lessor of any breach or default by Lessee in the performance of its obligations under this Lease shall be deemed to be a waiver of any subsequent default by Lessee in the performance of any of such obligations, and no express waiver shall affect an Event of Default in a manner other than as specified in said waiver. The consent or approval by Lessor to or of any act by

Lessee requiring Lessor's consent or approval shall not be deemed to waive or render unnecessary Lessor's consent or approval to or of any subsequent similar acts by Lessee.

11.7 Content of Default Notice. Any default notice tendered to Lessee hereunder shall be deemed to be sufficient if it reasonably describes the nature of such default, and is made in accordance with Section 20 herein.

11.8 Limitation on Exercise of Termination Remedy by Lessor. Notwithstanding anything to the contrary in Section 11.2 hereinabove, if an Event of Default occurs, Lessor shall not have the remedy of terminating this Lease or of taking possession of the Premises unless: (i) the Event of Default consists of a failure to pay Base Rent or other amounts owed to Lessor; or (ii) Lessor has no other remedy that is adequate to protect Lessor's interests. Nothing in this Section 11 shall limit the exercise of any such other remedy.

11.9 Waiver of Landlord's Lien. Lessor hereby waives all statutory or common law landlord's lien rights with respect to personal property located on the Premises.

12. ASSUMPTION OF CRITICAL OPERATIONS.

In the event that Lessee voluntarily abandons or is prevented from furnishing any of its required commercial services which have been deemed by Lessor in advance and in writing to Lessee to be critical to the operation of the Airport (other than due to Unavoidable Delay), and Lessee has received and is in agreement with said notification, Lessor shall have the immediate right or, if time permits, upon twenty-four (24) hours advance written notice to Lessee, to assume responsibility for providing such critical services until such time as Lessee or another entity acceptable to Lessor assumes responsibility for providing those critical services. In exercising such right, Lessor may take temporary control of the Premises, or any portion thereof involved in providing such commercial services, together with whatever improvements, fixtures and equipment on the Premises as are necessary to provide the critical services without waiving any of Lessor's rights hereunder. In no event shall Lessee be liable or responsible for any actions or omissions of Lessor or its agents, employees, or contractors in connection with Lessor's assumption of responsibility for providing such critical services. In the event Lessor takes temporary control of the Premises or any portion thereof, Lessor shall pay to Lessee such rent or fees reasonably commensurate with Lessor's assumption and use of that portion of the Premises to provide those critical, commercial services. [Note: if Lessee's permitted use and operations are not critical to Airport operations, delete the contents of this entire section and re-title the section Reserved.]

13. INDEMNIFICATION.

13.1 Lessee's Indemnity. Except for the actions and omissions of Lessor and its agents, contractors, employees, managers and representatives, to the fullest extent permitted by law, Lessee hereby agrees to defend, indemnify and hold harmless Lessor and its members, elected or appointed officials, agents, contractors, subcontractors, boards, commissions and employees (hereinafter referred to collectively as the "Lessor" for purposes of this Section 13.1 for, from and against any and all third-party claims, causes of action, liability, suits, litigation (including reasonable attorney's fees and other costs of investigation and litigation), actions, losses, damages or claims of any nature whatsoever to the extent such arise out of or in connection with (i) any accident, injury or actual damages occurring within the Premises during the Term caused by Lessee or its agents, employees, contractors, or subcontractors, or (ii) any negligent act or omission of Lessee or its agents, employees, contractors, or subcontractors (hereinafter referred to collectively as "Lessee" for purposes of this Section 13.1) on the Property or the Airport and which result directly or indirectly in the injury to or death of any persons or the damage to or loss of any property or other damages or losses to Lessor, or (iii) the failure of Lessee to comply with any provisions of this Lease. This indemnification shall exclude responsibility for any damages and for claims arising by reason of the acts or omissions of Lessor or its employees, contractors or agents.

13.2 Lessor's Indemnity. Except for the actions and omissions of Lessee and its agents, contractors, employees, managers and representatives, to the fullest extent permitted by law, Lessor hereby agrees to defend, indemnify and hold harmless Lessee and its members, elected or appointed officials, agents, contractors, subcontractors, boards, commissions and employees (hereinafter referred to collectively as the "Lessee" for purposes of this Section 13.2) for, from and against any and all third-party claims, causes of action, liability, suits, litigation (including reasonable attorney's fees and other costs of investigation and litigation), actions, losses, damages or claims of any nature whatsoever to the extent such arise out of or in connection with (i) any negligent act or omission or intentional misconduct by Lessor or its agents, employees, contractors, or subcontractors (hereinafter referred to collectively as "Lessor" for purposes of this Section 13.2) on the Property or the Airport, and which result directly or indirectly in the injury to or death of any persons or the damage to or loss of any property or other damages or losses to Lessee, or (ii) the failure of Lessor to comply with any provisions of this Lease. This indemnification shall exclude responsibility for any damages and for claims arising by reason of the acts or omissions of Lessee or its employees, contractors or agents.

13.3 Lessor's Damage to Improvements. Lessor shall be responsible and liable for any damage to any Improvements or alterations on the Property to the extent caused by Lessor or its agents, employees, contractors or subcontractors, and Lessor shall promptly repair any damage caused by Lessor or its agents, employees, contractors or subcontractors.

14. ENVIRONMENTAL PROTECTION.

14.1 Definitions. Unless the context shall clearly require otherwise, the terms defined in this Section 14.1 shall, for all purposes of this Lease and of any agreement amendatory hereof or supplemental hereto, have the meanings herein specified, with the following definitions to be equally applicable to both the single and plural forms of any of the following:

14.1.1 *Environmental Laws.* The term "Environmental Laws" shall mean any one or all of the following, as the same are amended from time to time: the *Comprehensive Environmental Response, Compensation, and Liability Act*, 42 USC Section 9601 et seq.; the *Resource Conservation and Recovery Act*, 42 USC Section 6901, et seq.; the *Toxic Substances Control Act*, 15 USC Section 2601 et seq.; the *Safe Drinking Water Act*, 42 USC Section 300f et seq.; the *Clean Water Act*, 33 USC Section 1251 et seq.; the *Clean Air Act*, 42 USC Section 7401 et seq.; the *Arizona Hazardous Waste Management Act*, A.R.S. Section 49-921 et seq. the *Arizona Environmental Quality Act*, A.R.S. Title 49, as amended; and all regulations thereunder and any other laws, regulations and ordinances (whether enacted by the local, state or federal government) now in effect or hereafter enacted that deal with the regulation or protection of the environment, including the ambient air, ground water, surface water, and land use, including substrata land, or that govern the use of hazardous materials, hazardous waste and hazardous substances and petroleum products.

14.1.2 *Hazardous Material.* The term "Hazardous Material" shall mean any toxic or hazardous material, substance or waste, or any pollutant or contaminant as defined or regulated pursuant to any Environmental Law and petroleum products. For purposes of this definition, petroleum includes petroleum-based substances comprised of a complex blend of hydrocarbons derived from crude oil through processes of separation, conversion, upgrading and finishing (e.g., distillate fuel oils, petroleum solvents and used oils).

14.2 [Intentionally Omitted].

14.3 Environmental Compliance.

14.3.1 Lessee shall, at the Lessee's own expense, comply with all present and hereafter enacted Environmental Law, including any amendments thereto, affecting Lessee's activities on and property

interest in the Premises during the period of Lessee's occupancy of thereof under this Lease. To the extent that Lessor, or any Lessor's employees, agents or contractors, conducts any activities on the Premises during the period of Lessee's occupancy, Lessor shall, at Lessor's own expense, comply with all present and hereafter Environmental Law, including any amendments thereto, affecting any of Lessor's activities on the Premises.

14.3.2 Lessee shall not cause or permit any Hazardous Material to be brought upon, kept or used in or about the Premises or the Airport by Lessee's agents, employees, contractors or invitees in violation or threatened or suspected violation of any Environmental Law. The Parties recognize and agree that Lessee may bring on the Premises and Airport and use Hazardous Material that is ordinarily and customarily used in the conduct of Lessee's permitted activities under this Lease, provided that such use shall comply fully with all applicable Environmental Laws. Lessor shall not cause or permit any Hazardous Material to be brought upon, kept, or used in or about the Premises or by Lessor's agents, employees, contractors for any activity Lessor conducts on the Premises during Lessee's occupancy, without prior notification to and approval by Lessee (which shall not be unreasonably withheld), and any such use or presence shall be in compliance with Environmental Law.

14.3.3 If Lessee desires and receives written authorization from Lessor to install any underground storage tanks ("USTs") on the Premises or elsewhere on the Airport, Lessee shall submit the plans for such USTs to Lessor for prior written approval and shall comply with all applicable Environmental Laws related thereto, including Title 40, Code of Federal Regulations, Part 280, as adopted by the State of Arizona ("Part 280"), and Lessee shall be the owner of such USTs for statutory purposes. Installation of USTs shall comply with the "code of practice" set forth in Part 280. Lessee is solely responsible for the design, construction, installation, operation, monitoring, inspection, repair and maintenance of any and all USTs, including any connected piping and/or dispensing apparatus. Lessee shall provide to Lessor a copy of the Arizona Department of Environmental Quality *Notification of Underground Storage Tank Registration* that Lessee submits to the state. All USTs shall meet or exceed the tank performance standard for USTs installed after December 22, 1998, including corrosion protection, leak detection and spill/overflow protection. Any UST that stores flammable and combustible liquids shall meet the provisions of NFPA 30, *Flammable and Combustible Liquids Code*. Records demonstrating compliance with release detection requirements, including product inventories, calibration and maintenance, sampling, tightness testing and any other records, fees and taxes required by the state or federal governments shall be the responsibility of Lessee. Upon the expiration of this Lease, Lessee shall remove all USTs in compliance with all UST closure requirements under all applicable Environmental Laws in effect at that time unless otherwise allowed by Lessor. [Note: If no USTs are permitted or possible under the Lease, delete this subsection in its entirety.]

14.4 Indemnification. To the fullest extent permitted by law, Lessee shall indemnify, defend (with counsel reasonably acceptable to Lessor), protect and hold harmless Lessor and its employees and agents for, from and against any and all liability, loss, damage, expense, penalties and legal and investigation fees or costs, arising from or related to any claim or action for injury, liability, or damage to persons or property and any and all claims or actions brought by any person, entity or governmental body, alleging or arising in connection with contamination of the environment or violation of any Environmental Law or other statute, ordinance, rule, regulation, judgment or order of any government or judicial entity ("**Environmental Damages**") which are incurred or assessed as a result of any of Lessee's activities or operations on the Premises or Airport. This obligation includes, but is not limited to, all costs and expenses related to cleaning up the property, land, soil and underground or surface water as required under the law. Lessee's obligations and liabilities under this Section 14.4 shall survive the termination of this Lease. The indemnification of Lessor by Lessee as described above includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision. Lessor reserves the right to seek injunctive relief as may be permitted under law and equity. This Section 14.4 explicitly excludes Lessee duty, liability or indemnity to Lessor for any claims or Environmental Damages of any kind whatsoever arising from or in connection with any contamination of any kind existing on the Premises prior to the Effective Date, except

and only to the extent known contamination is exacerbated by Lessee or unknown contamination is exacerbated by Lessee's negligence.

14.5 Remediation. Without limiting the foregoing, if the presence of any Hazardous Material during the Term of this Lease caused or permitted by Lessee to be first brought on the Airport or Premises upon or after the Effective Date results in any Release on the Airport or Premises in violation of any Environmental Law, Lessee shall promptly take action to remediate the affected property at its sole expense as necessary to return the Airport or Premises to the condition existing prior to the introduction of any such Hazardous Material to the Airport or Premises; provided that Lessor's approval of such actions shall first be obtained, which approval shall not, except in an emergency, be unreasonably withheld so long as such actions would not potentially have any material adverse long-term effect on the Airport and Lessee is not under administrative or court order related to such remediation action. Notwithstanding Lessor's approval pursuant to this Section 14.5, Lessor is not responsible for directing or managing any remediation action. For purposes of this Section 14.5, the term "Release" means any releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, disposing, or dumping. This Section 14.5 also applies to Lessee's remediation of any contamination of any kind existing on the Premises or Airport prior to the Effective Date, including any such contamination that may be first discovered after the Effective Date but not caused by Lessee, except and only to the extent known contamination is exacerbated by Lessee or unknown contamination is exacerbated by Lessee's negligence.

14.6 Governmental Submittals. Lessee shall, at Lessee's own expense, make all submissions to, provide all information to, and comply with all requirements of the appropriate governmental authority ("Government") under the Environmental Laws. Should the Government determine that a site characterization, site assessment and/or cleanup plan should be prepared and/or that a cleanup should be undertaken because of any spills or discharges of Hazardous Material by reasons of Lessee's activities or actions at the Airport which occur during the Term of this Lease, then Lessee shall, at the Lessee's own expense, prepare and submit the required plans and financial assurances, and carry out the approved plans.

14.7 Information Sharing.

14.7.1 Lessee shall immediately notify Lessor of any of the following: (i) Lessee's receipt of any notification from any governmental entity either charging or informing Lessee that it will be charged with a significant violation of Environmental Law (as defined below), and (ii) any significant change in Lessee's activities on the Premises that is reasonably likely to adversely change Lessee's obligations or liabilities under the Environmental Laws. In addition, Lessee agrees to provide Lessor with non-privileged copies of documents reflecting the physical condition of the Premises, including but not limited to, environmental testing of soils and groundwater, and existing, non-privileged information reasonably requested by Lessor to determine the applicability of the Environmental Laws to the Premises, or to assist in the response to any governmental investigation or claim of liability by third parties which is related to environmental contamination of the Premises, to the extent that such investigations or claims are related to Lessee's activities thereon. A "significant violation of Environmental Law" shall be any violation that requires more than ONE HUNDRED EIGHTY (180) calendar days to resolve.

14.7.2 Lessee shall install on any UST that it is permitted to install pursuant to Section 14.3.3, a method or a combination of methods for Release detection that can detect a Release from any portion of the UST and any connected underground piping. Lessee shall immediately notify Lessor's Operations and Maintenance Department upon discovering a Release or Suspected Release of any amount of material that is stored inside a UST. For purposes of this Section, a "Suspected Release" is any discovery of released Hazardous Material at the UST site or surrounding area, erratic behavior of Hazardous Material dispensing equipment, the sudden loss of a Hazardous Material, an unexplained presence of water in the UST, or when monitoring indicates that a Release has occurred. In the case of inventory control, Lessee shall notify the Lessor's Operations and Maintenance Department when the second consecutive month of

inventory reconciliation data indicates that there is a discrepancy in the figures recorded. [Note: If no USTs are permitted under the Lease, delete this subsection 14.7.2 in its entirety; also, delete the subsection number 14.7.1 and combine the provision thereunder into section 14.7.]

14.8 Sublease. Lessee shall insert provisions substantially identical to the provisions of this Section 13.1 in any sublease agreement or contract by which it grants a right or privilege to any person, firm, corporation or other entity under this Lease.

14.9 Actions of Lessee. The activities or actions of Lessee under this Section 13.1 shall include the activities or actions of Lessee's officers, directors, employees, agents, contractors, invitees and successors.

14.10 Clean Water Act; NPDES Permits and SWPPPs. Without in any way limiting the foregoing, Lessee shall comply with all Environmental Laws regarding discharges to water and land, including, without limitation, obtaining and complying with an individual National Pollutant Discharge Elimination System (NPDES) permit, or requesting coverage under and complying with any applicable Multi-Sector General Permit ("**MSGP**"). If applicable, Lessee shall also prepare and comply with a site-specific MSGP with an individual Storm Water Pollution Prevention Plan ("**SWPPP**") or any revisions to a SWPPP, with respect to Lessee's operations or activities on the Premises or Airport. Proof of individual compliance shall be provided in the form of both the Lessee's Notice of Intent ("**NOI**") that has been received by the Arizona Department of Environmental Quality ("**ADEQ**") and the individual Arizona Multi-Sector General Permit (AZMSGP) number associated with the NOI, within the times prescribed by law.

14.11 Environmental Assessments. [Note: If no USTs are planned or permitted, delete subsections 14.11.1 and 14.11.2 below; also, re-title section 14.11 as Reserved.]

14.11.1 If, during the Term of this Lease, any of Lessee's USTs are suspected of or known to be leaking, Lessee shall perform, or cause to be performed, a site characterization of the Premises and/or UST site using all appropriate sections of the LUST Site Characterization Manual dated January 15, 1999, or the most current edition, including tables 1 through 6, as applicable ("**Site Characterization**").

14.11.2 Within THIRTY (30) calendar days immediately preceding the expiration of this Lease or within THIRTY (30) calendar days of any earlier termination of the Lease, Lessee shall:

(a) Deliver to Lessor: (i) a Phase I environmental site assessment that conforms to the standards set forth in 42 USC § 9601(35)(B), as amended by Pub. L. 107-118 (Jan. 11, 2002), section 223(2), and as may be further amended, and any regulations thereunder; and (ii) an environmental compliance audit assessing the status of regulatory compliance of the Premises and all operations and activities thereon; both prepared by a qualified engineer licensed by the State of Arizona; and

(b) In the event Lessee installs any USTs upon the Premises or elsewhere on the Airport, perform or cause to be performed a Site Characterization of the Premises in the event there is evidence that there has been or may be a leak or Release of the UST contents; and

(c) If either the assessment described in Section 14.11.2(a)(i) above or the Site Characterization described in Section 14.11.2(a)(ii) above identifies any "recognized environmental condition," or any other condition indicating a known or potential liability, including, but not limited to, a known or potential violation of any Environmental Law or a past, present, or material threat of a future release of a hazardous substance or a petroleum product into the environment, Lessor reserves the right, at Lessor's sole discretion, to require Lessee to conduct, at Lessee's sole expense and with a scope of work subject to Lessor's approval, further reasonable investigations and reasonable remediation.

14.12 Protective Devices and Plans. If Lessee is required by the City to estimate the possible constituents of sanitary sewer discharges in order that the City may define certain discharge limitations for the Premises, Lessee shall complete and return an *Industrial Wastewater Discharge Questionnaire* (“**Questionnaire**”) to the City and promptly provide Lessor with updates to the Questionnaire as they arise. Also, if the City so requires, Lessee shall install and maintain appropriate protective devices to prevent accidental discharge of any Hazardous Material into domestic or industrial drains on or near the Premises and elsewhere on the Airport, as appropriate, and for any other material for which a slug load discharge could pollute the Airport’s storm water discharge or disrupt operations at the sewage treatment plant serving the Premises. Lessee shall post a notice in a prominent place on the Premises advising employees what actions to take and whom to call in the event of said discharge, and shall ensure that all employees of Lessee are trained with regard to the spill protection plan hereinafter referenced. Lessee also shall provide Lessor with immediate notice of any spill.

14.13 Right to Enter Premises. In addition to the rights afforded to Lessor in Section 19, this Lease specifically includes the right of the United States Government, the Environmental Protection Agency (the EPA), ADEQ and the Arizona Department of Occupational Safety and Health (ADOSH) to enter the Premises upon reasonable notice to Lessee for purposes of: (i) inspecting Lessee’s compliance with environmental, occupational safety and health laws and regulations, whether or not such party is responsible for enforcing such laws; (ii) conducting environmental investigation or remediation, including, without limitation, performing tests and surveys, drillings, test-pitting, borings, compiling data and/or records, and other activities related to environmental investigation; and (iii) carrying out remedial or removal actions as required or necessary under applicable laws, including, without limitation, installing monitoring wells, pumping wells and/or treatment facilities. Lessee shall have no claim against Lessor for any entries by the United States, EPA, ADEQ, Arizona ADOSH, or any officer, agent, employee or contractor thereof.

14.14 U.S. Air Force Use and Remedial Action.

14.14.1 The Parties assume no liability or responsibility for environmental impacts and Environmental Damages or claims of any kind whatsoever caused by or resulting from the U.S. Air Force’s use of Hazardous Material on any portion of the Airport, including the Premises, prior to the Effective Date, and have no obligation under this Lease to undertake the defense of any claim or action, whether in existence now or brought in the future, solely arising out of the use of or release of any Hazardous Material or deposits of solid waste on or from any part of the Airport, including, but not limited to, the Premises, even if such claims or contamination are first discovered or made after the Effective Date. Further, the Parties have no obligation under this Lease to undertake environmental response, remediation, or cleanup relating to any contamination caused by or related to such use or release. For purposes of this Section 14.14, “defense” or “environmental response, remediation, or cleanup” shall include liability and responsibility for the costs of damage, penalties, legal and investigative services relating to such use or release. The terms, “Occupation” or “Use” shall mean any activity or presence (in or upon) such portion of, or such building, facility or other improvement on the Premises.

14.14.2 Pursuant to Section VII.E.3 of the Deed (as defined herein), the U.S. Air Force warrants and covenants that all remedial action necessary to protect human health and the environment with respect to hazardous substances remaining on the Airport, including the Premises, has been completed prior to the date of the Deed and, further, any remedial action found to be necessary after the date of the Deed shall be conducted by the U.S. Air Force; provided, however, that the foregoing covenant does not apply where Lessor or Lessee is a potentially responsible party with respect to any portion of the Premises or the Airport.

14.15 Cleanup Requirements. Lessee agrees that Lessor assumes no liability to Lessee should Hazardous Material cleanup or related requirements, whether imposed by law, regulatory agencies, the U.S. Air Force or Department of Defense cause delays or interferes with Lessee’s use of the Premises. Lessee shall have no claim against Lessor or the United States or any officer, agent, employee or contractor thereof

on account of any such interference whether due to entry, performance of remedial or removal investigations, or exercise of any right with respect to the Federal Facilities Agreement (FFA) or the Installation Restoration Program (IRP) or under this Lease or otherwise. Lessee agrees to comply with the provisions of any health or safety plan in effect under the IRP or any hazardous substance remediation or response agreement with environmental regulatory authorities during the course of any of the above described response or remedial actions. Any inspection, survey, investigation, or other response or remedial action conducted by Governmental Authorities or Lessor shall, to the extent practicable, be coordinated with representatives designated by Lessee.

14.16 Spill Protection Plan. In the event Lessee undertakes any type of manufacturing, maintenance or other activities on the Premises involving the use or generation of any Hazardous Material regulated by Hazardous Material Laws, Lessee shall have an plan for responding to Hazardous Material, fuel, and other chemical spills prior to commencement of activities on the Premises and other approved Airport locations. Such plan shall comply with all applicable requirements of said plan which shall be updated from time to time or as may be required to comply with changes in site conditions or applicable requirements, and shall be approved by all agencies that are obligated by law to approved such plan. Such plan shall be independent of Lessor's spill prevention and response plans, if any. Lessee shall not rely on use of Lessor or Lessor personnel or equipment in execution of its plan. Lessee shall file a copy of the plan and amendments thereto with Lessor's Environmental and Archeological Coordinator within THIRTY (30) calendar days of receipt of a CofO from the City. Notwithstanding the foregoing, should Lessor provide any personnel or equipment, whether for initial fire response and/or spill containment, on the request of Lessee, or because Lessee was not, in the opinion of Lessor, conducting fire fighting, containment or timely cleanup actions, Lessee agrees to reimburse Lessor for its actual costs in accordance with all applicable laws and regulations, except to the extent that Lessor was responding to conditions caused by events occurring at the Airport (not including the Premises) or by the negligence or omission of Lessor or its employees, agents or contractors.. [Note: If manufacturing, maintenance or other activities involving Hazardous Material is not permitted by the Lease, delete the contents of this section in its entirety and re-title the section Reserved.]

14.17 Wells. Lessee shall not install any drinking water or other wells in any location on the Premises without the prior written approval of Lessor, except to the extent that the installation of a monitoring well is required by Governmental Authorities.

14.18 Surface Disturbances. After construction of Lessee's improvements on the Premises, if any, either in the future or as otherwise provided herein, Lessee shall not conduct any subsurface excavation, digging, drilling or other disturbance of the surface other than what is usual and customary for the anticipated uses without the prior written approval of Lessor, which shall not be unreasonably withheld, conditioned or delayed.

14.19 Later Discovered Hazmat. If any Hazardous Material is newly discovered on a portion of the Property after the Effective Date that: (a) (i) were not placed on or introduced to the Property by Lessee, and (ii) were present on the Premises prior to the Effective Date (collectively, "**Later-Discovered, Pre-Existing Hazmat**"); and (b) such Later-Discovered, Pre-Existing Hazmat will cause Unavoidable Delay in the construction of Improvements; Lessee shall immediately notify Lessor and cease development activity in the impacted area of the Premises, and Lessee shall have the right to either (a) conduct such investigations and remedial actions as necessary under applicable Environmental Law and continue development activity as the remedial process allows (and reserve any rights it may have to seek whatever compensation it is entitled to recover), if Lessor does not agree, within SEVEN (7) business days of receiving notice contemplated under this Section, to promptly investigate and remediate the detected contamination in accordance with Environmental Law, and on a schedule and in a manner that does not interfere with Lessee's development, use or construction plans, or (b) terminate this Lease upon written notice to Lessor.

15. PROTECTION OF WETLANDS.

Lessee shall minimize the destruction, loss, or degradation of any wetlands located on the Premises. Lessor believes there are no wetlands existing on the Premises as of the Effective Date. However, before locating new construction in wetlands, if any exist, Lessee shall contact Lessor and the permitting authority and obtain a permit or waivers under Section 404 of the Clean Water Act. For purposes of this Section 15, the term, “new construction,” includes structures, facilities, draining, dredging, channeling, filling, diking, impounding, and related activities.

16. SPECIAL PROVISIONS.

16.1 Lessee shall comply with all applicable Federal, State, and local occupational safety and health regulations.

16.2 Lessee shall be responsible for determining whether it is subject to State and local sanitation, licensing, building code or building permit requirements and whether or not it requires a permit to do business and for compliance with them to the extent they are applicable.

17. INSURANCE.

17.1 Coverage Required. Lessee shall procure and maintain, or cause to be procured and maintained, the following types and amounts of insurance with respect to the Premises:

17.1.1 [To be determined on a commercially reasonable basis, based on tenant’s permitted use(s), in accordance with the then-current Airport Agreement Insurance Coverage Matrix.]

17.1.2 [To be determined on a commercially reasonable basis, based on tenant’s permitted use(s). Add additional sections, as necessary.]

17.1.3 Worker’s Compensation insurance, as required by law, and *Employer’s Liability* insurance in the amount of \$<amount> covering work-related injuries to employees and others permitted to operate or otherwise conduct business on the Premises. [Re-number this section, if appropriate.]

17.2 Form. Each insurance policy obtained pursuant to this Section, except for *Worker’s Compensation and Employer’s Liability* policies, shall: (i) name Lessor as a certificate holder or additional named insured; (ii) contain a provision that written notice of cancellation or modification thereof shall be given to Lessor not less than THIRTY (30) calendar days before such cancellation or modification takes effect TEN (10) days in case of nonpayment of premium); and (iii) contain a waiver of subrogation in favor of Lessor. Lessee shall not permit any insurance policy to be canceled or modified without Lessor’s written consent unless equivalent replacement policies are issued with no lapse in coverage. All policies shall be obtained from insurance companies licensed to do business in the State of Arizona and possessing a rating of at least A – VII or higher from the A.M. Best Company, or an equivalent rating and approved by Lessor.

17.3 Certificates of Insurance. Lessee shall deliver to Lessor a certificate of insurance for each policy required herein to Lessor, in standard Acord or equivalent form, prior to the Effective Date and shall continue to provide such certificates throughout the Term of this Lease.

17.4 Additional Insurance. At any time during the Term of this Lease, Lessor may, if in its reasonable determination the insurance coverage required by this Section 17 is no longer adequate, require Lessee to increase its coverage to commercially reasonable amounts.

17.5 Blanket Insurance. Lessee’s insurance obligations under this Lease may be satisfied by means of “blanket” or excess policies.

17.6 Insurance by Lessor. In the event Lessee shall fail to procure any insurance required hereunder, Lessor may, upon written notice to Lessee, procure and maintain any or all of the insurance required of Lessee under this Section. In such event, all costs of such insurance procured and maintained by Lessor on behalf of Lessee shall be the responsibility of Lessee and shall be fully reimbursed to Lessor within TEN (10) business days after Lessor advises Lessee of the cost thereof.

18. SURRENDER OF POSSESSION.

18.1 Condition of Property.

18.1.1 Upon the expiration or earlier termination of this Lease, Lessee's right to occupy the Premises and exercise the privileges and rights granted thereunder shall cease, and Lessee shall peaceably surrender the same and leave the Premises broom clean and in good condition except for normal wear and tear, casualty (subject to Lessee's obligation under Section 7.7) and condemnation. Lessee shall not be responsible for the removal or remediation of any Hazardous Material that was present on, under or near the Premises prior to occupancy, regardless of the date of discovery of such Hazardous Material, and shall not be responsible for returning the Premises in a better condition than existed on the Effective Date, except as expressly provided hereunder. All trade fixtures, equipment, and other personal property installed or placed by Lessee on the Premises which are not permanently affixed thereto shall remain the property of Lessee, and Lessee shall have the right at any time during the Term of this Lease, to remove the same from the Airport and Lessee shall repair, at its sole cost, any damage caused by such removal. Any property not removed by Lessee within FIFTEEN (15) calendar days of the expiration or earlier termination of this Lease, or revocation of Lessee's right to occupy the Premises, shall become a part of the Premises, and ownership thereof shall vest in Lessor. Lessee shall, however, remain financially liable to Lessor for the cost of repairs to the Premises incurred as a result of Lessor's removal and/or relocation of property formerly belonging to Lessee and not otherwise removed from the Premises, as provided herein, and shall remit to Lessor payment for such costs within TEN (10) business days of Lessee's receipt of Lessor's invoice therefor.

18.1.2 Any trade fixtures, equipment or other property affixed to the Premises by Lessee shall, if required in a written notice to Lessee from Lessor at the time of Lessor's approval of the same, be removed from the Premises by Lessee, at Lessee's expense, within FIFTEEN (15) business days after Lease termination. Should Lessee fail to remove such trade fixtures, equipment or other property within said time, Lessor may remove and dispose of such trade fixtures, equipment or other property at Lessee's expense, and Lessee shall reimburse Lessor for the costs thereof within TEN (10) business days of receipt of Lessor's invoice therefor.

18.2 Holding Over. Lessee shall not remain in possession of the Premises after the expiration or earlier termination of the Term without the express written consent of Lessor. Should Lessee hold over without the express written consent of Lessor, such tenancy shall be at the sufferance of Lessor and not a renewal of the Term. In such case, the Base Rent and all other charges due pursuant to this Lease shall be payable at ONE HUNDRED FIFTY PERCENT (150%) of the amount payable during the last year of the Term, and such tenancy at sufferance shall be subject to every other term, covenant and provision of this Lease. In the event Lessee holds over, Lessee shall be liable for all of Lessor's direct and consequential damages, which shall include, without limitation, costs, fees, expenses, damages and attorneys' fees incurred by Lessor as a result of Lessee's holding over, and damages and expenses incurred by Lessor for its inability to deliver possession of the Premises to a new lessee solely as a result of Lessee's holding over.

19. INSPECTION BY LESSOR.

[Language for lessees with secured, sensitive areas:]

Lessor acknowledges and agrees that (i) the Premises has been designated by Lessee as a sensitive

information facility due to the highly confidential nature of the use thereof; and (ii) Lessee shall have the right from time to time to reasonably and in good faith designate all of the Improvements and other portions of the Premises as “**Designated Secured Areas.**” Upon five (5) business days’ advance written notice to Lessee (herein, an “**Entry Request**”), and provided Lessor complies with the entry requirements established by Lessee from time to time and does not unreasonably interfere with Lessee’s use of the Premises, Lessee shall permit Lessor and its agents to enter upon the Premises (other than the Designated Secure Areas), subject to any safety, security, and/or confidentiality requirements of Lessee, for the purpose of inspecting the same (other than the Designated Secure Areas). In the case of an emergency in which Lessor is required under applicable law to immediately enter, no prior notice to Lessee is required, but Lessor shall nevertheless be subject to Lessee’s confidentiality requirements and agreement. Without limiting the generality of the foregoing, Lessee may implement (and from time to time modify) and Lessor and its agents, employees, contractors, guests and invitees shall comply with, commercially reasonable rules, systems and procedures for the security and safety of the Premises and its contents and Lessee’s employees, agents, guests and invitees, which systems and procedures may include, among other things, continuously monitored video surveillance, roving security guards/patrols, lobby attendants, security lighting, key-card systems, access gates, the right to escort Lessor and any third parties while the same are on the Premises, the right to prohibit photographs of any portion of the Premises designated by Lessee without Lessee’s prior written consent (which consent may be withheld in Lessee’s sole and absolute discretion); the right to require Lessor and/or any of Lessor’s designees to deliver to Lessee its then current commercially reasonable confidentiality/non-disclosure agreement prior to any entry onto the Premises; reasonable and good faith designation by Lessee of sensitive areas of the Premises that are wholly restricted from entry by Lessor, any of the Lessor’s employees, contractor’s, agents, guests and invitees or any of their designees except as otherwise expressly provided herein (the “**Designated Secure Areas**”); and the right to restrict access by any visitor whom Lessor intends to bring on the Premises who is a competitor, as determined by Lessee in its sole and absolute discretion (collectively, “**Lessee’s Security Systems**”). Lessor shall take reasonable steps to avoid interrupting or disrupting the conduct of business of Lessee on the Premises.

[Alternative language for lessees without secured, sensitive areas:]

Lessor may enter upon the Premises at reasonable times during Lessee’s normal business hours and upon at least TWO (2) business days’ prior written notice to Lessee (except in emergencies, in which event Lessor shall notify Lessee promptly following such emergency entry) for any reasonable purpose, including, but not limited to, compliance with the terms and conditions of this Lease and the exercise of its governmental functions for such activities as fire protection or security. Lessee may accompany Lessor on any Lessor inspections and entries. Lessor shall take reasonable steps to avoid interrupting or disrupting the conduct of business of Lessee on the Premises.

20. NOTICES.

20.1 All notices required or permitted under this Lease shall not be effective unless personally delivered or mailed by certified mail, return receipt requested, postage prepaid, or by reputable commercial overnight courier service, to the following addresses:

TO LESSOR: Phoenix-Mesa Gateway Airport Authority
Attn: Business Development Department
5835 South Sossaman Road
Mesa, Arizona 85212

TO LESSEE: <Lessee Name>
Attn.: <Contact Person Name, Title>
<Mailing Address>
<City>, <State> <Zip Code>

With a required copy to: < Name>
Attn.: <Contact Person Name, Title>
<Mailing Address>
<City>, <State> <Zip Code>

20.2 Any notice shall be deemed to have been received TWO (2) business days after the date of mailing, if given by certified mail, or upon actual receipt if personally delivered or if given by reputable commercial overnight courier service. Any Party may designate in writing a different address for notice purposes pursuant to this Section.

21. SEVERABILITY.

Should a court of competent jurisdiction declare any provision of this Lease invalid, the remaining terms shall remain effective.

22. SALES AND PROPERTY TAXES.

Lessee shall pay any leasehold tax, sales tax, personal property tax, transaction privilege tax, license or permit fee, or any other tax assessed as the result of its occupancy of Premises or conduct of any activity at the Airport under authority of this Lease, including any such tax assessable on Lessor as a result thereof. In the event that laws or judicial decisions result in the imposition of a real property tax or any other form of tax or imposition on the interest of Lessor, such tax shall also be paid by Lessee for the period this Lease is in effect, to the extent such taxes are reasonably attributable to the Premises or a portion thereof or the operation of Lessee's business.

23. APPROVALS, CONSENTS AND NOTICES.

All approvals, consents and notices called for in this Lease shall be in writing, signed by the appropriate Party, and may not be established solely by oral testimony.

24. LIENS AND MORTGAGES.

24.1 General Provisions.

24.1.1 Except as provided in this Section 24, Lessee shall not engage in any financing or other transaction creating any mortgage or deed of trust upon the Premises, place or suffer to be placed upon the Premises any lien or other encumbrance, or suffer any levy or attachment to be made on Lessee's interest in the Premises. Any such mortgage or deed of trust, encumbrance or lien shall be deemed a violation of this Section, constituting a failure by Lessee to comply with the terms of the Lease, on the date of its execution or filing of record regardless of whether or when it is foreclosed or otherwise enforced.

24.1.2 Notwithstanding anything to the contrary in Section 9 herein, Lessee shall, during the Term, be permitted to mortgage, collaterally assign, or otherwise encumber its leasehold interest (including any interest in the improvements) under this Lease pursuant to one or more Mortgages, as defined below, to secure indebtedness, including, without limitation, one or more loans to finance construction of improvements and other development on the Premises, and including refinancings thereof, subject to the restrictions of Section 24.1.4.

24.1.3 Any such encumbrance, including leasehold deed of trust, is referred to as a "Mortgage" and the holder thereof a "Mortgagee." The Mortgagee, upon taking possession or upon foreclosure or taking an assignment in lieu thereof, shall be liable for all future rents and obligations hereunder and shall attorn to Lessor. In no event shall any Mortgagee be responsible or liable for any claims

against Lessee or any of Lessee's agents, employees, invitees, contractors or representatives for any death, injury, illness, damage to or loss of property (except only to the extent provided hereinafter with respect to a default by Lessee under this Lease), or tort related claims. In no event shall any Mortgagee be liable for the actions or omissions of Lessee or Lessee's agents, representatives, employees, contractors, or invitees (except only to the extent provided hereinafter with respect to a default by Lessee under this Lease). The Mortgagee shall not be responsible or liable for any default by Lessee under this Lease, except, and only, to the extent that such default continues for a period of THIRTY (30) days (or such additional time as is reasonably necessary for Mortgagee to cure such default, so long as Mortgagee is diligently pursuing action to cure the default) after (i) Mortgagee shall have obtained possession through a court-appointed receiver or ownership of the Premises, (ii) the Mortgagee shall have received written notice of such default at the same time that Lessor notifies Lessee of such default, (iii) any notice or cure period related to such default as provided in this Lease and in Section 24.2 and Section 24.3 below shall have elapsed without such default having been cured, and (iv) such default is reasonably capable of being cured by the Mortgagee. No Mortgage shall encumber Lessor's interest in the Premises or Lessor's interest in the improvements thereon. Further and promptly after Lessee assigns or encumbers any portion of the Premises or the improvements thereon, Lessee shall furnish Lessor with a written notice setting forth the name and address of such Mortgagee or trustee.

24.1.4 No Mortgage or deed of trust shall extend to or affect the fee, the reversionary fee interest or the estate of Lessor in the Premises. No Mortgage or deed of trust shall be binding upon Lessor in the enforcement of its rights and remedies under this Lease and by law provided, unless and until a copy thereof shall have been delivered to Lessor and such Mortgage or deed of trust is authorized in accordance with provisions of this Section 24.

24.1.5 Notwithstanding anything to the contrary in this Article 24, Lessor shall have all rights and remedies under Article 11 with respect to any Event of Default that continues after expiration of all applicable notice and cure periods set forth in Section 11.1 and this Article 24.

24.2 Lessor Agreement. With respect to Mortgagees of the Premises, Lessor agrees that:

24.2.1 If requested by a Mortgagee which shall have duly registered in writing with Lessor its name and address, and if Lessor shall give any notice, demand, election or other communication required hereunder (hereafter, collectively, "Notices") to Lessee, Lessor shall concurrently give a copy of each such Notice to the Mortgagee at the address designated by it. Notices shall be sent by registered or certified mail, return receipt requested, and shall be deemed given seventy-two (72) hours after the time they are deposited in a United States Post Office with postage charges prepaid, addressed to the Mortgagee. No Notice given by Lessor to Lessee shall be binding upon or affect Lessee or the Mortgagee unless a copy of the Notice shall be given to the Mortgagee pursuant to this Section 24.2.1.

24.2.2 Such Mortgagee entitled to such Notices, as specified above, shall have any and all rights of Lessee with respect to the curing of any default hereunder by Lessee.

24.2.3 If Lessor shall elect to terminate this Lease by reason of any default by Lessee with respect to the Premises, the Mortgagee that shall have become entitled to Notice as provided in this Section 24.2 shall have any and all rights of Lessee with respect to curing of any default with respect to the Premises.

24.2.4 Nothing herein contained shall be deemed to impose any obligation on the part of Lessor to deliver physical possession of the Premises to such holder of a Mortgage. To the extent the physical possession of the Premises by a secured creditor is not inconsistent with the terms of this Lease, or is incompatible with the Lessor's selection of available remedies in the Event of Default, Lessor shall not prevent such physical possession.

24.2.5 If more than one Mortgagee shall seek to exercise any of the rights provided for in this Section 24, the holder of the Mortgage having priority of lien over the other Mortgagees shall be entitled, as against the others, to exercise such rights. Should a dispute arise among Mortgagees regarding the priority of lien, the Mortgagees shall prove to the satisfaction of Lessor that they have settled that dispute.

24.3 Protection of Mortgagee(s). Until the time, if any, that an approved Mortgage shall be satisfied and released of record:

24.3.1 A Mortgagee shall have the right, for a period equal to the period afforded Lessee under this Lease to perform any term, covenant, or condition and to remedy any default by Lessee hereunder, plus such additional time that is reasonably needed for Mortgagee to exercise Lessee's rights to cure any defaults subject to the following: (a) if the default cannot be cured by Mortgagee, no additional time shall be allowed; (b) if the default can be cured by Mortgagee, such additional period of time shall not exceed SIX (6) months after Mortgagee's receipt of such Notice, unless a longer period of time is otherwise approved by Lessor in writing; (c) if curing the default requires that Mortgagee has possession through a court-appointed receiver or ownership of the Premises, Mortgagee shall be diligently pursuing action to take possession through a court-appointed receiver or ownership of the Premises; and (d) Mortgagee shall not be entitled to more than TEN (10) days of additional time to cure any defaults in the payment of Base Rent. Lessor shall accept such performance with the same force and effect as if furnished by Lessee, and the Mortgagee shall thereby and hereby be subrogated to the rights of Lessor. Such Mortgagee cure period shall begin on the later of: (i) the date Mortgagee receives notice pursuant to Section 24.2, or (ii) the date that Lessee's cure period expires under this Lease. During such Mortgagee cure period, Lessor will not terminate this Lease or disturb possession, interest or quiet enjoyment by the Lessee or Mortgagee in the Premises or improvements for any reason, subject to the terms of this Lease, until such Mortgagee cure period has expired. The Mortgagees and their respective designees shall have the right to enter upon the Premises to give such performance.

24.3.2 In case of an Event of Default by Lessee in the performance or observance of any non-monetary term, covenant or condition to be performed by it hereunder, if such Event of Default cannot practicably be cured by the Mortgagee without taking possession or ownership of the Premises, in such Mortgagee's reasonable opinion, or if such Event of Default is not susceptible of being cured by the Mortgagee, then:

(a) The Mortgagee shall proceed diligently to obtain possession through a court-appointed receiver or ownership of the Premises, and, upon obtaining such possession, shall proceed diligently to cure such defaults as are reasonably susceptible of cure (subject to any order by a court of competent jurisdiction staying or otherwise precluding such Mortgagee from obtaining such possession); or

(b) The Mortgagee shall institute foreclosure proceedings and diligently prosecute the same to completion (unless in the meantime it shall acquire Lessee's estate hereunder, either in its own name or through a nominee, by assignment in lieu of foreclosure), subject to any order by a court of competent jurisdiction staying or otherwise precluding such Mortgagee from obtaining such possession.

(c) The Mortgagee shall not be required to obtain possession or to continue in possession of the Premises pursuant to Section 24.3.2(a), or to continue to prosecute foreclosure proceedings pursuant to Section 24.3.2(b), if and when such Event of Default shall be cured.

(d) If any Mortgagee is prohibited from commencing or prosecuting foreclosure or other appropriate proceedings in the nature thereof by any process or injunction issued by any court, or by reason of any action by any court having jurisdiction of any bankruptcy or insolvency proceeding involving Lessee, the times for commencing or prosecuting foreclosure or other proceedings, including proceedings to obtain possession, shall be extended for the period of the prohibition.

24.4 New Lease

24.4.1 Lessor agrees that, in the event of early termination of this Lease for any reason (including but not limited to any default by Lessee), Lessor, if requested by any Mortgagee, will enter into a new lease of the Premises with the most senior Mortgagee requesting a new lease, which new lease shall commence as of the date of termination of this Lease and shall run for the remainder of the original Term of this Lease (plus any applicable Renewal Term if exercised), at the rent and upon the terms, covenants and conditions herein contained, provided that:

(a) Such Mortgagee shall make written request upon Lessor for the new lease within SIXTY (60) calendar days after the date such Mortgagee receives written notice from Lessor that this Lease has been terminated;

(b) Such Mortgagee shall pay to Lessor, at the time of the execution and delivery of the new lease, any and all Base Rent payments, finance charges and late fees which would, at that time, be due and unpaid pursuant to this Lease but for its termination, and in addition thereto all reasonable expenses, including reasonable attorneys' fees, which Lessor shall have incurred by reason of the preparation of such new lease;

(c) Such Mortgagee shall perform and observe all covenants in this Lease to be performed and observed by the lessee under such new lease from and after full execution and delivery of such new lease, and shall within a reasonable period of time (not to exceed the time frames set forth in Section 24.3.1 above) after full execution and delivery of such new lease remedy any other conditions which Lessee under the terminated Lease was obligated to perform under its terms and did not perform, to the extent the same are reasonably susceptible of being cured by the Mortgagee; and

(d) The lessee under the new lease shall have the same rights, including the right of occupancy to the buildings and improvements on the Premises and elsewhere on the Airport as Lessee had under this Lease immediately prior to its termination.

Notwithstanding anything to the contrary expressed or implied in this Lease, any new lease made pursuant to this Section 24 shall have the same priority as this Lease with respect to any mortgage, deed of trust, or other lien, charge, or encumbrance on the fee of the Premises, and any sublease under this Lease shall be a sublease under the new Lease and shall not be deemed to have been terminated by the termination of this Lease.

24.4.2 Nothing herein contained shall require any Mortgagee to enter into a new lease pursuant to this Section 24.4, or to cure any default of Lessee referred to above.

24.4.3 If any Mortgagee shall request a new lease as provided in this Section 24.4, Lessor agrees, at the request of, on behalf of and at the expense of the Mortgagee, to institute and pursue diligently to conclusion the appropriate legal remedy or remedies to oust or remove the original Lessee from the Premises, but not any authorized subtenants actually occupying the Premises or any part thereof.

24.4.4 Unless and until Lessor has received notice from each Mortgagee that the Mortgagee elects not to demand a new lease as provided herein, or until the period therefor has expired, Lessor shall not cancel or agree to the termination or surrender of any existing subleases nor enter into any new leases or subleases with respect to the Premises without the prior written consent of each Mortgagee.

24.5 Effect of Transfer. Neither the foreclosure of any Mortgage (whether by judicial proceedings or by virtue of any power of sale contained in the Mortgage), nor any conveyance of the leasehold estate created by this Lease by Lessee to any Mortgagee or its designee by an assignment or deed in

lieu of foreclosure or other similar instrument, shall require the consent of Lessor or constitute a default or Event of Default under this Lease, and upon such foreclosure, sale or conveyance, Lessor shall recognize the purchaser or other transferee in connection therewith as the Lessee under this Lease, subject only to an assumption in writing by such purchaser or transferee of all obligations of Lessee under this Lease from and after the date of such assumption.

25. GOVERNING LAW; ATTORNEY'S FEES.

The laws of the State of Arizona shall govern the matters set forth in this Lease. Venue of any action brought under this Lease shall, at the option of Lessor, lie in Maricopa County, Arizona.

26. RULES AND REGULATIONS.

Lessee shall at all times comply with all Federal, state and local laws, ordinances, rules, and regulations which are applicable to its activities on the Airport, the Premises itself (including but not limited to the *Americans with Disabilities Act*), or the operation, management, maintenance, or administration of the Airport, including all laws, ordinances, rules and regulations adopted after the Effective Date. Lessee shall at all times comply with the *Airport Minimum Standards* and *Airport Rules and Regulations*, as the same may be amended from time to time. Copies of the current *Airport Minimum Standards* and *Airport Rules and Regulations* are attached hereto as **Exhibit D**. Lessee acknowledges and agrees that Lessor may amend the *Airport Minimum Standards* and *Airport Rules and Regulations* at any time in Lessor's commercially reasonable discretion. Lessee shall, within a reasonable period of time, reasonably display to Lessor any permits or licenses required by law or other evidence of compliance with laws upon written request.

Lessor shall use commercially reasonable efforts to timely notify Lessee of any updates in the *Airport Rules and Regulations*, the *Airport Minimum Standards*, the *Aviation Fuel Storage, Dispensing and Handling Guidelines*, and the *Airport Fly Friendly Procedures*.

27. CORPORATE AUTHORIZATION.

In executing this Agreement, each of Lessor and Lessee represents and warrants to the other that if such Party is a corporation, or other legal entity, each Party has obtained and been granted the full right, power and authority to enter into this Lease.

28. UTILITY LINES AND SERVICE CHARGES.

28.1 Lessee shall, at no cost or expense to Lessor, provide or arrange for any public utility, water and sewage lines, connections and services that are needed in connection with any building(s), structure(s) or other improvement(s) placed on the Premises by Lessee, or required for Lessee's activities thereon, and shall be responsible for the maintenance of such lines and connections from where they enter the Premises. If requested to do so by Lessee from time to time during the Term, Lessor will grant reasonable easements and rights-of-way on or across the Airport for the development and use of the Premises (in accordance with this Lease), including, without limitation, to suppliers of public or private utility services for the purpose of supplying Lessee with such services, but Lessor reserves the right to reasonably designate the lands along which such easements and rights-of-way shall be granted so as to minimize the disruption of the operation of the Airport and other Airport tenants.

28.2 Lessee shall pay for all utilities, including trash collection, used in its operations at the Premises. The charges and method of payment for each utility or service shall be determined by the appropriate supplier of the utility or service in accordance with applicable laws and regulations, on such basis as the appropriate supplier of the utility or service may establish.

28.3 Notwithstanding the execution of this Lease, Lessor retains the right to the continued use of such utility lines and services as are presently on the Premises (so long as Lessor's use does not interfere with or disrupt Lessee's use, occupancy, development and subleasing activities), and the right to repair the same when necessary in Lessor's reasonable discretion, including but not limited to, any utility easements on the Premises. Lessor agrees to coordinate any entries onto the Premises with Lessee. Lessor shall conduct such use and repairs in such a manner and at such times as to not interfere with Lessee's activities thereon.

29. RESERVATIONS TO LESSOR.

Subject to Lessor's representations, warranties and obligations, the Premises are accepted "as is, where is" by Lessee, subject to any and all existing easements or other encumbrances. In advance consultation with Lessee, Lessor reserves the right to grant reasonable easements, rights-of-way, and permits, over, on, or across any portions of the Premises for commercially reasonable purposes; provided, that Lessor and the grantee, as applicable, shall not exercise such rights so as to interfere with or disrupt Lessee's activities on the Premises, including the development of the Premises, to be determined in the reasonable judgment of Lessor and Lessee, and all such interference shall be minimized. Lessor shall provide Lessee reasonable notice of any plan to undertake the activities contemplated under this Section and shall coordinate with Lessee regarding the execution of such plans to minimize any interference with Lessee's or any subtenant's activities on the Premises, that all work shall be in compliance with all applicable laws, including Environmental Law, and that the surface of the Premises shall be restored to its original condition, including any necessary remediation in accordance with Environmental Law of any contamination associated with any Hazardous Material disturbed during any construction, at no cost to Lessee, upon the completion of any construction. Lessor agrees that any rights granted to any parties by reason of this clause shall contain provisions obligating such parties to at a minimum the same conditions applicable to Lessor under this Section 29, including but not limited to that the surface of the Premises and any Improvements shall be promptly restored to their original condition, at no cost to Lessee, promptly upon the completion of any construction.

30. FEDERAL AVIATION ADMINISTRATION (FAA) PROVISIONS.

30.1 Lessee agrees that in the event improvements are constructed, maintained, or otherwise operated on the Premises for a purpose for which a Department of Transportation (DOT) program or activity is intended, or for another purpose involving the providing of similar services or benefits, Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, *Nondiscrimination in Federally Assisted Programs of the Department of Transportation*, as it may be amended.

30.2 Lessee agrees that: (i) no person shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination on the grounds of race, color, creed, disability, age, sex or national origin in the use of the Premises; (ii) that in the construction of any improvements on, over, or under the Premises and the furnishing of services thereon, no person shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination on the grounds of race, color, or national origin; and (iii) that Lessee shall use the Premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, as it may be amended.

30.3 Lessee assures Lessor that it will comply with pertinent statutes, Executive Orders, and rules promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, or sex, age or handicap, be excluded from participating in any activity.

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

30.5 Lessor reserves the right, but shall not be obligated to Lessee, to maintain and keep in repair the landing area of the Airport and all publicly owned facilities of the Airport, together with the right to direct and control all activities of Lessee in this regard. Lessor and Lessee agree that Lessee has no responsibility whatsoever with respect to maintenance and repair of the landing area of the Airport, or any publicly owned facilities of the Airport.

30.6 This Lease shall be subordinate to the provisions and requirements of any existing or future agreement between Lessor and the United States relative to the development, operation or maintenance of the Airport. Lessor agrees to reasonably consult with Lessee prior to executing or entering into any agreement that could reasonably be expected to have a material effect on the Premises, or on Lessee or its subtenants, or on any Permitted Uses, with the stated purpose of attempting in good faith to avoid any interference with, disruption of, or restriction or limitation on Lessee's intended use and development of the Premises in accordance with this Lease.

30.7 There is reserved unto Lessor, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Premises, which shall include the right to cause in the airspace any noise inherent in the operation of aircraft, now known or hereafter used for navigation of or flight in or through the airspace, and for the use of such airspace for landing on, taking off from, or operation on the Airport.

30.8 Lessee agrees to comply with the notification and review requirements covered in 14 CFR Part 77 in the event future construction of a building is planned for the Premises or in the event of any planned modification or alteration of any present or future building or structure situated on the Premises.

30.9 Lessee shall not erect or permit the erection of any structure or building, nor permit the growth of any tree on the Premises, or any other obstruction that exceeds height requirements contained in 14 CFR Part 77 or amendments thereto, or interferes with the runway and/or taxiway "line of sight" of the control tower. In the event these covenants are breached, Lessor reserves the right to enter upon the Premises and to remove the offending structure or object at the expense of Lessee.

30.10 Lessee shall not make use of the Premises in any manner that might interfere with the landing and taking off of aircraft from the Airport or otherwise constitute a hazard. In the event this covenant is breached, Lessor reserves the right to enter upon the Premises and cause the abatement of such interference at the expense of Lessee.

30.11 Nothing contained in this Lease shall be construed to grant or authorize the granting of an exclusive right within the meaning 49 U.S.C. §40103(e) and 47107 (a)(4).

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

30.13 To the extent that Lessee conducts or engages in any aeronautical activity for furnishing services to the public at the Airport, Lessee shall furnish its services on a reasonable and not unjustly discriminatory basis to all users and charge reasonable and not unjustly discriminatory prices for each unit or service; except, however, that Lessee may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar type of price reductions to volume purchasers.

30.14 Lessee shall conform to Lessor and FAA safety and security rules and regulations regarding use of the Airport air operations area including runways, taxiways, taxilanes and aircraft aprons by vehicles, employees, customers, visitors, etc., in order to prevent security breaches and avoid aircraft incursions and

vehicle/pedestrian deviations; complete and pass an airfield safe driving instruction program when offered or required by Lessor; and be subject to penalties as prescribed by Lessor for violations of Airport safety and security requirements.

31. TITLE VI OF THE CIVIL RIGHTS ACT OF 1964.

31.1 Lessee agrees to comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color or national origin, sex, age or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. Lessee understands and acknowledges that the FAA requires inclusion of and adherence to the terms and conditions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. §§2000d to 2000d-4) (“**Title VI**”) in all airport/aviation lease agreements where Lessor receives federal funding, including the Lease in this instance.

31.2 During the Term, Lessee, for itself, its assignees, and successors in interest agrees as follows:

31.2.1 Compliance with Regulations: Lessee will comply with the Title VI List of Pertinent Non-Discrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this Lease.

31.2.2 Non-discrimination: Lessee, with regard to the work performed by it during Lease, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. Lessee will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR Part 21.

31.2.3 Solicitations for Subcontracts, Including Procurements of Materials and Equipment: In all solicitations, either by competitive bidding, or negotiation made by Lessee for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by Lessee of Lessee’s obligations under this Lease and the Non-discrimination Acts And Authorities on the grounds of race, color, or national origin.

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

31.2.5 Sanctions for Noncompliance: In the event of Lessee’s noncompliance with the Nondiscrimination provisions of this Lease, Lessor will impose such default remedies as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:

- (a) withholding payments, if any, to Lessee under the Lease until Lessee complies; and/or
- (b) cancelling, terminating, or suspending the Lease, in whole or in part.

31.2.6 Incorporation of Provisions: Lessee will include the provisions subsections 31.2.1 through 31.2.6 in every subcontract, including procurements of materials and leases of equipment, unless

exempt by the Acts, the Regulations and directives issued pursuant thereto. Lessee will take action with respect to any subcontract or procurement as the sponsor or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if Lessee becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, Lessee may request Lessor to enter into any litigation to protect the interests of Lessor. In addition, Lessee may request the United States to enter into the litigation to protect the interests of the United States.

31.3 The Lessee for itself, and its successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree that (1) no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land, and the furnishing of services thereon, no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that Lessee will use the Premises in compliance with all other requirements imposed by or pursuant to the List of Pertinent Non-Discrimination Acts and Authorities.

31.4 During the performance of this Lease, Lessee, for itself, its assignees, and successors in interest agrees to comply with the following non-discrimination statutes and authorities; including but not limited to the following (which Lessor is required to disclose and include in such Lease and other agreements, pursuant to FAA regulation):

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq.*, 78 Stat. 252) (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR Part 21 (Non-discrimination In Federally-Assisted Programs of The Department of Transportation—Effectuation of Title VI of The Civil Rights Act of 1964);
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. § 4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 *et seq.*), as amended, (prohibits discrimination on the basis of disability); and 49 CFR part 27;
- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 *et seq.*) (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987 (PL 100-209) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms “programs or activities” to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing

entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 CFR parts 37 and 38;

- The Federal Aviation Administration’s Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures non-discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 *et seq.*).

31.5 Lessee agrees that in the event improvements are constructed, maintained, or otherwise operated on the Premises for a purpose for which a Department of Transportation (DOT) program or activity is intended, or for another purpose involving the providing of similar services or benefits, Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, as it may be amended.

32. FEDERAL FAIR LABOR STANDARDS ACT

This Lease incorporates by reference the provisions of 29 CFR Part 201, the Federal Fair Labor Standards Act (FLSA), with the same force and effect as if given in full text. Lessee has full responsibility to monitor compliance to the referenced statute or regulation. Lessee must address any claims or disputes that arise from this requirement directly with the U.S. Department of Labor – Wage and Hour Division.

33. OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970

This Lease incorporates by reference the provisions of 29 CFR Part 1910 with the same force and effect as if given in full text. Lessee must provide a work environment that is free from recognized hazards that may cause death or serious physical harm to the employee. Lessee retains full responsibility to monitor its compliance and their subcontractor’s compliance with the applicable requirements of the Occupational Safety and Health Act of 1970 (20CFR Part 1910). Lessee must address any claims or disputes that pertain to a referenced requirement directly with the U.S. Department of Labor – Occupational Safety and Health Administration.

34. INCORPORATION OF QUITCLAIM DEED.

Lessor owns the Airport pursuant to a Quitclaim Deed from the United States Government (“**Deed**”), a copy of which is available to Lessee upon request and is hereby incorporated in its entirety. To the extent the Deed has terms, conditions, obligations, requirements or restrictions that apply to this Lease,

Lessor, Lessee or any matter in connection herewith, Lessee agrees to be bound by all the terms, covenants and conditions of the Deed, including the following:

34.1 That this Lease is subject to all terms and conditions of the Deed; and

34.2 That in case of any conflict between the Deed and this Lease, the Deed shall control.

35. REQUIRED PROVISIONS OF QUITCLAIM DEED.

35.1 Section VI (A)(5)(c) of the Deed requires that the following provisions be included in this Lease:

35.1.1 In furnishing services to the public, Lessee shall not discriminate against any person or class of persons by reason of race, color, creed, or national origin, and Lessee shall otherwise provide such services on a fair, equal, and not unjustly discriminatory basis to all users thereof.

35.1.2 Lessee shall charge fair, reasonable, and not unjustly discriminatory prices for each unit for service; except, however, that the Lessee may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

35.2 If the Premises are within any of the archaeological sites identified in Section VIII.A of the Deed, then, the provisions of Section VIII of the Deed shall be deemed incorporated in this Lease by this express reference to Section VIII of the Deed.

35.3 To the extent the Deed requires that other specific provisions thereof be inserted in this Lease by express reference to the Deed, this sentence shall constitute an express reference to all such applicable provisions of the Deed.

36. AIRPORT SECURITY.

36.1 Airport Security Plan.

36.1.1 Lessor's Operations Department maintains an approved Airport Security Plan ("Security Plan") pursuant to 49 CFR Parts 1540 and 1542, and 14 CFR Part 139. Lessee shall at all times comply with Lessor's Operations Department security directives, security bulletins, or verbal notifications existing now or in the future.

36.1.2 Lessee is responsible for maintaining security practices, facilities, and perimeter boundaries on their leasehold that meet the security standards set forth by Lessor's Operations Department.

36.1.3 Lessee shall promptly upon written request from Lessor correct physical or procedural deficiencies caused by Lessee that are located on the Premises which are contrary to Lessor's Operations Department, security directives, security bulletins, or verbal notifications existing now or in the future. Within TWENTY-FOUR (24) hours of Lessor notifying Lessee of any deficiency, Lessor shall provide Lessee with a reasonably-detailed explanation of the deficiencies. Lessee shall be given a reasonable period of time (under the circumstances) to correct such deficiencies.

36.1.4 Lessee shall, to the fullest extent permitted by law, indemnify, defend and hold Lessor harmless for, from and against any security violation committed by any agents, employees, invitees, subcontractors, sub-lessees or independent contractors of Lessee.

36.1.5 Lessee shall conduct and document all self-audits and self-inspections as required by Transportation Security Administration (“TSA”) or Lessor’s Operations Department and make such audits available for inspection.

36.1.6 Lessee shall designate a primary security coordinator to receive security related briefings, bulletins and sensitive security information.

36.1.7 Lessor reserves the right to modify the Security Plan from time to time, as necessary or as directed by TSA. Lessor’s Operations Department shall notify the Lessee security coordinator regarding modifications that effect Lessee.

36.2 Airport Security Badge.

36.2.1 Lessee’s employees and contractors that require a badge shall be obligated to complete all training and comply with all security requirements and directives issued by Lessor’s Operations Department, TSA or other entity having security jurisdiction at the Airport. Lessee, employees, and contractors will surrender security badges upon request by Lessor’s Operations Department; physical security media (badges and keys) remain the property of Lessor. Within SEVENTY-TWO (72) hours of Lessor’s confiscation of any security badges, Lessor shall provide Lessee with a reasonably-detailed explanation of the violations that caused Lessor to confiscate the security badges.

36.2.2 Lessee, employees and contractors shall comply with all security related audits, inspections, and screenings conducted by the Lessor’s Operations Department.

36.2.3 Lessee will promptly return badges to the Lessor’s badging office when badge holders employment is terminated, the badge is no longer needed or the employee/contractor is on extended leave.

36.2.4 Misuse of a badge or security procedures will bring about action, including, but not limited to, retraining, suspension or revocation of one or all misused badges.

37. DEFAULT BY LESSOR.

In the event of any alleged breach by Lessor of its covenants or duties contained in this Lease, Lessee shall have available all rights and remedies provided in contract, at law and/or in equity, provided, however, Lessee may not exercise any such right or remedy unless Lessee has notified Lessor by written notice of such alleged default, and Lessor has not cured such default within the THIRTY (30) calendar day period subsequent to receipt of such notice or, in the event such alleged default is of such a nature that it cannot reasonably be cured within such THIRTY (30) calendar day period, Lessor has failed to pursue a cure of such alleged default with all due diligence. Notwithstanding anything to the contrary contained in this Lease, in no event shall Lessee be entitled to terminate this Lease or abate or offset any installment of Base Rent, or any other payments to be made by Lessee hereunder except as expressly permitted in this Lease.

38. BROKERS.

Lessor and Lessee each represents and warrants to the other Party that it has not had any dealings with any real estate brokers, finders or agents in connection with this Lease. Lessor and Lessee Each agrees to indemnify, defend (with counsel selected by the other) and hold the other Party and other Party’s nominees, successors and assigns harmless from any and all claims, costs, commissions, fees or damages arising from a breach of such Party’s representation and warranty in this Section.

[Alternative Section 38 language where broker(s) are involved:]

< > agrees to pay a brokerage commission to < > (“**Broker**”) for services provided in connection with this Lease in accordance with the terms of a separate commission agreement between < > and Broker. Except as specifically identified in this Section, Lessor and Lessee each represents and warrants to the other Party that it has not had any dealings with any real estate brokers, finders or agents in connection with this Lease other than Broker. Lessor and Lessee Each agrees to indemnify, defend (with counsel selected by the other) and hold the other Party and other Party’s nominees, successors and assigns harmless from any and all claims, costs, commissions, fees or damages arising from a breach of such Party’s representation and warranty in this Section.

39. SALE BY LESSOR.

Lessee agrees to look solely to Lessor’s interest in the Airport, including rents, issues, profits, proceeds, and awards for the recovery of any judgment against Lessor, it being agreed that the members, partners, officers, directors or shareholders of Lessor shall not be personally liable for any such judgment. In the event of any sale or other conveyance by Lessor of its interest in the Premises, Lessor shall be automatically freed and released from all personal liability accruing from and after the date of such sale or conveyance as respects the performance of any covenant or obligation on the part of Lessor contained in this Lease to be performed, it being intended hereby that the covenants and obligations contained in this Lease on the part of Lessor shall be binding on the Lessor and its successors and assigns only during and in respect to the respective successive periods of ownership of the Premises.

40. ESTOPPEL CERTIFICATE.

Each of Lessor and Lessee shall, without charge, at any time and from time to time hereafter, within TEN (10) business days after written request from the other Party to do so, certify, by written instrument duly executed and acknowledged by such Party and certified to the other Party and to any prospective lender or purchaser/assignee: (i) as to whether this Lease has been supplemented or amended, and if so, the substance and manner of such supplement or amendment; (ii) as to the existence of any default hereunder to the best of such Party’s knowledge; (iii) as to the date on which Lessee was obligated to commence paying Base Rent and all other charges hereunder and the expiration date of the Term; (iv) as to whether this Lessee has assigned or transferred its interests or any portion thereof in this Lease; and (v) as to any other matters relating to this Lease and the Premises as may be reasonably requested. The requesting Party and any prospective purchaser or lender to whom the same was certified may rely upon any such certificate.

41. UNAVOIDABLE DELAY.

In the event either Party shall be delayed or hindered in or prevented from the performance of any covenant, agreement, work, service, or other act required under this Lease to be performed by such Party (“**Required Act**”), and such delay or hindrance is due to Unavoidable Delay (as defined below), then the performance of such Required Act shall be excused for the period of delay and the time period for performance of the Required Act shall be extended by the same number of days in the period of Unavoidable Delay. For purposes of this Lease, “Unavoidable Delay” shall mean, with respect to either Party, an unavoidable delay in the performance by such Party of any non-monetary conditions or obligations under this Lease due including but not limited to: (a) construction delay to the extent caused by the other Party, (b) legal proceeding brought by a non-Party with respect to the Improvements or any provision or requirement of this Lease which by its nature prohibits the Improvements from being commenced, continued and/or completed, (c) a Party not receiving a governmental permit, license, approval or inspection in time to meet a contractual time period imposed hereunder provided that Party, in good faith, was diligent in the application or request for and prosecution of the process to obtain that permit, license, approval or inspection, (d) flood, (e) epidemic, (f) quarantine restriction, (g) unusually severe weather not reasonably anticipated, (h) strike, (i) walkout, (j) lock-out, (k) war, (l) national emergency, (m) fire, (n) act of God, (o) act of terrorism, (p) natural disaster, (q) explosion, (r) default by the other Party hereunder in the performance of its obligations

hereunder, (s) a delay caused by the discovery, presences or actions necessary to investigate or remediate Hazardous Material under Article 14 (but excluding Hazardous Material attributable to the Party claiming Unavoidable Delay), or (t) other causes beyond such Party's control; provided that no Unavoidable Delay shall exist unless the Party claiming such Unavoidable Delay shall give written notice to the other Party of the occurrence of the Unavoidable Delay not later than FORTY-FIVE (45) days after the commencement of such Unavoidable Delay.

42. MISCELLANEOUS.

42.1 Personal Liability. No member of or employee of either Party shall be charged personally or held contractually liable by or to the other Party under any term or provision of this Lease because of any breach thereof, or because of its execution or attempted execution.

42.2 No Waiver. No provision of this Lease may be waived or modified except by a writing signed by the Party against whom such waiver or modification is sought.

42.3 Non-Waiver of Rights. No waiver or default by Lessor or Lessee of any of the terms, conditions, covenants or agreements hereof to be performed, kept or observed by the other shall be construed or act as a waiver of any subsequent default of any of the terms, covenants, conditions or agreements herein contained to be performed, kept or observed by such other Party, and neither Party shall be restricted from later enforcing any of the terms and conditions of this Lease.

42.4 Amendment. This Lease contains all agreements of the Parties as of the date hereof with respect to any matter mentioned herein. No prior agreement, correspondence, or understanding pertaining to any such matter shall be effective to interpret or modify the terms hereof. Oral commitments or promises are not enforceable and shall not be binding or made part of this Lease. Any revisions or modifications to this Lease must be in writing and mutually accepted by persons with full and complete authority to bind the party.

42.5 Invalid Provisions. Should any provision of this Lease or any application thereof be held invalid by a court of competent jurisdiction, the remainder of this Lease shall not be affected thereby, unless one or both Parties would be substantially and materially prejudiced.

42.6 Litigation Expenses. In the event of litigation between Lessor and Lessee, the prevailing Party shall be entitled to recover its reasonable attorneys' fees and all costs and expenses of litigation, including witness fees, expert witness fees, and court costs.

42.7 Headings. The headings contained herein are for convenience in reference only and are not intended to define or limit the scope of this Lease or any term thereof.

42.8 Entire Agreement. This Lease, including exhibits attached hereto at the time of its execution, constitutes the entire agreement between the Parties hereto and supersedes all prior negotiations, understandings and agreements between the Parties concerning such matters.

42.9 Right of First Offer. Provided there is no existing Event of Default, Lessee shall have a right of first offer to lease the Premises and all Improvements thereon following the expiration of the Term (or Renewal Term, as applicable) in accordance with this Section. If Lessee is interested in leasing the Premises and all Vertical Improvements thereon at fair market rental rate following expiration of the Term (or Renewal Term, as applicable), Lessee shall provide written notice ("**Notice of Interest**") to Lessor of its interest not less than ONE (1) year prior the expiration of the Term (or Renewal Term, as applicable). Lessor shall advise Lessee within THIRTY (30) days after Lessor's receipt of the Notice of Interest if Lessor does not intend to lease (or market for lease) the Premises following expiration of the Term (or Renewal Term, as applicable). If Lessor intends to lease (or market for lease) the Premises, the Parties shall negotiate in good

faith to agree on lease terms and conditions, including the fair market rental rate of the Premises and all Improvements thereon. If the Parties have not reached an agreement on the material terms of a lease (other than the fair market rental rate) within NINETY (90) days after Lessor's receipt of the Notice of Interest, neither party shall have any further right or obligation under this Section 4.2.9. If the Parties have reached an agreement on all material terms of a lease other than the fair market base rental rate within NINETY (90) days of Lessor's receipt of the Notice of Interest, then the Parties shall, within TEN (10) calendar days after the expiration of such NINETY (90)-day period, proceed to determine the fair market base rental rate with the appraisal process as set forth in Section 4.3.2. Upon determining the fair market base rental rate for the Premises, Lessor and Lessee shall promptly enter into a lease.

42.10 Memorandum of Lease. As of the Effective Date, or thereafter upon request from Lessee to Lessor, Lessor and Lessee agree to execute, acknowledge and deliver to one another a short form memorandum of lease for recording purposes in form and substance attached hereto as **Exhibit F**. In the event that such a memorandum of lease has been recorded, upon termination or expiration of this Lease, Lessee shall promptly execute such documents as reasonably requested by Lessor in recordable form to confirm the termination of this Lease.

42.11 Non-Disturbance. In the event that Lessor encumbers or liens any portion of the Premises, now or in the future, Lessor agrees to promptly (and in any event prior to the Effective Date in the event the Airport is encumbered as of such date) obtain for the benefit of Lessee and its leasehold lenders a commercially reasonable non-disturbance agreement (in form reasonably acceptable to Lessor, Lessee and Lessor's lenders) (an "**NDA**") stating that, among other provisions to be included in the NDA, provided no Event of Default has occurred and is continuing under this Lease, then this Lease shall not be terminated and the right of possession of Lessee to the Premises shall not be affected or disturbed in the exercise of any of its rights or remedies under such encumbrance or lien.

43. INCORPORATION OF RECITALS.

The recitals set forth herein are acknowledged by the Parties to be true and correct and are incorporated herein by this reference.

IN WITNESS WHEREOF, the Parties have executed this Lease the day and year first above written.

EXECUTED to be effective on the date specified above.

[Signature page follows]

LESSOR:

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, an Arizona joint powers airport authority

By: _____
J. Brian O'Neill, A.A.E.
Executive Director/CEO

STATE OF ARIZONA)
) ss.
County of Maricopa)

ACKNOWLEDGED before me this ____ day of _____, 20__, by J. Brian O'Neill, in his capacity as the Executive Director/CEO of the Phoenix-Mesa Gateway Airport Authority.

Notary Public

My Commission Expires:

LESSEE:

<TENANT NAME>, a/an <State> <company type>

By: _____
<Signatory Name>, <Title>

STATE OF _____)
) ss.
County of _____)

ACKNOWLEDGED before me this ____ day of _____, 20__, by <Signatory Name>, in his capacity as <Title>, <Company Name>, a/an <State> <type of company>, for and on behalf of said <type of company>.

Notary Public

My Commission Expires:

Exhibit A

DEPICTION OF THE PREMISES

Exhibit B

AIRPORT RATES & CHARGES SCHEDULE

(Attached)

Exhibit CAIRCRAFT OPERATIONS GUIDELINES

C1. Use of Airport. Lessee, Lessee's assigns, sublessees, or transferees who operate aircraft at the Airport and who are engaged in a private, government, or commercial aeronautical business or service and desire to use the Airport landing facilities for certain types of operations including, but not limited to: 1) taxiing and maneuvering on Airport runways, taxiways, ramps and aprons; 2) landings and approaches ("touch and go", "stop and go"); and 3) low approaches shall be subject to the provisions of this **Exhibit C**.

C2. Fees. As appropriate, Lessee shall pay Lessor fees as outlined below:

C2.1 *Landing Fee.* Lessee shall pay a landing fee at a rate equal to the amount reflected on the most current *Airport Rates and Charges Schedule* at the time of the aircraft operation, for each flight subject to a landing fee operated by or in conjunction with Lessee. The weight of any particular aircraft shall be its maximum certificated gross landing weight ("MGLW"). The amount owed to Lessor for each chargeable aircraft landing for each preceding calendar month shall be due and payable no later than the TWENTIETH (20th) day of the month succeeding the calendar month in which said aircraft landings took place. Lessee's written listing of all aircraft landings subject to such fee shall accompany said payment. Each entry in such listing shall include the date of the landing, the aircraft registration number, the type and model aircraft, the aircraft MGLW and the amount of the fee due.

C2.2 *Aircraft Ramp Space.* Lessee shall pay Lessor monthly, an aircraft-parking fee in an amount equal to that specified in the most current Airport Rates and Charges Schedule at the time of use, for each overnight aircraft parking position used by Lessee that is situated on Airport ramp outside the Premises. Such fees, if any, shall be payable to Lessor no later than the TWENTIETH (20th) day of the month following that in which Lessee occupied or used such space, and such payment shall be accompanied by a written listing of the aircraft (including registration number, make and model), dates and times of usage.

C2.3 *Other Space.* When available and specifically assigned to Lessee, Lessee shall pay Lessor monthly, in advance, a fee established in the *Airport Rates and Charges Schedule* for Lessee's non-exclusive use of other space not situated on or part of the Premises.

C2.4 *Additional Space/Services.* In the event that Lessee requires space or special services such as, but not limited to, aircraft line services, out-of-station ARFF standby, operations safety officers, ground service equipment, or fuel spills response teams, Lessee shall pay Lessor's standard fees for such services at the time the service is rendered, unless a secured account or agreement is established prior to requesting additional services.

C3. Books and Records. Lessee shall maintain for not less than THIRTY-SIX (36) months books, records and ledgers accurately reflecting the total number of monthly Aircraft landings for each aircraft subject to a landing fee and any other aforementioned fee indicating the make, type (including model designation), registration, maximum certificated gross landing weight, and arrival and departure time of each aircraft involved. These records or copies thereof shall be made available to Lessor upon Lessor's written request. In addition to monthly payment as set forth in Section C2 herein and together therewith, Lessee shall provide Lessor with a written report, indicating all aircraft operations and related information for the preceding calendar month.

C4. Disabled or Abandoned Aircraft. Should any aircraft owned or operated by Lessee through accident or for any other reason, become disabled or be abandoned in any area which could interfere with the continuous, normal operations of any of the runways, taxiways and airfield facilities at the Airport, Lessee shall:

C4.1 Immediately remove said aircraft to such location as may be designated by Lessor, unless such aircraft is required to remain in place pending investigation by the appropriate regulatory agency or agencies of the federal government; and

C4.2 In the event of any accident where federal investigation in place is required, promptly upon receiving clearance to do so from the appropriate federal agency, remove said aircraft and any wreckage or debris resulting therefrom to the area(s) designated by said federal agency authorizing such removal; otherwise, such aircraft wreckage and debris shall be immediately removed from the Airport or stored at a location approved by Lessor.

C4.3 Should Lessee fail to proceed immediately to remove disabled aircraft, or should aircraft owned or operated by Lessee be abandoned on the Airport, Lessor shall have the right to remove such aircraft by any means Lessor deems necessary under the circumstances, and Lessee shall indemnify, defend, keep and hold Lessor, its members, board of directors, officers, agents, officials, servants, employees and contractors harmless from and against any and all claims, costs, loss, liability, actions, suits, proceedings, damage or expense (including costs of suit and attorneys' fees and expenses) incurred by Lessor by reason of removal of said aircraft, injury to persons or property or damages to such aircraft caused by such removal, as well as storage costs therefor. Lessee shall reimburse Lessor for any costs incurred by Lessor in removing and storing any aircraft, any property damage to the Airport caused by such aircraft or removal within TEN (10) business days of demand therefor.

C5. Aviation Fuel. Lessee, at Lessee's sole cost and expense, shall procure aviation fuel delivered to its aircraft on the Airport. If fueling or defueling aircraft owned or operated by Lessee, or under Lessee's direct control, Lessee shall comply fully with Lessor's *Aviation Fuel Storage, Dispensing and Handling Guidelines*.

C6. Fly Friendly Procedures. Lessee acknowledges receipt of Lessor's Fly Friendly noise abatement procedures, and shall provide such information to flight crews, post the information in the Lessee's flight planning area, and use the procedures to the extent possible, when consistent with safety and Air Traffic Control directives.

EXHIBIT D

AIRPORT MINIMUM STANDARDS
&
AIRPORT RULES AND REGULATIONS

(Attached)

EXHIBIT EPROHIBITED USES

1. Outdoor activities or entertainment accessory to a day care center or a wedding or reception center
2. Any residential development including but not limited to a dwelling unit in conjunction with a primary use intended for occupancy by the proprietor, caretaker or night-watchman of the primary use; a Multiple residence development including apartments, condominiums, and townhouses; and single-family residential development.
3. Crematories
4. Construction yards
5. Wedding and reception centers
6. Fraternal organizations, service and social clubs, lodges, fraternities and sororities.
7. Nursing and convalescent homes, philanthropic and charitable institutions, residential and out-patient care and rehabilitation centers, hospices
8. Hospitals
9. Mortuaries
10. Self Storage
11. Outdoor display areas for the sale and rental of items characteristically not enclosed in a building, limited to the following:
 - a. Plant nurseries
 - b. Building materials such as lumber and masonry supplies
12. Amusement enterprises, such as miniature golf courses, water slides, driving ranges. Batting cages, and similar outdoor uses, but indoor facilities for such uses shall be permitted
13. Commercial automobile, recreational vehicle, and similar vehicular parking and storage lots and garages, as a primary use
14. Plasma centers, charity dining services, homeless shelters, day labor hiring centers, substance abuse detoxification and treatment centers, rescue missions, and similar social service uses
15. Pawn shops and tattoo parlors
16. Assisted living facilities
17. Car washes
18. Automobile service stations with or without accessory auto repair facilities
19. Swap meets, farmer's markets, and similar outdoor sales operations
20. Auto towing and impound yards
21. Animal hospitals, clinics, and boarding kennels
22. Churches

EXHIBIT F

WHEN RECORDED,
RETURN TO:

Kevin Morris
Greenberg Traurig, LLP
2375 East Camelback Road, Suite 700
Phoenix, Arizona 85016

MEMORANDUM OF LEASE

This MEMORANDUM OF LEASE (“Memorandum”), is made and executed as of the ____ day of _____, 20____ (the “Effective Date”), by and between **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY**, a joint powers airport authority authorized and existing under the laws of the State of Arizona (“**Landlord**”), whose mailing address is Phoenix-Mesa Gateway Airport Authority, Attn: Business Development Department, 5835 South Sossaman Road, Mesa, Arizona 85212, and _____ (“**Tenant**”), whose mailing address is _____.

RECITALS:

A. Landlord and Tenant entered into that certain Development Lease dated _____, 20____ (the “Lease”), covering that certain real property legally described on Exhibit A attached hereto and incorporated herein by this reference (the “Leased Premises”).

B. Landlord and Tenant have agreed to enter into this Memorandum for the purposes of providing record notice of the Lease, and to protect the rights and interests of Landlord and Tenant as to third parties. All capitalized terms not specifically defined herein shall have the meaning ascribed to such terms in the Lease.

NOW, THEREFORE, for and in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

1. Lease and Premises. Subject to the covenants and conditions contained in the Lease, Landlord has leased to Tenant, and Tenant has leased from Landlord, the Leased Premises. Notice to the world is hereby given of the Lease and of the terms of the Lease.

2. Term. The term of the Lease commenced on _____, 20__, and expires on _____, unless earlier terminated pursuant to the terms of the Lease. [Additional language for a Development Lease of a non-aeronautical Development Parcel where Landlord and Tenant have agreed to a Renewal Term:] Subject to the terms of the Lease, Tenant has the right and option extend the term of the Lease for a period of FIFTEEN (15) years, in accordance with the terms of the Lease.

3. Conflict. This Memorandum is prepared for the purpose of constructive notice and in no way modifies the provisions of the Lease. In the event of any conflict or any inconsistency between the terms and provisions of the Lease and the terms and provisions of this Memorandum, the terms and provisions of the Lease shall control.

4. Successors and Assigns. This Memorandum shall be binding upon and inure to the benefit of the parties and their permitted successors and assigns.

5. Counterparts. This Memorandum may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same document, provided that all parties are furnished a copy thereof reflecting the signature of all parties.

(Signatures appear on the following page.)

IN WITNESS WHEREOF, the parties hereto have duly executed this Memorandum as of the Effective Date set forth above.

LANDLORD:

**PHOENIX-MESA GATEWAY AIRPORT
AUTHORITY**, an Arizona joint powers airport
authority

By: _____
J. Brian O’Neill, A.A.E.
Executive Director/CEO

STATE OF ARIZONA)
) ss.
County of Maricopa)

ACKNOWLEDGED before me this ____ day of _____, 20__, by J. Brian O’Neill, in his capacity as the Executive Director/CEO of the Phoenix-Mesa Gateway Airport Authority.

Notary Public

My Commission Expires:

TENANT:

By: _____
<Signatory Name>, <Title>

STATE OF _____)
) ss.
County of _____)

ACKNOWLEDGED before me this ___ day of _____, 20__, by <Signatory Name>, in his capacity as <Title>, <Company Name>, a/an <State> <type of company>, for and on behalf of said <type of company>.

Notary Public

My Commission Expires:

EXHIBIT A

LEGAL DESCRIPTION

[TO COME]



Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Management Information Report

To: Board of Directors
From: Chuck Odom, Chief Financial Officer
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Re: Solicitation Notification
Date: February 20, 2018

This report is to provide notification of the active and upcoming solicitations to help ensure compliance with the Phoenix-Mesa Gateway Airport Authority procurement transparency clause. The active activities include the following:

Active/Pending Solicitations

Type Solicitation	Number	Title	Anticipated Contract Award (Board Action)
Request for Proposals	2018-012-RFP	Insurance Broker Services – Property & Casualty	March 2018
Invitation for Bid	2018-005-IFB	Sossaman Rd & Terminal Roadways Improvements	March 2018
Request for Proposals	2018-017-RFP	Development & Implementation of Safety Management System	April 2018
Request for Qualifications	2018-019-RFQ	CMAR for Baggage Claim & Baggage Make-up Expansions	April 2018

Future Solicitations

Type Solicitation	Number	Title	Scheduled for Release	Anticipated Contract Award (Board Action)
Invitation for Bid	2018-015-IFB	Taxiway Charlie Phase III	April 2018	June 2018

Equipment Disposals

Fiscal year totals from sales of decommissioned / nonworking equipment total \$24,046 consisting of 8 pieces.

If you have any questions about the solicitations or the procurement process, please feel free to contact me at 480-988-7613.



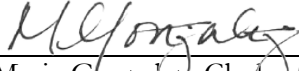
Notice of Meeting Cancellation

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the public that the Regular Meeting of the Phoenix-Mesa Gateway Airport Authority Board of Directors scheduled for **Tuesday, April 17, 2018** at 9:00 a.m., **has been cancelled.**

The next Regular Meeting of the Phoenix-Mesa Gateway Airport Authority Board of Directors is scheduled for Tuesday, February 20, 2018 at 9:00 a.m. in the Board Room (Saguaro A & B) of the Gateway Administration Building, 5835 South Sossaman Road, Mesa, Arizona. The Board may vote to hold an executive session for the purpose of obtaining legal advice from the Board's attorney on any matter listed on the agenda pursuant to A.R.S. § 38-431.03 (A)(3)&(4).

DATED this 12th day of April, 2018.

I, Maria Gonzalez, do hereby certify that I caused to be posted this 8th day of January, 2018, the Notice of Cancellation of the Tuesday, April 17, 2018 Phoenix-Mesa Gateway Airport Authority Board of Directors Meeting in the following places: 1) www.gatewayairport.com; 2) Gateway Administration Building.



Maria Gonzalez, Clerk of the Board



**NOTICE AND AGENDA OF MEETING OF THE
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
BOARD OF DIRECTORS**

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Phoenix-Mesa Gateway Airport Authority and to the public that the Phoenix-Mesa Gateway Airport Authority will hold a meeting open to the public on **Tuesday, May 15, 2018 beginning at 9:00 a.m.** in the Board Room (Saguaro A & B) of the Gateway Administration Building, 5835 South Sossaman Road, Mesa, Arizona. The Board may vote to hold an executive session for the purpose of obtaining legal advice from the Board's attorney on any matter listed on the agenda pursuant to A.R.S. § 38-431.03 (A)(3)&(4).

The agenda for the meeting is as follows:

- 1. Call to Order.** (Mayor Jenn Daniels, Chair)
Members of the Phoenix-Mesa Gateway Airport Authority will attend either in person or by telephone conference call.
- 2. Call to the Public.**
Members of the Board may not discuss items that are not on the agenda. Therefore, action taken as a result of public comment will be limited to directing staff to study the matter or scheduling the matter for further consideration and decision at a later date. Maximum of three minutes per speaker.
- 3. Executive Director's Report.** - J. Brian O'Neill, A.A.E., Executive Director/CEO
- 4. Presentation: Airport Master Plan Update** - Anthony Bianchi, A.A.E., GISP, Airport Planner
- 5. Consent Agenda.**
 - a) Minutes** of the Board Meeting held on **March 20, 2018.**
 - b) Resolution No. 18-11** - Authorizing the filing of **grant applications** including agreeing to all understandings and assurances contained therein; and, authorizing the acceptance and execution of any Federal Aviation Administration or other Federal agency, State of Arizona, Arizona Counties, or Arizona Local Municipal grant offer(s), applied for or received between July 1, 2018 and June 30, 2019.
 - c) Resolution No. 18-12** - Authorizing the Executive Director/CEO and/or delegate to negotiate and execute a contract with **Felix Construction Company** to complete Phase 3 of the Fuel Storage Facility Renewal Project at a cost not to exceed \$303,500.
 - d) Resolution No. 18-13** - Authorizing the Executive Director/CEO to execute such contracts and amendments that assign Ground Lease #2003-004 for the property located at 6335 S Downwind Circle, Mesa AZ 85212 to **SGP Mesa, LLC** and extend the Ground Lease termination date approximately 10 years from October 31, 2043 to October 31, 2053.

Consideration and Possible Approval of:

- 6. Resolution No. 18-14** - Authorizing the **Denver Series of Lockton Companies, LLC** under the terms of its existing Insurance Broker/Risk Management Consulting Agreement with the Authority to purchase specific lines of insurance on behalf of the Authority for the period July 1, 2018 through June 30, 2019 at an aggregate premium cost not to exceed \$482,253.

7. **Resolution No. 18-15** - Authorizing **USI Insurance Service LLC** to purchase benefit plans (medical, dental, vision, basic life/accidental death & dismemberment, and short-term disability) from various carriers, consisting of a 12-month renewal July 1, 2018 through June 30, 2019 with an estimated plan cost of \$941,144 for the fiscal year.
8. **Resolution No. 18-16** - Authorizing a facility lease with **Mesa SkyBridge, LLC** for the facility located at 6229 S Sossaman Road. The lease term is three years, commencing on June 1, 2018, with two (2) one-year extension options, payable at a monthly rate of \$18,616.04.
9. **Resolution No. 18-17** - Amending the Board of Directors **Procurement Policy**.
10. **Resolution No. 18-18** - Authorizing an Amendment 1 to the Master Development Agreement with **Mesa SkyBridge, LLC** for the Gateway Aerospace Park generally located at the southeast corner of Sossaman Road and Velocity Way. The effective date of this Amendment 1 is June 1, 2018.
11. **Discussion on PMGAA Bylaws, Joint Powers Airport Authority Agreement, and PMGAA Procurement Policy**.
12. **Board Member Comments/Announcements**.
13. **Next Meeting: Tuesday, June 19, 2018** at 9:00 a.m.
14. **Adjournment**.

Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting Maria Gonzalez at 480-988-7603 or mgonzalez@gatewayairport.com. Requests should be made as early as possible to allow time to arrange the accommodation.



Executive Director's Report

May, 2018

Financial Snapshot

OPERATING INCOME	March		Month Variance	FYTD Comparison		FYTD Variance
	FY17	FY18		FY17	FY18	
Revenues	\$1,963,558	\$2,171,065	\$207,507	\$14,227,818	\$16,079,476	\$1,851,658
Less Expenses	\$1,584,732	\$1,630,659	\$45,927	\$13,130,235	\$13,901,961	\$771,726
Operating Income <i>(before depreciation)</i>	\$378,826	\$540,406	\$161,580	\$1,097,583	\$2,177,515	\$1,079,932

Investment Fund Balances: As of March: Local Governmental Investment Pool (LGIP) 700 = \$18,014,845; Wells Fargo Collateralized Savings Account = \$13,844,331; Total \$31,859,156. This is an increase of \$26,528 from the February balance and represents interest income.

Finance and Accounting

Phoenix-Mesa Gateway Airport Authority (PMGAA) reported a net operating income of \$540,406 in March 2018, a 43% increase compared to March 2017. Net operating income for the first three-quarters of FY18 was \$2,177,515, compared to \$1,097,583 during the same period in FY17.

Grants, PFCs & Procurements

Active/Pending Solicitations

TYPE OF SOLICITATION	Number	Title	Anticipated Contract Award
Invitation for Bid	2018-005-IFB	Sossaman Rd & Terminal Roadways Improvements	June 2018
Invitation for Bid	2018-015-IFB	Taxiway Charlie Extension – Phase III	June 2018
Request for Qualifications	2018-019-RFQ	CMAR for Baggage Claim & Baggage Make-up Expansions	June 2018
Request for Qualifications	2018-024-RFQ	CMAR for Gateway Aviation Services Building Remodel	June 2018

Future Solicitations

TYPE OF SOLICITATION	Number	Title	Schedule for Release	Anticipated Contract Award
Request for Proposals	TBD	Legal Services	TBD	TBD

Information Technology Services

PMGAA has been working for the past year to implement Phase I of a new Enterprise Resource Planning (ERP) System which includes Organizational Financials, Capital Projects, and Point of Sale modules. PMGAA staff is working hard in training sessions to learn how the new system will operate. Phase I will “go live” on July 1, 2018. Implementation of Phase II, which includes Human Resources and Payroll modules, is also underway and will be activated in January 2019.

Increasing commercial passenger activity on both Allegiant and WestJet has also increased demand for Gateway Airport's free Wi-Fi that is offered throughout the passenger terminal. The PMGAA IT Department has made system changes designed to create more bandwidth and allow a greater number of users onto our system simultaneously.

Airport Operations

The Gateway Aviators provided nearly 300 hours of service during the month of March 2018. These dedicated and friendly front-line customer service volunteers are great ambassadors for the Airport and the entire region. Gateway Aviators provide a great service to our tenants, our passengers and their families, and the general public.

PMGAA would like to thank all of the Gateway Aviators for the excellent job they do making Phoenix-Mesa Gateway Airport *Just Plane Easy!*



Gateway Aviator Pamela Tull



Therapy Dogs at Gateway Airport

Ozzie and Lexie are two members of Gateway

Airport's Aviators Care Therapy Dog Program. They are guided through the terminal by our Gateway Aviator volunteers and love to interact with our guests who may be traveling for the first time or who might have anxiety about flying. Many Gateway Airport passengers have expressed appreciation for Ozzie, Lexie, and the other dogs participating in this important program. Air travel can be very stressful and PMGAA is committed to providing our guests with a great travel experience.

Operations Statistics

PASSENGER COUNTS		March		% Change	FYTD		% Change
		FY17	FY18		FY17	FY18	
Passengers	TOTAL	158,772	178,457	12%	1,005,940	1,066,836	6%
	Deplaned	79,455	89,572	13%	511,548	542,005	6%
	Enplaned	79,317	88,885	12%	494,392	524,831	6%
Allegiant	Scheduled	153,349	174,416	14%	993,479	1,050,546	6%
	Charter	0	0	0%	924	487	-49%
WestJet	Scheduled	5,307	3,903	-26%	11,725	15,316	31%
Elite	Charter	116	138	19%	736	974	32%

OPERATIONS	March		% Change	FYTD		% Change
	FY17	FY18		FY17	FY18	
Air Carrier	1,319	1,390	5%	8,685	8,862	2%
Military	551	701	21%	5,871	5,198	-11%
General Aviation	24,820	27,124	8%	189,602	209,881	11%
TOTAL	26,690	29,215	9%	204,158	223,941	10%

Noise Report

PMGAA received aircraft noise calls from 16 area residents in March 2018, a 31% decrease compared to the 23 callers last March. FYTD, PMGAA received noise calls from 114 individuals, an 9% increase compared to the 105 callers during the same time period last fiscal year.

CALLERS	March		FYTD	
	FY17	FY18	FY17	FY18
Total	23	16	105	114
TYPE OF AIRCRAFT	March		FYTD	
	FY17	FY18	FY17	FY18
	Callers	Callers	Callers	Callers
Unknown Jet	2	2	15	11
A-319	4	9	34	37
Commercial	6	0	18	21
GA Total	2	3	5	10
Helicopter	7	0	7	7
Military	2	2	26	28
Total	23	16	105	114

LOCATION	March		FYTD	
	2016	2017	FY17	FY18
Mesa	4	7	34	35
Gilbert	14	4	51	65
Gold Canyon	1	1	3	3
Queen Creek	2	2	8	7
Queen Valley	0	1	0	2
San Tan Valley	0	1	5	2
Florence	1	0	1	0
Apache Junction	1	0	1	0
Unknown	0	0	2	0
TOTAL	23	16	105	114

Engineering & Facilities

PMGAA has several upcoming airport improvement projects. These projects include, but are not limited to, the Airport Master Plan Update; capacity enhancements to the passenger terminal baggage delivery system; improvements to S. Sossaman Road, the passenger terminal entrance roadway, and the Hourly Parking Lot; renovation to the Gateway Aviation Center; and the completion of Taxiway Charlie.

These important Gateway Airport infrastructure development and improvement projects would not be possible if not for the continued investment by our PMGAA Member Communities – Mesa, Phoenix, Gila River Indian Community, Gilbert, Apache Junction, and Queen Creek. Their contributions make these projects possible and enable Gateway Airport to continue to serve our customers in the most safe, secure, and efficient manner possible.

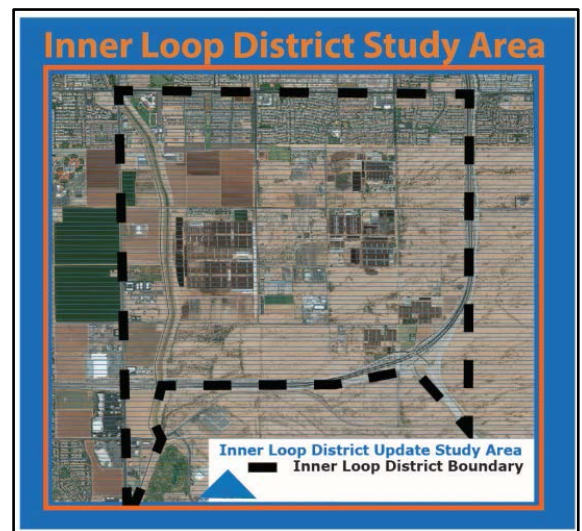


New Operations Wash Rack Under Construction

The 3,000 acres contained within the boundary of Gateway Airport have changed dramatically during the past decade. More and more companies are interested in relocating to the Phoenix East Valley, the City of Mesa Gateway District, and Gateway Airport. As projects develop and land uses change, PMGAA is sometimes required to relocate existing infrastructure to facilitate a new development. One such project is the Airport Operations Wash Rack, that is being relocated from property adjacent to an existing Airport hangar to the Airport Operations Facility to clear the way for the hangar to be leased.

Planning and Zoning

PMGAA staff has been working with the City of Mesa (Mesa) and other stakeholders to update an Area Plan for the Inner Loop District located just north of Gateway Airport. The boundaries of the Inner Loop District are the powerlines south of Guadalupe Road to Power Road to the west, and the State Route 202 to the south and east. The goal is to work cooperatively with Mesa and other groups to update planned land uses, infrastructure needs, and economic development opportunities for the area; while maintaining land use compatibility with nearby Gateway Airport operations. Planning is expected to continue into the summer of 2018.



Gateway Aviation Services

PMGAA is reporting \$557,001 in fuel-related revenue for March 2018; a 16% increase compared to the \$478,878 collected during March last year. Increased military activity is the main contributor to additional fuel-related revenue

FUEL-RELATED REVENUE	March			FYTD		
	FY17	FY18	% Change	FY17	FY18	% Change
Net Retail (Jet)	\$118,348	\$122,319	3%	\$829,320	\$805,876	-3%
Net AvGas	\$52,043	\$57,927	11%	\$405,183	\$474,603	17%
Storage Fees	\$36,776	\$36,786	0%	\$231,848	\$223,716	-4%
Upload Fees	\$271,711	\$339,969	25%	\$1,760,942	\$2,430,209	38%
TOTAL	\$478,878	\$557,001	16%	\$3,227,293	\$3,934,404	22%

FUEL (Gallons)	March			FYTD		
	FY17	FY18	% Change	FY17	FY18	% Change
Retail (Jet)	56,382	57,036	1%	415,987	391,350	-6%
AvGas	47,610	52,899	11%	366,061	417,731	14%
Contract	395,018	453,887	15%	2,598,882	3,257,330	25%
Commercial	1,337,295	1,337,645	0%	8,433,240	8,134,930	-4%
TOTAL	1,836,306	1,901,467	4%	11,814,170	12,201,341	3%



NASA Super Guppy Being Fueled by PMGAA's Gateway Aviation Services Crew

Human Resources

Good customer service is important for any organization and a critical part of PMGAA providing a ***Just Plane Easy*** experience for everyone visiting Gateway Airport. This important PMGAA value also extends to our tenants, community neighbors, area businesses, and regional media. To ensure that all PMGAA employees understand Gateway Airport's customer service expectations, PMGAA is developing a new Customer Service Training Program that all PMGAA employees will be required to attend. PMGAA has learned that a satisfied customer tells a few friends, but a dissatisfied customer tell many more.

Business Development

PMGAA's Business Development Department attended the MRO America's Conference along with partners from SkyBridge Arizona and the Arizona Commerce Authority. This conference provided an excellent opportunity to meet companies in the Aircraft Maintenance, Repair, and Overhaul (MRO) Industry and talk about the exciting development opportunities at Gateway Airport. The team was able to secure productive meetings and contacts which have already resulted in solid development prospects.

PMGAA staff and SkyBridge Arizona representatives continue to coordinate with Arizona State University (ASU) on planning efforts for their 300-acre Polytechnic Research Park. PMGAA, SkyBridge Arizona, and ASU are discussing shared infrastructure requirements for the area including roadway access, water, sewer, electricity, and IT fiber.

Communications and Government Relations



SkyBridge Arizona Panel for EVHCC Event

PMGAA Executive Director J. Brian O'Neill joined Marco Lopez, CEO of Intermestic Partners, Ariel Picker, CEO of SkyBridge Arizona, and Jackie Orcutt, VP of CBRE for an informative panel discussion at the East Valley Hispanic Chamber of Commerce (EVHCC) Annual Luncheon. The group presented to more than 300 community leaders about the exciting developments planned for the Phoenix East Valley, the City of Mesa Gateway District, and Gateway Airport; and the tremendous influence that SkyBridge Arizona will have on area employment and the regional economy.



**MINUTES OF PUBLIC MEETING OF THE
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
BOARD OF DIRECTORS | March 20, 2018**

A public meeting of the Phoenix-Mesa Gateway Airport Authority convened on Tuesday, March 20, 2018, beginning at 8:15 a.m. in the Board Room (Saguaro A & B) of the Gateway Administration Building, 5835 S Sossaman Road, Mesa, Arizona.

MEMBERS PRESENT

Mayor Jenn Daniels, Gilbert
Mayor Jeff Serdy, Apache Junction
Mayor Gail Barney, Queen Creek
Councilmember Thelda Williams, Phoenix
Mayor John Giles, Mesa
Lt. Governor Robert Stone, Gila River
Indian Community

AIRPORT STAFF PRESENT

J. Brian O'Neill, Executive Director/CEO
Scott Brownlee, Deputy Director/COO
Chuck Odom, CFO
Maria Gonzalez, Clerk of the Board

GUESTS PRESENT

Amy Arguilez, Town of Gilbert
Keith Belden, Morrison Maierle
Jamie Bennett, Town of Queen Creek
Jill Casson Owen, Snell & Wilmer
John Cox, Garver
Mike Griffin, Garver
Rene Guillen, Town of Gilbert
Chris Hacker, Mead & Hunt
Ken Halverson, KMH/Jetstrip
Fred Himovitz, HPI
Brian Howard, CEI
Manuel Johnson, Gila River Indian Community
Sandra Kukla, DWL Architects

John Lewis, East Valley Partnership
Marco Lopez, Intermeistic
Pearl Meza, City of Phoenix
Warde Nichols, ASU
Jackie Orcutt, CBRE
Jose Pablo, SkyBridge Arizona, LLC
Ariel Picker, SkyBridge Arizona, LLC
Jody Pokorski, Snell & Wilmer
Carlos Puente, SkyBridge Arizona, LLC
Steve Reeder, Kimley-Horn
Ernesto Valdez, Seguritech
Q.P. Williams, GT Firm
Pete Wentis, CBRE

1. Call to Order at 8:18 a.m. (Chair Jenn Daniels)

2. Motion to Convene into Executive Session (8:18 a.m.)

Pursuant to A.R.S. § 38-431.03(A)(3) and (A)(7), the Board of Directors may convene into executive session for the purpose of discussion or consultation for legal advice with the attorney or attorneys of the public body and to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property as it relates to the Master Lease with SkyBridge Arizona, LLC.

Mayor Gail Barney moved to convene into Executive Session. Councilwoman Thelda Williams seconded the motion. The motion was carried unanimously.

3. Motion to Reconvene from Executive Session (8:42 a.m.)

Mayor Gail Barney moved to reconvene into Regular Session. Lt. Governor Robert Stone seconded the motion. The motion was carried unanimously.

4. Call to the Public.

There were no public comments

5. Executive Director's Report - J. Brian O'Neill, A.A.E., Executive Director/CEO

The Board of Directors received information related to operational and passenger activity, noise summary, and financials. Fiscal Year-to-Date (FYTD) actual Net Income is \$1,283,720.

The Taxiway Alpha Reconstruction Project is complete. It is an important piece of infrastructure, adjacent to the 360 acres renamed to SkyBridge Arizona. The project completed on time and under budget.

The South Sossaman Road Improvement Project has been rescheduled to begin after the busy travel period in July because road construction would be impeding traffic flows and cause significant traffic delays.

The construction of a new air traffic control tower is a high infrastructure priority for the Airport. PMGAA completed a new tower siting study and has received environmental clearance from the FAA on the new tower's location. PMGAA Director of Communications and Government Affairs Ryan Smith traveled to Washington, D.C. to work with Arizona's Congressional Delegation and others to reinforce the importance of removing the FAA AIP \$2M cap on contract air traffic control tower construction projects. This has been an ongoing issue and we are merely asking Congress for the flexibility to prioritize our existing AIP grant money where it is needed most. PMGAA is hopeful that both the Senate and House versions of the FAA Authorization legislation will remove the \$2M cap.

The checked baggage handling system is of critical importance to the efficient operation of the Airport's commercial passenger terminal. The current system is capacity limited and can cause significant delays in checked baggage delivery during peak travel periods. The interim (least expensive and most efficient) solution to this issue is to double the size of the conveyor belt system serving the terminal's Baggage Claim Area to allow more customers easy access to their checked bags. The baggage delivery system behind the airline ticket counters used for departing flights is also capacity limited and causes the airlines great challenges when it gets congested. The system being designed has a separate conveyor belt ring that allows for the continuous movement of bags, thus eliminating the need to "shut-off" the system.

The 2018 Airport Master Plan Update is currently underway. The various project committees are being assembled and meetings with member governments are in progress. This project is funded by the Federal Aviation Administration (FAA) and will be an open and inclusive process. Airport Master Plan Updates are "blueprints for development and improvement" encompassing a 20-year planning horizon.

The next airfield improvement project will be the completion of Taxiway Charlie on the east side of the airfield. This important project will begin in early FY19. This project is a critical piece of infrastructure needed to serve the 700 acres of developable land on the northeast side of the Airport.

6. Consent Agenda.

- a. **Minutes** of the Board Meetings held on **February 20, 2018**.
- b. **Resolution No. 18-06** - Authorizing a three-year contract, with two additional one-year periods at the sole option of Phoenix-Mesa Gateway Airport Authority, with **Mountain West Series of Lockton Companies, LLC** for Insurance Broker Services in an amount not to exceed \$225,000 for a period of five years.
- c. **Resolution No. 18-07** - Authorizing an Amendment 1 to a facility lease agreement with **Allegiant Air, LLC** for property located at 6304 S Taxiway Circle, Mesa AZ 85212. The effective date of this Amendment 1 is April 1, 2018.
- d. **Resolution No. 18-08** - Authorizing a Professional Services Agreement with **DWL Architects + Planners, Inc. (DWL)** to provide Architectural and Engineering Design Services for Gateway General Aviation Center Improvements under CIP 954 in an amount not-to-exceed \$90,000.

**Mayor Gail Barney moved to approve the Consent Agenda.
Mayor Jeff Serdy seconded the motion. The motion was carried
unanimously.**

Consideration and Possible Approval of:

7. **Resolution No. 18-09** - Adoption of the **Operating Budget, Capital Budget, and Member Government Contributions** for the Fiscal Year ending June 30, 2019.

Chair Jenn Daniels asked for clarification on the increase in insurance costs. Mr. Chuck Odom attributed the increase to additional environmental coverage necessary for PMGAA's growing aircraft fueling operation. Additionally, Workers Compensation was reclassified out of "Employee Benefits" and made part of the "Insurance Package".

**Mayor John Giles moved to approve Resolution No. 18-09.
Mayor Gail Barney seconded the motion. The motion was carried
unanimously.**

8. **Resolution No. 18-10** - Authorizing a Master Lease Agreement with **Mesa SkyBridge, LLC** for approximately 360 acres of property generally located at the Southeast Corner of Sossaman Road and Velocity Way. The effective date of this Agreement is April 1, 2018.

Mr. O'Neill introduced the Master Lease as the next critical step in a project that is expected to bring financial prosperity to the Airport and economic prosperity to the entire Phoenix East Valley Region. Mr. Shea Joachim recapped the extensive selection and negotiation process that has occurred to date and presented the Master Lease Agreement and associated Exhibits for the Board's consideration.

The Master Lease Agreement Agreement) is a unique 49-year partnership that transfers development control for the approximately 360-acre SkyBridge Arizona site from PMGAA to Mesa SkyBridge, LLC. The Agreement also establishes a structured land rent schedule including Consumer Price Index (CPI) and Fair Market Value (FMV) adjustments during the 49-year term.

The Agreement also contains language that requires PMGAA and Mesa SkyBridge, LLC to amend the Agreement if the FAA has significant objection to any business point that would possibly lead to monetary penalties or loss of future FAA grant funding. Both parties agree to renegotiate the Agreement to try and satisfy any non-compliance issues that the FAA identifies.

Councilwoman Williams inquired about what types of objections the FAA might have with the Agreement. Mr. Joachim replied that there could be objections relative to various business points within the Agreement; such as the length of a lease or the proposed use of a parcel of land. Councilwoman Williams asked Mr. Joachim to clarify what, if any, financial impact could be associated with the FAA's objection to a business point? According to Mr. Joachim, PMGAA has been working closely with the FAA and there may be various levels of objections, each with varying remedies depending on the severity. Councilwoman Williams asked for assurance that whatever is in the agreement, covers PMGAA with regard to the FAA.

Councilwoman Williams asked if there was anything in the contract that would protect both parties from new tariffs, regulations, and/or international commerce restrictions? Mr. Joachim replied that within the Agreement, there are no commitments to address changes occurring at the Federal level. The developer must comply with any changes at the Federal level.

Mr. Ariel Picker confirmed that the risk is on Mesa SkyBridge, LLC and that they are ready to invest and have begun to invest for the last two-years to be a step ahead. He added that assuming the risk is balanced with the expectation of successfully developing the area

PMGAA Chair and Gilbert Mayor Jenn Daniels commented that although she is excited about the opportunity to work with SkyBridge, some added information was recently received, giving pause not to the Agreement, but to the process in which PMGAA followed. She respectfully asked the other PMGAA Board Members to delay the vote for one-week as it is her personal desire to address the issues and to ensure the transparency and integrity of the Board and the Authority. However, if she is asked to vote today, she will enter a "no" vote.

Mayor Giles echoed the excitement and expressed his appreciation for all the hard work put towards this unique opportunity. The terms of the Master Development Agreement have been negotiated professionally and in good faith. In response to Chair Daniels' comments about the information recently received by the PMGAA Board, it was not critical of the Agreement or any business points. There is no inference suggestion that the Master Lease Agreement is not sound or was not thoroughly vetted through all levels. Mayor Giles indicated that he did not share in Chair Daniels' desire to postpone a vote today.

Mayor John Giles moved to approve Resolution No. 18-10.

Mayor Jeff Serdy seconded the motion. The motion carried 5-1.

9. Discussion on the Phoenix-Mesa Gateway Airport Authority legal services contract.

Mr. O'Neill stated that after a thorough evaluation process, it was determined to be in PMGAA's best interest to terminate the agreement with the law firm providing contract legal services. An interim plan has been developed until PMGAA can complete the RFP process and select a new law firm.

Councilwoman Williams stated that it was premature for PMGAA staff to issue a new RFP without giving the PMGAA Board the opportunity to discuss the type of legal arrangement it thought was best for PMGAA moving forward.

Chair Daniels inquired about the timeline for the RFP. Mr. Odom replied the RFP would take approximately 60-days to complete and present to the Board for approval. Chair Daniels requested that staff coordinate a meeting before the April 17 PMGAA Board Meeting to review and discuss the Scope of Work.

Mayor John Giles commented that on a short-term basis, the member governments could help and asked what the interim plans were. Mr. O'Neill and staff were working out the final details of a temporary scope of work adjustment with the other law firm providing contract legal services for PMGAA.

10. Board Member Comments/Announcements.

Chair Daniels welcomed Lt. Governor Stone as the new representative of the Gila River Indian Community to the PMGAA Board of Directors.

11. Next Meeting: Tuesday, April 17, 2018 at 9:00 a.m.

12. Adjournment.

The meeting adjourned at 9:36 a.m.



Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

To: Board of Directors
From: R. J. Draper, P.E., LEED AP, CM, Engineering & Facilities Director
Through: Scott Brownlee, Deputy Director/COO
J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: Authorizing Applications and Acceptance of Grants
Date: May 15, 2018

Proposed Motion

To authorize the filing of grant applications including agreeing to all understandings and assurances contained therein; and, authorizing the acceptance and execution of any Federal Aviation Administration (FAA) or other Federal agency, State of Arizona, Arizona Counties, or Arizona Local Municipal grant offer(s), applied for or received between July 1, 2018 and June 30, 2019 by the Chair of the Authority, the Executive Director/CEO, or Deputy Director/COO.

Narrative

The FAA and Arizona Department of Transportation received the PMGAA Airport Capital Improvements Program (fiscal years 2019-2023) and the 2008 Airport Master Plan Update. The Federal Government, State of Arizona, Arizona Counties or Arizona Local Municipalities may offer PMGAA a grant or multiple grants for capital improvement or other projects at any time during the year that will support the priorities of the PMGAA.

Staff requests authority to prepare grant applications and submit for capital planning, construction or other projects that will support the priorities of the PMGAA. PMGAA further requests authority to accept offer(s) received, agrees to accomplish the described development or scope, and comply with the terms and conditions of the grant agreement(s), including maintaining compliance with the assurances made as part of the project application(s).

Fiscal Impact

Grants from the agencies make the capital improvement program at the Airport financially feasible and leverage funding.

Attachment(s)

N/A



RESOLUTION NO. 18-11

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS the Authority desires to file grant applications, accept grant offer(s), and execute grant offer(s);

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes the filing of grant applications including agreeing to all understandings and assurances contained therein; and, authorizing the acceptance and execution of any Federal Aviation Administration or other Federal agency, State of Arizona, Arizona Counties, or Arizona Local Municipal grant offer(s), applied for or received between July 1, 2018 and June 30, 2019 by the Chair of the Authority, the Executive Director/CEO, or Deputy Director/COO. This resolution also authorizes the Chair or Executive Director/CEO to execute such Contract, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 15th day of May, 2018.

Jenn Daniels, Chair

ATTEST:

APPROVED AS TO FORM:

Maria Gonzalez, Clerk of the Board

Attorney



Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

To: Board of Directors
From: R. J. Draper, P.E., LEED AP, CM Engineering & Facilities Director
Through: Scott Brownlee, Deputy Director/COO
J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: Fuel Storage Facility Renewal Project PH3 – CIP 1001
Date: May 15, 2018

Proposed Motion

Authorizing the Executive Director/CEO and/or delegate to negotiate and execute a contract with Felix Construction Company to complete Phase 3 of the Fuel Storage Facility Renewal Project at a cost not-to-exceed \$303,500.

Narrative

The original Fuel Storage Facility was designed in 2004 and constructed in 2005 with six, 25,000-gallon fuel storage tanks; an expansion was designed in 2011 and constructed in 2012 with the addition of two, 50,000-gallon tanks. A number of the improvements that currently need to be made fall under the major maintenance and replacement category; while others are driven by an insurance mandate; along with some operational upgrades.

Phoenix-Mesa Gateway Airport Authority's (PMGAA) Engineering and Facilities Department is responsible for the maintenance and repair of the Airport's facilities and has determined that the Fuel Storage Facility is in immediate need of additional upgrades to elemental protection, improved lighting and drainage.

PMGAA and the Felix Construction Company are both participants of the 1GPA Purchasing Group. Under 1GPA, Felix Construction Company was awarded Contract #15-56-02P – JOC Services, and it is through this competitive selection that PMGAA will utilize the Felix Construction Company for the Fuel Storage Facility Renewal Project Phase 3.

Fiscal Impact

This contract was included in the FY18 Capital Budget and is funded with PMGAA non-grant funds from Project No. 1001.

Attachment(s)

Agreement to Use



RESOLUTION NO. 18-12

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS the Authority desires to enter into a contract with Felix Construction Company;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes the Executive Director/CEO and/or delegate to negotiate a contract with Felix Construction Company to complete Phase 3 of the Fuel Storage Facility Renewal Project at a cost not-to-exceed \$303,500, and in a form as deemed appropriate by the Executive Director/CEO, and authorizes the Executive Director/CEO to execute such Contract.

Passed and adopted by the Authority this 15th day of May, 2018.

Jenn Daniels, Chair

ATTEST:

APPROVED AS TO FORM:

Maria Gonzalez, Clerk of the Board

Attorney



Agreement to Use
1Government Procurement Alliance
Term Contract #15-56-02P
via Cooperative Purchasing Agreement

Whereas, the Phoenix-Mesa Gateway Airport Authority (PMGAA) is a member of the 1Government Procurement Alliance (1GPA), allowing it to utilize existing contracts entered into by 1GPA; and

Whereas, 1GPA has executed contract #15-56-02P with Felix Construction Company for JOC Services for Water and/or Wastewater Transmission and Treatment Facility Improvements; and

Whereas, PMGAA and Felix Construction Company desire to utilize the terms and conditions of the 1GPA Contract #15-56-02P, including Open Book Pricing that was competitively bid.

NOW THEREFORE, in consideration of the payment of fees and the performance by the parties of the mutual covenants and conditions set forth herein, the parties hereby agree as follows:

- A. CONTRACT:** This Agreement incorporates by reference and attachment all the terms and conditions of that certain cooperative purchasing contract #15-56-02P, between 1GPA and Felix Construction Company, except:
1. All references to 1GPA shall be replaced with Phoenix-Mesa Gateway Airport Authority;
 2. The work scope is hereby modified to incorporate the changes of ATTACHMENT A, Proposal and all conditions stated within; and
 3. The contract between Felix Construction Company and Phoenix-Mesa Gateway Airport Authority is independent of the 1GPA contract #15-56-02P.

To the extent applicable under Arizona Revised Statutes § 41-4401, the Contractor and its Subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees and compliance with the E-verify requirements under A.R.S. § 23-214(A). Contractor's or its Subcontractor's failure to comply with such warranty shall be deemed a material breach of this Contract and may result in the termination of this Contract by the Authority.

- B. FEE FOR SERVICES:** The fees to be utilized for this contract shall be as per original bid with 1GPA, with the following exceptions:
1. Quantities / Scope of Work shall be adjusted to reflect the actual needs of PMGAA
 2. The Open Book Pricing is reflected in the proposal submitted as Attachment A by Felix Construction Company.

C. CONTRACT TERM

This Agreement is effective as of the date executed and shall terminate upon final acceptance of the Work by PMGAA.

The approval and continuation of this contract is subject to the availability of funds either provided to, made available to, or appropriated by the Phoenix-Mesa Gateway Airport Authority for this purpose. In the event that funds are not available or appropriated for Phoenix-Mesa Gateway Airport Authority's payment requirements under this contract for the goods and/or services to be provided hereunder the Phoenix-Mesa Gateway Airport Authority may terminate this contract by providing notice to the contractor of the lack of the availability of funds.

**Approved for Phoenix-Mesa Gateway Airport
Authority, a joint powers airport authority authorized
by the state of Arizona**

By: _____
J. Brian O'Neill, A.A.E.

Title: Executive Director / CEO

Date: _____

Accepted for Felix Construction Company:

By: _____

Title: _____

Date: _____

Cost Proposal - ATTACHMENT A



CONTRACTOR NAME: **Felix Construction Company**

Contract Type: 1GPA RFQ #15-56	Owner Project No.: PMGAA #1001
Job Order No.: TBD	Contractor's Job No.: 1738.XX
Owner Project Mgr.: Mike Hanas	Prepared by: Kory Burden
Fee Type: Lump Sum	Date: 4/11/2018
Location: PMGAA Fuel Facility - 7630 E Velocity Way	Revision: Rev 01
Job Title: Fuel Facility Upgrades Phase III	

Description of Work to be Performed (supporting information attached): See attached Bid Scope and Bid Assumptions for additional information and clarifications.

SECTION A: LABOR (inclusive of burden)

Position	Unit	Quantity
Project Manager	Hours	86.60
Project Engineer	Hours	103.92
Admin	Hours	34.64
Project Superintendent	Hours	127.63
Foreman	Hours	45.20
Craftsman	Hours	52.35
Apprentice / Laborer	Hours	94.45
Elect Professional Engineer	Hours	-
Elect Project Manager	Hours	4.00
Elect Technician - Lead	Hours	20.00
Elect Technician - Journeyman	Hours	-
Elect Technician - Apprentice	Hours	20.00
Elect General Laborer	Hours	-
Elect Admin	Hours	-

Labor Cost		Position
Each	Total	Total
\$ 72.00	\$ 6,235.20	\$ 6,235.20
\$ 55.00	\$ 5,715.60	\$ 5,715.60
\$ 35.00	\$ 1,212.40	\$ 1,212.40
\$ 68.25	\$ 8,710.45	\$ 8,710.45
\$ 48.75	\$ 2,203.65	\$ 2,203.65
\$ 34.50	\$ 1,805.97	\$ 1,805.97
\$ 28.50	\$ 2,691.89	\$ 2,691.89
\$ 85.00	\$ -	\$ -
\$ 78.00	\$ 312.00	\$ 312.00
\$ 58.00	\$ 1,160.00	\$ 1,160.00
\$ 43.00	\$ -	\$ -
\$ 37.50	\$ 750.00	\$ 750.00
\$ 28.50	\$ -	\$ -
\$ 35.00	\$ -	\$ -
Subtotal Labor Cost (A)		\$ 30,797.16

SECTION B: EQUIPMENT (supporting information attached, i.e. EquipmentWatch.com)

Item	Unit	Quantity
Backhoe	Hours	54.03
Excavator	Hours	-
Loader	Hours	-
Boom Truck	Hours	-
Water Truck	Hours	-
Water Wagon	Hours	38.19
Air Compressor	Hours	-
Compactor - Hand	Hours	21.80
Dump Truck	Hours	-
Roller	Hours	-
ext Reach Forklift	Hours	-
Crane	Hours	-
Pickup Truck - Light Duty	Hours	190.52

Equipment		Item
Each	Total	Total
\$ 51.36	\$ 2,775.04	\$ 2,775.04
\$ 142.94	\$ -	\$ -
\$ 65.60	\$ -	\$ -
\$ 54.44	\$ -	\$ -
\$ 61.93	\$ -	\$ -
\$ 14.98	\$ 572.11	\$ 572.11
\$ 16.48	\$ -	\$ -
\$ 9.00	\$ 196.21	\$ 196.21
\$ 63.36	\$ -	\$ -
\$ 37.75	\$ -	\$ -
\$ 52.82	\$ -	\$ -
\$ 129.94	\$ -	\$ -
\$ 16.81	\$ 3,202.64	\$ 3,202.64

Pickup Truck - 1 Ton	Hours	149.60
Small Tools & Supplies (Consumables)	Hours	123.81
Manlift	Hours	-
Portable Welder	Hours	-
Concrete Pump	Hours	-
Other Eq	Hours	-
Div 1 GC - Equipment (J-John)	LS	-

\$	25.43	\$	3,804.33	\$	3,804.33
\$	6.50	\$	804.78	\$	804.78
\$	17.95	\$	-	\$	-
\$	7.07	\$	-	\$	-
\$	1.00	\$	-	\$	-
\$	1.00	\$	-	\$	-
\$	150.00	\$	-	\$	-
Subtotal Equipment Cost (B)				\$	11,355.11

SECTION C: MATERIALS

Item	Unit	Quantity
AB Subbase	LS	1.00
Concrete & Accessories	LS	1.00
Pipe, Valves & Fittings	LS	1.00
Electrical Conduit, Wire & Devices	LS	1.00

Material		Item
Each	Total	Total
\$	35.00	\$ 35.00 \$ 35.00
\$	812.73	\$ 812.73 \$ 812.73
\$	4,800.00	\$ 4,800.00 \$ 4,800.00
\$	5,184.29	\$ 5,184.29 \$ 5,184.29
\$	-	\$ - \$ -
\$	-	\$ - \$ -
\$	-	\$ - \$ -
Subtotal Material Cost (C)		\$ 10,832.02

SECTION D: SUBCONTRACTORS & CONSULTANTS

Company	Description of Work to be Performed (Supporting quote & information attached)	Item Total
TBD	Trucking & Disposal of Demo Debris	\$ 833.47
PPS	Modification to Manways on Jet-A Tanks 7 & 8	\$ 9,252.00
JPCI Services	Painting and Coating	\$ 183,360.00
RFI Consultants	3rd Party NACE Inspection Services	\$ 12,000.00
TBD	General Conditions	\$ 1,086.28
Subtotal Subcontractor & Consultants (D)		\$206,531.75

OVERHEAD: **5.00%** (% to be taken from matrix)

PROFIT: **10.00%** (% to be taken from matrix)

Subtotal General Contractor Costs (A+B+C): \$ 52,984.29
O&P (15.00% of A+B+C): \$7,947.64
Total General Contractor Costs including O&P: \$ 60,931.94

Subtotal Subcontractor Costs (D) \$206,531.75
Subcontractor Profit (5% of D) \$10,326.59
Total Subcontractor Costs including O&P: \$216,858.33

TOTAL GC and Subcontractor Costs including O&P: \$277,790.27
Insurance Costs @ 1.0% \$2,777.90
Bond Costs @ 1.2% \$3,333.48
Sales Tax (65% of 8.05%) \$14,855.15

Subtotal Job Cost: \$298,756.81

1 GPA Contract Fee \$2,988.00

TOTAL JOB COST: \$301,744.81

Submitted by:

David Giannetto, Project Manager

Wednesday, April 11, 2018

Date

Cost Proposal - ATTACHMENT A

Bid Scope



Project: Fuel Facility Upgrades Phase III
Date: 04/11/18
Revision: Rev 01

Includes:

- 1 All work as depicted on the attached written scope of work and drawings (Accept as Excluded Below)
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10

Excludes:

- 1 Bid Items #1 and #2 in their entirety (Oil/Water Separator & Painting and Pipe ID & Safety Painting)
- 2 Permits
- 3 Materials Testing
- 4 Hazardous Materials Testing and Abatement
- 5 Any Electrical work associated with the Oil/Water Separator
- 6 Construction water costs
- 7 Any work or activities related to evacuating/filling/moving/storing of fuel

Potential Contingency Usage:

- 1 N/A
- 2
- 3

Cost Proposal - ATTACHMENT A

Bid Assumptions



Project: Fuel Facility Upgrades Phase III
Date: 04/11/18
Revision: Rev 01

Price Assumes:

- 1 Normal working hours per the Owner's direction
- 2 Night work may be needed during coatings applications, if any
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10

Assumes Owner to Provide:

- 1 Programming
- 2 Site Access
- 3 Construction Water supply at no cost
- 4
- 5
- 6

FELIX CONSTRUCTION COMPANY

BID SCHEDULE

BID: PMGAA - Fuel Facility Upgrades Phase III

Tax Amount
Included in
Total Price

#	Bid Schedule	Quantity	Unit	Unit Price	Total Price	Tax Amount Included in Total Price
1	OWS Replacement	1	ls	-		
2	Only Paint items "Safety Yellow"	1	ls	-		
3	Seal Secondary Containment for Jet-A Tanks 1 - 6 & Avgas Tank - Mat on Floor and Walls	1	ls	240,981	240,981	12,017.15
4	Install Concrete Walkway to North Side of Jet-A Tanks 7 & 8	1	ls	13,170	13,170	646.94
5	Replace Vertical Painted Access Tubes with Stainless Steel Tubes	1	ls	9,373	9,373	460.39
6	Install LED Lighting South Side of Jet-A Tanks 1 - 6 and Avgas Tank	1	ls	20,728	20,728	1,018.18
7	Install Latch Type Man Way Access to Tanks 7 & 8	1	ls	14,504	14,504	712.47
8	IGPA Fee	1	ls	2,988	2,988	
	BASE BID TOTALS				301,745	14,855
					-	
	Alternates - Apply the listed Amounts to the Bid Items Above				-	
2A1	Paint All Existing Piping Using TNEMEC 1029	1	ls	(900)	(900)	
2A2	Paint All Top Rail of Handrail, Interior Kick Plate and Faces of Stair Treads Yellow (Includes Galvanized Fire Line Red) Using TNEMEC 1095 EnduraShield and 1071 Fluconar	1	ls	2,000	2,000	
3A1	Seal Secondary Containment for Jet-A Tanks 7 & 8 and Trough	1	ls	60,000	60,000	
3A2	Seal Secondary Containment for Jet-A and Avgas Tank - Mat on Floor Only no Walls	1	ls	(3,160)	(3,160)	



*NACE Certified Coating Inspectors & Protective Coatings Specialists
Veteran Owned & Operated*

April 4, 2018

Kory Burden
Felix Construction Company
1326 W. Industrial Dr, Coolidge, AZ 85128
11140 N. 136th Ave, Surprise, AZ 85379

RE: Phx-Mesa Airport Fuel Facility Improvements

Kory:

The following quote is for providing a NACE Certified Coating Inspector and Consulting Services for the above-mentioned project. Inspection procedures will be in accordance with the provided coating specification, addendum's and approved submittal documents, as well as, all applicable NACE, SSPC, ISO and ASTM Standards. Coating Inspection

Straight Time Rate \$85.00 per hour (4 hour Minimum)
Report Writing Time: \$85.00 (1 Hour)
Weekends/Overtime Rate: \$127.50 per hour (Exceeding 40 hours on site per week)
Holiday Rate: \$170.00 per hour
On Site Progress Meetings: 85.00 per hour

Estimated Straight Time Only 120 hours - \$10,200.00

The estimated fee is \$10,200.00 and will not exceed without written authorization from CAP.

Respectfully Submitted,

Eric Brackman
RFI Consultants LLC
Owner
NACE Certified Coating Inspector - Level 3 w/Bridge #14458
NACE Protective Coating Specialist - #47841

PROFESSIONAL PIPING SYSTEMS LLC
406 E Pioneer st
Phoenix, AZ 85040
Office 602-497-4997 / Fax 602-497-4907 – www.ppsphx.com



PPS is City of Phoenix SBE certified

Date 4.2.18

Proposal number: 18.102

Project: 25" Manways

Kory Burden
Felix Construction Company
1326 W. Industrial Dr.
Surprise, AZ 85379

Professional Piping Systems is pleased to offer you the following proposal to perform the items listed below:

SCOPE OF WORK:

Using the existing 36" manways supplied by Customer.

Cut 25" holes to install new 25" x 12" manways.

New manways will be carbon steel and hinged.

New manways will have 6 quick spinoff wingnuts.

Includes shop primer only.

Two tanks total.

Total:

\$ 7,252.00

Include:

Material
Labor

Exclude:

1. MISC. TAXES INCLUDING SALES TAX
2. DEVELOPMENT, METER & PERMIT FEES
3. Electrical of any kind
4. Control valves at unit
5. Any items not listed on this proposal
6. NDT testing

Notes:

FOB PPS SHOP

Sincerely

Butch Dubay



April 2, 2018

Kory Burden
Felix Construction

RE: Coating Recommendations - Fuel Tank Farm

Kory:

Mike Hanas would like to have the following systems quoted:

Secondary Containment Concrete:

Surface Preparation:

Prepare concrete surfaces in accordance with NACE No. 6/SSPC-SP13 joint Surface Preparation Standards and ICRI Technical Guidelines. Abrasive blast bare concrete to an ICRI CSP5 or greater profile.

Concrete Cracks:

Cracks to be routed out and filled with Tnemec Series 215 Epoxy Surfacer

Concrete Patching:

Tnemec Series 218 MortarClad to be trowel applied to concrete imperfections as needed.

A 3/4 -1 inch 45 degree cant cove is recommended at all floor wall joints.

Tnemec Series 237SC/280/290 MRM (Mat Reinforced Mortar) Polyamine Epoxy Secondary Containment Concrete Lining System

Primer:

Series 201 Epoxoprime; 1 coat; 6-12 mils DFT (Dry Film Thickness)

Mortar/Slurry Base Coat:

Tnemec Series 237SC Chembloc (with Part C Aggregate) MCK (Mortar Containment Kit); 1 coat; 60-80 mils DFT

Reinforcement:

Tnemec Series S211-0215; 3/4 ounce chopped strand fiberglass mat embedded into the base coat

Saturant Coat:

Tnemec Series 237SC Chembloc RCK (Resin Containment Kit); 1 coat; 8-12 mils DFT

Finish Coat:

Tnemec Series 280 Tnemec-Glaze; 1 coat; 10-12 mils DFT (Horizontal), 6-8 mils DFT (Vertical)

UV Resistant Chemical Resistant Urethane (CRU) Finish Coat:

Tnemec Series 290 CRU; 1 coat; 2-3 mils DFT

Total DFT: Nominal 125 mils

The above system should be quoted for the entire area. They also want second quote to patch the walls as needed with Series 218 and apply Series 280 at 20 mils DFT in one or two coats and a coat of Series 290 at 2-3 mils DFT

Painted Metals:

Surface Preparation:

Pressure wash the substrate using clean potable water mixed with a biodegradable detergent. Pressure wash equipment should be utilized at 3,500 to 5,000 psi. Afterwards pressure wash off all remaining residues with clean potable water to provide a clean dry and sound substrate. All poorly adhering materials and coating chalk must be removed. Any areas where the coatings are removed to bare steel must be prepared according to SSPC SP3 Power Tool Cleaning. Surrounding coating edges of the exposed steel must be feather edged minimum 1" to provide a sound, smooth and tightly adhering transition from bare steel to tightly adhering coating.

Spot Prime:

Spot prime any area with exposed bare metal with Tnemec Series 135 Chembuild at a nominal 3 mil DFT

Prime/Barrier Coat (Surface Tolerant, Modified Polyamidoamine Epoxy):

Tnemec Series 135 Chembuild; 1 coat; 3-4 mils DFT

Finish Coat (Aliphatic Acrylic Polyurethane with UV Absorbers):

Tnemec Series 1095-00WH (White) EnduraShield; 1 coat; 2.5-3.5 mils DFT

The alternative system they would like quoted is two coats of Series 1029 at 2-3 mils DFT per coat.

Unpainted Exposed Metals:

Surface Preparation:

Mechanically abrade metal to leave a minimum 1-1.5 mil profile in the metal surface.

Prime/Barrier Coat (Surface Tolerant, Modified Polyamidoamine Epoxy):

Tnemec Series 135 Chembuild; 1 coat; 3-4 mils DFT

Finish Coat(s) (To be in the deeptone colors, mostly Safety Yellow and Safety Red. All systems will offer indefinite corrosion protection):

Alternative 1 (Aliphatic Acrylic Polyurethane with UV Absorbers):

Tnemec Series 1095 EnduraShield; 2 coats; 2-3 mils DFT per coat

Alternative 2 (Advanced Thermoset Solution Fluoropolymer):

1st Coat:

Tnemec Series 1095 EnduraShield; 1 coat; 2-3 mils DFT

2nd Coat:

Tnemec Series 1071 Fluoronar; 1 coat; 2-3 mils DFT

A 15 year color and gloss warranty is offered with the above system.

Product Data Sheets and an Application Guide are attached.

Thank you considering Tnemec Products.

Regards,

Joe

A handwritten signature in black ink that reads "Joseph Keilbey". The signature is written in a cursive style with a large, looped initial "J".

Joseph Keilbey
NACE Certified Coating Inspector #9463
Southwest Coating Consultants - *Independent Representatives of Tnemec Coatings*

From: Larry Nuciforo
To: [Kory Burden](#)
Subject: RE: PMGAA - Fuel Facility Upgrades Phase II
Date: Tuesday, April 10, 2018 10:22:15 AM

See Below in red. Let me know if you need it in a formal proposal. I'm out of the office at this time and it will have to wait till tomorrow if so.

Larry Nuciforo
JPCI Services
NACE III CCI #25089
480-229-2976
lnuciforo@jpciservices.com

From: Kory Burden <koryb@felixconstruction.com>
Sent: Tuesday, April 10, 2018 9:33 AM
To: Larry Nuciforo <lnuciforo@jpciservices.com>; Paul Ortega <PORtega@aopaintinginc.com>
Subject: PMGAA - Fuel Facility Upgrades Phase II

Bidders,

The overall project has come in over budget but the Owner wants to do as much as he can for the budget he has, can you provide a proposal for the following items (Knowing that you had all costs is other items originally) These items would be the only scope of work the owner would be including this physical year, the balance would be re-bid next physical year.

- ~~1. Paint all items called to be the base bid "Safety Yellow" (Delete the "Safety Red" Fireline work) \$24,624.00~~
2. Secondary Containment Coating base bid (Avgas Tank and Tanks 1 – 6) \$180,960.00

Please forward your revised quotes ASAP so the Owner can make a final determination today.

Thanks,

Kory Burden | Sr Estimator
Felix Construction Company

D: 623.435.4313 | **M:** 602.615.6473
O: 480.464.0011 | **F:** 480.464.0078
E: koryb@felixconstruction.com
11140 N. 136th Ave., Surprise, AZ 85379
1326 W. Industrial Dr, Coolidge, AZ 85128 (corporate)
www.felixconstruction.com



A-O Painting, Inc.

REVISED PAINTING - COATING PROPOSAL

Date: April 10, 2018 REVISED

Proposal submitted to: Kory Burden koryb@felixconstruction.com

Company: Felix Construction Company

Address: 1326 West Industrial Drive, Coolidge, AZ 85128

Telephone: (480) 464-0011 Cell: (602) 615-6473 Cell Fax: (480) 464-0078

Job Name: MESA FUEL FACILITY IMPROVEMENTS - REVISION

Location: Phoenix, AZ (OWNER:)

Kory,

Below please find REVISED proposed price to prep and coat the following items.

Price Includes:

- 1. Paint all Items called to be the Base Bid "Safety Yellow" \$ 21,300.00
a) No "Safety Red" Fireline Work
2. Secondary Containment Coating Base Bid (AV Gas Tank & Tanks 1-6) \$224,500.00

Note: Prices include Labor, Material and Background Checks

Exclusions:

- All Alternates Bids
Fire Pipe
White Tank Piping
Jet A Tank 7.8 Area
All Bond(s), 3rd Party Inspection(s) and Lead Abatement

for the sum of: Two Hundred Forty-Five Thousand Eight Hundred Dollars & 00/100's \$ 245,800.00

Thank you,

Handwritten signature of Paul Ortega

Paul Ortega
Vice President

This proposal will expire 30 days from the date of this document. Terms: Due on Receipt. Interest at 1 1/2% per month on past due amount. Customer agrees to pay reasonable lawyer fees if legal action is necessary for collection. Tax included if applicable.



Fuel Storage Facility Renewal Phase III - (updated 03/13/2018)

1 Replace 4K Gallon OWS

Scope: Replace existing underground 4,000 gallon oil water separator with underground Highland Tank 4,000gal H-20 Highguard, Double Wall, "G" Series Oil Water Separator including H-20 traffic rated manways and concrete dead end or equal. Provide contingency for catastrophic fuel spill and/or fire event during construction. Replace 15" Gate valve immediately downstream of existing OWS with 8" petroleum resistant resilient wedge gate valve, to include fittings and adapters.

2 Paint All Components Excluding Tanks - Renew Decals

Scope: Using Tnemec Series 135/1095 or equal, prepare surfaces and repaint all existing painted piping, valves and associated equipment per manufacturer's recommendations (excluding 25K and 50K storage tanks). Using Tnemec Series 135/750/750 or equal, prepare surfaces and paint all unpainted metal piping (excluding stainless steel), prepare surfaces and paint galvanized fire suppression piping, and prepare surfaces and paint galvanized catwalk top handrails, kick panels, and front/top end faces (include slip resistant material) per manufacturer's recommendations (include separate pricing for Tnemec Series 135/1095/1071 or equal) Paint scheme: white = piping and associated equipment, yellow = catwalks, red = fire suppression. Protect critical components and secondary containment drains from contamination. Renew all existing decals and markings with high UV resistant materials, protect all existing placards.

3 Seal Secondary Containment for Jet-A Tanks 1-6 and Avgas Tank

Scope: Using Tnemec Series 237SC/280/290 MRM Secondary Containment Concrete Lining System or equal, seal existing secondary containment (including first 12 inches of vertical walls) for AvGas storage tank and Jet-A storage tanks 1-6. Protect existing critical equipment, joint seals, ground wires, and drains from contamination.

4 Install Concrete Walkway to North Side of Jet-A Tanks 7 & 8

Scope: Install per supplied detail and per M.A.G. Standard Detail #230.

5 Replace Vertical Painted Access Tubes with Stainless Steel Tubes

Scope: Replace vertical access tubes with stainless steel equivalent on Jet-A tanks 1-6 (Qty 6). Protect tanks from intrusion of foreign objects or materials - method for replacement must be reviewed and approved by Airport staff.

6 Install LED Lighting South Side of Jet-A Tanks 1-6 and Avgas Tank

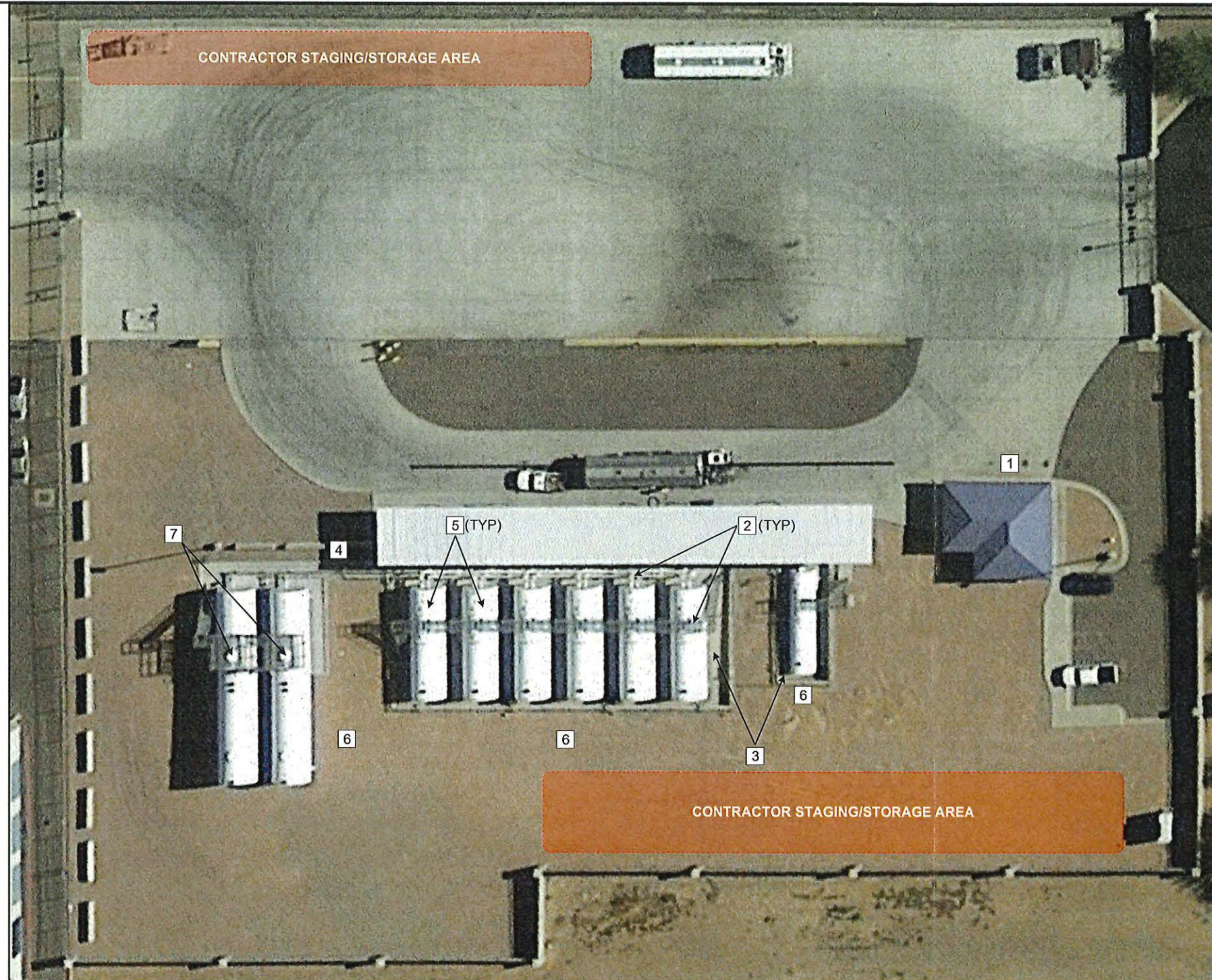
Scope: Install (qty. 4) RAB Lighting ALED3T150/PCT light fixtures on (qty. 3) light poles (match existing) in locations shown on layout. Install light poles and foundation per supplied location/lighting diagram and per City of Mesa Detail M-73.04.1A-C. Lighting must adequately illuminate all tank sump drain locations and upper catwalks. All electrical conduit and fixtures must be fuel vapor proof. Tie in new lighting to existing at office building if possible.

7 Install Latch-Type Man Way Access to Tanks 7 & 8

Scope: Install latch-type manway access > 24" diameter. Provide tank opening protection as necessary during fabrication/modification. Submit shop drawings of proposed work for approval by owner.

Construction Notes:

1. The contractor will adhere to all Federal, State, local and Airport safety regulations during all phases of construction.
2. Combustible vapor (LEL) monitoring must be continuous during any work that could create an ignition source. This includes all electric hand tools, drilling, grinding, etc.
3. Hot work is prohibited inside the Fuel Service Facility compound - a designated hot work location will be provided by the owner.
4. The Fuel Service Facility must remain fully operational during all phases of construction. Planned service interruptions must be coordinated in advance, minimum 3 business days notice.



ITEMIZED SCOPE LIST	
3	SEAL SECONDARY CONTAINMENT AREAS WITH FUEL RESISTANT MATERIAL
4	CONSTRUCT CONCRETE WALKWAY TO ACCESS NE SIDE OF JET-A TANKS 7-8
5	REPLACE PAINTED VERTICAL ACCESS TUBES WITH STAINLESS STEEL TUBES
6	INSTALL LED LIGHTING ON SW SIDE OF JET-A TANKS 1-6
7	INSTALL LATCH-TYPE MANWAY ACCESS HATCHES ON JET-A TANKS 7-8

CONTRACTOR QUOTE NOTES	
1.	SUBMIT A SEPARATE QUOTE FOR EACH LINE ITEM
2.	CONTINUOUS VAPOR MONITORING IS REQUIRED FOR ALL WORK THAT COULD PRODUCE VAPOR IGNITION SOURCE (NO WELDING OR OPEN FLAMES WITHIN FSF BOUNDARY)
3.	BLUE STAKE IS REQUIRED FOR ALL GROUND PENETRATIONS
4.	CONTRACTOR PERSONNEL ARE REQUIRED TO BE BADGED OR UNDER BADGED ESCORT FOR ALL WORK WITHIN FSF BOUNDARY
5.	THE GENERAL CONTRACTOR MUST BE ON SITE WHEN SUBS ARE WORKING
6.	WORK HOURS 0600-1600 DAILY (FSF STAFF OR PROJECT COORDINATOR MUST BE ON SITE DURING ALL WORK)
7.	CITY OF MESA PERMITTING NOT REQUIRED (exception – fire protection)
8.	PROPOSED CONTRACTOR STAGING/STORAGE AREAS SHOWN IN RED SHADED AREAS (subject to change)
9.	CONTRACTOR HOT WORK AREA – VACANT LOT IMMEDIATELY ACROSS VELOCITY WAY (subject to change)

PROJECT NAME	Phoenix-Mesa Gateway Airport	
	PHOENIX-MESA GATEWAY AIRPORT AUTHORITY 5835 SOUTH SOSSAMAN ROAD MESA, ARIZONA 85212 (480) 988-7600 www.gatewayairport.com	
SCOPE LAYOUT	SL1.0	
	PMGAA FUEL SERVICE FACILITY UPGRADES PHASE II	
SCALE	N.T.S.	
Date	03/13/2018	
Designed by		
Drawn by		MJH
Reviewed by		
REV.	DATE	DESCRIPTION
1	02/14/2018	Modified Scope
FINAL		

GENERAL SPECIFICATIONS

NO. REQ (1)
 CAPACITY: 4000 GALLON
 TYPE: HTC, HIGHGUARD, DOUBLE WALL, "G" SERIES
 MATERIAL: MILD CARBON STEEL
 FLOW RATE: 400 GPM

GAUGE: INNER OUTER
 SHELL- 7 GA. 10 GA.
 HEADS- 7 GA. 10 GA.

SURFACE PREP: SP-6 BLAST ALL EXTERIOR SURFACES

COATING: MATERIAL THICKNESS
 EXTERIOR- HIGHGUARD 75 MIL
 INTERIOR- NONE

CONSTRUCTION : LAP FIT & WELD ALL EXTERIOR SEAMS

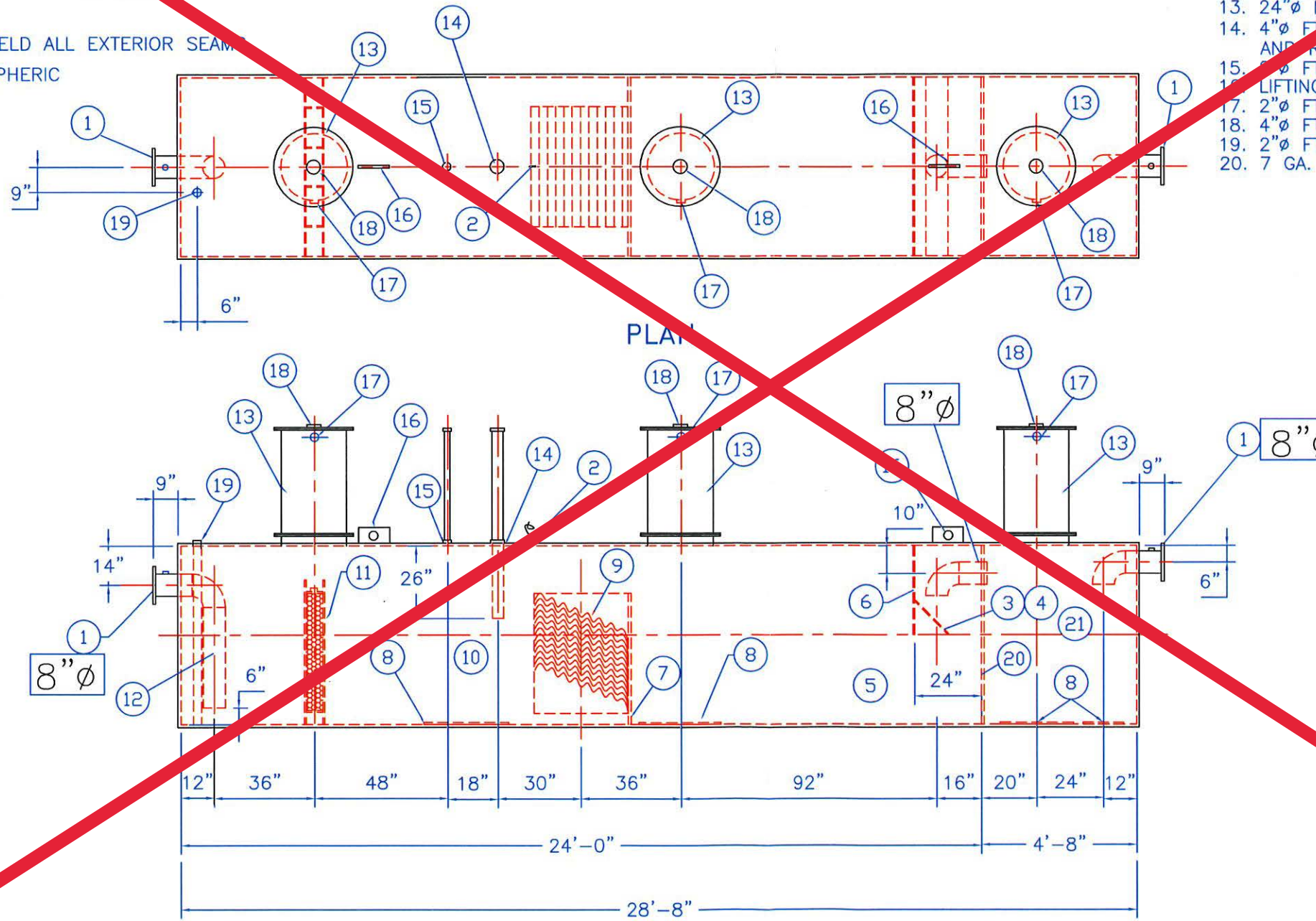
OPERATING PRESSURE: ATMOSPHERIC

NOTES:

1. POLYURETHANE HIGHGUARD TANK IS NOT APPROVED FOR THE STORAGE OF HEATED PRODUCTS
2. ALL VENT PIPING BY INSTALLER
3. 15000 VOLT SPARK TEST PROVIDED AT FACTORY

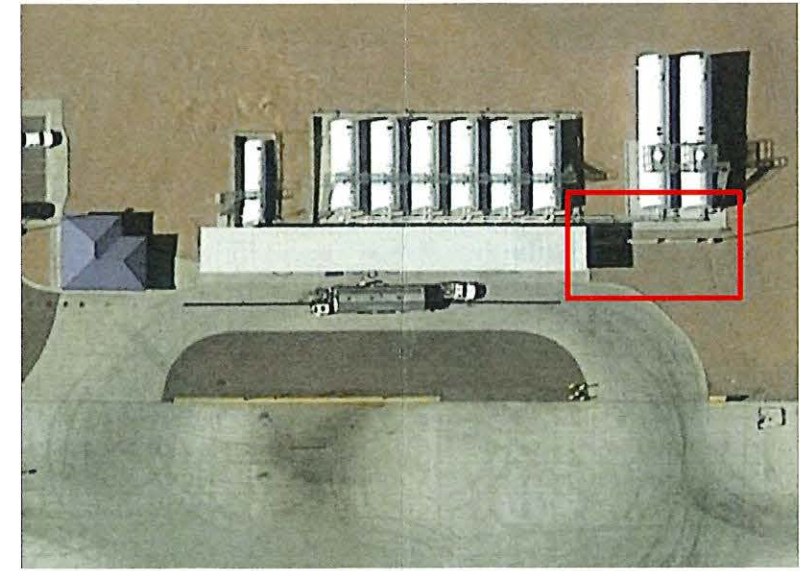
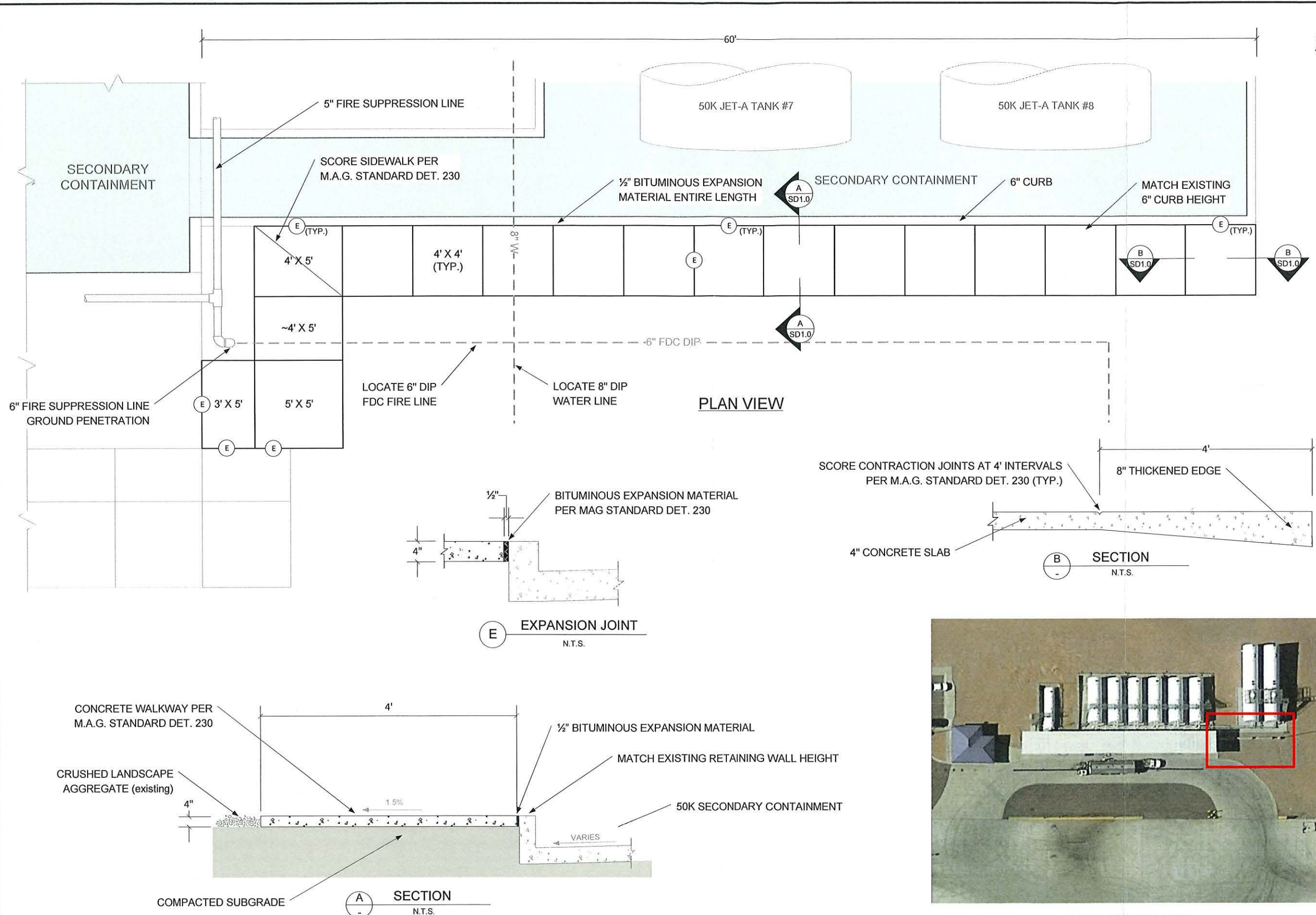
PROVIDED EQUIPMENT

1. 150# R.F.S.O. FLANGE W/ 2" NPT FOR VENT
2. SLUDGE CHAMBER
3. VELOCITY HEAD DIFFUSION BAFFLE
4. WEAR PLATE
5. SEDIMENT CHAMBER
6. UNDERFLOW BAFFLE
7. SLUDGE BAFFLE
8. STRIKER PLATES
9. PARALLEL CORRUGATED PLATE COALESCER
10. OIL/WATER SEPARATOR CHAMBER
11. 6" THICK COALESCER MATERIAL INSTALLED W/ PULL ROD SHIPPED LOOSE
12. OUTLET DOWNCOMER
13. 24"Ø MANWAY WITH BOLT-ON EXTENSION SHIPPED LOOSE
14. 4"Ø FTG. FOR OIL PUMP-OUT W/ INTERNAL PIPE INSTALLED AND RISER PIPE SHIPPED LOOSE
15. 2"Ø FTG. FOR LEVEL SENSOR W/ RISER PIPE SHIPPED LOOSE
16. LIFTING LUG
17. 2"Ø FTG. FOR VENT TYP. BOTH MANWAYS
18. 4"Ø FTG. FOR GAUGE WITH PLUG TYP. BOTH MANWAYS
19. 2"Ø FTG. FOR LEAK DETECTION
20. 7 GA. BULKHEAD



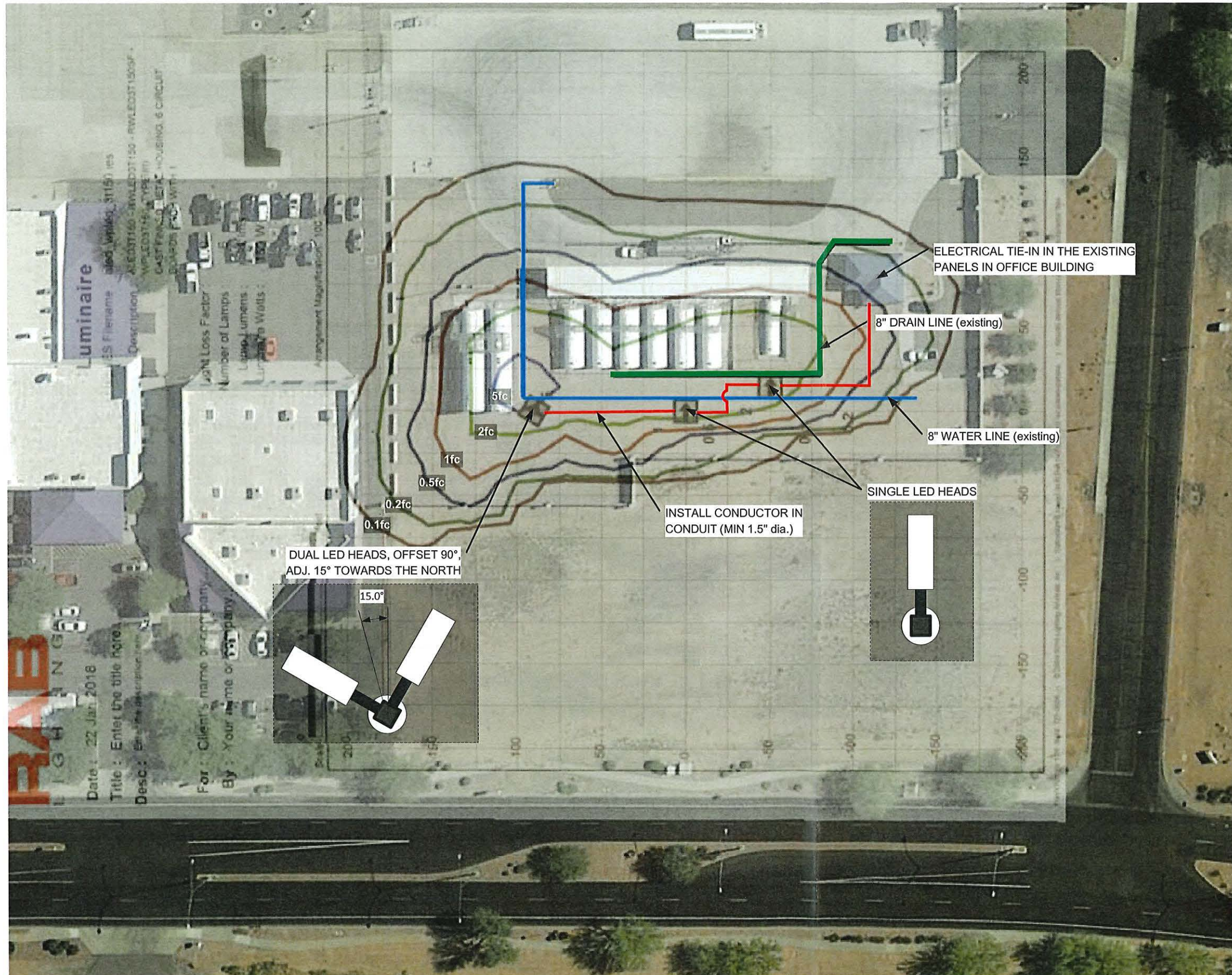
NOTE :
 ALL RIGHTS RESERVED. THIS DRAWING OR ANY PART THEREOF MUST NOT BE REPRODUCED IN ANY FORM WITHOUT THE WRITTEN PERMISSION OF HIGHLAND TANK.
 HIGHLAND TANK SHALL BE RESPONSIBLE ONLY FOR ITEMS INDICATED ON THIS FABRICATION DRAWING UNLESS OTHERWISE NOTED. CUSTOMER IS RESPONSIBLE FOR VERIFYING CORRECTNESS OF SIZE / LOCATION OF FITTINGS , ACCESSORIES & COATINGS SHOWN ON THIS DRAWING

REVISIONS			
		<h1 style="margin: 0;">Highland Tank</h1>	
U.S. Patent #4,722,800		Canadian Patent # 1,296,263	
4000 GALLON OIL WATER SEPARATOR HTC, HIGHGUARD, DOUBLE WALL, "G" SERIES			
CUSTOMER:			
PROJECT:			
QUOTE NO:			CHK BY:
SCALE: 1/4"=1'-0"	DATE: 8-5-05	DWG. BY:	DWG. NO.: 04000HGDWHTG



SITE OVERVIEW

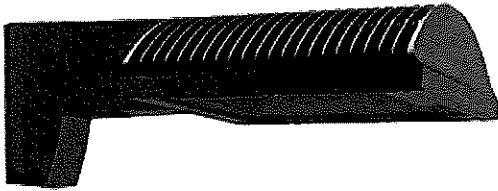
Deleted Bollards Tanks 7 & 8		02/14/2018			
1					
FINAL					
SCALE		3/16" = 1'			
Date	Designed by	Drawn by	Reviewed by		
02/14/2018		MJH			
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY 5835 SOUTH SOSSAMAN ROAD MESA, ARIZONA 85212 (480) 988-7600 www.gatewayairport.com					
PROJECT NAME					
FUEL FACILITY RENEWAL Ph. III					
CONCRETE WALKWAY TO TANKS 7 & 8					
C1.0					
	REV.	DATE	DESCRIPTION		



PROJECT 1001
FSF RENEWAL PHASE III
SOUTH SIDE LIGHTING DIAGRAM

N.T.S.





Specification grade area lights available in IES Type III distributions. For use for roadway, general parking and other area lighting applications where a larger pool of lighting is required. Patent pending thermal management system. 5 Year Warranty.

Color: Bronze

Weight: 32.0 lbs

Project:

Type:

Prepared By:

Date:

Driver Info

Type: Constant Current
 120V: 1.31A
 208V: 0.80A
 240V: 0.69A
 277V: 0.60A
 Input Watts: 155W
 Efficiency: 97%

LED Info

Watts: 150W
 Color Temp: 5000K
 Color Accuracy: 71 CRI
 L70 Lifespan: 100000
 Lumens: 16839
 Efficacy: 108 LPW

Technical Specifications

Electrical

Photocell:

120-277V twistlock photocell included. Photocell is compatible with 120-277V.

Driver:

One Driver, Constant Current, Class 2, 2100mA 100-277V, 50-60Hz, Power Factor 99%

Surge Protection:

4kV

Listings

DLC Listed:

This product is on the Design Lights Consortium (DLC) Qualified Products List and is eligible for rebates from DLC Member Utilities.
 DLC Product Code: P0000175C

UL Listing:

Suitable for wet locations.

IESNA LM-79 & LM-80 Testing:

RAB LED luminaries have been tested by an independent laboratory in accordance with IESNA LM-79 and LM-80, and have been received the Department of Energy "Lighting Facts" label.

Dark Sky Approved:

The International Dark Sky Association has approved this product as a full cutoff, fully shielded luminaire.

LED Characteristics

Lifespan:

100,000-hour LED lifespan based on IES LM-80 results and TM-21 calculations.

LEDs:

Multi-chip, high-output, long-life LEDs

Color Consistency:

7-step MacAdam Ellipse binning to achieve consistent fixture-to-fixture color.

Color Stability:

LED color temperature is warranted to shift no more than 200K in CCT over a 5 year period.

Color Uniformity:

RAB's range of CCT (Correlated Color Temperature) follows the guidelines of the American National Standard for Specifications for the Chromaticity of Solid State Lighting (SSL) Products, ANSI C78.378-2017.

Construction

Effective Projected Area:

EPA = 0.75

Maximum Ambient Temperature:

Suitable for use in 40°C (104°F) ambient temperatures

Cold Weather Starting:

Minimum starting temperature is -40°C (-40°F)

Thermal Management:

Superior thermal management with external "Air-Flow" fins.

Lens:

Tempered glass lens.

Housing:

Die-cast aluminum housing, lens frame and mounting arm.

IP Rating:

Ingress Protection rating of IP66 for dust and water

Mounting:

Universal mounting arm compatible for hole spacing patterns from 1" to 5 1/2" center to center. Round Pole Adaptor plate included as a standard. Easy slide and lock to mount fixture with ease. Round pole diameter must be >4" to mount fixtures at 90° orientation.

Reflector:

Specular vacuum-metallized polycarbonate

Gaskets:

High-temperature silicone gaskets

Finish:

Formulated for high-durability and long lasting color.

Green Technology:

Mercury and UV free. RoHS compliant components. Polyester powder coat finish formulated without the use of VOC or toxic heavy metals.

For use on LEED Buildings:

IDA Dark Sky Approval means that this fixture can be used to achieve LEED Credits for Light Pollution Reduction.

Other

Compatibility:

Compatible with Round Poles with a diameter of 2.5" to 6"

Technical Specifications (continued)

Other

Replacement:

Replaces 400W Metal Halide

BAA Compliance:

Click for BAA compliance.

Warranty:

RAB warrants that our LED products will be free from defects in materials and workmanship for a period of five (5) years from the date of delivery to the end user, including coverage of light output, color stability, driver performance and fixture finish.

Buy American Act Compliance:

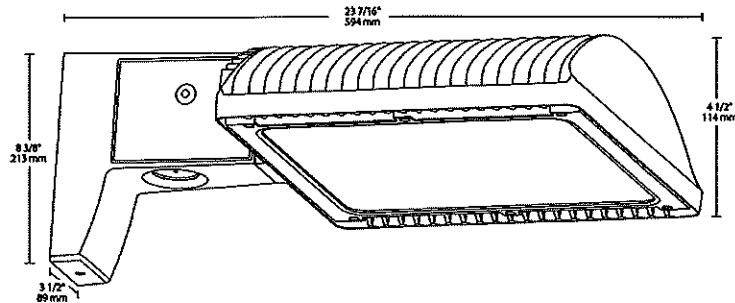
RAB values USA manufacturing! Upon request, RAB may be able to manufacture this product to be compliant with the Buy American Act (BAA). Please contact customer service to request a quote for the product to be made BAA compliant.

Optical

BUG Rating:

B1 U0 G2

Dimensions



Features

- 66% energy cost savings vs. HID
- 100,000-hour LED lifespan
- Type III distribution
- 5-year warranty

Ordering Matrix

Family	Optics	Wattage	Mounting	Color Temp	Finish	Driver Options	Photocell Options
ALED	3T	150					
	2T = Type II	50 = 50W 78 = 78W	Blank = Pole mount	Blank = 5000K (Cool)	Blank = Bronze	Blank = 120-277V /480 = 480V (not available for 150W)	Blank = No Option
	3T = Type III	105 = 105W	SF = Slipfitter	N = 4000K (Neutral)	RG = Roadway Gray	/BL = Bi-Level	/PC = 120V Button Photocell (Pole mount models only)
	4T = Type IV	125 = 125W 150 = 150W 150W		Y = 3000K (Warm)	W = White	/D10 = 0-10V Dimming	/PC2 = 277V Button Photocell (Pole mount models only)
							/PCT = 120-277V Twistlock Photocell (Pole mount models only)
							/PCT4 = 480V Twistlock Photocell (Pole mount models only)
							/PCS = 120V Swivel Photocell
							/PCS2 = 277V Swivel Photocell
							/PCS4 = 480V Swivel Photocell
							/WS2 = Multi-Level Motion Sensor 20 ft. (Only available 0-10V dimming models)
							/WS4 = Multi-Level Motion Sensor 40 ft. (Only available 0-10V dimming models)

Special Provisions – PMGAA Project 1001, Fuel Facility Renewal Phase III

1. The Contractor will adhere to all applicable Federal Aviation Administration (FAA), Transportation Security Administration (TSA) and Phoenix Mesa Gateway Airport Authority (PMGAA) Rules and Regulations as amended periodically, the most current versions apply.
2. The Contractor will provide a responsible on-site and airport badged representative any time sub-contractors are on site and performing work.
3. The Contractor will ensure that a member of PMGAA staff is on site at the project location prior to beginning work each day.
4. The Contractor will provide continuous vapor monitoring for combustible gasses using a currently calibrated vapor monitor during any work that could create a combustible vapor ignition source and will stop all work if the vapor monitor is in alarm and will not resume until the vapor monitor ceases to alarm. Hot work is not permitted inside the project boundary. If necessary, a designated hot work area will be provided by the owner.
5. The Contractor will submit a site-specific safety plan to be reviewed and approved by PMGAA staff prior to commencement of work.
6. The Contractor will provide a Critical Path Method (CPM) schedule prior to the start of the project and subsequent updated CPM with each pay request. Additionally, the selected contractor will provide a 3-week look ahead schedule on a weekly basis throughout the project. After hours and weekend work must be submitted to the PMGAA Project Coordinator for approval with a minimum of 3 business days' notice.
7. Any work involving equipment of a height greater than the height of the fuel facility streetlights must be coordinated a minimum of 3 business days in advance so that proper notification can be made to the FAA.
8. The Contractor will submit a Blue Stake request for all ground penetrations and will pothole as necessary to locate utilities.
9. The fuel facility shall remain fully operational throughout the entire construction period. Any proposed work that could potentially impact normal facility operations and/or planned service interruptions must be coordinated and approved a minimum of 3 business days in advance.
10. At the conclusion of the project, the Contractor will provide a complete set of as-built drawings for all applicable work performed. Additionally, the Contractor will provide all warranty, owner's manuals, and maintenance documentation to the Project Coordinator.
11. The Contractor will strictly adhere to the attached supplemental security requirements as written.
12. The contractor will agree to complete all Military Reuse Zone (MRZ) documents upon request.

AIRPORT SECURITY REQUIREMENTS

This project will be constructed inside the Airport Perimeter Security Fence.

The airport is operated in strict compliance with Transportation Security Administration (TSA) and Federal Aviation Regulations (FAR), which prohibit unauthorized persons or vehicles in the Air Operations Area (AOA). Equipment and workmen will be restricted to the work area defined on the plans. Any violation by Contractor's personnel or sub-contractors will subject the Contractor to penalties imposed by the TSA and/or the Authority.

The Contractor will assume all fines against the Authority assessed to them by the TSA for the Contractor's security violations. Typical fines are ten thousand dollars (\$10,000.00) or more per incident.

The Contractor shall be responsible for the protection of the construction site, and all work, materials, equipment, and existing facilities thereon, against vandals and other unauthorized persons. Security measures shall include such additional security fencing, barricades, lighting, and other measures as the Contractor may deem necessary to protect the site.

The Contractor's responsibilities for work areas are as follows:

1. The Contractor shall be held responsible for controlling his employees, subcontractors, and their employees with regard to traffic movement.
2. The Contractor shall rebuild, repair, restore, and make good at his own expense all injuries or damages to any portion of the work occasioned by his use of these facilities before completion and acceptance of his work.
3. The Contractor shall submit to the Project Coordinator in writing a detailed work plan for each construction phase. The work plan shall include, but not be limited to, temporary electrical facilities, installation sequence of underground electrical and storm sewer systems, paving sequence, and installation sequence of electrical items. **This plan shall be submitted 14 calendar days prior to the start of each construction phase.** No work within the construction phase may commence until the phase work plan is approved.
4. The following language shall be used in all solicitations, Contracts and subcontracts requiring the distribution of security badges to Contractor, subcontractor or material supplier employees:
 - a. **AIRPORT ACCESS BADGES** - All Contractor and/or subcontractor personnel performing work functions in accordance with this Contract shall obtain and properly display a Phoenix-Mesa Gateway Airport (IWA) airport security badge. Contractor personnel that will be on the project for a short period of time may be escorted by a badged individual, however the positive escort must be maintained at all times. The Contractor shall submit a Security Badge Application form to the Authority security office for each employee requiring unescorted access, along with the current fee for each badge. The fee must be paid for with cash or check. The Security Badge Application form and instructions are available via the Internet at www.gatewayairport.com.

A Company Principal of the Contractor must obtain and submit a "Company Security Media Authorization" form, which is to be submitted to the Authority Badging Office. The Company



Security Media Authorization will identify those individuals employed by the Contractor who are authorized to approve and sign a Security Badge Application for other employees of the Contractor. The Company Security Media Authorization form and instructions are available via the Internet at www.gatewayairport.com

1. The types of training required will be determined by the scope and location of the work involved. All personnel that will receive Airport badges shall adhere to airport security rules and regulations.
2. Additional information, including a “Frequently Asked Questions” is available via the Internet at www.gatewayairport.com or by contacting the Authority Badging Office at 480.988.7522 or via email to badgingoffice@gatewayairport.com
The Badging Office is located at 5803 S Sossaman Rd, Mesa AZ 85212.
3. The Contractor should allow thirty (30) business days lead time for employee badges to be issued.
4. The Contractor shall immediately notify Airport Operations/Badging Office of any Contractor personnel whose employment status has changed, or if an employee lost a badge by contacting Airport Operations 24/7 at: 480-988-7570.
5. The Contractor shall be responsible for retrieving all security badges and keys and return them to the Badging Office at the conclusion of the project. A fee will be charged for each badge that is damaged, lost or not returned, and final payment will be withheld until all badges are returned and/or accounted for.
6. The Authority Badging Office will require the following from each badge applicant before a security badge is issued:

Security Badge Application - All employees are required to complete a security badge application form. The security badge application is available via the Internet at www.gatewayairport.com.

Contractor-Provided Escorts - The job superintendent, assistant superintendent and/or project foreman will be responsible for escorting their non-badged employees, visitors, vendors, subcontractors and material suppliers while on the job site, assuring that no breeches of the Airport security program occur.

Company Security Media Authorization - A Principal of the Contractor is required to complete and submit to the Authority Badging Office this form, which identifies authorized signatories for the Contractor.

For current badging hours or any other questions pertaining to badging, please call the Badging Office at 480.988.7522.

Airport security badges are issued by the Authority Airport Operations and will be required when working within the Restricted Area. It is recommended that Superintendents, Foremen, Supervisors, or Leads be issued an airport security badge who then can provide the required escort for their work crew.

- Airport ID badges issued by the Airport are property of the Airport and must be surrendered upon the request of any Airport personnel.
- No person shall loan or provide airport ID badges to anyone other than to whom the badge was issued.
- Airport ID badges must be properly displayed on the outermost garment, above the waist, at all times while within the Restricted Area.
- Airport ID badges shall not be mutilated or altered from its original form in any way, nor shall any such media be reproduced or copied in such a manner as to degrade the security of the ID system.
- Airport ID badges are non-transferable.
- Damaged badges will be subject to a replacement fee.
- Contractors are required to wear the armband that accompanies the badge.
- The Contractor shall be assessed a fee for each lost/unreturned badge.
- The Contractor must immediately report to Airport Operations or the Badging Office (during normal business hours) any lost badge or any employee who quits or is terminated, and the employee's badge must be returned to the Authority.

b. Access Control

Any time access is required within the Restricted Areas the Contractor shall be responsible for assuring that no breeches of airport security occur. Restricted areas are fenced and must remain fenced at all times. The gates will remain closed and locked or a guard will be provided at the Contractor's expense. The Contractor will furnish the guard with a roster of his personnel and ensure that each individual has adequate identification. The duplicate keys for each lock will be turned over to the airport authorities.

- No person shall enter the Contractor worksite without authorization. Any person found within the worksite without proper identification as described herein shall be considered unauthorized and shall be removed from the worksite.
- All persons authorized access to the worksite shall display a valid Airport ID badge issued by the Authority or be under authorized escort.
- Persons authorized to provide escorts include the Authority staff and designated Contractor supervisors. The number of personnel being escorted shall not exceed ten (10) non-badged personnel; this includes vendors, subcontractors, visitors and part-time workers. Equipment Operators are not allowed to provide escort while operating equipment. **Failure to provide an escort can result in loss of escort privileges, fines, revocation of the security badge, or all three.**

c. Challenge Procedures

All personnel are responsible for challenging and reporting anyone in their work areas not displaying an Airport ID badge. Personnel shall contact Airport Operations and/or Mesa Police Department and detain person(s) if safe to do so.



Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

To: Board of Directors
From: Shea Joachim, CEcD, Business Development Director
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: Assignment & Lease Extension – SGP Mesa, LLC
Date: May 15, 2018

Proposed Motion

Authorizing the Executive Director to execute such contracts and amendments that assign Ground Lease 2003-004 for the property located at 6335 S. Downwind Circle, Mesa AZ 85212 to SGP Mesa, LLC and extend the Ground Lease termination date approximately ten (10) years from October 31, 2043 to October 31, 2053.

Narrative

Cimarron Airpark LLC XVI (“Cimarron”) leased the property located at 6335 S. Downwind Circle from the Phoenix-Mesa Gateway Airport Authority (“PMGAA”) in November 2003. Cimarron caused for the construction of the improvement and has actively managed the improvements since the effective date of the Ground Lease. Cimarron has accepted an offer from SGP Mesa, LLC (“Buyer”) to purchase the improvements and assume Cimarron’s obligations under the Ground Lease and all active Subleases. The Buyer has requested an extension of the Ground Lease termination date as a condition of the purchase.

Key Documents

There are three (3) documents that require PMGAA Board consideration associated with this transaction. These documents will be finalized on the closing date of the transaction which is anticipated on or before May 22, 2018. If the closing does not take place, none of these documents will become effective.

Ground Lease Amendment #7

This document is the seventh amendment to the Ground Lease and will formally amend the termination date of the Ground Lease. By extending the termination date PMGAA will receive an additional ten (10) years of Base Rent. PMGAA will also receive approximately \$370,000 at the closing of the transaction as a one-time payment for granting the extension and delaying the reversion of the improvements to PMGAA.

Assignment and Assumption of Ground Lease

This document outlines the terms of the assignment between Cimarron and the Buyer. In addition, the document requests PMGAA’s consent for the assignment of the Ground Lease from Cimarron to the Buyer. PMGAA’s standard lease template language requires PMGAA consent for any assignment of leasehold interest.

Ground Lessor Recognition Agreement

This agreement is required by the Buyer’s lender. The Agreement consents to the granting of a leasehold

Deed of Trust and provides additional rights and notification requirements to the Lender in the event of a Tenant default.

To effectuate the sale of the improvements and the assumption of lease obligations Cimarron must obtain PMGAA's consent. PMGAA Staff has conducted its due diligence on SGP Mesa, LLC and has reviewed the documents necessary to effectuate the sale of the improvements and the assignment of the Ground Lease. As such, PMGAA Staff recommends approval of Resolution No. 18-15.

Fiscal Impact

The revenue to PMGAA associated with the additional ten (10) years of Base Rent under the Ground Lease is estimated at \$1,700,000.

PMGAA will receive approximately \$370,000 at the closing of the transaction as compensation for granting the extension.

Attachment(s)

- Ground Lease Amendment #7
- Assignment and Assumption of Ground Lease
- Ground Lessor's Recognition Agreement



RESOLUTION NO. 18-13

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS the Authority desires to enter into an amendment to extend the term of the Ground Lease with Cimarron Airport LLC XVI; and

WHEREAS the Authority desires to approve the assignment of the Ground Lease to SGP Mesa LLC;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes the Executive Director to execute the amendment and such contracts that assign Ground Lease 2003-004 for the property located at 6335 S. Downwind Circle, Mesa AZ 85212 to SGP Mesa, LLC and extend the Ground Lease termination date approximately ten (10) years from October 31, 2043 to October 31, 2053. This resolution also authorizes the Chair or Executive Director/CEO to execute such Contract, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 15th day of May, 2018.

Jenn Daniels, Chair

ATTEST:

APPROVED AS TO FORM:

Maria Gonzalez, Clerk of the Board

Attorney



Phoenix-Mesa Gateway Airport Authority
Seventh Amendment to Lease

This SEVENTH AMENDMENT TO LEASE (“Amendment 7”) is executed to be effective as of the FIFTEENTH (15TH) day of May 2018, by and between the **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY**, authorized under the laws of the State of Arizona, its successors and assigns (“Lessor”), and **CIMARRON AIRPORT LLC XVI**, a Arizona limited liability company (“Lessee”). This Amendment 7 hereby amends that certain Ground Lease Agreement between Lessor and Lessee dated and effective on November 1, 2003 (as amended from time to time, “Lease”) with respect to that certain real property at the Airport located at 6335 S. Downwind Circle and described as Lots 60-1 and 60-2 (the “Premises”). Lessor and Lessee may be referred to jointly as “Parties,” and each separately may be referred to as a “Party.”

WITNESSETH:

WHEREAS, Lessor and Lessee desire to enter into this Amendment 7 in order to modify the Lease; and

WHEREAS, Lessor is the present owner and operator of the Phoenix-Mesa Gateway Airport generally located at the intersection of Ray Road and South Sossaman Road, City of Mesa, Maricopa County, Arizona (the “Airport”);

WHEREAS, Lessee was originally granted two (2), five-year extensions and has exercised those extensions pursuant to the terms of the Lease on December 15, 2016 thereby extending the termination date of the Lease to October 31, 2043;

WHEREAS, Lessee has requested and compensated the Lessor with a payment of \$370,000 for a TEN (10) year extension of the termination date of the Lease thereby extending the termination date of the Lease to October 31, 2053;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Amendment 7 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. The provisions of Section 2.1 are deleted in its entirety and shall be replaced with:
 - 2.1 Initial Term. The initial term of this Lease shall be for a period of fifty (50) years commencing on the Effective Date and terminating on the 31st day of October 2053.
2. The provisions of Section 2.2 are deleted in its entirety.
3. Lessee warrants and represents to Lessor that: (i) all necessary actions have been taken to authorize the execution of this Amendment 7 by Lessee; (ii) the persons who have executed this Amendment

7 on behalf of Lessee are duly authorized to do so; and (iii) this Amendment 7 constitutes a legal, valid and binding obligation of Lessee, enforceable against Lessee in accordance with its terms and the terms of the Lease.

5. In all other respects the Lease shall remain unchanged and in full force and effect. The Lease, as amended by this Amendment 7 shall continue to be binding upon the Lessor and Lessee and their permitted successors and assigns.

6. All of the Recitals set forth above are incorporated into this Amendment 7 by this reference.

7. Lessee recognizes and acknowledges that execution of this Amendment 7 shall in no way constitute a waiver by Lessor of any other sums which may be due and owing to Lessor or which may hereafter accrue.

IN WITNESS WHEREOF, the Parties have entered into this Amendment 7 as of the date first set forth above.

FOR LESSOR:

FOR LESSEE:

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, an Arizona joint powers airport authority

CIMARRON AIRPARK LLC XVI, a Arizona limited liability corporation.

By: _____

By: _____

Name: J. Brian O’Neill, A.A.E.

Name: Fred Himovitz

Its: Executive Director/CEO

Its: Manager

ASSIGNMENT AND ASSUMPTION OF GROUND LEASE

This ASSIGNMENT AND ASSUMPTION OF GROUND LEASE (the "Assignment") is made effective as of the 15th day of May, 2018 ("Effective Date"), by and among Cimarron Airpark LLC XVI, an Arizona limited liability company ("Assignor"), and SGP Mesa LLC, a Delaware limited liability company ("Assignee").

RECITALS:

A. Phoenix-Mesa Gateway Airport Authority, a joint powers airport authority authorized by the laws of the State of Arizona (the "Authority"), as "Lessor," together with Assignor, as "Lessee," entered into that certain Ground Lease Agreement dated effective as of November 1, 2003, as amended by Amendment to Lease dated May 14, 2005, Second Amendment to Lease dated March 1, 2007, Third Amendment to Lease dated July 1, 2008, Fourth Amendment to Lease dated March 1, 2009, Fifth Amendment to Lease dated March 1, 2010, Sixth Amendment to Lease dated March 1, 2011, letter agreement dated December 15, 2016 (exercising lease extension option such that lease term expires on October 31, 2043), and Seventh Amendment to Lease dated May 15, 2018 (collectively, "Lease"), for approximately 4.1 acres of real property located at 6335 S. Downwind Circle and described as Lots 60-1 and 60-2 in Mesa, Arizona (the "Premises").

B. Assignor has improved the Premises to include industrial office buildings that are subleased to private parties acting as subtenants under the Lease.

C. Assignor desires to assign its rights and obligations under the Lease to Assignee and Assignee desires to assume the rights and obligations of Assignor under the Lease.

D. Assignor and Assignee desire to memorialize the assignment and assumption of the Lease as set forth below.

AGREEMENTS:

NOW, THEREFORE, in consideration of the terms and conditions hereof, and other good and valuable consideration, Assignor and Assignee agree as follows:

1. Assignment of Lease. Subject to the terms and conditions hereof, upon the Effective Date, Assignor hereby assigns and transfers to Assignee, its right, title and interest as the "Lessee" under the Lease. Following the Effective Date, any and all references in the Lease to the "Lessee" shall refer to the Assignee.

2. Assumption of Lease. Upon the Effective Date, Assignee hereby agrees to assume the Lease for the balance of the term thereof, all sums required to be paid thereunder, and to faithfully perform all of the covenants, duties and obligations of the "Lessee" under the Lease. Assignor shall indemnify, defend and hold Assignee harmless from and against any and all actions, suits, proceedings, liability, loss, cost, damage, or expense that Assignee may suffer by reason of Assignor's failure to perform any of the obligations of the "Lessee" under the Lease prior to the Effective Date.

3. Assignee Representations. Assignee represents that it is a validly formed and duly organized limited liability company registered to do business in the State of Arizona, that it has full power and authority to enter into this Assignment, and upon execution of this Assignment, Assignee

will be bound by all the terms and conditions contained in this Assignment and the Lease. Assignor represents and warrants to Assignee that Assignor has provided Assignee with a complete and accurate copy of the Lease to Assignee, and Assignee represents and warrants to Assignor that Assignee has reviewed such copy of the Lease and that it fully understands all of its terms and provisions.

4. Security Deposit. Assignor's rights to any security deposits provided under the Lease and currently held by Authority are hereby assigned to Assignee and, to the extent refundable, will be refunded to Assignee.

5. Notices. For the purposes of Section 20 of the Lease and this Assignment, all notices to Assignee must be sent to the following below, in addition to the other notice addresses required under the Lease.

SGP Mesa LLC
1901 N. Clyborn, Suite 304
Chicago, IL 60614
Attn: A. Philip Auerbach
e-mail: pauerbach@jlbcap.com

and copy to:

Goulston & Storrs PC
1999 K Street, N.W., Suite 500
Washington, DC 20006
Attn: James A. Shipe, Esq.
e-mail: jshipe@goulstonstorrs.com

6. Successors and Assigns. This Assignment shall inure to the benefit of, and shall be binding upon, the parties hereto and their respective heirs, representatives, successors and assigns.

7. Governing Law. This Assignment shall be governed by and construed under the laws of the State of Arizona.

8. No Broker Commissions. Assignor and Assignee represent and warrant that neither Assignor nor Assignee have had any dealing with any broker in connection with the negotiation and execution of this Assignment, and Assignor and Assignee agree to indemnify the other party and hold the other party harmless from any and all costs, expenses or liability for commissions or other compensation claimed by any broker or agent with respect to this Assignment.

9. Counterparts. This Assignment may be executed by the parties in counterparts, each of which is deemed an original but all of which constitutes one and the same instrument.

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment as of the Effective Date:

ASSIGNOR

Cimarron Airpark LLC XVI,
an Arizona limited liability company

By: Fred Himovitz

Date:

ASSIGNEE

SGP Mesa LLC,
a Delaware limited liability company

By: A. Philip Auerbach

Date:

CONSENT TO ASSIGNMENT AND ASSUMPTION OF GROUND LEASE

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, authorized under the laws of the State of Arizona (“Lessor”), and CIMARRON AIRPORT LLC XVI, a Arizona limited liability company (“Lessee” and “Assignor”), are parties to that certain Ground Lease Agreement dated effective as of November 1, 2003, as amended by Amendment to Lease dated May 14, 2005, Second Amendment to Lease dated March 1, 2007, Third Amendment to Lease dated July 1, 2008, Fourth Amendment to Lease dated March 1, 2009, Fifth Amendment to Lease dated March 1, 2010, Sixth Amendment to Lease dated March 1, 2011, letter agreement dated December 15, 2016 (exercising lease extension option such that lease term expires on October 31, 2043), and Seventh Amendment to Lease dated May 15, 2018 (collectively, “Lease”), for approximately 4.1 acres of real property located at 6335 S. Downwind Circle and described as Lots 60-1 and 60-2 in Mesa, Arizona. Lessee desires to assign the Lease to SGP Mesa LLC, a Delaware limited liability company, pursuant to the Assignment and Assumption of Ground Lease attached hereto (“Assignment”). As required under Section 9.1 of the Lease, Lessor does hereby consent to the Assignment as provided herein.

Notwithstanding anything to the contrary in Section 9.1 of the Lease, Assignor shall be released from the performance of the terms, covenants and conditions of the Lease to be observed or performed on the part of the Lessee thereunder arising on and after the Effective Date of the Assignment.

The execution of this Consent to Assignment and Assumption of Ground Lease is not and shall not be construed to be consent to any future assignment of the Lease or any portion thereof, and any assignment of the Lease and documents related thereto shall require separate approval of Lessor.

Lessor has executed this Consent to Assignment and Assumption of Ground Lease as of May 15, 2018.

Phoenix-Mesa Gateway Airport Authority

By: J. Brian O’Neill, Executive Director

Date:

Return after recording to:

McGuireWoods LLP
300 N. Third Street
Suite 320
Wilmington, NC 28401

GROUND LESSOR'S RECOGNITION AGREEMENT

This GROUND LESSOR'S RECOGNITION AGREEMENT (this "**Agreement**") is entered into as of this 15th day of May, 2018, by and among SGP MESA LLC, a Delaware limited liability company (together with its successors and assigns, "**Tenant**"), and PHOENIX-MESA GATEWAY AIRPORT AUTHORITY (formerly known as Williams Gateway Airport Authority) (together with its successors and assigns, "**Landlord**"), for the benefit of CANTOR COMMERCIAL REAL ESTATE LENDING, L.P., a Delaware limited partnership (together with its successors and assigns with respect to all or any portion of the Loan (as hereinafter defined) ("**Lender**").

RECITALS

A. Landlord has leased certain improved real property more particularly described on Exhibit A attached hereto (such improved real property, the "**Demised Premises**") to Tenant pursuant to that certain Ground Lease Agreement dated November 1, 2003, as amended pursuant to that certain Amendment to Lease dated May 14, 2005, that certain Second Amendment to Lease dated March 1, 2007, that certain Third Amendment to Lease dated July 1, 2008, that certain Fourth Amendment to Lease dated March 1, 2009, that certain Fifth Amendment to Lease dated March 1, 2010, that certain Sixth Amendment to Lease dated March 1, 2011, those Letters dated December 14, 2016 and December 15, 2016 confirming extension of the Lease and that certain Seventh Amendment to Lease dated May 15, 2018, (the "**Lease**"), a Memorandum of which was recorded in the Maricopa County Recorder's Office on September 7, 2005 as Instrument No. 2005-1386322 and on December 30, 2009 as Instrument No. 2009-1200158. Defined terms not otherwise defined herein shall bear the meaning ascribed such terms in the Lease.

B. Tenant desires to obtain a loan (as the same may be increased, extended, renewed, consolidated, replaced or otherwise modified from time to time, the "**Loan**") from Lender to be secured by, *inter alia*, a first-priority leasehold deed of trust encumbering Tenant's leasehold interest in the Demised Premises and Tenant's interest under the Lease (together with any renewals, modifications, amendments, restatements, replacements, substitutions and extensions thereof, the "**Leasehold Deed of Trust**").

C. Lender is unwilling to make the Loan unless Landlord reaffirms to Lender that the provisions of the Lease respecting leasehold mortgages are restated and confirmed for Lender's benefit and certain additional agreements are made with Lender with respect to Lender's rights as the holder of the Leasehold Deed of Trust.

PROVISIONS

NOW, THEREFORE, in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord hereby certifies to and agrees with Lender as follows:

1. Landlord hereby (a) consents to the grant of the Leasehold Deed of Trust, (b) acknowledges and agrees that its consent shall not be required in connection with any assignment or transfer by Lender of Lender's rights under the Leasehold Deed of Trust in connection with any assignment of the Loan and the Loan Documents (as defined in the Leasehold Deed of Trust) and (c) acknowledges and agrees that Lender (including its successors and assigns) constitutes a Leasehold Mortgagee entitled to all of the rights and benefits afforded to Leasehold Mortgagees pursuant to the Lease, and Lender acknowledges and agrees that, so long as Lender constitutes a Leasehold Mortgagee pursuant to the Lease, Lender shall be subject to all of the terms and conditions of the Lease applicable to Leasehold Mortgagees, as affected by the terms and conditions of this Agreement.

2. Lender shall have the right to (a) participate in any action or proceeding and the negotiation or settlement of any award payable to Tenant in connection therewith and (b) participate in the negotiation, adjustment and settlement of any insurance proceeds payable in connection with a Casualty affecting the Demised Premises. Any insurance proceeds or the portion of the condemnation award allocable to the Tenant's interest (other than (with respect of a total or substantially total loss or taking as addressed below) will be applied either to the repair or to restoration of all or part of the Demised Premises with Lender or a trustee appointed by it having the right to hold and disburse such proceeds as repair or restoration progresses, or to the payment of the outstanding principal balance of the Loan, together with any accrued interest thereon, in each case as provided in the documents evidencing the Loan. In the case of a total or substantially total taking or loss, any insurance proceeds, or portion of the condemnation award allocable to Tenant's interest in respect of a total or substantially total loss or taking of the Demised Premises, to the extent not applied to restoration, may be applied first to the payment of the outstanding principal balance of the Loan, together with any accrued interest thereon, in each case as provided in the documents evidencing the Loan. Notwithstanding the provisions herein above, should there be any proceeds remaining after application thereof in accordance with the above provisions and of the documents evidencing the Loan, Tenant hereby acknowledges and agrees that such additional proceeds shall be applied as provided in the Lease.

3. Landlord agrees that it shall not unreasonably withhold its consent to any alterations required by Lender which are necessary (a) to cause the Demised Premises to comply with applicable laws, or (b) to remedy any conditions at the Demised Premises that pose an imminent risk to material human injury, safety or material property damage, and otherwise comply with Section 7.4 of the Lease.

4. Any (i) surrender, termination, or cancellation of the Lease (other than a termination upon the expiration of the Lease Term) made without Lender's prior written consent shall be of no force and effect, subject however to the provisions set forth in Sections 8 and 9 hereof, and (ii) material amendment, modification or change made without Lender's prior written consent shall be of no force and

effect as against Lender.

5. Landlord acknowledges that Lender has requested, and hereby agrees to send, copies of all notices hereafter given by Landlord to Tenant, and Landlord will send such notices to the following or to such other addresses as Lender may hereafter designate by written notice to Landlord:

Lender: Cantor Commercial Real Estate Lending, L.P.
110 East 59th Street, 6th Floor New
York, New York 10022 Attention:
Legal Department Facsimile No.
(212) 610-3623
E-Mail: legal@ccre.com

With a copy to: McGuireWoods LLP
300 N. Third Street, Suite 320
Wilmington, NC 28401
Attn: Paul J. McNamara

Servicer: Wells Fargo Bank, National Association
Commercial Mortgage Servicing
550 Tryon Street, 12th Floor
Charlotte, NC 28202 Attention:
Scott Rossbach Facsimile No.
(704) 715-0473

No notice of default or termination given by Landlord pursuant to the Lease will be effective unless and until such notice is given to Landlord in accordance herewith.

6. Landlord hereby agrees that, in the event that the Lease is terminated for any reason or in the event that the Lease is rejected in a bankruptcy proceeding, then, upon Lender's request, Landlord shall enter into a new ground lease with Lender or its designee (the "***New Ground Lease***") and such New Ground Lease shall be upon the same terms and conditions and for the unexpired term of the Lease immediately prior to such termination or rejection.

7. Landlord acknowledges and confirms that there are currently no fee mortgages or deeds of trust securing Landlord's interest in the Demised Premises (or any part thereof, or real estate upon which it is located). Further, Landlord covenants and agrees that any future mortgages or deeds of trust granted to secure Landlord's interest (or any successor owner's interest) in such property shall in all respects be fully subordinate, and subject, to the Lease and any New Ground Lease, and the foreclosure of any fee mortgage or deed of trust shall not cause termination of the Lease or any New Ground Lease.

8. In the event of an event of default by Tenant under the Lease (and after the expiration of any cure periods related thereto), Landlord shall give written notice thereof to Lender at the address indicated above (or such other address as Lender may indicate by notice hereafter to Landlord in writing) and Lender shall have the right (but not the obligation) to cure such default or failure within thirty (30) days following Lender's receipt of such notice; and Landlord shall not take any action with respect to such failure under the Lease, including, without limitation, any action intended to terminate, rescind or avoid the Lease or Tenant's tenancy, possession, or rights thereunder, for such period of thirty (30) days after Lender's receipt of such written notice; provided, however, that in the case of any nonmonetary default which cannot with diligence be cured within said 30-day period, if Lender shall proceed promptly to initiate measures to cure such failure and thereafter prosecute the curing of such failure with reasonable diligence

and continuity, the time within which such failure may be cured shall be extended for such period as may be reasonably necessary to complete the curing of such failure with diligence and continuity. Without limiting the foregoing, Landlord agrees that no event of default and no termination of the Lease, or any document entered into in connection therewith shall be effective unless notice shall first have been given to Lender in accordance with the terms of this Agreement.

9. With respect to defaults by Tenant that are not capable of or subject to cure by Lender pursuant to the preceding paragraph, so long as Lender pays or causes to be paid any rent or other monetary obligations of Tenant due under the Lease as the same becomes due, and initiates steps to acquire Tenant's interest in the Lease, by foreclosure or other appropriate means and prosecutes the same to completion with reasonable diligence and continuity (unless such action is stayed or enjoined), Landlord shall not terminate the Lease, and the Lender shall be entitled to a sufficient time period (including any period during which the Lender's actions are stayed or enjoined) to complete its steps to acquire Tenant's interest in the Lease, prior to termination of the Lease, by the Landlord. Nothing in this section, however, shall be construed to extend the Lease beyond its original term (as extended by any options to extend), nor require Lender to initiate or continue foreclosure proceedings after any event of default has been cured. If a default has been cured, and Lender has elected not to initiate or to discontinue any foreclosure proceedings, then the Lease, shall continue in full force and effect as if Tenant had not defaulted thereunder.

10. Notwithstanding anything in the Lease to the contrary, so long as Lender or any other party who succeeds to the interest of Tenant under the Lease as a result of foreclosure proceedings, the granting of an assignment in lieu of foreclosure, or through any other mortgage enforcement means, or as a result of any new lease or New Ground Lease (Lender or any such other party, "**Successor Tenant**") is the owner of the leasehold, Landlord shall look solely to the interest of Successor Tenant in the Demised Premises and the improvements located thereon in the event of the breach or default by Successor Tenant under the terms of the Lease and Landlord hereby agrees that any judgment or decree to enforce the obligations of Successor Tenant shall be enforceable only to the extent of the interest of Successor Tenant in the Demised Premises and such improvements. Any such Successor Tenant shall have the right to assign or transfer any interest of Lender or any such Successor Tenant in the Lease subject to the provisions of Section 9 of the Lease and with the prior written authorization of Landlord, which shall not be unreasonably conditioned, delayed or withheld, provided any such potential assignee or subtenant agrees in writing to be bound by and to comply with the terms and provisions of the Lease and the then-current requirements, rules and regulations imposed by the Federal Aviation Administration (the "FAA") applicable to the Demised Premises and/or the proposed transferee, including without limitation FAA policy 12.3a.(2), 12.3(b)(2) and 12.3(b)(7), as may be amended from time to time.

11. No default or event of default under the Leasehold Deed of Trust or any other Loan document will, in and of itself, constitute a default or event of default under the Lease so long as such default or event of default does not constitute a default or event of default under the Lease.

12. Landlord and Tenant hereby agree that, unless Lender shall otherwise consent in writing, Landlord's fee estate in and to the Demised Premises and the leasehold estate created by the Lease shall not merge, but shall remain separate and distinct, notwithstanding the union of such estates in Landlord, Tenant or any Successor Tenant.

13. Landlord hereby certifies and confirms the following: (a) there is no suit, action, proceeding or audit pending or, to the actual knowledge of Landlord, threatened against or affecting Landlord or the Demised Premises under the Lease at law or in equity or before or by any court, administrative agency, or other governmental authority which brings into question that the validity of the Lease or which, if determined adversely against Landlord, might result in any adverse change to the leasehold estate; (b) Landlord has not received written notice of any pending eminent domain proceedings

or other governmental actions or any judicial actions of any kind against the Landlord's interest in the Demised Premises; (c) Landlord has not received written notice that it is in violation of any governmental law or regulation applicable to its interest in the Demised Premises and its operation thereon, including, without limitation, any environmental laws or the Americans with Disabilities Act; (d) neither the execution and delivery of the Leasehold Deed of Trust, nor any modification thereof will be a default under the Lease by Landlord or Tenant; and (e) Lender may exercise, but shall not have any obligation to do so, any rights of Tenant pursuant to the Lease, directly and on Tenant's behalf (and Tenant hereby consents to such action), including exercising any extension option(s) which may be available to Tenant thereunder. As used herein, "actual knowledge" refers to the actual knowledge of J. Brian O'Neill, Executive Director.

14. This Agreement and the representations and agreements made herein are given with the understanding that this Agreement constitutes a material inducement for Lender in making the Loan to Tenant and that Lender shall rely hereon in making the Loan to Tenant. This Agreement and the representations and agreements made herein shall inure to the benefit of Lender, its successors and assigns (including any future holder of the Loan) and shall be binding on Landlord, its heirs, legal representatives, successors and assigns (including future fee owners of any part or all of the Demised Premises). Within thirty (30) days after written request by Lender, from time to time made, Landlord will execute and deliver to Lender an estoppel certificate in accordance with Section 39 of the Lease.

15. This Agreement shall terminate and be of no further force and effect upon the indefeasible payment in full of the Loan and the release of the Leasehold Deed of Trust; provided, however, that all provisions hereof relating to the rights of a Successor Tenant under the Lease or any New Ground Lease shall survive for so long as any such agreement remains in effect.

16. This Agreement may not be changed, waived or discharged orally, but only by an agreement in writing. In no event will this Agreement be construed as reducing the rights to which the lessee under the Lease or of any Leasehold Mortgagee would otherwise be entitled under the Lease.

17. This Agreement may be executed in any number of counterparts, each of which shall be effective only upon delivery and thereafter shall be deemed an original, and all of which shall be taken to be one and the same instrument, for the same effect as if all parties hereto had signed the same signature page. Any signature page of this Agreement may be detached from any counterpart of this Agreement without impairing the legal effect of any signatures thereon and may be attached to another counterpart of this Agreement identical in form hereto but having attached to it one or more additional signature pages.

[Signature Page Follows]

LANDLORD:

PHOENIX-MESA GATEWAY AIRPORT
AUTHORITY, authorized under the laws of the State of
Arizona

By: J. Brian O'Neill, Executive Director

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF _____ }
COUNTY OF _____ } S.S.

On _____ before me, _____ (here
insert name and title of the officer), personally appeared _____

_____, who
proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to
the within instrument and acknowledged to me that he/she/they executed the same in his/her/their
authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the
entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of _____ that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Notary Seal

TENANT:

SGP MESA LLC,
a Delaware limited liability company

By: A. Philip Auerbach

Title: _____

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF _____ }
COUNTY OF _____ } S.S.

On _____ before me, _____
_____ (here
insert name and title of the officer), personally appeared _____

_____, who
proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to
the within instrument and acknowledged to me that he/she/they executed the same in his/her/their
authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the
entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of _____ that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Notary Seal

EXHIBIT A

Legal Description



Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

To: Board of Directors
From: Chuck Odom, Chief Financial Officer
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: Airport Liability, Property, Casualty, Crime, Workers Compensation and Environmental Insurance
Date: May 15, 2018

Proposed Motion

To authorize the Denver Series of Lockton Companies, LLC (Lockton) under the terms of its existing Insurance Broker/Risk Management Consulting Agreement with the Phoenix-Mesa Gateway Airport Authority to purchase specific lines of insurance on behalf of the Authority for the period July 1, 2018 through June 30, 2019 at an aggregate premium cost not to exceed the budgeted amount of \$482,253.

Narrative

Phoenix-Mesa Gateway Airport Authority (PMGAA) renews the following lines of insurance on a fiscal year basis: Airport Liability, Property, Automobile, Fuel Farm (Property and Inland Marine), Crime, Executive Risk and Employment Practices, and Workers Compensation.

Due to the increase in the volume of fuel that Gateway Aviation Services provides for aircraft fueling and ground vehicles, PMGAA's risk exposure has also increased. In an effort to mitigate risk exposure in this area, PMGAA is recommending purchasing Pollution Legal Liability insurance. The premium for this is included in the total not to exceed amount.

During its marketing process, Lockton engaged several insurance carriers that provide lines of insurance coverage for airports. Insurance premiums are subject to annual increases and decreases based on many variables including, but not limited to, loss rate, marketplace demand, exposure base, and the brokers' strength in the aviation and general property/casualty marketplace. Lockton has negotiated premiums on insurance policies for the above lines of insurance for PMGAA for an estimated amount of \$473,114 for FY19. These premiums are subject to change due to any new losses incurred by PMGAA until coverage is bound.

Fiscal Impact

Premiums were included in the FY19 operating budget at \$482,253.

Attachment(s)

Renewal quote for lines of coverage.



RESOLUTION NO. 18-14

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS the Authority desires to purchase specific lines of insurance through the Denver Series of Lockton Companies, LLC;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes the Denver Series of Lockton Companies, LLC (Lockton) under the terms of its existing Insurance Broker/Risk Management Consulting Agreement with the Phoenix-Mesa Gateway Airport Authority to purchase specific lines of insurance (Airport Liability, Property, Automobile, Fuel Farm (Property and Inland Marine), Crime, Executive Risk and Employment Practices, and Workers Compensation) on behalf of the Authority for the period July 1, 2018 through June 30, 2019 at an aggregate premium cost not to exceed the budgeted amount of \$482,253. This resolution also authorizes the Chair or Executive Director/CEO to execute such Contract, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 15th day of May, 2018.

Jenn Daniels, Chair

ATTEST:

APPROVED AS TO FORM:

Maria Gonzalez, Clerk of the Board

Attorney

Insurance Proposal

Policies Renewing 7/1/18-19	Carrier	Expiring Premium	Renewal Premium	Change
Property	Travelers- Renewal	\$ 147,522	\$ 127,992	-13%
Inland Marine/Fuel Farm	Travelers- Renewal	\$ 42,089	\$ 37,796	-10%
Business Auto	Travelers- Renewal	\$ 44,395	\$ 44,095	-1%
Workers Compensation	Old Republic - Renewal	\$ 139,412	\$ 107,995	-23%
Airport Liability	AIG - Renewal	\$ 32,102	\$ 37,926	18%
D&O/EPL	Chubb - Renewal	\$ 11,070	\$ 11,070	0%
Crime (3 yr policy, 7/1/17-20: billed annually)	Travelers- Renewal	\$ 3,672	\$ 3,672	0%
Total All Lines		\$ 420,262	\$ 370,546	-12%

- All expiring lines of coverage are quoted with zero commission.

Optional Coverages	Limits	Retention	Annual Premium
Cyber Liability (Beazley Indication)	\$ 1,000,000	\$ 10,000	\$ 10,168
Fiduciary Liability (Chubb Indication)	\$ 1,000,000	\$ -	\$ 1,500
Pollution Legal Liability (Beazley Quote) 3 year option	\$ 3,000,000	\$ 50,000	\$ 90,900
Total Optional Coverages			\$ 102,568

Total Program Cost (Expiring and Optional Coverages)	\$ 473,114
---	-------------------

Payment Terms

- Travelers (Property/IM/Auto): 25% Down Payment, plus 9 equal installments
- Annual Premium due upon binding for all other lines:
 - ❖ Crime, Work Comp, Airport Liability, D&O, EPL, Crime, Fiduciary, Cyber, Pollution



Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

To: Board of Directors
From: Veronica Lewis, Human Resources Director
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: Employee Benefit Package for Fiscal Year 2019
Date: May 15, 2018

Proposed Motion

Authorizing Phoenix-Mesa Gateway Airport Authority's (PMGAA's) insurance broker, USI Insurance Service LLC, to purchase benefit plans (medical, dental, vision, basic life/accidental death & dismemberment, and short-term disability) from various carriers. This consists of a 12-month renewal July 1, 2018 through June 30, 2019 with an estimated plan cost of \$941,144 for the fiscal year.

Narrative

PMGAA's benefit broker, USI Insurance Service LLC, received quotes from current and other carriers for a 12-month medical plan. USI negotiated the best possible rate from each carrier and was able to negotiate decreases in the rates. As a result, we are proposing a carrier change from Cigna to United Healthcare who quoted an average 3.7% decrease in rates with similar plan coverage options.

PMGAA is recommending the addition of a High Deductible Health Plan with a Health Savings Account. This option provides a lower premium cost and will allow PMGAA to contribute \$1,350 of the \$2,700 deductible per year. In addition, it is recommended that the employee only coverage for this plan be provided at no cost to employees. These recommendations are to encourage enrollment in this plan and reduce the overall costs of medical benefits for both employees and PMGAA.

PMGAA staff proposes that UNUM continue to be the carrier for dental, basic life/accidental death & dismemberment, and short-term disability plans as there is 0% increase in premiums. Additionally, it is recommended that EyeMed continue to be the vision carrier as there also is 0% increase in premiums due to the 48-month rate guarantee that was negotiated during the FY17 renewal period.

Providing competitive benefits has been, and continues to be a major retention and attraction tool in PMGAA's recruiting and employee retention efforts. In that regard, the objective is to maintain a high level of plan services and minimize costs. We considered plan benefit levels, costs to employees, and the overall budget effect of the plans.

Fiscal Impact

Cost of the benefits package for FY19 is estimated to be \$766,503 (employer's portion) and \$174,641 (employee's portion) for a total of \$941,144. This amount is within the FY19 budget and reflects a decrease of approximately \$94,572 from FY18.

Attachment(s)

Group Benefits Renewal and Marketing Proposal



RESOLUTION NO. 18-15

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS the Authority desires to purchase specific lines of insurance through USI Insurance Service LLC.;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes the Authority’s insurance broker, USI Insurance Service LLC, to purchase benefit plans (medical, dental, vision, basic life/accidental death & dismemberment, and short-term disability) from various carriers. This consists of a 12-month renewal July 1, 2018 through June 30, 2019 with an estimated plan cost of \$941,144 for the fiscal year This resolution also authorizes the Chair or Executive Director/CEO to execute such Contract, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 15th day of May, 2018.

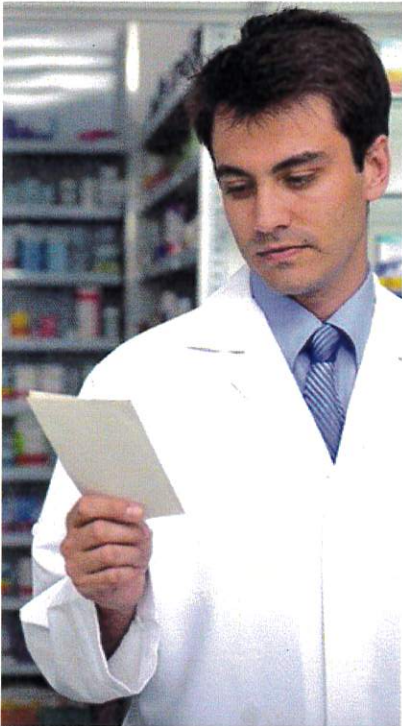
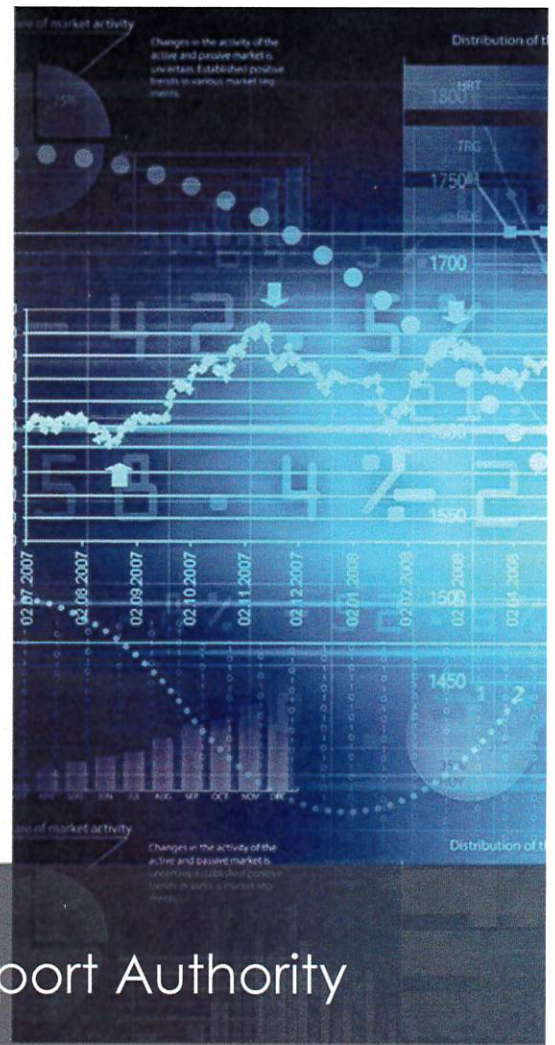
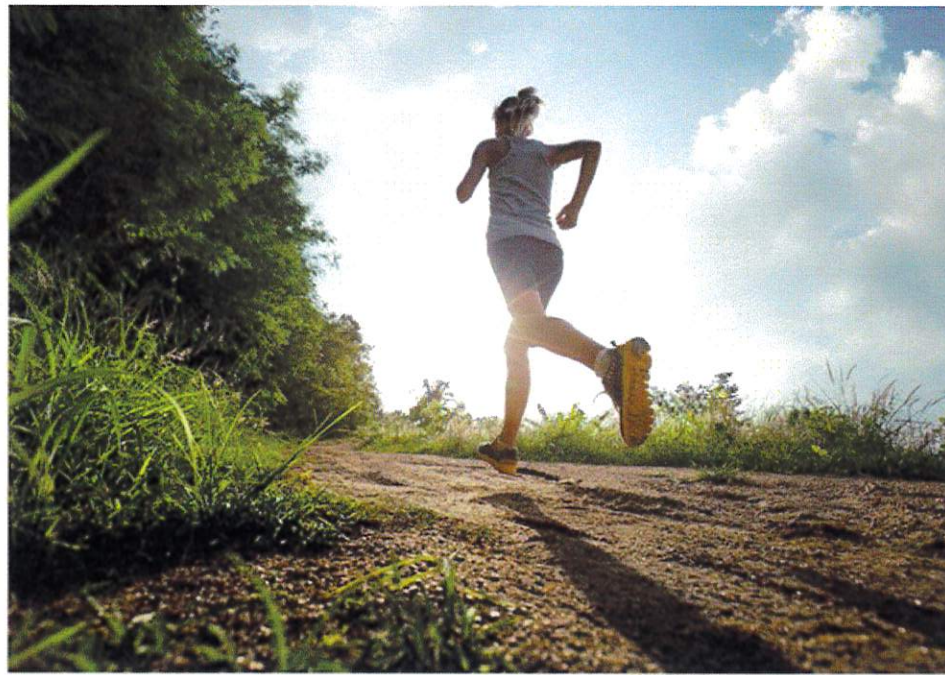
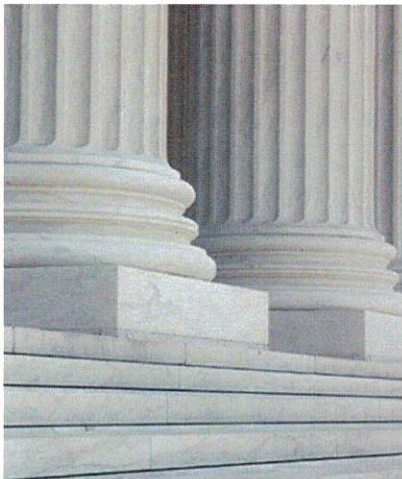
Jenn Daniels, Chair

ATTEST:

APPROVED AS TO FORM:

Maria Gonzalez, Clerk of the Board

Attorney



04-23-2018

GROUP BENEFITS RENEWAL AND MARKETING PROPOSAL

Phoenix-Mesa Gateway Airport Authority



Jim McCauley, Senior Benefits Consultant | Betty Whalley, Benefits Account Executive
www.usi.com



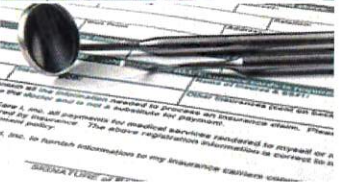
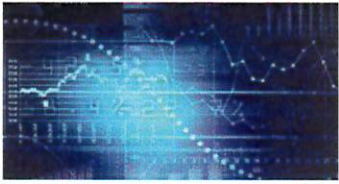


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Executive Summary

Executive summary

July 1, 2018

USI Insurance is pleased to present Phoenix-Mesa Gateway Airport Authority with its renewal calculation and next steps for the upcoming renewal year. The following exhibits will outline our cost projections and possible strategies to review and consider.

Medical - Cigna Healthcare

Renewal: 16% increase

Negotiated Renewal: 4% increase

The proposed renewal from Cigna Healthcare reflects a 4% increase. This renewal includes:

- 1) Health Engagement Fund (Wellness) of \$3,000
- 2) Addition of Autism coverage, including ABA (Applied Behavioral Analysis). ABA, speech and occupational therapy rendered for the treatment of autism will not be subject to age, visit or dollar limits. It will be subject to prior authorization.

This renewal may be offered under the current Fully Insured funding basis or under a Level Funding basis. Level Funding is a self-funded arrangement which administratively very similar to fully-insured. The advantages of Level Funding are:

- 1) Claim experience is available and reported on a monthly basis
- 2) Opportunity for returned surplus (66% to PMGAA, 34% to Cigna). Deficit is retained by Cigna Reinsurance
- 3) Protection with \$40,000 specific stop loss limit for each insurance member
- 4) Plan design flexibility
- 5) Eases future transition to self-funding, if desired

There are a couple additional responsibilities with Level Funding (self-funded) program:

- 1) Reporting of the 1094-B and 1095-B IRS forms
- 2) The ACA imposes a fee on self-funded policies to help fund the Patient-Centered Outcomes Research Institute (PCORI). In 2018, this fee is \$2.26 per member per month and is due by July 31st of each year.

Market Evaluation

To ensure the most competitive benefit program for Phoenix-Mesa Gateway Airport Authority, USI Insurance Services requested our Request for Proposal to the marketplace.

Cigna Healthcare

PMGAA Renewal History

2014: 0% (2 year rate guarantee)

2015: 0% (2 year rate guarantee)

2016: +5%

2017: +5%

2018: +4%

5 Year Average +2.8%

Loss History

2017-18 Loss Ratio is approaching 100%

5 Large Claims over \$50,000

\$141k – Osteonecrosis, Femur

\$104k – Major Depressive Disorder

\$94k – Unilateral post-traumatic osteoarthritis knee

\$76k – Chronic Atrial Fibrillation

\$64k – Crohn's Disease

United Healthcare

United Healthcare has proposed a plan which matches the \$250 and \$500 deductible plans and including their national network. They have proposed a third option which is an HMO. Referred to as the "Navigator" option, this plan does require selection of Primary Care Providers at enrollment. The network does not include Banner Health System or Mayo. The pricing for this program does reflect a **6% decrease from the current pricing or approximately \$58,700.**

As a second option, we've replaced the previous Navigate HMO option with a \$1,000 deductible 80% plan. The pricing for this option is an **overall 3.3% decrease from the current premium or approximately \$31,000.**

United Healthcare has also proposed the following Wellness initiatives for PMGAA members:

Simply Engaged. This program includes onsite biometric screenings as well as UHC funded gift cards for participating in such events as taking Health Surveys, Telephonic Coaching, using the Health Cost Estimator and Fitness Actions offered by the program. Employees and spouses can each earn up to \$200 in gift cards.

Aetna Healthcare

Aetna has proposed a program which matches the deductibles and out-of-pocket maximums for all plans. There are some plan variations which we have highlighted within this proposal. They have also proposed their "Banner" Network. This is a narrow network limited to Maricopa County and inclusive of Banner Health System and Honor Health. The pricing for this program is an **overall 3% decrease from the current premium or \$29,000 savings.**

Aetna has included their Wellness Program which includes onsite biometric screenings through Quest Diagnostics. In addition they will provide \$50 gift cards for employees and spouses who complete a Health Risk Assessment.

Blue Cross Blue Shield of Arizona

The proposal provided by Blue Cross Blue Shield of Arizona was not as price competitive nor were they able to match the current level of benefits. The pricing for this program is an overall 21% increase in premium.

Dental - UNUM/United Concordia

Renewal (UCCI) - 5% increase

Renewal Offering (UNUM) - 0% increase

Effective January, 2018, UNUM and United Concordia ended their joint partnership to offer dental coverage to UNUM's client base. Since UNUM has purchased their own network of dentists (AlwaysCare Plus Dentemax) which has more participating dentists available to PMGAA members:

Network	Totals	EN	GD	OR	OS	PD	PE
AlwaysCare Plus Dentemax (Unum)	1,364	69	1,023	96	69	72	31
United Concordia Advantage Plus 2.0	1,165	65	862	91	60	64	32

UNUM has also matched the current level of benefits and added a carryover feature to the plan. How this feature works is if a member submits qualifying claims for covered expenses during the plan year and in that plan year received benefits that are less than PMGAA's threshold limit (\$800), the member will be credited a carryover benefit (\$400). This carryover benefit will be accrued and in the members "carryover account" to be used in the next plan year. The maximum carryover amount is \$1,500.

To be eligible for the carryover, the member must be enrolled in the plan at least four months prior to the start of the new policy year (March, 2018). Only claims which are incurred on or after the effective date will count toward the threshold limit. The carryover benefit does not apply to orthodontia services.

Vision - EyeMed

Renewal - 0% increase

The vision rates and benefits are under a rate guarantee with EyeMed. The next renewal will take place July 1, 2020.

Life & Disability - UNUM Life Insurance Company

Renewal - 0% increase

The life and disability coverage are under a rate guarantee with UNUM. The next renewal will take place on July 1, 2019.

We have also illustrated a base/buy-up program for your consideration.

Thank you for this opportunity to present the Phoenix-Mesa Gateway Airport Authority's Employee Benefit Renewal. We value your business and look forward to continuing to service your business.



Market Response

Market response¹

July 1, 2018

Carrier	RFP Response	A.M. Best Rating ²	Carrier Website
Medical			
Aetna	Quoted	A	www.aetna.com
Blue Cross Blue Shield	Quoted	NR	www.azblue.com
Cigna	Renewal	A	www.cigna.com
United Healthcare	Quoted	A	www.uhc.com

Notes:

^[1] Details pertaining to any quote obtained by USI Insurance are available upon request.

^[2] A.M. Best Ratings:

A.M. Best has 15 rating categories ranking from A++ to F. A rating of "A+" is assigned to companies which, in Best's opinion, have demonstrated superior overall performance. These companies have a very strong ability to meet their obligations to policyholders over a long period of time. A rating of "A" is assigned to companies which, in Best's opinion, have demonstrated excellent performance. These companies have a strong ability to meet their obligations to policyholders over a long period of time. Best's ratings reflect the independent opinion of the financial strength and operating performance of an insurer relative to standards established by the A.M. Best Company. Best's ratings are not a warranty of an insurer's current or future ability to meet its obligations, nor are they a recommendation of a specific policy form, contract, rate or claim practice.

Carriers/vendors that were asked to quote were those agreed upon during the pre-renewal and/or strategy meeting

Final rates are subject to actual enrollment, plan design(s) selected and underwriting approval.



Medical

Medical benefits and cost summary

July 1, 2018

	Census	Cigna Healthcare			United Healthcare	United Healthcare	Aetna	Blue Cross Blue Shield
		Current	Renewal	Neg. Renewal	Proposed Opt 1	Proposed Opt 2	Proposed	Proposed
Medical - \$250 Deductible		Open Access Plus Network (National)			Choice Plus Network (National)	Choice Plus Network (National)	OAMC Broad Network (National)	Preferred Network (National)
Deductible (Individual/Family)		\$250 / \$750			\$250 / \$750	\$250 / \$750	\$250 / \$750	\$250 / \$500
Coinsurance		90%			90%	90%	90%	90%
Out-of-pocket maximum (Ind/Fam)		\$2,500 / \$5,000			\$2,500 / \$5,000	\$2,500 / \$5,000	\$2,500 / \$5,000	\$3,250 / \$6,500
Office visit copayments (PCP/Spec)		\$25 / \$50			\$25 / \$50	\$25 / \$50	\$20 / \$40	\$25 / \$45
Complex x-ray and lab (CT/PET/MRI)		Deductible then 90%			Deductible then 90%	Deductible then 90%	\$250 copay/procedure	Deductible then 90%
Diagnostic x-ray and lab		Office visit copay			Office visit copay	Office visit copay	Office visit copay	Office visit copay
Inpatient hospital		Deductible then 90%			Deductible then 90%	Deductible then 90%	Deductible then 90%	Deductible then 90%
Outpatient hospital		Deductible then 90%			Deductible then 90%	Deductible then 90%	\$500 copay/procedure	Deductible then 90%
Emergency Room copayment		\$200 copay per visit			\$200 copay per visit	\$200 copay per visit	\$300 Copay per visit	\$300 copay per visit
Urgent care		\$75 copay per visit			\$75 copay per visit	\$75 copay per visit	\$75 copay per visit	\$60 copay per visit
Retail Prescription drug copayments		\$10 / \$35 / \$60			\$10 / \$35 / \$60	\$10 / \$35 / \$60	\$15 / \$25 / \$40 / 20%	\$15 / \$45 / \$75 / \$130 Specialty: A)\$60 B)\$110 C)\$160 D)\$210
Mail order drug copayments		\$25 / \$88 / \$150			\$25 / \$88 / \$150	\$25 / \$88 / \$150	\$30 / \$50 / \$80	\$30 / \$90 / \$150 / \$260
Out-of-Network								
Deductible (Individual/Family)		\$500 / \$1,500			\$500 / \$1,500	\$500 / \$1,500	\$500 / \$1,500	\$500 / \$1,000
Coinsurance		70%			70%	70%	70%	50%
Out-of-pocket maximum (Ind/Fam)		\$5,000 / \$10,000			\$5,000 / \$10,000	\$5,000 / \$10,000	\$5,000 / \$10,000	\$6,500 / \$13,000
Monthly rates		Current	Renewal	Neg. Renewal	Proposed	Proposed	Proposed	Proposed
Employee	53	\$639.76	\$742.09	\$665.37	\$615.07	\$615.07	\$620.47	\$780.99
Employee +1	3	\$1,311.48	\$1,521.32	\$1,363.97	\$1,260.88	\$1,260.88	\$1,271.95	\$1,561.98
Family	7	\$1,695.32	\$1,966.57	\$1,763.17	\$1,629.95	\$1,629.95	\$1,644.21	\$2,186.77
Monthly premium	63	\$49,709	\$57,661	\$51,699	\$47,791	\$47,791	\$48,210	\$61,386
Annual premium		\$596,508	\$691,929	\$620,385	\$573,492	\$573,492	\$578,523	\$736,630
% Change over current		N/A	16.00%	4.00%	-3.86%	-3.86%	-3.02%	23.49%

Medical benefits and cost summary

July 1, 2018

	Census	Cigna Healthcare			United Healthcare	United Healthcare	Aetna	Blue Cross Blue Shield
		Current	Renewal	Neg. Renewal	Proposed Opt 1	Proposed Opt 2	Proposed	Proposed
Medical - \$500 Deductible		Open Access Plus Network (National)			Choice Plus Network (National)	Choice Plus Network (National)	OAMC Broad Network (National)	Preferred Network (National)
Deductible (Individual/Family)		\$500 / \$1,500			\$500 / \$1,500	\$500 / \$1,500	\$500 / \$1,500	\$500 / \$1,000
Coinsurance		80%			80%	80%	80%	80%
Out-of-pocket maximum (Ind/Fam)		\$3,000 / \$6,000			\$3,000 / \$6,000	\$3,000 / \$6,000	\$3,000 / \$6,000	\$4,500 / \$9,000
Office visit copayments (PCP/Spec)		\$25 / \$50			\$25 / \$50	\$25 / \$50	\$30 / \$60	\$25 / \$45
Complex x-ray and lab (CT/PET/MRI)		Deductible then 80%			Deductible then 90%	Deductible then 90%	Deductible then 80%	Deductible then 80%
Diagnostic x-ray and lab		Office visit copay			Office visit copay	Office visit copay	Deductible then 80%	Office visit copay
Inpatient hospital		Deductible then 80%			Deductible then 80%	Deductible then 80%	Deductible then 80%	Deductible then 80%
Outpatient hospital		Deductible then 80%			Deductible then 80%	Deductible then 80%	Deductible then 80%	Deductible then 80%
Emergency Room copayment		\$200 copay per visit			\$200 copay per visit	\$200 copay per visit	\$300 copay per visit	\$300 copay per visit
Urgent care		\$75 copay per visit			\$75 copay per visit	\$75 copay per visit	\$75 copay per visit	\$60 copay per visit
Retail Prescription drug copayments		\$10 / \$35 / \$60			\$10 / \$35 / \$60	\$10 / \$35 / \$60	\$20 / \$40 / \$70	\$15 / \$45 / \$75 / \$130 Specialty: A)\$60 B)\$110 C)\$160 D)\$210
Mail order drug copayments		\$25 / \$88 / \$150			\$25 / \$88 / \$150	\$25 / \$88 / \$150	\$40 / \$80 / \$140	\$30 / \$90 / \$150 / \$260
Out-of-Network								
Deductible (Individual/Family)		\$1,000 / \$3,000			\$1,000 / \$3,000	\$1,000 / \$3,000	\$1,000 / \$3,000	\$1,000 / \$2,000
Coinsurance		50%			50%	50%	60%	50%
Out-of-pocket maximum (Ind/Fam)		\$6,000 / \$12,000			\$6,000 / \$12,000	\$6,000 / \$12,000	\$6,000 / \$12,000	\$9,000 / \$18,000
Monthly rates		Current	Renewal	Neg. Renewal	Proposed	Proposed	Proposed	Proposed
Employee	3	\$594.04	\$689.09	\$617.79	\$572.65	\$572.65	\$588.49	\$701.41
Employee +1	2	\$1,217.77	\$1,412.62	\$1,266.46	\$1,173.91	\$1,173.91	\$1,206.40	\$1,402.82
Family	7	\$1,574.17	\$1,826.04	\$1,637.11	\$1,517.48	\$1,517.48	\$1,559.50	\$1,963.95
Monthly premium	12	\$15,237	\$17,675	\$15,846	\$14,688	\$14,688	\$15,095	\$18,658
Annual premium		\$182,842	\$212,097	\$190,153	\$176,258	\$176,258	\$181,137	\$223,890
% Change over current		N/A	16.00%	4.00%	-3.60%	-3.60%	-0.93%	22.45%

Medical benefits and cost summary

July 1, 2018

	Census	Cigna Healthcare			United Healthcare	United Healthcare	Aetna	Blue Cross Blue Shield
		Current	Renewal	Neg. Renewal	Proposed Opt 1	Proposed Opt 2	Proposed	Proposed
Medical - \$500 Deductible		Local Plus Network (Maricopa County)			HMO Plan Navigate Network (1) (2)	PPO Choice Plus National Network (BEJR)	Banner Network (Maricopa County)	Alliance Network (Maricopa County)
Deductible (Individual/Family)		\$500 / \$1,500			\$750 / \$1,500	\$1,000 / \$2,000	\$500 / \$1,500	\$1,000 / \$2,000
Coinsurance		80%			80%	80%	80%	80%
Out-of-pocket maximum (Ind/Fam)		\$3,000 / \$6,000			\$4,500 / \$9,000	\$4,000 / \$8,000	\$3,000 / \$6,000	\$5,000 / \$10,000
Office visit copayments (PCP/Spec)		\$25 / \$50			\$30 / \$60	\$25 / \$50	\$30 / \$60	\$25 / \$45
Complex x-ray and lab (CT/PET/MRI)		Deductible then 80%			Deductible then 80%	\$500 copay/procedure	Deductible then 80%	Deductible then 80%
Diagnostic x-ray and lab		Office visit copay			\$25 copay/service	Office visit copay	Office visit copay	Office visit copay
Inpatient hospital		Deductible then 80%			Deductible then 80%	Deductible then 80%	Deductible then 80%	Deductible then 80%
Outpatient hospital		Deductible then 80%			Deductible then 80%	Deductible then 80%	Deductible then 80%	Deductible then 80%
Emergency Room copayment		\$200 copay per visit			Deductible then 80%	\$400 copay per visit	\$300 copay per visit	\$300 copay per visit
Urgent care		\$75 copay per visit			\$50 copay per visit	\$50 copay per visit	\$75 copay per visit	\$60 copay per visit
Retail Prescription drug copayments		\$10 / \$35 / \$60			\$10 / \$35 / \$60	\$10 / \$35 / \$60	\$20 / \$40 / \$70	\$15 / \$45 / \$75 / \$130 Specialty: A)\$60 B)\$110 C)\$160 D)\$210
Mail order drug copayments		\$25 / \$88 / \$150			\$25 / \$88 / \$150	\$25 / \$88 / \$150	\$40 / \$80 / \$140	\$30 / \$90 / \$150 / \$260
Out-of-Network								
Deductible (Individual/Family)		\$1,000 / \$3,000			\$15,000 / \$30,000	\$5,000 / \$10,000	\$1,000 / \$3,000	\$2,000 / \$4,000
Coinsurance		50%			50%	50%	60%	50%
Out-of-pocket maximum (Ind/Fam)		\$6,000 / \$12,000			\$45,000 / \$90,000	\$10,000 / \$20,000	\$6,000 / \$12,000	\$10,000 / \$20,000
Monthly rates		Current	Renewal	Neg. Renewal	Proposed	Proposed	Proposed	Proposed
Employee	0	\$540.06	\$626.45	\$561.68	\$435.69	\$534.74	\$506.10	\$555.16
Employee +1	1	\$1,107.11	\$1,284.21	\$1,151.45	\$893.15	\$1,096.19	\$1,037.50	\$1,110.32
Family	8	\$1,431.14	\$1,660.07	\$1,488.45	\$1,154.55	\$1,417.02	\$1,341.17	\$1,554.45
Monthly premium	9	\$12,556	\$14,565	\$13,059	\$10,130	\$12,432	\$11,767	\$13,546
Annual premium		\$150,675	\$174,777	\$156,709	\$121,555	\$149,188	\$141,202	\$162,551
% Change over current		N/A	16.00%	4.00%	-19.33%	-0.99%	-6.29%	7.88%
Total monthly premium	84	\$77,502	\$89,900	\$80,604	\$72,609	\$74,911	\$75,072	\$93,589
Total annual premium		\$930,024	\$1,078,803	\$967,246	\$871,304	\$898,938	\$900,862	\$1,123,071
\$ Change over current			\$148,779	\$37,221	-\$58,720	-\$31,087	-\$29,162	\$193,046
% Change over current			16.00%	4.00%	-6.31%	-3.34%	-3.14%	20.76%
Rate Guarantee				12-months	12-months	12-months	12-months	12-months

(1) United Healthcare's Navigate is an HMO arrangement which requires PCP selection upon enrollment. Network does not include Banner Health System and Mayo.

(2) The illustrated copayments assume member receives referral for services

Notes:

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Medical benefits and cost summary

July 1, 2018

H.S.A. Options

		United Healthcare	Aetna	Blue Cross Blue Shield
	Census	Proposed	Proposed	Proposed
\$2,500 Deductible HDHP/H.S.A.		BEI4	\$2500/80%	Not Available
Deductible (Individual/Family)		\$2,500 / \$5,000	\$2,500 / \$5,000	
Coinsurance		80%	80%	
Out-of-pocket maximum (Ind/Fam)		\$4,500 / \$6,850	\$5,550 / \$11,100	
Office visit copayments (PCP/Spec)		Deductible then 80%	Deductible then 80%	
Complex x-ray and lab (CT/PET/MRI)		Deductible then 80%	Deductible then 80%	
Diagnostic x-ray and lab		Deductible then 80%	Deductible then 80%	
Inpatient hospital		Deductible then 80%	Deductible then 80%	
Outpatient hospital		Deductible then 80%	Deductible then 80%	
Emergency Room copayment		Deductible then 80%	Deductible then 80%	
Urgent care		Deductible then 80%	Deductible then 80%	
Retail Prescription drug copayments		Deductible then \$10/\$35/\$60	Deductible then \$15/\$25/\$40/20% to \$250	
Mail order drug copayments		Deductible then 2.5x Retail Copay	Deductible then 3x Retail Copay	
Out-of-Network				
Deductible (Individual/Family)		\$5,000 / \$10,000	\$5,000 / \$10,000	
Coinsurance		50%	50%	
Out-of-pocket maximum (Ind/Fam)		\$10,000 / \$20,000	\$13,500 / \$27,000	
Monthly rates		Proposed	Proposed	Proposed
Employee	56	\$402.68	\$445.24	
Employee +1	6	\$825.48	\$912.73	
Family	22	\$1,067.07	\$1,179.88	
	Monthly premium	\$50,979	\$56,367	
	Annual premium	\$611,742	\$676,406	

Medical benefits and cost summary

H.S.A. Options

July 1, 2018

		United Healthcare	Aetna	Blue Cross Blue Shield
	Census	Proposed	Proposed	Proposed
\$2,700 Deductible HDHP/H.S.A.		AS9G	\$2,750 / 80%	\$2,700 / 80%
Deductible (Individual/Family)		\$2,700 / \$5,400	\$2,750 / \$5,500	\$2,700 / \$5,400
Coinsurance		80%	80%	80%
Out-of-pocket maximum (Ind/Fam)		\$5,000 / \$10,000	\$5,500 / \$11,000	\$5,000 / \$10,000
Office visit copayments (PCP/Spec)		Deductible then 80%	Deductible then 80%	Deductible then 80%
Complex x-ray and lab (CT/PET/MRI)		Deductible then 80%	Deductible then 80%	Deductible then 80%
Diagnostic x-ray and lab		Deductible then 80%	Deductible then 80%	Deductible then 80%
Inpatient hospital		Deductible then 80%	Deductible then 80%	Deductible then 80%
Outpatient hospital		Deductible then 80%	Deductible then 80%	Deductible then 80%
Emergency Room copayment		Deductible then 80%	Deductible then 80%	Deductible then 80%
Urgent care		Deductible then 80%	Deductible then 80%	Deductible then 80%
Retail Prescription drug copayments		Deductible then \$10/\$35/\$60	Deductible then \$15/\$25/\$40/20% to \$250	Deductible then 80%
Mail order drug copayments		Deductible then 2.5x Retail	Deductible then 3x Retail Copay	Deductible then 80%
Out-of-Network				
Deductible (Individual/Family)		\$5,000 / \$10,000	\$5,500 / \$11,000	\$5,400 / \$10,800
Coinsurance		50%	50%	50%
Out-of-pocket maximum (Ind/Fam)		\$10,000 / \$20,000	\$10,000 / \$20,000	\$10,000 / \$20,000
Monthly rates				
Employee	56	\$395.04	\$436.64	\$493.71
Employee +1	6	\$809.81	\$895.11	\$978.42
Family	22	\$1,046.83	\$1,157.10	\$1,382.39
Monthly premium	84	\$50,011	\$55,279	\$63,931
Annual premium		\$600,136	\$663,344	\$767,170

Medical benefits and cost summary

H.S.A. Options

July 1, 2018

		United Healthcare	Aetna	Blue Cross Blue Shield
	Census	Proposed	Proposed	Proposed
\$3,000 Deductible HDHP/H.S.A.		YMG	\$3,000 / 80%	\$3,000 / 80%
Deductible (Individual/Family)		\$3,000 / \$6,000	\$3,000 / \$6,000	\$3,000 / \$6,000
Coinsurance		80%	80%	80%
Out-of-pocket maximum (Ind/Fam)		\$6,250 / \$12,500	\$6,550 / \$13,100	\$5,000 / \$10,000
Office visit copayments (PCP/Spec)		Deductible then 80%	Deductible then 80%	Deductible then 80%
Complex x-ray and lab (CT/PET/MRI)		Deductible then 80%	Deductible then 80%	Deductible then 80%
Diagnostic x-ray and lab		Deductible then 80%	Deductible then 80%	Deductible then 80%
Inpatient hospital		Deductible then 80%	Deductible then 80%	Deductible then 80%
Outpatient hospital		Deductible then 80%	Deductible then 80%	Deductible then 80%
Emergency Room copayment		Deductible then 80%	Deductible then 80%	Deductible then 80%
Urgent care		Deductible then 80%	Deductible then 80%	Deductible then 80%
Retail Prescription drug copayments		Deductible then \$10/\$35/\$60	Deductible then \$15/\$25/\$40/20% to \$250	Deductible then 80%
Mail order drug copayments		Deductible then 2.5x Retail	Deductible then 3x Retail Copay	Deductible then 80%
Out-of-Network				
Deductible (Individual/Family)		\$6,000 / \$12,000	\$6,000 / \$12,000	\$6,000 / \$12,000
Coinsurance		50%	50%	50%
Out-of-pocket maximum (Ind/Fam)		\$18,000 / \$36,000	\$13,500 / \$27,000	\$10,000 / \$20,000
Monthly rates				
Employee	56	\$375.91	\$418.75	\$467.15
Employee +1	6	\$770.60	\$858.44	\$934.30
Family	22	\$996.14	\$1,109.70	\$1,308.02
Monthly premium	84	\$47,590	\$53,014	\$60,543
Annual premium		\$571,076	\$636,168	\$726,512

Notes:

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Dental

Dental benefits and cost summary

July 1, 2018

	Census	United Concordia		UNUM
		Current	Renewal	Proposed
Dental PPO Offering				
Deductible (Individual/Family)		\$50 / \$150		\$50 / \$150
Coinsurance				
Preventive		100%		100%
Examinations, x-rays,				
Prophylaxis, fluoride treatment				
Sealants				
Basic		90%		90%
Composite resin fillings				
Endodontics				
Oral Surgery				
Periodontics				
Major		60%		60%
Crowns, bridges, dentures				
Inlays/onlays, implants				
Orthodontia		Adults & Children - 50%		Adults & Children 50%
Annual plan maximum		\$2,000		\$2,000
Lifetime orthodontia maximum		\$1,000		\$1,000
Out-of-Network				
Coinsurance		100 / 80 / 50 / 50		100 / 80 / 50 / 50
Reimbursement level		90th percentile		90th percentile
Monthly rates				
Employee	52	\$32.60	\$34.23	\$32.60
Employee + 1 Dependent	12	\$64.40	\$67.62	\$64.40
Employee + Family	30	\$95.50	\$100.28	\$95.50
Monthly premium	94	\$5,333	\$5,600	\$5,333
Annual premium		\$63,996	\$67,198	\$63,996
			\$3,202	\$0
% Change over current			5.00%	0.00%

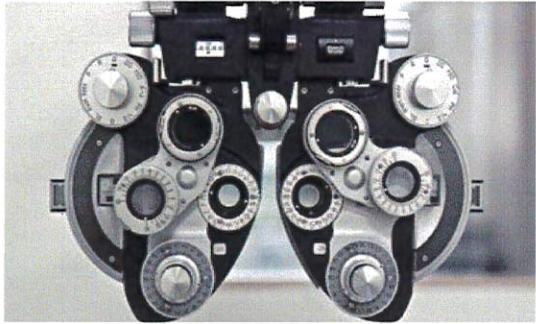
Notes:

Participation in the Dental plans is based on current dental elections.

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Vision

Vision benefit summary

July 1, 2018

		EyeMed	
General plan information		PPO	Non-PPO
Copay			
Examination		\$20 copay	Up to \$40
Materials		\$0 copay	See below
Benefit frequency			
Examination			12 months
Lenses			12 months
Frames			12 months
Contacts			12 months
Covered services			
Lenses			
Single vision lens		100%	Up to \$30
Bifocal lens		100%	Up to \$50
Trifocal lens		100%	Up to \$70
Frames		Up to \$130, 20% off balance	Up to \$91
Contacts - in lieu of glasses			
Medically necessary		100%	Up to \$210
Elective		Up to \$130, 15% off balance	Up to \$130
Other Services			
Corrective Vision Services (e.g. laser vision)		Discounted	Not covered
Cost comparison			
	Census	Current	Renewal
Rating tier			
Employee	49	\$5.61	\$5.61
Employee +1	13	\$10.67	\$10.67
Family	19	\$15.66	\$15.66
	Monthly premium	\$711	\$711
	Annual premium	\$8,534	\$8,534
	\$ Change over current	N/A	\$0
	% Change over current	N/A	0.00%
	Rate guarantee		24 months

Notes:

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Basic Life and Disability

Basic life and AD&D benefit summary

July 1, 2018

		UNUM	
General plan information			
Life and AD&D benefit amount			
Employee		One (1) time annual salary to \$150,000	
Applies to both Life and AD&D?		Yes	
Reduction of benefits schedule (Life and AD&D)			
65 - 69		Reduced 0%	
70 - 74		35% of original benefit	
75 - 79		50% of original benefits	
80 - 84		No further reduction	
Waiver of premium		Included	
Accelerated benefit		100% of life benefit	
Portability		Included	
Conversion		Not included	
Contributory/Non-Contributory		100% employer paid	
Cost comparison		Current	Renewal
Volume	102	\$6,137,000	\$6,137,000
Life rate per \$1,000		\$0.19	\$0.19
AD&D rate per \$1,000		\$0.03	\$0.03
Total rate per \$1,000		\$0.22	\$0.22
Dependent life (per dependent unit)			
	Total monthly premium	\$1,350	\$1,350
	Total annual premium	\$16,202	\$16,202
	\$ Change over current		\$0
	% Change over current		0.00%
	Rate guarantee		12-months

Notes:

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Voluntary Life and AD&D benefit summary

July 1, 2018

	UNUM
Life and AD&D benefit amount	
Employee	Increments of \$10,000
Spouse	Increments of \$5,000
Child(ren)	Increments of \$2,000
Guarantee issue amount	
Employee	\$100,000
Spouse	\$25,000
Child(ren)	\$10,000
Overall maximum	
Employee	Lesser of 5x annual salary or \$500,000
Spouse	Lesser of employee elected amount or \$500,000
Child(ren)	\$10,000
Reduction of benefits schedule (Life and AD&D)	
65 - 69	No reduction
70 - 74	35% reduction
75 - 79	50% reduction
80 - 84	No further reduction
Accelerated death benefit	Included
Portability	Included
Conversion	Not Included
Suicide exclusion	Included

Voluntary Life and AD&D benefit summary

July 1, 2018

Voluntary life / AD&D premium	Current and Renewal
Under age 30	\$0.09
30 - 34	\$0.09
35 - 39	\$0.12
40 - 44	\$0.180
45 - 49	\$0.300
50 - 54	\$0.480
55 - 59	\$0.800
60 - 64	\$0.990
65 - 69	\$1.470
70 - 74	\$2.840
75 +	\$2.840
Spouse	Same as Above. Spouse rates are based on employee's age.
Child(ren)	\$0.245 / \$1,000
AD&D Rate	\$0.03
Rate guarantee	12 months

Notes:

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Short term disability benefit summary

July 1, 2018

	UNUM		Base/Buy Up Option
General plan information			
Elimination period			
Accident	30 days		ER 30 days / EE 14 days
Sickness	30 days		ER 30 days / EE 14 days
Benefit percentage	60%		60%
Weekly benefit maximum	\$1,000		\$1,000
Maximum period of payment	22 weeks		22 weeks
Minimum weekly benefit	\$25		\$25
24 hour coverage	Non-occupational		Non-occupational
Recurrent disability benefit	Included		Included
Definition of earnings	80% loss of income		80% loss of income
Cost comparison	Current	Renewal	Option 1
Covered weekly benefit volume	\$61,449.00	\$61,449.00	\$61,449.00
Weekly benefit basis	\$10.00	\$10.00	\$10.00
Rate per weekly benefit	\$0.23	\$0.23	\$0.26
Total monthly premium	\$1,413	\$1,413	\$1,597.67
Total annual premium	\$16,960	\$16,960	\$19,172.09
\$ Change over current		\$0	\$2,212.16
% Change over current		0%	13.04%
Rate guarantee		12-months	12-months

Employee Buy Up Rates	
<25	\$0.45
25-29	\$0.55
30-34	\$0.63
35-39	\$0.60
40-44	\$0.58
45-49	\$0.64
50-54	\$0.74
55-59	\$0.81
60-64	\$0.96
65-69	\$1.10
70+	\$1.10

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Total cost summary

July 1, 2018

Coverage	Cigna Healthcare			United Healthcare - Option 1		United Healthcare - Option 2		Aetna Healthcare	
	Current cost	Final renewal	%	Proposed	%	Proposed	%	Proposed	%
Medical	\$930,024	\$967,246	4.0%	\$871,304	-6.3%	\$898,938	-3.3%	\$900,862	-3.1%
Dental	\$63,996	\$63,996	0.0%	\$63,996	0.0%	\$63,996	0.0%	\$63,996	0.0%
Vision	\$8,534	\$8,534	0.0%	\$8,534	0.0%	\$8,534	0.0%	\$8,534	0.0%
Basic life and AD&D	\$16,202	\$16,202	0.0%	\$16,202	0.0%	\$16,202	0.0%	\$16,202	0.0%
Short term disability	\$16,960	\$16,960	0.0%	\$16,960	0.0%	\$16,960	0.0%	\$16,960	0.0%
Annual total - All premiums	\$1,035,716	\$1,072,937		\$976,995		\$1,004,629		\$1,006,554	
\$ Change over current	N/A	\$37,221		(\$58,720)		(\$31,087)		(\$29,162)	
% Change over current	N/A	3.6%		-5.7%		-3.0%		-2.8%	

Cigna: Cigna - Medical, UNUM - Dental, UNUM - Life Insurance, UNUM Disability

United Healthcare: United Healthcare - Medical, UNUM - Dental, UNUM - Life Insurance, UNUM Disability

Aetna: Aetna - Medical, UNUM - Dental, UNUM - Life Insurance, UNUM Disability

Notes:

Rates above are based on the census data provided by Phoenix-Mesa Gateway Airport Authority and assume an 7/1/2018 effective date.

Final rates are subject to actual enrollment, plan design(s) selected and underwriting approval.

This exhibit is intended as a brief comparison of benefits and does not include all benefits, exclusions or limitations. Please refer to SPD or proposal for full details.



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Disclaimer

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Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

To: Board of Directors
From: Shea Joachim, CEcD, Business Development Director
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: Facility Lease for 6229 S. Sossaman Road (Hangar 32)
Date: May 15, 2018

Proposed Motion

To authorize a facility lease with Mesa SkyBridge, LLC for the facility located at 6229 S. Sossaman Road. The lease term is three (3) years, commencing on June 1, 2018, with two (2) one-year extension options, payable at a monthly rate of \$18,616.04.

Narrative

In December 2016 the PMGAA Board approved an investment of approximately \$530,000 of unrestricted cash for the renovation of 6229 S. Sossaman Road (Hangar 32). Prior to the renovation the Hangar 32 facility was in disrepair. The renovation was completed in February 2018 and the Business Development Department has been actively marketing the facility.

Mesa SkyBridge, LLC ("Lessee") has requested to lease the facility and intends for the facility to serve as the start-up location for the Unified Cargo Processing program.

Agreement Term and Rate

The initial lease rate is \$18,616.04 per month (or \$223,392 annually) for approximately 26,279 SF located at 6229 S. Sossaman Road. The term of the Agreement is three (3) years with two (2) one-year extension options.

The recent remodel did not fully build-out the facility and the Lessee will be responsible for some tenant improvements to accommodate the proposed use. As such, the Rent Commencement Date is November 1, 2018 to allow for the Lessee to improve the facility to meet their needs.

The security deposit requirements have been waived due to the short lease term, the investment by the Lessee necessary to accommodate the proposed use, and the critical nature of this operation to the future of the SkyBridge Arizona project.

Attachment(s)

Facility Lease Agreement



RESOLUTION NO. 18-16

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority formed pursuant to Arizona Revised Statute § 28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS, the Authority desires to enter into a facility lease with Mesa SkyBridge, LLC;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes a facility lease with Mesa SkyBridge, LLC for the facility located at 6229 S. Sossaman Road. The lease term is three (3) years, commencing on June 1, 2018, with two (2) one-year extension options, payable at a monthly rate of \$18,616.04. This resolution also authorizes the Chair or Executive Director/CEO to execute such Agreement, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 15th day of May, 2018.

Jenn Daniels, Chair

ATTEST:

APPROVED AS TO FORM:

Maria Gonzalez, Clerk of the Board

Attorney



Phoenix-Mesa Gateway Airport Authority

FACILITY LEASE

with

Mesa SkyBridge LLC

Effective Date: June 1st, 2018

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Phoenix-Mesa Gateway Airport Authority FACILITY LEASE

This Facility Lease (“Lease”) is executed to be effective the FIRST (1st) day of June, 2018 (“Effective Date”) between the PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, a joint powers authority authorized by the State of Arizona (“Lessor”), and MESA SKYBRIDGE LLC, an Arizona limited liability company (“Lessee”). Lessor and Lessee may be referred to jointly as “Parties,” and each separately may be referred to as a “Party.”

WITNESSETH:

WHEREAS, Lessor is the owner and operator of the Phoenix-Mesa Gateway Airport generally located at the intersection of Ray Road and Sossaman Road, City of Mesa, Maricopa County, Arizona (Airport”); and

WHEREAS, Lessor desires to lease to Lessee, and Lessee desires to lease from Lessor, that certain building located on the real property at the Airport having an address of 6229 South Sossaman Road, and described as Hangar 32, consisting of approximately Twenty-Six Thousand, Two Hundred and Seventy-Nine (26,279) square feet, as set forth in **Exhibit A** attached hereto (“Premises”); and

WHEREAS, Lessor has the right to lease, license and grant to Lessee the use of Premises and facilities on the Airport and has full power and authority to enter into this Lease in respect thereof; and

WHEREAS, Lessor desires to lease the Premises to Lessee on the terms and conditions set forth herein;

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

1. LEASE

Lessor hereby leases the Premises to Lessee, subject to all easements and rights of way that may encumber the Premises (so long as no easements adversely affect Lessee’s use of the Premises for the Permitted Uses), and further subject to all operational and use restrictions and other terms and conditions set forth in this Lease (so long as no restrictions or other terms adversely affect Lessee’s use of the Premises for the Permitted Uses). In addition, Lessor hereby leases to Lessee the ten (10) vehicle parking spaces depicted on **Exhibit A** attached hereto for Lessee’s exclusive use.

1.1 Right to Use Premises. Lessor agrees that so long as no Event of Default has occurred and is continuing, Lessee shall timely pay the Base Rent and other charges required to be paid hereunder, and perform all of its other obligations under this Lease, Lessee shall peaceably have and enjoy the use of the Premises without hindrance from Lessor. Lessee specially acknowledges that Lessee has inspected the Premises prior to entering into this Lease and agrees to accept the Premises in an “as is, where is” condition, and (except for Lessor’s representations and warranties set forth in this Lease) without any warranty or representation from

Lessor, either express or implied, of any kind or nature whatsoever with respect to the Premises, including, but not limited to, any warranty of merchantability, habitability, or fitness for any particular or specific purpose, and all such warranties are hereby disclaimed. Should Lessee desire any inspection report, environmental assessment, survey, creation of a legal description, drainage report, or any similar study, Lessee shall be responsible for the same at Lessee's sole expense.

1.2 Lessor Representations and Warranties. To Lessor's knowledge, Lessor hereby represents and warrants to Lessee that, as of the Effective Date, the Premises (and all portions, parts, systems, components, and equipment associated with or serving the Premises, including, without limitation, mechanical, electrical, plumbing, drain, piping and air conditioning systems, parts and components) are in good working order, condition and repair, and there is no deferred maintenance or defects associated with the Premises or any portion thereof. Lessor shall be solely responsible for repairing the Premises, or any portion thereof, that is not in conformity with Lessor's representations and warranties. No later than ninety (90) days after the Effective Date, Lessee shall notify Lessor in writing of any initial need known to Lessee on the part of Lessor to make repairs to the Premises pursuant to this Section 1.2, except that Lessor shall not be responsible for any damage caused by Lessee's misuse or abuse of the Premises.

1.3 Access. Lessee is granted the right of reasonable access to and from the Premises and Lessee's exclusive parking spaces via such portions of the Airport as are or may be necessary to allow Lessee to conduct its business operations permitted herein at and on the Premises and the Airport. Lessor reserves the right to designate the location of such access and to change its location from time to time, as Lessor deems reasonably necessary and appropriate; provided such changes do not materially interfere with Lessee's use of or access to the Premises or Lessee's exclusive parking spaces.

1.4 Permitted Uses. Subject to the provisions of Section 1.5, Lessee may use the Premises to operate a cargo and logistics program and business and international customs operations, including office and incidental uses relating thereto. Lessee's use of the Premises and operation of its business at and on the Airport and the Premises is subject to all applicable laws, rules and regulations of any governmental authority, including Lessor, and to Lessee's compliance with applicable provisions of the Airport Rules and Regulations and Minimum Standards.

1.5 Prohibited Activities. Lessee shall not use or permit its agents, employees, contractors, invitees, licensees or customers to use the Premises for any use that is in violation of the Airport Rules and Regulations, the Airport Minimum Standards, any matters of record (and Lessor hereby represents and warrants, to Lessor's actual knowledge, Lessor is not aware of any matters of record that would prevent Lessee from using and occupying the Premises for the Permitted Uses), or applicable laws, rules, regulations and operating policies of any governmental authority, including Lessor, or for any other activity or operation not specified in Section 1.4 herein, or that does not have advance, written approval of Lessor's Executive Director.

1.6 On-Site Manager. Upon commencement of business operations at and on the Premises and the Airport, Lessee shall designate an on-site manager for the term of this Lease who shall be available to Lessor and Lessee's customers, if any, during normal business hours, and otherwise as required by the Airport Minimum Standards, as applicable.

1.7 Lessee Acknowledgement. Lessee acknowledges that except as otherwise expressly provided for in this Lease, this Lease is TRIPLE NET (NNN) and agrees that its obligations to pay Base Rent and all other charges due and owing under the terms hereof shall be absolute and unconditional, and shall not be affected by any circumstances whatsoever, including, without limitation: (i) any set-off, counterclaim, recoupment, defense or other right which Lessee may have against Lessor or the United States of America or anyone else for any reason whatsoever; (ii) any liens or encumbrances with respect to the Premises; (iii) the invalidity or unenforceability or lack of due authorization or other infirmity of this Lease or any lack of right, power or authority of Lessor or Lessee to enter into this Lease; (iv) any insolvency, bankruptcy, reorganization

or similar proceedings by or against Lessee, or any other person; or (v) any other cause, whether similar or dissimilar to the foregoing, any future or present law notwithstanding, it being the intention of the Parties hereto that all rent being payable by Lessee hereunder shall continue to be payable in all events and in the manner and at the times provided herein.

2. TERM

2.1 Initial Term. The term of this Lease shall be for a period of THREE (3) years, commencing on the Effective Date and terminating on May 31, 2021 thereafter (“Term”).

2.2 Renewal Term(s). Provided no Event of Default shall have occurred and is continuing, and subject to Lessor’s written approval, which may not be unreasonably withheld, delayed or conditioned, Lessee shall have the option of extending the Term for TWO (2) additional periods of ONE (1) year each (each “Extension”). Lessee may initiate an Extension by giving written notice to Lessor of its desire to do so no later than Sixty (60) calendar days prior to the expiration of the Term, as set forth in Section 2.1 herein. If Lessee has properly notified Lessor of its desire to exercise an Extension, and Lessor approves such in writing, then Lessee’s Extension of the Term of this Lease shall become effective and all references herein to “Term” shall mean the initial term as extended.

3. NON-EXCLUSIVE RIGHTS

Lessee shall have the exclusive right to occupy and use the Premises while in compliance with the terms and conditions of this Lease, and Lessee’s exclusive parking spaces. All other rights granted to Lessee under this Lease are nonexclusive. Lessor may, in its sole discretion and at any time, permit third parties to conduct any and all business activities at the Airport that Lessor deems appropriate, or conduct such activities itself, provided that such activities do not require or materially interfere with Lessee’s use of the Premises.

4. RENT

4.1 Base Rent. Lessee agrees to pay Lessor annual rental for the use of the Premises in the amount of Two Hundred and Twenty-Three Thousand, Three Hundred and Ninety-Two 52/100 Dollars (USD \$223,392.52), payable in equal monthly installments of Eighteen Thousand, Six Hundred and Sixteen 04/100 Dollars (USD \$18,616.04) (“Base Rent”). The Base Rent shall be payable in advance, without any prior demand therefor and without any abatement, deductions or set-offs whatsoever, and tendered in lawful currency of the United States, either by check or electronic transfer. All payments referenced in this Lease shall be payable exclusively in United States Dollars.

4.2 Rent Increases. The annual Base Rent paid by Lessee shall be increased (but never decreased) on every Twelve (12) month anniversary of the Effective Date of this Lease by FOUR (4%) percent.

4.3 Rent Commencement. The first installment of Base Rent becomes due and payable on the FIRST (1st) day of December, 2018.

4.4 Airport Rates and Charges Schedule. Lessee or its subtenants, as applicable and including its contractors, agents, etc., shall pay all fees identified in the most current Airport Rates and Charges Schedule at the time of receipt of any covered service or use of any covered facilities, unless specifically outlined in this Lease. The current Airport Rates and Charges Schedule is included as **Exhibit B** and incorporated herein by reference and is subject to change without prior notice or approval of Lessee. Lessee acknowledges and agrees that Lessor may amend the Airport Rates and Charges Schedule at any time at Lessor’s sole discretion, and that no fee [referenced in the Airport Rates and Charges Schedule] shall apply to the use of the Premises or access to the Premises.

4.5 Payment.

4.5.1 Unless otherwise specified herein, the first payment of Base Rent shall be paid to Lessor upon the delivery of this Lease, for the period from the Effective Date until the end of the calendar month in which the Effective Date occurs, prorated on the basis of the number of such days to the total number of days in said month. All payments referenced in this Lease shall be payable exclusively in United States Dollars. Thereafter, all Base Rent payments shall be paid in monthly installments, in advance, on the first day of each calendar month ("Base Rent Due Date"). On each such date, Lessee shall pay the full Base Rent payment.

4.5.2 No payment to or receipt by Lessor of a lesser amount than that which is due and payable under the provisions of this Lease at the time of such payment shall be deemed to be other than a payment on account of the earliest payment due, nor shall any endorsement or statement on any check or payment prejudice in any way Lessor's right to recover the balance of such payment or pursue any other remedy provided in this Lease or by law.

4.5.3 All payments (and reports, if any) required by this Section 4.5 shall be remitted to the following address by the due date(s) specified hereinabove:

Phoenix-Mesa Gateway Airport Authority
Attn.: Department of Finance (Accounts Receivable)
5835 South Sossaman Road
Mesa, Arizona 85212-6014

or such other address specified in writing by Lessor to Lessee, or, at Lessee's election and at no cost to Lessee, pursuant to wire transfers or an ACH payment system, the details of which shall be provided by Lessor to Lessee upon request.

4.6 Finance Charges and Late Fees. If Lessee fails to pay any installment of Base Rent or any other charge due and owing to Lessor in full on or before the applicable due date, Lessee shall be responsible for interest on the unpaid installment at the rate of Eighteen Percent (18%) per annum from the due date until payment in full is made. In addition, in the event any installment of Base Rent or other charge owing to Lessor is paid more than Ten (10) days after the due date, a late penalty of Ten Percent (10%) of the amount of such delinquent Base Rent installment or other charge shall be due and payable in addition thereto.

4.7 Taxes. In the event any governmental authority shall impose a tax or imposition based upon any Base Rent payments or any other sums paid or owing hereunder, or the receipt of such payments by Lessor, Lessee shall pay such amounts to Lessor at the same time and in addition to payments hereunder, which amounts may include, but are not limited to, any or all rental, transaction privilege, sales, excise or other similar tax except income taxes.

4.8 Survival. Lessee's obligation to pay all amounts stated herein, together with any interest thereon and/or penalties therefor, shall survive the termination of this Lease.

5. PERFORMANCE GUARANTEE

5.1 Security Deposit. The security deposit ("Security Deposit") has been waived by Lessor based on Lessee's proposed investment at the Airport.

5.2 Reserved.

6. AIRCRAFT OPERATIONS GUIDELINES

If and to the extent that Lessee, including its subtenants, contractors, agents, etc., operates aircraft at or on the Airport, Lessee shall be subject to the provisions of **Exhibit C**. If any subtenant, contractor or agent of Lessee conducting activities on or at the Premises for and on behalf of Lessee and acting within the scope of their employment operates aircraft at the Airport, all shall be subject to the provisions of **Exhibit C**, which Lessor may enforce directly against such subtenant, contractor or agent, but Lessee shall have no direct liability or responsibility with respect to such matters; except, however, Lessee shall be responsible for compliance by its subtenants, contractors and/or agents with the Airport Rules and Regulations and Minimum Standards, as appropriate.

7. IMPROVEMENTS

7.1 Reserved.

7.2 Reserved.

7.3 No Alterations. Lessee shall make no material improvements or alterations to the Premises during the Term of this Lease without the prior written permission of Lessor, which shall not be unreasonably withheld, conditioned, or delayed, and, if and to the extent applicable, without the approval by Lessor's Design Review Committee. Lessee shall provide Lessor with electronic as-built drawings (or their equivalent) when any improvement or alteration is completed for which such drawings are reasonably required.

7.4 Title to Alterations and Improvements. Title to all Improvements and alterations on the Premises (but not personal property or trade fixtures) shall vest in Lessor upon the expiration of this Lease, and Lessee agrees to execute and deliver to Lessor, within Ten (10) business days after Lessor's request therefor, a quitclaim deed confirming that title to such improvements and alterations is vested in Lessor.

7.5 Mechanics' Liens. Lessee shall keep the Premises and all improvements constructed by Lessee thereon free of any mechanic or materialmen's liens for any labor or materials furnished to Lessee or its agents or contractors. In the event that any such lien is filed, Lessee shall, at its sole cost, cause such lien to be removed from the Premises by bonding or otherwise within Thirty (30) calendar days of notice thereof.

7.6 Permit Required. Lessee shall be responsible for determining whether it is subject to local building/construction codes or permit requirements, and for compliance with them to the extent they are applicable. All structural, electrical, plumbing or mechanical construction or reconstruction shall conform to City of Mesa ("City") construction and technical codes. No such work shall be commenced without first submitting required plans and obtaining required permits from the City. All such work shall be permitted, inspected and approved by the City prior to concealment or use. Lessee shall provide to Lessor a contemporaneous copy of Lessee's permit application and the associated plans and specifications.

7.7 Damage or Destruction. Lessee shall maintain insurance on all of Lessee's improvements to the Premises. In the event that all or any portion Lessee's improvements are destroyed or rendered unusable due to fire or other catastrophe, Lessee shall replace, repair, restore, modify or improve said improvements, subject to the provisions of Section 7.6, using available insurance proceeds together with any additional funds from other available sources, or, alternatively, at Lessee's option, Lessee shall pay the replacement cost of the improvements to Lessor.

8. MAINTENANCE

8.1 Responsibilities.

8.1.1 *Lessee.* Lessee shall, at its sole cost and expense, keep the Premises and all improvements therein in a neat and clean condition and in good order, condition and repair throughout the Term subject to ordinary wear and tear. In doing so, Lessee shall prepare, maintain and follow a preventative maintenance schedule for all mechanical, electrical, plumbing, drain, piping and air conditioning systems on and exclusively serving the Premises, and, upon request, provide a copy of such schedule to Lessor and, if required by Lessor, a list of the dates on which such maintenance was actually done. Lessee's maintenance of the Premises shall consist of the inspection, servicing and repair of all systems and improvements on and exclusively serving the Premises, including the interior roof, electrical, plumbing, heating and cooling, interior pest control, and interior custodial maintenance. At Lessee's request and to the extent transferable or assignable, Lessor shall transfer or assign to Lessee, on a non-exclusive basis, all warranties, express or implied, under any contract or subcontracts relating to any improvements or equipment Landlord built or installed within the Premises that relate to that portion of the Premises for which Lessee is responsible to maintain, including, without limitation, the warranty for the HVAC system; to the extent any such warranty is not transferable or assignable, Lessor will, upon Lessee's written request, enforce such warranty at Lessee's sole cost.

8.1.2 *Lessor.* Lessor shall, at its sole cost and expense, keep, sustain and maintain the structural integrity of the Premises, including the exterior roof and roof membrane, exterior and load-bearing walls, columns and structures, floor slab, foundation, fire detection and suppression systems and all utility connections up to the point where they enter the interior of the Premises, and parking areas, driveways, pavements, exterior pest control, landscaping, and grounds maintenance, in a neat and clean condition and in good order, condition and repair throughout the Term.

8.2 **Damage to Lessor Property.** Any real or personal property of Lessor damaged or destroyed by Lessee as a result of Lessee's use or occupancy of the Premises shall be promptly repaired or replaced by Lessee to the satisfaction of Lessor. In lieu of such repair or replacement, where required by Lessor, Lessee shall pay to Lessor an amount sufficient to compensate for the loss sustained by Lessor.

8.3 **Trash Removal.** Lessee shall at all times keep the Premises in a neat, clean, safe, sanitary and orderly condition and shall keep such area free of all trash and debris. Lessee shall, at Lessee's expense, be responsible for all trash removal from the Premises. Such trash removal shall be performed on a not less than weekly basis, and all trash shall be disposed of off the Airport. Prior to its removal from the Airport, Lessee shall deposit all trash and debris only at collection stations located on the Premises, in accordance with City code.

8.4 **Emergency Repairs.** Within FIFTEEN (15) days of the Effective Date, Lessee shall provide Lessor with a list of names and telephone numbers for 24-hour emergency contact for the Premises. Lessee shall promptly provide Lessor with updated lists and changes as necessary.

9. ASSIGNMENT, SUBLETTING AND OTHER TRANSFERS

9.1 **Any Transfer of Lease Interest Requires Lessor Advance Written Approval.** In the event Lessee desires to transfer, assign, encumber, pledge or hypothecate any portion of its interest in this Lease or any right or interest hereunder (individually and collectively, "Transfer"), or sublet the Premises or any part thereof, Lessee must obtain the prior written consent of Lessor, which consent may not be unreasonably withheld, delayed or conditioned. Where Lessor approves in writing of such Transfer, Lessor shall be entitled to request and acquire written financial assurances, including, but not limited to financial statements, business

plans and other information related to the financial condition and plans of any proposed transferee. Further, Lessor, may in its sole and absolute discretion require that Lessee still be liable at law and at equity, as well as financially liable, under the Lease, regardless of whether the assignee expressly assumes in writing all of Lessee's obligations under this Lease or in the case of a sublease. Lessee understands and agrees to these terms and conditions regarding any proposed Transfer, and that any violation of this Section 9, may irreparably harm Lessor as the requirements set forth herein are directly related to PMGAA's (and any Lessee's) legal and financial obligations to the Federal Aviation Administration. This section 9 shall remain valid and enforceable even in the event of amendment to or repeal of FAA regulations, so long as this section 9 does not directly conflict therewith.

9.2 Lessee's Required Advance Notice to Lessor of Proposed Transfer. In order for Lessor to even consider a Transfer, Lessee must: (i) notify Lessor in writing at least Forty-five (45) days prior to such proposed transfer; (ii) deliver to Lessor, at the time of Lessee's notice, current financial statements of Lessee and the proposed transferee (along with transferee's business plans) that are reasonably acceptable to Lessor; and (iii) the transferee assumes and agrees in writing to perform Lessee's obligations under this Lease. However, nothing herein shall be construed as Lessor providing its consent to any Transfer or relieving Lessee of any legal, financial or other obligation under the Lease, regardless of Lessor's acceptance or refusal to accept such proposed transfer of Lease. For purposes of this Section 9.2, "Affiliate" means any person or entity that, directly or indirectly, controls, is controlled by or is under common control with Lessee. For purposes of this definition, "control" shall mean possessing the power to direct or cause the direction of the management and policies of the entity by the ownership of a majority of the voting securities of the entity.

9.3 Deemed Transfers. For the purposes of this Lease, a Transfer shall be deemed to include, but not be limited to, the following: (i) if Lessee is a corporation, partnership, limited liability company or other legal entity, the transfer of any ownership interest in such entity resulting in a change in the present control of such entity by the person or persons owning a majority of the ownership interest thereof as of the date of this Lease; provided, however, if Lessee is a corporation whose stock is traded on a nationally recognized stock exchange, the transfer of Lessee's stock shall not constitute a Transfer requiring Lessor's consent; or (ii) the sale of TWENTY-FIVE PERCENT (25%) or more in value of the assets of Lessee.

9.4 Subletting.

9.4.1 Lessee may sublease all or portions of the Premises if the following conditions are met:

- a. The sublease and any amendments or modifications thereto are approved in advance and in writing by Lessor with such approval being in the sole and absolute discretion of Lessor, or are in a form which shall have been previously approved in writing (except for changes that do not materially impact Lessor's rights and interests) by Lessor. If a pre-approved form is used, Lessor's advance approval of the actual sublease and any amendments or modifications thereto is not required.
- b. Rent for subleased premises shall not be less than fair market value.
- c. Sub-lessee(s) shall not pay, and Lessee shall not accept, prepayment of rent in excess of One (1) month's rent.
- d. The sublease(s) and sub-lessee(s) shall at all times be subject to the terms and conditions of this Lease.

- e. The permitted uses of the Premises under any sublease shall be the same as that permitted under this Lease.
- f. The term of any sublease shall not extend beyond the stated expiration of this Lease.
- g. Lessee shall still be financially and legally responsible pursuant to the terms of the Lease.

9.4.2 Upon request from Lessee, Lessor shall enter into a Non-Disturbance and Attornment Agreement; provided, however, that: (i) the conditions of Section 9.4.1 have been met; (ii) the sub-lessee is not then in default beyond an applicable cure period under the sublease or this Lease; (iii) the sub-lessee does not have a history of noncompliance with the Airport Rules and Regulations or Minimum Standards; and (iv) any such agreement must be in compliance with applicable federal laws and regulations, including, but not limited to including a clear statement that that the Lease is, and will be at all times, subordinate to PMGAA's and the Airports federal obligations, and that all parties acknowledge and agree that PMGAA shall at all times have the ability to remediate any conditions, circumstances, agreements or the like associated with the Premises or the Lease, where such conditions, circumstances, agreements may in PMGAA's reasonable determination place PMGAA or the Airport in violation of its federal obligations. All reasonable legal fees incurred by Lessor in connection with any reasonably necessary legal counsel review and approval of a Non-Disturbance and Attornment Agreement shall be paid by Lessee.

9.4.3 Lessee shall not allow any sub-lessee unescorted access to the secured areas of the Airport unless and until the sub-lessee has obtained its own valid Airport security clearance and media from Lessor. Lessee acknowledges that it may take Thirty (30) calendar days or more to process sub-lessee for security clearance and media.

9.4.4 Lessee shall submit a copy of each fully executed sublease to Lessor as soon as possible, but no later than Five (5) business days after execution.

9.5 Non-Disturbance. Lessor agrees, for the benefit of all subtenants of all or any part of the Premises, that if this Lease or Lessee's right to possession of the Premises is terminated for default or otherwise, all subleases of all or any part of the Premises, except any sublease to an affiliate of Lessee, shall continue in full force and effect, notwithstanding the termination, as direct leases between Lessor and the subtenants and all such subtenants shall, upon request, attorn in writing to Lessor.

9.6 This Lease and all provisions hereof are subject and subordinate to the terms and conditions of the instruments and documents under which PMGAA acquired the subject Premises from the United States of America, and are subject to any ordinances, rules or regulations which have been, or may hereafter be adopted by PMGAA pertaining to the Airport.

10. IDENTIFICATION SIGNS

Lessee may install on the Premises (including on the exterior of the building), one or more signs identifying its business, including Lessee's logo, a CBP logo, and SAT logo; provided, however, that the general type, size, and location of such sign(s) shall conform to Lessor's Comprehensive Sign Plan, attached to this Lease as **Exhibit E**, and be approved (which approval may not be unreasonably withheld, delayed or conditioned) in writing by Lessor in advance of installation and be subject to any signage rules, codes and/or regulations of any governmental authority.

11. DEFAULT; TERMINATION BY LESSOR

11.1 Events of Default. Each of the following shall constitute a material default of this Lease by Lessee ("Event of Default"):

11.1.1 Failure to pay any installment of Base Rent or other amount due from Lessee hereunder, provided that Lessee does not cure such failure within TEN (10) business days after delivery by Lessor to Lessee of a written notice of such failure.

11.1.2 Failure to perform any of its other obligations under this Lease, provided that Lessee does not cure such failure within THIRTY (30) calendar days after delivery by Lessor to Lessee of a written notice of such default; provided, however, if a cure of the default reasonably requires more than THIRTY (30) calendar days to complete, then the time to cure shall be extended so long as the cure is being diligently pursued.

11.1.3 The filing of any mechanic's, materialmen's or other lien of any kind against the Premises because of any act or omission of Lessee which lien is not discharged, by bonding or otherwise, within THIRTY (30) calendar days of receipt of actual notice thereof by Lessee.

11.1.4 The Transfer or attempted transfer of any interest in the Lease to any transferee without Lessor's advance written authorization, which Lessor may withhold in its sole and absolute discretion.

11.2 Lessor's Remedies. Upon the occurrence of an Event of Default under this Lease, Lessor may, without prejudice to any other rights and remedies available to a Lessor at law, in equity or by statute, but subject to the provisions of SECTIONS 9.2 and 23 herein, exercise one or more of the following remedies, all of which shall be construed and held to be cumulative and non-exclusive:

11.2.1 Terminate this Lease and re-enter and take possession of the Premises; or

11.2.2 Without terminating this Lease, re-enter and take possession of the Premises; or

11.2.3 Without such re-entry, recover possession of the Premises in the manner prescribed by any statute relating to summary process, and any demand for Base Rent, re-entry for condition broken, and any and all notices to quit, or other formalities of any nature to which Lessee may be entitled, are hereby specifically waived to the extent permitted by law; or

11.2.4 With or without terminating this Lease, Lessor may re-let the Premises or any portion thereof.

Lessor agrees that Lessor's right to re-enter the Premises under Arizona Revised Statutes Section 33-361 and other similar rights shall arise after, and only after, the applicable notice and cure or grace periods under this Lease have been given and expired without such default or failure having been cured by Lessee.

11.3 No Implied Termination. Lessor shall not be deemed to have terminated this Lease unless Lessor shall have notified Lessee in writing that it has so elected to terminate this Lease. Except for Lessor's negligence or willful misconduct, Lessee hereby waives all claims based on Lessor's legally valid reentering and taking possession of the Premises, or removing and storing the property of Lessee, and Lessee shall reimburse Lessor for all reasonable, costs incurred by Lessor thereby. No such reentry shall be considered or construed to be a forcible entry by Lessor.

11.4 Lessor's Current Damages. Upon the occurrence and during the continuance of an Event of Default, Lessor is authorized to make such repairs, refurbishments or improvements to the Premises as may be necessary for the purpose of attempting to re-let the Premises, and the reasonable costs and expenses incurred in respect of such repairs, redecorating, refurbishments and improvements shall be paid by Lessee to Lessor within TEN (10) business days after receipt of Lessor's statement. If Lessor exercises any of the remedies stated above, Lessor shall be entitled to recover from Lessee all actual damages incurred by Lessor by reason of the Event of Default, which shall include, without limitation, (i) the equivalent of the amount of the present value of Base Rent and all other payments which would be payable under this Lease by Lessee for the remainder of the Term as if this Lease were still in effect, less (ii) the net proceeds of any re-letting by Lessor after deducting all of Lessor's reasonable expenses in connection with such re-letting, which shall include, without limitation, repossession costs, repairs, redecorating, refurbishments or improvements to the Premises, brokerage commissions, attorneys' fees, and legal expenses. Lessee shall pay such current damages to Lessor, in the amount set forth in the preceding sentence ("Deficiency"), in monthly installments on the days on which the Base Rent would have been payable under this Lease as if this Lease were still in effect. In no event shall Lessee be liable for punitive, consequential or speculative damages under this Lease. Lessor agrees to satisfy its obligations to mitigate its damages.

11.5 Lessor's Final Damages. At any time after an Event of Default, whether or not Lessor shall have collected any monthly Deficiency as set forth above, Lessor shall be entitled to recover (without duplication) from Lessee, and Lessee shall pay to Lessor, promptly on demand, as Lessor's final damages for the applicable Event of Default, the sum of (a) the then present worth (at a discount at the rate of SIX PERCENT (6%) per annum) of (i) the aggregate of the Base Rent and all other amounts to be paid by Lessee hereunder for the unexpired portion of the Term of this Lease (assuming this Lease had not been terminated), less (ii) the amount of Rent and any losses that could have been reasonably avoided, plus (b) reasonable repossession costs, reasonable Lessor's expenses in connection with any attempts it may have made to re-let the Premises (which shall include, without limitation, repairs, refurbishments or improvements to the Premises and brokerage commissions), reasonable attorneys' fees, reasonable legal expenses, and all other actual damages incurred by Lessor as a result of such Event of Default.

11.6 No Waiver by Lessor. No waiver by Lessor of any breach or default by Lessee in the performance of its obligations under this Lease shall be deemed to be a waiver of any subsequent default by Lessee in the performance of any of such obligations, and no express waiver shall affect an Event of Default in a manner other than as specified in said waiver. The consent or approval by Lessor to or of any act by Lessee requiring Lessor's consent or approval shall not be deemed to waive or render unnecessary Lessor's consent or approval to or of any subsequent similar acts by Lessee.

11.7 Content of Default Notice. Any default notice tendered to Lessee hereunder shall be deemed to be sufficient if it is reasonably calculated to put Lessee on inquiry as to the nature and extent of such default, and is made in accordance with Section 20 herein.

11.8 Limitation on Exercise of Termination Remedy by Lessor. Notwithstanding anything to the contrary in Section 11.2 hereinabove, if an Event of Default occurs, Lessor shall not have the remedy of terminating this Lease or of taking possession of the Premises unless: (i) the Event of Default consists of a failure to pay off Base Rent or other amounts owed to Lessor; or (ii) Lessor has no other remedy that is adequate to protect Lessor's interests. Other remedies that are available to Lessor include self-help and recovery of damages, and nothing in this Section 11 shall limit the exercise of any such other remedy.

11.9 Waiver of Landlord's Lien. Lessor hereby waives all statutory or common law landlord's lien rights with respect to personal property located on the Premises.

12. RESERVED

13. INDEMNIFICATION

13.1 Lessee's Indemnity. Except for the actions and omissions of Lessor and its agents, contractors, employees, managers and representatives, to the fullest extent permitted by law, Lessee hereby agrees to defend, indemnify and hold harmless Lessor and its members, elected or appointed officials, agents, contractors, subcontractors, boards, commissions and employees (hereinafter referred to collectively as the "Lessor" for purposes of this Section 13.1 for, from and against any and all third-party claims, causes of action, liability, suits, litigation (including reasonable attorney's fees and other costs of investigation and litigation), actions, losses, damages or claims of any nature whatsoever to the extent such arise out of or in connection with (i) any accident, injury or actual damages occurring within the Premises during the Term caused by Lessee or its agents, employees, contractors, or subcontractors, or (ii) any negligent act or omission of Lessee or its agents, employees, contractors, or subcontractors (hereinafter referred to collectively as "Lessee" for purposes of this Section 13.1) on the Premises or the Airport and which result directly or indirectly in the injury to or death of any persons or the damage to or loss of any property or other damages or losses to Lessor, or (iii) the failure of Lessee to comply with any provisions of this Lease. This indemnification shall exclude responsibility for any damages and for claims arising by reason of the acts or omissions of Lessor or its employees, contractors or agents.

13.2 Lessor's Indemnity. Except for the actions and omissions of Lessee and its agents, contractors, employees, managers and representatives, to the fullest extent permitted by law, Lessor hereby agrees to defend, indemnify and hold harmless Lessee and its members, elected or appointed officials, agents, contractors, subcontractors, boards, commissions and employees (hereinafter referred to collectively as the "Lessee" for purposes of this Section 13.2) for, from and against any and all third-party claims, causes of action, liability, suits, litigation (including reasonable attorney's fees and other costs of investigation and litigation), actions, losses, damages or claims of any nature whatsoever to the extent such arise out of or in connection with (i) any negligent act or omission or intentional misconduct by Lessor or its agents, employees, contractors, or subcontractors (hereinafter referred to collectively as "Lessor" for purposes of this Section 13.2) on the Premises or the Airport, and which result directly or indirectly in the injury to or death of any persons or the damage to or loss of any property or other damages or losses to Lessee, or (ii) the failure of Lessor to comply with any provisions of this Lease. This indemnification shall exclude responsibility for any damages and for claims arising by reason of the acts or omissions of Lessee or its employees, contractors or agents.

13.3 Lessor's Damage to Premises. Lessor shall be responsible and liable for any damage to the Premises to the extent caused by Lessor or its agents, employees, contractors or subcontractors, and Lessor shall promptly repair any damage caused by Lessor or its agents, employees, contractors or subcontractors.

14. ENVIRONMENTAL PROTECTION

14.1 Definitions. Unless the context shall clearly require otherwise, the terms defined in this Section 14 shall, for all purposes of this Lease and of any agreement amendatory hereof or supplemental hereto, have the meanings herein specified, with the following definitions to be equally applicable to both the single and plural forms of any of the following:

14.1.1 Environmental Laws. The term "Environmental Laws" shall mean any one or all of the following, as the same are amended from time to time: the Comprehensive Environmental Response, Compensation, and Liability Act, 42 USC Section 9601 et seq.; the Resource Conservation and Recovery Act, 42 USC Section 6901, et seq.; the Toxic Substances Control Act, 15 USC Section 2601 et seq.; the Safe Drinking Water Act, 42 USC Section 300f et seq.; the Clean Water Act, 33 USC Section 1251 et seq.; the Clean Air Act, 42 USC Section 7401 et seq.; the Arizona Hazardous Waste Management Act, A.R.S. Section 49-921 et seq. the Arizona Environmental Quality Act, A.R.S. Title 49, as amended; and all regulations thereunder and any other

laws, regulations and ordinances (whether enacted by the local, state or federal government) now in effect or hereafter enacted that deal with the regulation or protection of the environment, including the ambient air, ground water, surface water, and land use, including substrata land, or that govern the use of hazardous materials, solid and hazardous waste, hazardous substances and petroleum products.

14.1.2 Hazardous Material. The term "Hazardous Material" shall mean any toxic or hazardous material, substance or waste, or any pollutant or contaminant as defined or regulated pursuant to any Environmental Law and petroleum products. For purposes of this definition, petroleum includes petroleum-based substances comprised of a complex blend of hydrocarbons derived from crude oil through processes of separation, conversion, upgrading and finishing (e.g., distillate fuel oils, petroleum solvents and used oils).

14.2 Intentionally omitted.

14.3 Lessee Compliance.

14.3.1 Lessee shall, at the Lessee's own expense, comply with all present and hereafter enacted Environmental Laws, including any amendments thereto, affecting Lessee's activities on and property interest in the Premises during the period of Lessee's occupancy thereof under this Lease.

14.3.2 Lessee shall not cause or permit any Hazardous Material to be brought upon, kept or used in or about the Premises or the Airport by Lessee's agents, employees, contractors or invitees in violation or threatened or suspected violation of any Environmental Law. The Parties recognize and agree that Lessee may bring on the Premises and Airport and use Hazardous Materials that are ordinarily and customarily used in the conduct of Lessee's permitted activities under this Lease, provided that such use shall comply fully with all applicable Environmental Laws.

14.3.3 If Lessee desires and receives written authorization from Lessor to install any above ground storage tank ("AST") on the Premises or elsewhere on the Airport, Lessee shall submit the plans for such ASTs to Lessor for prior written approval and shall comply with all applicable Environmental Laws related thereto, including Title 40, Code of Federal Regulations, Part 112, as applicable. Lessee shall be the owner of such ASTs for statutory purposes and shall be solely responsible for the design, construction, installation, operation, monitoring, inspection, repair and maintenance of any and all ASTs, including any connected piping and/or dispensing apparatus. All ASTs shall comply with the Office of the State Fire Marshall as well as the Authority Having Jurisdiction (AHJ). Any AST that stores flammable and combustible liquids shall meet the provisions of NFPA 30, Flammable and Combustible Liquids Code. Records demonstrating compliance with release detection requirements, including product inventories, calibration and maintenance, sampling, tightness testing and any other records, fees and taxes required by the state or federal governments shall be the responsibility of Lessee. Upon the expiration of this Lease, Lessee shall remove all ASTs in compliance with all applicable Environmental Laws in effect at that time unless otherwise allowed by Lessor.

14.4 Indemnification. To the fullest extent permitted by law, Lessee shall indemnify, defend (with counsel reasonably acceptable to Lessor), protect and hold harmless Lessor and its employees and agents for, from and against any and all liability, loss, damage, expense, penalties and legal and investigation fees or costs, arising from or related to any claim or action for injury, liability, or damage to persons or property and any and all claims or actions brought by any person, entity or governmental body, alleging or arising in connection with contamination of the environment or violation of any Environmental Law or other statute, ordinance, rule, regulation, judgment or order of any government or judicial entity which are incurred or assessed as a result of any of Lessee's activities or operations on the Premises or Airport. This obligation includes, but is not limited to, all costs and expenses related to cleaning up the property, land, soil and underground or surface water as required under the law. Lessee's obligations and liabilities under this Section 14.4 shall survive the termination of this Lease. The indemnification of Lessor by Lessee as described above includes, without limitation, costs

incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision. Lessor reserves the right to seek injunctive relief as may be permitted under law and equity. This Section 14.4 explicitly excludes Lessee's duty, liability or indemnity to Lessor for any claims or Environmental Damages of any kind whatsoever arising from or in connection with any contamination of any kind existing on the Premises prior to the Effective Date, except and only to the extent known contamination is exacerbated by Lessee or unknown contamination is exacerbated by Lessee's negligence.

14.5 Remediation. Without limiting the foregoing, if the presence of any Hazardous Material during the Term of this Lease caused or permitted by Lessee to be first brought on the Airport or Premises upon or after the Effective Date results in any Release on the Airport or Premises in violation of any Environmental Law, Lessee shall promptly take action to remediate the affected property at its sole expense as necessary to return the Airport or Premises to the condition existing prior to the introduction of any such Hazardous Material to the Airport or Premises; provided that Lessor's approval of such actions shall first be obtained, which approval shall not, except in an emergency, be unreasonably withheld so long as such actions would not potentially have any material adverse long-term effect on the Airport and Lessee is not under administrative or court order related to such remediation action. Notwithstanding Lessor's approval pursuant to this Section 14.5, Lessor is not responsible for directing or managing any remediation action. For purposes of this Section 14.5, the term "Release" means any releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, disposing, or dumping.

14.6 Governmental Submittals. Lessee shall, at Lessee's own expense, make all submissions to, provide all information to, and comply with all requirements of the appropriate governmental authority ("Government") under the Environmental Laws relative to Lessee's use of the Premises. Should the Government determine that a site characterization, site assessment and/or cleanup plan should be prepared and/or that a cleanup should be undertaken because of any spills or discharges of Hazardous Materials first caused or permitted by Lessee to be brought on the Premises after the Effective Date or by reason of Lessee's activities or actions at the Airport or Premises which occur during the term of this Lease, then Lessee shall, at the Lessee's own expense, prepare and submit the required plans and financial assurances, and carry out the approved plans.

14.7 Information Sharing. Lessee shall immediately notify Lessor of any of the following: (i) Lessee's receipt of any notification from any governmental entity either charging or informing Lessee that it will be charged with a significant (as defined below) violation of Environmental Laws, and (ii) any significant change in Lessee's activities on the Premises or Airport that is reasonably likely to adversely change Lessee's or Lessor's obligations or liabilities under the Environmental Laws. In addition, Lessee agrees to provide Lessor with non-privileged copies of documents reflecting the physical condition of the Premises, including but not limited to, environmental testing of soils and groundwater, and existing, non-privileged information reasonably requested by Lessor to determine the applicability of the Environmental Laws to the Premises, or to respond to any governmental investigation or claim of liability by third parties which is related to environmental contamination of the Premises or Airport, including Lessee's activities thereon. A "significant violation of Environmental Law" shall be any violation that requires more than ONE HUNDRED EIGHTY (180) calendar days to resolve.

14.8 Sublease. Lessee shall insert provisions substantially identical to the provisions of this Section 14 in any Airport approved sublease agreement or contract by which it grants a right or privilege to any person, firm, corporation or other entity under this Lease.

14.9 Actions of Lessee. The activities or actions of Lessee under this Section 14 shall include the activities or actions of Lessee's officers, directors, employees, agents, contractors, invitees and successors.

14.10 Clean Water Act; NPDES Permits and SWPPPs. Without in any way limiting the foregoing, Lessee shall comply with all Environmental Laws regarding discharges to water and land, including, without limitation, obtaining and complying with an individual National Pollutant Discharge Elimination System (“NPDES”) permit, or requesting coverage under and complying with any applicable Multi-Sector General Permit (MSGP) obtained by Lessor. If applicable, Lessee shall also prepare and comply with a site-specific MSGP with an individual Storm Water Pollution Prevention Plan (“SWPPP”) or any revisions to a SWPPP, with respect to Lessee’s operations or activities on the Premises or Airport. Proof of individual compliance or compliance by being added to the Lessor’s permit shall be provided in the form of both the Lessee’s Notice of Intent (NOI) that has been received by the Arizona Department of Environmental Quality (ADEQ) and the individual Arizona Multi-Sector General Permit (AZMSGP) number associated with the NOI, within the times prescribed by law.

14.11 Protective Devices and Plans. If Lessee is required by the City to estimate the possible constituents of sanitary sewer discharges in order that the City may define certain discharge limitations for the Premises, Lessee shall complete and return an Industrial Wastewater Discharge Questionnaire (“Questionnaire”) to the City and promptly provide Lessor with a copy and updates to the Questionnaire as they arise. Also, if the City so requires, Lessee shall install and maintain appropriate protective devices to prevent accidental discharge of any Hazardous Materials into domestic or industrial drains on or near the Premises and elsewhere on the Airport, as appropriate, and for any other material for which a slug load discharge could pollute the Airport’s storm water discharge or disrupt operations at the sewage treatment plant serving the Premises. Lessee shall post a notice in a prominent place on the Premises advising employees on what actions to take and whom to call in the event of said discharge, and shall ensure that all employees of Lessee are trained with regard to the spill protection plan hereinafter referenced. Lessee also shall provide Lessor with immediate notice of any spill.

14.12 Right to Enter Premises. Lessor’s rights under this Lease specifically include the right of Lessor, the United States Government, the Environmental Protection Agency (the EPA), the Arizona Department of Environmental Quality (ADEQ) and the Arizona Department of Occupational Safety and Health (ADOSH) to enter the Premises upon reasonable notice to Lessee for purposes of: (i) inspecting Lessee’s compliance with environmental, occupational safety and health laws and regulations, whether or not such party is responsible for enforcing such laws; (ii) conducting environmental investigation or remediation, including, without limitation, performing tests and surveys, drillings, test-pitting, borings, compiling data and/or records, and other activities related to environmental investigation; and (iii) carrying out remedial or removal actions as required or necessary under applicable laws, including, without limitation, installing monitoring wells, pumping wells and/or treatment facilities. Lessor shall give Lessee two (2) business days’ prior notice of its intention to enter the Premises unless it determines the entry is required for safety, environmental, operations, or security purposes. Lessee shall have no claim against Lessor for any entries by the United States, EPA, ADEQ, Arizona ADOSH, or any officer, agent, employee or contractor thereof.

14.13 U.S. Air Force Use and Remedial Action.

14.13.1 The Parties assume no liability or responsibility for environmental impacts and damage caused by the U.S. Air Force’s use of Hazardous Materials on any portion of the Airport, including the Premises, prior to the Effective Date, and have no obligation under this Lease to undertake the defense of any claim or action, whether in existence now or brought in the future, solely arising out of the use of or release of any Hazardous Materials or deposits of solid waste on or from any part of the Airport, including, but not limited to, the Premises. Further, the Parties have no obligation under this Lease to undertake environmental response, remediation, or cleanup relating to such use or release. For purposes of this SECTION 14.13, “defense” or “environmental response, remediation, or cleanup” shall include liability and responsibility for the costs of damage, penalties, legal and investigative services relating to such use or release. The terms, “Occupation” or

“Use” shall mean any activity or presence (in or upon) such portion of, or such building, facility or other improvement on the Premises.

14.13.2 Pursuant to Section VII.E.3 of the Deed (as defined herein), the U.S. Air Force warrants and covenants that all remedial action necessary to protect human health and the environment with respect to hazardous substances remaining on the Airport has been completed prior to the date of the Deed and, further, any remedial action found to be necessary after the date of the Deed shall be conducted by the U.S. Air Force; provided, however, that the foregoing covenant does not apply where Lessor or Lessee is a potentially responsible party with respect to any portion of the Premises or the Airport.

14.14 Cleanup Requirements. Lessee agrees that Lessor assumes no liability to Lessee should Hazardous Materials cleanup or related requirements, whether imposed by law, regulatory agencies, the U.S. Air Force or Department of Defense interfere with Lessee’s use of the Premises. Lessee shall have no claim against Lessor or the United States or any officer, agent, employee or contractor thereof on account of any such interference whether due to entry, performance of remedial or removal investigations, or exercise of any right with respect to the Federal Facilities Agreement (FFA) or the Installation Restoration Program (IRP) or under this Lease or otherwise. Lessee agrees to comply with the provisions of any health or safety plan in effect under the IRP or any hazardous substance remediation or response agreement with environmental regulatory authorities during the course of any of the above described response or remedial actions. Any inspection, survey, investigation, or other response or remedial action shall, to the extent practicable, be coordinated with representatives designated by Lessee.

14.15 Wells. Lessee shall not install any drinking water or other wells in any location on the Premises without the prior written approval of Lessor.

14.16 Construction Activities and Surface Disturbances. After construction of Lessee’s improvements on the Premises, if any, either in the future or as otherwise provided herein, Lessee shall not conduct any subsurface excavation, digging, drilling or other disturbance of the surface without the prior written approval of Lessor, which shall not be unreasonably withheld.

15. RESERVED

16. SPECIAL PROVISIONS

16.1 Lessee shall comply with all applicable Federal, State, and local occupational safety and health regulations.

16.2 Lessee shall be responsible for determining whether it is subject to State and local sanitation, licensing, building code or building permit requirements and whether or not it requires a permit to do business and for compliance with them to the extent they are applicable.

17. INSURANCE

17.1 Coverage Required. Lessee shall procure and maintain, or cause to be procured and maintained, the following types and amounts of insurance with respect to the Premises:

17.1.1 *Airport Premises Liability* (\$2 million per occurrence) insurance covering third party bodily injury and property damage, and including coverage for "premises/operations," "products and completed operations," "host liquor" and "blanket contractual liabilities."

17.1.2 *Commercial Automobile Liability* (\$1 million per occurrence) insurance covering all owned, non-owned and hired vehicles operated on the Airport that are assigned to or used in the performance of commercial activities, or that are operated within the AOA. If any hazardous materials are transported within Airport boundaries in conjunction with the operator's business activities, an MSC-90 Endorsement is required.

17.1.3 *Property* insurance (full value of essential personal property and improvements, if any, on any and all risks on a replacement cost basis).

17.1.4 *Worker's Compensation* insurance, as required by law, and *Employer's Liability* insurance in the amount of \$1,000,000.00 covering work-related injuries to employees and others permitted to operate or otherwise conduct business on the Premises.

17.2 *Form*. Each insurance policy obtained pursuant to this SECTION, except for *Worker's Compensation* and *Employer's Liability* policies, shall: (i) name Lessor as a certificate holder or additional insured; and (ii) contain a waiver of subrogation in favor of Lessor. All policies shall be obtained from insurance companies licensed to do business in the State of Arizona and possessing a rating of at least A – VII or higher from the A.M. Best Company, or an equivalent rating and approved by Lessor.

17.3 *Certificates of Insurance*. Lessee shall deliver a certificate of insurance for each policy required herein to Lessor, in standard Acord or equivalent form, prior to the Effective Date and shall continue to provide such certificates throughout the term of this Lease. Lessor shall provide written notice of cancellation or modification of any policy required herein to Lessor not less than THIRTY (30) calendar days before such cancellation or modification takes effect. Lessee shall not permit any insurance policy to be canceled or modified without Lessor's written consent unless equivalent replacement policies are issued with no lapse in coverage.

17.4 *Additional Insurance*. At any time during the term of this Lease, Lessor may, if in its reasonable determination the insurance coverage required by this SECTION 17 is no longer adequate, require Lessee to increase its coverage to commercially reasonable amounts.

17.5 *Blanket Insurance*. Lessee's insurance obligations under this Lease may be satisfied by means of "blanket" or excess policies.

17.6 *Insurance by Lessor*. In the event Lessee shall fail to procure any insurance required hereunder, Lessor may, upon written notice to Lessee, procure and maintain any or all of the insurance required of Lessee under this SECTION. In such event, all costs of such insurance procured and maintained by Lessor on behalf of Lessee shall be the responsibility of Lessee and shall be fully reimbursed to Lessor within TEN (10) business days after Lessor advises Lessee of the cost thereof.

18. SURRENDER OF POSSESSION.

18.1 *Condition of Premises*.

18.1.1 Upon the expiration or earlier termination of this Lease, Lessee's right to occupy the Premises and exercise the privileges and rights granted thereunder shall cease, and Lessee shall peaceably surrender the same and leave the Premises broom clean and in good condition except for normal wear and tear. Lessee shall not be responsible for the removal or remediation of any Hazardous Material (including asbestos and lead paint) that was present on, under or near the Premises prior to the Effective Date. All trade fixtures, equipment, and other personal property, to include all hazardous material, installed or placed by Lessee on the Premises which are not permanently affixed thereto shall remain the property of Lessee, and Lessee shall have

the right at any time during the term of this Lease, to remove the same from the Airport and Lessee shall repair, at its sole cost, any damage caused by such removal. Any property not removed by Lessee within FIFTEEN (15) calendar days of the expiration or earlier termination of this Lease, or revocation of Lessee's right to occupy the Premises, shall become a part of the Premises, and ownership thereof shall vest in Lessor. Lessee shall, however, remain financially liable to Lessor for removal and disposal of any hazardous materials and the cost of repairs to the Premises incurred as a result of Lessor's removal and/or relocation of property formerly belonging to Lessee and not otherwise removed from the Premises, as provided herein, and shall remit to Lessor payment for such costs within TEN (10) business days of Lessee's receipt of Lessor's invoice therefor.

18.1.2 Any trade fixtures, equipment or other property affixed to the Premises by Lessee shall, if required by Lessor, be permanently removed from the Premises by Lessee, at Lessee's expense, within FIVE (5) business days of Lease termination. Should Lessee fail to remove such trade fixtures, equipment or other personal property within said time, Lessor may remove and dispose of such trade fixtures, equipment or other property at Lessee's expense, and Lessee shall reimburse Lessor for the costs thereof within TEN (10) business days of receipt of Lessor's invoice therefor.

18.2 Holding Over. Lessee shall not remain in possession of the Premises after the expiration or earlier termination of the Term without the express written consent of Lessor. Should Lessee hold over without the express written consent of Lessor, such tenancy shall be at the sufferance of Lessor and not a renewal of the Term. In such case, the Base Rent and all other charges due pursuant to this Lease shall be payable at ONE HUNDRED FIFTY PERCENT (150%) of the amount payable during the last year of the Term, and such tenancy at sufferance shall be subject to every other term, covenant and provision of this Lease. In the event Lessee holds over, Lessee shall be liable for all of Lessor's direct and consequential damages, which shall include, without limitation, costs, fees, expenses, damages and attorneys' fees incurred by Lessor as a result of Lessee's holding over, and damages and expenses incurred by Lessor for its inability to deliver possession of the Premises to a new lessee.

19. INSPECTION BY LESSOR

Lessor may enter upon the Premises at reasonable times during Lessee's normal business hours and upon at least TWO (2) business days' prior written notice to Lessee (except in emergencies, in which event Lessor shall notify Lessee promptly following such emergency entry) for any reasonable purpose, including, but not limited to, compliance with the terms and conditions of this Lease and the exercise of its governmental functions for such activities as fire protection or security. Lessee may accompany Lessor on any Lessor inspections and entries, provided that Lessor shall not be obligated to delay entry in event of emergency. Lessor shall take reasonable steps to avoid interrupting or disrupting the conduct of business of Lessee on the Premises.

20. NOTICES

20.1 All notices required or permitted under this Lease shall not be effective unless personally delivered or mailed by certified mail, return receipt requested, postage prepaid, or by reputable commercial overnight courier service, to the following addresses:

TO LESSOR:

Phoenix-Mesa Gateway Airport Authority
Attn: Business Development Department
5835 South Sossaman Road
Mesa, Arizona 85212

TO LESSEE:

Mesa SkyBridge, LLC
2415 East Camelback Road, Suite 700
Phoenix, Arizona 85016
Attention: Jose Pablo Martinez, Project Manager

Phone: 602-508-3566 (for convenience only and not for formal notification)
Email: jose.martinez@seguritech.com

With a required copy to:
(which shall not constitute notice)

Greenberg Traurig, LLP
Attn: Quinn P. Williams
2375 East Camelback Road, Suite 700
Phoenix, Arizona 85016
Email: williamsq@gtlaw.com

20.2 Any notice shall be deemed to have been received TWO (2) business days after the date of mailing, if given by certified mail, or upon actual receipt if personally delivered or if given by reputable commercial overnight courier service. Any Party may designate in writing a different address for notice purposes pursuant to this SECTION.

21. SEVERABILITY

The provisions of this Contract are severable to the extent that any provision or application held to be invalid shall not affect any other provision or application of the Contract, which may remain in effect without the valid provision, or application.

22. SALES AND PROPERTY TAXES

Lessee shall pay any leasehold tax, sales tax, personal property tax, transaction privilege tax, license or permit fee, or any other tax assessed as the result of its occupancy of Premises or conduct of any activity at the Airport under authority of this Lease, including, without limitation, any such tax assessable on Lessor as a result of the payments made by Lessee to Lessor under this Lease. In the event that laws or judicial decisions result in the imposition of a real property tax or any other form of tax or imposition on the interest of Lessor, such tax shall also be paid by Lessee for the period this Lease is in effect, to the extent such taxes are reasonably attributable to the Premises or a portion thereof or the operation of Lessee's business.

23. APPROVALS, CONSENTS AND NOTICES

All approvals, consents and notices called for in this Lease shall be in writing, signed by the appropriate Party, and may not be established solely by oral testimony.

24. LIENS AND MORTGAGES

24.1 General Provisions.

24.1.1 Except as provided in this SECTION 24, Lessee shall not engage in any financing or other transaction creating any mortgage or deed of trust upon the Premises, place or suffer to be placed upon the Premises any lien or other encumbrance, or suffer any levy or attachment to be made on Lessee's interest in the Premises. Any such mortgage or deed of trust, encumbrance or lien shall be deemed a violation of this SECTION, constituting a failure by Lessee to comply with the terms of the Lease, on the date of its execution or filing of record regardless of whether or when it is foreclosed or otherwise enforced.

24.1.2 Notwithstanding anything to the contrary in SECTION 9 herein, Lessee shall, during the Term, be permitted to mortgage, collaterally assign, or otherwise encumber its leasehold interest under this Lease to secure indebtedness, including, without limitation, a loan to finance construction of improvements and other development on the Premises, and including refinancing's thereof, subject to the restrictions of SECTION 24.1.3, and provided that the language of such mortgage or deed of trust and of all related documents that require the execution, approval, or consent of Lessor shall be subject to the prior review and approval of legal counsel for Lessor, and that all legal fees incurred by Lessor in connection with such legal counsel review and approval shall be paid by Lessee. Any such encumbrance is referred to as "Mortgage" and the holder thereof, "Mortgagee." The Mortgagee, upon taking possession or upon foreclosure or taking an assignment in lieu thereof, shall be liable for all future rents and obligations hereunder and shall attorn to Lessor. No Mortgage shall encumber Lessor's interest in the Premises or the improvements thereon. Further and promptly after Lessee assigns or encumbers any portion of the Premises or the improvements thereon, Lessee shall furnish Lessor with a written notice setting forth the name and address of such Mortgagee or trustee.

24.1.3 No Mortgage or deed of trust shall extend to or affect the fee, the reversionary interest or the estate of Lessor in the Premises. No Mortgage or deed of trust shall be binding upon Lessor in the enforcement of its rights and remedies under this Lease and by law provided, unless and until a copy thereof shall have been delivered to Lessor and such Mortgage or deed of trust is authorized in accordance with provisions of this SECTION 24.

24.2 Lessor Agreement. With respect to Mortgagees of the Premises, Lessor agrees that:

24.2.1 If requested by a Mortgagee which shall have duly registered in writing with Lessor its name and address, and if Lessor shall give any notice, demand, election or other communication required hereunder (hereafter, collectively, "Notices") to Lessee, Lessor shall concurrently give a copy of each such Notice to the Mortgagee at the address designated by it. Notices shall be sent by registered or certified mail, return receipt requested, and shall be deemed given SEVENTY-TWO (72) hours after the time they are deposited in a United States Post Office with postage charges prepaid, addressed to the Mortgagee. No Notice given by Lessor to Lessee shall be binding upon or affect Lessee or the Mortgagee unless a copy of the Notice shall be given to the Mortgagee pursuant to this SECTION 24.2.1.

24.2.2 Such Mortgagee entitled to such Notices, as specified above, shall have any and all rights of Lessee with respect to the curing of any default hereunder by Lessee.

24.2.3 If Lessor shall elect to terminate this Lease by reason of any default by Lessee with respect to the Premises, the Mortgagee that shall have become entitled to Notice as provided in this SECTION 24.2 shall have any and all rights of Lessee with respect to curing of any default with respect to the Premises.

24.2.4 Nothing herein contained shall be deemed to impose any obligation on the part of Lessor to deliver physical possession of the Premises to such holder of a Mortgage. To the extent the physical possession of the Premises by a secured creditor is not inconsistent with the terms of this Lease, or is incompatible with the Lessor's selection of available remedies in the Event of Default, Lessor shall not prevent such physical possession.

24.2.5 If more than one Mortgagee shall seek to exercise any of the rights provided for in this SECTION 24, the holder of the Mortgage having priority of lien over the other Mortgagees shall be entitled, as against the others, to exercise such rights. Should a dispute arise among Mortgagees regarding the priority of lien, the Mortgagees shall prove to the satisfaction of Lessor that they have settled that dispute.

24.3 Protection of Mortgagee(s). Until the time, if any, that an approved Mortgage shall be satisfied and released of record:

24.3.1 A Mortgagee shall have the right, for a period equal to the period afforded Lessee to perform any term, covenant, or condition and to remedy any default by Lessee hereunder, and Lessor shall accept such performance with the same force and effect as if furnished by Lessee, and the Mortgagee shall thereby and hereby be subrogated to the rights of Lessor. Such Mortgagee cure period shall begin on the later of: (i) the date Mortgagee receives notice pursuant to Section 24.2, or (ii) the date that Lessee's cure period expires under the Lease. During such Mortgagee cure period, Lessor will not disturb possession, interest or quiet enjoyment by the Lessee or Mortgagee in the real property for any reason, subject to the terms of the Lease, until such Mortgagee cure period has expired. The Mortgagee shall have the right to enter upon the Premises to give such performance.

24.3.2 In case of a default by Lessee in the performance or observance of any non-monetary term, covenant or condition to be performed by it hereunder, if such default cannot practicably be cured by the Mortgagee without taking possession of the Premises, in such Mortgagee's reasonable opinion, or if such default is not susceptible of being cured by the Mortgagee, then Lessor shall not serve a notice of lease termination if and so long as:

a. The Mortgagee shall proceed diligently to obtain possession of the Premises (including possession by a receiver), and, upon obtaining such possession, shall proceed diligently to cure such defaults as are reasonably susceptible of cure (subject to any order by a court of competent jurisdiction staying or otherwise precluding such Mortgagee from obtaining such possession); or

b. The Mortgagee shall institute foreclosure proceedings and diligently prosecute the same to completion (unless in the meantime it shall acquire Lessee's estate hereunder, either in its own name or through a nominee, by assignment in lieu of foreclosure), subject to any order by a court of competent jurisdiction staying or otherwise precluding such Mortgagee from obtaining such possession.

c. The Mortgagee shall not be required to obtain possession or to continue in possession of the Premises pursuant to SECTION 24.3.2a, or to continue to prosecute foreclosure proceedings pursuant to SECTION 24.3.2b, if and when such default shall be cured. If a Mortgagee, its nominee, or a purchaser at a foreclosure sale shall acquire title to Lessee's leasehold estate hereunder, a default that is not reasonably susceptible to cure by the person succeeding to the leasehold interest shall no longer be deemed a default under this Lease.

d. If any Mortgagee is prohibited from commencing or prosecuting foreclosure or other appropriate proceedings in the nature thereof by any process or injunction issued by any court, or by reason of any action by any court having jurisdiction of any bankruptcy or insolvency proceeding involving Lessee, the times for commencing or prosecuting foreclosure or other proceedings, including proceedings to obtain possession, shall be extended for the period of the prohibition.

24.4 New Lease

24.4.1 Subject to FAA regulations, Lessor agrees that, in the event of early termination of this Lease for any reason (including but not limited to any default by Lessee), Lessor, if requested by any Mortgagee, will enter into a new lease of the Premises with the most senior Mortgagee requesting a new lease, which new lease shall commence as of the date of termination of this Lease and shall run for the remainder of the original term of this Lease, at the rent and upon the terms, covenants and conditions herein contained, provided that:

a. Such Mortgagee shall make written request upon Lessor for the new lease within SIXTY (60) calendar days after the date such Mortgagee receives written notice from Lessor that this Lease has been terminated;

b. Such Mortgagee shall pay to Lessor, at the time of the execution and delivery of the new lease, any and all sums which would, at that time, be due and unpaid pursuant to this Lease but for its termination, and in addition thereto all reasonable expenses, including reasonable attorneys' fees, which Lessor shall have incurred by reason of such termination;

c. Such Mortgagee shall perform and observe all covenants in this Lease to be performed and observed by Lessee, and shall further remedy any other conditions which Lessee under the Lease was obligated to perform under its terms, to the extent the same are reasonably susceptible of being cured by the Mortgagee; and

d. The Lessee under the new lease shall have the same right of occupancy to the buildings and improvements on the Premises and elsewhere on the Airport as Lessee had under this Lease immediately prior to its termination.

Notwithstanding anything to the contrary expressed or implied in this Lease, any new lease made pursuant to this SECTION 24 shall have the same priority as this Lease with respect to any mortgage, deed of trust, or other lien, charge, or encumbrance on the fee of the Premises, and any sublease under this Lease shall be a sublease under the new Lease and shall not be deemed to have been terminated by the termination of this Lease.

24.4.2 Nothing herein contained shall require any Mortgagee to enter into a new lease pursuant to this SECTION 24.4, or to cure any default of Lessee referred to above.

24.4.3 If any Mortgagee shall request a new lease as provided in this SECTION 24.4, Lessor agrees, at the request of, on behalf of and at the expense of the Mortgagee, upon a guaranty from it reasonably satisfactory to Lessor, to institute and pursue diligently to conclusion the appropriate legal remedy or remedies to oust or remove the original Lessee from the Premises, but not any authorized subtenants actually occupying the Premises or any part thereof.

24.4.4 Unless and until Lessor has received notice from each Mortgagee that the Mortgagee elects not to demand a new lease as provided herein, or until the period therefor has expired, Lessor shall not cancel or agree to the termination or surrender of any existing subleases nor enter into any new leases or subleases with respect to the Premises without the prior written consent of each Mortgagee.

24.5 Effect of Transfer. Neither the foreclosure of any Mortgage (whether by judicial proceedings or by virtue of any power of sale contained in the Mortgage), nor any conveyance of the leasehold estate created by this Lease by Lessee to any Mortgagee or its designee by an assignment or deed in lieu of foreclosure or other similar instrument, shall require the consent of Lessor or constitute a default under this Lease, and upon such foreclosure, sale or conveyance, Lessor shall recognize the purchaser or other transferee in connection therewith as the Lessee under this Lease, subject only to an assumption in writing by such purchaser or transferee of all obligations of Lessee under this Lease.

25. GOVERNING LAW

The laws of the State of Arizona shall govern the matters set forth in this Lease. Venue of any action brought under this Lease shall, at the option of Lessor, lie in Maricopa County, Arizona.

26. RULES AND REGULATIONS

Lessee shall at all times comply with all Federal, state and local laws, ordinances, rules, and regulations which are applicable to its activities on the Airport, the Premises itself (including but not limited to the *Americans with Disabilities Act, Public Law 101-336, 42 U.S.C. 12101-12213*), or the operation, management, maintenance, or administration of the Airport, including all laws, ordinances, rules and regulations adopted after the Effective Date. Lessee shall at all times comply with the Airport *Minimum Standards* and *Airport Rules and Regulations*, as the same may be amended from time to time. Copies of the current Airport *Minimum Standards* and *Airport Rules and Regulations* are attached hereto as **EXHIBIT D**. Lessee acknowledges and agrees that Lessor may amend the Airport *Minimum Standards* and *Airport Rules and Regulations* at any time in Lessor's sole discretion. Lessee shall be responsible for controlling and preventing disruptive pedestrian and vehicle traffic associated with its activities on the Premises and at the Airport. Lessee also shall display to Lessor any permits, licenses, or other evidence of compliance with laws upon request.

27. CORPORATE AUTHORIZATION

In executing this Agreement, Lessee represents and warrants to Lessor that if Lessee is a corporation, Lessee has obtained and been granted the full right, power and authority to enter into this Lease.

28. UTILITY LINES AND SERVICE CHARGES

28.1 Lessee shall, at no cost or expense to Lessor, provide or arrange for any public utility, water and sewage lines, connections and services that are needed in connection with any building(s), structure(s) or other improvement(s) placed on the Premises by Lessee, or required for Lessee's activities thereon, and shall be responsible for the maintenance of such lines and connections from where they enter the Premises. If requested in advance to do so by Lessee, Lessor will grant reasonable rights-of-way on or across the Airport to suppliers of public utility services for the purpose of supplying Lessee with such services, but Lessor reserves the right to designate the lands along which such rights-of-way shall be granted so as to cause the least inconvenience in the operation of the Airport and other Airport tenants.

28.2 Lessee shall pay for all utilities, including trash collection, used in its operations at the Airport and the Premises. The charges and method of payment for each utility or service shall be determined by the appropriate supplier of the utility or service in accordance with applicable laws and regulations, on such basis as the appropriate supplier of the utility or service may establish.

28.3 Notwithstanding the execution of this Lease, Lessor retains the right to the continued use of such utility lines and services as are presently on the Premises and the right to repair the same when necessary in Lessor's sole discretion, including but not limited to, any utility easements on the Premises. Lessor shall conduct such repairs in such a manner and at such times as to not unreasonably interfere with Lessee's activities thereon.

29. RESERVATIONS TO LESSOR

Subject to Lessor's representations, warranties and obligations, and the express provisions of this Lease, the Premises are accepted "as is, where is" by Lessee, subject to any and all existing easements or other encumbrances. In advance consultation with Lessee, Lessor reserves the right to grant reasonable easements, rights-of-way, and permits, over, on or across any portions of the Premises for commercially reasonable purposes; provided, that Lessor and the grantee, as applicable, shall not exercise such rights so as to interfere with or disrupt Lessee's activities on the Premises, including the development of the Premises, to be determined in the reasonable judgment of Lessor and Lessee, and all such interference shall be minimized. Lessor shall provide Lessee reasonable notice of any plan to undertake the activities contemplated under this Section and shall coordinate with Lessee regarding the execution of such plans to minimize any interference with Lessee's

or any subtenant's activities on the Premises, that all work shall be in compliance with all applicable laws, including Environmental Law, and that the surface of the Premises shall be restored to its original condition, including any necessary remediation in accordance with Environmental Law of any contamination associated with any Hazardous Material disturbed during any construction, at no cost to Lessee, upon the completion of any construction. Lessor agrees that any rights granted to any parties by reason of this clause shall contain provisions obligating such parties to at a minimum the same conditions applicable to Lessor under this Section, including but not limited to that the surface of the Premises and any Horizontal Improvements shall be promptly restored to their original condition, at no cost to Lessee, promptly upon the completion of any construction.

30. FEDERAL AVIATION ADMINISTRATION (FAA) PROVISIONS

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

30.2 Lessor reserves the right, but shall not be obligated to Lessee, to maintain and keep in repair the landing area of the Airport and all publicly owned facilities of the Airport, together with the right to direct and control all activities of Lessee in this regard. Lessor and Lessee agree that Lessee has no responsibility whatsoever with respect to maintenance and repair of the landing area of the Airport, or any publicly owned facilities of the Airport.

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

30.4 There is reserved unto Lessor, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Premises, which shall include the right to cause in the airspace any noise inherent in the operation of aircraft, now known or hereafter used for navigation of or flight in or through the airspace, and for the use of such airspace for landing on, taking off from, or operation on the Airport.

30.5 Lessee agrees to comply with the notification and review requirements covered in 14 CFR Part 77 in the event future construction of a building is planned for the Premises or in the event of any planned modification or alteration of any present or future building or structure situated on the Premises.

30.6 Lessee shall not erect or permit the erection of any structure or building, nor permit the growth of any tree on the Premises, or any other obstruction that exceeds height requirements contained in 14 CFR Part 77 or amendments thereto, or interferes with the runway and/or taxiway "line of sight" of the control tower. In the event these covenants are breached, Lessor reserves the right to enter upon the Premises and to remove the offending structure or object at the expense of Lessee.

30.7 Lessee shall not make use of the Premises in any manner that might interfere with the landing and taking off of aircraft from the Airport or otherwise constitute a hazard. In the event this covenant is breached, Lessor reserves the right to enter upon the Premises and cause the abatement of such interference at the expense of Lessee.

30.8 Nothing contained in this Lease shall be construed to grant or authorize the granting of an exclusive right within the meaning 49 U.S.C. §40103(e) and 47107 (a)(4).

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

30.10 To the extent that Lessee conducts or engages in any aeronautical activity for furnishing services to the public at the Airport, Lessee shall furnish its services on a reasonable and not unjustly discriminatory basis to all users and charge reasonable and not unjustly discriminatory prices for each unit or service; except, however, that Lessee may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar type of price reductions to volume purchasers.

30.11 Lessee shall conform to Lessor and FAA safety and security rules and regulations regarding use of the Airport air operations area including runways, taxiways, taxilanes and aircraft aprons by vehicles, employees, customers, visitors, etc., in order to prevent security breaches and avoid aircraft incursions and vehicle/pedestrian deviations; complete and pass an airfield safe driving instruction program when offered or required by Lessor; and be subject to penalties as prescribed by Lessor for violations of Airport safety and security requirements.

31. TITLE VI

31.1 The tenant/Lessee and its transferee agree to comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color or national origin, sex, age or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. Lessee understands and acknowledges that the FAA requires inclusion of and adherence to the terms and conditions of Title VI in all airport/aviation lease agreements where Lessor receives federal funding, including, Lessor in this instance.

31.2 During the performance of this contract, the tenant/lessee, for itself, its assignees, and successors in interest agrees as follows:

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

2. Non-discrimination: The tenant/lessee, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The tenant/lessee will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR Part 21.

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

4. Information and Reports: The tenant/lessee will provide all information and reports required by the Acts, the Regulations and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the sponsor or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities

and instructions. Where any information required of a tenant/lessee is in the exclusive possession of another who fails or refuses to furnish the information, the tenant/lessee will so certify to the sponsor or the Federal Aviation Administration as appropriate, and will set forth what efforts it has made to obtain the information.

5. Sanctions for Noncompliance: In the event of a tenant/lessee's noncompliance with the Nondiscrimination provisions of this contract, the Recipient will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:

- a. withholding payments to the tenant/lessee under the contract until the tenant/lessee complies; and/or
- b. cancelling, terminating, or suspending a contract, in whole or in part.

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

31.3 The Lessee for himself/herself, his/her heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree that (1) no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land, and the furnishing of services thereon, no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the lessee will use the premises in compliance with all other requirements imposed by or pursuant to the List of discrimination Acts And Authorities.

31.4 During the performance of this Lease, the tenant/Lessee, for itself, its assignees, and successors in interest agrees to comply with the following non-discrimination statutes and authorities; including but not limited to the following (which Lessor is required to disclose and include in such Lease and other agreements, pursuant to FAA regulation):

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq.*, 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR part 21 (Non-discrimination In Federally-Assisted Programs of The Department of Transportation—Effectuation of Title VI of The Civil Rights Act of 1964);
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 *et seq.*), as amended, (prohibits discrimination on the basis of disability); and 49 CFR part 27;
- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 *et seq.*), (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);

- The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms “programs or activities” to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 CFR parts 37 and 38;
- The Federal Aviation Administration’s Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures non-discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq).

31.5 Lessee agrees that in the event improvements are constructed, maintained, or otherwise operated on the Premises for a purpose for which a Department of Transportation (DOT) program or activity is intended, or for another purpose involving the providing of similar services or benefits, Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, *Nondiscrimination in Federally Assisted Programs of the Department of Transportation*, as it may be amended.

32. FEDERAL FAIR LABOR STANDARDS ACT

This contract and all subcontracts that result from this contract incorporate by reference the provisions of 29 CFR part 201, the Federal Fair Labor Standards Act (FLSA), with the same force and effect as if given in full text.

The Lessee has full responsibility to monitor compliance to the referenced statute or regulation. The Lessee must address any claims or disputes that arise from this requirement directly with the U.S. Department of Labor – Wage and Hour Division.

33. OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970

This Lease incorporates by reference the provisions of 29 CFR part 1910 with the same force and effect as if given in full text. Lessee must provide a work environment that is free from recognized hazards that may cause death or serious physical harm to the employee, to the extent required by applicable law on Lessee. Lessee retains full responsibility to monitor its compliance and their subcontractor’s compliance with the applicable requirements of the Occupational Safety and Health Act of 1970 (20CFR Part 1910). Lessee must address any

claims or disputes that pertain to a referenced requirement directly with the U.S. Department of Labor – Occupational Safety and Health Administration, as required by applicable law.

34. INCORPORATION OF QUITCLAIM DEED

Lessor owns the Airport pursuant to a Quitclaim Deed from the United States Government (“Deed”), a copy of which is available to Lessee upon request and is hereby incorporated in its entirety. To the extent the Deed has terms, conditions, obligations, requirements or restrictions that apply to this Lease, Lessor, Lessee or any matter in connection herewith, Lessee agrees to be bound by all the terms, covenants and conditions of the Deed, including the following:

- 34.1 That this Lease is subject to all terms and conditions of the Deed; and
- 34.2 That in case of any conflict between the Deed and this Lease, the Deed shall control.

35. REQUIRED PROVISIONS OF QUITCLAIM DEED

35.1 Section VI (A)(5)(c) of the Deed requires that the following provisions be included in this Lease:

35.1.1 In furnishing services to the public, Lessee shall not discriminate against any person or class of persons by reason of race, color, creed, or national origin, and Lessee shall otherwise provide such services on a fair, equal, and not unjustly discriminatory basis to all users thereof.

35.1.2 Lessee shall charge fair, reasonable, and not unjustly discriminatory prices for each unit for service; except, however, that the Lessee may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

35.2 If the Premises are within any of the archaeological sites identified in Section VIII.A of the Deed, then, the provisions of Section VIII of the Deed shall be deemed incorporated in this Lease by this express reference to Section VIII of the Deed.

35.3 To the extent the Deed requires that other specific provisions thereof be inserted in this Lease by express reference to the Deed, this sentence shall constitute an express reference to all such applicable provisions of the Deed.

36. ARCHEOLOGICAL OR CULTURAL RESOURCES

In the event any archeological or cultural resources are discovered during any construction contemplated or permitted by this Lease, Lessor shall use its best efforts to expedite any necessary actions with respect thereto, at Lessor’s sole cost and expense; provided, however, that in the event the necessary actions with respect to any archeological or cultural resources exceeds or is estimated to exceed \$10,000.00, Lessee shall be entitled to terminate this Lease upon TEN (10) business days’ prior written notice to Lessor.

37. AIRPORT SECURITY

37.1 PMGAA Operations Department maintains an approved Airport Security Plan (the “Security Plan”) pursuant to 49 CFR Parts 1540 and 1542, and 14 CFR Part 139. Lessee shall at all times comply with

PMGAA Operations Department security directives, security bulletins, or verbal notifications existing now or in the future.

37.1.1 Lessee is responsible for maintaining security practices, facilities, and perimeter boundaries on their leasehold that meet the security standards set forth by PMGAA Operations Department.

37.1.2 Lessee shall promptly upon written request from Lessor correct physical or procedural deficiencies caused by Lessee that are located on the Premises which are contrary to Lessor's Operations Department, security directives, security bulletins, or verbal notifications existing now or in the future. Within TWENTY-FOUR (24) hours of Lessor notifying Lessee of any deficiency, Lessor shall provide Lessee with a reasonably detailed explanation of the deficiencies. Lessee shall be given a reasonable period of time (under the circumstances) to correct such deficiencies.

37.1.3 Lessee shall, to the fullest extent permitted by law, indemnify, defend and hold PMGAA harmless for, from and against any security violation committed by any agents, employees, invitees, subcontractors, sub-lessees or independent contractors of Lessee.

37.1.4 Lessee shall conduct and document all self-audits and self-inspections as required by TSA or Airport Operations and make such audits available for inspection.

37.1.5 Lessee shall designate a primary security coordinator to receive security related briefings, bulletins and sensitive security information.

37.1.6 PMGAA reserves the right to modify the Security Plan from time to time, as necessary or as directed by TSA. PMGAA Airport Operations shall notify the Lessee security coordinator regarding modifications that effect Lessee.

37.2 Airport Security Badge.

37.2.1 Lessee's employees and contractors that require a badge shall be obligated to complete all training and comply with all security requirements and directives issued by Lessor's Operations Department, TSA or other entity having security jurisdiction at the Airport. Lessee, employees, and contractors will surrender security badges upon request by Lessor's Operations Department; physical security media (badges and keys) remain the property of Lessor. Within SEVENTY-TWO (72) hours of Lessor's confiscation of any security badges, Lessor shall provide Lessee with a reasonably detailed explanation of the violations that caused Lessor to confiscate the security badges.

37.2.2 Lessee, employees and contractors shall comply with all security related audits, inspections, and screenings conducted by the PMGAA Airport Operations Department

37.2.3 Lessee will immediately return badges to the Airport Badging office when badge holders employment is terminated, the badge is no longer needed or the employee/contractor is on extended leave.

37.2.4 Misuse of a badge or security procedures will bring about action including, but not limited to, retraining, suspension or revocation of one or all misused badges.

38. DEFAULT BY LESSOR

In the event of any alleged breach by Lessor of its covenants or duties contained in this Lease, Lessee shall have available all rights and remedies provided in contract, at law and/or in equity, provided, however,

Lessee may not exercise any such right or remedy unless Lessee has notified Lessor by written notice of such alleged default, and Lessor has not cured such default within the THIRTY (30) calendar day period subsequent to receipt of such notice or, in the event such alleged default is of such a nature that it cannot reasonably be cured within such THIRTY (30) calendar day period, Lessor has failed to pursue a cure such alleged default with all due diligence. Notwithstanding anything to the contrary contained in this Lease, in no event shall Lessee be entitled to terminate this Lease or abate or offset any installment of Base Rent, or any other payments to be made by Lessee hereunder except as expressly permitted in this Lease.

39. BROKERS

Lessee represents and warrants that it has not had any dealings with any real estate brokers, finders or agents in connection with this Lease. Lessee further agrees to indemnify, defend (with counsel selected by Lessor) and hold Lessor and Lessor's nominees, successors and assigns harmless from any and all claims, costs, commissions, fees or damages by any person or firm whom Lessee authorized or employed, or acted by implication to authorize or employ, to act for Lessee in connection with this Lease.

40. SALE BY LESSOR

Lessee agrees to look solely to Lessor's interest in the Premises, including rents, issues, profits, proceeds, and awards for the recovery of any judgment against Lessor, it being agreed that the members, partners, officers, directors or shareholders of Lessor shall not be personally liable for any such judgment. In the event of any sale or other conveyance by Lessor of its interest in the Premises, Lessor shall be automatically freed and released from all personal liability accruing from and after the date of such sale or conveyance as respects the performance of any covenant or obligation on the part of Lessor contained in this Lease to be performed, it being intended hereby that the covenants and obligations contained in this Lease on the part of Lessor shall be binding on the Lessor and its successors and assigns only during and in respect to the respective successive periods of ownership of the Premises.

41. ESTOPPEL CERTIFICATE

Each of Lessor and Lessee shall, without charge, at any time and from time to time hereafter, within TEN (10) business days after written request from the other Party to do so, certify, by written instrument duly executed and acknowledged by such Party and certified to the other Party and to any prospective lender or purchaser/assignee: (i) as to whether this Lease has been supplemented or amended, and if so, the substance and manner of such supplement or amendment; (ii) as to the existence of any default hereunder to the best of such Party's knowledge; (iii) as to the date on which Lessee was obligated to commence paying Base Rent and all other charges hereunder and the expiration date of the Term; (iv) as to whether the Lessee has assigned or transferred its interests or any portion thereof in this Lease; and (v) as to any other matters relating to this Lease and the Premises as may be reasonably requested. The requesting Party and any prospective purchaser or lender to whom the same was certified may rely upon any such certificate.

42. MISCELLANEOUS

42.1 Personal Liability. No member of or employee of either Party shall be charged personally or held contractually liable by or to the other Party under any term or provision of this Lease because of any breach thereof, or because of its execution or attempted execution.

42.2 No Waiver. No provision of this Lease may be waived or modified except by a writing signed by the Party against whom such waiver or modification is sought.

42.3 Non-Waiver of Rights. No waiver or default by Lessor of any of the terms, conditions, covenants or agreements hereof to be performed, kept or observed by Lessee shall be construed or act as a waiver of any subsequent default of any of the terms, covenants, conditions or agreements herein contained to be performed, kept or observed by Lessee, and Lessor shall not be restricted from later enforcing any of the terms and conditions of this Lease.

42.4 Amendment. This Contract shall be modified only by a written amendment mutually agreed to and signed by both Parties, by persons duly authorized to enter into contracts on behalf of each Party.

42.5 Invalid Provisions. Should any provision of this Lease or any application thereof be held invalid by a court of competent jurisdiction, the remainder of this Lease shall not be affected thereby, unless one or both Parties would be substantially and materially prejudiced.

42.6 Litigation Expenses. In the event of litigation between Lessor and Lessee, the prevailing Party shall be entitled to recover its reasonable attorneys' fees and all costs and expenses of litigation, including witness fees, expert witness fees, and court costs.

42.7 Headings. The headings contained herein are for convenience in reference only and are not intended to define or limit the scope of this Lease or any term thereof.

42.8 Entire Agreement. This Lease, including exhibits attached hereto at the time of its execution, constitutes the entire agreement between the Parties hereto and supersedes all prior negotiations, understandings and agreements between the Parties concerning such matters.

42.9. Force Majeure.

a. Neither Party is liable to the other, and neither Party may be deemed in default under this Lease, if and to the extent that such Party's performance of this Lease is prevented by reason of Force Majeure. The term "Force Majeure" means any occurrence, condition, event(s) or circumstance that is beyond the reasonable control of the party affected and occurs without its fault or negligence that causes a delay or prevents the Party affected from performing its obligations under this Lease

b. If either Party is delayed at any time by Force Majeure, the delayed Party shall notify the other Party in writing, as soon as practical, of the delay and shall specify the causes of delay in the notice. The delayed Party shall cause the delay to cease as soon as practicable and shall notify the other Party in writing when it has done so.

43. INCORPORATION OF RECITALS

The recitals set forth herein are acknowledged by the Parties to be true and correct and are incorporated herein by this reference.

Exhibit A
DEPICTION OF THE PREMISES

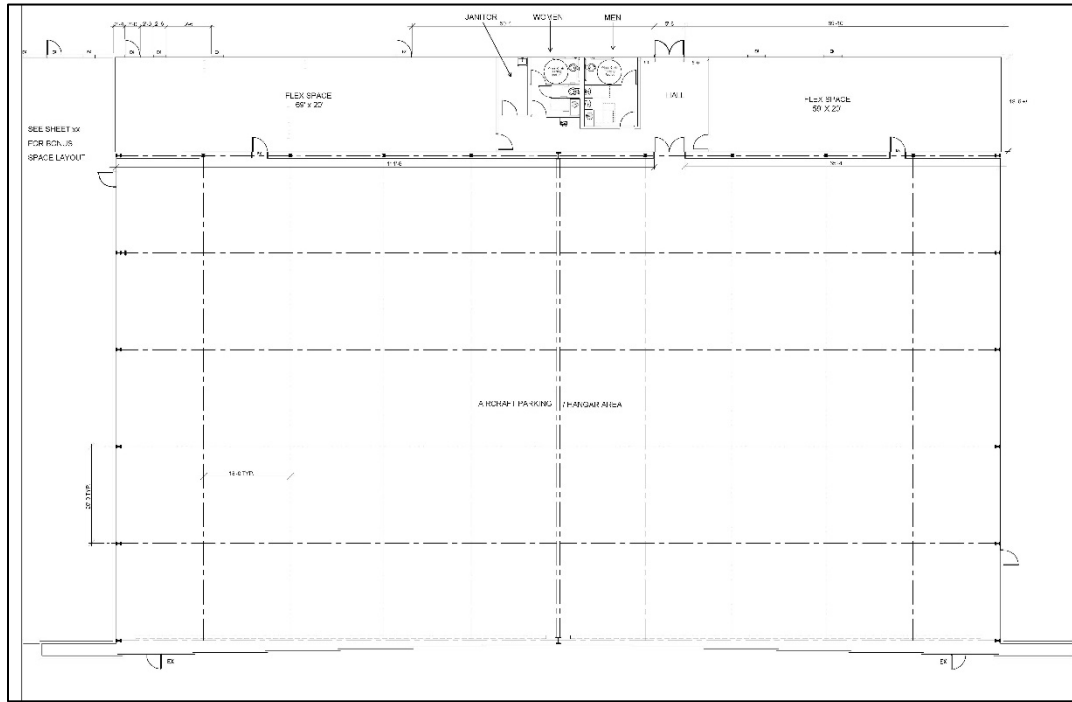


Exhibit B

AIRPORT RATES & CHARGES SCHEDULE

(SEE LINK)

http://www.gatewayairport.com/Documents/DocumentLibrary/Board%20Policies/Rates%20&%20Charges_20160701.pdf

Exhibit C

AIRCRAFT OPERATIONS GUIDELINES

C1. Use of Airport. Lessee, Lessee's assigns, sub-lessees, or transferees who operate aircraft at the Airport and are engaged in a private, government, or commercial aeronautical business or service and desire to use the Airport landing facilities for certain types of operations including, but not limited to: 1) taxiing and maneuvering on Airport runways, taxiways, ramps and aprons; 2) landings and approaches ("touch and go", "stop and go"); and 3) low approaches shall be subject to the provisions of this **EXHIBIT C**.

C2. Fees. As appropriate, Lessee shall pay Lessor fees as outlined below:

C2.1 *Landing Fee.* Lessee shall pay a landing fee at a rate equal to the amount reflected on the most current *Airport Rates and Charges Schedule* at the time of the aircraft operation, for each flight subject to a landing fee operated by or in conjunction with Lessee. The weight of any particular aircraft shall be its maximum certificated gross landing weight (MGLW). The amount owed to Lessor for each chargeable aircraft landing for each preceding calendar month shall be due and payable no later than the TWENTIETH (20th) day of the month succeeding the calendar month in which said aircraft landings took place. Lessee's written listing of all aircraft landings subject to such fee shall accompany said payment. Each entry in such listing shall include the date of the landing, the aircraft registration number, the type and model aircraft, the aircraft MGLW and the amount of the fee due.

C2.2 *Aircraft Ramp Space.* Lessee shall pay Lessor monthly, an aircraft-parking fee in an amount equal to that specified in the most current *Airport Rates and Charges Schedule* at the time of use, for each overnight aircraft parking position used by Lessee that is situated on Airport ramp outside Lessee's Premises. Such fees, if any, shall be payable to Lessor no later than the TWENTIETH (20th) day of the month following that in which Lessee occupied or used such space, and such payment shall be accompanied by a written listing of the aircraft (including registration number, make and model), dates and times of usage.

C2.3 *Other Space.* When available and specifically assigned to Lessee, Lessee shall pay Lessor monthly, in advance, a fee for Lessee's non-exclusive use of other space not situated on or part of the Premises. The location and cost of such other space shall be determined by Lessor at its sole discretion, and both may be subject to change from time to time by Lessor, as necessary.

C2.4 *Additional Space/Services.* In the event that Lessee requires space or special services such as, but not limited to, aircraft line services, out-of-station ARFF standby, operations safety officers, ground service equipment, or fuel spills response teams, Lessee shall pay Lessor's standard fees for such services at the time the service is rendered, unless a secured account or agreement is established prior to requesting additional services.

C3. Books and Records. Lessee shall maintain permanent books, records and ledgers accurately reflecting the total number of monthly Aircraft landings for each aircraft subject to a landing fee and any other aforementioned fee indicating the make, type (including model designation), registration, maximum certificated gross landing weight, and arrival and departure time of each aircraft involved. These records shall be made available to Lessor upon request. In addition to monthly payment as set forth in SECTION C2 herein and together therewith, Lessee shall provide Lessor with a written report, indicating all aircraft operations and related information for the preceding calendar month.

C4. Disabled or Abandoned Aircraft. Should any aircraft owned or operated by Lessee through accident or for any other reason, become disabled or be abandoned in any area which could interfere with the continuous, normal operations of any of the runways, taxiways and airfield facilities at the Airport, Lessee shall:

C4.1 Immediately remove said aircraft to such location as may be designated by Lessor, unless such aircraft is required to remain in place pending investigation by the appropriate regulatory agency or agencies of the federal government; and

C4.2 In the event of any accident where federal investigation in place is required, immediately upon receiving clearance to do so from the appropriate federal agency, remove said aircraft and any wreckage or debris resulting therefrom to the area(s) designated by said federal agency authorizing such removal; otherwise, such aircraft wreckage and debris shall be immediately removed from the Airport or stored at a location approved by Lessor.

C4.3 Should Lessee fail to proceed immediately to remove disabled aircraft, or should aircraft owned or operated by Lessee be abandoned on the Airport, Lessor shall have the right to remove such aircraft by any means Lessor deems necessary under the circumstances, and Lessee shall indemnify, defend, keep and hold Lessor, its members, board of directors, officers, agents, officials, servants, employees and contractors harmless from and against any and all claims, costs, loss, liability, actions, suits, proceedings, damage or expense (including costs of suit and attorneys' fees and expenses) incurred by Lessor or claimed by anyone by reason of removal of said aircraft, injury to persons or property or damages to such aircraft caused by such removal, as well as storage costs therefor. Lessee shall reimburse Lessor for any costs incurred by Lessor in removing and storing any aircraft, any property damage to the airport caused by such aircraft or removal within TEN (10) business days of demand therefor.

C5. Aviation Fuel. Lessee, at Lessee's sole cost and expense, shall procure aviation fuel delivered to its aircraft on the Airport. If fueling or defueling aircraft owned or operated by Lessee, or under Lessee's direct control, Lessee shall comply fully with Lessor's *Aviation Fuel Storage, Dispensing and Handling Guidelines* and applicable federal regulations.

C6. Fly Friendly Procedures. Lessee acknowledges that Lessor maintains *Fly Friendly* noise abatement procedures, and shall provide such information to flight crews, post the information in the Lessee's flight planning area, and use the procedures to the extent possible, when consistent with safety and Air Traffic Control directives.

Exhibit D
(SEE LINKS)

AIRPORT MINIMUM STANDARDS

<http://www.gatewayairport.com/Documents/DocumentLibrary/Board%20Policies/Airport%20Minimum%20Standards.pdf>

&

AIRPORT RULES AND REGULATIONS

http://www.gatewayairport.com/Documents/DocumentLibrary/Board%20Policies/Rules%20&%20Regulations_16-53.pdf

Exhibit E

(Lessor's Comprehensive Sign Plan)

<http://www.gatewayairport.com/documents/documentlibrary/design%20review%20documents/pmgaa%20comprehensive%20sign%20plan.pdf?Uniqueifier=rjqEg4PAB>

Board Action Item

To: Board of Directors
From: Chuck Odom, Chief Financial Officer
Through: Scott Brownlee, Deputy Director/COO
J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: Amended Procurement Policy
Date: May 15, 2018

Proposed Motion

To amend the Board of Directors Procurement Policy.

Narrative

With the implementation of 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, the federal government enacted more stringent federal procurement requirements which are applicable to expenditures of federal awards by nonfederal entities. These requirements include procurement thresholds set by the Federal Acquisition Regulation, 48 CFR Subpart 2.1, and establishes guidelines for procurement that must be followed by nonfederal entities in the event that the federal rules are more restrictive than the policies in place at the nonfederal entity. There are also requirements in 2 CFR Part 200 which are more general to the procurement process as a whole that must be followed by nonfederal entities.

During Phoenix-Mesa Gateway Airport Authority's (PMGAA) annual audit by Clifton Larson Allen, LLP, for the fiscal year ending June 30, 2017, it was noted that PMGAA must update its Procurement Policy to be fully compliant with the above regulation. Compliance by PMGAA is mandatory by July 1, 2018.

In addition to the required revisions above, PMGAA has:

1. Updated definitions throughout for added clarity
2. Added a section detailing PMGAA's options if only one proposal, bid or statement of qualification is received in response to a solicitation
3. Clarified PMGAA's Public Records section to help Offerors understand the policy better
4. General housekeeping items such as updating PMGAA's website and grammatical changes

Fiscal Impact

There is no financial impact to the Procurement Policy.

Attachment(s)

Amended Procurement Policy.



RESOLUTION NO. 18-17

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS the Authority desires to amend the Board of Directors Procurement Policy;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby amends the Board of Directors Procurement Policy. This resolution also authorizes the Chair or Executive Director/CEO to execute such Contract, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 15th day of May, 2018.

Jenn Daniels, Chair

ATTEST:

APPROVED AS TO FORM:

Maria Gonzalez, Clerk of the Board

Attorney

Resolution No.: 18-17 | Procurement**Responsible Department:** Finance and Accounting**Effective Date:** May 15, 2018**Supersedes:** October 18, 2016 (Res. 16-46)**Personnel Covered:** All Employees**POLICY STATEMENT**

It is the policy of the Phoenix-Mesa Gateway Airport Authority (“PMGAA” or “Authority”) to purchase goods and services in such a manner that promotes fiscal responsibility and efficiency, in accordance with this policy’s terms and conditions.

PURPOSE

This policy’s purposes are to obtain competitive pricing in PMGAA procurements, to authorize exceptions in specific situations, and to provide reasonable controls and accountability to PMGAA’s Board of Directors.

DEFINITIONS

A.R.S.: Arizona Revised Statutes, as amended from time to time.

A/E (Architect or Engineer) Professional Services: Services performed by a registered professional licensed by the Arizona State Board of Technical Registration architect or engineer, including architectural, ~~or~~ engineering, or other services associated with research, planning, development, design, construction, surveying, alteration, or repair of buildings and other improvements to real property.

Alternative Project Delivery Method: These methods contemplate that the contractor will be selected based on qualifications ~~or best value~~—not low bid. Alternative methods include design- build, construction manager at risk, ~~and~~ job order contracting and any method required by federal funding.

Award: A determination by the PMGAA to enter into a contract with one or more respondents. An award precedes execution of a contract.

Bid: The response submitted by a bidder to an Invitation for Bids. The response to a Request for Proposals is called a proposal or offer.

Bidder: A person or company submitting a bid.

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Board of Directors/Board: The members who jointly oversee the activities of PMGAA, a joint powers airport authority. The Authority is comprised of the Cities of Mesa, Phoenix, and Apache Junction, Towns of Queen Creek and Gilbert, and the Gila River Indian Community.

Capital Improvements: A new building or structure, or additions to or alterations of existing buildings or structures, or other improvements to real property as further defined in the budget or capital improvement program policy.

Competitive Procurement: The process of publicly soliciting bids or proposals to select the best provider of materials, equipment, services, concessions, or construction. Methods of competitive selection include Request for Quotations, Request for Proposals, Invitation for Bids, Requests for Qualifications, and cooperative contracts (with other agencies) that were competitively procured one of these ways.

Competitive Bidding: The process of soliciting bids from bidders, which may result in an award to the lowest responsible, responsive bidder. For purposes of this policy, either PMGAA or a cooperating agency may conduct competitive bidding.

Contract: All types of written agreements, regardless of what they may be called, for the procurement of materials, equipment, services, concessions, or construction. The Authority shall never enter into an oral contract.

Cooperative Purchasing: A competitively bid procurement conducted by, or on behalf of, or utilized by another governmental agency or procurement unit.

Emergency Purchase: Any purchase necessary for the immediate benefit of the public health, safety, or welfare and for which compliance with established procurement procedures is impracticable or contrary to the public interest.

Executive Director/CEO: The Chief Executive Officer of the Airport reporting to PMGAA's Board of Directors. The Executive Director/CEO has responsibility to manage, operate, and maintain Phoenix-Mesa Gateway Airport.

General Services: By contrast to professional services, general services are provided primarily through semi-skilled labor.

IFB: Invitation for Bid. The IFB consists of all documents, including those attached to or incorporated by reference, utilized for soliciting bids where price is the sole consideration for the award.

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Interested Person: A person that is an actual or prospective bidder or ~~offerer~~ proposer with a direct economic interest affected by the award or failure to award the contract at issue. Neither a subcontractor nor a supplier is an “interested person.”

Intergovernmental Agreement: An agreement with another public agency in accordance with A.R.S. 11-952.

Micro-purchase: The purchase of supplies or services using simplified acquisition procedures, the aggregate amount of which does not exceed the micro-purchase threshold. The threshold is set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1 and as of the publication of this Policy is currently set at \$3,500, but this threshold is periodically adjusted.

PMGAA: Phoenix-Mesa Gateway Airport Authority.

Procurement Coordinator: The PMGAA employee with specific responsibility for overseeing procurement of materials, goods, and services valued over \$3,500.

Professional Services: Professional services are rendered by members of a recognized profession or by persons possessing a special skill. These services include advertising, appraisers, architects, attorneys, consultants, certified public accountants, engineersplanners, environmental studies, financial and operational audits, personnel and benefits studies, land surveyors, landscape architects, renewals of proprietary computer hardware and software licensing, trainers, and other licensed professionals.

Proposal: A proposal is an offer submitted by a vendor in response to a solicitation.

Protest: A formal objection that arises during the procurement process asserted by an interested person.

Protester: An interested person that objects to a solicitation or award.

Publicly Accessible Procurement Source: A public source to establish market value of used equipment.

Purchaser: PMGAA or another agency that acquires goods, professional services, other services, or construction on behalf of an organization.

Purchasing Director: A PMGAA employee responsible for and authorized to administer day-to-day procurement activities under this Board Policy and applicable law.

Quote: An informal purchasing process that results in obtaining pricing information from several sources, including publicly posted or advertised pricing.

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Quotation: A statement of price, terms of sale, and description of goods or services offered by a vendor to a prospective purchaser.

Responsible Bidder/Proposer: A person who is licensed (if required), who complies with all of the requirements of law, the solicitation, and proposed contract, and who possesses the experience, resources, financial and technical capacity, and everything else necessary to perform the contract.

Responsive Bid: A bid or proposal that fully conforms in all material respects to the IFB/RFP and all of its requirements.

RFP: Request for Proposals. The RFP consists of all documents, including those attached or incorporated by reference, utilized for soliciting proposals.

RFQ: Request for Qualifications. The RFQ consists of all documents, including those attached to or incorporated by reference, utilized for soliciting statements of qualifications.

Services: Includes A/E, professional and general services.

Solicitation: An Invitation for Bid (IFB), Request for Proposals (RFP) or Request for Qualifications (RFQ) issued by PMGAA or another agency or procurement unit.

Vendor: A seller or supplier of goods and services.

I. CONFLICT OF INTEREST STATEMENT

Employees conducting business on behalf of PMGAA have a responsibility to do so in a manner that is objective and ethical. The goal of all such business dealings must be to benefit PMGAA. The following policies apply:

1. No employee, officer, agent or outside firm may participate in the preparation, selection, award, or administration of a solicitation or contract if he or she has a real or perceived conflict of interest.
2. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.
3. The acceptance of gifts, money, or gratuities from any person or organization is prohibited except as provided below. PMGAA employees, officers or agents will

Policy No.: 18-17 | Procurement

be guided in interpretation of this section by the distinction between a gift, gratuity, or favor given or received which has significant monetary value and is offered or accepted in expectation of preferential treatment, and an expression of courtesy.

a. Employees, officers or agents may not accept cash in any form.

b. It is recognized that employees, officers and agents must conduct a certain amount of Airport business with non-Airport employees during meals, or occasionally during entertainment events. An employee, officer or agent may accept minor items such as business meals and/or entertainment tickets when, in the employee's, officer's or agent's judgment, such offers are made in the normal course of Airport business, they benefit and advance positive working relationships and PMGAA interests, they are the usual standard of the industry, and it is not appropriate to decline.

c. This policy is not meant to preclude the acceptance of:

(1.) Free attendance or participation at official or quasi-official functions such as groundbreaking, open houses, award ceremonies, banquets or similar events which the employee, officer or agent attends in the capacity as a PMGAA employee; or

(2.) Free meals and/or entertainment that are part of such programs or functions;

(3.) Gifts of nominal value such as promotional items such as calendars, note pads, and pens.

4. Any contract entered into in violation of this policy is voidable or subject to cancellation at the option of the Purchasing Director. Employees, officers and agents who violate PMGAA's conflict of interest policy will be subject to disciplinary action, as set forth in PMGAA's Personnel Rules.

5. If an employee, officer or agent has any questions concerning this policy or is in doubt as to what is considered appropriate, he/she is directed to contact PMGAA's Procurement Coordinator.

II. RESPONSIBILITY FOR PURCHASING

- A. PMGAA's Chief Financial Officer shall serve as Purchasing Director. The Purchasing Director shall direct all purchases of goods and services made by or on behalf of PMGAA. The Purchasing Director may delegate purchasing functions to authorized PMGAA employees.
- B. Department ~~managers~~ Directors must ensure that their employees comply with this policy.
- C. The Purchasing Director shall establish procedures necessary to effectively implement this policy.
- D. Under the Purchasing Director's oversight, the Accounting Department shall maintain documentation sufficient to detail the history of procurements for audit purposes and for compliance with records-retention requirements. All procurement records must be maintained and disposed of in accordance with PMGAA's records-retention schedule.
- E. PMGAA, alone, will be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes, and claims. These standards do not relieve PMGAA of any contractual responsibilities under its contracts.

For Federal procurements, the Federal awarding agency will not substitute its judgment for that of PMGAA unless the matter is primarily a Federal concern. Violations of law will be referred to the local, state, or Federal authority having proper jurisdiction.

III. GENERAL

- A. PMGAA shall award contracts only to responsible vendors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as vendor integrity, compliance with public policy, record of past performance, and financial and technical resources. Solicitation documents shall outline additional requirements for award considered by PMGAA. PMGAA shall not award Federally funded contracts to any vendor that is listed on the government wide exclusions in the System for Award Management (SAM).

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B. PMGAA will conduct all procurement transactions in a manner providing full and open competition consistent with the standards of this policy.

For procurements funded in full or in part by a Federal agency:

1. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals shall be excluded from competing for such procurements.
 2. PMGAA shall ensure, to the fullest extent possible, enough qualified sources are notified of the procurement opportunity to ensure maximum open and free competition. PMGAA shall not preclude potential bidders from qualifying during the solicitation period.
 3. PMGAA shall conduct procurements in a manner that prohibits the use of statutorily or administratively imposed state or local geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference.
 4. Nothing in this section preempts state licensing laws.
 5. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.
 6. PMGAA will maintain a list of interested persons, firms or products which are used in acquiring goods and services. Such list shall be kept current, to the extent possible, and include enough qualified sources to ensure maximum open and free competition.
- C. PMGAA will avoid acquisition of unnecessary or duplicative items by ensuring the need and use of goods and services. Staff will review existing procurement contracts to ensure that the procurement will not be duplicative. Consideration shall be given to consolidating or breaking out procurements to obtain a more economical purchase, however, will not circumvent the requirement of Section IV(A)(1) of this policy. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.

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- D. In accordance with Title 49 Code of Federal Regulations Part 26, Disadvantaged Business Enterprise (DBE) and Part 23, Airport Concession DBEs (ACDBE), PMGAA has established a DBE and ACDBE program, approved by the FAA, taking all necessary affirmative steps to assure that minority businesses, women' and small business concerns (SBC) have equal and fair opportunity to participate in procurements where they meet the stated requirements and goals established.
- E. PMGAA encourages the use of recovered materials. For procurements funded in full or in part by a Federal agency for items designated in the guidelines of the Environmental Protection Agency (EPA) at 40 CFR Part 247 and where the item being procured exceeds the threshold set at 2 CFR Part §200.322, PMGAA will procure that item from recovered materials, when possible or practicable, consistent with maintaining a satisfactory level of competition. Further, PMGAA will follow this policy when the value of the quantity acquired during the preceding fiscal year exceeded the dollar threshold set. At the time of publication of this Policy, the threshold is \$10,000.
- F. PMGAA's solicitation documents and contracts shall contain the required provisions as set forth in the FAA's "Contract Provision Guidelines for Obligated Sponsors and Airport Improvement Program Projects", regardless of funding source.

IV. TYPES OF PURCHASES & APPROVAL THRESHOLDS**A. General Applicability**

1. Purchases may not be intentionally divided between multiple, separate procurements to circumvent this policy's requirements.
2. No purchase may be made without proper authorization.
3. Except as provided in this policy, purchases or contracts that exceed \$50,000 per year may not be awarded without the Board's prior approval.
4. When purchasing materials and general services eligible for reimbursement under a federal or state grant, PMGAA shall ensure compliance with all applicable laws, regulations, and grant assurances.
5. If, after adequate advertising of a solicitation, only one bid, proposal or statement of qualifications is received the Purchasing Director or designee will:

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a. Confirm that the specifications of the IFB, RFP or RFQ were not overly restrictive. If deemed nonrestrictive, the Purchasing Director or designee shall perform a cost or price analysis to ensure the pricing received is in line with expected services and, if in line, proceed to award the contract following the guidelines set forth in this Policy.

If the solicitation is deemed restrictive, the department requesting the procurement must submit a sole source justification to the Purchasing Director for consideration before contract award.

OR

b. Cancel the solicitation.

The procurement file shall be documented with sufficient information detailing the procurement history.

B. Federally Funded Procurements

Any procurement funded in full or in part by a Federal agency will adhere to the following purchasing methods:

1. Purchases under the Micro-purchase threshold. For purchases of supplies or services under the Micro-purchase threshold, as defined at 2 CFR 200 part §200.67, PMGAA may obtain the supplies or services as needed without further formality. Multiple quotes are not required for procurements up to the Micro-purchase threshold. However, the authorized employee must ensure that the procurement is made consistent with sound business practice and that PMGAA receives the best value. PMGAA, to the extent practicable, will distribute these purchases equitably among qualified suppliers. As of the publication of this Policy, the Micro-purchase threshold is \$3,500.
2. Purchases between the Micro-purchase threshold and \$50,000. Unless otherwise outlined within this Policy, for purchases of services, supplies, or other property that is equal to or will exceed the Micro-purchase threshold but does not exceed \$50,000, the authorized employee will obtain at least three price or rate quotes from qualified sources for the same or substantially similar items or services. If, after solicitation of a number of sources, competition is determined inadequate and three quotes are not available, the employee shall obtain as many quotes as are reasonably available. The employee shall document the

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procurement file explaining why three quotes/proposals were not obtained. Oral quotes, published advertisements, catalogues, and online web pricing will satisfy this requirement.

3. Purchases in excess of \$50,000. For purchases that will exceed \$50,000, the Purchasing Director shall require a formal competitive procurement process, except as otherwise provided in this Policy.
4. Procurement by noncompetitive proposals. Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source. PMGAA may only use this procurement method when one or more of the following circumstances apply:
 - a. The item is available only from a single source;
 - b. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
 - c. The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from PMGAA; or
 - d. After solicitation from a number of sources, competition is determined inadequate.
5. For procurements of services other than A/E services, PMGAA shall not use the competitive selection process of a Request for Qualifications (RFQ).

B-C. Non-Federally Funded Procurements: Purchases of Products, Materials, Equipment, and General Services

1. Purchases under \$5,000. For purchases under \$5,000, PMGAA may obtain the products, materials, equipment, or general services as needed without further formality. Multiple quotes are not required for procurements up to \$5,000. However, the authorized employee must ensure that the procurement is made consistent with sound business practice and that PMGAA receives the best value.
2. Purchases between \$5,000 and \$50,000. Unless otherwise outlined within this Policy, for purchases of products, materials, equipment, or general services that will exceed \$5,000 but not exceed \$50,000, the authorized employee shall obtain at least three written price quotes for the same or substantially similar items or services. If, after solicitation of a number of sources, competition is determined

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inadequate and three quotes are not available, the employee shall obtain as many quotes as are reasonably available. The employee shall document the procurement file explaining why three quotes/proposals were not obtained. Oral quotes, published advertisements, catalogues, and online web pricing will satisfy this requirement.

3. Purchases in excess of \$50,000. For purchases of products, materials, equipment, or general services that will exceed \$50,000, the Purchasing Director shall require a formal competitive procurement process, except as otherwise provided in this Policy.

D. Non-Federally Funded Procurements:~~Contracts for~~ A/E Professional Services and Construction

~~4.1.~~ PMGAA shall comply with A.R.S. Title 34 to procure construction and A/E professional services.

~~5.2.~~ Under A.R.S. Title 34, contracts with engineers in excess of \$500,000 and contracts with architects in excess of \$250,000 require advertising and selection through an RFQ. These A/E professional services and construction projects utilizing design-bid-build, construction-manager-at-risk, and job-order contracting delivery methods must be approved by the Purchasing Director or designee before advertising.

~~6.3.~~ PMGAA may procure services of an architect, engineer, or other registrant by direct selection without advertising if it is in the best interest of PMGAA as determined by the Executive Director/CEO and less than the dollar threshold amounts specified in Section ~~2IV(ED)~~(2) above.

~~C.E.~~ Contracts Non-Federally Funded Procurements:~~for~~ Professional Services (not including A/E Professional Services)

~~1. A contract for professional services may not be awarded to a person or firm that participates, prepares, or evaluates the RFP or RFQ for that contract.~~

~~2.1.~~ Purchase of professional services between \$5,000 and \$50,000. When contemplating a purchase of professional services (such as legal counsel, auditors, brokers, or other professional consultants), the authorized employee shall obtain at least three written quotes/proposals. If after solicitation of a number of sources, competition is determined inadequate and three quotes or

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proposals are not available, the ~~department employee~~ shall obtain as many quotes/proposals as are reasonably available. The ~~department employee~~ shall document the procurement file explaining why three (3) quotes/proposals were not obtained. Alternatively, the Purchasing Director may authorize the employee to directly select professional services as needed without further formality.

~~3.2.~~ Purchase of professional services over \$50,000. Unless the Executive Director/CEO grants an exception, PMGAA shall procure professional services that exceed \$50,000 by competitive selection to the extent practicable, advantageous to PMGAA, consistent with sound business practices, and likely to ensure that PMGAA receives the best value and service. The Executive Director/CEO may grant exceptions upon written recommendation by the department head that competitive selection is not practicable or advantageous to PMGAA.

~~D.F.~~ Purchases from Member Governments

The Purchasing Director may purchase services from or contract directly with any member government as necessary ~~for the Airport's normal operation~~ without using a competitive procurement process.

G. Excess and Surplus Property

For procurements funded in full or in part by a Federal agency, PMGAA shall utilize Federal excess and surplus property in lieu of purchasing new equipment and property, whenever such use is feasible, acceptable for the intended use, and available in the needed time frame.

~~E.H.~~ Procurements Involving Gateway Aviation Services

PMGAA shall procure products and services for Gateway Aviation Services in accordance with this policy, with the following exceptions.

1. Fuel, oil, and other products for resale may be purchased without formality from any qualified vendor as needed to fulfill customer orders, with due regard for price.
2. Fuel trucks and related equipment and parts may be acquired, at the Purchasing Director's option, by purchase or lease from PMGAA's fuel supplier through direct negotiations with the supplier. The Board must approve any proposed purchase or lease with a value that exceeds \$50,000.

Policy No.: 18-17 | Procurement**F.I. Emergency and Impractical Procurements**

Notwithstanding any other provision of this policy, the Purchasing Director may make or authorize other employees to make emergency procurements without following this policy if a threat to the public health, safety, or welfare exists, or if a situation exists that makes compliance with this policy impracticable, unnecessary, or contrary to the public interest. All procurements completed under this Section must be conducted with as much competition as practicable under the circumstances. A written determination of the basis for the emergency must be included in the procurement file, and a report explaining the emergency and the procurement's outcome must be made to the Board at its next regular meeting.

G.J. Purchases Excluded from Quotation/Competitive Selection Requirements

The following items are excluded from the requirement of multiple quotes or competitive selection.

1. Sponsorships.
2. Advertisements in magazines, newspapers, or other media.
3. Former employees with unique knowledge contracted on a temporary or part-time basis.
4. Publicly available training seminars and conferences.
5. Memberships in professional associations.
6. Works of art, entertainment, or performance (when authorized by the Executive Director/CEO or Board, as applicable).
7. Subscriptions to trade/professional magazines or journals.
8. Travel-related expenses as defined in the Business Travel Authorization and Reimbursement policy.
9. Payments for regulated services, such as postage and utilities, where no practical competitive alternatives exist.
10. Arizona Correctional Industries, Arizona Industries for the Blind, and other entities established by the state of Arizona under the set-aside program (A.R.S. 41-2636).

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11. Hardware and software licensing renewals and maintenance support.

H.K. Multi-Year Contracts

1. Multi-year contracts are contracts that extend more than one (1) year in length. Multi-year contracts may have optional years specified to be exercised at PMGAA's discretion. An example of a multi-year contract is a contract for three (3) years with two (2) one (1) year options for a total of five (5) years (potentially). Multi-year contracts may not exceed five (5) years total unless approved by the Board.
2. Board approval is required for multi-year contracts having a total cumulative value, including all options, in excess of \$50,000. Board approval for exercising the option years is not required if the Board approves the option when the contract is first approved.

III.V. PROCUREMENT PROCESSES

PMGAA may procure goods and services generally in accordance with the following selection methods. The selection method to be used for each procurement should be determined in coordination with the Purchasing Director or designee, giving due consideration to the nature and scope of the procurement, this policy, applicable laws, and any applicable grant or other funding requirements.

A. Obtaining Quotes for Purchases of Products, Materials, Equipment, or General Services

1. The authorized employee shall obtain and document quotes from at least three (3) qualified vendors for the same or substantially similar items or services. If three quotes are not available, the employee shall obtain as many quotes as are reasonably available, and the employee shall document the circumstances for the procurement file.
2. The authorized employee may receive quotes by any expedient manner, including telephone, fax, email, advertisements, catalogues, and online web pricing.
3. The authorized employee shall not reveal the amount of any quote to any competing vendor until after all quotes have been received.

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4. As part of the purchase order approval process, the Purchasing Director or designee will review the quotes and may: (1) accept the quotes; (2) reject any or all quotes and re-procure; (3) request additional quotes; or (4) require a formal competitive procurement process.

B. Sole Source

When there is only one person or entity capable of providing a particular product or service, or when sole source procurement is needed to maintain program continuity or compatibility with existing equipment, these circumstances must be documented. The Purchasing Director or designee may then authorize a sole source procurement and waive the requirement for a competitive procurement process.

C. Invitations for Bid (IFB)

1. Each IFB shall describe the goods or services required and include design or performance specifications for the item or service. Such description shall not contain features which unduly restrict competition.
- ~~1.2.~~ Each IFB shall describe all requirements which offerors must fulfill and all other factors to be used in evaluating bids submitted.
- ~~2.3.~~ The Purchasing Director or designee shall publicly issue and advertise each IFB. A notice inviting bids shall be published in accordance with A.R.S. 34-201 (construction) or A.R.S. 39-203 (if applicable).
- ~~3.4.~~ The IFB must state the place where each bid must be submitted, the deadline for submitting bids, and the date, time, and place of the bid opening.
- ~~4.5.~~ Each bid must be submitted in a sealed envelope clearly identified as a bid on the front of the envelope. Any bid not sealed or not received within the specified time period must be rejected.
- ~~5.6.~~ All bids must be opened in public at the time and place specified by PMGAA in the IFB documents. A tabulation of all bids received will be posted on PMGAA's website.
- ~~6.7.~~ The Purchasing Director or designee may reject any and all bids or parts of bids and may re-advertise and re-solicit bids.

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~~7.8.~~ The contract must be awarded to the lowest responsible and responsive bidder for a firm fixed price. In making the determination of the lowest responsible, responsive bidder, the Purchasing Director, designee or Board may consider the following:

- a. The ability, capacity, experience, and resources of the bidder, its employees, and subcontractors to perform the contract.
- b. The bidder's capacity to perform the contract promptly and within the time specified, without delay or disruption.
- c. The bidder's quality of performance on previous contracts with PMGAA or with its members.
- d. The bidder's financial, technical, and other resources to perform the contract.
- e. The quality and adaptability of the bidder's materials, supplies, or services to the particular use required.

~~8.9.~~ If an award is not made to the lowest bidder, the Purchasing Director or ~~designee authorized employee~~ shall prepare a written statement of the reasons and include this statement in the contract procurement file.

D. Requests for Proposals (RFP)

1. A Request for Proposal may be used when the Purchasing Director or designee determines that the product(s) or service(s) being procured cannot be evaluated by cost alone. With the use of an RFP, PMGAA may conduct oral or written discussions with proposers regarding experience, technical information, price, or other aspects of their proposals would be beneficial.
2. Each RFP must be publicly issued and advertised in the same manner as an IFB.
3. Each RFP must state:
 - a. A clear and accurate description of the technical requirements for the material, product, or service to be procured as well as a description of the work involved, if applicable. Such description must not contain features which unduly restrict competition; The type of materials or services required, and a description of the work involved.

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- b. Whether cost or pricing data is required~~;~~
- c. Whether discussions, interviews, presentations or any combination thereof, may be held with the top-ranked proposers.
- d. Identify all requirements which offerors must fulfill in order to be considered under the solicitation; ~~The minimum information that the proposal must contain.~~
- e. The criteria on which an award will be based and the points that may be awarded for each criterion.

4. Proposals submitted that meet the requirements, as outlined in the RFP, shall be considered by PMGAA to the maximum extent practical.

~~4.5.~~ The Purchasing Director, designee or the Board may reject any and all proposals or parts of proposals and may re-advertise or re-solicit proposals.

~~5.6.~~ For an RFP, the award must be made to the responsible and responsive proposer whose proposal is determined to be the most advantageous to PMGAA and best satisfies PMGAA's needs taking into consideration the evaluation criteria in the RFP. PMGAA is not required to award the contract to the proposer with the lowest price. The following criteria may be considered.

- a. Price~~;~~
- b. The ability, capacity, and experience of the proposer, its employees, and subcontractors to perform the contract~~;~~
- c. The proposer's capacity to perform the contract promptly and within the time specified, without delay or disruption~~;~~
- d. The proposer's quality of performance on previous contracts with PMGAA or with its members~~;~~
- e. The proposer's financial, technical, and other resources to perform the contract~~;~~
- f. The quality and adaptability of the proposer's materials, supplies, or services to the particular use required~~;~~

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- g. The number and scope of conditions attached to the proposer's offer, and the offer's conformance to all material aspects of the RFP.

~~6.7.~~ The ~~contract procurement~~ file must contain the basis on which the award is made, including the evaluation method and evaluation criteria used for the proposals received.

E. Requests for ~~Statements of~~ Qualifications (RFQ)

1. A Request for ~~Statements of~~ Qualifications may be issued for professional services and must be used for procurements where federal or state law requires the use of a qualifications-based selection process.
2. Each RFQ must be publicly issued and advertised in the same manner as an IFB.
3. Each RFQ must state:
 - a. A clear and accurate~~The~~ description of the work to be performed; involved;
 - b. Whether discussions, interviews, presentations or any combination thereof, may be held with the most-qualified firms;
 - c. ~~The minimum information that statements of qualifications must contain;~~ and identify all requirements which the offeror must fulfill in order to be considered under the solicitation;
 - d. The criteria on which an award will be based and the points that may be awarded for each criterion.
4. The contract or purchase shall be awarded based upon the criteria outlined in the RFQ and in accordance with applicable federal and state laws. The following criteria may be considered:
 - a. The ability, capacity, and experience of the proposer, its employees, and subcontractors to perform the contract-~~;~~
 - b. The proposer's capacity to perform the contract promptly and within the time specified, without delay or disruption-~~;~~
 - c. The proposer's quality of performance on previous contracts with PMGAA or with its members-~~;~~

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- d. The proposer's financial, technical, and other resources to perform the contract-;
- e. The quality and adaptability of the proposer's materials, supplies, or services to the particular use required-;
- f. The number and scope of conditions attached to the proposer's offer, and the offer's conformance to all material aspects of the RFQ.

F. Cooperative Purchasing Agreements

To foster greater economy and efficiency, and in accordance with efforts to promote cost-effective use of shared services across governmental agencies, PMGAA may, where appropriate, enter into cooperative purchasing agreements with state and local governments and other procurement units for the procurement or use of common or shared goods and services.

~~To obtain advantageous pricing, the~~ The Purchasing Director or Executive Director/CEO may enter into cooperative purchasing agreements with other agencies or procurement units. In most cases, a procurement process conducted by another agency will satisfy this policy. The Purchasing Director or designee shall exercise reasonable efforts to ensure that the original contract was solicited with the intent to be used for cooperative procurement, that the process was conducted in a manner consistent with this policy, and that the contract provides the best value for PMGAA.

G. Publicly Accessible Procurement Sources

When the Procurement Director determines it more practical and economical to purchase used heavy equipment versus new, and the amount exceeds \$50,000 in value, publicly accessible procurement sources may be utilized for establishing a market value for the equipment. The applicability of procurement methodology will be determined on an individual basis without securing multiple bids. Sources to establish market value may include, but are not limited to, auctions and classified advertisements (print and Web based).

Due to the type of purchase, the equipment must be paid for at time of sale to ensure availability. This makes Board approval prior to the purchase impractical. Therefore, PMGAA staff will subsequently make a full report to the Board, including

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type of equipment purchased, cost of the item, disclosure of the information utilized to establish market value and related expenses, if any.

This method benefits PMGAA both financially and operationally due to a larger pool of equipment at a less expensive costs and immediate availability.

VI. CONTRACTS

For procurements funded in full or in part by a Federal agency:

- A. PMGAA shall, if deemed appropriate and feasible, use value engineering clauses in contracts for constructions projects of sufficient size to offer reasonable opportunities for cost reduction.
- B. PMGAA may use a time and materials type contract only after a determination that no other contract is suitable and if the contract includes a ceiling price that the contractor exceeds at its own risk. Time and materials type contract means a contract whose cost to PMGAA is the sum of:
1. The actual cost of materials; and
 2. Direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit.

With a time and materials contract, PMGAA will assert a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.

- C. PMGAA shall perform a cost or price analysis in connection with procurements in excess of the Simplified Acquisition Threshold (set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1) including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, PMGAA shall make independent estimates before receiving bids or proposals.
- D. PMGAA shall negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. To establish a fair and reasonable profit, consideration must be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of

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- past performance, and industry profit rates in the surrounding geographical area for similar work.
- E. PMGAA will only allow costs or prices based on estimated costs for contracts under the Federal award to the extent that costs incurred or cost estimates included in negotiated prices would be allowable for PMGAA under Subpart E—Cost Principles, of 2 CFR Part 200.
- F. The cost plus a percentage of cost and percentage of construction cost methods of contracting will not be used.
- G. PMGAA’s contracts will contain the applicable provisions described in Appendix II to Part 200, Contract Provisions for non-Federal Entity Contracts Under Federal Awards.
- H. PMGAA will follow the State of Arizona bonding requirements for all construction work unless, on construction work funded in full or in part by a Federal agency, the Federal agency determines that the Federal interest is not adequately protected. In such cases, the bonding requirements at 2 CFR Part §200.325 shall take effect.

IV.VII. OTHER

- A. Public Access to Procurement Information
1. Procurement opportunities that exceed \$50,000 in value will be posted on PMGAA’s website at www.gatewayairport.com under the Business|Procurements & Notices section.
<http://www.phxmesagateway.org/Procurements.aspx>.
 2. Written records pertaining to a solicitation or award of a contract or purchase order must be maintained by the Purchasing Director or designee.
 3. Submittals to PMGAA become public documents subject to disclosure and applicable Arizona public records laws and PMGAA published policies. Bids, pProposals, statements of qualification, and all solicitation and evaluation materials (except the solicitation documentRFP itself) ~~are confidential and~~ may not be disclosed until the final contract has been negotiated and awarded. If the proposer deems any portion of its submittal as confidential, the proposer must label each and every page of the confidential portions with: “Trade Secret”, “Confidential” and/or “Proprietary.” Proposers are advised that, pursuant to Arizona law, contract terms and conditions, pricing, and information which are

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generally available to the public are not considered confidential information. The proposer must also list each of the materials it deems confidential at the beginning of its proposal, and provide a written, detailed justification for not making such material public, along with its submittal. This justification must address, at a minimum, the specific competitive harm that may result from any disclosure, the intrinsic value of the information to the proposer, and any safeguards the proposer uses to protect the information from disclosure. PMGAA shall have the sole discretion to disclose or not disclose such material, subject to any protective order that the proposer may obtain, but it is incumbent on the proposer to assert its rights to confidentiality. By submitting a quote, bid, proposal, or statement of qualifications, the proposer agrees to hold PMGAA harmless from any claim arising from the release of Trade Secret, Confidential Information and/or Proprietary Information which is not clearly marked as such by the proposer or lacking written, detailed justification supported by applicable law. PMGAA shall endeavor to protect against disclosure ~~of any financial information,~~ trade secrets, ~~confidential-~~ or proprietary information or data contained in a proposal, which information and data the proposer has designated as confidential. If any member of the public ~~one~~ demands public disclosure of this confidential information, PMGAA will notify the proposer, who shall defend and indemnify PMGAA against attorneys' fees and costs incurred in the event the proposer is ~~-~~resisting the demand to disclose the confidential information.

B. Procurement Transparency Regulation

1. PMGAA has adopted the following transparency regulation. This transparency regulation applies to every solicitation under this Procurement Policy. The transparency regulation's purpose is to ensure that every person's solicitation-related contacts and communications with PMGAA's Board of Directors and staff (other than the Purchasing Director or his designee) occur in a public meeting in which every other interested person may participate.
2. No person may directly or indirectly contact or communicate with any member of PMGAA's Board of Directors or any PMGAA employee about any active or pending solicitation under this Procurement Policy except at the Board of Directors' regular monthly public meeting, unless the solicitation documents specifically authorize otherwise. This transparency regulation becomes effective for each solicitation immediately upon PMGAA's release of the solicitation

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documents or posting of the solicitation opportunity on PMGAA’s website. The regulation continues in effect through any protest until the Board’s public meeting at which final action on the solicitation (or protest) has been scheduled.

3. The Purchasing Director may reject the bid, proposal, statement of qualifications, or other offer of, and the Purchasing Director may disqualify, any person that directly or indirectly (through agents, subcontractors, or suppliers, for example) violates this transparency regulation. The Purchasing Director’s decision to reject a bid, proposal, statement of qualifications, or other offer and to disqualify any person that violates this transparency regulation is final and non-appealable.
4. Every person’s contacts or communications with PMGAA regarding any active or pending solicitation must conform to this transparency regulation and the solicitation documents’ terms and conditions. Generally, each solicitation will establish PMGAA’s point of contact (typically the Purchasing Director or his designee) for purposes of the solicitation, and all persons interested in the solicitation may contact or communicate with the point of contact as specified in the solicitation documents.

VIII. PROTESTS - GENERAL INFORMATION PROCEDURES**A. Authority to Resolve Protest**

The Purchasing Director is authorized to decide any protest relating to any procurement on PMGAA’s behalf.

B. Right to Protest

Any interested person aggrieved in connection with a solicitation or award of a contract may protest the solicitation or award. The protest must be filed with the Purchasing Director.

C. Confidentiality of Protest Information

All materials submitted by a protester may be disclosed to any interested person except to the extent permitted or required by law or as determined under this policy.

D. Protests Involving Federal Aviation Administration (FAA) or Arizona Department of Transportation (ADOT) Funded Projects.

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For protests on FAA or ADOT funded projects, PMGAA may be required to provide information to or obtain the funding agency's approval of protest determinations. Accordingly, notwithstanding any deadline in this policy applicable to PMGAA, PMGAA is entitled to additional time as needed to comply with any grant or other agency requirements relating to a procurement dispute. Under no circumstances may the protester consider or name FAA or ADOT a party to the protest.

E. Record of Protest

PMGAA shall maintain a written record of each protest.

VI.IX. PROTEST OF SOLICITATION OR SPECIFICATIONS (BEFORE BID OPENING)

- A. Any interested person aggrieved in connection with the solicitation of a contract shall protest irregularities in the IFB, RFP, or RFQ within three (3) business days from the date the protester knew or should have known of the basis for the protest and, in any case, at least five (5) business days before opening bids or the deadline for submission of proposals or statements of qualifications.
- B. All protests must be made in writing to the Purchasing Director. Each protest must state the specific factual and legal grounds on which the protest is based. The protester must also include with the protest all pertinent documents and all supporting evidence. PMGAA need not accept any protest that fails to comply with the requirements of this section. The protester's failure to timely protest specifications or other solicitation terms and conditions constitutes a waiver of the protest.
- C. If a timely protest before the bid opening or receipt of proposals or statements of qualifications is made, PMGAA may proceed with the solicitation or with the award of the contract unless the Purchasing Director determines in writing that the protest should be sustained or that an addendum addressing the protest should be issued.

VII.X. PROTEST OF AWARD RECOMMENDATION

- A. A protest made after the deadline for bids or proposals, including challenges to the evaluation committee, must be submitted in writing to the Purchasing Director.

Policy No.: 18-17 | Procurement

- B. A protest must be received by the Purchasing Director within five business days following public posting of PMGAA's intent of award recommendation. The formal protest must contain the following information.
1. PMGAA's solicitation identification number and title.
 2. Name and address of the protester, the title or position of the person submitting the protest, and a statement that the protest has been authorized by the protester and the protest is made in good faith.
 3. A statement of all facts alleged and all rules, regulations, statutes, or constitutional provisions that entitles the protester to relief.
 4. All other information, documents, materials, legal authority, and evidence in support of the protest.
 5. A statement indicating the precise relief sought by the protester.
- C. The Purchasing Director will make a written decision on the protest within ten business days after it is received.
- D. The Protester may appeal the Purchasing Director's decision to the Executive Director/CEO. Any appeal must be filed with the Executive Director/CEO within three (3) business days after the protester receives the Purchasing Director's decision.
- E. The Executive Director/CEO may hear the appeal or appoint an independent hearing officer to do so. If a hearing officer is appointed, the hearing officer shall conduct an informal hearing on the appeal within 10 business days from receipt of the appeal. The hearing officer shall promptly prepare an informal decision and recommendation on the appeal for the Executive Director/CEO's consideration. The hearing officer shall promptly serve the recommendation on the protester.
- F. Upon receipt of the hearing officer's recommendation, or if no hearing officer is appointed, the Executive Director/CEO shall decide any protest for a solicitation valued at less than \$50,000. For solicitations valued less than \$50,000 or sustained protests, the Executive Director/CEO's decision is final. For solicitations valued over \$50,000 and the Executive Director/CEO is recommending denial of the protest, the Executive Director/CEO shall make a recommendation to the Board, and the Board shall make the final decision regarding award of the contract.

Policy No.: 18-17 | Procurement

- G. Notice of the Board's final decision must be furnished to the protesting party, in writing, by the Purchasing Director.



Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

To: Board of Directors
From: Shea Joachim, CEcD, Business Development Director
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: Mesa SkyBridge, LLC, Master Development Agreement
Date: May 15, 2018

Proposed Motion

To authorize an Amendment 1 to the Master Development Agreement with Mesa SkyBridge, LLC for the Gateway Aerospace Park generally located at the Southeast Corner of Sossaman Road and Velocity Way. The effective date of this Amendment 1 is June 1, 2018.

Narrative

Mesa SkyBridge, LLC (“SkyBridge”) was chosen as the Master Developer for the Gateway Aerospace Park (“Park”) and the Phoenix Mesa Gateway Airport Authority (“PMGAA”) Board approved a Master Development Agreement (MDA) in November 2017. The MDA is a 49-year agreement that outlines a series of obligations and deadlines for both PMGAA and SkyBridge related to the development of the Park. After further discussion with SkyBridge there are a few items within the MDA that need to be amended.

Section 16, Item (b) - Notices

The SkyBridge team originally envisioned a local office co-located with one of their development partners in the Phoenix Metropolitan Area. The SkyBridge team has altered that vision and has set-up a local office of their own. At the request of SkyBridge, we are proposing to amend the location of the SkyBridge team for the purpose of formal notifications required under the MDA.

Exhibit D – Pollution Liability Insurance

The Park is a superfund site and is known to have a history of environmental issues. All pre-existing hazardous material that is found on the site is the responsibility of the United States of America. PMGAA and SkyBridge have agreed to jointly procure a Pollution Liability insurance policy to cover any pre-existing, hazardous material that is found during development. When the MDA was drafted the Parties assumed the Pollution Liability insurance would be procured immediately following the approval of the MDA. However, after further review, it is advantageous to the Parties to procure the policy when SkyBridge has received approval on the Initial Master Plan from PMGAA therefore we are proposing to amend when the Pollution Liability policy must be procured. In addition, the MDA stipulated that PMGAA would take the lead on procuring the insurance policy and then invoice SkyBridge for their share of the premium. The majority of risk associated with the discovery of pre-existing, hazardous material is born by SkyBridge. As such, we are proposing that PMGAA relinquish the lead procurement role to SkyBridge with the stipulation that SkyBridge obtain three (3) written quotes for the policy and provide written justification acceptable to PMGAA if the low-bid is not pursued. PMGAA and SkyBridge will share the cost of the insurance premium as originally agreed. SkyBridge has shared some initial quotes with PMGAA that suggest a 10-year,

\$10,000,000 aggregate policy will have a premium of approximately \$250,000 (PMGAA's share of the premium would be approximately \$125,000). These estimates are supported by some preliminary research provided by PMGAA's insurance broker.

Attachment(s)

MDA Amendment 1



RESOLUTION NO. 18-18

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS the Authority desires to enter into an Amendment 1 of the Master Development Agreement with Mesa SkyBridge, LLC;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes an Amendment 1 to the Master Development Agreement with Mesa SkyBridge, LLC for the Gateway Aerospace Park generally located at the southeast corner of Sossaman Road and Velocity Way, with an effective date of June 1, 2018. This resolution also authorizes the Chair or Executive Director/CEO to execute such Contract, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 15th day of May, 2018.

Jenn Daniels, Chair

ATTEST:

APPROVED AS TO FORM:

Maria Gonzalez, Clerk of the Board

Attorney



Phoenix-Mesa Gateway Airport Authority
First Amendment to Master Development Agreement

This FIRST AMENDMENT TO MASTER DEVELOPMENT AGREEMENT (“Amendment 1”) is executed to be effective as of the FIRST (1ST) day of JUNE 2018, by and between the **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY**, authorized under the laws of the State of Arizona, its successors and assigns (“Authority”), and **MESA SKYBRIDGE, LLC**, a Arizona limited liability company (“Developer”). This Amendment 1 hereby amends that certain Master Development Agreement (the “MDA”) between Authority and Developer dated and effective on November 21, 2017 with respect to that certain real property at the Airport located at the Southeast Corner of Sossaman Road and Velocity Way and described as the Gateway Aerospace Park, which property is more particularly described and defined in the MDA as the “Park Property.” Authority and Developer may be referred to jointly as “Parties,” and each separately may be referred to as a “Party.”

WITNESSETH:

WHEREAS, Authority is the present owner and operator of the Phoenix-Mesa Gateway Airport generally located at the intersection of Ray Road and South Sossaman Road, City of Mesa, Maricopa County, Arizona (the “Airport”); and

WHEREAS, Authority and Developer desire to enter into this Amendment 1 in order to modify the MDA as provided herein;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Amendment 1 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **EXHIBIT D, Insurance Requirements, SECTION 1, Developer Insurance**, is hereby amended by inserting new **ITEM (5)** as follows:

- (5) Within Thirty (30) days of the PMGAA Board’s approval of the Initial Master Plan, Developer shall procure Pollution Legal Liability insurance in the amount of \$10,000,000 per occurrence and \$10,000,000 aggregate. The term of the policy shall be a minimum of ten (10) years. Coverage shall include 1st and 3rd party remediation for unknown pre-existing pollution conditions on the Park Property as well as for 3rd party claims for bodily injury and property damage arising from a pollution condition on the Park Property, including associated legal defense expenses. The Developer shall consult with the Authority regarding the terms thereof prior to procuring such insurance. Developer shall provide the Authority with at least three (3) written quotes for such policy and if the company with the lowest priced quote is not selected the Developer shall provide written justification for the selection. Authority shall reimburse Developer for fifty percent (50%) of the cost for the insurance policy required under this Section. The Developer shall deliver a report to the Authority which shall include a description of the costs incurred by the Developer and shall be

accompanied by an invoice showing the amount owed. The Authority shall remit payment within thirty (30) days following receipt of such invoice. The Parties shall work together to determine the necessity of any future renewal of the Pollution Legal Liability insurance.

2. **EXHIBIT D, Insurance Requirements, SECTION 2, Authority Insurance, ITEM (4)** is hereby deleted in its entirety,

4. The provisions of **SECTION 16, Miscellaneous, subsection (b), Notices**, are hereby deleted in their entirety and replaced with the following:

(b) Notices. Except as expressly set forth herein, normal notices, demands and communications between the Parties will be sufficiently given if, and will not be deemed given unless, delivered personally, dispatched by certified mail, postage prepaid, return receipt requested, or sent by a nationally recognized express delivery or overnight courier service, to the office of the Parties shown as follows, or such other address as the Parties may designate in writing from time to time:

To the Authority:

Phoenix-Mesa Gateway Airport Authority
5835 S. Sossaman Road
Mesa, Arizona 85212
Attention: Business Development Director
Email: SJoachim@gatewayairport.com

With a copy to (which shall not constitute notice):

Snell and Wilmer L.L.P.
One Arizona Center
400 E. Van Buren
Phoenix, Arizona 85020
Attention: Jody Pokorski
Email: jpokorski@swlaw.com

To the Developer and/or Guarantor:

Mesa SkyBridge LLC
2415 E. Camelback Road, Suite 700
Phoenix, Arizona 85016
Attention: Jose Pablo Martinez, Project Manager
Email: pmartinez@skybridgedevelopments.com

With a copy to (which shall not constitute notice):

Greenberg Traurig, LLP
2375 E. Camelback Road, Suite 700
Phoenix, Arizona 85016
Attention: Quinn P. Williams
Email: williamsq@gtlaw.com

Such written notices, demands, and communications will be effective on the date shown on the delivery record as the date delivered (or the date on which delivery was refused) or in the case of registered mail three (3) Business Days following deposit of such instrument in the United States Mail. A copy of any notice may also be given by email, but such notice shall only be effective if delivered by the means set forth above. Any notice to be given by any Party hereto may be given by legal counsel for such Party. Counsel for the Party may give simultaneous notice hereunder to the opposing Party and its counsel. Any Party hereunder may, by notice given hereunder, designate any further or different addressees to which subsequent notices, certificates, requests or other communications shall be sent.

5. Developer warrants and represents to Authority that: (i) all necessary actions have been taken to authorize the execution of this Amendment 1 by Developer; (ii) the persons who have executed this Amendment 1 on behalf of Developer are duly authorized to do so; and (iii) this Amendment 1 constitutes a legal, valid and binding obligation of Developer, enforceable against Developer in accordance with its terms and the terms of the Lease.

6. In all other respects the MDA shall remain unchanged and in full force and effect. The MDA, as amended by this Amendment 1 shall continue to be binding upon the Authority and Developer and their permitted successors and assigns.

7. All of the Recitals set forth above are incorporated into this Amendment 1 by this reference.

8. Developer recognizes and acknowledges that execution of this Amendment 1 shall in no way constitute a waiver by Authority of any other sums which may be due and owing to Authority or which may hereafter accrue.

IN WITNESS WHEREOF, the Parties have entered into this Amendment 1 as of the date first set forth above.

FOR AUTHORITY:

FOR DEVELOPER:

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, an Arizona joint powers airport authority

MESA SKYBRIDGE, LLC, a Nevada limited liability corporation.

By: _____

By: _____

Name: J. Brian O’Neill, A.A.E.

Name: Jose Pablo Martinez

Its: Executive Director/CEO

Its: VP and Chief Project Officer



Phoenix-Mesa Gateway Airport Authority
 5835 S Sossaman Road
 Mesa, Arizona 85212-6014
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Management Information Report

To: Board of Directors
From: Chuck Odom, Chief Financial Officer
Through: J. Brian O’Neill, A.A.E., Executive Director/CEO
Re: Solicitation Notification
Date: April 17, 2018

This report is to provide notification of the active and upcoming solicitations to help ensure compliance with the Phoenix-Mesa Gateway Airport Authority procurement transparency clause. The active activities include the following:

Active/Pending Solicitations

Type Solicitation	Number	Title	Anticipated Contract Award (Board Action)
Invitation for Bid	2018-005-IFB	Sossaman Rd & Terminal Roadways Improvements	June 2018
Invitation for Bid	2018-015-IFB	Taxiway Charlie Extension – Phase III	June 2018
Request for Qualifications	2018-019-RFQ	CMAR for Baggage Claim & Baggage Make-up Expansions	June 2018
Request for Qualifications	2018-024-RFQ	CMAR for Gateway Aviation Services Building Remodel	June 2018

Future Solicitations

Type Solicitation	Number	Title	Scheduled for Release	Anticipated Contract Award (Board Action)
Request for Proposals	TBD	Legal Services	TBD	TBD

Equipment Disposals

Fiscal year totals from sales of decommissioned / nonworking equipment total \$55,700 consisting of 14 pieces and scrap metal. In an effort to maintain orderly and safe grounds, staff has also had 7 pieces of nonworking equipment (25 – 30 years old) removed from the property at no cost.

If you have any questions about the solicitations or the procurement process, please feel free to contract me at 480-988-7613.



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www.gatewayairport.com

Management Information Report

To: Board of Directors
From: J. Brian O'Neill, A.A.E., Executive Director/CEO
Re: Weighted Voting Rights Related to the Amended and Restated Joint Powers Airport Authority Agreement
Date: May 15, 2018

The Voting Rights (Section 8) of the Phoenix-Mesa Gateway Airport Authority Amended and Restated Joint Powers Airport Authority Agreement (Agreement) defines Member Government (Member) voting rights and weighted voting rights. Per the Agreement, each Member is entitled to a weighted vote equal to that Member's *cumulative investment* as a percentage of the total investment made by all current Members since 1993.

When utilizing a weighted vote, should any one Member's weighted vote calculated under the Voting Rights Section exceed 50%, then the weighted vote for that Member shall be deemed equal to the sum of the weighted vote of all the other Members combined. However, the weighted votes of all the Members combined must be adjusted so that the total weighted vote calculation equals 100%. As an example, if a Member's weighted vote is calculated at 68%, that Member's weighted vote would then be deemed to be 50%, with the remaining Members holding a proportionate share of the remaining 50% of the total weighted vote.

Based on the above criteria, the weighted vote calculation for fiscal year 2019 is as follows:

<u>Member Government</u>	<u>Unweighted</u>	<u>Weighted</u>
City of Mesa	67.41%	50.00%
City of Phoenix	15.64%	24.00%
Gila River Indian Community	7.63%	11.71%
Town of Gilbert	6.62%	10.16%
Town of Queen Creek	1.85%	2.84%
City of Apache Junction	0.84%	1.29%
Total	100.00%	100.00%



Phoenix-Mesa Gateway Airport Authority
Cumulative Member Government Contributions and Weighted Voting Rights
Through 6/30/19 (End of FY19)
FY18-19 Voting Rights

Date Calculated:	4/2/18
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<u>Member Government</u>	<u>Contributions In \$</u>			<u>Contributions In %</u>		
	<u>Cumulative Member Govt. Investments*</u>	<u>Other Investments**</u>	<u>Total</u>	<u>Unweighted</u>	<u>Weighted</u>	
City of Mesa	59,190,106	35,216,300	94,406,406	67.41%	50.00%	32.59%
City of Phoenix	21,900,000	0	21,900,000	15.64%	24.00%	
Gila River Indian Community	10,684,550	0	10,684,550	7.63%	11.71%	
Town of Gilbert	9,274,250	0	9,274,250	6.62%	10.16%	
Town of Queen Creek	2,595,070	0	2,595,070	1.85%	2.84%	
City of Apache Junction	1,180,000	0	1,180,000	0.84%	1.29%	
Total	104,823,976	35,216,300	140,040,276	100.00%	100.00%	

* Includes cumulative contribution through FY19 per Joint Powers Authority Agreement.

** City of Mesa receives credit for collateralizing debt service (principal + interest) on Series 2012 Special Facility Revenue Bond issue.



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Management Information Report

To: Board of Directors
From: Chuck Odom
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Re: Update on Emergency Expenditure Related to Contractor Damage to the Air Traffic Control Tower
Date: May 15, 2018

On July 18, 2017 Phoenix-Mesa Gateway Airport Authority (PMGAA) staff notified the PMGAA Board, through a Management Information Report (MIR), that emergency expenditures were required to remediate and reconstruct damage to the PMGAA Air Traffic Control Tower (ATCT). The expenditures were necessary to remediate and repair water damage caused by the negligence of an employee of PMGAA contractor ABM Janitorial on April 14, 2017. Mold and asbestos remediation and repair estimates, at that time, were more than \$700,000. This report is to provide the Board with an update of the final project costs.

ABM Janitorial has accepted responsibility for the actions of their employee. However, it was extremely challenging to come to an agreement on how the repair costs would be incurred or reimbursed and release of future liability. To avoid further delay to the project, PMGAA initiated the necessary repairs and moved forward with the project under the management of PMGAA staff.

On March 15, 2018 PMGAA staff accepted the completion of the remediation and reconstruction of the ATCT from Har-Bro West, Inc. (Har-Bro), the contractor hired for the project. Final costs for the project were submitted on April 18, 2018 and are as follows:

Invoices Incurred by PMGAA:	\$ 64,613.46
Har-Bro Remediation Invoice:	374,362.30
Har-Bro Reconstruction Invoice:	<u>971,216.05</u>
TOTAL	\$1,410,191.81

The above costs have been presented to ABM Janitorial for reimbursement. The Board will be updated on the status of the reimbursement.



**NOTICE AND AGENDA OF MEETING OF THE
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
BOARD OF DIRECTORS**

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Phoenix-Mesa Gateway Airport Authority and to the public that the Phoenix-Mesa Gateway Airport Authority will hold a meeting open to the public on **Tuesday, June 19, 2018 beginning at 9:00 a.m.** in the Board Room (Saguaro A & B) of the Gateway Administration Building, 5835 South Sossaman Road, Mesa, Arizona. The Board may vote to hold an executive session for the purpose of obtaining legal advice from the Board's attorney on any matter listed on the agenda pursuant to A.R.S. § 38-431.03 (A)(3)&(4).

The agenda for the meeting is as follows:

- 1. Call to Order.** (Mayor Jenn Daniels, Chair)
Members of the Phoenix-Mesa Gateway Airport Authority will attend either in person or by telephone conference call.
- 2. Call to the Public.**
Members of the Board may not discuss items that are not on the agenda. Therefore, action taken as a result of public comment will be limited to directing staff to study the matter or scheduling the matter for further consideration and decision at a later date. Maximum of three minutes per speaker.
- 3. Executive Director's Report.** - J. Brian O'Neill, A.A.E., Executive Director/CEO
- 4. Presentation: SkyBridge Arizona Update** - Jose Pablo Martinez, Vice President & Chief Project Officer - SkyBridge Arizona, LLC.
- 5. Consent Agenda.**
 - a) **Minutes** of the Board Meeting held on May 15, 2018
 - b) **Resolution No. 18-19** - Authorizing the purchase of international waste management services through **Stericycle** in an amount not-to-exceed \$60,000 for fiscal year 2019.
 - c) **Resolution No. 18-20** - Authorizing the purchase of unleaded and diesel fuel from the lowest priced **State contract vendor** at market prices for Airport Authority use and resale in the amount of \$146,810.
 - d) **Resolution No. 18-21** - Authorizing the purchase of one Aircraft Towbarless Tug from **Advantage GSE, Inc.** in an amount not-to-exceed \$56,000.
 - e) **Resolution No. 18-22** - Authorizing an agreement with the **City of Mesa** for financial participation to share state and federal lobbyist and consulting services, effective July 1, 2018.

Consideration and Possible Approval of:

- 6. Resolution No. 18-23** - Authorizing the first amendment to the Intergovernmental Agreement with the **City of Mesa** for Aircraft Rescue and Firefighting Services, extending the agreement for one-year, effective July 1, 2018 at a cost of approximately \$1,242,511.

7. **Resolution No. 18-24** - Authorizing a construction contract for the Sossaman Road and Terminal Roadway Modifications Construction with **Nesbitt Contracting Company, Inc.** for a total cost not-to-exceed \$1,615,426.52.
8. **Resolution No. 18-25** - Approval of Authorization of Services No. 16A-1802 with **Dibble Engineering** for Construction Administration - Limited Construction Phase Services for the Sossaman Road and Terminal Roadway Modifications Construction Project for a total cost not-to-exceed \$64,901.
9. **Resolution No. 18-26** - Authorizing a Sole Source Procurement with **Scheidt & Bachmann USA, Inc.** for Revenue Control Equipment Installation for the Sossaman Road and Terminal Roadway Modifications Construction Project for a total cost not-to-exceed \$72,234.26.
10. **Resolution No. 18-27** - Authorizing a construction contract for Taxiway Charlie Extension Phase 3, with **Pulice Construction** for a total not-to-exceed \$9,785,579.65; subject to receipt of funding from the Federal Aviation Administration / Arizona Department of Transportation.
11. **Resolution No. 18-28** - Approval of Authorization of Services No. 16B-1804 with **Kimley-Horn & Associates** for Construction Administration Services and Design Support for Taxiway Charlie Extension Phase 3 Construction for a total cost not-to-exceed \$617,943; subject to receipt of funding from the Federal Aviation Administration / Arizona Department of Transportation.
12. **Discussion and possible action regarding the Independent Review of the PMGAA Procurement Policy.**
13. **Discussion and possible action regarding PMGAA Bylaws and Joint Powers Airport Authority Agreement.**
14. **Election of Officers** (*for position of Chair, Vice Chair, Secretary and Treasurer*)
15. **Board Member Comments/Announcements.**
16. **Next Meeting: Tuesday, July 17, 2018** at 9:00 a.m.
17. **Adjournment.**

Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting Maria Gonzalez at 480-988-7603 or mgonzalez@gatewayairport.com. Requests should be made as early as possible to allow time to arrange the accommodation.



Executive Director's Report

June, 2018

Financial Snapshot

OPERATING INCOME	April		Month Variance	FYTD Comparison		FYTD Variance
	FY17	FY18		FY17	FY18	
Revenues	\$1,663,400	\$1,976,061	\$312,661	\$15,891,217	\$18,055,537	\$2,164,320
Less Expenses	\$1,463,619	\$1,799,298	\$335,679	\$14,593,854	\$15,701,260	\$1,107,406
Operating Income <i>(before depreciation)</i>	\$199,781	\$176,763	\$(23,018)	\$1,297,363	\$2,354,277	\$1,056,914

Investment Fund Balances: As of April: Local Governmental Investment Pool (LGIP) 700 = \$18,042,456; Wells Fargo Collateralized Savings Account = \$14,746,022; Total \$32,788,478. This is an increase of \$929,302 from the March balance and a transfer of \$900,000 from the operating fund and the remainder represents interest income.

Finance and Accounting

Phoenix-Mesa Gateway Airport Authority (PMGAA) reported a net operating income of \$176,763 in April 2018, a \$23,018 decrease from April 2017 results. The year-over-year decrease in net operating profit was primarily due to several repair and maintenance projects related to reconfiguring the Airport Operations Maintenance Yard and providing replacement water truck fill stand locations on the Airport. These one-time expenditures will provide increased efficiency and effectiveness of Airport operations. Fiscal-year-to-date (FYTD) net operating results are \$2,354,277, an 81.5% increase over last FYTD results.

Grants, PFCs & Procurements

Active/Pending Solicitations

TYPE OF SOLICITATION	Number	Title	Anticipated Contract Award
Invitation for Bid	2018-005-IFB	Sossaman Rd & Terminal Roadways Improvements	June 2018
Invitation for Bid	2018-015-IFB	Taxiway Charlie Extension – Phase III	June 2018
Request for Proposals	2018-025-RFP	Aircraft Towbarless Tug	June 2018
Request for Qualifications	2018-024-RFQ	CMAR for Gateway Aviation Services Building Remodel	June 2018
Request for Qualifications	2018-019-RFQ	CMAR for Baggage Claim & Baggage Make-up Expansions	July 2018

Future Solicitations

TYPE OF SOLICITATION	Number	Title	Schedule for Release	Anticipated Contract Award
Request for Proposals	TBD	Legal Services	TBD	TBD

Information Technology Services

For the past year, PMGAA has been working to implement Phase I of a new Enterprise Resource Planning (ERP) System which includes Organizational Financials, Capital Projects, and Point of Sale modules. PMGAA staff has been actively training on the new system and will be ready when Phase I is activated on July 1, 2018. Implementation of Phase II, which includes Human Resources and Payroll modules, is currently ongoing and is expected to be activated in January 2019. Information Technology (IT) Director Doug Wirthgen and his team have done an exceptional job executing this new operational system.

In April 2018, the Gateway Airport website (www.gatewayairport.com) was updated with new design features, enhanced capabilities, and improved site navigation. The upgrade now makes the Airport's website much more user friendly and incorporates new features and additional information for our visitors.



The Gateway Aviation Services website (www.gatewayfbo.com) received the same overhaul and upgrade in May 2018 and now provides more information and is user-friendly for our General Aviation tenants and visitors.



Please visit both websites and check out the improvements.

Airport Operations

One of the many reasons Arizona air travelers choose to fly out of Gateway Airport is because of its convenient and affordable parking. Gateway Airport's four parking options allow passengers and visitors to choose the parking lot that best meets their needs. Visitors picking up arriving family and friends may want to wait in the Airport's convenient (and free) Cell Phone Lot located just off S. Sossaman Road; or park in the Hourly Lot (\$18/day maximum) located in front of the passenger terminal and greet them inside. Air travelers can choose from the Daily Parking Lot (\$11/day maximum) located adjacent to the passenger terminal, or the Ray Road Economy Parking Lot (\$7/day maximum) that offers convenient shuttle service to and from the passenger terminal every seven minutes.

PMGAA recently completed two parking operation improvement projects that included the installation of shade/lighting structures at the exits of the Daily Parking Lot, and the resurfacing and restriping of the Ray Road Economy Parking Lot.

The summer travel season is the peak parking season for Gateway Airport, so these improvements were completed just in time to welcome the many local air travelers looking for a little escape from the summer heat.



One of the new shade structures in the Hourly Parking Lot

Operations Statistics

PASSENGER COUNTS		April		% Change	FYTD		% Change
		FY17	FY18		FY17	FY18	
Passengers	TOTAL	117,804	123,027	4%	1,123,744	1,189,863	6%
	Deplaned	54,218	57,129	5%	565,766	599,134	6%
	Enplaned	63,586	65,898	4%	557,978	590,729	6%
Allegiant	Scheduled	112,742	119,926	6%	1,106,221	1,170,472	6%
	Charter	449	0	-100%	1,373	497	-36%
WestJet	Scheduled	5,022	2,961	-41%	16,747	18,277	9%
Elite	Charter	40	140	250%	776	1,114	44%

OPERATIONS	April		% Change	FYTD		% Change
	FY17	FY18		FY17	FY18	
Air Carrier	1,016	1,052	3%	9,701	9,917	2%
Military	343	422	19%	6,214	5,620	-10%
General Aviation	22,626	23,372	3%	212,228	233,250	10%
TOTAL	23,985	24,846	3%	228,143	248,787	9%

Noise Report

PMGAA received aircraft-related noise calls from 10 area residents in April 2018, a 10% decrease compared to the 11 callers last April. FYTD, PMGAA has received noise calls from 124 individuals, a 7% increase compared to the 116 area residents that called during the same time period last fiscal year.

CALLERS	April		FYTD	
	FY17	FY18	FY17	FY18
Total	11	10	116	124

TYPE OF AIRCRAFT	April		FYTD	
	FY17	FY18	FY17	FY18
	Callers	Callers	Callers	Callers
Unknown Jet	1	1	16	12
A-319	1	2	35	39
Commercial	0	2	18	23
GA Total	8	2	13	12
Helicopter	0	0	7	7
Military	1	3	27	31
Total	11	10	116	124

LOCATION	April		FYTD	
	FY17	FY18	FY17	FY18
Mesa	3	8	37	43
Gilbert	7	1	58	66
Gold Canyon	0	0	3	3
Queen Creek	1	1	9	8
Queen Valley	0	0	0	2
San Tan Valley	0	0	5	2
Florence	0	0	1	0
Apache Junction	0	0	1	0
Unknown	0	0	2	0
TOTAL	11	10	116	124

Engineering & Facilities

PMGAA Engineering and Facilities staff was very busy during the first six months of 2018, managing several large projects – TSA Security Checkpoint Expansion, Fully-Automated Security Exit Door System Installation, Hangar 32 Renovation, Taxiway Alpha Reconstruction, Air Traffic Control Tower Water Damage Remediation and Repair – simultaneously. Engineering & Facilities Director Bob Draper and his team are preparing several new projects for consideration and approval by the PMGAA Board at their June and July meetings. Once those projects are completed, Airport customers will benefit from new terminal roadway and Hourly Parking Lot capacity enhancements and checked baggage handling system improvements. Other important projects such as the Airport Master Plan Update, Taxiway Charlie completion, and Fuel Farm renewal are not as noticeable, but are integral to maintaining Gateway Airport's *Just Plane Easy* reputation.

Planning and Zoning

PMGAA staff has been working with Salt River Project (SRP) and the City of Mesa on SRP's proposed Southeast Power Link, the new 230 kV transmission power lines that will connect SRP's system just north of Elliot Road in Mesa with the soon-to-be-constructed Abel-Moody line south in Queen Creek. Siting considerations for the proposed project include alignment and pole heights compatible with Airport operations and the various land uses along the new structure's path. For more information about the Southeast Power Link project, you can visit

<https://srpnet.com/electric/transmission/projects/southeastpower/default.aspx>.

Gateway Aviation Services

PMGAA is reporting \$472,395 in fuel-related revenue for April 2018; an 18% increase compared to the \$398,671 collected by Gateway Aviation Services last April. Increased military activity is the main contributor to additional fuel-related revenue.

FUEL-RELATED REVENUE	April			FYTD		
	FY17	FY18	% Change	FY17	FY18	% Change
Net Retail (Jet)	\$103,779	\$120,213	16%	\$933,098	\$926,090	-1%
Net AvGas	\$52,584	\$54,693	4%	\$457,768	\$529,296	16%
Storage Fees	\$26,363	\$27,458	4%	\$258,210	\$251,174	-3%
Upload Fees	\$215,945	\$270,031	25%	\$1,976,886	\$2,700,240	37%
TOTAL	\$398,671	\$472,395	18%	\$3,625,962	\$4,406,800	22%

FUEL (Gallons)	April			FYTD		
	FY17	FY18	% Change	FY17	FY18	% Change
Retail (Jet)	49,476	57,039	15%	465,463	448,389	-4%
AvGas	46,273	49,388	7%	412,334	467,119	13%
Contract	311,443	355,350	14%	2,910,325	3,612,680	24%
Commercial	958,618	998,451	4%	9,391,858	9,133,381	-3%
TOTAL	1,365,810	1,460,228	7%	13,179,981	13,661,569	4%

Representatives from Gateway Aviation Services received an invitation to attend the Military Readiness Airlift (MRA) Workshop in Salt Lake City. This event is held on a quarterly basis to bring together Air National Guard units to coordinate upcoming training missions. Gateway Airport continues to be a very popular destination for these types of training activities because of our great flying weather, available training facilities, and exceptional customer service.

Human Resources

PMGAA held a Health and Wellness Expo for all employees and their families in May. The two dozen community partners exhibiting during the Expo provided a wealth of information on fitness, nutrition, preventive healthcare, vacation destinations, and other stress-relieving activities. Many thanks to PMGAA's HR Analyst Meghann Nowak for coordinating such a beneficial event. There are so many positive benefits associated with a healthy and happy workforce.

Business Development



On May 21, 2018, history was made at Phoenix-Mesa Gateway Airport when Customs Officers from the United States and Mexico conducted a joint inspection of U.S. goods bound for Hermosillo, Mexico. The ceremonial event was the first shipment of air cargo pre-cleared in Mesa, AZ as part of the Unified Cargo Processing Program (UCPP).

Now that the UCPP is operational at the Airport, PMGAA and SkyBridge Arizona are working with freight forwarders and other logistics companies nationwide to educate them about the new program, and to highlight the efficiencies associated with shipping goods bound for Mexico through Gateway Airport.



The first pre-cleared shipment to Mexico from an inland U.S. airport occurred in Hangar 32, which was recently renovated by PMGAA and leased to SkyBridge Arizona while they construct their own facilities.

Inaugural Unified Cargo Processing Program operation

Communications and Government Relations

PMGAA worked with the East Valley Partnership (EVP) to facilitate a national news story with MSNBC highlighting efforts to ease the pilot shortage that is plaguing the airline industry. Students and instructors from the University of North Dakota were interviewed for the segment that featured flight school operations at Gateway Airport.



MSNBC Crew Filming UND Instructor

In May, PMGAA Director of Communications and Government Relations Ryan Smith coordinated meetings between Government Relations officials from Allegiant and the Visitors Bureaus in Phoenix, Mesa, Tempe and Scottsdale. The meetings provided a great opportunity for Allegiant to build stronger relationships with Arizona's tourism leaders and discuss innovative ways to partner together to bring more visitors to Arizona and the Phoenix East Valley.



**MINUTES OF PUBLIC MEETING OF THE
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
BOARD OF DIRECTORS | May 15, 2018**

A public meeting of the Phoenix-Mesa Gateway Airport Authority was convened on Tuesday, May 15, 2018, beginning at 8:00 a.m. in the Board Room (Saguaro A & B) of the Gateway Administration Building, 5835 S Sossaman Road, Mesa, Arizona.

Members Present

Mayor Jenn Daniels, Gilbert
Mayor Jeff Serdy, Apache Junction
Lt. Governor Robert Stone, Gila River
Indian Community *
Mayor Gail Barney, Queen Creek
Vice Mayor Thelda Williams, Phoenix
Mayor John Giles, Mesa

**Neither present nor represented*

Airport Staff Present

J. Brian O'Neill, Executive Director/CEO
Scott Brownlee, Deputy Director/COO
Chuck Odom, CFO
Tony Bianchi, Airport Planner
Veronica Lewis, HR Director
Maria Gonzalez, Clerk of the Board
Jill Casson Owen, Attorney

Keith Belden, Morrison-Maierle
Jamie Bennett, Town of Queen Creek.
Aric Bopp, City of Mesa
Matt Busby, City of Apache Junction
Scott Butler, City of Mesa
René Guillen, Town of Gilbert
Chris Hacker, Mead & Hunt
Ken Halverson, Jetstrip/KMH
Fred Himovitz, HPI

Brian Howard, CEI
John Lewis, East Valley Partnership
Jim McCauley, USI
Pearl Meza, City of Phoenix
Warde Nichols, Arizona State University
Bryant Powell, City of Apache Junction
Steve Reeder, Kimley-Horn
Tim Reifeiss, Paradies Lagardère

1. **Call to Order** at 9:00 a.m. (Mayor Jenn Daniels)
2. **Call to the Public.**
There were no public comments.
3. **Executive Director's Report**

Executive Director O'Neill provided a briefing on PMGAA financial performance, passenger activity, the community noise report, and an update on various Airport projects. Fiscal Year-to-Date (FYTD) Net Operating Income is \$2,177,515, a 98% increase compared to FYTD17.

The Enterprise Resource Planning System (ERP) Phase I including organizational financials, capital projects, and point of sale modules is nearing completion, with a go-live date of July 1, 2018. Phases II & III of the project are also underway with a go-live date of January 1, 2019. Phase II addresses Human Resources and Payroll, and Phase III addresses inventory, asset management and a new work order system.

Two years ago, Passenger Facility Charge (PFC) funding was used to extend a portion of Taxiway Charlie. In FY19, PMGAA will use Federal Aviation Administration (FAA) Airport Improvement

Program (AIP) grants to complete the project. When complete, Taxiway Charlie will provide additional aeronautical land development opportunities.

Improvement projects for both S. Sossaman Road and the Hourly Parking Lot are underway and designed to address heavy congestion that occurs at various times throughout the year. This project will lengthen the queuing area on S. Sossaman Road, changing some intersection signalization, and adding a new entrance way to the Hourly Parking Lot.

Capacity expansion for the Airport's checked baggage handling system is underway in the passenger terminal. These projects will ensure we maintain enough capacity in our infrastructure to make sure the process remains efficient for our customers.

PMGAA is conducting preliminary land use planning on the 700 available acres located on the eastside of the Airport. Planning includes highest and best land uses and preliminary infrastructure needs. In June, the Board will receive a presentation on the conceptual land use to-date.

4. Presentation: Airport Master Plan Update.

PMGAA Airport Planner Tony Bianchi provided a brief update to the Board on the Airport Master Plan Update. Mr. Bianchi discussed key plan elements, Technical Advisory Committee, Stakeholder Advisory Committee, HOA & Neighborhood outreach efforts, utilization of social media, and the project website.

Mayor Serdy asked why Scottsdale Airport is not included in the Stakeholders group. Mr. Bianchi described the focus of the airports located closest to Gateway Airport.

Mayor Barney asked if PMGAA staff has connected with Pinal County. Mr. Bianchi stated Gateway Airport has been involved with the recent San Tan Area Plan with Pinal County. Their final land use plan will be compatible with the Airport. Staff from Gateway Airport is also involved with the military use project with Pinal County, as well as protecting the Rittenhouse site as a potential location for the relocation of the Airport Surveillance Radar (ASR).

Mr. O'Neill added that the Airport Master Plan Update will serve as a blueprint for development for the next 10-20 years, and it is the Authority's experience that these types of master planning initiatives need to include active participation from neighboring communities and key stakeholder groups in order to be successful.

5. Consent Agenda

- a) **Minutes** of the Board Meeting held on **March 20, 2018**.
- b) **Resolution No. 18-11** - Authorizing the filing of **grant applications** including agreeing to all understandings and assurances contained therein; and, authorizing the acceptance and execution of any Federal Aviation Administration or other Federal agency, State of Arizona, Arizona Counties, or Arizona Local Municipal grant offer(s), applied for or received between July 1, 2018 and June 30, 2019.

- c) **Resolution No. 18-12** - Authorizing the Executive Director/CEO and/or delegate to negotiate and execute a contract with **Felix Construction Company** to complete Phase 3 of the Fuel Storage Facility Renewal Project at a cost not to exceed \$303,500.
- d) **Resolution No. 18-13** - Authorizing the Executive Director/CEO to execute such contracts and amendments that assign Ground Lease #2003-004 for property located at 6335 S Downwind Circle, Mesa AZ 85212 to **SGP Mesa, LLC** and extend the Ground Lease termination date approximately 10 years from October 31, 2043 to October 31, 2053.

Mayor Gail Barney moved to approve the Consent Agenda. Mayor Jeff Serdy seconded the motion. The motion was carried unanimously.

Consideration and Possible Approval of:

- 6. **Resolution No. 18-14** - Authorizing the **Denver Series of Lockton Companies, LLC** under the terms of its existing Insurance Broker/Risk Management Consulting Agreement with the Authority to purchase specific lines of insurance on behalf of the Authority for the period July 1, 2018 through June 30, 2019 at an aggregate premium cost not to exceed \$482,253.

Mr. Chuck Odom provided a briefing to the Board that indicated a 12% reduction over last year, and a recommendation of three new coverages - Cyber, fiduciary liability for 457 plan and pollution liability.

Mayor Gail Barney moved to approve Resolution No. 18-14. Mayor Jeff Serdy seconded the motion. The motion was carried unanimously.

- 7. **Resolution No. 18-15** - Authorizing **USI Insurance Service LLC** to purchase benefit plans (medical, dental, vision, basic life/accidental death & dismemberment, and short-term disability) from various carriers, consisting of a 12-month renewal July 1, 2018 through June 30, 2019 with an estimated plan cost of \$941,144 for the fiscal year.

Veronica Lewis provided a briefing to the Board on the process of proposing the benefit plans, and the request for PMGAA to contribute \$1,350/year towards HSA subscribers.

Vice Mayor Williams asked if long-term disability was offered. Ms. Lewis replied yes, through Arizona State Retirement System.

Mayor Daniels asked how the contribution amount for HSA was calculated. Ms. Lewis replied that it is half of the cost for the deductible amount. For HSA, it is \$2,700 annual deductible, and traditionally, half has been contributed by the organization for those enrolled.

Mayor John Giles moved to approve Resolution No. 18-15. Vice Mayor Thelda Williams seconded the motion. The motion was carried unanimously.

8. **Resolution No. 18-16** - Authorizing a facility lease with **Mesa SkyBridge, LLC** for the facility located at 6229 S Sossaman Road. The lease term is three years, commencing on June 1, 2018, with two (2) one-year extension options, payable at a monthly rate of \$18,616.04.

Mr. O'Neill indicated the lease of the hangar is the next step in SkyBridge Arizona's continued development. SkyBridge Arizona will use the hangar as a temporary facility for the Unified Cargo Processing Program. The pilot program will begin with export of goods from known shippers, but hopes to expand quickly once the Standard Operating Procedures (SOP) for the new bilateral program are finalized.

Mayor John Giles moved to approve Resolution No. 18-16. Vice Mayor Thelda Williams seconded the motion. The motion was carried unanimously.

9. **Resolution No. 18-17** - Amending the Board of Directors **Procurement Policy**.

The updates to the Policy were made to maintain federal compliance and complete some housekeeping items, including clarification on what is considered public records.

Councilwoman Thelda Williams moved to approve Resolution No. 18-17. Mayor Gail Barney seconded the motion. The motion was carried unanimously.

10. **Resolution No. 18-18** - Authorizing an Amendment 1 to the Master Development Agreement with **Mesa SkyBridge, LLC** for the Gateway Aerospace Park generally located at the southeast corner of Sossaman Road and Velocity Way. The effective date of this Amendment 1 is June 1, 2018.

Adjustment to the insurance requirements, specifically the pollution insurance. Insurance would pay out to remediate the site and file reimbursement with the federal government. PMGAA is proposing that Mesa SkyBridge, LLC take the lead on the procurement of the policy.

Mayor John Giles moved to approve Resolution No. 18-18. Vice Mayor Thelda Williams seconded the motion. The motion was carried unanimously.

11. **Discussion on PMGAA Bylaws, Joint Powers Airport Authority Agreement, and PMGAA Procurement Policy.**

PMGAA Board members had a discussion regarding the PMGAA Bylaws and the Joint Powers Airport Authority Agreement (JPAAA). Chairwoman Daniels had asked that the two documents be included on the Agenda for discussion because the PMGAA Bylaws had not been reviewed since 2002 and both documents may be outdated. Chairman Daniels asked PMGAA legal counsel Snell & Wilmer, LLP questions regarding the authority of the PMGAA Board in making changes without reopening the JPAAA.

Snell & Wilmer Attorney Jill Casson Owen stated that she would need more time to provide a written legal opinion; however, at first glance, it appears the Bylaws and JPAAA were structured in a manner that all parties agreed the only one employed by the PMGAA Board would be the Executive Director. Additional time would be necessary to determine whether there is language in the JPAAA that would allow the Board to directly employ someone other than the Executive Director.

Chairwoman Daniels agreed and recognized the sensitivity of reopening the JPAAA, but noted that PMGAA is currently not in full compliance with the document. Chairman Daniels gave the example that the JPAAA requires PMGAA to provide an annual report to the Arizona Legislature, something PMGAA has not done since the early 2000's. Chairwoman Daniels asked for the Board's thoughts on how to move forward, as the JPAAA has significant importance to what we do.

Mayor Giles agreed that it is appropriate to review the documents to remind us all of our obligations and to see if we've outgrown some provisions. Citing questions that had already been raised about the use of the PMGAA Procurement Policy, and that the City of Mesa had volunteered their City Auditor to offer an opinion regarding compliance, Mayor Giles suggested that the Board wait until the Procurement Policy review had been completed, then adding that he supports and encourages the Board to continue the conversation.

Mayor Daniels asked if the decision from Senior Staff to provide an audit should be ratified in order to allow this audit process to continue. Mayor Giles reiterated that for the good of the order, the City of Mesa is volunteering the service and is not seeking payment.

Mayor Daniels inquired if Senior Staff discussed a timeline and or how the report will be presented to the Board. Mr. O'Neill indicated he had a meeting scheduled with the Mesa City Auditor this week and will develop a timeline on presenting the findings. He committed to update the Board via email.

Chairwoman Daniels asked PMGAA legal counsel several questions regarding the authority of the Board outlined in the PMGAA Bylaws and the JPAAA. Ms. Casson Own indicated that she would provide her legal opinion regarding Chairwoman Daniels' questions in writing by the June PMGAA Board meeting.

Mayor Daniels offered a few modifications she would like to address in the documents, but deferred further discussion until the PMGAA Procurement Policy review was completed. Chairwoman Daniels asked that each Board Member review the Bylaws and JPAAA for discussion at the next meeting.

Mayor Giles added that the Bylaws addressed PMGAA Board approval of the Procurement Policy. Perhaps there's a less complicated way to amend the process without opening the Bylaws and JPAAA.

Board Member Comments/Announcements.

There were no comments/announcements.

12. Next Meeting: Tuesday, June 19, 2018 at 9:00 a.m.

13. Adjournment.

The meeting adjourned at 9:44 a.m.

Dated this _____ day of _____, 20_____.

Maria E. Gonzalez, Clerk of the Board



Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

To: Board of Directors
From: Matt Nebgen, Gateway Aviation Services Director
Through: Scott Brownlee, Deputy Director/COO
J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: International Waste Management Services
Date: June 19, 2018

Proposed Motion

To authorize an agreement with Stericycle for international waste management services in an amount not to exceed \$60,000 for fiscal year 2019.

Narrative

Services provided by Gateway Aviation Services include the disposal of international waste generated on aircraft arriving at Phoenix-Mesa Gateway Airport. This waste is regulated by the U.S. Department of Agriculture and strict laws must be followed in the disposal of such waste.

Animal and Plant Health Inspection Service (APHIS) regulated waste refers to all international waste from ocean liners, ships and planes which is not hazardous. Stericycle will collect, transport, treat and dispose of all APHIS waste and regulated garbage generated on all international flights arriving at the Phoenix-Mesa Gateway Airport. All APHIS waste collected by Stericycle is transported to a permitted facility for proper treatment by autoclaving and subsequent disposal.

Phoenix-Mesa Gateway Airport Authority entered into an agreement with Stericycle on April 13, 2016 for waste disposal services under a sole source procurement as Stericycle was, and continues to be, the only vendor that provides this service in the Phoenix area. This agreement automatically renews annually unless terminated earlier by either party. On March 28, 2018, Stericycle amended the fees charged and agreed to hold this pricing for 24-months.

Fiscal Impact

This contract was included in the FY19 operating budget and is funded under Cost of Goods Sold-Ramp Services in the respective amount of \$60,000.

Attachment(s)

Stericycle, Inc. APHIS Services Agreement



RESOLUTION NO. 18-19

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS the Authority desires to enter into an agreement with Stericycle for international waste management services;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes an agreement with Stericycle for international waste management services in an amount not to exceed \$60,000 for fiscal year 2019. This resolution also authorizes the Chair or Executive Director/CEO to execute such Agreement, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 19th day of June, 2018.

Jenn Daniels, Chair

ATTEST:

APPROVED AS TO FORM:

Maria Gonzalez, Clerk of the Board

Attorney



Stericycle
Protecting People. Reducing Risk.

Account # 6051589
Reason Code Renewal

STERICYCLE, INC. APHIS SERVICES AGREEMENT

Billing Name and Address

Name: Phoenix Mesa Gateway Airport Authority
Address: 5803 S. Sossaman Rd, Suite 116
City/State/Zip: Mesa, AZ 85212
Phone: (480) 988-7700 Fax: _____
Contact: Matt Nebgen

Service Name and Address

Name: Phoenix Mesa Gateway Airport Authority
Address: 5803 S. Sossaman Rd, Suite 116
City/State/Zip: Mesa, AZ 85212
Phone: (480) 988-7700
Contact: Supervisor On Duty

Rate Structure:

\$211.00 stop fee + \$79.00 per container for processing of USDA/APHIS waste

M, W, F service. If service is cancelled 24 hrs in advance, no stop fee to be applied

Pricing to remain firm for 24 months

Date of Service Agreement:

Please initial to confirm agreement with CBP/USDA MPN (customer's initials)

By signing in the space provided above, the Customer confirms that they (a) have appropriately entered into a valid agreement with the Customs and Border Protection / U.S. Department of Agriculture, (b) understand the APHIS waste protocol therein and (c) are bound by the terms and conditions therein.

Stericycle, Inc.

Signature: _____
Name Printed: Jeff Heilig
Title: Major Account Executive
Date: 1/16/2018

Customer

Signature: J. Brian O'Neill
Name Printed: J. Brian O'Neill
Title: Executive Director/CEO
Date: 3/28/18

TERMS AND CONDITIONS

- 1. APHIS Waste Services** (a) Stericycle, Inc. ("SRCL") shall collect, transport, treat and dispose of all APHIS Waste/Foreign & Regulated garbage generated by Customer during the term of this Agreement. "APHIS Waste" means: International waste from ocean liners, ships, and planes which is not hazardous. This waste is regulated by the U.S. Department of Agriculture (USDA). Customer agrees that all containers SRCL supplies to Customer shall be collected and disposed of only by SRCL or its designated representatives. The storage of APHIS Waste / Regulated /Foreign garbage Waste shall be confined to an area on Customer's premises to which only personnel authorized by Customer or SRCL shall have access. Customer shall not place prohibited items (as identified on the CBP/USDA agreement) items inside waste containers. Customer shall be liable for all injuries, losses and damages that result from such containers. Title to APHIS Waste / Regulated foreign garbage collected from Customer shall transfer and vest in SRCL at the time it is loaded into SRCL's truck. Customer shall have title to APHIS Waste / Regulated foreign garbage at all prior times. Customer shall hold title to any Non-Conforming Waste at all times. See Attachment A for full Waste Acceptance Protocol.
- 2. Term and Pricing** The term ("Term") of this Agreement shall be twenty-four (24) months from the date of execution of this Agreement.
- (a) This Agreement shall automatically renew for successive terms of one year each ("Extension Terms") unless either party has notified the other party in writing during the sixty (60) day period prior to any such renewal date of its desire to terminate this Agreement. All Extension Terms shall be subject to the same terms and conditions as this original Agreement.
- (b) SRCL may adjust the contract price to account for operational changes it implements to comply with changes in law, to cover increases in the cost of containers and related equipment, insurance, or to otherwise address cost escalation. SRCL may charge Customer a fee to cover its administrative costs in the event that Customer changes its service requirements during the Term or Extension Term.
- (c) Stericycle has instituted an energy charge ("Energy Charge") to manage and isolate the impact of fuel and energy price fluctuations. The Energy Charge is based on the U.S. 'On Highway' Diesel Price Index. A table outlining the Energy Charge can be found in Appendix B.
- (d) If Customer breaches this Agreement by terminating SRCL's collections prior to the expiration of its Term or any Extension Term, or in any other way violates this agreement in such a way that SRCL's continued performance is rendered impossible or commercially impracticable, then, in addition to any rights and remedies SRCL may have at law or in equity, SRCL shall be entitled to collect from Customer an amount in liquidated damages equal to 50% of Customer's average charge on a monthly basis based on the 12 months' billings prior to the cessation of collections (or based on any lesser period if the contract began less than twelve months earlier) times the number of months, including prorated partial months, remaining until the expiration date of the Term or Extension Term. Customer hereby acknowledges that SRCL's damages resulting from the premature termination of collections are impossible of estimation, and include lost profits, inefficiencies resulting from route changes and reduced treatment plant throughput, increased administrative overhead, unrecoverable sunk training/instruction costs, and other elements of injury, and acknowledges further that the foregoing charge is reasonable and is not a penalty.
- (e) SRCL shall have the right to terminate this Agreement at any time by giving Customer at least sixty (60) days notice in the event that it is unable to continue performing its obligations under this Agreement due to the suspension, revocation, cancellation or termination of any permit or required to perform this Agreement or in the event that a change in any law, regulation or ordinance makes it impractical or uneconomical, in SRCL's sole discretion, to continue performing this Agreement.
- 3. Billing** SRCL shall provide Customer with monthly, quarterly or annual invoices that are due upon receipt. Customer agrees to pay a late charge on any amounts owed to SRCL that are more than 30 days old, at a rate equal to the lesser of 1 ½% per month or the maximum rate permitted by law. Customer shall bear any costs that SRCL may incur in collecting overdue amounts from Customer, including, but not limited to, reasonable attorneys' fees and court costs. Should any amounts due pursuant to this Agreement remain unpaid for more than 30 days from the date of the debt's first invoice, SRCL shall have the option, without notice to Customer, to suspend service under this Agreement until the overdue amounts (plus late charges and collection fees) are paid. In the event that SRCL suspends services under this Agreement for any reason, including the expiration or termination of this Agreement or Customer's breach (see 2(c), above), SRCL may remove all containers belonging to it from Customer's premises. Any non-compliant containers will be billed an additional container charge at the current container rate. Non-compliant containers include containers that are overweight under applicable laws or regulations or containers holding Non-Conforming Waste. In addition to SRCL's charges for services and products under this Agreement, Customer shall pay all taxes imposed or levied by any governmental authority with respect to such services or products. These taxes include all sales, use, excise, occupation, franchise and similar taxes and tax-like fees and charges (but do not include any taxes on SRCL's net income). SRCL shall cooperate with Customer to determine the applicability of any exemption certificates that Customer provides to SRCL in a timely manner.
- 4. Purchase Orders** Any terms or conditions contained in any Purchase Order, Purchase Order Agreement, or other invoice acknowledgment, Order by Customer or proposed at any time by Customer in any manner, which vary from, or conflict with the terms and conditions in this Agreement are deemed to be material alterations and are objected to by SRCL without need of further notice of objection and shall be of no effect nor in any circumstances binding upon SRCL unless expressly accepted in writing. If Customer's standard purchase order form is provided to SRCL in connection with this Agreement, the terms and conditions for that Purchase Order will be superseded by the provisions of this Agreement and the use of the purchase order shall be only to facilitate Customer's payment of fees to SRCL. Written acceptance or rejection by SRCL of any such terms or conditions shall not constitute an acceptance of any other additional terms or conditions.
- 5. Surcharge** SRCL may also impose a surcharge in the event that SRCL attempts to pick up waste at a Customer location (on either a scheduled pick-up or in response to a Customer request) and, through no fault of SRCL, either (a) there is no APHIS Waste for SRCL to pick up, (b) waste is not ready for pick-up or (c) the Customer location is closed.
- 6. Liability for Equipment** Customer shall have the care, custody and control of containers and other equipment placed at Customer's premises which is owned by SRCL and accepts responsibility and liability for the equipment and its contents except when it is being physically handled by employees of SRCL. Customer agrees to defend, indemnify and hold harmless SRCL from and against any and all claims for loss or damage to property, or personal injury or death, resulting from or arising in any manner out of Customer's use or operation of any containers and other equipment furnished under this Agreement. Any damage to such property and equipment, other than normal wear and tear, will be charged to the Customer, and payable to SRCL as additional service cost.
- 7. Indemnification** SRCL shall indemnify and hold Customer harmless from any liabilities arising from the gross negligence or willful misconduct of SRCL in the performance of its obligations under this Agreement. Customer shall indemnify and hold harmless SRCL from any liabilities arising from the gross negligence or willful misconduct of Customer, which shall include, but not be limited to, failure to properly store, package, label, or segregate APHIS Waste and any liabilities relating to Non-Conforming Waste, whether or not collected, transported or treated by SRCL. Each party agrees to pay the reasonable attorneys' fees and costs incurred by the other in bringing a successful indemnification claim under this Paragraph. Customer agrees to pay SRCL's reasonable attorney's fees incurred for any successful defense by SRCL of a suit for indemnification brought against SRCL by Customer.
- 8. Compliance with Laws** SRCL hereby agrees to carry General Liability, Automobile Liability, and Workmen's Compensation Insurance as required by applicable state law, and to otherwise comply with all federal and state laws, rules and regulations applicable thereto and relating to its performance hereunder. As of the date of this Agreement, SRCL has obtained all necessary permits, licenses, zoning and other federal, state or local authorizations required to perform the services under this Agreement and will furnish copies of these to Customer upon request. Customer hereby agrees to comply with all federal and state laws, rules and regulations applicable to its handling of APHIS Waste and its performance under this Agreement, including, without limitation, all applicable record keeping, documentation and manifesting requirements. SRCL and Customer shall keep and retain adequate books and records and other documentation including personnel records, correspondence, instructions, plans, receipts, vouchers, copies of manifests and tracking records and any other records or reports or memoranda consistent with and for the periods required by applicable regulatory requirements and guidelines pertaining to storage or handling of APHIS Waste and the services to be performed under this Agreement.

9. Exclusivity Customer agrees to use no other APHIS Waste disposal service or method during the Term of this Agreement and any Extension Terms.

10. Excuse of Performance SRCL shall not be responsible if its performance of this Agreement is interrupted or delayed by contingencies beyond its control, including, without limitation, acts of God, war, blockades, riots, explosion, strikes, lockouts or other labor or industrial disturbances, fires, accidents to equipment, injunctions or compliance with laws, regulations, guidelines or orders of any governmental body or instrumentality thereof (whether now existing or hereafter created).

11. Independent Contractor SRCL's relationship with Customer pursuant hereto is that of an independent contractor, and nothing in this Agreement shall be construed to designate SRCL as an employee, agent or partner of or a joint venture with Customer.

12. Amendment and Waiver Changes in the types, size and amount of equipment and the frequency of service may be mutually agreed to in writing by the parties, without affecting the validity of this Agreement. All other amendments to this Agreement (other than as provided in 2(b)) shall be effected only by a written instrument executed by the parties. No waiver shall be effective unless submitted in writing by the party granting such waiver. No waiver of any provision of this Agreement shall be deemed a waiver of any other provision of this Agreement and no waiver of any breach or duty under this Agreement shall be deemed a waiver of any other breach or later instances of the same duty.

13. Savings Clause In case any one or more of the provisions contained in this Agreement shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not effect any other provisions of this Agreement; this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein, unless such finding shall impair the rights or increase the obligations of SRCL hereunder, in which event, at SRCL's option, this Agreement may be terminated.

14. Entire Agreement This Agreement (including any attachments, exhibits and amendments made in accordance with Paragraph 11) constitutes the entire understanding and agreement of the parties and cancels and supersedes all prior negotiations, representations, understandings or agreements, whether written or oral, with respect to the subject matter of this Agreement.

15. Governing Law This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois without regard to the conflicts of laws rules of any jurisdiction.

16. Notices All required notices, or those which the parties may desire to give under this Agreement shall be in writing and sent to the parties' addresses set forth on the reverse side of this Agreement.

17. Counterparts This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which when taken together shall constitute one and the same instrument. A copy or facsimile of this Agreement shall be as effective as an original.

18. Waste Brokers SRCL reserves the right to deal solely with the Customer and not with any third party agents of the customer for all purposes relating to this Agreement. Customer represents and warrants to SRCL that it is the regulated waste generator and is acting for its own account and not through a broker or agent. SRCL shall be entitled to terminate this agreement and seek all available legal remedies, including but not limited to liquidated damages, in the amount set forth herein for Customer's breach of this representation and warranty.

Stericycle USDA/APHIS Waste Acceptance Protocol

Appendix A

The information contained within this Stericycle Protocol reflects the requirements necessary to comply with U.S. Department of Transportation (DOT) *Hazardous Materials Regulated USDA/APHIS Waste* regulations, and all other applicable laws and regulations governing USDA/APHIS waste for generators, transporters, and/or treatment facilities in the State of Arizona.

STERICYCLE CONFIDENTIAL INFORMATION FOR CUSTOMERS

This document is provided for your education and notification of procedures required to assure compliance with applicable regulations.

This document shall not be reproduced, copied, loaned, or transferred to another person directly or indirectly, in whole or in part, nor used for any purpose other than that for which it is specifically furnished, without the prior written consent of Stericycle.

1. WASTE ACCEPTED BY STERICYCLE
 - 1.1. International waste from ocean liners, ships, and planes which is not otherwise hazardous. This waste is regulated by the U.S. Department of Agriculture (USDA).
 - 1.2. Medical Records and Confidential Documents
2. NON-CONFORMING WASTES WHICH ARE NOT ACCEPTED BY Stericycle
 - 2.1. Radioactive Waste: UNDER NO CIRCUMSTANCES, will Stericycle accept any waste emitting radiation in levels greater than regulatory limits as defined in the Arizona DHS *Policy Guidance for Handling Medical Waste at Off-Site Treatment Facilities*. Prior to treatment, all containers will be inspected by means of a radiation monitor. Any container above regulatory limits will be rejected for treatment, and arrangements will be made for return to the generating facility. This procedure may result in added service charges.
 - 2.2. Hazardous Waste, including, but not limited to:
 - 2.2.1 Solvents, paints, paint thinner
 - 2.2.2 Drums or other containers with hazard warning sign
 - 2.2.3 Batteries of any kind
 - 2.2.4 Glass thermometers, sphygmomanometers, florescent light tubes, or other equipment or devices containing mercury such as bougie dilators and GI tubes with mercury pouches.
 - 2.2.5 Chemicals such as formaldehyde/formalin, ova-parasite fixative, acids, alcohol, acetone, waste oil, items preserved in thimerosal in concentrations exceeding 0.002%, and mercury-containing reagents.
 - 2.2.6 Bulk chemotherapy waste (antineoplastic/cytotoxic drugs) or other RCRA listed hazardous pharmaceuticals. Full or partially full IV bottles/bags and vials of chemotherapy agents constitute hazardous waste and must be managed accordingly. Stericycle will not accept any outdated or unused chemotherapy drugs. It is recommended that such agents be returned to the pharmaceutical company.
 - 2.2.7 Any item listed as being hazardous in federal, state, or local regulations.
 - 2.2.8. In order to comply with state and federal regulations, all hazardous waste must be managed by a licensed hazardous waste contractor. Stericycle does not provide service for hazardous waste disposal. Each facility should contact their state or local regulatory agency for hazardous waste regulations and information.
 - 2.3 Compressed Gas Cylinders, Canisters, Inhalers, and Aerosol Cans
 - 2.4 Human Remains
Stericycle requires that human remains, fetuses, and cadavers (intact and otherwise) are segregated from the waste stream. Stericycle will not accept these materials.
- 3.0 SEGREGATION AND PACKAGING OF WASTE
 - 3.1 International Waste: Shipboard and airline waste must be secured in trash bags and placed into leak-resistant Stericycle containers prior to transport as directed by local port authority Compliance Agreement with Stericycle, Inc. All containers must be labeled "FOREIGN GARBAGE" to ensure the waste is processed as required by steam autoclave.
 - 3.2 Medical Records and Confidential Documents
Confidential documents and medical records must be contained in sturdy, well-secured taped cardboard boxes or reusable containers prior to collection for shredding/destruction and identified as such. Containers are available upon request.

- 4.0 LABELING AND MARKING OF USDA/APHIS WASTE BAGS AND CONTAINERS
 - 4.1 Non-conforming Labels and Markings Any container which bears a label with the words or symbols reflecting "HAZARDOUS CHEMICALS", "HAZARDOUS DRUGS", "HAZARDOUS WASTE", "RADIOACTIVE MATERIAL", or "RADIOACTIVE WASTE" cannot be transported, accepted, or treated by Stericycle, no matter what the contents.

- 5.0 TRANSPORTATION OF WASTE
 - 5.1 Registered Vehicles
 - 5.1.1 Stericycle maintains a Hazardous Waste Hauler's Registration for transportation of all waste collected and/or transferred and/or treated in Arizona as required.
 - 5.2 Responsibility and Authority of Stericycle Drivers
 - 5.2.1 Stericycle drivers are responsible for the collection and tracking of all waste containers generated on their assigned routes on any given day. They are responsible for monitoring the proper containment, closure, and labeling of each tub, box, drum, or sharps container prior to scanning/entering the specific data into the Stericycle BIOTRACK® system. It is also the responsibility of the driver to leave a copy of the signed tracking document(s).
 - 5.2.2 Stericycle drivers are authorized to reject any containers that do not meet DOT specifications. Odor, leakage, bulging or damaged containers, improper packaging, incorrect labels, non-conforming waste, and improper segregation are some of the causes for rejection of USDA/APHIS waste containers.
 - 5.2.3 Containers may be subject to an off-specification charge for repackaging and special handling, if such is required.
 - 5.3 Emergency Spill Response
 - 5.3.1 Stericycle Hazardous Waste Registered vehicles are equipped with emergency spill kits, and drivers are trained in emergency response spill procedures as required by Arizona and U.S. DOT regulations. Written Emergency Response Spill and Hazardous Materials Procedures are available in the cab of each vehicle.
 - 5.3.2 Stericycle provides and maintains an Emergency Spill Response Telephone Number 24 hours a day at (800)234-0051.
 - 5.4 All policies and practices for transportation of USDA/APHIS waste provided by Stericycle are in full compliance with applicable U.S. DOT, Arizona, and local laws and regulations.

- 6.0 TREATMENT OF WASTE
 - 6.1 Permitted Waste Treatment Facilities

All APHIS waste collected by Stericycle is transported to a permitted facility for proper treatment by autoclaving and subsequent disposal.
 - 6.2 Waste Treatment Methods/Parameters
 - 6.2.1 International waste is subjected to steam autoclave processing per Compliance Agreement with the local port authority or U.S. Dept. of Agriculture.
 - 6.3 Waste treatment facilities operate in compliance with all applicable federal, state, and local laws/regulations and maintain all required permits and licenses.



Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

To: Board of Directors
From: Chuck Odom, Chief Financial Officer
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: Purchase of Unleaded and Diesel Fuel - State Contract Vendor
Date: June 19, 2018

Proposed Motion

To authorize the purchase of unleaded and diesel fuel from the lowest priced State contract vendor at market prices for Airport Authority use and resale in the amount of \$146,810.

Narrative

Gateway Aviation Services provides aircraft fuel and ground handling services to tenants and users, including fuel for ground vehicles. Gateway Aviation Services' required fuel types are unleaded and diesel #2 clear.

As a qualified participant of the Arizona Department of Administration State Procurement Office (ADSPO), Phoenix-Mesa Gateway Airport Authority (PMGAA) is able to procure goods and services under the state contracts. The state has currently contracted with Senergy Petroleum, LLC for bulk fuel.

Due to rising fuel prices and an overall increase in fuel sales by Gateway Aviation Services, the Airport expects to exceed the budgeted amount for FY19 and therefore will request contingency funding from the Board at a later date to provide enough fuel for tenants, users and PMGAA internally.

Fiscal Impact

This purchase was included in the FY19 budget and is funded under Cost of Goods Sold.

Attachment(s)

N/A



RESOLUTION NO. 18-20

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS the Authority desires to purchase unleaded and diesel fuel from the lowest priced State contract vendor;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes the purchase of unleaded and diesel fuel from the lowest priced State contract vendor at market prices for the Authority’s use and resale in the amount of \$146,810. This resolution also authorizes the Chair or Executive Director/CEO to execute such Contract, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 19th day of June, 2018.

Jenn Daniels, Chair

ATTEST:

APPROVED AS TO FORM:

Maria Gonzalez, Clerk of the Board

Attorney



Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

To: Board of Directors
From: Matt Nebgen, Gateway Aviation Services Director
Through: Scott Brownlee, Deputy Director/COO
J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: Purchase of an Aircraft Towbarless Tug
Date: June 19, 2018

Proposed Motion

To authorize the purchase of one Aircraft Towbarless Tug in an amount not to exceed \$56,000 from Advantage GSE, Inc.

Narrative

Gateway Aviation Services is the Airport owned FBO and provides aviation services to the flying public, based customers and tenants. The FBO currently has two aircraft tugs that have outlived their useful life. This type of equipment is required for FBO operations.

RFP 2018-025-RFP for the purchase of one new Aircraft Towbarless Tug was issued on May 2, 2018. The RFP was advertised in the Arizona Business Gazette on May 10th, 17th and 24th. The RFP was also posted on the Airport website as well as the following websites: Arizona Airports Association, Airports Council International North America, and the South West Chapter of the American Association of Airport Executives. In addition, the RFP notice was emailed to a list of five perspective respondents. PMGAA staff received one proposal by the RFP due date from Advantage GSE.

According to PMGAA's Procurement Policy, staff documented that the solicitation was not restrictive and conducted a price analysis to ensure pricing received was in line with the specified equipment.

The RFP included an option for Offerors to propose a trade in value for PMGAA's two older tugs. PMGAA staff evaluated the trade in price offered by Advantage GSE, Inc. and determined the price offered is significantly more than what could be received at public auction due to the condition of the units. A pricing breakdown is as follows:

Lektro AP8750CX-AL (including tax & shipping)	\$85,919.38
Less Trade In Value	<u>\$30,000.00</u>
Total	\$55,919.38

PMGAA staff recommends the purchase of the Lektro tug with an 85,000lb towing capacity and several adapters to obtain greater flexibility in moving a variety of larger aircraft.

Fiscal Impact

This purchase was not included in FY18 capital budget but will be funded with contingency funds.

Attachment(s)

Attachment E: Price Proposal & Attachment C: Optional Equipment from Advantage GSE, Inc.'s RFP submittal.



RESOLUTION NO. 18-21

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS the Authority desires to purchase an Aircraft Towbarless Tug from Advantage GSE, Inc.;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes the purchase of one Aircraft Towbarless Tug from Advantage GSE, Inc. in an amount not-to-exceed \$56,000. This resolution also authorizes the Chair or Executive Director/CEO to execute such procurement, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 19th day of June, 2018.

Jenn Daniels, Chair

ATTEST:

APPROVED AS TO FORM:

Maria Gonzalez, Clerk of the Board

Attorney

Attachment E
Price Page

Offeror to complete Table 1 and / or Table 2

AP8750CX-AL

Table 1: No Trade In

Item	Price
One (1) new Aircraft Towbarless Tug (meeting minimum specifications outlined in this RFP – no options added)	\$ 66,259.00
Manuals on Maintenance and Operation	
Standard Warranty	
Shipping / Delivery Fee	\$ 2,546.00
Sales Tax – PMGAA to calculate	PMGAA to calculate
TOTAL	\$ 68,805.00

Table 2: Includes A Trade In

Item	Price
One (1) new Aircraft Towbarless Tug (meeting minimum specifications outlined in this RFP – no options added)	\$ 66,259.00
Manuals on Maintenance and Operation	
Standard Warranty	
Shipping / Delivery Fee	\$ 2,546.00
Sales Tax – PMGAA to calculate	PMGAA to calculate
Subtotal	\$ 68,805.00
Less Trade In Value for (2) PMGAA Tugs as listed in this RFP	-\$ 30,000.00
TOTAL	\$ 38,805.00

LEKTRO

PRICE LIST

2018 MODEL AP8750CX-AL

EFFECTIVE DATE 1/18/18

BASE PRICE:----- EXW: WARRENTON, OREGON, USA----- \$73,680.00

Maximum Capacity 85,000 lbs./38,555 kg. Aircraft Gross Weight

Shipping Weight: 5,765 lbs./2,615 kg, Including Battery and Charger

STANDARD FEATURES:

- * FSIP EV-100LX-LL SCR Electronic Speed Control with Reverse Direction Braking and On-Board Diagnostics
- * 33.1 HP DC Drive Motor
- * Auburn/Dana 44 Differential, 5.38 Ratio
- * Key Lock Switch
- * Hour Meter
- * Electronic Battery Monitor, Motive Battery
- * Dual Forward and Aft LED Headlights
- * Five Flashing Amber LED Running Lights
- * 72 VDC, 275 Amp Hour (6-Hr. Rate), Industrial Motive Battery
- * Single-Point Central Battery Water Fill System for Motive Battery
- * 72 VDC, 50 Amp, 230 VAC, 50/60 Hz, 1-Ph, Fully Automatic Charger
- * Patented Electric/Hydraulic, Dual Cylinder, Universal Nose Gear Cradle with Front & Rear Gates
- * Extended Aluminum Rear Gate
- * Dual Passenger Operator's Platform with Side Restraints
- * Foot Applied Dual Hydraulic Wheel Disc Brakes
- * Hand/Foot Applied Electric "Deadman" Parking Brake
- * Dual Poly-Foam Filled Pneumatic Traction Drive Tires (5.00 x 8 10-Ply)
- * Dual Poly-Foam Filled Pneumatic Traction Steer Tires (5.00 x 8 10-Ply)
- * Heavy-Duty Hydraulic Winch with Nylon Belt Including Automatic Cut-off
- * Dbl 1" x 29"/2" x 29" Nylon Strut Straps with Protective Sleeve
- * Lear/Citation/Beechjet Hold Down Bracket
- * Chine Protectors
- * Four-Step Extension Ladder
- * Side Mount Accessory Holders
- * High Gloss Enamel Red or White Paint with Polyurethane Protective Coating
- * Steel Side Rub Rails
- * Parts/Service/Operation Manual with Exploded View on CD
- * One Year Gold Seal Warranty
- * Delete Battery + Single-Point Central Battery Water Fill System for Motive Battery **(8,052.00)**
- * Delete Charger **(2,157.00)**

OPTIONAL EQUIPMENT:

- * 375 Amp Hr. (6-Hr. Rate) Exide Motive Battery and Charger (Replaces Standard Motive Battery and Charger)- **2,233.00**
- * Separate 12/24/28 VDC GPU, Built-in, Including: 1175 CCA/200 Amp Hr. (6-Hr. Rate) Batteries; 28 VDC, 40 Amp, 120 or 230 VAC, 50/60 Hz, 1-Ph, Fully Automatic Charger; Electronic Battery Monitor; 15' Extension Cord with AN Connector and 12v Clamp (adds 350 lbs./159 kg. to weight)----- **6,311.00**
- * Single-Point Central Battery Water Fill System for GPU Batteries----- **518.00**
- * 3-Ph, 208-480 VAC, 60-70 Amp Motive Charger (Replaces Standard Charger) VAC Must Be Specified----- **1,116.00**
- * BMID with Burton or Euro Quick Charge Port----- **1,695.00**
- * Limited Slip Differential (Replaces Standard Differential)----- **779.00**
- * Drive Wheel Tire Chains----- **158.00**
- * Tire Socks----- **168.00**
- * Traction Enhancement Ballast Kit (2 x 368 lbs.)----- **1,746.00**
- * Suspended Steer Axle----- **1,571.00**
- * Wheel Fairing Package (Aircraft Strut Hold Back Bar with Wheel Fairing Tire Guide)----- **848.00**
- * ATR Pawl Adapter----- **1,215.00**
- * Citation X/Sovereign Hold Down Adapter----- **700.00**
- * Dash 8 Adapter / Deflector Plate----- **1,376.00**

Continued on Next Page

LEKTRO

AP8750CX-AL Continued

* Falcon 50/900/2000 Interface Tool-----	1,358.00
* Falcon 7X/8X Interface Tool-----	1,358.00
* Lear 40/45/70/75 Yoke Adapter-----	1,144.00
* Phenom 100 Poke-Yoke Adapter-----	836.00
* Phenom 300 Poke-Yoke Adapter-----	836.00
* Cantering NLG Adapter & Receiver-----	1,541.00
Adapter Caps (Cirrus)-----	243.00
Adapter Caps (Corvalis 350/400)-----	270.00
Adapter Caps (Diamond)-----	241.00
Adapter Caps (Grumman)-----	261.00
Adapter Caps (Cessna 162)-----	342.00
* Pintle Towing Hook Adapter for Cradle-----	277.00
* Pintle Towing Hook Adapter Mounted on Rear of Tug-----	169.00
* Draw Bar Pin Mounted on Rear of Tug-----	360.00
* LH/RH Fender Controls-----	1,134.00
* Torque Sensing Turntable Cradle-----	8,946.00
* Large/Small Aircraft Recognition System-----	3,541.00
* 3-Limit Aircraft Recognition System-----	5,634.00
* Long Reach Aluminum Universal Adapter (Fits Dauphin/S76B/Tail Dragger)-----	8,154.00
* 15" Highlift Aluminum Adapter with Cylinder Uplocks (Reduces Capacity-Consult Factory)-----	12,487.00
* Safety Cone Holder-----	203.00
* Fire Extinguisher-----	324.00
* Custom Paint-Solid Color-----	498.00
* Customer Logos On Sides-----	375.00
* Hard Copy Version of Parts/Service/Operation Manual with Exploded View-----	104.00
* CE Compliance Package, Including: Local Language Manual and Decals, EU Safety Decals, Aircraft Runaway Warning System, Motor Cover Cut-Off Switches and Pole-Mounted Flag/Beacon-----	3,399.00
* Back-Up Alarm (Required for CE Compliance)-----	365.00
* Brake Light/Turn Signal Kit (Required for CE Compliance)-----	1,389.00
* Export Crate-----	1,601.00
* Export Shoring Without Crate-----	319.00



Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

To: Board of Directors
From: Ryan Smith, Communications & Government Relations Director
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: State & Federal Legislative Representation and Consulting Services
Date: June 19, 2018

Proposed Motion

To authorize an agreement for financial participation with the city of Mesa and Phoenix-Mesa Gateway Airport Authority to share state and federal lobbyist and consulting services effective July 1, 2018 as listed below.

Narrative

In the past, Phoenix-Mesa Gateway Airport Authority and the City of Mesa have shared expenses pertaining to lobbyist services. Mesa and the Airport will utilize the services of Patton Boggs for federal professional services, and Triadvocates, LLC for state professional services, and will share in these costs.

The Airport Authority will provide 40 percent of the total cost for the federal lobbying contract, and 33 percent of the total cost for the state lobbying contract.

Company	Bid Amount
1. Triadvocates, LLC (State)	\$31,006.20
2. Squire Patton Boggs (Federal)	\$72,000.00

Fiscal Impact

This contract was included in the FY19 operating budget and is funded under Consulting Services.

Attachment(s)

Letter of Agreement



RESOLUTION NO. 18-22

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS the Authority desires to enter into an agreement for lobbyist services with the City of Mesa;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby an agreement for financial participation between the City of Mesa and Phoenix-Mesa Gateway Airport Authority to share state and federal lobbyist and consulting services effective July 1, 2018, with Triadvocates, LLC (State) not to exceed \$31,006.20 and Squire Patton Boggs (Federal) not to exceed \$72,000. This resolution also authorizes the Chair or Executive Director/CEO to execute such Agreement, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 19th day of June, 2018.

Jenn Daniels, Chair

ATTEST:

APPROVED AS TO FORM:

Maria Gonzalez, Clerk of the Board

Attorney

DATE: May 1, 2018

TO: J. Brian O'Neill, Executive Director,
Phoenix-Mesa Gateway Airport Authority

FROM: Scott J. Butler, Deputy City Manager, City of Mesa

SUBJECT: State & Federal Legislative Representation and Consulting Services

The purpose of this memo is to confirm the proposed cost-sharing arrangement for state and federal consulting services between the City of Mesa and the Phoenix-Mesa Gateway Airport Authority.

State professional services are provided by Triadvocates, LLC. The agreement for state representation will cover the period from July 1, 2018 until June 30, 2019. Gateway's financial participation for state services will be set at 33% of the total costs. For FY2018/2019, the cost will not exceed \$31,006.20. The Triadvocates agreement is currently on its first term of its ninth contract extension.

Federal professional services are provided by Squire Patton Boggs, LLP. The agreement for federal representation will cover the period from July 1, 2018 until June 30, 2019. Gateway's financial participation for federal services will continue to be set at 40% of the total costs. For FY2018/2019, the cost will not exceed \$72,000. The Squire Patton Boggs agreement is currently on its first term of its fifth contract extension.

c: Christopher J. Brady

Acknowledgement

J. Brian O'Neill, Executive Director

Date



Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

To: Board of Directors
From: Margi EvanSon, C.M., Operations and Maintenance Director
Through: Scott Brownlee, Deputy Director/COO
J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: ARFF Services IGA Extension
Date: June 19, 2018

Proposed Motion

To authorize the first amendment to the Intergovernmental Agreement (IGA) with the City of Mesa for Aircraft Rescue and Firefighting Services, extending the agreement for one-year effective July 1, 2018 at a cost of approximately \$1,242,511.

Narrative

The Phoenix-Mesa Gateway Airport Authority (PMGAA or Airport) contracts with the City of Mesa (Mesa or Mesa Fire) to provide aircraft rescue and fire-fighting services. Both entities have determined that it is mutually beneficial for Mesa Fire to provide aircraft rescue and firefighting services (ARFF) for PMGAA for one additional year.

Arizona Revised Statute (A.R.S), 11-951 *et seq.*, authorizes Mesa and the Airport to enter into intergovernmental agreements for the provision of services, or for joint or cooperative actions. This agreement may be modified only by a written and executed amendment approved by the respective city council and airport authority pursuant to A.R.S. § 11-952.

The amendment extends the agreement for one year, commencing on July 1, 2018 through June 30, 2019, unless sooner terminated pursuant to the provisions of the Agreement.

Fiscal Impact

This contract was included in the FY19 operating budget and is funded under Contractual Services: Fire.

Attachment(s): Intergovernmental Agreement



RESOLUTION NO. 18-23

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS the Authority desires to amend the Intergovernmental Agreement with the City of Mesa for Aircraft Rescue and Firefighting Services;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes the first amendment of the Intergovernmental Agreement with the City of Mesa for Aircraft Rescue and Firefighting Services, extending the agreement for one year, effective July 1, 2018 at a cost of approximately \$1,242,511. This resolution also authorizes the Chair or Executive Director/CEO to execute such Agreement, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 19th day of June, 2018.

Jenn Daniels, Chair

ATTEST:

APPROVED AS TO FORM:

Maria Gonzalez, Clerk of the Board

Attorney



Phoenix-Mesa Gateway Airport Authority
**Amendment to the
Intergovernmental Agreement for Aircraft Rescue
and Firefighting (ARFF) Services**

This AMENDMENT TO THE INTERGOVERNMENTAL AGREEMENT FOR AIRCRAFT RESCUE AND FIREFIGHTING (ARFF) SERVICES (“Amendment”) is executed to be effective as of the First (1st) day of July 2018, by and between the **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY**, a joint powers airport authority authorized under the laws of the State of Arizona, its successors and assigns (“PMGAA”), and **CITY OF MESA**, an Arizona municipal corporation (“City”). This Amendment hereby amends that certain Intergovernmental Agreement for Aircraft Rescue and Firefighting (ARFF) Services between PMGAA and the City dated and effective as of July 1, 2015 (“Agreement”) with respect to the provision of services or for joint or cooperative actions.

WITNESSETH:

WHEREAS, the Parties entered into the Agreement for the City of Mesa to provide dedicated aircraft rescue and firefighting services as outlined in Federal Aviation Regulation Part 139 in support of commercial passenger service at Phoenix-Mesa Gateway Airport;

WHEREAS, this Agreement may be modified by a written amendment approved by the City Council and PMGAA Board of Directors pursuant to A.R.S. 11-952;

WHEREAS, both Parties desire to amend the Agreement to lengthen the term of the Agreement.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements herein contained, the Parties do hereby undertake, promise and agree, each for itself and its successors and assigns, to amend the Agreement as follows:

1. **SECTION 1 – TERM AND TERMINATION**, Subsection 1.1 Term, is hereby modified by extending the term through June 30, 2019, unless sooner terminated pursuant to the provisions of the Agreement.
2. **SECTION 2 – RESPONSIBILITIES AND OBLIGATIONS**, Subsection 3.1(b) is hereby amended by inserting the following new subsection (iii):

Notwithstanding anything in subsection (ii) to the contrary, for the period of the Term commencing July 1, 2018 through June 31, 2019 PMGAA shall pay the City the total sum of ONE MILLION TWO HUNDRED FORTY-TWO THOUSAND FIVE HUNDRED ELEVEN DOLLARS (\$1,242,511.00) in twelve (12) equal installments of ONE HUNDRED THREE THOUSAND FIVE HUNDRED FORTY-TWO AND 58/100 DOLLARS (\$103,542.58).



3. City warrants and represents to PMGAA that: (i) all necessary actions have been taken to authorize the execution of this Amendment by City; (ii) the persons who have executed this Amendment on behalf of the City are duly authorized to do so; and (iii) this Amendment constitutes a legal, valid and binding obligation of the Parties in accordance with its terms and the terms of the Agreement.

4. In all other respects the Agreement shall remain unchanged and in full force and effect. The Agreement and this Amendment shall continue to be binding upon the City and PMGAA and their permitted successors and assigns.

5. All of the Recitals set forth above are incorporated into this Amendment by this reference.



IN WITNESS WHEREOF, the parties have entered into this Amendment as of the date first set forth above.

CITY OF MESA,
a municipal corporation

Phoenix-Mesa Gateway Airport Authority,
an Arizona joint powers airport authority

Christopher J. Brady
City Manager

J. Brian O'Neill, A.A.E.
Executive Director

ATTEST:

City Clerk

In accordance with A.R.S. § 11-952, this Agreement has been reviewed by the undersigned attorneys who have determined that it is in proper form and within the power and authority granted under the laws of the State of Arizona to the respective public entities they represent.

Mesa City Attorney

Attorney for Phoenix-Mesa Gateway Airport Authority

Date

Date



Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

To: Board of Directors
From: R. J. Draper, P.E., LEED AP, CM Engineering & Facilities Director
Through: Scott Brownlee, Deputy Director/COO
J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: Sossaman Road and Terminal Roadways Modifications Construction – Nesbitt Contracting Company, Inc.
Date: June 19, 2018

Proposed Motion

To authorize a Construction Contract for the Sossaman Road and Terminal Roadway Modifications Construction, with Nesbitt Contracting Company, Inc. for a total cost not-to-exceed \$1,615,426.52.

Narrative

The Sossaman Road and Terminal Roadways Modifications project will improve traffic circulation and reduce current and future congestion in the vicinity of the West Terminal. Improvements include modifications to two (2) Sossaman Road left turn lanes, adding a signal at the Terminal Entrance, modifying the existing signal at Texas Avenue, relocation/expansion of the Hourly Parking lot entrance and exit plazas, infrastructure relocation of existing Parking Revenue Control Equipment, widening of the Arrival/Departure curb roadway from three lanes to four lanes; Sossaman Road, Terminal Roads and parking signage, miscellaneous street lighting, and electrical and communication work.

The Invitation for Bid No. 2018-005 for the Sossaman Road and Terminal Roadways Modifications (PMGAA CIP 843) project was issued on April 23, 2018 and was advertised in the Arizona Business Gazette on April 19, April 26, May 3, and May 10, 2018, and posted on the Phoenix-Mesa Gateway Airport Authority website on April 23, 2018. An email notification was sent to interested vendors on April 23, 2018 and it was also externally posted on the AzAA, ACC, ACI-NA, and SWAAAE websites. The bid opening was held on May 23, 2018 and three (3) bids were received:

Company	Project Total
1. J. Banicki Construction, Inc.	\$1,735,437.01
2. Blucor Contracting	\$1,808,379.63
3. Nesbitt Contracting Co., Inc.	\$1,615,426.52

Fiscal Impact

This project was included in the FY18 capital budget and will be PFC funded under CIP 843.

Attachment(s)

Construction Contract



RESOLUTION NO. 18-24

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS the Authority desires to enter into a contract with Nesbitt Contracting Company, Inc.;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes a construction contract with Nesbitt Contracting Company, Inc. for the Sossaman Road and Terminal Roadway Modifications Construction Project for a total cost not-to-exceed \$1,615,426.52. This resolution also authorizes the Chair or Executive Director/CEO to execute such Contract, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 19th day of June, 2018.

Jenn Daniels, Chair

ATTEST:

APPROVED AS TO FORM:

Maria Gonzalez, Clerk of the Board

Attorney

CONSTRUCTION CONTRACT**A. EFFECTIVE DATE:**

This Contract is entered into by and between the Owner and the Contractor for construction of the Project and shall be effective as of _____, 2018.

B. OWNER:

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, a joint powers airport authority authorized by the State of Arizona
5835 South Sossaman Road
Mesa, Arizona 85212-6014
Phone: 480.988.7600
Fax: 480.988.7641

C. CONTRACTOR:

Nesbitt Contracting Company Inc
100 S Price Rd
Tempe AZ, 85281

D. DESIGN ENGINEER:

Dibble Engineering
7878 N. 16th Street, Suite 300
Phoenix, Arizona 85020
P: 602.957.1155 F: 602.957.2838

E. PROJECT:

**Sossaman Road and Terminal Roadways Modifications
Authority Project No. 843**

F. WORK TO BE PERFORMED:

The intent of the *Sossaman Road and Terminal Roadways Modifications* project is to improve traffic circulation and reduce current and future congestion in the vicinity of the West Terminal. Improvements include modifications to two (2) Sossaman Road left turn lanes and adding a signal at the Terminal Entrance and at Texas Avenue; relocation of the Hourly Parking lot entrance and exit plazas, including infrastructure for relocation of Parking Revenue Control Equipment; widening of the Arrival and Departure curb roadway from three lanes to four lanes, Sossaman Road and Terminal Roads/Parking signage, and miscellaneous street lighting and electrical/communication work.

G. RECITALS:

The Owner intends to construct the Sossaman Road and Terminal Roadways Modifications with structures, utilities, service roads, and other items as necessary for the full and efficient use of the project in connection with Phoenix-Mesa Gateway Airport located in Mesa, Arizona. The Owner desires to contract for certain construction services and materials, and the Contractor desires to provide construction services and materials.

NOW, THEREFORE, intending to be legally bound and for valuable consideration, the receipt and sufficiency of which are acknowledged, the Owner and Contractor agree as follows:

H. AGREEMENTS:**ARTICLE 1 THE CONTRACT**

The Contract consists of (1) this Construction Contract, (2) The Bidding Requirements and Agreement Documents, (3) the General Conditions to the Construction Contract, (4) General and Federal Provisions, (5) Special Provisions, (6) Drawings, Technical Specifications and other documents or amendments referenced in Article 7 of the Construction Contract, and (7) any amendments or modifications to the foregoing documents, including (a) a written amendment signed by both parties, (b) a Change Order, (c) a Change Directive, (d) Supplementary Instructions, or (e) a written order for a minor change in the work (collectively the "Contract").

ARTICLE 2 THE WORK

The Contractor shall execute the entire work described in the Contract and all work reasonably inferable as necessary to produce the results intended by the Contract.

ARTICLE 3 CONTRACT TIME

3.1 The Contractor and Owner recognize that time is of the essence of this Agreement and that Owner will suffer financial loss if the work is not Substantially Completed or Finally Completed within the times specified below.

3.2 The Contractor shall achieve Substantial Completion (as defined in Section 9.8.1 of the General Conditions of the Construction Contract and evidenced by a Certificate of Substantial

Completion) of Schedule I and Schedule II no later than a total of **120 Calendar Days** from the date of issuance of the Notice to Proceed.

3.3 Final Acceptance of the work shall occur not more than thirty (30) calendar days after the Substantial Completion date.

3.4 The parties acknowledge and agree that it would be extremely difficult and impracticable to ascertain the damages that the Owner would incur should the Contractor fail to achieve, (1) Substantial Completion of the work by the milestone completion date(s), or (2) Final Acceptance of the work, as specified in this Article 3. Accordingly, if the Contractor fails to achieve (1) Partial Acceptance, (2) Substantial Completion, or (3) Final Acceptance of the work as specified in this Article 3, the Contractor shall be liable for and shall pay to the Owner liquidated damages for each calendar day of delay until the Contractor achieves (1) Partial Acceptance, (2) Substantial Completion, or (3) Final Acceptance of the work as the case may be. The liquidated damages shall be as follows:

The following Liquidated Damages apply:

1. Substantial Completion of Base Bid (Schedule I and Schedule II) (All Phases, 120 Calendar Days) – \$1,500 per Day

The following Liquidated Damages will also apply:

1. Final Completion within thirty (30) Calendar Days of Substantial Completion of the project – \$1,500 per Day

The Owner shall have the right to retain any liquidated damages from payments due Contractor.

ARTICLE 4 CONTRACT SUM

4.1 The Owner shall pay the Contractor in current funds for the Contractor's performance of the Contract the Contract Sum of one million six hundred fifteen thousand four hundred twenty six and fifty two hundredths Dollars, \$1,615,426.52, subject to the additions and deductions as provided in the Contract.

4.2 Unit prices are set forth in the Bid Proposal attached hereto as Schedule I in Exhibit A. The unit prices include (1) all materials, equipment, labor, delivery, installation, overhead, profit, taxes, bond, insurance, and commissions, and (2) any other costs or expenses in connection with or incidental to the performance of that portion of the work to which such unit prices apply.

ARTICLE 5 PROGRESS PAYMENTS

Progress payments will be made in accordance with Article 9 of the *General Conditions* to the Construction Contract.

ARTICLE 6 **FINAL PAYMENT**

Final payment will be made in accordance with Article 9 of the *General Conditions* to the Construction Contract.

ARTICLE 7 **CONTRACT DOCUMENTS**

7.1 The Contract, except for modifications issued after the effective date of the Construction Contract, consists of the following documents:

7.1.1 The *Construction Contract*.

7.1.2 The Bidding Requirements and Agreement Documents

7.1.3 The *General Conditions* to the Construction Contract.

7.1.4 Plans, Specifications and Addenda attached.

7.1.5 Bid Documents as follows:

A. Contractor Bid Proposal dated 05/23/2018.

B. Certified Copy of Resolution of Board of Directors dated 05/23/2018.

C. Contractor Statutory Bid Bond dated 05/23/2018.

D. Certificate of Insurability dated 05/17/2018.

E. Non-Collusion Bidding Certification signed by James L Nesbitt, CEO and dated 05/23/2018.

F. Bidders Qualification Statement dated 05/23/2018.

G. Subcontractor List dated 05/23/2018.

7.1.5 Amendments or modifications to the Contract, if any, to which the parties may agree during Contract performance.

7.2 There are no Contract Documents other than those listed above in this Article 7. The Contract Documents may only be amended, modified, or supplemented as provided in the *General Conditions*.

7.3 The Contract Documents are complementary, and a requirement called for by one is as binding as if called for by all. In resolving conflicts, if any, the Contract Documents shall be given the precedence that the Engineer determines is consistent with their intent and that will produce the intended result. When not in contradiction with this priority, the Contract Documents shall be given precedence in the order in which they are listed in this Article 7.

ARTICLE 8 **MISCELLANEOUS**

8.1 If any provision(s) of the Contract is/are invalid, illegal or unenforceable, all other provisions of the Contract shall nevertheless remain in full force and effect. If any Contract provision is inapplicable to any person or circumstance, that provision shall nevertheless remain applicable to all other persons and circumstances.

8.2 It is Contractor's and Owner's intent that all provisions of law required to be inserted or referenced in the Contract Documents shall be incorporated into them. If any provision of law is not inserted or referenced in the Contract Documents, or is inserted or referenced in improper form, the provision shall be considered inserted or referenced in proper form at no increase in Contract Price or Contract Time.

8.3 Contractor shall not sell, assign, transfer or otherwise convey any of its rights and shall not delegate any of its duties under this Contract without Owner's prior express written consent. In its sole discretion Owner may refuse to consent to any proposed assignment or delegation. Any attempted sale, assignment, transfer, conveyance or delegation in violation of this Paragraph 8.3 shall be void and shall relieve Owner of any further liability under the Contract Documents. If Owner consents in writing to an assignment, unless specifically stated to the contrary in the consent, the assignment shall not release or discharge Contractor from any duty or responsibility set forth in the Contract Documents.

8.4 Nothing contained in the Contract shall in any manner authorize, empower, or constitute Contractor, its subcontractors, or suppliers as agent(s) of Owner, authorize or empower Contractor, its subcontractors, or suppliers to assume or create any obligation or responsibility whatsoever, express or implied, on behalf of or in the name of Owner or authorize or empower Contractor, its subcontractors or suppliers to bind Owner in any manner or to make any representation, warranty, covenant, agreement, or commitment on Owner's behalf. Contractor shall perform all work under this Contract as an independent contractor. Only Owner of this Contract shall have rights to enforce any changes to this Contract.

8.5 This Contract shall be binding on Owner and Contractor and all of their respective successors, heirs, legal representatives, and, if Owner has consented to an assignment or delegation as provided in Paragraph 8.3, assigns and delegates.

8.6 This Contract supersedes all prior oral or written agreements, if any, between the parties and constitutes the entire, integrated agreement between the parties with respect to the work to be performed under the Contract Documents.

8.7 This Contract shall be governed by and construed in accordance with the laws of the state of Arizona, without giving effect to any rules governing conflict of laws.

8.8 The approval and continuation of this Contract is subject to the availability of funds either provided to, made available to, or appropriated by the Owner for this purpose. In the event that funds are not available or appropriated for the Owner's payment requirements under this contract for the goods and/or services to be provided hereunder, the Owner may terminate this contract by providing notice to the Contractor of the lack of the availability of funds.

The Contract is effective as of the day and year first written above.

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY,

A joint powers airport authority authorized by the State
of Arizona

CONTRACTOR

By: _____
J. Brian O'Neill, A.A.E.

Title: Executive Director/CEO

Date: _____

By: _____

Title: _____

Date: _____

ATTEST:

By: _____
Official Record Keeper

By: _____



Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

To: Board of Directors
From: R. J. Draper, P.E., LEED AP, CM Engineering & Facilities Director
Through: Scott Brownlee, Deputy Director/COO
J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: Sossaman Road and Terminal Roadways Modifications Construction – Dibble Engineering Construction Administration - Limited Construction Phase Services
Date: June 19, 2018

Proposed Motion

Approval of Authorization of Services No. 16A-1802 with Dibble Engineering for Construction Administration - Limited Construction Phase Services for the Sossaman Road and Terminal Roadway Modifications Construction Project for a total cost not-to-exceed \$64,901.

Narrative

Dibble Engineering will be providing Engineering Support and Material Testing for this project. The Sossaman Road and Terminal Roadways Modifications project will improve traffic circulation and reduce current and future congestion in the vicinity of the West Terminal. Improvements include modifications to two (2) Sossaman Road left turn lanes, adding a signal at the Terminal Entrance, modifying the existing signal at Texas Avenue, relocation/expansion of the Hourly Parking lot entrance and exit plazas, infrastructure for relocation of existing Parking Revenue Control Equipment, widening of the Arrival and Departure curb roadway, parking signage, street lighting, electrical and communication work.

In 2016 a Request for Qualifications for Engineering Services was issued; Dibble Engineering was one of two firms selected as the most qualified. In accordance with the terms of our agreement, C-2016011-A, Dibble Engineering worked with PMGAA staff to create a Scope-of-Work for these Construction Administration - Limited Construction Phase Services. The cost for these services was negotiated based upon the contract fee schedule at a not-to-exceed total cost of \$64,901.

Fiscal Impact

This project was included in the FY18 capital budget and will be PFC funded under CIP 843.

Attachment(s)

Dibble Engineering Proposal and AOS



RESOLUTION NO. 18-25

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS the Authority desires to obtain construction administration - limited construction phase services from Dibble Engineering;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby approves Authorization of Services No. 16A-1802 with Dibble Engineering for Construction Administration - Limited Construction Phase Services for the Sossaman Road and Terminal Roadway Modifications Construction Project for a total cost not-to-exceed \$64,901. This resolution also authorizes the Chair or Executive Director/CEO to execute such Contract, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 19th day of June, 2018.

Jenn Daniels, Chair

ATTEST:

APPROVED AS TO FORM:

Maria Gonzalez, Clerk of the Board

Attorney



May 21, 2017

Phoenix-Mesa Gateway Airport Authority
5835 South Sossaman Road
Mesa, Arizona 85212-0919

Attention: Mr. Bob Draper, P.E. LEED AP
Engineering and Facilities Director

RE: ENGINEERING SERVICES PROPOSAL
Construction Administration
Contract C-2016011-A
Engineering On-Call Task No. 16A-1802
PMGAA Project No. 843

Sossaman Road & Terminal Roads Modifications – Limited Construction Phase Services

We very much appreciate the opportunity to provide construction phase services for the Sossaman Roads & Terminal Roads Modifications project at the Phoenix-Mesa Gateway Airport. Dibble Engineering will perform these services per the attached Scope of Work, for the following Time-and-Material (T&M) Not-To-Exceed (NTE) fees:

A. Construction Phase Services (Base Bid):

a. Dibble Engineering.....	Limited Construction Admin.....	\$48,455
b. CR Engineers.....	Electrical Inspection.....	\$6,303
c. ACS Services, LLC.....	QA Testing.....	\$9,143
d. Speedie and Associates.....	Geotech/Pavement Design.....	\$1,000
Total Estimated Fees.....		\$64,901

With the inclusion of ACS Services and CR Engineers, the proposed DBE percentage on this project is 23.8%.

Based on the 100% Engineer's Estimate, our combined Construction Phase Services proposal is 5.1% of the total estimated cost.

Transmitted herewith is our proposed Scope of Work, Fee Summary, Derivation of Fee Proposal Summary, Estimated Man-hour, Estimated Allowance for Direct Costs, and subconsultant proposals. We are excited for the opportunity to continue to support the development program at the Phoenix-Mesa Gateway Airport on this project. If you need additional information or have questions, please do not hesitate to call.

Sincerely,
Dibble Engineering


Kenneth L. Snyder, PE
Airport Development Principal Engineer


Peter W. Knudson, P.E.
Airport Development Senior Project Manager

Enclosures



SCOPE OF WORK
Contract C-2016011-A
Engineering On-Call Task Order No. 16A-1802
**Sossaman Road and Terminal
Roadways Modification CA
PMGAA Project No. 843**
Limited Construction Phase Services
Phoenix-Mesa Gateway Airport Authority
Mesa, Arizona



Dibble Engineering (Dibble) shall provide limited construction phase services for the Sossaman Road and Terminal Roadways Modification project at the Phoenix-Mesa Gateway Airport.

This proposal consists of limited construction phase services as outlined below and is based on the project reaching Substantial Completion within a 120 Calendar Days.

This proposal is based on the assumption the Contractor will perform his work on a 5 day per week work schedule with limited no night shifts.

The following staff are identified for this project (reference the Estimated Manhour for proposed staffing hours):

Project Manager - Peter Knudson
Senior Engineer – Duane Dana
Assistant Engineer – Vicente Solis
Designer – Jose Altamirano
CR Engineers – Shane Woodard

1) General:

- a) Project Management and Administration: PMGAA will act as the Construction Administrator for this project. Dibble will provide as-needed project management, coordination, support, and administration necessary to monitor Dibble, CR and ACS's efforts under this contract.

Dibble will also make monthly progress reports, including invoicing, to the Authority in a format acceptable to the Authority.

2) Preconstruction Activities:

- a) Preconstruction Conference: Gateway will conduct, and Dibble will attend, the Preconstruction Conference and provide support and/or coordination of the design documents as needed. PMGAA will prepare and provide the meeting agenda and sign-in sheet, facilitate the meeting, and issue meeting minutes.
- b) Preconstruction Conference Submittal Reviews and Coordination: Dibble will review project submittals required at the Preconstruction Conference as identified in Special Provisions Section 30.03.

3) Construction Administration and Design Support Services:

- a) Weekly Construction Meetings: Dibble's Engineer will attend construction meetings on an as-needed basis, estimated at every other week for a total of 8.
- b) Site Visits and Periodic Observations: Dibble will provide site visits (on an as-needed basis, estimated at 2 per month for a total of 8) to observe the progress of the work and conformance to the contract documents.
- c) Shop Drawing Review and Coordination: Dibble will review and provide a response to construction material and general project submittals as requested, (estimated at approximately 40 submittals and resubmittals).
- d) RFI Review and Coordination: Dibble will coordinate, review and provide a response to construction and general project Requests for Information (RFI), (estimated at approximately 8 total).
- e) ESI Review and Coordination: Dibble will coordinate, review and develop necessary Engineering Supplemental Information (ESI) documents, additional details, or sketches as revisions to the construction specifications and/or plans, (estimated at approximately 4 total).
- f) Change Order Review and Coordination: PMGAA will review Contractor Change Order Requests (COR), and take the lead on coordination and negotiation with the Contractor FAA, and ADOT. Dibble will support as needed including verification of project quantities and costs, (estimated at approximately 2 total).
- g) QA/QC Coordination and Reviews: Dibble will coordinate and review QA/QC actions including scheduling of QA testing activities, reporting, review of results, and recommendations.
- h) Monthly Payment Application Coordination and Review: Dibble will regularly review project quantities in the field and on the Contractor's As-Builts. Dibble will assist PMGAA in coordinating these inspected quantities with the contractor prior to the submittal of monthly payment applications.
- i) Record Drawings: Dibble will review monthly the contractor's As-built drawings for accuracy and completeness.
- j) Certified Payroll Coordination and Review: PMGAA will perform payroll verification (i.e. rates and fringe benefits) through LCP Tracker, including conducting on site interviews.

4) Inspection Services

- a) Inspection: PMGAA will perform all civil inspections, CR Engineers will perform electrical inspections.

5) Project Close-Out Activities:

- a) Substantial Completion Walk Inspection: Dibble attend the Substantial Completion Walk.
- b) Final Walk Inspection: Dibble will attend the Pre-Final and Final Completion walk.
- c) Punchlist(s) and Coordination(s): Dibble and CR Engineering will prepare draft Civil and Electrical punchlists at the substantial completion and final walk.
- d) Record Drawings: Dibble will develop and submit Final Record Drawings based on Contractor redlines and field changes issued during construction, including RFI's/ESI's. A Record Drawing submittal will include (1) CD of the electronic (PDF) version of the final Record Drawings, the Contractor's redlines, and final record drawing CAD files. Dibble will also provide (1) 24x36 and (2) 11x17 hard-copy plan sets.
- e) Final Quantities, Final Construction Report and Change Order Coordination and Review: Dibble will coordinate and review the final project quantities, prepare the Final Construction Report and assist the Authority in the preparation of the Final Construction Change Order.

6) Exclusions:

- a) Contractor's jobsite safety and compliance with all ADOSH and OSHA requirements (Contractor's responsibility).
- b) Construction Inspection Services
- c) Construction staking and/or layout services.
- d) Certified Payroll verification and reporting.
- e) Change Order coordination and negotiation with Contractor.
- f) Safety and security coordination with the Contractor (barricades, traffic control, etc.).
- g) Preparation of meeting agendas, facilitation of meetings, and preparation of meeting minutes.
- h) Processing and logging RFI's, submittals, etc to and from the Contractor.
- i) Review, monitoring, and tracking of contractor Davis-Bacon wages and DBE compliance.
- j) Scheduling, coordination, and compiling of punchlists for prefinal, and final inspections.
- k) Review of shop drawings, RFI's, Change Orders or periodic observations/Inspections for Parking Revenue Control system equipment.

Firm: Dibble Engineering
 On-Call Engineering
 Project: **Sossaman Road & Terminal Roads Mods**
Limited Construction Phase Services
 Phoenix-Mesa Gateway Airport Authority
 Date: 05/21/18



Contract Number: C-2016011-A
 PMGAA Project Number: 843
 Task Number: 16A-1802
 Amendment Number: NA

Fee Summary	Dibble	Dibble CM	Subconsultants
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A. Construction Phase Services - Base Bid	Fee	Type		
1 Limited Construction Administration (Dibble).....	\$48,455	T&M	\$48,455	
3 Electrical Design Support Services (CR)(DBE).....	\$6,303	T&M		\$6,303
4 Quality Assurance Testing (ACS)(DBE).....	\$9,143	T&M		\$9,143
5 Geotech & Pavement Design (Speedie).....	\$1,000	T&M		\$1,000

Base Bid Subtotal	\$64,901	\$48,455	\$0	\$16,446
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Subtotal DBE Participation (Base Bid %): 23.8%

BASE BID Total	\$64,901	\$48,455	\$0	\$16,446
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Total DBE Participation (Combined %): 23.8%
Total Estimated Construction Cost (Combined %) 5.1%

Firm:	Dibble Engineering On-Call Engineering	Contract Number: C-2016011-A
PROJECT:	Sossaman Road & Terminal Roads Mods Limited Construction Phase Services Phoenix-Mesa Gateway Airport Authority	PMGAA Project Number: 843 Task Number: 16A-1802 Amendment Number: NA
DATE:	5/21/2018	

DERIVATION OF FEE PROPOSAL SUMMARY - BASE BID

BASIC FEE - BASE BID

Classification	Manhours	Direct Labor Rate	Labor Costs
1 Project Principal (Ken Snyder)	0	\$80.00	\$0.00
2 Project Manager (Peter Knudson)	120	\$60.01	\$7,201.20
3 Senior Engineer (Duane Danna)	116	\$49.55	\$5,747.80
4 Engineer	0	\$43.62	\$0.00
5 Designer	0	\$30.00	\$0.00
6 Assistant Engineer (Vicente Solis)	68	\$31.25	\$2,125.00
7 RLS	0	\$43.99	\$0.00
8 Admin Assistant	0	\$21.01	\$0.00

Total 304 hrs

a. Total Labor.....	\$15,074.00
b. Overhead at..... 188.00%	\$28,339.12
c. Subtotal Labor + Overhead.....	\$43,413.12
d. Net Fee..... 10% of c.	\$4,341.31
e. Total Basic Fee..... (c + d) (rounded).....	\$47,755.00

ALLOWANCE FOR DIRECT COSTS - BASE BID

(Listed by Item at Actual Cost - NO MARKUP)

Item	Cost
1 Submittal Printing (Dibble).....	\$ 90.00 T&M
2 Mileage (Dibble).....	\$ 610.00 T&M
f. Sub-Total Allowances for Direct Costs.....	\$700.00

ALLOWANCE FOR ADDITIONAL COSTS, OUTSIDE SERVICES & SUBCONSULTANTS

(Listed by Item at Actual Cost - NO MARKUP)

Firm	Cost	Method of Compensation
1 Electrical Design Support Services (CR)(DBE).....	\$ 6,303.06	T&M
2 Quality Assurance Testing (ACS)(DBE).....	\$ 9,143.20	T&M
3 Geotech & Pavement Design (Speedie).....	\$ 1,000.00	T&M
g. Sub-Total Allowance for Add'l Costs:	\$16,446.26	

TOTAL FEE

h. Total Estimated Cost to Consultant....(e. + f. + g.) (rounded) **\$64,901.26**

Firm: Dibble Engineering
 On-Call Engineering
 PROJECT: Sossaman Road & Terminal Roads Mods
 Limited Construction Phase Services
 Phoenix-Mesa Gateway Airport Authority
 DATE: 5/21/2018

Contract Number: C-2016011-A
 PMGAA Project Number: 843
 Task Number: 16A-1802
 Amendment Number: NA

ESTIMATED MANHOURS - BASE BID									
TASK	PROJECT PRINCIPAL	PROJECT MANAGER	SENIOR ENGINEER	PROJECT ENGINEER	DESIGNER	ASSISTANT ENGINEER	LAND SURVEY MANAGER	ADMIN ASSISTANT	TOTAL HOURS
1 GENERAL									
1a Project Management and Administration		8	4						12
2 PRECONSTRUCTION ACTIVITIES									
2a Pre-Construction Conference		4							4
2b Pre-Con Submittal Reviews and Coordination		10	16						26
3 CONSTRUCTION ADMINISTRATION & DESIGN SUPPORT SERVICES									
3a Weekly Construction Meetings (8)		16							16
3b Site Visits and Observations (8)		24	8						32
3c Shop Drawing Review and Coordination (40)		10	56						66
3d RFI Review and Coordination (8)		4	8			4			16
3e ESI Review and Coordination (4)		2	12			4			18
3f Change Order Review & Coordination (2)		4	4						8
3g QA/QC Coordination and Reviews		8							8
3h Monthly Payment Application Coordination and Review		8							8
3i Monthly As-Built Review		8							8
4 PROJECT CLOSE-OUT ACTIVITIES									
4a Substantial Completion Walk Inspection		4							4
4b Final Walk Inspection		4							4
4c Final Construction Report and Coordination						20			20
4d Record Drawings		6	8		0	40			54
TOTALS	0	120	116	0	0	68	0	0	304

Firm:	Dibble Engineering On-Call Engineering	Contract Number: C-2016011-A
PROJECT:	Sossaman Road & Terminal Roads Mods Limited Construction Phase Services Phoenix-Mesa Gateway Airport Authority	PMGAA Project Number: 843 Task Number: 16A-1802 Amendment Number: NA
DATE:	5/21/2018	

ESTIMATED ALLOWANCE FOR DIRECT COSTS - BASE BID

1. Reproduction

Miscellaneous Check Printing is included in operational overhead.

a. 1 Submittals of 30 sheets = 30 Sheets @ \$1.50 /sheet \$90.00
(2 Copies Full-Size Bond Plans)

Total \$90.00

USE \$90.00

2. Mileage

a. 17 Trips @ 80 Miles @ \$0.445 \$605

USE \$610

EXPENSE TOTAL \$ 700.00



May 10, 2018

Dibble Engineering
7878 North 16th Street, Suite 300
Phoenix, Arizona 85020

Attn.: Mr. Peter Knudson, P.E.

Re: Project Name: PMGAA Sossaman Rd/West Terminal Parking Mods
CRE Proposal No.: 17023SDC

Dear Mr. Knudson,

We thank you for choosing our firm to work as your electrical engineer for the above project. We are pleased to present our proposal in the listed attachments below.

Scope of Work: See attached Exhibit A.

Fee Proposal: See attached Exhibit B.

This proposal will be valid for the next ninety (90) days, and we reserve the right to renegotiate it if it has not been accepted within that period. Should conditions of the work change so as to materially affect the level of effort or the time required, then equitable adjustments to fee and schedule will be made. Consultant will notify Client when a changed condition becomes apparent. Failure of Client to provide a timely and equitable adjustment is cause for termination by Consultant. The attached Terms & Conditions are a part of this proposal. Please feel free to call if you need to discuss them.

We will bill you for services rendered to date. Payment will be due within thirty (30) days of billing date.

Please do not hesitate to call if you have any questions.

Sincerely yours,

CR ENGINEERS, INC.

A handwritten signature in blue ink, appearing to read 'Catherine Alcorn'.

Catherine Alcorn, P.E.
President

F:\Proposals\17000\17023 PMGAA Sossaman RoadWest Terminal Parking Mods\17023 Proposal.docx



SCOPE OF WORK

PHOENIX MESA GATEWAY AIRPORT SOSSAMAN ROAD/WEST TERMINAL PARKING MODS

Prepared by CR Engineers, Inc.
MAY 10, 2018

CR Engineers (CRE) shall provide construction phase services for the Sossaman Rd/West Terminal Parking Mods at Phoenix Mesa Gateway Airport.

CRE shall provide the following specific services for this project:

Engineering Support Services

- Attend Preconstruction Meeting.
- Review of shop drawings/submittals (estimated at 4).
- Respond to Contractor's Requests for Information (RFI's) (estimated at 2).
- Prepare Final Record Drawings based on Contractor as-builts and field changes.

Construction Observation and Field Services -

- Periodic construction observation and inspections services during the 120 day construction duration.
- Attend the final completion walk through and prepare punch list items.

*Exhibit B - CR Engineers, Inc.
Fee Proposal Summary*

Firm: CR Engineers
Project: Phx/Mesa Gateway Airport
Sossaman Road/West Terminal Parking Mods

Date: 10-May-18
CRE Proposal No.: 17023SDC

FEES

Overhead Rate: 150 %
Profit Margin: 10 %

1.0 Construction Administration Fees **\$6,303.06**

Total Fees **\$6,303.06**

CR Engineers, Inc.
1.0 Electrical Construction Services Fee Proposal Worksheet

Firm: CR Engineers
Project: Phx/Mesa Gateway Airport
Sossaman Road/West Terminal Parking Mods

Date: 10-May-18
CRE Proposal No.: 17023SDC

	Task Description	Quantity	Project Manager, PE	Senior Designer	Senior Field Inspector	CADD Manager/ Designer	Project Assistant	Total Hours
1.1	Phase I - Preconstruction							
1.1.1	Preconstruction Conference				2.0			2.0
1.2	Phase II - Construction							
1.2.1	Site Inspections / Meetings				32.0		4.0	36.0
1.2.2	Submittal/Shop Dwg Review	4	4.0	4.0	4.0		2.0	14.0
1.2.3	RFI Responses	2	1.0	2.0	1.0			4.0
1.2.4	ESI Preparation							
1.2.5	Change Order Request Review							
1.2.6	Pay App Review							
1.3	Phase III - Postconstruction							
1.3.1	Substantial Completion Inspection per Phase				4.0			4.0
1.3.2	Punch List Preparation				1.0		1.0	2.0
1.3.3	Final Review of As-Builts / Record Drawings		1.0		2.0	4.0		7.0
3.0	Totals		6.0	6.0	46.0	4.0	7.0	69.0

Overhead Rate 150 %
Profit Margin 10 %

	Labor Rates Per Hour:	\$55.58	\$33.50	\$33.11	\$27.26	\$17.92	
	Direct Labor:	\$333.48	\$201.00	\$1,523.06	\$109.04	\$125.44	
	Overhead:	\$500.22	\$301.50	\$2,284.59	\$163.56	\$188.16	
	Overhead + Direct Lab:	\$833.70	\$502.50	\$3,807.65	\$272.60	\$313.60	
	(OH + Direct) x Profit:	\$83.37	\$50.25	\$380.77	\$27.26	\$31.36	
1.0	Total Fees	\$917.07	\$552.75	\$4,188.42	\$299.86	\$344.96	\$6,303.06

ACS SERVICES LLC

Geotechnical Engineering, Construction Material Testing, Special Inspections
DBE - WBE - SBE

Date: May 4, 2018

Dibble Engineering

Attn: Peter Knudson
7878 North 16th Street, Suite 300
Phoenix, Arizona 85020

Phone: (602) 957-1155 Cell: (480) 529-3705 Email: peter.knudson@dibblecorp.com

Subject: PMGAA - Sossaman Road & Terminal Roadways

Proposal No.: 1820120

ACS Service LLC is pleased to present the following proposal to conduct Quality Control Materials Testing Services at the subject site. Our fee estimate for this project is based on the lab testing quantities calculated directly from plan quantities and testing frequency required in the specifications. ACS looks forward to the opportunity of working with you.

Our Contact Information: 2235 West Broadway Road, Mesa, Arizona 85202
Office: (480) 968-0190 Fax: (480) 968-0156
Estimator: Sean Mayfield - sean@acsservicesllc.com

Estimate Includes:

- A. Fee for technician includes: portal to portal technician time and field testing equipment.
- B. Standard Contractor Quality Control testing typical of related projects, excluding those items listed below.
- C. This quote is based on 2 hour minimum technician charge per trip. Overtime will be billed at a 1.5 multiplier of normal hourly rate for weekends, holidays, and over 40 hours in a week.
- D. Laboratory testing is based on per test pricing.

Estimate Excludes:

- E. Accelerated construction schedule and unforeseen conditions such as weather, stand by delays, re-testing, repairs, schedule changes, project sequencing, customer requests, change orders, etc.
- F. Process control testing on the production of mineral aggregates, concrete aggregates, and additional other construction materials is the responsibility of the respective material suppliers.
- G. Other testing/services: concrete and asphalt prequalification mix design; batch plant/precast plant inspections; environmental testing.
- H. Contractor to provide electricity, space, water, sewer and internet to mobile laboratory if mobile lab

Based upon the estimated schedule, materials quantities and specified testing requirements, the estimated cost for conducting our services is:

\$9,143.20

A breakdown of this pricing is attached.

Actual Cost based on Time and Materials and unit pricing

Pricing Breakdown



Item: Subgrade Preparation

Direct Labor

Description	Qty	Unit	Rate/Unit	Total
Field Technician	13	Hour	\$60.50	\$786.50
Project Manager	1	Hour	\$84.70	\$84.70
Administration/clerical	2	Hour	\$36.30	\$72.60
Trip Charge	4	Trip	\$45.00	\$180.00

Laboratory

Description	Qty	Unit	Rate/Unit	Total
Proctor, Standard Compaction Test - Native	1	Each	\$105.00	\$105.00
Estimated Sub Total				\$1,228.80

Item: Aggregate Base Course

Direct Labor

Description	Qty	Unit	Rate/Unit	Total
Field Technician	14	Hour	\$60.50	\$847.00
Project Manager	1	Hour	\$84.70	\$84.70
Administration/clerical	2	Hour	\$36.30	\$72.60
Trip Charge	4	Trip	\$45.00	\$180.00

Laboratory

Description	Qty	Unit	Rate/Unit	Total
Proctor, Modified Compaction Test - ABC	1	Each	\$125.00	\$125.00
Sieve Analysis Fine and Coarse Aggregate, Gradation	3	Each	\$55.00	\$165.00
Plasticity Index, Liquid and Plastic Limits, Wet Prep.	3	Each	\$65.00	\$195.00
Specific Gravity Coarse Aggregates	1	Each	\$65.00	\$65.00
Estimated Sub Total				\$1,734.30

Pricing Breakdown



Item: Concrete

Direct Labor

Description	Qty	Unit	Rate/Unit	Total
Field Technician	11	Hour	\$60.50	\$665.50
Project Manager	1	Hour	\$84.70	\$84.70
Administration/clerical	2	Hour	\$36.30	\$72.60
Trip Charge	4	Trip	\$45.00	\$180.00
Cylinder Pick Up	2	Trip	\$166.00	\$332.00

Laboratory

Description	Qty	Unit	Rate/Unit	Total
Concrete Compressive Strength (set of 4)	4	Set	\$56.00	\$224.00
Estimated Sub Total				\$1,558.80

Item: Asphaltic Concrete

Direct Labor

Description	Qty	Unit	Rate/Unit	Total
Field Technician	18	Hour	\$60.50	\$1,089.00
Project Manager	1	Hour	\$84.70	\$84.70
Administration/clerical	2	Hour	\$36.30	\$72.60
Trip Charge	4	Trip	\$45.00	\$180.00
Cylinder Pick Up	4	Trip	\$196.25	\$785.00

Laboratory

Description	Qty	Unit	Rate/Unit	Total
Ignition Oven Calibration	2	Each	\$300.00	\$600.00
Gyratory Density (1 per 500 tons)	5	Each	\$125.00	\$625.00
Theoretical Max Density (rice) - (1 per 500 tons)	5	Each	\$95.00	\$475.00
Sieve Analysis (1 per 500 tons)	5	Each	\$55.00	\$275.00
% Oil Content (1 per 500 tons)	5	Each	\$55.00	\$275.00
Thickness & Density	8	Each	\$20.00	\$160.00
Estimated Sub Total				\$4,621.30



While ACS Services LLC strives to do work in a non invasive manner, we cannot accept liability for work done at the request of the Customer under circumstances beyond our knowledge and/or control. Customer shall indemnify, defend, save and hold harmless ACS Services LLC dba ACS Engineering Group and their respective officers, directors, officials, agents, and employees (hereinafter referred to as "Indemnitee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part during or from work performed by ACS Services LLC.

This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such Customer to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by Customer from and against any and all Claims. It is agreed that Customer will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable.

These General Conditions are an integral part of this proposal and are incorporated herein.

Please contact ACS Services LLC if you have any questions.

Respectfully Submitted,
ACS Services LLC

Sean M. Mayfield
Material Testing Manager

Client acknowledges acceptance of this estimate and Terms and Conditions by signing below and returning, faxing or emailing the signed proposal to ACS Services LLC.

Authorized Signature: _____ Date

Print Name: _____

Title: _____

Firm: _____



AUTHORIZATION OF SERVICES
Dibble Engineering, 16A-1802

The signing of this Authorization (Agreement) by Phoenix-Mesa Gateway Airport Authority (PMGAA) and Dibble Engineering, 7878 North 16th Street, Suite 300, Phoenix, AZ 85020 (“Dibble”), authorizes Dibble to carry out and complete the services described below in consideration of the mutual covenants set forth below:

1. **PROJECT:** Sossaman Road and Terminal Roadway Modifications, CIP 843.
2. **SCOPE OF WORK:** To perform and provide Construction Administration - Limited Construction Phase Services related to the Sossaman Road and Terminal Roadway Modifications Project. All services are to be performed in accordance with PMGAA Agreement C-2016011-A, including the Standard Terms, and the attached detailed Scope-of-Work. Services shall be coordinated with and approved by PMGAA Authorized Representative prior to start of work.
3. **FEE FOR SERVICES:** The fee for services shall be based upon the attached scope of work, not-to-exceed sixty-four thousand, nine hundred and one dollars and zero cents (\$64,901), without the express written approval of PMGAA.
4. **AVAILABILITY OF PROJECT FUNDING:** The approval and continuation of this contract is subject to the availability of funds provided to, made available to, or appropriated by PMGAA for this purpose. In the event that funds are not available or appropriated for PMGAA’s payment requirements under this contract for the goods and/or services to be provided hereunder, PMGAA may terminate this contract by providing notice to the consultant of the lack of the availability of funds. The consultant acknowledges and agrees that one source of funding for this contract may be funds made available from the Federal Aviation Administration and/or Arizona Department of Transportation, and that this contract, its approval and continuation, is contingent on the availability of those funds being made to PMGAA.
5. **INCORPORATED:** The following documents are hereby incorporated with this Authorization of Services and made part thereof:
 - PMGAA Agreement C=2016011-A dated June 21, 2016
6. **ATTACHED:** The following documents are attached to this Agreement and are incorporated herein by this reference made part thereof:
 - Scope and Fee Proposal dated May 21, 2018

PMGAA and Dibble Engineering acknowledge that they are in agreement with the terms and conditions as set forth in this Authorization.

APPROVED FOR PMGAA:

ACCEPTED FOR Dibble Engineering:

By: _____

By: _____

Print: J. Brian O’Neill, A.A.E.

Print: _____

Title: Executive Director/CEO

Title: _____

Date: _____

Date: _____



Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

To: Board of Directors
From: R. J. Draper, P.E., LEED AP, CM Engineering & Facilities Director
Through: Scott Brownlee, Deputy Director/COO
J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: Sossaman Road and Terminal Roadways Modifications Construction – Scheidt & Bachmann USA, Inc. Revenue Control Equipment
Date: June 19, 2018

Proposed Motion

Approval of a Sole Source Procurement with Scheidt & Bachmann USA, Inc. (AGR-2016068) for Revenue Control Equipment Installation for the Sossaman Road and Terminal Roadway Modifications Construction Project for a total cost not-to-exceed \$72,234.26.

Narrative

The Sossaman Road and Terminal Roadways Modifications project will improve traffic circulation and reduce current and future congestion in the vicinity of the West Terminal. Improvements include relocation and expansion of the Hourly Parking lot entrance and exit plazas, including infrastructure for relocation of existing Parking Revenue Control Equipment and the addition of new lanes.

In 2008 PMGAA selected Scheidt & Bachmann for the purchase of parking revenue control systems through a competitive bid. The original equipment was purchased and installed through Scheidt & Bachmann, and they are the only known source to provide materials, repairs and services related to their parking revenue control systems. It was advised in a memo from the Operations Manager dated August 31, 2015, that purchases for supplies and services for the Scheidt & Bachmann parking system revenue controls for \$5,000 or more would be purchased using sole source procurement as per PMGAA procurement guidelines.

Fiscal Impact

This project was included in the FY18 capital budget and will be PFC funded under CIP 843.

Attachment(s)

Scheidt & Bachman Quote and Sole Source Documentation



RESOLUTION NO. 18-26

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS the Authority desires to obtain the services of Scheidt & Bachmann USA, Inc. for the installation of revenue control equipment;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes a Sole Source Procurement with Scheidt & Bachmann USA, Inc. for Revenue Control Equipment Installation for the Sossaman Road and Terminal Roadway Modifications Construction Project for a total cost not-to-exceed \$72,234.26. This resolution also authorizes the Chair or Executive Director/CEO to execute such procurement, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 19th day of June, 2018.

Jenn Daniels, Chair

ATTEST:

APPROVED AS TO FORM:

Maria Gonzalez, Clerk of the Board

Attorney

Phone: 414-517-1878

Date: 3/2/18

Email: biscobing.daniel@s-b-usa.com

Customer: Mesa Gateway Airport	Project: West Terminal Optimization Field Devices
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Contact: Alex Smith	Email: asmith@gatewayairport.com
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QTY	Item	Description	Unit Price	Total
1	PGL30/C	Chip Coin Dispenser w/Front Facing Barcode Scanner/ Commend Intercom / Loop Detector / Proximity Card Reader	\$ 12,508.56	\$ 12,508.56
1	PL30/C	Exit verifier w/ Front Facing Barcode Scanner/ Commend Intercom / Loop Detector / Color Display/ Receipt Printer/CRT CC Reader/ EMV Ear	\$ 14,779.73	\$ 14,779.73
2	AS30	Barrier Gate w/ Gate Arm	\$ 4,643.98	\$ 9,287.96
2	Alpha Novus	Alpha Novus Lane UPS for 2 net new lanes	\$ 3,050.69	\$ 6,101.38
5	Signal Tech	Signal Tech Red "Open" / "Closed" Signs & Pedestal	\$ 713.75	\$ 3,568.75
1	Network Equipment	Switches	\$ 1,875.00	\$ 1,875.00
1	Installation	Equipment Bolt Down/ Relocation of Existing Devices / S&B Field Service Installation/Configuration of equipment/Project Management Support/ Testing (Does not include loops, data cable, power cable, conduit)	\$ 18,723.00	\$ 18,723.00
1	Warranty	12 Months additional Parts & Labor Warranty Included	\$ -	\$ -
1	Freight	Shipping	\$ 1,516.11	\$ 1,516.11

Project Total:	\$ 68,360.49
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Phone: 414-517-1878

Date: 3/2/18

Email: biscobing.daniel@s-b-usa.com

Customer: Mesa Gateway Airport

Project: West Terminal Optimization

Contact: Alex Smith

Email: asmith@gatewayairport.com

QTY	Item	Sub Total
1	1 West Terminal Optimization	\$ 68,360.49

Project sub Total: \$ 68,360.49

Project Total \$ 68,360.49

Sales Tax 8.05% \$ 3,873.77

Project Total incl Tax \$ 72,234.26

Note:

- *Price includes equipment relocation & equipment bolt down only. Price does not include conduit, data, or power cable
- *Price does not include additional chip coins
- *Price does not include vehicle detection loops.

SCHEIDT & BACHMANN 

Scheidt & Bachmann USA, Inc.

26203 Production Avenue, Suite 6
Hayward, CA 94545
Phone: (510) 670-0119 Fax (510) 780-0263

Monday, May 22, 2017
Mr. Alex Smith
Operations Program Supervisor
Phoenix-Mesa Gateway Airport Authority
5835 South Sossaman Road
Mesa, Arizona 85212

REF: Service & Support for PARCS

Dear Alex,

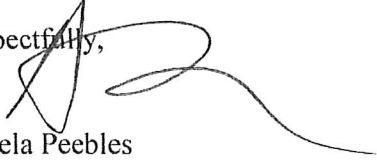
The maintenance agreement is set to renew by 5% for another year under section nine of the Service Level Agreement.

It is our intention to extend the existing Service Level Agreement with the Phoenix-Mesa Airport Authority for another year, 2017 – 2018, under the existing terms and conditions with a five percent increase for a total amount of \$28,350.00.

Should you have any comments or questions, please feel free to contact me at your convenience.

Thank you for your continued confidence and support of Scheidt & Bachmann.

Respectfully,


Angela Peebles
National Service Manager
Scheidt & Bachmann USA, Inc.

Cc: Christina Onodi Scheidt & Bachmann
Joseph Galeas Scheidt & Bachmann



PhxMesa Gateway Airport

Agreement/Contract Routing Form

(Please attach detailed supporting documentation; do not use for Purchase Orders or Change Orders)

This is a NEW Agreement/Contract and DOES NOT REQUIRE Board approval with resolution language (A).

If (B) resolution language is used, list Resolution No: [Click here to enter text.](#)

Name of Vendor/Contractor/Tenant: Scheidt & Bachmann USA, Inc, Contractor

Brief Description of Transaction: Service Level Agreement for FY17

Term Start Date: July 1, 2016

Expiration Date: June 30, 2017

Legal Review Required? NO - NOT REQUIRED If "YES," Legal Review completed on: Choose a date.

Funding Required? YES Fund Source(s) & Amount(s): RM: Equipment / OPM / Parking - \$27,000 + 81,500

Operations & Maintenance
Initiating Department

[Signature]
Department Manager's Signature

8/27/16
Date

STAKEHOLDERS

- Dept. Williams
- Dept. _____
- Dept. _____
- Dept. _____

- Dept. _____
- Dept. _____
- Dept. [Signature] FOR ALBA SMITH

AUTHORIZATION

Executive's Signature

Date

[Signature]
Chief Financial Officer

5-17-16
Date

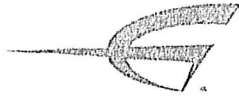
Comments: _____

[Signature]
Clerk of the Board

5/23/16
Date

2016/068

Clerk's File No.



PhxMesa Gateway Airport

Interoffice Memo

To: Tony Turley, Chief Financial Officer
From: Margi EvanSon, Operations and Maintenance Manager *MME*
Date: August 31, 2015
Re: Scheidt & Bachmann – Sole Source Provider

In 2008, PMGAA selected Scheidt & Bachmann for the purchase of parking revenue control systems through a competitive bid. Because the original equipment was purchased and installed through Scheidt & Bachmann, and because they are the only known source to provide materials, repairs and services related to their parking revenue controls systems, this memo is to advise you that purchases for supplies and services specifically for Scheidt & Bachmann parking system revenue controls for \$5,000 or more will be purchased using sole source procurement as per PMGAA procurement guidelines.

OK AJ 8-31-15

SCHEIDT & BACHMANN 

Scheidt & Bachmann USA, Inc.

31 North Avenue • Burlington, Massachusetts 01803
Phone: (781) 272-1664 • Fax: (781) 272-1654

Phoenix-Mesa Gateway Airport Authority
6263 S Taxiway Circle
Mesa, AZ 85212

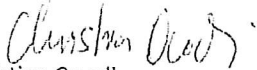
Attention: Mr. Michael J. Hanas

Subject: Sole Source Provider of material, repairs and service

Dear Mr. Hanas,

Please be advised that Scheidt & Bachmann is the sole source provider for materials, repairs and service provided to the Phoenix-Mesa Gateway Airport Authority.

Sincerely,



Christina Onodi
Management Analyst
Scheidt & Bachmann USA, Inc.

SERVICE LEVEL AGREEMENT

By and Between
Scheidt & Bachmann USA, Inc, Contractor
and
Phoenix Mesa Gateway Airport Authority

This Agreement (“Agreement”) is entered into this 1st day of July, 2016 by and between Scheidt & Bachmann USA, Inc., a Delaware Corporation, whose principal address is 31 North Avenue; Burlington, MA 01803 and Phoenix Mesa Gateway Airport Authority (Owner) whose principal address is 5835 S. Sossaman Road, Mesa, Arizona, 85212.

TERMS:

1. TERM: The term of this Agreement shall be effective for one (1) year from the date of contract execution.

2. SCOPE OF SERVICES:

24/7 Phone Support

24/7 On Site Support

24/7 Emergency Support

Parts utilized during the course of services provided

4 Preventative Maintenance Cycles

Operating System, Application and Database Security Patches

Exclusions:

Replacement of full server hardware;

Consumables, which are defined as tickets, chip coins, receipt paper and gate arms; and

Replacement of full devices due to vandalism, vehicular strikes or misuse. For purposes of this Agreement, full devices are defined as ticket dispensers, exit verifiers, gates, RFD readers and pay-on-foot cashier stations.

3. SCOPE OF WORK:

A. Maintenance services shall be available twenty-four (24) hours a day, seven days a week (24/7), and three hundred sixty-five (365) days per year. The response times stated below shall be maintained at all times. The Contractor shall provide all preventative, routine, and emergency maintenance services. Contractor will return phone calls regarding service issues during this time frame within 1 hour. During the phone call, the time frame for site visit and completion of the work will be determined.

B. Contractor will return all service phone calls within 1 hour time from customer call. If onsite support is required, the following protocol will be followed:

- a. Calls Monday through Friday between 8am and 4pm, onsite support will be handled the next business day.
- b. Calls Monday through Friday after 4pm, onsite support will be provided next business day unless Emergency Service is required.
- c. Calls on Federal Holiday, onsite support will be provided the next business day unless Emergency Service is required.
- d. Emergency service is defined as service to correct facility wide failure of the system's ability to allow ingress/egress and/or collect revenue. Onsite support for emergency services will be provided within four hours. .

C. Preventative Maintenance Services Contractor will provide 4 preventative maintenance cycles, 1 per quarter. Each preventative maintenance cycle will be documented with work performed and submitted to the Owner. An example of preventative maintenance report is attached as Exhibit A.

D. Software Updates during the term of this Agreement, Contractor will offer software security updates and general bug fix updates developed by Contractor for all software elements provided by Contractor for the PRCS system. Implementation of these updates is defined in the following paragraphs of this section. All work regarding software updates will be coordinated and scheduled with Owner prior to the work being performed.

Owner will make available all necessary internet connectivity from the servers to the internet to perform software updates as recommended by Contractor.

Owner is responsible to ensure that its support agreements are up to date with infrastructure providers that support the PRCS solution. These providers include VMware, Oracle, Microsoft, Cisco, Dell, etc. It is through these agreements that Owner will secure the necessary security patches, upgrades and maintenance to ensure all regulatory compliance for their system.

In the case of VMware, Oracle and Windows, contractor will provide a recommended list of patches to be installed in the live system.

All Contractor recommended security patches for the Oracle databases included in the PARCS system will be installed by Contractor within 45 days of the release of notification by Contractor.

E. The scope of work for this agreement does NOT cover any repairs necessitated by vandalism, customer or owner misuse, Acts of God, or any other cause that does not specifically relate to normal wear and tear. Owner will be responsible for issuing purchase order for replacement of spare parts that are not manufactured by Scheidt & Bachmann. These include, but are not limited to:

Full device replacement

Consumables

4. **COMPENSATION:**

A. The base Contract Amount shall be the following sum(s):

Year 1 = \$27,000 (\$2,250/ month)

which has been agreed to between the Contractor and the Owner as the price for the type services presented in the Scope of Work. This amount does not include State, County or City sales and use tax, nor does it include any permit fees which may be required under State, County or City Law.

B. Absent an amendment to this Agreement, additional services and expenses are not included in this compensation and shall only be provided upon a written amendment entered into by the Contractor and Owner.

C. Invoices shall be issued to the Owner on a monthly basis. Payment shall be made within **thirty (30)** days after receipt of Contractor's invoice for Work performed.

D. Contractor agrees and understands that (i) any and all subcontractors providing Work related to this Agreement shall be paid through Contractor and not paid directly by the Owner, and (ii) any and all liabilities regarding payment to or use of subcontractors for any of the Work related to this Agreement shall be borne solely by Contractor.

5. **INDEMNIFICATION:** Within the performance of this Agreement or any other services within the framework of the business between Contractor and Owner, Contractor, its employees, agents and subcontractors shall indemnify the Owner for gross negligence or willful default.

Liability of the parties shall be limited-irrespective of the legal reason-to foreseeable, contractual or typical damages. Any indirect, special, incidental, consequential damages including but not limited to loss of profits or revenue, business interruption, loss of business information and any other similar pecuniary loss or damage shall be excluded. Owner does not have any further claims as per this section especially no additional claims for damages arising out of delays and/or non-contractual claims.

In any case liability shall-irrespective of the legal reason- not exceed the amount of \$3,000.00 for each individual event and shall be limited for all events to the total amount of \$10,000.00. This limitation of liability does not apply to cases of willful misconduct, product liability law, and any mandatory law.

6. **OWNER'S AND CONTRACTOR'S TERMINATION RIGHTS:** Owner shall have the right to terminate this Agreement, upon the occurrence of an event of default hereunder in the event that Contractor fails to provide a cure plan for default within sixty (60) days of receiving notice of the default. In such event, Owner shall not be obligated to pay any amounts to Contractor for any period during which Contractor was in default.

An event of default is defined as follows:

- a. Contractor files for bankruptcy protection.
- b. Contractor closes operations in the US Market.

Contractor shall have the right to terminate this agreement if any payment is not received in 90 days. Owner shall be obligated to provide all payments due up to and including the period of default issued by Contractor to the Owner.

7. **INSURANCE:** Contractor shall provide the following insurance during the term of the contract:

General Liability: \$1,000,000.00

Automobile Liability: \$1,000,000.00

Worker's Compensation

And Employer's Liability: Per State Requirements

8. **NOTICES:** All notices or other communications required under this Agreement shall be in writing and shall be given by hand-delivery or by registered or certified U.S. Mail, return receipt requested, addressed to the other party at the address indicated herein or to such other address as a party may designate by notice given as herein provided. Notice shall be deemed given on the day on which personally delivered; or, if by mail, on the fifth day after being posted or the date of actual receipt, whichever is earlier.

TO CONTRACOR:

**John MacDonald
President
Scheidt & Bachmann
31 North Avenue
Burlington, MA 01803**

TO OWNER:

**Jane L. Morris
Executive Director/CEO
Phoenix-Mesa Gateway
Airport Authority
5835 S. Sossaman Road
Mesa, AZ 85212**

9. **RENEWAL OPTION:** This Agreement may be renewed an additional 1 year at a rate not to exceed 5% over the subsequent year unless terminated in writing by either party 30 days prior to the conclusion of each term.

10. **SUCCESSORS AND ASSIGNS:** This Agreement shall be binding on the parties hereto, their heirs, executors, legal representatives, successors, or assigns.

11. **INDEPENDENT CONTRACTOR:** Contractor has been procured and is being engaged to provide work to Owner as an independent contractor, and not as an agent or employee of Owner. Accordingly, neither Contractor, nor any of its employees, subcontractors, or representatives shall attain any rights generally afforded classified, unclassified, exempt or non-exempt employees.

12. **ENTIRE AGREEMENT:** This instrument and its attachments constitute the sole and only agreement of the parties relating to the subject matter hereof and correctly set forth the rights, duties, and obligations of each to the other as of its date. Any prior agreements, promises, negotiations, or representations not expressly set forth in this Agreement are of no force or effect.

13. **FORCE MAJEURE.** A "Force Majeure Event" shall mean an act of God, act of governmental body or military authority, fire, explosion, power failure, flood, storm, hurricane, sink hole, other natural disasters, epidemic, riot or civil disturbance, war or terrorism, sabotage, insurrection, blockade, or embargo. In the event that either party is delayed in the performance of any act or obligation pursuant to or required by the Agreement by reason of a Force Majeure Event, the time for required completion of such act or obligation shall be extended by the number of days equal to the total number of days, if any, that such party is actually delayed by such Force Majeure Event. The party seeking delay in performance shall give notice to the other party specifying the anticipated duration of the delay, and if such delay shall extend beyond the duration specified in such notice, additional notice shall be repeated no less than monthly so long as such delay due to a Force Majeure Event continues. Any party seeking delay in performance

due to a Force Majeure Event shall use its best efforts to rectify any condition causing such delay and shall cooperate with the other party to overcome any delay that has resulted.

14. **NO THIRD-PARTY BENEFICIARY:** No persons other than the Contractor and the Owner (and their successors and assigns) shall have any rights whatsoever under this Agreement.

15. **SURVIVAL:** All obligations (including but not limited to indemnity and obligations to defend and hold harmless) and rights of any party arising during or attributable to the period prior to expiration or earlier termination of this Agreement shall survive such expiration or earlier termination.

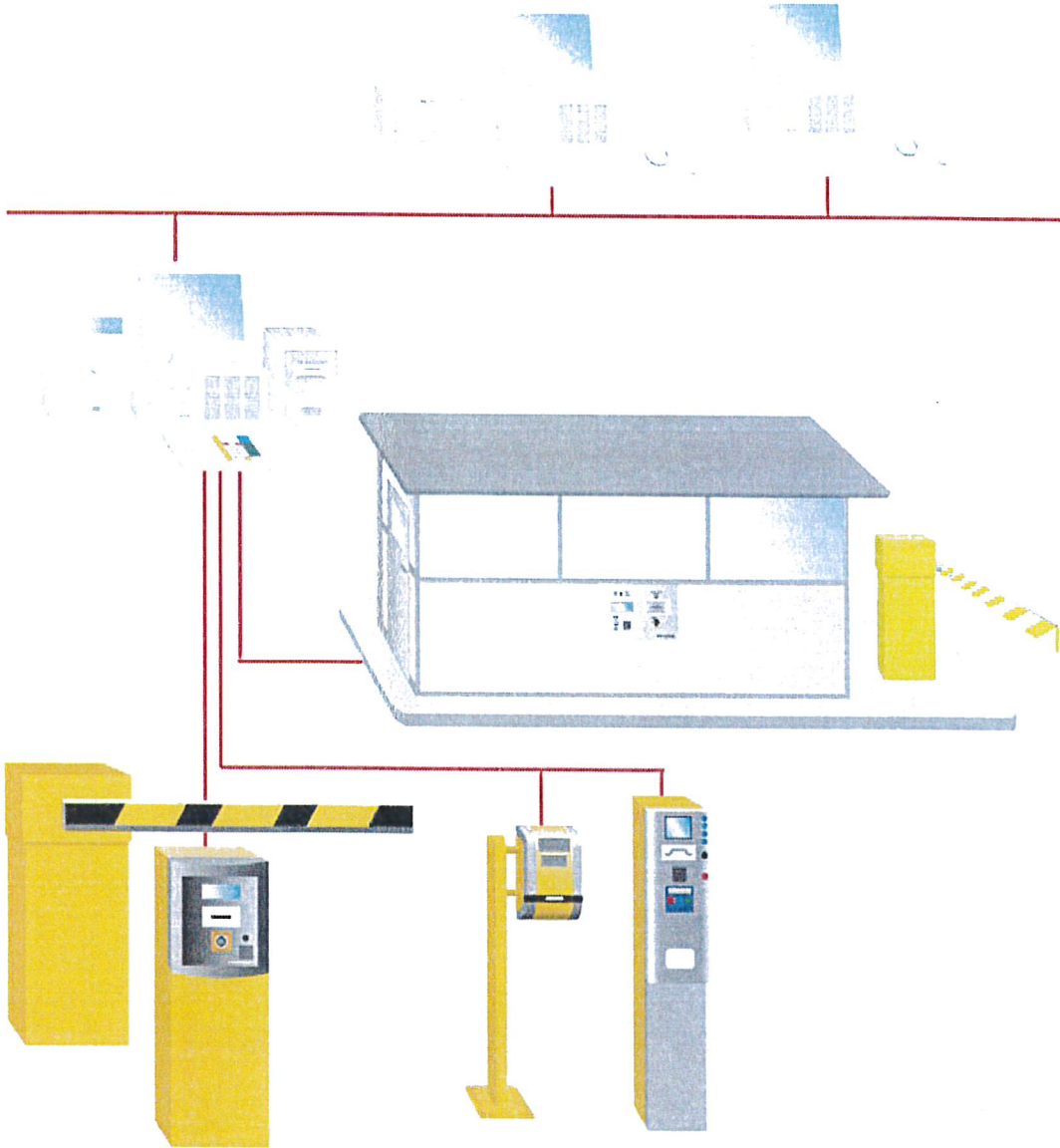
IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by their respective officials thereunto duly authorized, this the day and year above written.

“Owner”

By: J. Morris
Jane L. Morris, Executive Director/CEO
PMGAA
Date: 5.19.16

“Contractor”

By: J. MacDonald
John MacDonald, President
Date: 5/16/2016



PARKING ACCESS AND REVENUE CONTROL SYSTEM

Performance Specification ChipCoin System



Performance Specification

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Technical modifications reserved. Illustrations and descriptions may also include special options.

Williams Gateway Airport Authority
Request for Proposal
Parking and Revenue Control Equipment
Solicitation Number: 2008-010-RFP

ATTACHMENT D

ACCEPTANCE OF OFFER

The Offer is hereby accepted.

The Contractor is now bound to sell the materials or services listed by the attached contract and based upon the Request for Proposal, including all terms, conditions, specification, amendments, scope of work, addenda, the Consultant's Offer (Attachment B and C) and any best and final offers, as accepted by WGAA.

This Contract shall henceforth be referred to as Contract Number **C-2008-010**. The Contractor has been cautioned not to commence any billable work or to provide any material or service under this contract until Bidder receives purchase order, or is otherwise directed to do so in writing by the undersigned.

Williams Gateway Airport Authority, a joint powers airport authority,

Awarded this 18 day of March, 2008.


WGAA Executive Director



Phoenix-Mesa Gateway Airport Authority
 5835 S Sossaman Road
 Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

To: Board of Directors
From: R. J. Draper, P.E., LEED AP, CM Engineering & Facilities Director
Through: Scott Brownlee, Deputy Director/COO
 J. Brian O’Neill, A.A.E., Executive Director/CEO
Subject: Taxiway Charlie Extension Phase 3 Construction – Pulice Construction
Date: June 19, 2018

Proposed Motion

To authorize a Construction Contract for Taxiway Charlie Extension Phase 3, with Pulice Construction for a total cost not-to-exceed \$9,785,579.65; subject to receipt of funding from FAA/ADOT.

Narrative

This project will complete the construction of Taxiway Charlie and will facilitate greater use of Runway 12L/30R allowing for more efficient aircraft movement. Taxiway Charlie is the parallel taxiway for Runway 12L/30R and Phase 3 will continue 3,740’ from Taxiway L south to the end of Runway 30R. Phase 3 will have two right angle connecting taxiways and one acute angled taxiway. Construction of the project will include: subgrade preparation, embankment, aggregate base placement, cement treated base, PCC airfield pavement placement, asphalt shoulder paving, drainage improvements, new edge lighting, new taxiway signage, and pavement marking/stripping.

The Invitation for Bid No. 2018-015 for Taxiway Charlie Extension Phase 3 (PMGAA CIP649) project was issued on April 12, 2018 and advertised in the Arizona Business Gazette on April 12, 19, 26 and May 3, 2018; and posted on the Phoenix-Mesa Gateway Airport Authority website on April 12, 2018. An email notification was sent to interested vendors on April 12, 2018 and it was also externally posted on the AzAA, ACC, ACI-NA, SWAAAE websites and the FAA Matchmaker System. The bid opening was held on May 24, 2018 and six (6) bids were received:

Company	Grant Total
1. Southwest Concrete Paving Co.	\$10,082,021.90
2. Pulice Construction, Inc.	\$ 9,785,579.65
3. Kiewit Infrastructure West Co.	\$11,152,976.26
4. Nesbitt Contracting	\$10,278,150.88
5. FNF Construction, Inc.	\$10,247,107.82
6. J. Banicki Construction, Inc.	\$10,425,234.34

Fiscal Impact

This contract was included in the FY18 capital budget. Pending the FAA and ADOT award of grants, this work will be funded with FAA grant funds (91.06%), ADOT grant match funds (4.47%), and Airport grant match funds (4.47%) under CIP 649.

Attachment(s)

Construction Contract



RESOLUTION NO. 18-27

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS the Authority desires to enter into a contract with Pulice Construction;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes a construction contract with Pulice Construction for Taxiway Charlie Extension Phase 3, for a total cost not-to-exceed \$9,785,579.65; subject to receipt of funding from the Federal Aviation Administration/Arizona Department of Transportation. This resolution also authorizes the Chair or Executive Director/CEO to execute such Contract, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 19th day of June, 2018.

Jenn Daniels, Chair

ATTEST:

APPROVED AS TO FORM:

Maria Gonzalez, Clerk of the Board

Attorney

CONSTRUCTION CONTRACT**A. EFFECTIVE DATE:**

This Contract is entered into by and between the Owner and the Contractor for construction of the Project and shall be effective as of _____, 2018.

B. OWNER:

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, a joint powers airport authority authorized by the State of Arizona
5835 South Sossaman Road
Mesa, Arizona 85212-6014
Phone: 480.988.7600
Fax: 480.988.7641

C. CONTRACTOR:

Pulice Construction, Inc.
2033 W. Mountain View Road
Phoenix, AZ 85021

D. DESIGN ENGINEER:

Kimley-Horn and Associates,
7740 N. 16th St., Suite 300
Phoenix, AZ 85020
Phone: 602.944.5500
Fax: 602.944.7423

RESIDENT ENGINEER

Consultant Engineering, Inc.
10625 N. 25th Ave, Suite 200,
Phoenix, AZ 85029
Phone: (602) 866-5090
Fax: (602) 866-5085

E. PROJECT:

TAXIWAY C EXTENSION – PHASE 3
Authority Project No. 649
ADOT Project No. E_M_
FAA AIP No. 3-04-0078-040-2018

F. WORK TO BE PERFORMED:

The intent of the Taxiway C Extension – Phase 3 project is the construction of the Taxiway C Extension - Phase 3 as presented on the plans and specifications. The Taxiway C Extension - Phase 3 is located northeast of Runway 12L-30R and will provide a parallel taxiway for the full length of Runway 12L-30R. Phase 3 consists of the construction of approximately 54,620 square yards of Portland Cement Concrete (PCC) pavement. The Project also includes site grading, earthwork, drainage, crushed aggregate base course, cement treated base, asphalt concrete shoulder pavement, pavement marking, power and communications relocation, taxiway edge lighting, and guidance signage installation.

G. RECITALS:

The Owner intends to construct the Taxiway C Extension – Phase 3 with structures, utilities, service roads, and other items as necessary for the full and efficient use of the project in connection with Phoenix-Mesa Gateway Airport located in Mesa, Arizona. The Owner desires to contract for certain construction services and materials, and the Contractor desires to provide construction services and materials.

NOW, THEREFORE, intending to be legally bound and for valuable consideration, the receipt and sufficiency of which are acknowledged, the Owner and Contractor agree as follows:

H. AGREEMENTS:**ARTICLE 1 THE CONTRACT**

The Contract consists of (1) this Construction Contract, (2) The Bidding Requirements and Agreement Documents, (3) the General Conditions to the Construction Contract, (4) General and Federal Provisions, (5) Special Provisions, (6) Drawings, Technical Specifications and other documents or amendments referenced in Article 7 of the Construction Contract, and (7) any amendments or modifications to the foregoing documents, including (a) a written amendment signed by both parties, (b) a Change Order, (c) a Change Directive, (d) Supplementary Instructions, or (e) a written order for a minor change in the work (collectively the "Contract").

ARTICLE 2 THE WORK

The Contractor shall execute the entire work described in the Contract and all work reasonably inferable as necessary to produce the results intended by the Contract.

ARTICLE 3 CONTRACT TIME

3.1 The Contractor and Owner recognize that time is of the essence of this Agreement and that Owner will suffer financial loss if the work is not Substantially Completed or Finally Completed within the times specified below.

3.2 The Contractor shall achieve Substantial Completion (as defined in Section 9.8.1 of the General Conditions of the Construction Contract and evidenced by a Certificate of Substantial

Completion), no later than a **Total of 225 Calendar Days** from the date of issuance of the Notice to Proceed. See the following Substantial Completion for Phase 3 schedule times:

3.2.1 Taxiway C Extension – Phase 3

Substantial Completion of Phase 3A130 Days

Note: A re-routed Power/Comm ductline must be installed and be operational prior to the full length of the project being opened for demolition and earthwork.

Substantial Completion of Phase 3B95 Days

Note: The Airport will not allow 2 runways to be closed at the same time. Phase 3B requires the closure of Runway 12L-30R, Phase 3B shall not start until the Airport has issued a NTP for the work to begin.

3.3 Final Acceptance of the work shall occur not more than thirty (30) calendar days after the Substantial Completion date.

3.4 The parties acknowledge and agree that it would be extremely difficult and impracticable to ascertain the damages that the Owner would incur should the Contractor fail to achieve, (1) Substantial Completion of the work by the milestone completion date(s), or (2) Final Acceptance of the work, as specified in this Article 3. Accordingly, if the Contractor fails to achieve (1) Partial Acceptance, (2) Substantial Completion, or (3) Final Acceptance of the work as specified in this Article 3, the Contractor shall be liable for and shall pay to the Owner liquidated damages for each calendar day of delay until the Contractor achieves (1) Partial Acceptance, (2) Substantial Completion, or (3) Final Acceptance of the work as the case may be. The liquidated damages shall be as follows:

If only the Base Bid (Schedule I) is awarded the following Liquidated Damages will apply:

1. Substantial Completion of Base Bid (All Phases, 225 Calendar Days) – \$3,500 per Day

The following Liquidated Damages will also apply:

1. Final Completion within thirty (30) Calendar Days of Substantial Completion of the project (Base Bid and Additive Alternate No. 1 if awarded) – \$2,500 per Day

The Owner shall have the right to retain any liquidated damages from payments due Contractor.

ARTICLE 4 CONTRACT SUM

4.1 The Owner shall pay the Contractor in current funds for the Contractor's performance of the Contract the Contract Sum of nine million seven hundred eighty five thousand five hundred seventy nine and 65/100th Dollars (\$9,785,579.65), subject to the additions and deductions as provided in the Contract.

4.2 Unit prices are set forth in the Bid Proposal attached hereto as Schedule I in Exhibit A. The unit prices include (1) all materials, equipment, labor, delivery, installation, overhead, profit, taxes, bond, insurance, and commissions, and (2) any other costs or expenses in connection with or incidental to the performance of that portion of the work to which such unit prices apply.

ARTICLE 5 PROGRESS PAYMENTS

Progress payments will be made in accordance with Article 9 of the *General Conditions* to the Construction Contract.

ARTICLE 6 FINAL PAYMENT

Final payment will be made in accordance with Article 9 of the *General Conditions* to the Construction Contract.

ARTICLE 7 CONTRACT DOCUMENTS

7.1 The Contract, except for modifications issued after the effective date of the Construction Contract, consists of the following documents:

- 7.1.1 The *Construction Contract*.
- 7.1.2 The Bidding Requirements and Agreement Documents
- 7.1.3 The *General Conditions* to the Construction Contract.
- 7.1.4 Plans, Specifications and Addenda attached.
- 7.1.5 Bid Documents as follows:
 - A. Contractor Bid Proposal dated 05/24/2018.
 - B. Certified Copy of Resolution of Board of Directors dated 05/08/2018.
 - C. Contractor Statutory Bid Bond dated 05/16/2018.
 - D. Certificate of Insurability dated 05/24/2018.
 - E. Non-Collusion Bidding Certification signed by Victor Jimenez and dated 05/24/2018.
 - F. Bidders Qualification Statement dated 05/24/2018.
 - G. Subcontractor List dated 05/24/2018.
 - H. Bidder' Statement on Previous Contracts Subject to EEO Clause dated 05/24/2018.
 - I. Assurance of Disadvantaged Business Enterprise Participation dated 05/24/2018.
 - J. Buy American (Title 49 U.S.C., Chapter 501) dated 05/24/2018.
 - K. Tax Delinquency and Felony Conviction dated 05/24/2018.
 - L. Attachment A (Base Bid) – Letter of Intent to Perform as a subconsultant/ Subcontractor/ Supplier dated 05/24/2018.
 - M. Attachment A (Add Alt No. 1) – Letter of Intent to Perform as a subconsultant/ Subcontractor/ Supplier dated N/A.
 - N. Attachment B (Base Bid) – Proposed DBE Participation dated 05/24/2018.
 - O. Attachment B (Add Alt No. 1) – Proposed DBE Participation dated N/A.
 - P. Attachment C – Identification Statement for DBE dated N/A.

7.1.6 Amendments or modifications to the Contract, if any, to which the parties may agree during Contract performance.

7.2 There are no Contract Documents other than those listed above in this Article 7. The Contract Documents may only be amended, modified, or supplemented as provided in the *General Conditions*.

7.3 The Contract Documents are complementary, and a requirement called for by one is as binding as if called for by all. In resolving conflicts, if any, the Contract Documents shall be given the precedence that the Engineer determines is consistent with their intent and that will produce the intended result. When not in contradiction with this priority, the Contract Documents shall be given precedence in the order in which they are listed in this Article 7.

ARTICLE 8 MISCELLANEOUS

8.1 If any provision(s) of the Contract is/are invalid, illegal or unenforceable, all other provisions of the Contract shall nevertheless remain in full force and effect. If any Contract provision is inapplicable to any person or circumstance, that provision shall nevertheless remain applicable to all other persons and circumstances.

8.2 It is Contractor's and Owner's intent that all provisions of law required to be inserted or referenced in the Contract Documents shall be incorporated into them. If any provision of law is not inserted or referenced in the Contract Documents, or is inserted or referenced in improper form, the provision shall be considered inserted or referenced in proper form at no increase in Contract Price or Contract Time.

8.3 Contractor shall not sell, assign, transfer or otherwise convey any of its rights and shall not delegate any of its duties under this Contract without Owner's prior express written consent. In its sole discretion, Owner may refuse to consent to any proposed assignment or delegation. Any attempted sale, assignment, transfer, conveyance or delegation in violation of this Paragraph 8.3 shall be void and shall relieve Owner of any further liability under the Contract Documents. If Owner consents in writing to an assignment, unless specifically stated to the contrary in the consent, the assignment shall not release or discharge Contractor from any duty or responsibility set forth in the Contract Documents.

8.4 Nothing contained in the Contract shall in any manner authorize, empower, or constitute Contractor, its subcontractors, or suppliers as agent(s) of Owner, authorize or empower Contractor, its subcontractors, or suppliers to assume or create any obligation or responsibility whatsoever, express or implied, on behalf of or in the name of Owner or authorize or empower Contractor, its subcontractors or suppliers to bind Owner in any manner or to make any representation, warranty, covenant, agreement, or commitment on Owner's behalf. Contractor shall perform all work under this Contract as an independent contractor. Only Owner of this Contract shall have rights to enforce any changes to this Contract.

8.5 This Contract shall be binding on Owner and Contractor and all of their respective successors, heirs, legal representatives, and, if Owner has consented to an assignment or delegation as provided in Paragraph 8.3, assigns and delegates.

8.6 This Contract supersedes all prior oral or written agreements, if any, between the parties and constitutes the entire, integrated agreement between the parties with respect to the work to be performed under the Contract Documents.

8.7 This Contract shall be governed by and construed in accordance with the laws of the state of Arizona, without giving effect to any rules governing conflict of laws.

8.8 The approval and continuation of this Contract is subject to the availability of funds either provided to, made available to, or appropriated by the Owner for this purpose. In the event that funds are not available or appropriated for the Owner's payment requirements under this contract for the goods and/or services to be provided hereunder, the Owner may terminate this contract by providing notice to the Contractor of the lack of the availability of funds. The Contractor acknowledges and agrees that one source of funding for this contract may be funds made available from the Federal Aviation Administration and/or Arizona Department of Transportation, and that this contract, its approval and continuation is contingent on the availability of those funds being made to the Owner.

The Contract is effective as of the day and year first written above.

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY,

A joint powers airport authority authorized by the State
of Arizona

CONTRACTOR

By: _____
J. Brian O'Neill, A.A.E.

By: _____
Print: _____

Title: Executive Director/CEO

Title: _____

Date: _____

Date: _____

ATTEST:

By: _____
Official Record Keeper

By: _____



Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

To: Board of Directors
From: R. J. Draper, P.E., LEED AP, CM Engineering & Facilities Director
Through: Scott Brownlee, Deputy Director/COO
J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: Taxiway Charlie Extension Phase 3 Construction Administration Services –
Kimley-Horn & Associates
Date: June 19, 2018

Proposed Motion

Approval of Authorization of Services No. 16B-1804 with Kimley-Horn & Associates for Construction Administration Services and Design Support for Taxiway Charlie Extension Phase 3 Construction for a total cost not-to-exceed \$617,943; subject to receipt of funding from FAA/ADOT.

Narrative

This project will complete the construction of Taxiway Charlie and will facilitate greater use of Runway 12L/30R allowing for more efficient aircraft movement. Taxiway Charlie is the parallel taxiway for Runway 12L/30R and Phase 3 will continue 3,740' from Taxiway L south to the end of Runway 30R and will have two right angle connecting taxiways and one acute angled taxiway. Construction of the project will include: subgrade preparation, embankment, aggregate base placement, cement treated base, PCC airfield pavement placement, asphalt shoulder paving, drainage improvements, edge lighting, taxiway signage, pavement marking/stripping.

In support of large capital projects such as this, the Airport utilizes professional construction administration services. These services are needed to ensure that the Airport manages the project in accordance with the project specifications, and to ensure compliance with federal and state grant requirements. Kimley-Horn & Associates will provide inspection, testing services and construction administration services during the Taxiway Charlie Extension Phase 3 Construction project

In 2016 a Request for Qualifications for Engineering Services was issued; Kimley-Horn & Associates was one of two firms selected as the most qualified. In accordance with the terms of our agreement, C-2016011-B, Kimley-Horn & Associates worked with PMGAA staff to create a Scope-of-Work for these Construction Administration Services. The cost for these services was negotiated based upon the contract fee schedule at a not-to-exceed total cost of \$617,943.

Fiscal Impact

This project was included in the FY18 capital budget. Pending the FAA and ADOT award of grant, this work will be funded with FAA grant funds (91.06%), ADOT grant match funds (4.47%), and Airport grant match funds (4.47%) under CIP 649.

Attachment(s)

Kimley-Horn & Associates Proposal, AOS



RESOLUTION NO. 18-28

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS the Authority desires to obtain construction administration services and design support from Kimley-Horn & Associates;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby approves Authorization of Services No. 16B-1804 with Kimley-Horn & Associates for Construction Administration Services and Design Support for Taxiway Charlie Extension Phase 3 Construction for a total cost not-to-exceed \$617,943; subject to receipt of funding from the Federal Aviation Administration/Arizona Department of Transportation. This resolution also authorizes the Chair or Executive Director/CEO to execute such Contract, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 19th day of June, 2018.

Jenn Daniels, Chair

ATTEST:

APPROVED AS TO FORM:

Maria Gonzalez, Clerk of the Board

Attorney

EXHIBIT A**SCOPE OF WORK****Construction Administration and Design Support
for
Taxiway "C" Extension (Phase 3)**

- A. PROJECT DESCRIPTION:** Phoenix-Mesa Gateway Airport Authority (PMGAA) desires engineering services for Construction Administration and Design Support for construction of the next phase of Taxiway "C". Phase 2 consisted of the middle portion of taxiway, about 3,300' in length, ending near the extended alignment of Taxiway L. Phase 2 has been constructed. Phase 3 will continue 3,740' from Taxiway L south to the end of Runway 30R. Phase 3 will have two right angled connecting taxiways and one acute angled taxiway. Construction of the project will include: subgrade preparation, embankment, aggregate base placement, cement treated base, PCC airfield pavement placement, asphalt shoulder paving, drainage improvements, new edge lighting, new taxiway signage, and pavement marking/stripping.

Construction is tentatively scheduled to start in August of 2018 with FAA funding and is anticipated to take 225 calendar days to construct.

- B. PROJECT SCOPE:** Kimley-Horn will provide Construction Administration and Design Support for the construction of Taxiway "C" Extension (Phase 3) and will perform the following specific tasks to complete this work:

- 1. PROJECT ADMINISTRATION:** The following general tasks will be performed for the project:

- a) Provide project administrative tasks for support throughout the project.
- b) Provide monthly invoicing, progress reports, and general client meetings for the project.
- c) Will review and coordinate activities, scheduling, and deliverables being performed by all sub-consultants.

- 2. PRE-CONSTRUCTION:** The following general tasks will be performed for the project:

- a) The Kimley-Horn team will conduct a pre-construction conference prior to commencement of Work at the Site and record the meeting. Kimley-Horn will attend the pre-construction meeting and discuss items related to the contract, such as the items provided in the FAA Advisory Circular AC 150/5300-9A, Pre-Construction Conferences for Airport Grant Projects.
- b) Attend SRM Meeting. Kimley-Horn will attend and participate in FAA lead SRM (Safety Risk Management) meeting.
- c) Pre-Construction Submittal Review. Kimley-Horn will assist in the preparation of the initial Construction Management Plan (CMP). The contractor must submit his Quality Control Plan for inclusion into the Final CMP that will be reviewed and then submitted to FAA. Kimley-Horn will also review or take other appropriate action in respect to Contractor Quality Control plan and Contractor Airport Safety plan for compliance with project plans and specifications.

- 3. CONSTRUCTION ADMINISTRATION AND DESIGN SUPPORT:** The Kimley-Horn team will provide Construction Administration and Design Support services during the construction of the project. Construction Administration will entail contract administration, on-site observation/monitoring of construction materials, finishes, and workmanship and quality assurance materials testing. Design Support will be composed of site visits, weekly meeting participation, review of contractor submittals, review/respond to RFI's, review of contractor Change Orders requests and proposals.

The Kimley-Horn team will lead weekly construction meetings for the duration of the project. The purpose of weekly construction meeting attendance is to enable the airport/team to communicate the expectations and project requirements to the Contractor. Kimley-Horn will also hold pre-activity meeting prior to principal work activities. Project meetings and construction observation will permit the Kimley-Horn team to carry out the duties and responsibilities specifically assigned in this Agreement, and to provide PMGAA a greater degree of confidence that the completed Work will conform to the Contract Documents.

The following tasks will be performed for the project:

- a) *Review and Monitor Construction Schedule:* The Kimley-Horn team will review the baseline and subsequent monthly progress schedules submitted by the Contractor for conformance with the Contract Documents. The team will discuss schedule concerns with the PMGAA.
- b) *Construction Observation:* The Kimley-Horn team will provide on-site review/monitoring of construction materials, finishes, and workmanship. Site visits and construction observation are not intended to be exhaustive or to extend to every aspect of Contractor's work in progress. Observations are to be limited to spot checking, selective measurement, and similar methods of general observation of the Work based on the engineer's exercise of professional judgment. Based on information obtained during such visits and such observations, the engineer will evaluate whether the Contractor's work is generally proceeding in accordance with the Contract Documents. Kimley-Horn will keep the PMGAA informed verbally and by email of the general progress of the Work. Kimley-Horn shall notify the PMGAA as soon as practical, verbally and in a memorandum in electronic PDF format, of observed deviations and/or defects in materials, finish, equipment, systems, and workmanship. Kimley-Horn will not, during such meeting or on-site activities/visits or as a result of such observations of Contractor's work in progress, supervise, direct, or have control over Contractor's work, nor shall Kimley-Horn have authority over or responsibility for the means, methods, techniques, equipment choice and usage, sequences, schedules, or procedures of construction selected by Contractor, for safety precautions and programs incident to Contractor's work, nor for any failure of Contractor to comply with laws and regulations applicable to Contractor's furnishing and performing the Work. Accordingly, Kimley-Horn neither guarantees the performance of any Contractor nor assumes responsibility for any Contractor's failure to furnish and perform its work in accordance with the Contract Documents.

The Kimley-Horn team will complete daily observation logs documenting observed day-to-day construction activities, crews, weather conditions, subcontractors, quality control testing, quality assurance testing, and construction quantities. Daily observation logs will be kept on-site and distributed in electronic PDF format as requested by the PMGAA.

- c) *Construction Progress Meetings:* Kimley-Horn team will conduct up to thirty-three weekly construction progress meetings for the duration of the construction season. Kimley-Horn will prepare and distribute an agenda prior to the construction progress meetings. The resident project representative, site observers, and other Subconsultant will be invited to attend the meeting and will prepare an attendance log and meeting notes, and distribute to all attendees and the PMGAA summarizing the discussions held during each meeting.
- d) *Quality Acceptance Testing:* The Kimley-Horn team will provide materials quality acceptance testing in accordance with the Construction Management Program described herein, based on standards described in the project plans and specifications using ASTM or other approved standards, for the project.
- e) *Review Quality Control Testing:* Kimley-Horn will review quality control testing results provided by the Contractor. The team will compare quality control test results against the project plans and specification standards and quality assurance test results and notify the PMGAA of any concerns.
- f) *Review and Respond to Requests for Information (RFI's):* Kimley-Horn will respond to

reasonable and appropriate Contractor requests for information and issue necessary clarifications and interpretations of the Contract Documents to PMGAA as appropriate to the orderly completion of Contractor's work. Any orders authorizing variations from the Contract Documents will be made by PMGAA.

- g) *Change Orders.* Kimley-Horn may recommend Change Orders to PMGAA, and will review and make recommendations related to Change Orders submitted or proposed by the Contractor or the PMGAA.
- h) *Shop Drawings and Samples.* Kimley-Horn will review or take other appropriate action in respect to submittals, shop drawings and samples and other data which Contractor is required to submit, but only for conformance with the information given in the Contract Documents. Such review or other action will not extend to means, methods, techniques, equipment choice and usage, sequences, schedules, or procedures of construction or to related safety precautions and programs.
- i) *Substitutes and "or-equal":* Kimley-Horn will, evaluate and determine the acceptability of substitute or "or-equal" materials and equipment proposed by Contractor in accordance with the Contract Documents, but subject to the provisions of applicable standards of state or local government entities.
- j) *Disagreements between PMGAA and Contractor.* Kimley-Horn will, if requested by PMGAA, render written recommendation on a claim of PMGAA or Contractor relating to the acceptability of Contractor's work or the interpretation of the requirements of the Contract Documents pertaining to the progress of Contractor's work. In rendering such recommendation, Kimley-Horn shall be fair and not show partiality to PMGAA or Contractor.
- k) *Applications for Payment.* Kimley-Horn will review the monthly draft application for payment prepared by the Contractor and provide the Airport Authority with a recommendation regarding the quantities for which the Contractor should be paid. Such recommendations for payment will be submitted by email and will constitute the Kimley-Horn's representation to the PMGAA, based on such observations and review, that, to the best of the engineer's knowledge, information and belief, the Contractor's work has progressed to the point indicated, such work-in-progress is generally in accordance with the contract documents (subject to an evaluation of the work as a functioning whole prior to or upon substantial completion, to the results of any subsequent tests called for in the contract documents, and to any other qualifications stated in the recommendation), and the conditions precedent to the Contractor's being entitled to such payment appear to have been fulfilled insofar as it is the engineer's responsibility to so determine. In the case of unit price work, recommendations of payment will include final determinations of quantities and classifications of the Contractor's work, based on observations and measurements of quantities provided with pay requests.

By recommending any payment, the Kimley-Horn will not thereby be deemed to have represented that observations made by the team to check the Contractor's work as it is performed and furnished have been exhaustive, extended to every aspect of Contractor's work in progress, or involved detailed inspections of the work beyond the responsibilities specifically assigned to the Kimley-Horn in this agreement.

- l) *Prepare FAA Weekly Progress Reports:* The Kimley-Horn team will prepare up to thirty-six weekly FAA Construction Progress and Inspection Reports and submit them to the PMGAA in electronic PDF format.
- m) *Substantial Completion.* The Construction Contract requires the Contractor to achieve Substantial completion of the Contract within 225 calendars days from the written notice to proceed. Kimley-Horn will conduct a site visit to determine if the completed Work of the Contractor is generally in accordance with the Contract Documents. If necessary, the team will prepare and submit, in electronic PDF format to the Contractor and the PMGAA, a punch list of

observed items requiring completion or correction for the project to be considered complete. Upon completion of the punch list items, the Designer will submit an email to the Contractor recommending their submittal of the Contractor's final pay application. The Designer will track the completion of the punch list items and inform the PMGAA when complete.

- n) *Final Notice of Acceptability of the Work.* Kimley-Horn will attend a final site visit to verify if the completed work of Contractor is generally in accordance with the Contract Documents. Kimley-Horn will provide, if requested by PMGAA, a written notice that the Work is generally in accordance with the Contract Documents to the best of Kimley-Horn's knowledge, information, and belief based on the extent of its services and based upon information provided to Kimley-Horn upon which it is entitled to rely.
- o) *Final Construction Report:* The Kimley Horn team will prepare the Final Construction Report as required by FAA and will consist of the following information:
- Description of Work Summary including project location, narrative of work constructed, and work bid but not constructed,
 - Preconstruction Activities: List of Bids Received, copy of Notice of Award, Pre-Construction Conference meeting notes, copy of Notice to Proceed documents, Construction Contract and Change Orders,
 - Construction summary; Daily and Weekly reports, sequence and resolution of construction issues, change orders and supplemental agreements, contract timeline, labor compliance supplied by the Contractor, and Contractor's partial and final payment certifications,
 - Summary of quality assurance test results,
 - Summary of project costs.
- p) *Record Drawings:* The Kimley Horn team will prepare record drawings in AutoCAD format for the project based on information provided by the Contractor regarding field changes recorded and will incorporate those changes into the construction plans. Kimley-Horn will prepare the record drawings in accordance with the Airports-GIS standards as identified in Chapters 3 and 5 of the FAA Advisory Circular 150/5300-18B and submit to the PMGAA in electronic AutoCAD format, PDF format, and one full size bound set of drawings.
- q) *Limitation of Responsibilities.* Kimley-Horn shall not be responsible for the acts or omissions of any Contractor, or of any of their subcontractors, suppliers, or of any other individual or entity performing or furnishing the Work. Kimley-Horn shall not have the authority or responsibility to stop the work of any Contractor.
- 4. POST CONSTRUCTION PHASE.** Kimley-Horn will provide assistance and consultation to the PMGAA for up to 30 calendar days following the project substantial completion. This will include site observation of any Contractor deficiencies in their work and assist the PMGAA in recommendations in correcting such Contractor deficiencies. Any assistance beyond the 30 days will be on a time and material basis for fee.
- C. CONTRACT TIME.** Kimley-Horn will provide construction administration and design support services as shown in the attached Exhibits, during the designated construction period as approved and awarded by the Airport Authority. The services by Kimley-Horn shall include the base bid for a construction period of **225 calendar days** after the contract times commence to run as provided in the Contract Documents and all Work shall be finally completed and ready for final payment within **30 calendar days** thereafter. As-built (record drawings) will be completed two weeks after the approved red lines drawings have been received. The Final Construction Report will be completed one month after the Final Completion date and all material testing information has been received.

D. DELIVERABLES. Kimley-Horn will provide the following deliverables:*a) As-built (Record) Drawings:*

- Review the contractor prepared redline record drawings; Review and incorporate field changes based on documented observations; As part of weekly site visits Conduct a field review to verify the completeness of the contractor prepared redline drawings and
- Prepare and submit one hardcopy full size set and one half size set of the final Record Drawings and electronic versions in both PDF and AutoCad formats.

b) Final Construction Report:

- Draft report in Microsoft Word format to the PMGAA for review and comment
- Three final bound reports (with pdf copies) to the PMGAA

E. KIMLEY-HORN'S COMPENSATION FOR SERVICES: Kimley-Horn shall be compensated for services according to a "NTE (Not to Exceed)" method of compensation with an allowance for expenses shall be used for this contract. Kimley-Horn's total compensation for these construction Design Support Services shall be: **\$ 617,943.**

The derivation of engineering fee for design services are attached to this authorization as Exhibits. Kimley-Horn shall not proceed with any additional requested services without written approval from the PMGAA.

F. ASSUMPTIONS: The estimated engineering fee is based on the assumptions attached hereto, see Exhibits attached. If the Contractor's schedule requires additional hours or additional contract time, then additional man-hours and compensation will need to be negotiated.

**TAXIWAY C EXTENSION (PHASE 3) -
 Construction Administration/Observation, QA Testing and
 Design Support
 PHX-MESA GATEWAY AIRPORT
 PHOENIX MESA GATEWAY AIRPORT AUTHORITY
 DATE: May 2018**

KIMLEY-HORN ASSOCIATES

Phoenix, Arizona

**EXHIBIT I - DESIGN DOCUMENTS - ENGINEERING FEE
 TAXIWAY C EXTENSION (PHASE 3) CA & DESIGN SUPPORT**

DERIVATION OF COST OF PROPOSAL FEE

1. DIRECT LABOR

<u>TASK</u>	<u>DESCRIPTION</u>	<u>MANHOURS</u>	<u>TOTAL</u>	<u>EXTENDED TOTAL</u>
001	Project Administration	66	3,165.00	
002	Pre-Construction	44	2,426.40	
003	Construction Administration and Design Support	310	16,119.00	
004	Post Construction	96	4,069.60	
TOTAL DIRECT LABOR		516		\$25,780.00

2. EXPENSES:

Expense (Printing and Mileage)	900.00
TOTAL EXPENSES:	\$900.00

3. CONSULTANTS:

CEI (Construction Administration/Inspection)	\$410,341.00
Quality Testing (QA Materials Testing)	\$67,793.00
Quality Testing (Lab Work and Expenses)	\$21,603.00
CR Engineers (Electrical Inspection)(DBE)	\$30,805.00
CR Engineers (Expenses)	\$1,900.00
Survey Verification (Trace, as needed)(DBE)	1,750.00
TOTAL CONSULTANTS	\$534,192.00

4. ENGINEERING FEE

TOTAL LABOR		25,780.00
OVERHEAD (%)	192.16%	49,538.85
FEE (% OF NET)	10%	7,531.88
CONSULTANTS		534,192.00
DIRECT EXPENSES		900.00

TOTAL ENGINEERING FEE **\$617,942.73**

Estimated Construction Value	\$	9,600,000.00
CA and Design Support Services % of Construction		6.44%
DBE Services as % of Total Fee		5.58%

**TAXIWAY C EXTENSION (PHASE 3) -
 Construction Administration/Observation, QA Testing and
 Design Support
 PHX-MESA GATEWAY AIRPORT
 PHOENIX MESA GATEWAY AIRPORT AUTHORITY
 DATE: May 2018**

KIMLEY-HORN ASSOCIATES

Phoenix, Arizona

**EXHIBIT II - DESIGN DOCUMENTS - ENGINEERING FEE
 TAXIWAY C EXTENSION (PHASE 3) CA & DESIGN SUPPORT**

DERIVATION OF COST OF PROPOSAL FEE

1. DIRECT LABOR

<u>TASK</u>	<u>DESCRIPTION</u>	<u>MANHOURS</u>	<u>TOTAL</u>	<u>EXTENDED TOTAL w/ OH</u>
001	Project Administration	66	3,165.00	\$10,171.55
002	Pre-Construction	44	2,426.40	\$7,797.87
003	Construction Administration and Design Support	310	16,119.00	\$51,802.60
004	Post Construction	96	4,069.60	\$13,078.72
TOTAL DIRECT LABOR		516	25,780.00	\$82,850.73

2. EXPENSES:

Expense (Printing and Mileage)	900.00
TOTAL EXPENSES:	\$900.00

3. CONSULTANTS:

Sub-Consultants	
TOTAL CONSULTANTS	\$534,192.00

4. ENGINEERING FEE

TOTAL ENGINEERING FEE	\$617,942.73
------------------------------	---------------------

TAXIWAY C EXTENSION (PHASE 3) -
 Construction Administration/Observation, QA Testing and
 Design Support
 PHX-MESA GATEWAY AIRPORT
 PHOENIX MESA GATEWAY AIRPORT AUTHORITY
 DATE: May 2018

KIMLEY-HORN ASSOCIATES

Phoenix, Arizona

**EXHIBIT III - DESIGN DOCUMENTS - ENGINEERING FEE
 TAXIWAY C EXTENSION (PHASE 3) CA & DESIGN SUPPORT**

DERIVATION OF COST OF PROPOSAL FEE

1. Direct Salary Costs

<u>Title</u>	<u>Hours</u>	<u>Labor Rate</u>	<u>Total Labor</u>	<u>EXTENDED TOTAL</u>
Senior Project Manager (Steve Reeder)	178	64.00	10,496.00	
Principal Engineer (Mike Herman)		78.50		
Electrical Engineer (Dene Egami)	70	57.40	4,018.00	
Aviation Engineer (Jarrett Moore)	186	47.50	8,835.00	
CADD (Pat Crawford)	36	29.50	1,062.00	
Finance/Admin Manager (Andrew Hacker)	26	36.50	949.00	
Clerical (Ria Hendrickson)	20	21.00	420.00	
Total Direct Salary Costs	516		\$25,780.00	

2. Labor and General & Administrative Overhead

Percentage of Direct Salary Costs By 192.16% \$49,538.85

3. Subtotal of Items 1 and 2

\$75,318.85

4. Fixed Payment

10 % of Item No. 3: \$7,531.88

5. Direct Non-Salary Expenses

Expense (Printing and Mileage) 900.00

Total Direct Non-Salary Expenses \$900.00

6. Subcontract Costs

Sub-Consultants

Subtotal of subcontract Costs \$534,192.00

7. TOTAL ENGINEERING FEE

\$617,942.73

TAXIWAY C EXTENSION (PHASE 3) - Construction Administration/Observation, QA Testing and Design Support
 PHX-MESA GATEWAY AIRPORT
 PHOENIX MESA GATEWAY AIRPORT AUTHORITY

TAXIWAY C EXTENSION (PHASE 3) CA & DESIGN SUPPORT

DATE: May 2018

			Project	Principal	Electrical	Aviation	CADD	Finance/	TOTAL		
			Manager	Engineer	Engineer	Engineer	Tech	Admin	Clerical	MAN-HRS	LABOR COST
001 Project Administration											
1	Project Administration-Client Coordination		6						4	10	\$468
2	Contract Administration		4					2		6	\$329
	- Office Administration Activities -Monthly accounting		12					16	4	32	\$1,436
	- Sub-consultant coordination		10					8		18	\$932
	Subtotal Task 001		32					26	8	66	\$3,165
002 Pre-Construction											
1	Pre-Construction Conference		4		4	4				12	\$676
2	Attend SRM review meeting		4			4				8	\$446
3	Pre-Construction Activities		12		2	8			2	24	\$1,305
	- Review Contractor's QC Program, Const. Mgt Plan, and Airport Safety Plan										
	Subtotal Task 002		20		6	16			2	44	\$2,426
003 Construction Administration and Design Support											
1	Submittal Review		12		20	24			2	58	\$3,098
2	Attend Weekly Meetings /Site Visit (33 weeks)		70		18	90				178	\$9,788
3	Attend Pre-Activity Meetings (5 main activities)		16			16				32	\$1,784
4	Review/ Respond to RFI's		6		12	12				30	\$1,259
5	QC/QA Testing results review		8			4				12	\$190
	Subtotal Task 003		112		50	146			2	310	\$16,119
004 Post Construction											
1	Final Close-out										
	- Final Change Order for Final Quantities		4		4	8			4	20	\$950
	- Contract Close-out - Final Payment										
2	Record Drawings										
	- Production of As-Built Drawings		4		8	12	36		4	64	\$2,431
3	Final Construction Report (review)		6		2	4				12	\$689
	Subtotal Task 004		14		14	24	36		8	96	\$4,070
SUBTOTAL PHASE II DESIGN			178		70	186	36	26	20	516	25,780

PhxMesa Gateway Airport
Taxiway C Extension - Phase 3
Construction Administration, Inspection, and Quality Assurance Testing
Cost - SUMMARY

DESCRIPTION	Total Amount
<i>Cost Proposal Summary Sheet</i>	
<i>CEI - Labor</i>	\$ 410,341
<i>Subconsultants</i>	\$ 122,101
Total	\$ 532,442

Estimated Construction Value \$ 9,600,000
 CA Services % of Construction 5.55%

**PhxMesa Gateway Airport
Taxiway C Extension - Phase 3
Construction Administration, Inspection, and Quality Assurance Testing
Cost - CEI LABOR**

DESCRIPTION	Loaded Rate	Rate	Billing Units	Period										Post-Con	Total	Costs	OH(168.97%)	Fee(10%)	Total Amount
				Pre-Con	1	2	3	4	5	6	7	8							
Labor																			
<i>Resident Engineer - Reg Hrs</i>	\$ 168.64	\$ 57.00	hour	20	168	168	168	168	168	168	168	168	168	40	1,404	\$80,028.00	\$ 135,223.31	\$ 21,525.13	\$ 236,776.44
<i>OT Hrs</i>															-	\$ -	\$ -	\$ -	\$ -
<i>Senior Inspector - Reg Hrs</i>	\$ 106.51	\$ 36.00	hour	8	168	168	168	168	168	168	168	168	168	16	1,368	\$49,248.00	\$ 83,214.35	\$ 13,246.23	\$ 145,708.58
<i>OT Hrs</i>								40	40	40				120	\$ 6,480.00	\$ 7,299.50	\$ 1,377.95	\$ 15,157.45	
<i>Office Administrator</i>	\$ 85.80	\$ 29.00	hour	10	16	16	16	16	16	16	16	16	16	10	148	\$ 4,292.00	\$ 7,252.19	\$ 1,154.42	\$ 12,698.61
<i></i>															-	\$ -	\$ -	\$ -	\$ -
Total															3,040			LABOR TOTAL	\$ 410,341

Assumptions:

- * Project Duration is 225 CD or approx 32 weeks or approx 8 monthly periods
- * Hours per period based on 40 hrs/wk x 52 wks = 2080 hrs/yr - (8 holidays x 8 hrs) = 2016 hrs/yr / 12 mo/yr = 168 hrs/mo
- * Overhead rate covers all direct costs including vehicle and related costs, phone, and computer.
- * Overtime is after 40 hours per week and is calculated at the same hourly rate.
- * Contractor working 5-8 hour days per week
- * Allow for 30 CD Post Substantial Completion Window
- * Primarily single shift w/night work for concrete placement and striping
- * Anticipate 20 to 25 concrete paving nights.
- * NTP anticipated for 8/27/18 + 225 CD = 4/9/19 completion
- * Non-working Holidays - Sep 3rd, Nov 12th and 22nd, Dec 25th, Jan 1st, and Feb 19th
- * Cert Payroll, DBE compliance tracking not required. To be handled by PMGA.

**PhxMesa Gateway Airport
Taxiway C Extension - Phase 3
Construction Administration, Inspection, and Quality Assurance Testing
Cost - Subconsultants**

DESCRIPTION	Rate	Billing Units	Pre-Con	Period (4-week periods)								Post-Con	Total	Costs	OH	Fee(10%)	Total Amount		
				1	2	3	4	5	6	7	8								
Quality Testing (QA Materials Testing)																			
QA Supervisor OT Hrs	\$ 44.00	hour	8	10	10	12	12	12	10	10	10	8	102	\$ 4,488.00	\$ 6,783.16	\$ 1,127.12	\$ 12,398.28		
Field Testing Tech OT Hrs	\$ 23.00	hour		20	40	88	88	88	24	24	20		392	\$ 9,016.00	\$ 13,626.78	\$ 2,264.28	\$ 24,907.06		
Materials Engineer OT Hrs	\$ 60.00	hour		2		3		2		3			10	\$ 600.00	\$ 906.84	\$ 150.68	\$ 1,657.52		
QA Reporting Tech OT Hrs	\$ 19.00	hour		4	4	6	6	6	4	4	4		38	\$ 722.00	\$ 1,091.23	\$ 181.32	\$ 1,994.55		
Concrete Tech OT Hrs	\$ 26.00	hour			20	50	50	50	30	20	20		240	\$ 6,240.00	\$ 9,431.14	\$ 1,567.11	\$ 17,238.25		
						12	12	12					36	\$ 1,404.00	\$ 2,122.01	\$ 352.60	\$ 3,878.61		
																	QT Labor Total	\$ 67,792.73	
CR Engineers (Electrical Inspection)																			
Senior Field Inspector OT Hrs	\$ 33.11	hour	4			25	35	60	60	60	60		304	\$ 10,065.44	\$ 15,098.16	\$ 2,516.36	\$ 27,679.96		
Project Assistant OT Hrs	\$ 17.92	hour					4	4	4	4	4		20	\$ 358.40	\$ 537.60	\$ 89.60	\$ 985.60		
Project Manager OT Hrs	\$ 55.58	hour	2			2	2	2	2	2	2		14	\$ 778.12	\$ 1,167.18	\$ 194.53	\$ 2,139.83		
																		CR Engineers Labor Total	\$ 30,805.39
QUALITY TESTING LAB & DIRECT COST TOTAL \$ 21,603																			
Quality Testing Total \$ 89,396																			
CR Engineers Total \$ 32,705																			
SUBCONSULTANT ESTIMATED TOTAL \$ 122,101																			

Assumptions:

- * Project Duration is 225 CD or approx 32 weeks or approx 8 monthly periods
- * Hours per period based on 40 hrs/wk x 52 wks = 2080 hrs/yr - (8 holidays x 8 hrs) = 2016 hrs/yr / 12 mo/yr = 168 hrs/mo
- * Contractor working 5-8 hour days per week
- * Allow for 30 CD Post Substantial Completion Window
- * Primarily single shift w/night work for concrete placement and striping
- * NTP anticipated for 8/27/18 + 225 CD = 4/9/19 completion
- * Non-working Holidays - Sep 3rd, Nov 12th and 22nd, Dec 25th, Jan 1st, and Feb 19th
- * Cert Payroll, DBE compliance tracking not required. To be handled by PMGA.
- * Testing requirements and frequency per specifications
- * Gateway Electrical Staff to assist with initial temp lighting inspection.

Subconsultant Direct Costs:	
Quality Testing - Vehicle - Field Labor x \$7.50	\$ 5,460.00
CR Engineers - Vehicle - Field Labor x \$6.25	\$ 1,900.00

Quality Testing Estimated Lab Costs:				
Description	Quantity	Cost	Units	Totals
Concrete Cylinder Testing	40	\$15.00	Each	\$ 600.00
Flexural Beam Testing	0	\$35.00	Each	\$ -
PCCP Core Thickness Measurement	52	\$10.00	Set of 2	\$ 520.00
CTB Core Thickness Measurement	120	\$10.00	Each	\$ 1,200.00
Shotcrete Panel (3 cores per panel) - MAG 525	1	\$45.00	Each	\$ 45.00
Flat & Elongated Particles in CA	0	\$112.00	Each	\$ -
Fractured Faces in CA	0	\$97.00	Each	\$ -
Plasticity Index	2	\$117.00	Each	\$ 234.00
Proctor (Modified)	0	\$130.00	Each	\$ -
Proctor (Standard)	0	\$95.00	Each	\$ -
Sand Equivalent	0	\$95.00	Each	\$ -
Sieve Analysis	2	\$72.00	Each	\$ 144.00
Specific Gravity of CA	0	\$55.00	Each	\$ -
LA Abrasion	0	\$175.00	Each	\$ -
HMA Test Strip (3 EA AC Content, Marshall, Rice+6 cor)	2	\$1,525.00	Each	\$ 3,050.00
AC Core, Bulk Specific Gravity/Thickness	60	\$20.00	Each	\$ 1,200.00
AC Core, Drill and Extract	0	\$12.00	Each	\$ -
Ignition Furnace Calibration	0	\$450.00	Each	\$ -
AC Content with Gradation (Ignition Method)	0	\$150.00	Each	\$ -
AC Marshall Bulk Density	30	\$135.00	Set of 3	\$ 4,050.00
AC Max. Specific Gravity	30	\$155.00	Set of 3	\$ 4,650.00
AC Marshall Stability & Flow	30	\$15.00	Set of 3	\$ 450.00
PG Verification (Binder Testing)	0	\$775.00	Each	\$ -
Total Estimated Lab Costs				\$16,143.00



AUTHORIZATION OF SERVICES
Kimley-Horn & Associates, AOS 16B-1804

The signing of this Authorization (Agreement) by Phoenix-Mesa Gateway Airport Authority (PMGAA) and Kimley-Horn & Associates, 7740 N. 16th Street, Suite 300, Phoenix, AZ 85020 (“Kimley-Horn”), authorizes Kimley-Horn to carry out and complete the services described below in consideration of the mutual covenants set forth below:

1. **PROJECT:** Taxiway Charlie Extension Phase 3 CIP649.
2. **SCOPE OF WORK:** Perform and provide Construction Administration and Design Support Services related to Taxiway Charlie Extension Phase 3 project, including: subgrade preparation, embankment, aggregate base placement, cement treated base, PCC airfield pavement placement, asphalt shoulder paving, drainage improvements, new edge lighting, new taxiway lighting and pavement markings/stripping. All services are to be performed in accordance with PMGAA Agreement C-2016011-B, including the Standard Terms, and the attached detailed scope of work. Services shall be coordinated with and approved by a PMGAA Authorized Representative prior to start of work.
3. **FEE FOR SERVICES:** The fee for services shall be based upon the attached scope of work, not-to-exceed six hundred-seventeen thousand, nine hundred forty-three dollars and zero cents (\$617,943) without the express written approval of PMGAA.
4. **AVAILABILITY OF PROJECT FUNDING:** The approval and continuation of this contract is subject to the availability of funds provided to, made available to, or appropriated by PMGAA for this purpose. In the event that funds are not available or appropriated for PMGAA’s payment requirements under this contract for the goods and/or services to be provided hereunder, PMGAA may terminate this contract by providing notice to the consultant of the lack of the availability of funds. The consultant acknowledges and agrees that one source of funding for this contract may be funds made available from the Federal Aviation Administration and/or Arizona Department of Transportation, and that this contract, its approval and continuation, is contingent on the availability of those funds being made to PMGAA.
5. **INCORPORATED:** The following documents are hereby incorporated with this Authorization of Services and made part thereof:
 - PMGAA Agreement C-2016011-B dated June 21, 2016.
6. **ATTACHED:** The following documents are attached to this Agreement and are incorporated herein by this reference made part thereof:
 - Scope and Fee Proposal received on dated May 4, 2018.

PMGAA and Kimley-Horn acknowledge that they are in agreement with the terms and conditions as set forth in this Authorization.

APPROVED FOR PMGAA:

ACCEPTED FOR Kimley-Horn & Associates:

By: _____

By: _____

Print: J. Brian O’Neill, A.A.E.

Print: _____

Title: Executive Director/CEO

Title: _____

Date: _____

Date: _____



Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Management Information Report

To: Board of Directors
From: Chuck Odom
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Re: Emergency Expenditures for Fuel
Date: June 19, 2018

Resolution 14-66 authorizes the purchase of Jet A and 100LL fuel for re-sale in an amount up to that approved in the annual budget, estimated at \$3,000,000 per year. For FY18, Gateway Aviation Services (GAS) has purchased \$2,992,139.00 in fuel for re-sale.

Resolution 17-26 authorizes the purchase of Unleaded and Diesel fuel for both re-sale and use in the amount of \$260,000.00. For FY18, GAS has purchased \$252,000.00 in fuel for re-sale and use.

With the combination of higher sales volumes and the significant price increase in fuel across the board GAS will not have sufficient funds to see operations through the end of FY19 at the current Resolution limits.

On May 23, 2018 staff authorized the purchase of fuel for Gateway Aviation Services under an Emergency Expenditure according to the Airport's Procurement Policy at the following amounts:

Jet A:	\$ 306,000.00
100LL:	\$ 678,400.00
Unleaded & Diesel:	<u>\$ 83,400.00</u>
TOTAL	\$1,067,800.00

Staff could not wait until the June 19th Board meeting to request additional funds for procuring fuel as operations would have had to been halted.

Management Information Report

To: Board of Directors
From: Shea Joachim, Business Development Director
Through: Chuck Odom, Chief Financial Officer
J. Brian O’Neill, A.A.E., Executive Director/CEO
Re: Legal Counsel for Master Development Agreement
Date: June 19, 2018

The Phoenix Mesa Gateway Airport Authority (PMGAA) utilized outside legal counsel during the development and negotiation of a Master Development Agreement (“MDA”) with Mesa SkyBridge, LLC. With the PMGAA Board’s approval of the Master Lease in March 2018 the necessity for outside counsel specific to the SkyBridge Arizona project terminated. This memo is intended to provide a recap of the engagement and the costs associated.

Snell & Wilmer LLP was one of three firms interviewed to serve as outside counsel for the SkyBridge Arizona project. Snell & Wilmer LLP was selected and the engagement letter was finalized on May 17, 2017. The initial estimate for the engagement, as provided by Snell & Wilmer LLP, was \$40,000. The original scope of the engagement was to develop a MDA. The estimated time frame for the development of the MDA was ninety (90) days as envisioned in the Memorandum of Understanding (MOU).

During the course of discussions with Mesa SkyBridge, LLC it became apparent that a “typical” MDA was not going to suffice. Largely driven by the significant amount of infrastructure investment proposed, the Mesa SkyBridge, LLC team required more certainty relative to their proposed investment. By July 2017 the deal structure evolved into one that required multiple contractual arrangements and would provide the required amount of certainty for Mesa SkyBridge, LLC but also give PMGAA the necessary performance expectations and milestones.

As previously disclosed in Management Information Reports in February 2018, the expenses of this engagement exceeded the \$50,000 threshold specified in the PMGAA’s Procurement Policy No. 16-46. The Executive Director granted an exception to our normal procurement of professional legal counsel services due to Snell & Wilmer LLP’s familiarity of the transaction and demonstrated competencies in complex real estate transactions. It was determined that it was advantageous for PMGAA to continue to utilize Snell & Wilmer LLP’s services.

The total legal expenses associated with the engagement for this project have been \$156,945.93. These expenses have been covered through existing, approved budgets over FY17 and FY18. As of May 14, 2018, the engagement with Snell & Wilmer LLP for this specific project has been closed.



Phoenix-Mesa Gateway Airport Authority
 5835 S Sossaman Road
 Mesa, Arizona 85212-6014
www.gatewayairport.com

Management Information Report

To: Board of Directors
From: Chuck Odom, Chief Financial Officer
Through: J. Brian O’Neill, A.A.E., Executive Director/CEO
Re: Solicitation Notification
Date: June 19, 2018

This report is to provide notification of the active and upcoming solicitations to help ensure compliance with the Phoenix-Mesa Gateway Airport Authority procurement transparency clause. The active activities include the following:

Active/Pending Solicitations

Type Solicitation	Number	Title	Anticipated Contract Award (Board Action)
Invitation for Bid	2018-005-IFB	Sossaman Rd & Terminal Roadways Improvements	June 2018
Invitation for Bid	2018-015-IFB	Taxiway Charlie Extension – Phase III	June 2018
Request for Proposals	2018-025-RFP	Aircraft Towbarless Tug	June 2018
Request for Qualifications	2018-024-RFQ	CMAR for Gateway Aviation Services Building Remodel	June 2018
Request for Qualifications	2018-019-RFQ	CMAR for Baggage Claim & Baggage Make-up Expansions	July 2018

Future Solicitations

Type Solicitation	Number	Title	Scheduled for Release	Anticipated Contract Award (Board Action)
Request for Proposals	TBD	Legal Services	TBD	TBD

Equipment Disposals

Fiscal year totals from sales of decommissioned / nonworking equipment total **\$72,155** consisting of 18 pieces and scrap metal. In an effort to maintain orderly and safe grounds, staff has also had 7 pieces of nonworking equipment (25 – 30 years old) removed from the property at no cost.

If you have any questions about the solicitations or the procurement process, please feel free to contract me at 480-988-7613.



**NOTICE AND AGENDA OF MEETING OF THE
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
BOARD OF DIRECTORS**

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Phoenix-Mesa Gateway Airport Authority and to the public that the Phoenix-Mesa Gateway Airport Authority will hold a meeting open to the public on **Tuesday, July 17, 2018 beginning at 9:00 a.m.** in the Board Room (Saguaro A & B) of the Gateway Administration Building, 5835 South Sossaman Road, Mesa, Arizona. The Board may vote to hold an executive session for the purpose of obtaining legal advice from the Board's attorney on any matter listed on the agenda pursuant to A.R.S. § 38-431.03 (A)(3)&(4).

The agenda for the meeting is as follows:

1. Call to Order. (Mayor Jeff Serdy, Chair)

Members of the Phoenix-Mesa Gateway Airport Authority will attend either in person or by telephone conference call.

2. Call to the Public.

Members of the Board may not discuss items that are not on the agenda. Therefore, action taken as a result of public comment will be limited to directing staff to study the matter or scheduling the matter for further consideration and decision at a later date. Maximum of three minutes per speaker.

3. Executive Director's Report. - J. Brian O'Neill, A.A.E., Executive Director/CEO

4. Consent Agenda.

a) **Minutes** of the Board Meeting held on June 19, 2018.

b) **Resolution No. 18-29** - Authorizing the purchase of three service vehicles from **San Tan Ford** in an amount not-to-exceed \$112,739.15.

c) **Resolution No. 18-30** - Authorizing the Executive Director to execute the Assignment and Assumption of Land Lease 2017-062 for the property located at 5655 S. Sossaman Road, Mesa, AZ 85212 to **Wings Valet Hangar Unit Association**.

Consideration and Possible Approval of:

5. Resolution No. 18-31 - Authorizing an Amendment to the Master Lease Agreement with **Mesa SkyBridge, LLC** for the property located at the southeast corner of Sossaman Road and Velocity Way.

6. Resolution No. 18-32 - Authorizing a **Memorandum of Understanding between Phoenix Mesa Gateway Airport Authority, the City of Mesa and Able Aerospace Services, Inc.** to expand Able's current facility located at 7706 E. Velocity Way, Mesa, Arizona 85212 for an MRO facility for fixed wing or rotor aircraft or aircraft parts, aviation parts fabrication, modification and installation and related aircraft maintenance, repair and overhaul services.

7. Board Member Comments/Announcements.

8. Next Meeting: Tuesday, September 18, 2018 at 9:00 a.m.

9. Adjournment.

Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting Maria Gonzalez at 480-988-7603 or mgonzalez@gatewayairport.com. Requests should be made as early as possible to allow time to arrange the accommodation.



Executive Director's Report

July 2018

Financial Snapshot

OPERATING INCOME	May		Month Variance	FYTD Comparison		FYTD Variance
	FY17	FY18		FY17	FY18	
Revenues	\$1,701,832	\$2,257,663	\$555,831	\$17,593,049	\$20,313,200	\$2,720,151
Less Expenses	\$1,598,599	\$1,740,053	\$141,454	\$16,192,453	\$17,441,312	\$1,248,859
Operating Income <i>(before depreciation)</i>	\$103,233	\$517,610	\$414,377	\$1,400,596	\$2,871,888	\$1,471,292

Investment Fund Balances: As of May: Local Governmental Investment Pool (LGIP) 700 = \$18,070,966; Wells Fargo Collateralized Savings Account = \$16,548,089; Total \$34,619,055. This is an increase of \$1,830,577 from the April balance and consists of a transfer of \$1,800,000 from the operating fund and the remainder represents interest income.

Finance and Accounting

Phoenix-Mesa Gateway Airport Authority (PMGAA) reported a net operating income of \$517,610 in May 2018, a \$414,377 increase over net operating income reported in May 2017. May's financials included a one-time payment of \$370,000 for a current land lease extension. Fiscal year-to-date (FYTD) net operating income is \$2,871,888, a 105% increase compared to the same time period in FY17.

Grants, PFCs & Procurements

Active/Pending Solicitations

TYPE OF SOLICITATION	Number	Title	Anticipated Contract Award
Request for Qualifications	2018-019-RFQ	CMAR for Baggage Claim & Baggage Make-up Expansions	September 2018
Request for Qualifications	2018-024-RFQ	CMAR for Gateway Aviation Services Building Remodel	September 2018
Request for Qualifications	2019-001-RFQ	CMAR for Addition to Existing Tilt-up MRO Building	September 2018

Future Solicitations

TYPE OF SOLICITATION	Number	Title	Schedule for Release	Anticipated Contract Award
Request for Proposals	2019-002-RFP	Aviation Fuel Supplier	August 2018	November 2018
Request for Proposals	TBD	Legal Services	TBD	TBD

Information Technology Services

For the past 12-months, PMGAA worked to implement Phase I of a new Enterprise Resource Planning (ERP) System which includes Organizational Financials, Capital Projects, and Point of Sale modules. PMGAA staff spent the month of June in training and the new system went live on July 1st. Phase II, which includes Human Resource and Payroll modules is scheduled to be activated on January 1, 2019. PMGAA staff are to be commended for their positive attitude and commitment to implementing this new organizational system.

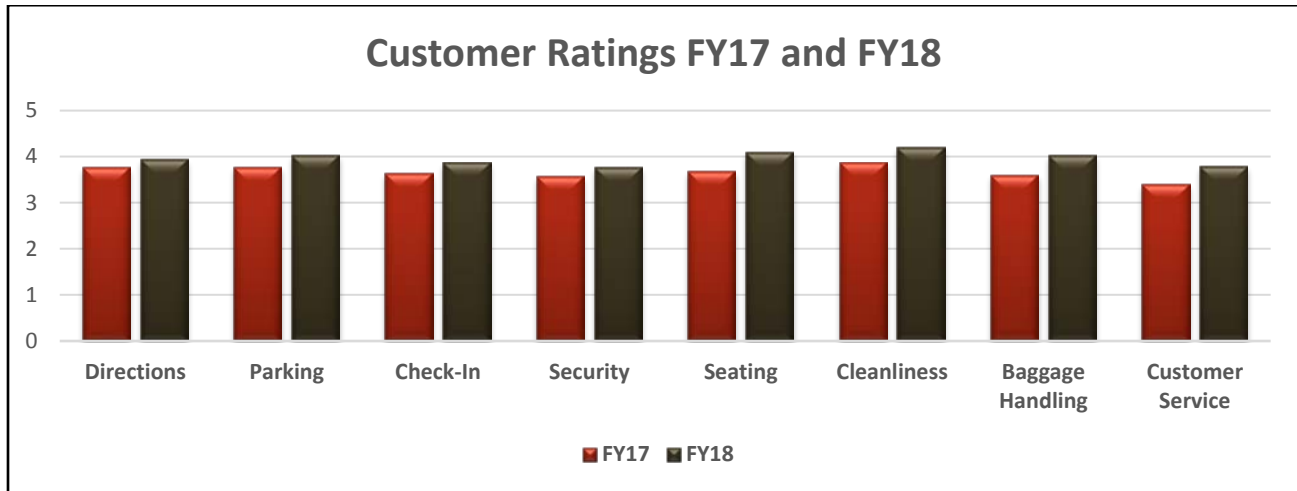
Airport Operations

Each year, airports across the country are required to complete a 14 CFR Part 139 Certification Inspection to ensure they are following national safety standards and meeting the stringent operating requirements established by the Federal Aviation Administration (FAA). This intense three-day inspection includes the following elements:

- **FAA In-Briefing with Airport Management** - Organize inspection time schedule and meet with various Airport personnel.
- **Administrative Inspection of Airport Files and Paperwork** - Includes updating the Airport Master Record and review of the Airport Certification Manual/Specifications, Notices to Airmen (NOTAM), and airfield self-inspection forms.
- **Movement Area Inspection** - Examine approach slopes at each runway end; movement areas; pavement, markings, lighting, signs, and safety areas; and ground vehicle operations.
- **Aircraft Rescue and Firefighting (ARFF) Inspection** - Conduct a timed-response drill; review aircraft rescue and firefighting personnel training records; and inspection of equipment and protective clothing.
- **Fueling Facilities Inspection** - Inspect fuel farm and mobile fuelers; review quarterly inspection documentation and training records.
- **Night inspection** - Evaluate runway, taxiway, and apron lighting, signage, and pavement markings; airport beacon, wind cone, and obstruction lighting.
- **FAA Out-Briefing with Airport Management** - Discuss inspection findings, issue any Letters of Correction noting violations and/or discrepancies, and agree on a date for correcting any violations.

For the second consecutive year, Phoenix-Mesa Gateway Airport completed its Part 139 Certification Inspection without a single Letter of Correction or reportable condition. This impressive accomplishment is extremely difficult to achieve and PMGAA employees take great pride in maintaining the Airport in top condition at all times.

Congratulations to PMGAA Director of Operations and Maintenance Margi EvanSon and her dedicated team of professionals for a job very well done...again!



Visitors to Gateway Airport have several opportunities throughout the passenger terminal to provide feedback about their Airport experience. PMGAA views these constructive comments as a report card on our facilities and the services provided.

Great news! In FY18, all eight categories surveyed showed improvement when compared to FY17. PMGAA staff and Gateway Airport tenants are committed to providing a positive airport experience for air travelers and other airport visitors. We strive for continuous improvement in all survey categories. Our goal is to provide the traveling public with a first-class facility and world-class customer service.

Operations Statistics

PASSENGER COUNTS		May		% Change	FYTD		% Change
		FY17	FY18		FY17	FY18	
Passengers	TOTAL	104,198	117,290	13%	1,227,942	1,307,153	6%
	Deplaned	50,329	56,675	13%	616,095	655,809	6%
	Enplaned	53,869	60,615	13%	611,847	651,344	6%
Allegiant	Scheduled	104,160	117,085	12%	1,210,381	1,287,557	6%
	Charter	0	0	0%	1,373	497	-36%
WestJet	Scheduled	0	0	0%	16,747	18,277	9%
Elite	Charter	38	205	439%	814	1,319	62%

OPERATIONS	May		% Change	FYTD		% Change
	FY17	FY18		FY17	FY18	
Air Carrier	870	933	7%	10,575	10,850	3%
Military	457	461	1%	6,671	6,081	-9%
General Aviation	22,972	23,489	2%	235,196	256,739	9%
TOTAL	24,299	24,883	2%	252,442	273,670	8%

Noise Report

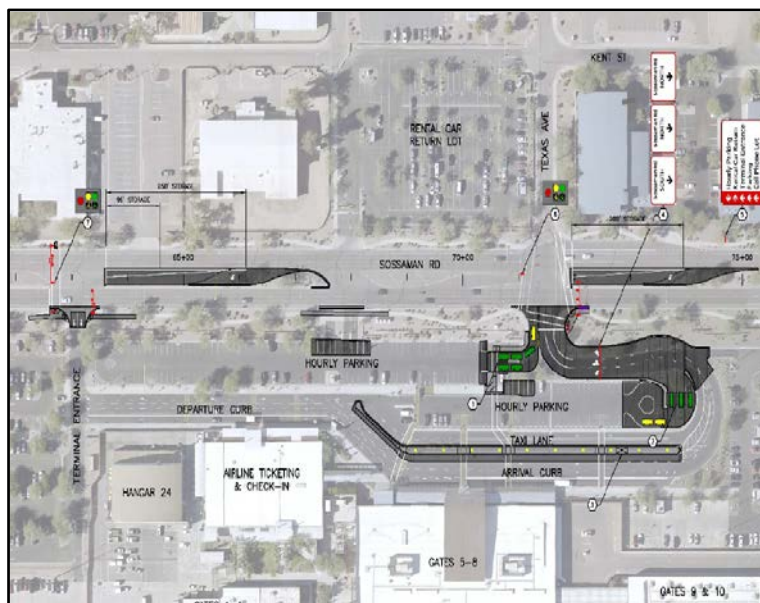
PMGAA received aircraft noise calls from five area residents in May 2018, a 37.5% decrease compared to the eight callers last May. This was the lowest number of aircraft noise calls received since July 2016. FYTD, PMGAA has received noise calls from 129 individuals, a 4% increase compared to the 124 callers the Airport received during the same period last fiscal year.

CALLERS	May		FYTD	
	FY17	FY18	FY17	FY18
Total	8	5	124	129

TYPE OF AIRCRAFT	May		FYTD	
	FY17	FY18	FY17	FY18
	Callers	Callers	Callers	Callers
Unknown Jet	1	2	17	14
A-319	1	1	36	40
Commercial	0	1	18	24
GA Total	1	1	14	13
Helicopter	0	0	7	7
Military	5	0	32	31
Total	8	5	124	129

LOCATION	May		FYTD	
	2016	2017	FY17	FY18
Mesa	5	0	42	43
Gilbert	2	3	58	69
Gold Canyon	0	0	4	3
Queen Creek	1	2	9	10
Queen Valley	0	0	0	2
San Tan Valley	0	0	5	2
Florence	0	0	1	0
Apache Junction	0	0	1	0
Unknown	0	0	4	0
TOTAL	8	5	124	129

Engineering & Facilities



Sossaman Road and Terminal Roadways Project

PMGAA will begin several large construction projects within the coming months. These important projects will improve infrastructure, increase capacity, and enhance the passenger experience as the Airport continues to serve a record number of air travelers.

At the June PMGAA Board of Directors Meeting, the Board approved the Sossaman Road and Terminal Roadways Modification Project. This project will improve traffic flow around the passenger terminal and provide a new entrance for the Hourly Parking Lot.

Planning and Zoning

On June 4, 2018, the Mesa City Council approved the updated zoning overlay included in the 2017 PMGAA Airport Land Use Compatibility Plan. This zoning overlay included the updated Airport Overflight Area (AOA) boundaries within the City of Mesa, land use tables, and flight safety considerations originating from Plan recommendations. PMGAA staff continues to work with Gilbert and Queen Creek to finalize similar zoning overlays within their communities.

Gateway Aviation Services

PMGAA reported \$481,749 in fuel-related revenue for May 2018, a 5% increase compared to the \$458,077 collected during May last year. Increased commercial, private, and military activity were all contributing factors in the additional fuel-related revenue.

FUEL-RELATED REVENUE	May			FYTD		
	FY17	FY18	% Change	FY17	FY18	% Change
Net Retail (Jet)	\$108,408	\$121,871	12%	\$1,041,506	\$1,047,960	1%
Net AvGas	\$64,811	\$61,857	-5%	\$522,580	\$591,154	13%
Storage Fees	\$22,493	\$24,400	8%	\$280,703	\$275,574	-2%
Upload Fees	\$262,365	\$273,621	4%	\$2,239,251	\$2,973,861	33%
	\$458,077	\$481,749	5%	\$4,084,040	\$4,888,549	20%

TOTAL	May			FYTD		
	FY17	FY18	% Change	FY17	FY18	% Change
Retail (Jet)	50,679	56,143	11%	516,142	504,532	-2%
AvGas	55,107	52,315	-5%	467,442	519,434	11%
Contract	346,038	368,669	7%	3,256,363	3,981,349	22%
Commercial	817,914	887,261	8%	10,209,772	10,020,642	-2%
TOTAL	1,269,738	1,364,389	7%	14,449,719	15,025,957	4%

Human Resources

PMGAA held the *Moovin' and Groovin' Wellness Challenge* for all employees with a daily goal of walking 6,000 steps. Over half of the PMGAA employees participated in the challenge and collectively walked over 20,409,092 steps.

Great job to everyone who got in those last minute steps before bed in order to hit your daily goals!

Business Development

At the June PMGAA Board meeting, a representative from SkyBridge Arizona gave an update on progress being made since the PMGAA Board authorized a Master Development Agreement (MDA) with Mesa SkyBridge, LLC. Master planning for the entire 360-acre site is currently underway and the Board received a “first-look” at a conceptual layout plan. SkyBridge Arizona’s Master Plan must be approved by the PMGAA Board before horizontal infrastructure construction can begin.



Communications and Government Relations

On June 20th, Phoenix-Mesa Gateway Airport was honored to be named 2018 Large Business of the Year by the Gilbert Chamber of Commerce. This prestigious award was validation to all the hard-working and talented employees that ensure Phoenix-Mesa Gateway Airport is operated in a safe, secure, financially responsible, and customer-focused manner each day. Thank you to the Gilbert Chamber of Commerce for selecting the Airport this year.

At its June meeting, the PMGAA Board of Directors elected Apache Junction Mayor Jeff Serdy as the Board Chairman for FY19. Mayor Serdy replaces Gilbert Mayor Jenn Daniels who served as Chairwoman of the Board in FY18. Other officers elected in June include Gila River Indian Community Lt. Governor Robert Stone as Vice Chair, Queen Creek Mayor Gail Barney as Secretary, and Phoenix Mayor Thelda Williams as Treasurer.



Mayor Jenn Daniels



Mayor Jeff Serdy



Lt. Gov. Robert Stone



Mayor Gail Barney



Mayor Thelda Williams



**MINUTES OF PUBLIC MEETING OF THE
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
BOARD OF DIRECTORS | June 19, 2018**

A public meeting of the Phoenix-Mesa Gateway Airport Authority was convened on Tuesday, June 19, 2018, beginning at 9:00 a.m. in the Board Room (Saguaro A & B) of the Gateway Administration Building, 5835 S Sossaman Road, Mesa, Arizona.

MEMBERS PRESENT

Mayor Jenn Daniels, Gilbert
Mayor Jeff Serdy, Apache Junction
Lt. Governor Robert Stone, Gila River
Indian Community
Vice Mayor Emilena Turley, Queen Creek
Mayor Thelda Williams, Phoenix
Mayor John Giles, Mesa

AIRPORT STAFF PRESENT

J. Brian O'Neill, Executive Director/CEO
Scott Brownlee, Deputy Director/COO
Chuck Odom, CFO
Maria Gonzalez, Clerk of the Board
Jill Casson Owen, Attorney

GUESTS PRESENT

Amy Arguilez, Town of Gilbert
Eric Bashaw, Gebesa
Jamie Bennett, Town of Queen Creek
Jim Bennett, City of Phoenix
Aric Bopp, City of Mesa
Matt Busby, City of Apache Junction
John Cox, Garver
Kent Dibble, Dibble Engineering
Scott Forbes, Garver

Ken Halverson, Jetstrip/KMH
Benjamin Hernandez, Arizona Spaceport Alliance
Brian Howard, CEI
Karyn MacVean, Arizona Spaceport Alliance
Jose Pablo Martinez, SkyBridge AZ, LLC
Pearl Meza, City of Phoenix
Warde Nichols, ASU
David Perterson, SkyBridge AZ, LLC
Bob Winrow, WSP

1. Call to Order at 9:00 a.m. (Mayor Jenn Daniels)

2. Call to the Public.

There were no comments from the public.

3. Executive Director's Report

Executive Director O'Neill provided a briefing on PMGAA financial performance, passenger activity, the community noise report, and an update on various Airport projects. Fiscal Year-to-Date (FYTD) Net Operating Income is \$2,354,277, an 81% increase compared to FYTD17.

With respect to Air Service Development, PMGAA is working with Via Air, a small regional airline with micro-hubs in Orlando and Austin. PMGAA feels Via Air would be a great addition to the two Airlines currently serving Gateway Airport. PMGAA's Air Service Consultant has been engaged to gather data on sustainable routes to support a successful partnership. There would not be a revenue guarantee, however an attractive incentive package might include landing fee and terminal rental fee abatement, plus some marketing funds.

Allegiant is transitioning some of their A319 aircraft to A320 aircraft.

The Enterprise Resource Planning (ERP) System Phase 1 is set to go “live” on July 1st. All PMGAA employees have been through training sessions in advance of the activation date. Phase II will be activated on January 1, 2019.

PMGAA is inviting members from various stakeholder groups and the adjacent communities to participate on the Airport Master Plan Update Study Advisory Committee (SAC) or Technical Advisory Committee (TAC). The initial meetings are scheduled for July 31, 2018. Public meetings are forthcoming.

Eastside Land Use Planning – Now that the SkyBridge Arizona Master Development Agreement has been signed, PMGAA is beginning land use planning for the 700+ acres on the eastside of the Airport. A future passenger terminal on the eastside will be demand drive and no timetable has been set for its development. However, commercial development of the parcel, which is straddled between SR24 and the 202, is underway and will yield additional revenue for PMGAA.

PMGAA is working with the Arizona Congressional Delegation and others in Washington to try and remove the \$2MM Federal Aviation Administration (FAA) AIP cap on contract Air Traffic Control Tower (ATCT) construction. The House version of the FAA Authorization legislation eliminates the FAA AIP cap, and the current Senate version doubles the cap from \$2MM to \$4MM.

PMGAA is conducting an Employee Engagement Study to ensure the organization remains competitive and creates an environment that fosters teamwork. Following an employee survey, Executive Director O’Neill met individually with 27 PMGAA employees to obtain feedback on opportunities to improve the workplace, and Human Resources held a series of focus groups. PMGAA plans to develop a plan of action to share with all employees later this summer.

Construction project updates

- Taxiway Charlie Construction (located on the eastside) – PMGAA is set to receive a significant FAA discretionary grant to complete Taxiway Charlie. This will create more aviation opportunities on the eastside and fulfills PMGAA’s commitment in the environmental assessment to begin construction on the eastside.
- S. Sossaman Road and Terminal Roadway Improvements – Project will lengthen turn lanes and create a new entrance/exit to the Hourly Parking Lot to reduce traffic congestion.
- Checked Baggage Handling System Capacity Expansion – two projects in the works to lengthen the baggage carousels and improve baggage delivery conveyor belt system.
- The Gateway Aviation Center Renovation Project is approximately a \$650k investment to enhance the facility and provide better service to general aviation and corporate customers.

4. **Presentation: SkyBridge Arizona Update** - Jose Pablo Martinez, Vice President & Chief Project Officer - SkyBridge Arizona.

Mr. Martinez provided the Board with an overview of the SkyBridge Arizona Master Planning process and shared photos from the historic first shipment on May 21, 2018 of air cargo pre-cleared by Mexican Customs Officials as part of the Unified Cargo Processing Program. Proposed renovations to Hangar 32 are being reviewed by US Customs and Border Protection, Mexican Customs, and PMGAA. Once the proposed designs are approved, renovations on the facility may begin.

5. Consent Agenda

- a) **Minutes** of the Board Meeting held on May 15, 2018.
- b) **Resolution No. 18-19** - Authorizing the purchase of international waste management services through **Stericycle** in an amount not-to-exceed \$60,000 for fiscal year 2019.
- c) **Resolution No. 18-20** - Authorizing the purchase of unleaded and diesel fuel from the lowest priced **State contract vendor** at market prices for Airport Authority use and resale, in the amount of \$146,810.
- d) **Resolution No. 18-21** - Authorizing the purchase of one Aircraft Towbarless Tug from **Advantage GSE, Inc.** in an amount not-to-exceed \$56,000.
- e) **Resolution No. 18-22** - Authorizing an agreement with the **City of Mesa** for financial participation to share state and federal lobbyist and consulting services, effective July 1, 2018.

Mayor Thelda Williams moved to approve the Consent Agenda. Mayor Jeff Serdy seconded the motion. The motion was carried unanimously.

Consideration and Possible Approval of:

- 6. **Resolution No. 18-23** - Authorizing the first amendment to the Intergovernmental Agreement with the **City of Mesa** for Aircraft Rescue and Firefighting Services, extending the agreement for one-year, effective July 1, 2018 at a cost of approximately \$1,242,511.

Mayor Thelda Williams moved to approve Resolution No. 18-23. Lt. Governor Robert Stone seconded the motion. The motion was carried unanimously.

- 7. **Resolution No. 18-24** - Authorizing a construction contract for the Sossaman Road and Terminal Roadway Modifications Construction with **Nesbitt Contracting Company, Inc.** for a total cost not-to-exceed \$1,615,426.52.

Mayor John Giles moved to approve Resolution No. 18-24. Mayor Thelda Williams seconded the motion. The motion was carried unanimously.

- 8. **Resolution No. 18-25** - Approval of Authorization of Services No. 16A-1802 with **Dibble Engineering** for Construction Administration - Limited Construction Phase Services for the Sossaman Road and Terminal Roadway Modifications Construction Project for a total cost not-to-exceed \$64,901.

Mayor Thelda Williams moved to approve Resolution No. 18-25. Mayor John Giles seconded the motion. The motion was carried unanimously.

9. **Resolution No. 18-26** - Authorizing a Sole Source Procurement with **Scheidt & Bachmann USA, Inc.** for Revenue Control Equipment Installation for the Sossaman Road and Terminal Roadway Modifications Construction Project for a total cost not-to-exceed \$72,234.26.

Mayor Williams asked why this is a sole source procurement? Executive Director O'Neill replied that the current system in the hourly, daily and Economy Ray Road parking lots are Scheidt & Bachmann, which is proprietary.

Mayor Thelda Williams moved to approve Resolution No. 18-26. Mayor John Giles seconded the motion. The motion was carried unanimously.

10. **Resolution No. 18-27** - Authorizing a construction contract for Taxiway Charlie Extension Phase 3 with **Pulice Construction** for a total not-to-exceed \$9,785,579.65; subject to receipt of funding from the Federal Aviation Administration / Arizona Department of Transportation.

Mayor John Giles moved to approve Resolution No. 18-27. Mayor Thelda Williams seconded the motion. The motion was carried unanimously.

11. **Resolution No. 18-28** - Approval of Authorization of Services No. 16B-1804 with **Kimley-Horn & Associates** for Construction Administration Services and Design Support for Taxiway Charlie Extension Phase 3 Construction for a total cost not-to-exceed \$617,943; subject to receipt of funding from the Federal Aviation Administration / Arizona Department of Transportation.

Mayor John Giles moved to approve Resolution No. 18-28. Mayor Thelda Williams seconded the motion. The motion was carried unanimously.

12. **Discussion and possible action regarding the Independent Review of the PMGAA Procurement Policy.**

In May 2018, the City of Mesa volunteered to have the Mesa City Auditor review the procurement of specialized contract legal services with Snell & Wilmer, LLP to ensure it was in compliance with the PMGAA Procurement Policy. The Mesa City Auditor completed a review and rendered the opinion that PMGAA conducted the procurement of specialized contract legal services in compliance of PMGAA's Procurement Policy No. 16-46.

In addition to the opinion, the Mesa City Auditor also offered a few recommendations to strengthen and provide clarity to the current PMGAA Procurement Policy. Executive Director O'Neill and PMGAA staff will work with legal counsel on new language for the PMGAA Procurement Policy for the Board's consideration at their July or September Board Meeting.

Mayor Giles agreed with the City Auditor's opinion and concurred with Executive Director O'Neill's proposal to bring forth policy changes.

Mayor Williams thanked the City of Mesa for executing the audit and added she would also like to see the PMGAA Bylaws reviewed as it is important to have clarity and transparency for both the Board and staff.

Mayor Daniels expressed her appreciation for the work and effort made by staff to tighten up the process in the interest of transparency and clarity. As a Board it is important we are able to defend decisions made on behalf of PMGAA.

13. Discussion and possible action regarding PMGAA Bylaws and Joint Powers Airport Authority Agreement.

Executive Director O'Neill discussed the questions raised regarding the reporting structure of PMGAA legal counsel. Currently, legal counsel is contracted and is selected by PMGAA staff and approved by the PMGAA Board. In an exercise designed to provide greater clarity regarding the reporting structure, PMGAA legal counsel from Snell & Wilmer L.L.P. was asked to review the Bylaws and Joint Powers Airport Authority Agreement (JPAAA) and provide an opinion on the following:

- Is the Board permitted under applicable Arizona Statutes and PMGAA's Organizational Documents (JPAAA & Bylaws) to directly engage, supervise, and terminate outside legal counsel and legal staff of PMGAA?
- Under what parameters may the Executive Director and staff of PMGAA engage, supervise, and terminate outside legal counsel and legal staff of PMGAA?
- Is the Board entitled to propose an adopt policies and procedures with respect to the engagement, supervision, and termination of outside legal counsel and legal staff of PMGAA?

Snell & Wilmer's response, in summary, was that under AZ Statue and Organizational Documents, the PMGAA Board has the power to directly engage, retain, and terminate outside legal counsel and in-house legal staff. However, in the JPAAA §4.1, the members implied the responsibility would be delegated to the Executive Director.

For clarification, Mayor Daniels asked Snell & Wilmer Attorney Jill Casson Owen if the PMGAA Board made a change/adjustment to the language of the Bylaws that specifically spelled out the Board's authority to hire/retain an attorney that reported to the Board and worked for the Authority, would be a violation of the JPAAA.

Ms. Casson Owen replied that it would be inconsistent with JPAAA §4.1.

As an example, Mayor Daniels asked if legal counsel was in-house (PMGAA employee), they would fall under Executive Director O'Neill's purview because they are staff; but if it was a contract employee, parameters could be established regarding the reporting structure without violating the organizational documents. Ms. Casson Owen agreed with Mayor Daniels.

Mayor Daniels expressed her desire to find a way to allow the Board added interaction with legal counsel, whether it be through a rule change or procurement policy adjustment since there is no desire to amend the JPAAA. Ms. Casson Owen added that could be accomplished by amending the current procurement policy or creating a new PMGAA Board policy, depending on the Board's preference.

Based on the discussion, Mayor Williams recommends a separate policy be drafted for approval.

Mayor Daniels added that the Bylaws still require some revision or updating and concurs with Mayor Williams on drafting a separate policy for approval, and to move forward with a full review of the bylaws to ensure compliance.

Mayor Daniels recapped that the Bylaws require review and adjustments should be made as needed. She also supports an additional PMGAA Board-Approved policy to clarify the reporting structure for PMGAA legal counsel, whether in-house or contractual. Mayor Daniels directed staff to take the time necessary to accomplish the tasks as they are deserving time for future discussions. Overall, these efforts will improve upon the transparency of the Authority, which is imperative.

Mayor Williams reinforced the importance of transparency, and that the surrounding communities have faith that the Authority complies with all rule and regulations.

Mayor Thelda Williams motioned for the review and adjustment of the Bylaws as necessary, and for staff to draft a new Board Policy governing the structure of the organization as it relates to legal counsel. Mayor John Giles seconded the motion. The motion was carried unanimously.

14. Election of Officers *(for position of Chair, Vice Chair, Secretary and Treasurer)*

Mayor Gail Barney motioned to nominate Mayor Jeff Serdy as Chair, and Lt. Governor Stone as Vice Chair. Mayor Thelda Williams seconded the motion. The motion was carried unanimously.

Mayor Jeff Serdy motioned to nominate Mayor Barney as Secretary, and Mayor Thelda Williams as Treasurer. Mayor John Giles seconded the motion. The motion was carried unanimously.

15. Board Member Comments / Announcements.

Mayor Williams thanked Mayor Daniels for all her efforts as the Chairwoman of the Authority this year.

16. Next Meeting: Tuesday, July 17, 2019 at 9:00 a.m. in the Board Room (Saguaro A&B) of the Gateway Administration Building, 5835 South Sossaman Road, Mesa, Arizona.

17. Adjournment

The meeting adjourned at 9:56 a.m.

Dated this ____ day of _____, 20____.

Maria E. Gonzalez, Clerk of the Board



Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

To: Board of Directors
From: Margi EvanSon, Operations & Maintenance Director
Through: Scott Brownlee, Deputy Director/COO
J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: CIP 883
Date: June 12, 2018

Proposed Motion

To authorize the purchase of three vehicles from San Tan Ford, in an amount not to exceed \$112,739.15.

Narrative

This request is to purchase two service vehicles and one van to replace two service trucks and one van beyond their service life due to their age, ranging from 12 to 22 years old, and normal wear and tear.

FY 19 CIP #883 was approved to replace three vehicles with the purchase of two Service Trucks and one Passenger Van. The service trucks are necessary for departmental needs and the passenger van is used for external and internal customers for various airport functions.

In May 2018, a cooperative quote was obtained through San Tan Ford utilizing the Arizona State Contract #ADSP012-0166124.

Fiscal Impact

This purchase was included in the FY19 capital budget and is funded with CIP 883.

Attachment(s)

Quote



RESOLUTION NO. 18-29

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS the Authority desires to purchase three vehicles from San Tan Ford;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes the purchase of three vehicles from San Tan Ford, in an amount not-to-exceed \$112,739.15. This resolution also authorizes the Chair or Executive Director/CEO to execute such Contract, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 17th day of July, 2018.

Jeff Serdy, Chair

ATTEST:

APPROVED AS TO FORM:

Maria Gonzalez, Clerk of the Board

Attorney



QUOTE

Date: 5/31/2018
 Quote: 73118-1
 Customer ID# QZ209

San Tan Ford
 "It's All About You"
 1429 E Motorplex Loop
 Gilbert AZ 85297
 Phone: [480-621-3741]
 Fax: [480-621-3796]

BILL TO:	SHIP TO (IF DIFFERENT):
Phoenix-Mesa Gateway Airport 5835 S Sossaman Rd Mesa, AZ 85212	Phoenix-Mesa Gateway Airport 6263 S Taxiway Circle Mesa, AZ 85212

SALESPERSON:	CONTRACT#	TERMS:
Joe Sanchez	ADSP017-166124	NET 30

DESCRIPTION	VIN	QTY	UNIT PRICE:	TOTAL
2019 F250 Regular Cab 4X2 Service Body		2	\$ 33,236.00	\$ 66,472.00
2019 Transit 350 HD High Roof 15 Pass Van		2	\$ 38,094.00	\$ 76,188.00

SUBTOTAL:	\$ 142,660.00
SALES TAX:	\$ 11,127.48
Labor	\$ -
TRANSPORT	\$ -
TIRE TAX:	\$ 24.00
TOTAL:	\$ 153,811.48





Government Fleet Account Manager

Joe Sanchez (480) 621-3741
 Department Fax (480) 621-3796

joesanchez@santanford.com

Date: May 24, 2018

Customer: Phoenix-Mesa Gateway Airport Authority

Line Item/State Contract #: F2A / ADSPO17-166124

Vehicle Description: 2019 Ford F250 Regular Cab 4X2 with Service Body & Ladder Rack

With 6.2L FFV V8 Engine

	Base Bid Price	\$24,289.00
<u>Upgrade Options</u>		
1 3.73 Elocking Rear Axle		Standard on Contract
2 Power Equipment Group		Standard on Contract
3 Upfitter Switches		165.00
4 Cruise Control		Standard on Contract
5 Heavy-Service Package		125.00
6 Rear View Camera Prep Kit		415.00
7 Trailer Brake Controller		270.00
8 AM/FM/CD Radio		Standard on Contract
9 8' Service Body with Ladder Rack		7,407.00
10 Spray-in Bedliner (over lids too)		565.00
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
		\$8,947.00

Bid Price (with options) \$33,236.00

Tire Tax 5.00
 Sales Tax (7.80%) 2,592.41

Ford Extended Service Plan

Transportation Fee _____

Total Delivered Price \$35,833.41

Notes:

Thank You,
 Joe



San Tan Ford
1429 East Motorplex Loop, Gilbert, Arizona, 852970410
Office: 480-821-3200
Fax: 480-988-1691

Customer Proposal

Prepared for:

Brett Williams
Operations Program Supervisor, Phoenix-
Mesa Gateway Airport
6263 S Taxiway Circle
Mesa, AZ 85212
Office: 480-988-7542
Mobile: 480-748-6899
Email: bwilliams@phxmesagateway.org

Prepared by:

Joe Sanchez
Office: 602-826-9494
Email: joesanchez@santanford.com

Ship to:

Brett Williams
Phoenix-Mesa Gateway Airport
6263 S Taxiway Circle,
Mesa, AZ, 85212

Date: 05/24/2018

Vehicle: 2019 F-250 XL
4x2 SD Regular Cab 8' box 142" WB SRW

Quote ID: 52418-4





Government Fleet Account Manager

Joe Sanchez (480) 621-3741

joesanchez@santanford.com

Department Fax (480) 621-3796

Date: May 30, 2018

Customer: Phoenix-Mesa Gateway Airport Authority

Line Item/State Contract #: U4X / ADSPO17-166124

Vehicle Description: 2019 Ford Transit 350 HD High Roof 15 Passenger Wagon

With 3.7L V6 Engine

Base Bid Price \$36,879.00

Upgrade Options

1	Upfitter Switches	85.00
2	Reverse Sensing System	295.00
3	Running Board	160.00
4	Rear Privacy Glass	675.00
5	Cruise Control	Standard on Contract
6		
7		
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19		
20		

\$1,215.00

Bid Price (with options) \$38,094.00

Tire Tax 7.00

Sales Tax (7.80%) 2,971.33

Ford Extended Service Plan

Transportation Fee _____

Total Delivered Price \$41,072.33

Notes:

Thank You,
Joe



San Tan Ford
1429 East Motorplex Loop, Gilbert, Arizona, 852970410
Office: 480-821-3200
Fax: 480-988-1691

Customer Proposal

Prepared for:

Brett Williams
Operations Program Supervisor, Phoenix-
Mesa Gateway Airport
6263 S Taxiway Circle
Mesa, AZ 85212
Office: 480-988-7542
Mobile: 480-748-6899
Email: bwilliams@phxmesagateway.org

Prepared by:

Joe Sanchez
Office: 602-826-9494
Email: joesanchez@santanford.com

Ship to:

Brett Williams
Phoenix-Mesa Gateway Airport
6263 S Taxiway Circle,
Mesa, AZ, 85212

Date: 06/27/2018

Vehicle: 2019 Transit-350 XL
High Roof HD Ext. Passenger Van 147.6"
WB DRW

Quote ID: 62718-3



Board Action Item

To: Board of Directors
From: Shea Joachim, CECD, Business Development Director
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: Assignment and Assumption of Land Lease for 5655 S. Sossaman Road
Date: July 17, 2018

Proposed Motion

To authorize the Executive Director to execute the Assignment and Assumption of Land Lease 2017-062 for the property located at 5655 S. Sossaman Rd., Mesa AZ 85212 to Wings Valet Hangar Unit Association.

Narrative

The property located at 5655 S. Sossaman Road was originally leased by HDH Systems Williams AZ LLC ("HDH") from the Phoenix-Mesa Gateway Airport Authority ("PMGAA") in January 2006. Shortly after the property was leased fifty-four (54) hangars were constructed on the site. Each of the hangars have since been sold and are either occupied or are up for re-sale.

The original ground lease was amended and restated in March 2017. HDH has requested to assign the ground lease to Wings Valet Hangar Unit Association ("Wings Valet"). Wings Valet is an Association made up of the hangar owners responsible for the administration and maintenance of the development project. Wings Valet is responsible for collecting the necessary amounts for operating expenses, utilities, and ground rent due to PMGAA from each of the sublessees. Each sublessee is obligated to pay its proportionate share under its respective sublease, however, due to an anomaly with one of the existing subleases, there is a 0.21% difference in the amount of operating expenses and ground rent Wings Valet can collect versus what is owed. Wings Valet has been working diligently to rectify the situation however the sublessee is not cooperating. In the unlikely scenario where Wings Valet becomes insolvent and the above-mentioned anomaly has not been rectified PMGAA would "step into the shoes" of Wings Valet and be responsible for collecting the necessary amounts for operating expenses, utilities, and ground rent from each sublessee. Staff believes the financial risk presented by the 0.21% anomaly is very minimal.

Assignment and Assumption of Ground Lease

This document outlines the terms of the assignment between HDH and Wing Valet. In addition, the document requests PMGAA's consent for the assignment of the Ground Lease from HDH to Wings Valet. PMGAA's standard lease template language requires PMGAA consent for any assignment of leasehold interest. To effectuate the assignment of the improvements and the assumption of lease obligations, HDH must obtain PMGAA's consent. PMGAA Staff has conducted its due diligence on Wings Valet and has reviewed the documents necessary to effectuate the assignment of the Ground Lease. As such, PMGAA Staff recommends approval of Resolution No. 18-30

Attachment(s)

Assignment and Assumption of Ground Lease



RESOLUTION NO. 18-30

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS the Authority desires to approve the Assignment of the Land Lease to Wings Valet Hangar Unit Association;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes the Executive Director/CEO to execute the Assignment and Assumption of Land Lease 2017-062 for the property located at 6335 S. Downwind Circle, Mesa AZ 85212 to Wings Valet Hangar Unit Association. This resolution also authorizes the Chair or Executive Director/CEO to execute such Contract, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 17th day of July, 2018.

Jeff Serdy, Chair

ATTEST:

APPROVED AS TO FORM:

Maria Gonzalez, Clerk of the Board

Attorney

ASSIGNMENT AND ASSUMPTION OF LAND LEASE

This ASSIGNMENT AND ASSUMPTION OF LAND LEASE (“Assignment”) is made effective as of the 1st day of May, 2018 (“Effective Date”), by and among HDH Systems Williams AZ, LLC, an Arizona limited liability company (“Assignor”) and Wings Valet Hangar Unit Association, an Arizona non-profit corporation (“Assignee”).

RECITALS:

A. Phoenix-Mesa Gateway Airport Authority, a joint powers airport authority authorized by the laws of the State of Arizona (“Authority”), as “Lessor,” together with Assignor, as “Lessee,” entered into that certain Amended and Restated Land Lease, dated effective March 1, 2017 (“Lease”), for approximately 6.04 acres of real property located at the intersection of Ray Road and Sossaman Road in Mesa, Arizona (“Premises”)

B. Assignor has improved the Premises to include hangars that are subleased to private parties acting as subtenants under the Lease (“Subtenants”). The Subtenants have approved the formation of Wings Valet Hangar Unit Association to administer the subleases under the Lease.

C. Assignor desires to assign its rights and obligations under the Lease to Assignee and Assignee desires to assume the rights and obligations of Assignor under the Lease.

D. Assignor and Assignee desire to memorialize the assignment and assumption of the Lease as set forth below.

AGREEMENTS:

NOW, THEREFORE, in consideration of the terms and conditions hereof, and other good and valuable consideration, Assignor and Assignee agree as follows:

1. Assignment of Lease. Subject to the terms and conditions hereof, upon the Effective Date, Assignor hereby assigns and transfers to Assignee, all of its right, title and interest as the “Lessee” under the Lease. Following the date of this Assignment, any and all references in the Lease to the “Lessee” shall refer to the Assignee.

2. Assumption of Lease. Upon the Effective Date, Assignee hereby agrees to assume the Lease for the balance of the term thereof, all sums required to be paid thereunder, and to faithfully perform all of the covenants, duties and obligations of the “Lessee” under the Lease. Assignor shall indemnify and hold Assignee harmless from and against any and all loss, cost, damage, or expense that Assignee may suffer by reason of Assignor’s failure to perform any of the obligations of the “Lessee” under the Lease prior to the date of this Assignment.

3. Assignee Representations. Assignee represents that it is a validly formed and duly organized non-profit corporation in the State of Arizona, that it has full power and authority to enter into this Assignment, and that upon execution of this Assignment, Assignee will be bound by all the terms and conditions contained in this Assignment and the Lease. Assignee represents and warrants to Assignor that it has received and reviewed a complete and accurate

copy of the Lease and that it fully understands all of its terms and provisions.

4. Security Deposit. Assignor's rights to any security deposits provided under the Lease and currently held by Authority are hereby assigned to Assignee and, to the extent refundable, will be refunded to Assignee.

5. Notices. For the purposes of Section 20 of the Lease and this Assignment, all notices to Assignee must be sent to 5655 S. Sossaman Road, Mesa AZ 85212, with a copy to Brad Denton, Denton Peterson PC, 1930 N. Arboleda Rd., Suite 200, Mesa, AZ 85213, in addition to the other notice addresses required under the Lease.

6. Successors and Assigns. The Assignment shall inure to the benefit of, and shall be binding upon, the parties hereto and their respective heirs, representatives, successors and assigns.

7. Governing Law. This Assignment shall be governed by and construed under the laws of the State of Arizona.

8. No Broker Commissions. Assignor and Assignee represent and warrant that neither Assignor nor Assignee have had any dealing with any broker in connection with the negotiation and execution of this Assignment, and Assignor and Assignee agree to indemnify the other party and to hold the other party harmless from any and all costs, expenses or liability for commissions or other compensation claimed by any broker or agent with respect to this Assignment

9. Counterparts. This Assignment may be executed by the parties in counterparts, each of which is deemed an original but all of which constitutes one and the same instrument.

ASSIGNOR

HDH Systems Williams AZ, LLC
an Arizona limited liability company

Joe Rainey, Member/Manager

Date:

ASSIGNEE

Wings Valet Hangar Unit Association,
an Arizona nonprofit corporation

By: Tom Watkins, Vice President

Date:

CONSENT TO ASSIGNMENT AND ASSUMPTION OF LAND LEASE

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, authorized under the laws of the State of Arizona (“Lessor”), and CIMARRON AIRPORT LLC XVI, a Arizona limited liability company (“Lessee” and “Assignor”) are parties to that certain Amended and Restated Land Lease, dated effective March 1, 2017 (“Lease”), for approximately 6.04 acres of real property located at the intersection of Ray Road and Sossaman Road in Mesa, Arizona. Lessee desires to assign the Lease to Wings Valet Hangar Unit Association, an Arizona non-profit corporation pursuant to the Assignment and Assumption of Land Lease attached hereto (“Assignment”). As required under Section 9.1 of the Lease, Lessor does hereby consent to the Assignment as provided herein.

Notwithstanding anything to the contrary in Section 9.1 of the Lease, Assignor shall be released from the performance of the terms, covenants and conditions of the Lease to be observed or performed on the part of the Lessee thereunder arising on and after the Effective Date of the Assignment.

The execution of this Consent to Assignment and Assumption of Land Lease is not and shall not be construed to be consent to any future assignment of the Lease or any portion thereof, and any assignment of the Lease and documents related thereto shall require separate approval of Lessor.

Lessor has executed this Consent to Assignment and Assumption of Land Lease as of , 2018.

Phoenix-Mesa Gateway Airport Authority

By: J. Brian O’Neill, Executive Director

Date:



Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

To: Board of Directors
From: Shea Joachim, CEcD, Business Development Director
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: Mesa SkyBridge, LLC – Master Lease Amendment 1
Date: July 17, 2018

Proposed Motion

To authorize an Amendment to the Master Lease Agreement with Mesa SkyBridge, LLC for the property located at the southeast corner of Sossaman Road and Velocity Way.

Narrative

The Phoenix-Mesa Gateway Airport Authority (“PMGAA”) and Mesa SkyBridge, LLC (“SkyBridge”) entered into a Master Lease Agreement on April 1, 2018 for the approximately 360-acres located at the southeast corner of Sossaman Road and Velocity Way. The Master Lease Agreement contemplated future adjustments to the amount of acreage under lease based on a variety of factors including the attraction of new tenants, environmental remediation of property, and failure to meet the established development requirements.

Amendment 1 to the Master Lease Agreement updates the legal description and thus amends the definition of “Property” as used in the Master Lease Agreement. The updated legal description refines the boundaries of the Property to match the legal description used for title insurance purposes and it adds Excluded Parcel #2 to the definition of Property. Excluded Parcel #2 was initially left out of the definition of Property for environmental reasons but SkyBridge has recently requested, in accordance with the requirements of the Master Development Agreement, that the property to be included

There are no other changes to the terms of the Master Lease Agreement.

Attachment(s)

Master Lease Agreement Amendment 1



RESOLUTION NO. 18-31

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS the Authority desires to amend the Master Lease Agreement with Mesa SkyBridge, LLC;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes an Amendment to the Master Lease Agreement with Mesa SkyBridge, LLC for the property located at the southeast corner of Sossaman Road and Velocity Way. This resolution also authorizes the Chair or Executive Director/CEO to execute such Contract, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 17th day of July, 2018.

Jeff Serdy, Chair

ATTEST:

APPROVED AS TO FORM:

Maria Gonzalez, Clerk of the Board

Attorney



Phoenix-Mesa Gateway Airport Authority
First Amendment to Master Lease

THIS FIRST AMENDMENT TO MASTER LEASE (“**Amendment 1**”) is made as of the FIRST (1ST) day of AUGUST 2018, by and between **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY**, a joint powers airport authority authorized and existing under the laws of the State of Arizona (“**Lessor**”), and **MESA SKYBRIDGE LLC**, an Arizona limited liability company (“**Lessee**”). Lessor and Lessee may be referred to jointly as “Parties,” and each separately may be referred to as a “Party.”

RECITALS

A. Lessor and Lessee are parties to that certain Master Lease dated April 1, 2018 (“**Lease**”) covering certain property commonly known as Gateway Aerospace Park at the Phoenix-Mesa Gateway Airport, which property is more particularly described in the Lease, and referred to in the Lease and in this Amendment 1 as “**Property**.”

B. The Parties have agreed to an updated legal description for the Property.

C. Lessee has notified Lessor in writing that it wishes to add Excluded Parcel 2 (as defined in the MDA) to the Master Lease in accordance with Section 2(d) of the MDA.

C. The Parties desire to modify the Lease to incorporate the updated legal description and include Excluded Parcel 2 in the legal description for the Property, as provided herein.

NOW, THEREFORE, in exchange for the mutual covenants and promises contained herein and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee agree as follows:

1. Recitals. The above recitals are hereby confirmed as true and correct and are reaffirmed herein.

2. Property Adjustment. **Exhibit A** to the Lease is deleted in its entirety and the attached **Exhibit A** inserted in its place.

3. Miscellaneous.

(a) Capitalized Terms/Definitions. Each capitalized term used in this Amendment 1 and not defined herein shall be deemed to have the same meaning ascribed to it in the Lease.

(b) Continuing Effect. Except as specifically provided in this Amendment 1, the provisions of the Lease shall remain unchanged and in full force and effect. In the event of a conflict between the Lease and this Amendment 1, this Amendment 1 shall control.

(c) Authority. Each person executing this Amendment 1 on behalf of a Party represents and warrants that it has the full power, authority, and legal right to execute and deliver this Amendment 1

on behalf of such Party and that this Amendment 1 constitutes the legal, valid and binding obligations of such Party, its heirs, representatives, successors and assigns, enforceable against such Party or Parties in accordance with its terms.

(d) **Counterparts.** To facilitate execution of this Amendment 1, this Amendment 1 may be executed in one or more counterparts as may be convenient or required, and an executed copy of this Amendment 1 delivered electronically by e-mail shall have the effect of an original, executed instrument. All counterparts of this Amendment 1 shall collectively constitute a single instrument; but, in making proof of this Amendment 1 it shall not be necessary to produce or account for more than one such counterpart executed by each Party hereto. It shall not be necessary for the signature of, or on behalf of, each Party hereto, or that the signature of all persons required to bind any such Party appear on each counterpart of this Amendment 1.

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

LESSOR:

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, an Arizona joint powers airport authority

By: _____

J. Brian O’Neill, A.A.E.
Executive Director/CEO

LESSEE:

MESA SKYBRIDGE LLC, an Arizona limited liability company

By: _____

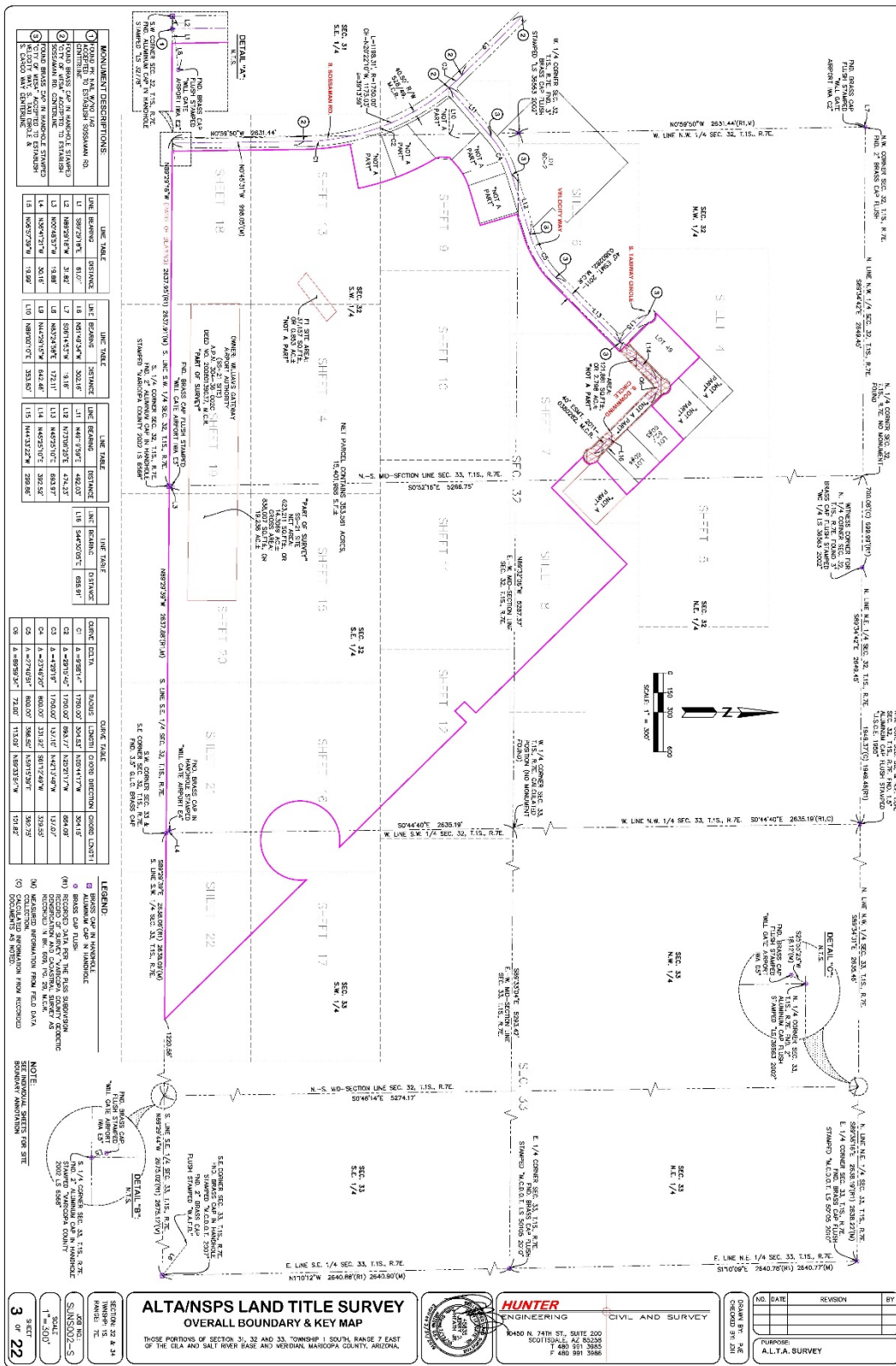
Jose Pablo Martinez
VP and Chief Project Officer

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

See following pages.

Diagram of Property



MONUMENT DESCRIPTIONS:

LINE	BEARING	DISTANCE	LINE	BEARING	DISTANCE
L1	S89°23'16" E	3.82'	L6	N81°53'24" W	324.18'
L2	S89°23'16" E	3.82'	L7	S89°14'32" W	7.18'
L3	N0°02'57" W	13.88'	L8	N0°22'14" W	172.11'
L4	N89°57'30" W	30.15'	L9	N45°25'07" E	63.33'
L5	N89°57'30" W	13.88'	L10	N89°57'30" W	324.18'
L11	N45°25'07" E	63.33'	L12	N45°25'07" E	63.33'

LINE TABLE:

LINE	BEARING	DISTANCE	LINE	BEARING	DISTANCE
L1	S89°23'16" E	3.82'	L6	N81°53'24" W	324.18'
L2	S89°23'16" E	3.82'	L7	S89°14'32" W	7.18'
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LINE TABLE:

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LINE TABLE:

LINE	BEARING	DISTANCE	LINE	BEARING	DISTANCE
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LEGEND:

- (1) BRASS CAP IN VANDERBILT
- (2) BRASS CAP IN VANDERBILT
- (3) BRASS CAP IN VANDERBILT
- (4) BRASS CAP IN VANDERBILT
- (5) BRASS CAP IN VANDERBILT
- (6) BRASS CAP IN VANDERBILT
- (7) BRASS CAP IN VANDERBILT
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- (50) BRASS CAP IN VANDERBILT

NOTE:

SEE INDIVIDUAL SHEETS FOR SITE SPECIFIC INFORMATION.

ALTA/NSPS LAND TITLE SURVEY OVERALL BOUNDARY & KEY MAP

THOSE PORTIONS OF SECTION 31, 32 AND 33 TOWNSHIP 1 SOUTH, RANGE 7 EAST OF THE 10TH AND 10TH 1/2 RANGES EAST AND WEST, MARICOPA COUNTY, ARIZONA.



HUNTER ENGINEERING CIVIL AND SURVEY

3450 N. 74TH ST., SUITE 200
SCOTTSDALE, AZ 85258
PH: 480.991.5898
F: 480.991.3986

DATE REVISION BY

NO.	DATE	REVISION	BY

PURPOSE: ALTA SURVEY

Description of Property**LEGAL DESCRIPTION
OVERALL BOUNDARY**

THOSE PORTIONS OF SECTION 32 AND 33, TOWNSHIP 1 SOUTH, RANGE 7 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 32, MARKED BY AN ALUMINUM CAP IN HANDHOLE STAMPED "LS 32778," FROM WHICH THE SOUTH QUARTER CORNER OF SAID SECTION 32, MARKED BY A 2" ALUMINUM CAP, STAMPED "LS 6568/ 2002," BEARS, SOUTH 89°29'18" EAST, FOR A DISTANCE OF 2637.91 FEET AS MEASURED AND RECORDED IN BOOK 609 OF MAPS, PAGE 29, OFFICIAL RECORDS OF MARICOPA COUNTY, ARIZONA,;

THENCE SOUTH 89°29'18" EAST, ALONG THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 32, FOR A DISTANCE OF 92.83 FEET TO A POINT ON THE EASTERLY LINE OF A 20.50 FOOT PUBLIC UTILITY AND FACILITY EASEMENT (P.U.F.E.) AS RECORDED IN DOCUMENT NO. 2006-251899, OF OFFICIAL RECORDS, MARICOPA COUNTY, ARIZONA, SAID POINT ALSO BEING THE **POINT OF BEGINNING**;

THENCE NORTH 00°45'31" WEST, ALONG SAID P.U.F.E. LINE, FOR A DISTANCE OF 999.39 FEET TO THE BEGINNING OF A NON-TANGENT CURVE, HAVING A RADIUS OF 1811.00 FEET, AND A CHORD BEARING OF NORTH 06°21'54" WEST, FOR A DISTANCE OF 354.21 FEET;

THENCE NORTHWESTERLY, CONTINUING ALONG SAID P.U.F.E. LINE AND ALONG SAID CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 11°13'27", AN ARC LENGTH OF 354.78 FEET TO A NON-TANGENT POINT;

THENCE, DEPARTING SAID P.U.F.E. LINE, NORTH 79°17'08" EAST, FOR A DISTANCE OF 341.40 FEET TO THE BEGINNING OF A NON-TANGENT CURVE, HAVING A RADIUS OF 1915.00 FEET, AND A CHORD BEARING OF NORTH 21°12'42" WEST, FOR A DISTANCE OF 630.70 FEET;

THENCE NORTHWESTERLY, ALONG SAID CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 18°57'24", AN ARC LENGTH OF 633.59 FEET;

THENCE NORTH 18°07'43" WEST, FOR A DISTANCE OF 36.20 FEET;

THENCE NORTH 04°07'49" EAST, FOR A DISTANCE OF 71.83 FEET;

THENCE NORTH 49°19'50" EAST, FOR A DISTANCE OF 82.85 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 460.00 FEET;

THENCE NORTHEASTERLY, ALONG SAID CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 23°46'31", AN ARC LENGTH OF 190.88 FEET TO A POINT OF TANGENCY;

THENCE NORTH 73°06'23" EAST, FOR A DISTANCE OF 298.98 FEET;

THENCE NORTH 16°55'01" WEST, FOR A DISTANCE OF 292.00 FEET TO A POINT ON THE SOUTHERLY LINE OF AN 8.00 FOOT PUBLIC UTILITY AND FACILITY EASEMENT (P.U.F.E.), SAID LINE BEING PARALLEL WITH AND 8.00 FEET SOUTHERLY OF THE RIGHT-OF-WAY OF VELOCITY WAY, AS RECORDED IN MAP OF DEDICATION IN BOOK 733 OF MAPS, PAGE 39, RECORDS OF MARICOPA COUNTY, ARIZONA;

THENCE NORTH 73°06'25" EAST, ALONG SAID SOUTHERLY P.U.F.E. LINE, FOR A DISTANCE OF 175.39 FEET TO THE BEGINNING OF A NON-TANGENT CURVE, HAVING A RADIUS OF 848.00 FEET, AND A CHORD BEARING OF NORTH 59°15'39" EAST, FOR A DISTANCE OF 405.72 FEET;

THENCE NORTHEASTERLY, CONTINUING ALONG SAID SOUTHERLY P.U.F.E. LINE, AND SAID NON-TANGENT CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 27°40'51", AN ARC LENGTH OF 409.69 FEET TO A NON-TANGENT POINT;

THENCE CONTINUING ALONG SAID SOUTHERLY P.U.F.E. LINE, NORTH 45°25'10" EAST, FOR A DISTANCE OF 741.95 FEET TO THE PROLONGATION OF THE NORTHERLY LINE OF SAID P.U.F.E., SAID LINE BEING PARALLEL WITH AND 8.00 FEET EASTERLY OF THE EASTERLY RIGHT-OF-WAY LINE OF SOUTH TAXIWAY CIRCLE, AS RECORDED IN SAID MAP OF DEDICATION, SAID POINT REFERRED TO AS POINT "A";

THENCE NORTH 44°33'22" WEST, CONTINUING ALONG SAID PROLONGATED P.U.F.E. LINE., FOR A DISTANCE OF 299.01 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE TO THE NORTHWEST, HAVING A RADIUS OF 24.00 FEET;

THENCE NORTHEASTERLY, ALONG SAID CURVE AND CONTINUING ALONG SAID P.U.F.E. LINE, THROUGH A CENTRAL ANGLE OF 34°08'54", FOR AN ARC LENGTH OF 14.30 FEET TO THE BEGINNING OF A REVERSE CURVE, CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 63.00 FEET;

THENCE NORTHWESTERLY, ALONG SAID REVERSE CURVE, AND CONTINUING ALONG SAID P.U.F.E. LINE, THROUGH A CENTRAL ANGLE OF 94°41'11", FOR AN ARC LENGTH OF 104.11 FEET TO A POINT OF CUSP;

THENCE NORTH 45°25'06" EAST, FOR A DISTANCE OF 473.31 FEET;

THENCE SOUTH 44°35'11" EAST, FOR A DISTANCE OF 306.05 FEET TO A POINT ON THE NORTHERLY LINE OF SAID P.U.F.E. LINE, SAID LINE BEING PARALLEL WITH AND 8.00 FEET NORTHERLY OF THE NORTHERLY RIGHT-OF-WAY LINE OF SOUTH CARGO WAY AND THE BEGINNING OF A NON-TANGENT CURVE, HAVING A

RADIUS OF 63.00 FEET, AND A CHORD BEARING OF SOUTH 52°49'45" EAST, FOR A DISTANCE OF 84.94 FEET;

THENCE SOUTHEASTERLY, ALONG SAID P.U.F.E. LINE AND NON-TANGENT CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 84°46'18", AN ARC LENGTH OF 93.21 FEET TO THE BEGINNING OF A REVERSE CURVE, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 24.00 FEET;

THENCE SOUTHEASTERLY, CONTINUING ALONG SAID P.U.F.E. LINE, AND REVERSE CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 34°03'29", AN ARC LENGTH OF 14.27 FEET, TO A TANGENT POINT;

THENCE SOUTH 44°30'05" EAST, CONTINUING ALONG SAID P.U.F.E. LINE, FOR A DISTANCE OF 95.08 FEET;

THENCE, DEPARTING SAID P.U.F.E. LINE, NORTH 46°22'26" EAST, FOR A DISTANCE OF 351.27 FEET;

THENCE SOUTH 44°37'29" EAST, FOR A DISTANCE OF 270.98 FEET;

THENCE SOUTH 44°34'03" EAST, FOR A DISTANCE OF 225.00 FEET;

THENCE SOUTH 43°02'08" EAST, FOR A DISTANCE OF 127.06 FEET;

THENCE SOUTH 48°18'37" WEST, FOR A DISTANCE OF 334.31 FEET TO A POINT ON THE NORTHERLY LINE OF AN 8.00 FOOT P.U.F.E. LINE, AS RECORDED IN SAID MAP OF DEDICATION, SAID POINT BEING THE BEGINNING OF A NON-TANGENT CURVE, HAVING A RADIUS OF 63.00 FEET, AND A CHORD BEARING OF SOUTH 20°04'26" WEST, FOR A DISTANCE OF 116.59 FEET;

THENCE SOUTHWESTERLY, ALONG SAID P.U.F.E. LINE, AND ALONG SAID NON-TANGENT CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 135°25'45", AN ARC LENGTH OF 148.91 FEET TO A NON-TANGENT POINT;

THENCE SOUTH 44°38'20" EAST, FOR A DISTANCE OF 338.18 FEET;

THENCE NORTH 45°15'37" EAST, FOR A DISTANCE OF 815.65 FEET;

THENCE SOUTH 44°34'30" EAST, FOR A DISTANCE OF 1611.44 FEET;

THENCE SOUTH 43°56'03" WEST, FOR A DISTANCE OF 120.27 FEET;

THENCE SOUTH 43°43'37" EAST, FOR A DISTANCE OF 101.64 FEET;

THENCE NORTH 44°28'19" EAST, FOR A DISTANCE OF 121.75 FEET;

THENCE SOUTH 44°34'30" EAST, FOR A DISTANCE OF 1355.92 FEET, TO A POINT OF CUSP, BEING THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE NORTHEASTERLY, WHOSE CENTER BEARS SOUTH 10°11'10" WEST, FOR A RADIAL DISTANCE OF 300.62 FEET;

THENCE SOUTHWESTERLY ALONG SAID NON-TANGENT CURVE, THROUGH A CENTRAL ANGLE OF 289°31'21", FOR AN ARC LENGTH OF 1519.10 FEET, TO A NON-TANGENT POINT OF CUSP;

THENCE SOUTH 44°34'30" EAST, FOR A DISTANCE OF 1515.51 FEET, TO A POINT ON THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 33;

THENCE NORTH 89°29'39" WEST, ALONG SAID SOUTH LINE, FOR A DISTANCE OF 1417.48 FEET TO THE SOUTHWEST CORNER OF SAID SECTION 33 AND THE SOUTHEAST CORNER OF SAID SECTION 32, MARKED BY A 3 ½" G.L.O. BRASS CAP;

THENCE CONTINUING NORTH 89°29'39" WEST, ALONG THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 32, FOR A DISTANCE OF 2637.88 FEET TO THE SOUTH QUARTER CORNER, OF SAID SECTION 32, MARKED BY A 2" ALUMINUM CAP, STAMPED "LS 6568/ 2002;"

THENCE NORTH 89°29'18" WEST, ALONG THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 32, FOR A DISTANCE OF 2545.12 FEET TO THE **POINT OF BEGINNING**.

SAID PARCEL NET AREA CONTAINS 353.581 ACRES, (15,401,988 S.F.) MORE OR LESS.

EXCEPT THE FOLLOWING DESCRIBED PARCEL:

BEING A PORTION CONTAINED WITHIN THE 8.00 PUBLIC UTILITY AND FACILITY EASEMENT (P.U.F.E.), TOGETHER WITH THAT PORTION OF RIGHT OF WAY AS SHOWN ON MAP OF DEDICATION AS RECORDED IN BOOK 733 OF MAPS, PAGE 39, OF OFFICIAL RECORDS OF MARICOPA COUNTY, ARIZONA.

BEGINNING AT THE AFOREMENTIONED POINT "A";

THENCE NORTH 44°33'22" WEST, FOR A DISTANCE OF 120.01 FEET TO A POINT ON THE NORTHERLY 8.00 FOOT P.U.F.E. OF SAID MAP OF DEDICATION, SAID POINT ALSO BEING A POINT OF CUSP BEING THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE TO THE NORTHWEST, HAVING A RADIUS OF 24.00 FEET, A CHORD BEARING OF SOUTH 89°34'23" EAST, FOR A DISTANCE OF 33.94 FEET;

THENCE SOUTHEASTERLY ALONG SAID P.U.F.E. LINE AND NON-TANGENT CURVE, THROUGH A CENTRAL ANGLE OF 90°00'00", FOR AN ARC LENGTH OF 37.70 FEET TO A POINT OF TANGENCY;

THENCE NORTH 45°25'10" EAST, ALONG SAID P.U.F.E. LINE, FOR A DISTANCE OF 343.73 FEET, TO THE BEGINNING OF A TANGENT CURVE, CONCAVE TO THE NORTHWEST, HAVING A RADIUS OF 24.00 FEET;

THENCE NORTHEASTERLY ALONG SAID P.U.F.E. LINE AND SAID CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF $34^{\circ}05'19''$, FOR AN ARC LENGTH OF 14.28 FEET TO THE BEGINNING OF A REVERSE CURVE, CONCAVE SOUTHERLY, HAVING A RADIUS OF 63.00 FEET;

THENCE NORTHEASTERLY ALONG SAID P.U.F.E. LINE AND SAID REVERSE CURVE, THROUGH A CENTRAL ANGLE OF $158^{\circ}13'33''$, FOR AN ARC LENGTH OF 173.98 FEET TO THE BEGINNING OF A REVERSE CURVE, CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 24.00 FEET;

THENCE SOUTHEASTERLY ALONG SAID P.U.F.E. LINE AND SAID REVERSE CURVE, THROUGH A CENTRAL ANGLE OF $34^{\circ}03'29''$, FOR AN ARC LENGTH OF 14.27 FEET, TO A POINT OF TANGENCY;

THENCE SOUTH $44^{\circ}30'05''$ EAST, ALONG SAID P.U.F.E. LINE, FOR A DISTANCE OF 661.65 FEET, TO THE BEGINNING OF A TANGENT CURVE, CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 24.00 FEET;

THENCE SOUTHEASTERLY ALONG SAID P.U.F.E. LINE AND SAID TANGENT CURVE, THROUGH A CENTRAL ANGLE OF $34^{\circ}08'54''$, FOR AN ARC LENGTH OF 14.30 FEET TO THE BEGINNING OF A REVERSE CURVE, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 63.00 FEET;

THENCE SOUTHEASTERLY ALONG SAID P.U.F.E. LINE AND SAID REVERSE CURVE, THROUGH A CENTRAL ANGLE OF $248^{\circ}17'49''$, FOR AN ARC LENGTH OF 273.02 FEET TO THE BEGINNING OF A REVERSE CURVE, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 24.00 FEET;

THENCE NORTHWESTERLY ALONG SAID P.U.F.E. LINE, AND SAID REVERSE CURVE, THROUGH A CENTRAL ANGLE OF $34^{\circ}08'54''$, FOR AN ARC LENGTH OF 14.30 FEET, TO A POINT OF TANGENCY;

THENCE NORTH $44^{\circ}30'05''$ WEST, ALONG SAID P.U.F.E. LINE, FOR A DISTANCE OF 638.34 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE TO THE SOUTH, HAVING A RADIUS OF 24.00 FEET;

THENCE NORTHWESTERLY ALONG SAID P.U.F.E. LINE, AND SAID TANGENT CURVE, THROUGH A CENTRAL ANGLE OF $89^{\circ}59'38''$, FOR AN ARC LENGTH OF 37.70 FEET TO A POINT OF TANGENCY;

THENCE SOUTH $45^{\circ}25'10''$ WEST, ALONG SAID P.U.F.E. LINE, FOR A DISTANCE OF 344.55 FEET TO THE **POINT OF BEGINNING**.

ALSO EXCEPT THE FOLLOWING DESCRIBED PARCEL:

THAT PORTION OF SECTION 32, TOWNSHIP 1 SOUTH, RANGE 7 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 32, MARKED BY AN ALUMINUM CAP IN HANDHOLE STAMPED “LS 32778,” FROM WHICH THE SOUTH QUARTER CORNER OF SAID SECTION 32, MARKED BY A 2” ALUMINUM CAP IN HANDHOLE, STAMPED “LS 6568/ 2002,” BEARS, SOUTH 89°29'18” EAST, FOR A DISTANCE OF 2637.91 FEET AS MEASURED AND RECORDED IN BOOK 609 OF MAPS, PAGE 29, OFFICIAL RECORDS OF MARICOPA COUNTY, ARIZONA;

THENCE SOUTH 89°29'18” EAST, ALONG THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 32, FOR A DISTANCE OF 996.19 FEET;

THENCE NORTH 00°30'42" EAST, FOR A DISTANCE OF 961.89 FEET TO THE SOUTHWEST CORNER OF IRP SITE FT002 AS RECORDED IN DOCUMENT NO. 20080301501, OF OFFICIAL RECORDS, MARICOPA COUNTY, ARIZONA, SAID POINT BEING THE POINT OF BEGINNING;

THENCE NORTH 51°19'16" WEST, FOR A DISTANCE OF 102.13 FEET;

THENCE NORTH 51°57'45" EAST, FOR A DISTANCE OF 373.93 FEET;

THENCE SOUTH 44°47'56" EAST, FOR A DISTANCE OF 103.12 FEET;

THENCE SOUTH 52°26'12" WEST, FOR A DISTANCE 362.62 FEET TO THE POINT OF BEGINNING. (ALSO KNOWN AS F1 SITE AREA).

Board Action Item

To: Board of Directors
From: Shea Joachim, CEcD, Business Development Director
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: Memorandum of Understanding – Able Aerospace Services, Inc. Expansion
Date: July 17, 2018

Proposed Motion

To approve a Memorandum of Understanding (“MOU”) between Phoenix Mesa Gateway Airport Authority (“PMGAA”), the City of Mesa (“City”) and Able Aerospace Services, Inc. (“Able”) to expand Able’s current facility located at 7706 E. Velocity Way, Mesa, Arizona 85212 for an MRO facility for fixed wing or rotor aircraft or aircraft parts, aviation parts fabrication, modification and installation and related aircraft maintenance, repair and overhaul services.

Narrative

PMGAA currently has a Property and Special Facility lease agreement with the City, dated February 1, 2012, for the land and facility located at 7706 E. Velocity Way, Mesa, Arizona 85212. Able currently subleases this property from the City. The proposed MOU outlines the general framework and deal structure to facilitate the Able expansion. Specifically, the MOU allows the parties to purposefully pursue the expansion project with the understanding that key information that will dictate the feasibility of the project is still unknown (e.g. total project construction costs).

In general, Able is responsible for 100% of the design costs associated with the building expansion and associated site improvements (“Expansion Premises”). Able will produce design plans and then provide them to PMGAA in a format that is suitable for public procurement. PMGAA is responsible for procuring, funding and managing the construction of the Expansion Premises. PMGAA’s investment will be capped at an Agreed-Upon Maximum Cost. As a final measure of approval, Able will sign a new Facility Lease for the Expansion Premises and the lease rate will reimburse PMGAA for its investment plus interest. The financial terms of the Property and Special Facility lease agreement with the City and the City’s Sublease agreement with Able will remain unchanged. The City has agreed to provide a customized permitting, design review and inspection process for the expansion and amend the Property and Special Facility lease agreement and Sublease Agreement to facilitate the expansion.

Either party may terminate the MOU with thirty (30) days written notice. If the project is terminated, Able has agreed to reimburse PMGAA for any Pre-Construction Services provided by the Construction Manager At-Risk (“CMAR”) up to the point of termination. However, if PMGAA terminates the MOU for a failure to secure funding, then PMGAA would be responsible for the costs associated with the Pre-Construction Services provided by the CMAR.

PMGAA staff anticipates presenting a Facility Lease Agreement and a budget adjustment request for PMGAA Board consideration at the September Board meeting. These documents will codify the final Agreed-Upon Maximum Cost and the rate of return associated with PMGAA’s investment.

Fiscal Impact

PMGAA staff will not be spending more than \$50,000 on Pre-Construction Services with the CMAR. Depending on the feasibility of the project these costs will either be rolled into the construction costs of the Expansion Premises or reimbursed by Able to PMGAA if either party terminates the MOU.

Able has provided PMGAA with economic impact estimates for the project and they are attached to this Board Action Item report.

Attachment(s)

Memorandum of Understanding

Able Expansion - Economic Impact Estimates



RESOLUTION NO. 18-32

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS the Authority desires to enter into a Memorandum of Understanding with the City of Mesa and Able Aerospace Services, Inc. for the expansion of the current Able facility;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes a Memorandum of Understanding between the Authority, the City of Mesa, and Able Aerospace Services, Inc. to expand Able’s current facility located at 7706 E Velocity Way, Mesa AZ 85212 for an MRO facility for fixed wing or rotor aircraft or aircraft parts, aviation parts fabrication, modification and installation and related aircraft maintenance, repair and overhaul services. This resolution also authorizes the Chair or Executive Director/CEO to execute such Memorandum of Understanding, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 17th day of July, 2018.

Jeff Serdy, Chair

ATTEST:

APPROVED AS TO FORM:

Maria Gonzalez, Clerk of the Board

Attorney

MEMORANDUM OF UNDERSTANDING
BY AND AMONG THE
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY,
THE CITY OF MESA, ARIZONA
AND
ABLE AEROSPACE SERVICES INC.
REGARDING THE DESIGN, CONSTRUCTION AND LEASE
OF AN EXPANSION TO THE EXISTING AIRCRAFT MAINTENANCE FACILITY

The following provisions are intended to constitute the fundamental terms and provisions of this Memorandum of Understanding (“**MOU**”) by and among the Phoenix-Mesa Gateway Airport Authority (“**Authority**”), the City of Mesa, Arizona (“**City**”) and Able Aerospace Services, Inc. (“**Able**”) (collectively, the “**Parties**”) and the general terms of various additional agreements to be executed and delivered by and among the Authority, the City, and Able pertaining to the financing, design, construction, and lease of improvements comprising an expansion of an existing FAA certified maintenance, repair and overhaul (“**MRO**”) facility.

The Parties acknowledge that while this MOU is a recital of certain terms negotiated and agreed to as of its effective date, it is not a waiver by or bar to any party to negotiate points not addressed herein or not inconsistent with the terms herein. Neither is it a restraint to, with consent of the Parties, change points agreed to in this MOU where change is in the best interests of the Parties and the Expansion Project (as defined below). The Parties acknowledge that further discussions and documentation, including but not limited to an amendment to an existing lease (“**City Lease**”) for the MRO facility (“**Original Premises**”) between the City and the Authority, an amendment to an existing sublease (“**Able Sub-Lease**”) between the City and Able for the Original Premises, and a new lease for the expansion to the Original Premises (“**Expansion Premises**”) between the Authority and Able, will be necessary to implement the transactions

contemplated by this MOU. The Parties have conceptually agreed to enter into the agreements referenced above. Discussions and further documentation are to be presumed as part of the continuing process of developing the proposed Expansion Project, and the Parties agree that until such time as all agreements, including those referenced above are approved, executed and delivered by the applicable Parties, the terms established by this MOU shall bind the Parties. All agreements hereafter executed and delivered by the Parties shall supersede the terms of this MOU.

The Authority is a joint powers airport authority that owns and operates a full-service, public, commercial airport at the facility formerly known as Williams Air Force Base (the “*Airport*”). The Airport is located in the City and the City is a governing member of the Authority. The Authority and the City desire the Airport continue to expand its industrial aviation functions, including but not limited to, offering on site general, business and commercial aviation maintenance, repair and overhaul services. The Authority and the City agree that the ability to provide a larger facility that can accommodate growth at an FAA certified MRO facility will enable the Airport to attract additional commercial, cargo, general and business aviation businesses as well as military defense contractors.

The Authority has offered to construct and own an expansion (“*Expansion Project*”) to the Original Premises. In order to do so, a portion of the real property subject to the City Lease and the Able Sub-Lease will be removed from the City Lease and the Able Sub-Lease to be used for construction of the Expansion Premises to be leased by the Authority to Able. Able has conceptually agreed to enter into a triple net lease of the Expansion Premises (“*Expansion Lease*”).

The Authority has agreed to the following:

- (i) procure a construction manager at risk (“**CMAR**”) for the Expansion Project;
- (ii) serve as lead entity for the amendment to the City Lease;
- (iii) obtain a legal opinion from bond counsel on the impact of the Expansion Project to the outstanding Special Facility Bonds in connection with the City Lease and the Original Premises;
- (iv) serve as lead entity for amending the Able Sub-Lease;
- (v) in good faith, negotiate the Expansion Lease with Able for the Expansion Premises;
- (vi) finance the construction of the Expansion Project to the agreed-upon specifications up to a maximum amount that will be agreed to by both parties, to be determined (“**Agreed-Upon Maximum Cost**”);
- (vii) construct or cause the construction of the Expansion Project to the agreed-upon specifications.
- (viii) serve as the lead entity for construction administration of the Expansion Project. Allow for Able to actively participate in construction administration activities.
- (ix) The Authority has agreed to obtain any necessary FAA approvals for the construction of the Expansion Project at its sole cost and the obligations of the parties are contingent on the obtaining of such approvals
- (x) The Authority is responsible for modifying the Original Premises lot boundaries, at its sole cost and expense.

Able has agreed to the following:

- (i) procure a design firm to produce construction drawings for the Expansion Project acceptable to the Authority for public procurement;
- (ii) pay the costs of the design and engineering of the Expansion Project;
- (iii) if the Expansion Project is cancelled or does not proceed for any reason other than the Authority failing to obtain the necessary funding for the Expansion Project, pay the Authority the costs of the Pre-Construction Services provided by the CMAR;
- (iv) designate a single point of contact to participate in the procurement of Construction Services and the administration and oversight of Construction Services;
- (v) pay for construction costs and change orders requested or approved by Able in excess of the Agreed-Upon Maximum Cost for the Expansion Project. Able's approval of change orders shall not be unreasonably withheld if change is due to unforeseen or extenuating circumstances;
- (vi) in good faith, negotiate the Expansion Lease with the Authority for the Expansion Premises; and
- (vii) provide to the Authority economic impact estimates for the Expansion Project.

The City has agreed to the following:

- (i) provide an expedited/customized permitting, design review and inspection process for the Expansion Project;
- (ii) amend the City Lease; and
- (iii) amend the Able Sub-Lease.

I. PRIVATE AND PUBLIC PROCUREMENT

1. Design Services. To meet the time schedule for completion of the Expansion Project by May 1, 2019, Able will promptly and privately retain an architect and other technical registrants as necessary to perform design services for the Expansion Project (“*Design Services*”). The Design Services shall be performed under a schedule consistent with the Key Dates for the Expansion Project set forth in Section II (6) below.

The architect retained by Able shall prepare an initial projected budget of all the costs to design the Expansion Project. While the Design Services are underway but prior to the acceptance of a Guaranteed Maximum Price (“*GMP*”), the architect and the CMAR shall collaborate in providing a periodic budget which shall include, at a minimum, Project Site (as hereafter defined) development and preparation costs, any environmental compliance costs, all permit and application fees, cost of all utility connections and facilities, hard and soft construction and materials costs, professional and consulting fees, a 10% development and construction cost contingency for design, bidding and price escalation, construction management costs, and all other reasonably foreseeable costs to be incurred in the development of the Expansion Project (“*Budget*”). Each budget shall be promptly delivered to the Authority for review.

During the performance of the Design Services, Able shall request the Authority conduct a design review to ensure the Expansion Project is being designed in accordance with the Authority’s development standards and applicable rules and regulations.

The final plans and specifications are subject to approval by the Authority. The Parties agree that the Expansion Project should, wherever possible, match the construction type of the Original Premises.

The Design Services will result in final documents, plans, specifications and other materials that can be utilized by the Authority for public procurement of the development and construction of the Expansion Project on the Project Site (“*Final Plans and Specs*”). Able agrees to pay from its own funds, without reimbursement, all costs and expenses of the Design Services. Upon completion of the Design Services, Able shall assign all of its right, title and interests in the Final Plans and Specs to the Authority. The technical registrant performing the Design Services shall acknowledge and agree in its contract with Able to such future assignment and shall agree to bound, be responsible and obligated for all purposes to the Authority or its assigns, as owner of the Final Plans and Specs. The Final Plans and Specs may not be altered once approved by the Authority, except by consent of the Parties which shall not be unreasonably withheld.

2. Construction Services. The Authority shall diligently procure a CMAR to provide services that shall include, but are not limited to, periodic Budgets, schedule analysis, work sequence reviews, risk identification and mitigation, constructability reviews, and development of a GMP (“*Pre-Construction Services*”). The Authority, upon receipt of ownership of the Final Plans and Specs, shall diligently procure development and construction services for the Expansion Project (“*Construction Services*”). The Authority shall be responsible for the administration and oversight of the Construction Services, but Able shall have a participatory role in such administration and oversight.

3. Procurement of Construction Services. The Pre-Construction and Construction Services shall be procured as required by law and the Authority will utilize an invitation for qualifications process or such other publicly procured job delivery method as may be determined by the Authority. Able will have an active, participatory role in the procurement of Pre-Construction and Construction Services.

II. EXPANSION PROJECT

1. Project Site. The Expansion Lease shall provide for the lease of all necessary real property, rights-of-way, easements and other property rights, if and to the extent necessary, to construct, operate, use and maintain the Expansion Project and the related appurtenances thereto, including but not limited to, access to runways and taxiway connectors (collectively, “*Project Site*”).

2. Project Location. The Project Site is approximately three (3) acres and located at 7706 E. Velocity Way, Mesa, Arizona. The Parties acknowledge that the Expansion Project requires the modification of the Original Premises lot boundaries and will result in a new lot number for the Expansion Premises for identification purposes. The Parties agree that the Project Site shall accommodate the Expansion Project and the necessary appurtenances thereto.

3. Facility. The expansion facility shall generally consist of office and warehouse space suitable for an MRO facility for fixed wing or rotor aircraft or aircraft parts, aviation parts fabrication, modification and installation and related aircraft maintenance, repair and overhaul services. The Parties agree the facility to be constructed and leased shall be comprised of an approximately 40,187 square feet expansion to the existing building, of which approximately 10,000 square feet shall be office space and approximately 30,000 square feet shall be warehouse space suitable for aircraft maintenance, repair and overhaul. The facility shall include paved parking areas for approximately 50 vehicles. The Expansion Project shall be connected to all other existing public utilities, roadways, private utilities and taxiways. If requested by Able, the Parties will use their best reasonable efforts to include in the design of the Expansion Project areas or components that can serve Able’s program needs, provided such can be accomplished without

affecting the size or location of the Project Site or materially impacting the financial budgets for the Expansion Project. Nothing contained in this paragraph shall be construed to prevent Able from adding or enhancing the Expansion Project on the Project Site at Able's sole expense.

4. Construction. The Authority shall cause the Expansion Project to be constructed in accordance with the Final Plans and Specs, including but not limited to, being responsible for the federal, State and City permitting of the Expansion Project and all fees, expenses, taxes, charges and assessments imposed as a result of the development and construction of the Expansion Project. The Authority shall be responsible for payment of all costs relating to the Pre-Construction and Construction Services, development and construction of the Expansion Project, including all change orders or other construction and development costs, up to the Agreed-Upon Maximum Cost (collectively, "**Construction Costs**"). All costs of Construction Services, development and construction of the Expansion Project, including change orders in excess of the Agreed-Upon Maximum Cost shall be the sole responsibility of Able. Any change orders that would be the responsibility of Able to pay shall be approved in advance by Able. The Authority shall require payment and performance bonds from each contractor in an amount necessary to ensure completion of the Expansion Project. The construction contract shall name Able as an indemnified party and require the contractor to include Able as a named insured on the contractor's insurance policies. Able shall have a participatory role in the administration and oversight of the Construction Services however Able shall have no responsibility for managing or supervising the development or construction of the Expansion Project or for any cost of the development and construction of the Expansion Project, except for the costs described above as being Able's responsibility. All construction warranties shall run in favor of both Able and the Authority."

5. Tenant Improvements and Personal Property. Able shall be solely responsible for the costs and construction of tenant improvements, additions or enhancements not shown in the Final Plans and Specs, or if shown in such Final Plans and Specs, for the costs of the tenant improvements, additions or enhancements designated in the Budget or in another document as being the responsibility of Able. Tenant improvements by Able shall be constructed in accordance with the terms and provisions of the Expansion Lease and, subject to the terms and provisions of the Expansion Lease, shall be the property of the Authority. Able, at its own expense, shall provide all furniture, equipment and other personal property needed by Able to operate a fixed wing and rotor aircraft MRO facility (“**Able’s Personal Property**”) not otherwise specified in the Final Plans and Specs. The Authority shall have no property interest in Able’s Personal Property.

6. Key Dates (All dates are subject to change).

(a)	Able Procurement of Design Firm	July 17, 2018
(b)	Authority Procurement of CMAR	July 23, 2018
(c)	Schematic Designs Provided by Able	August 2, 2018
(d)	Construction Drawings Provided by Able	September 4, 2018
(e)	Amendment to City Lease Approved	September 17, 2018
(f)	Amendment to Able Sub-Lease Approved	September 17, 2018
(g)	Expansion Lease Approved by PMGAA Board	September 18, 2018
(h)	CMAR Construction Services contract awarded	September 18, 2018
(i)	Construction of Expansion Premises Complete	May 1, 2019

III. CITY LEASE AND ABLE SUB-LEASE AND OTHER AGREEMENTS

1. City Lease. The Authority and the City agree to amend the City Lease to the extent necessary to remove from the City Lease any portion of real property needed for the Expansion Project. The Original Premises and other terms and conditions of the City Lease shall remain as written, unaffected by the removal of the real property.

2. Able Sub-Lease. The City and Able agree to amend the Able Sub-Lease to the extent necessary to remove from the Able Sub-Lease any portion of real property needed for the Expansion Project. The Original Premises and other terms and conditions of the Able Sub-Lease shall remain as written, unaffected by the removal of the real property.

3. Other Agreements and Assignments. The Authority, the City and Able agree to further execute and deliver such other agreements or instruments as may be necessary to consummate the contemplated transaction.

IV. EXPANSION LEASE AND OTHER AGREEMENTS

1. Expansion Lease and Rent. The Authority and Able agree to enter into a triple net facility lease for the Expansion Project for a term equal to the remaining term for the City Lease and Able Sub-Lease. Able agrees to pay monthly rent in monthly amounts agreed to by the Authority and Able as set forth in the Expansion Lease.

2. Able Use of the Expansion Project. Able shall continually use the Expansion Project for aircraft maintenance, aircraft parts fabrication, modification and installation in connection with such maintenance. Able may sublease the Expansion Project upon receipt of

approval by the Authority, which approval may be granted or denied in its sole discretion. Able's use of the Expansion Project shall not interfere with the normal operations of the Airport.

3. Terms of the Sub-Lease. The terms of the Expansion Lease shall, among other things, provide for the following:

- (a) deposit of first and last month's rent;
- (b) rent rate that provides for reimbursement to the Authority of all Construction Costs and a return on investment;
- (c) the payment of all taxes or assessments imposed upon the Expansion Project or the rental payments;
- (d) submission to and approval by the Authority of all plans relating to any improvements, alterations, additions, enhancements or modifications;
- (e) the obligation of Able to repair and replace all damage or destruction to the Expansion Project, Project Site or, if caused by Able, the Airport;
- (f) comprehensive general and environmental indemnifications of the Authority related to or arising from Able's use of the Expansion Project or its operations;
- (g) insurance requirements, in amounts and forms acceptable to the Authority for, among other things, workman's compensation, airport premises, commercial operators/automobile liability, aircraft liability, environmental/pollution, builder's risk, extended property and personal property; and
- (h) a nondisturbance from any lenders holding a lien on the Expansion Project, subject to Able's compliance with its obligations under the Expansion Lease; and
- (i) such other provisions found in the Authority's standard leases.

4. Remedies. In addition to standard remedies for events of default, the Expansion Lease shall provide for monetary remedies in favor of the Authority in the event of early termination by Able of the Expansion Lease, such remedies shall be sufficient to pay the costs of the Expansion Project.

5. Other Agreements and Assignments. The Authority, the City and Able agree to further execute and deliver such other agreements or instruments as may be necessary to consummate the contemplated transaction, including but not limited to a collateral assignment of the Final Plans and Specs, construction or supply contracts relating to the development or construction of the Expansion Project, payment and performance bonds, warranties and any other documents, as may be necessary to allow the Authority to complete the development and construction of the Expansion Project.

V. OPERATION AND MAINTENANCE

1. The Authority shall own the Expansion Project and the Project Site other than Able's Personal Property.

2. Able shall pay all operations and maintenance expenses related to the Expansion Project, after Able takes possession of the Expansion Project. Able will pay for all water, gas, sewer, electric, fire suppression and other utilities supplied to the Project Site and Expansion Project.

VI. MISCELLANEOUS

1. The Expansion Project costs shall include all City fees, taxes, development fees, and charges customarily levied by the City on similar projects.

2. The Authority, City and Able shall maintain insurance as provided in the City Lease, the Able Sub-Lease and the Expansion Lease.

3. The Authority and Able will each appoint a project manager to coordinate and communicate with each other regarding any issues and concerns.

4. This MOU shall be effective as of the date set forth below and shall terminate upon the earlier of: (a) the date six (6) months after the effective date, or (b) the date the Expansion Lease is fully executed.

5. At any time prior to execution of the Expansion Lease the Authority and Able shall have the right to terminate the Expansion Project upon thirty (30) days prior written notice to the other Party, in which event Able shall promptly pay to the Authority all costs of Pre-Construction Services provided by the CMAR up to the date of termination upon receipt of supporting documentation. Notwithstanding the forgoing, Able is not required to pay the Authority for the Pre-Construction Services provided by the CMAR if the Authority terminates the Expansion Project due to lack of funding for the Expansion Project.

VII. FURTHER ACTIONS

Whenever and as often as it is reasonably requested to do so by the other Party, each Party will execute, acknowledge and deliver or cause to be executed, acknowledged or delivered, any and all further documents as may be necessary, expedient or proper in order to facilitate the development of the Expansion Project in accordance with the intent of this MOU.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties have executed this MOU through their duly authorized representatives effective as of _____, 2018.

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY

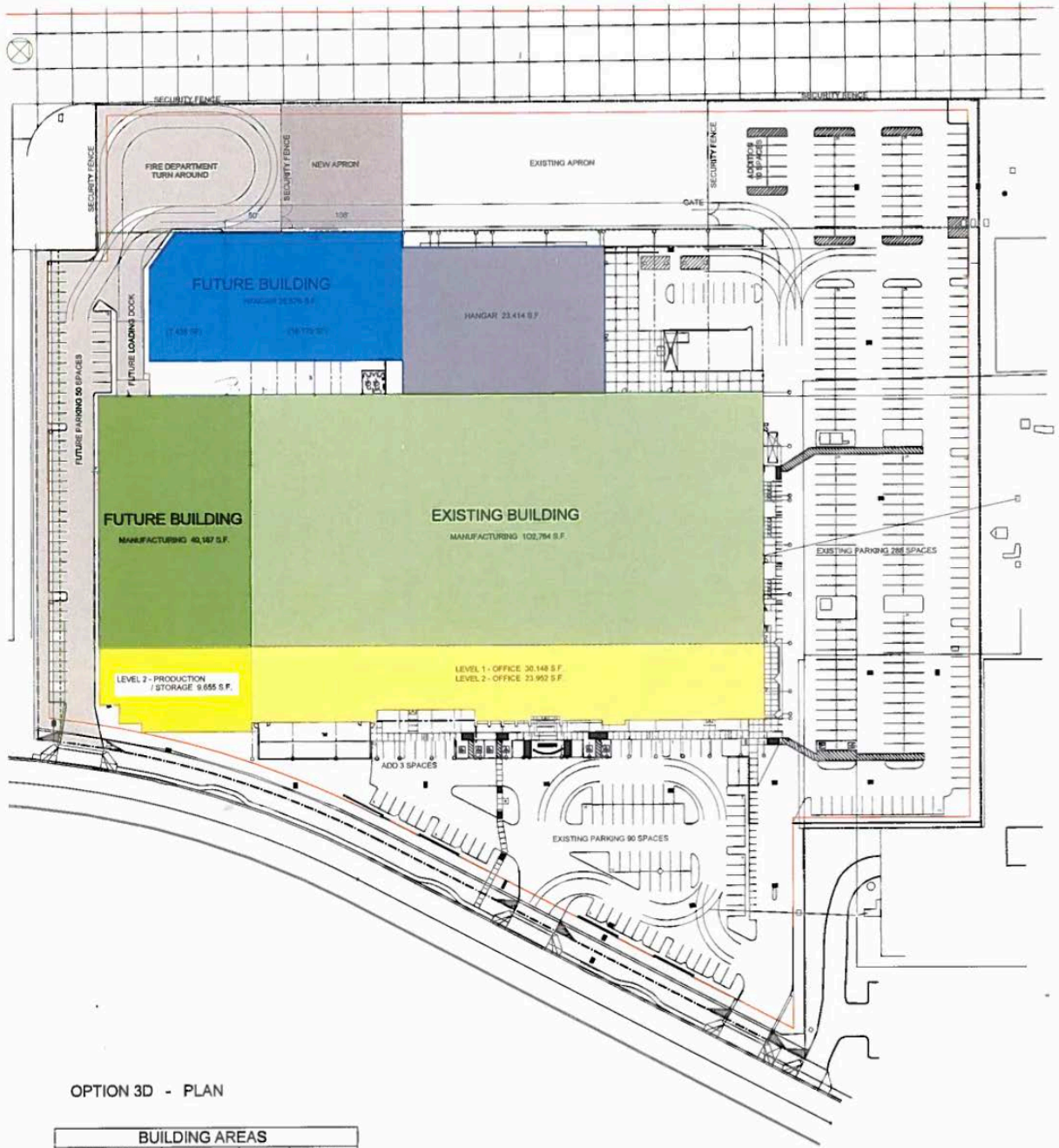
By: _____
J. Brian O’Neill, Executive Director/CEO

CITY OF MESA

By: _____
Chris Brady, City Manager

ABLE AEROSPACE SERVICES, INC.

By: _____
Gabriel Massey, General Manager

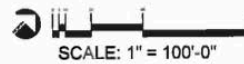


OPTION 3D - PLAN

BUILDING AREAS			
USE CLASSIFICATION	NAME	AREA	PARKING
EXISTING	AIRCRAFT HANGARS	HANGAR 23,414 SF	1/2000 12
	INDUSTRIAL AREAS	MANUFACTURING 102,784 SF	1/600 171
	BUSINESS AREAS	OFFICES 54,100 SF	1/275 144
	TOTAL	180,278 SF	327
EXPANSION	AIRCRAFT HANGARS	HANGAR 25,576 SF	1/2000 13
	INDUSTRIAL AREAS	MANUFACTURING 49,842 SF	1/600 83
	BUSINESS AREAS	OFFICES 0 SF	1/275 0
	TOTAL	75,418 SF	96
	TOTAL	255,696 SF	

PARKING SPACES	
REQUIRED	PROVIDED
EXISTING 327	376
EXPANSION 96	63
TOTAL 423	441

BUILDING FOOTPRINT EXISTING 156,326 SF
 NEW ADDITION 63,715 SF
 222,041 SF





Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Management Information Report

To: Board of Directors
From: Chuck Odom, Chief Financial Officer
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Re: Solicitation Notification
Date: July 17, 2018

This report is to provide notification of the active and upcoming solicitations to help ensure compliance with the Phoenix-Mesa Gateway Airport Authority procurement transparency clause. The active activities include the following:

Active/Pending Solicitations

Type Solicitation	Number	Title	Anticipated Contract Award (Board Action)
Request for Qualifications	2018-019-RFQ	CMAR for Baggage Claim & Baggage Make-up Expansions	September 2018
Request for Qualifications	2018-024-RFQ	CMAR for Gateway Aviation Services Building Remodel	September 2018
Request for Qualifications	2019-001-RFQ	CMAR for Addition to Existing Tilt-up MRO Building	September 2018

Future Solicitations

Type Solicitation	Number	Title	Scheduled for Release	Anticipated Contract Award (Board Action)
Request for Proposals	2019-002-RFP	Aviation Fuel Supplier	August 2018	November 2018
Request for Proposals	TBD	Legal Services	TBD	TBD

Equipment Disposals

Fiscal year totals from sales of decommissioned / nonworking equipment total **\$79,955** consisting of 19 pieces and scrap metal. In an effort to maintain orderly and safe grounds, staff has also had 7 pieces of nonworking equipment (25 – 30 years old) removed from the property at no cost.

If you have any questions about the solicitations or the procurement process, please feel free to contract me at 480-988-7613.



**NOTICE AND AGENDA OF MEETING OF THE
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
BOARD OF DIRECTORS**

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Phoenix-Mesa Gateway Airport Authority and to the public that the Phoenix-Mesa Gateway Airport Authority will hold a meeting open to the public on **Tuesday, September 18, 2018 beginning at 9:00 a.m.** in the Board Room (Saguaro A & B) of the Gateway Administration Building, 5835 South Sossaman Road, Mesa, Arizona. The Board may vote to hold an executive session for the purpose of obtaining legal advice from the Board's attorney on any matter listed on the agenda pursuant to A.R.S. § 38-431.03 (A)(3)&(4).

The agenda for the meeting is as follows:

1. **Call to Order.** (Mayor Jeff Serdy, Chair)
Members of the Phoenix-Mesa Gateway Airport Authority will attend either in person or by telephone conference call.
2. **Call to the Public.**
Members of the Board may not discuss items that are not on the agenda. Therefore, action taken as a result of public comment will be limited to directing staff to study the matter or scheduling the matter for further consideration and decision at a later date. Maximum of three minutes per speaker.
3. **Executive Director's Report.** - J. Brian O'Neill, A.A.E., Executive Director/CEO
4. **Consent Agenda.**
 - a) **Minutes** of the Board Meeting held on July 17, 2018
 - b) **Resolution No. 18-33** - Authorizing the purchase of janitorial supplies from **Waxie Sanitary Supply** between August 2, 2018 and August 1, 2019, in the amount of \$81,300.
 - c) **Resolution No. 18-34** - Authorizing a terminal advertising agreement with **Owens, Harkey & Associates, LLC** for two column wraps, a wall ad, and a floor ad. The agreement is one year, commencing on October 1, 2018.

Consideration and Possible Approval of:

5. **Resolution No. 18-35** - Authorizing a land lease with **Wetta Ventures, LLC** for lot 37 located at 6253 S. Sossaman Road and consisting of approximately 3.7 acres. The lease term is thirty (30) years, commencing on October 1, 2018, with two (2) five-year extension options, payable at a monthly rate of \$6,715.57 commencing on the Rent Commencement Date.
6. **Resolution No. 18-36** - Authorizing a land lease with **Aviation Performance Solutions, LLC** for lot 18, consisting of approximately 4.7 acres. The lease term is twenty-five (25) years, commencing on October 1, 2018, with two (2) five-year extension options, payable at a monthly rate of \$7,690.24 commencing on the Rent Commencement Date.
7. **Resolution No. 18-37** - Authorizing the Executive Director/CEO to execute an operating agreement with **SWOOP, Inc.** for commercial air service.

8. **Resolution No. 18-38** - Authorizing a contract with **DPR Construction** to provide Advance Procurement and Preliminary Construction Services for the Baggage Claim Expansion Phase 1 CIP 1004 in an amount not-to-exceed \$1,091,217.
9. **Resolution No. 18-39** - Authorizing a Contract with **DPR Construction** to provide Advance Procurement and Preliminary Construction Services for the Bag Make-up Expansion Phase 1 Project CIP 1047 in an amount not-to-exceed \$1,088,534.
10. **Resolution No. 18-40** - Approval of Authorization of Services No. 16B-1901 with **Kimley-Horn & Associates** for Engineering Design Services for Taxiway K between 12R/12C & RIM (Runway Incursion Mitigation)–Hot Spot 1 Design for a total cost not-to-exceed \$325,303.
11. **Resolution No. 18-41** - Authorizing an amendment to the **PMGAA Procurement Policy**.
12. **Resolution No. 18-42** - Adoption of a new PMGAA policy regarding the selection of **Primary Legal Counsel**.
13. **Resolution No. 18-43** - Granting a one-time exception to Section 6, Item k of the Master Development Agreement to allow **Mesa SkyBridge, LLC** to acquire a 77.7-acre property immediately south of the Skybridge Arizona project site, commonly known as parcel #604-61-002W.
14. **Board Member Comments/Announcements.**
15. **Next Meeting: Tuesday, October 16, 2018** at 9:00 a.m.
16. **Adjournment.**

Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting Maria Gonzalez at 480-988-7603 or mgonzalez@gatewayairport.com. Requests should be made as early as possible to allow time to arrange the accommodation.



Executive Director's Report
September 2018

Financial Snapshot

OPERATING INCOME	June		Month Variance	YEAR-END COMPARISON		FYTD Variance
	FY17	FY18		FY17	FY18	
Revenues	\$2,140,873	\$2,050,993	(\$89,880)	\$19,733,922	\$22,364,156	\$2,630,234
Less Expenses	\$1,619,196	\$1,672,842	\$53,646	\$17,811,649	\$19,114,154	\$1,302,505
Operating Income <i>(before depreciation)</i>	\$521,677	\$378,114	(\$143,563)	\$1,922,273	\$3,250,002	\$1,327,729

Investment Fund Balances: As of July: Local Governmental Investment Pool (LGIP) 700 = \$17,928,409; Wells Fargo Collateralized Savings Account = \$16,553,054; Total \$34,481,463. This is an increase of \$28.969 from the June balance and represents interest income.

Finance and Accounting

An FY18 Year-End Report revealed that Phoenix-Mesa Gateway Airport Authority (PMGAA) had a net operating income of \$3,250,002 for the 12-month review period; a 69% increase in net operating income compared to FY17.

Grants, PFCs & Procurements

Active/Pending Solicitations

TYPE OF SOLICITATION	Number	Title	Anticipated Contract Award
Request for Qualifications	2018-019-RFQ	CMAR for Baggage Claim & Baggage Make-up Expansions	October 2018
Request for Qualifications	2018-024-RFQ	CMAR for Gateway Aviation Services Building Remodel	November 2018

Future Solicitations

TYPE OF SOLICITATION	Number	Title	Schedule for Release	Anticipated Contract Award
Request for Proposals	2019-002-RFP	Aviation Fuel Supplier	October 2018	January 2019
Request for Proposals	TBD	Legal Services	TBD	TBD
Request for Proposals	TBD	Design of New Air Traffic Control Tower	TBD	TBD

Airport Operations



California Pacific Airlines Embraer ERJ 145



Flair Air 737-400

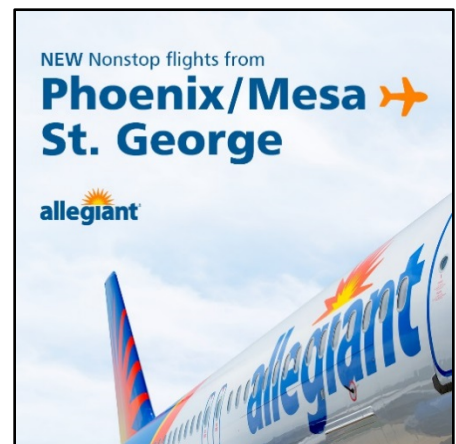
The summer of 2018 has been filled with many exciting new air service announcements at Phoenix-Mesa Gateway Airport (Gateway Airport, Airport). Swoop, a new ultra-low cost Canadian airline, announcing twice-weekly nonstop service to Edmonton beginning at the end of October. In addition, Flair Air, another ultra-low cost Canadian airline, announced nonstop service to Edmonton (4 days a week) and Winnipeg (2 days a week) starting December 15th.

California Pacific Airlines (CP Air) recently announced new nonstop service to Carlsbad/San Diego, California. The CP Air flights will begin on November 15th and will operate Monday through Saturday using 50-seat Embraer ERJ 145 aircraft.

Gateway Airport's largest airline, Allegiant Air, has announced they will begin twice-weekly service to St. George, Utah starting November 9th.

As was reported earlier, WestJet Airlines has announced plans to return to Gateway Airport for a third winter season with twice-weekly nonstop flights between Gateway Airport and Calgary.

PMGAA is excited about these new service announcements and is committed to working with all our airlines to ensure these new flights are successful. Thank you to Allegiant for continuing to increase their investment in Greater Phoenix, welcome back to WestJet, and welcome to Swoop, Flair, and CP Air.



Operations Statistics

PASSENGER COUNTS		July		% Change	FYTD		% Change
		FY18	FY19		FY18	FY19	
Passengers	TOTAL	121,487	136,770	13%	121,487	136,770	13%
	Deplaned	61,266	70,386	15%	61,266	70,386	15%
	Enplaned	60,221	66,384	10%	60,221	66,384	10%
Allegiant	Scheduled	121,413	136,640	13%	121,413	136,640	13%
	Charter	0	0	0%	0	0	0%
WestJet	Scheduled	0	0	0%	0	0	0%
Elite	Charter	74	130	76%	74	130	76%

OPERATIONS	July		% Change	FYTD		% Change
	FY18	FY19		FY18	FY19	
Air Carrier	931	1,013	9%	931	1,013	9%
Military	516	360	-30%	516	360	-30%
General Aviation	19,257	17,997	-7%	19,257	17,997	-7%
TOTAL	20,704	19,370	-6%	20,704	19,370	-6%

Noise Report

PMGAA received aircraft noise calls from 1 area resident in July 2018, compared to 26 callers last July. This is a dramatic decrease in the amount of callers and can be attributed to the newer and quieter aircraft now being used by Allegiant.

CALLERS	July		FYTD		LOCATION	July		FYTD	
	FY18	FY19	FY18	FY19		FY18	FY19	FY18	FY19
Total	26	1	26	1					
TYPE OF AIRCRAFT	July		FYTD		Mesa	1	0	1	0
	Callers	Callers	Callers	Callers	Gilbert	20	0	20	0
Unknown Jet	3	0	3	0	Gold Canyon	2	1	2	1
A-319	3	1	3	1	Queen Creek	1	0	1	0
Commercial	12	0	12	0	Queen Valley	1	0	1	0
GA Total	2	0	2	0	San Tan Valley	1	0	1	0
Helicopter	0	0	0	0	Florence	0	0	0	0
Military	6	0	6	0	Apache Junction	0	0	0	0
Total	26	1	26	1	Unknown	0	0	0	0
					TOTAL	26	1	26	1

Engineering & Facilities

PMGAA recently completed an extensive renovation of the Gateway Airport Operations Center. The project was designed to enhance security and improve the efficiency of the facility by providing greater visual oversight of all areas of the Airport. New 55-inch wall-mounted monitors and upgraded control panel technology were installed as part of the facility renovation. PMGAA would like to thank the Engineering and Facilities; Operations, Security, and Maintenance; and Information Technology Departments for working together to complete this important security project.



Gateway Airport Operations Center

Planning and Zoning

PMGAA continues to coordinate with Salt River Project (SRP) on a proposed electric power transmission line from Mesa to Queen Creek along State Routes 202 & 24, just east of Gateway Airport. This new electric power transmission line will help meet the future energy demands of the growing Phoenix East Valley region. Airspace analysis confirming proposed pole locations and heights have been submitted to the FAA for review and comment. Regional public hearings on the proposed project and alignment are scheduled to begin this fall.

Gateway Aviation Services

PMGAA pumped more than 16.5 million gallons of fuel during FY18, a 3% increase compared to FY17. Total gallons for July FY19 were down less than 1% due to a significant decrease in United States Forest Service fire season activity. AvGas gallons were up 11% due to increased flight school activity.

FUEL (Gallons)	July			FYTD		
	FY18	FY19	% Change	FY18	FY19	% Change
Retail (Jet)	34,908	43,547	25%	34,908	43,547	25%
AvGas	40,478	44,961	11%	40,478	44,961	11%
Contract	369,067	274,205	-26%	369,067	274,205	-26%
Commercial	797,207	870,197	9%	797,207	870,197	9%
TOTAL	1,241,660	1,232,910	-1%	1,241,660	1,232,910	-1%

Human Resources

PMGAA Human Resources Department recently completed the 2018 PMGAA Employee Engagement Study and is in the process of implementing many of the Study's recommendations. An internal PMGAA employee website has been created, empowering all employees to monitor the progress of various initiatives and provide continuous feedback to the organization regarding the approved action plan.

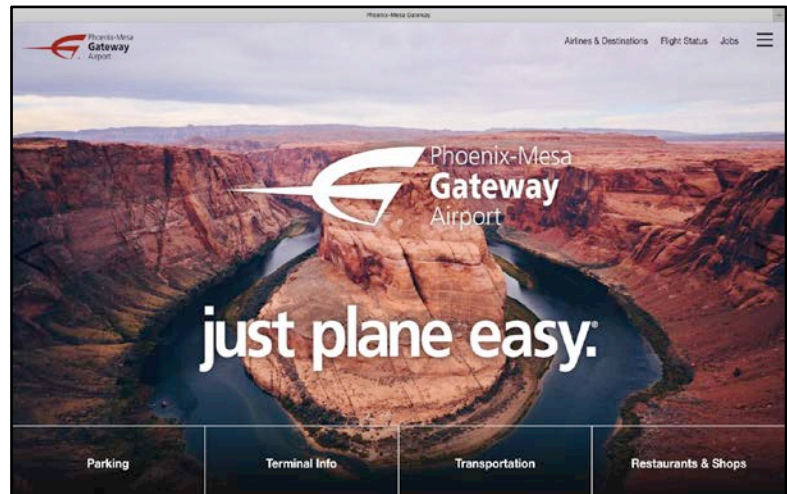
Customer service, and customer satisfaction, are cornerstones of Gateway Airport's continued success. PMGAA is committed to providing the highest level of customer service for our Airport customers and tenants. All PMGAA employees are participating in a comprehensive customer service training program that will provide an expected level of customer service throughout the entire organization regardless of title or job function. This program will teach Airport employees about industry standards and best practices so our Airport guests will continue to have a *Just Plane Easy* experience when they come to Gateway Airport.

Business Development

Later this Fall, PMGAA will begin the solicitation process for a new Master Concessionaire for the commercial passenger terminal. Gateway Airport's current concessionaires do a very good job and have been operating at the Airport since 2008 when passenger activity started to increase. The 10-year concessionaire contracts are set to expire and present PMGAA with an opportunity to evaluate Gateway Airport's current and future food, beverage, news, and gift concession needs.

Communications and Government Relations

PMGAA has a dynamic and growing social media presence, with over 25,000 followers and thousands of engaged website visitors every month. Over the summer, Gateway Airport ran a promotional video to highlight flights offered on Allegiant to Las Vegas. The ad reached over 65,000 people and resulted in over 3,000 clicks to Allegiant's website. PMGAA will continue to work with our airline partners to promote travel in and out of the Greater Phoenix area.





**MINUTES OF PUBLIC MEETING OF THE
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
BOARD OF DIRECTORS | July 17, 2018**

A public meeting of the Phoenix-Mesa Gateway Airport Authority was convened on Tuesday, July 17, 2018, beginning at 9:00 a.m. in the Board Room (Saguaro A & B) of the Gateway Administration Building, 5835 S Sossaman Road, Mesa, Arizona.

MEMBERS PRESENT

Mayor Jeff Serdy, Apache Junction
Lt. Governor Robert Stone, Gila River
Indian Community*
Mayor Gail Barney, Queen Creek
Mayor Thelda Williams, Phoenix*
Mayor John Giles, Mesa
Mayor Jenn Daniels, Gilbert
**Not Present nor Represented*

AIRPORT STAFF PRESENT

J. Brian O'Neill, Executive Director/CEO
Scott Brownlee, Deputy Director/COO
Chuck Odom, CFO
Maria Gonzalez, Clerk of the Board
Jill Casson Owen, Attorney

GUESTS PRESENT

Keith Belden, Morrision Maierle
Jamie Bennett, Town of Queen Creek
Aric Bopp, City of Mesa
Scott Butler, City of Mesa
John Cox, Garver
Kent Dibble, Dibble Engineering
Mike Griffin, Garver
René Guillen, Town of Gilbert
Chris Hacker, Mead & Hunt
Ken Halverson, Jetstrip/KMH
Benjamin Hernandez, AZ Spaceport Alliance
Brian Howard, CEI
Yuri Hoverson, Able

Gregg Leach, Able
Karyn Mackean, AZ Spaceport Alliance/Keyser
Matt McOmber, CPI Pearl Meza, City of Phoenix
Warde Nichols, Arizona State University
Bryant Powell, City of Apache Junction
Steve Reeder, Kimley-Horn
Tim Reifeiss, Del Star
Will C. Rogers, Able
Valerie Shaffer, Town of Gilbert
Jessica W. Intern
Keith Whitmen, Able
Bob Winrow, WSP

1. **Call to Order** at 9:00 a.m. (Mayor Jeff Serdy)
2. **Call to the Public.**
There were no public comments.
3. **Executive Director's Report**

Executive Director O'Neill provided a briefing on PMGAA financial performance, passenger activity, the community noise report, and an update on various Airport projects. Fiscal Year-to-Date (FYTD) Net Operating Income is \$2,871,888, a 105% increase compared to FYTD17.

Key project updates:

- A draft of the inventory and aviation forecast sections of the Airport Master Plan Update are under review. Invitations have been sent out to invite key stakeholders to participate in either the Technical Advisory Committee or Study Advisory Committee. Both committees will help guide the development of the long-range planning document. The first meeting will be held on July 31, 2018.
- WestJet's winter season return is scheduled for late October. A conference call is scheduled for July 18th to discuss proposed service levels. Additionally, WestJet now has a subsidiary ultra-low-cost airline called Swoop. Coincidentally, Swoop has also indicated an interest in coming to Gateway for the winter season.
- PMGAA is hosting Flair Airlines, another low-cost Canadian airline on July 18th. Flair is interested in possibly serving both Edmonton and Winnipeg.
- Allegiant has experienced some challenges throughout its entire system this summer due to an aircraft shortage. Gateway Airport, like many others, has experienced cancellations. However, Allegiant has been very proactive in contacting passengers in advance about cancelled flights. The issue will resolve with the delivery of additional aircraft.
- Executive Director O'Neill credited Doug Wirthgen, Chuck Odom and all staff involved with the implementation and launch of Phase 1 of the Enterprise Resource Planning (ERP) System. Phase II of the project is underway and will include Payroll and Human Resources modules. A launch date of January 1, 2019 is expected.
- The South Sossaman Road and Hourly Parking Lot Improvement Project will begin on July 23rd and will increase roadway capacity, improve traffic flow in and around the Airport, and create a new entrance into the Hourly Parking Lot. Bob Draper and his team are doing a great job planning for the additional capacity necessary to remain the friendly, convenient Airport serving greater Phoenix.
- Each year a Customer Satisfaction Survey is conducted to gauge how well the Airport is doing meeting the needs of its customers. The survey includes question about eight different operational categories: Directions, Parking, Check-In, Security, Seating, Cleanliness, Baggage Handling, and Customer Service. For the second consecutive year, Gateway Airport exceeded the previous year in all categories. These high ratings are attributed to the hard work and dedication of Airport staff, our airlines, the Transportation Security Administration, and all other airport tenants. Everyone working at Gateway Airport is committed to continuous improvement.

4. Consent Agenda

- a. **Minutes** of the Board Meeting held on June 19, 2018.
- b. **Resolution No. 18-29** - Authorizing the purchase of three service vehicles from **San Tan Ford** in an amount not-to-exceed \$112,739.15.
- c. **Resolution No. 18-30** - Authorizing the Executive Director to execute the Assignment and Assumption of Land Lease 2017-062 for the property located at 5655 S. Sossaman Road, Mesa, AZ 85212 to **Wings Valet Hangar Unit Association**.

**Mayor Gail Barney moved to approve the Consent Agenda.
Mayor John Giles seconded the motion. The motion was carried
unanimously.**

Consideration and Possible Approval of:

- 5. Resolution No. 18-31** - Authorizing an Amendment to the Master Lease Agreement with **Mesa SkyBridge, LLC** for the property located at the southeast corner of Sossaman Road and Velocity Way.

**Mayor Jenn Daniels moved to approve Resolution No. 18-31.
Mayor John Giles seconded the motion. The motion was carried
unanimously.**

- 6. Resolution No. 18-32** - Authorizing a **Memorandum of Understanding between Phoenix Mesa Gateway Airport Authority, the City of Mesa and Able Aerospace Services, Inc.** to expand Able's current facility located at 7706 E. Velocity Way, Mesa, Arizona 85212 for an MRO facility for fixed wing or rotor aircraft or aircraft parts, aviation parts fabrication, modification and installation and related aircraft maintenance, repair and overhaul services.

Business Development Director Shea Joachim provided a brief overview of the existing facility, the project scope, and proposed action. Chairman Serdy inquired about the new product lines being proposed for the expansion. Mr. Joachim stated that Able will be adding operations related to aircraft landing gear and helicopter propellers.

**Mayor John Giles moved to approve Resolution No. 18-32.
Mayor Gail Barney seconded the motion. The motion was carried
unanimously.**

- 7. Board Member Comments/Announcements.**

There were no comments/announcements.

- 8. Next Meeting:** Tuesday, September 18, 2018 at 9:00 a.m. in the Board Room (Saguaro A&B) of the Gateway Administration Building, 5835 South Sossaman Road, Mesa, Arizona. There will not be a meeting in August.

- 9. Adjournment.**

The meeting adjourned at 9:25 a.m.

Dated this ____ day of _____, 20____.

Maria E. Gonzalez, Clerk of the Board



Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

To: Board of Directors
From: Margi EvanSon, Operations & Maintenance Director
Through: Scott Brownlee, Deputy Director/COO
J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: Waxie Sanitary Supply
Date: July 30, 2018

Proposed Motion

To authorize the purchase of janitorial supplies from Waxie Sanitary Supply between August 2, 2018 and August 1, 2019, in the amount of \$81,300.

Narrative

Phoenix-Mesa Gateway Airport Authority (PMGAA) maintains facilities hosting 1.45 million annual commercial airline passengers and over 100 employees, as well as general aviation operations and various tenant and office space. A primary function of the Operations and Maintenance Department is to ensure Airport facilities provide a clean, sanitary, and aesthetically pleasing environment for passengers, visitors, tenants, and staff. Janitorial and sanitary supplies, such as paper products, cleaning solutions, and cleaning tools, are required for health, safety, and satisfaction of customers, visitors, tenants, and employees.

Authorization to purchase janitorial supplies from Waxie Sanitary Supply will allow PMGAA to utilize the unit pricing that was competitively bid for janitorial supplies.

PMGAA is a participating member of the National IPA, allowing it to utilize the renewed contract #151148-01 executed by the City of Tucson with Waxie Sanitary Supply via Network Services Companies for Janitorial Supplies with an expiration date of August 1, 2019.

Fiscal Impact

This expenditure was included in the FY19 operating budget and is funded under OPM Supplies & Maintenance: Operating Supplies.

Attachment(s)

Contract and Agreement to Use



RESOLUTION NO. 18-33

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS the Authority desires to purchase janitorial supplies from Waxie Sanitary Supply;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorize the purchase of janitorial supplies from Waxie Sanitary Supply between August 2, 2018 and August 1, 2019, in an amount of \$81,300. This resolution also authorizes the Chair or Executive Director/CEO to execute such Contract, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 18th day of September, 2018.

Jeff Serdy, Chair

ATTEST:

APPROVED AS TO FORM:

Maria Gonzalez, Clerk of the Board

Attorney



**Agreement to Use
City of Tucson of Tucson Term Contract #151148-01
via Cooperative Purchasing Agreement**

Whereas, the Phoenix-Mesa Gateway Airport Authority (PMGAA) is a member of National IPA, allowing it to utilize existing contracts by other National IPA members; and

Whereas, Tucson is also a member of National IPA and has executed contract # 151148-01 with Waxie Sanitary Supply via Network Services Companies for Janitorial Supplies; and

Whereas, PMGAA and Waxie Sanitary Supply desire to utilize the terms and conditions of Tucson's contract # 151148-01, including unit pricing that was competitively bid.

NOW THEREFORE, in consideration of the payment of fees and the performance by the parties of the mutual covenants and conditions set forth herein, the parties hereby agree as follows:

- A. CONTRACT:** This Agreement incorporates by reference and attachment all the terms and conditions of that certain cooperative purchasing contract # 151148-01, between City of Tucson and Waxie Sanitary Supply, except:
1. All references to City of Tucson shall be replaced with Phoenix-Mesa Gateway Airport Authority;
 2. The work scope is hereby modified to incorporate the changes of Attachment A; and
 3. The contract between Waxie Sanitary Supply and Phoenix-Mesa Gateway Airport Authority is independent of the City of Tucson contract # 151148-01.

To the extent applicable under Arizona Revised Statutes § 41-4401, the Contractor and its Subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees and compliance with the E-verify requirements under A.R.S. § 23-214(A). Contractor's or its Subcontractor's failure to comply with such warranty shall be deemed a material breach of this Contract and may result in the termination of this Contract by the Authority.

- B. FEE FOR SERVICES:** The fees to be utilized for this contract shall be as per original bid with City of Tucson, with the following exceptions:
1. Quantities shall be adjusted to reflect the actual needs of PMGAA
 2. The unit price for a custom list is reflected on the PMGAA Item List and shall be supplemental to the core price.

C. CONTRACT TERM

This Agreement is effective as of August 2, 2018 and shall terminate on August 1, 2019. This Agreement shall not extend beyond the original term and all extensions of the original contract with City of Tucson.

The approval and continuation of this contract is subject to the availability of funds either provided to, made available to, or appropriated by the Phoenix-Mesa Gateway Airport Authority for this purpose. In the event that funds are not available or appropriated for Phoenix-Mesa Gateway Airport Authority's payment requirements under this contract for the goods and/or services to be provided hereunder the Phoenix-Mesa Gateway Airport Authority may terminate this contract by providing notice to the contractor of the lack of the availability of funds.



PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
5835 SOUTH SOSSAMAN ROAD
MESA, ARIZONA 85212-6014


PHONE (480) 988 7600
FAX (480) 988 2315

The contractor acknowledges and agrees that one source of funding for this contract may be funds made available from the Federal Aviation Administration, and that this contract, its approval and continuation is contingent on the availability of those funds being made to the Phoenix-Mesa Gateway Airport Authority.

Approved for PMGAA:

By: Scott Bremel
Title: Deputy Director/COO
Date: 8-2-18

Accepted for Waxie Sanitary Supply

By: Michael Muscara 
Title: Director - Corporate Accounts
Date: 7.31.18



PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
5835 SOUTH SOSSAMAN ROAD
MESA, ARIZONA 85212-6014

PHONE (480) 988 7600
FAX (480) 988 2315

Attachment A

1. **Adjustment to:**

Final Standard terms and conditions

28. PAYMENT: PMGAA shall make every effort to process payment for the purchase of materials or services within thirty (30) calendar days after receipt of materials or services and a correct invoice.

2. **Contact Information**

a. Delivery

i. 6263 S. Taxiway Circle, Mesa, AZ 85212

b. Billing

i. 5835 S. Sossaman Road, Mesa, AZ 85212

CONTRACT AMENDMENT

CITY OF TUCSON DEPARTMENT OF PROCUREMENT
255 W. ALAMEDA, 6TH FLOOR, TUCSON, AZ 85701
P.O. BOX 27210, TUCSON, AZ 85726
PHONE: (520) 837-4134 / FAX: (520) 791-4735
cynthia.thompson@tucsonaz.gov
ISSUE DATE: Wednesday, May 30, 2018

CONTRACT NO: 151148-01
CONTRACT AMENDMENT NUMBER: EIGHT (8)
PAGE 1 of 1
CT
SENIOR CONTRACT OFFICER: CYNTHIA THOMPSON

JANITORIAL AND SANITATION SUPPLIES, EQUIPMENT AND RELATED SERVICES AMENDMENT NO. EIGHT (8)

THIS CONTRACT IS AMENDED AS FOLLOWS:

ITEM ONE (1): RENEWAL

Pursuant to the Special Terms and Conditions, Term and Renewal, the City is hereby exercising its option to renew the contract for the period of August 2, 2018 through August 1, 2019.

ALL OTHER PROVISIONS OF THE CONTRACT SHALL REMAIN IN THEIR ENTIRETY.

CONTRACTOR: NETWORK SERVICES COMPANY

CONTRACTOR HEREBY ACKNOWLEDGES RECEIPT OF
AND UNDERSTANDING OF THE ABOVE AMENDMENT.

Daniel Ceko Digitally signed by Daniel Ceko
DN: cn=Daniel Ceko, o=NETWORK Services
Company, ou,
email=daniel@networkdistribution.com, c=US
Date: 2018.05.31 13:03:49 -0500 May 31, 2018

Signature of person authorized to sign Date

Daniel Ceko, Treasurer & Corp. Counsel

Name and Title (typed or printed legibly)

NETWORK Services Company

Company Name

1100 E. Woodfield Rd., Suite 200

Address

dceko@networkdistribution.com

Email Address

Schaumburg, IL 60173

City State Zip

Contact information for Sales/Account Representative
for daily business operations:

Frank Barretta

Name and Title (typed or printed legibly)

224-361- 2150

Phone Number

fbarretta@networkdistribution.com

Email Address

CITY OF TUCSON:

THE ABOVE REFERENCED CONTRACT AMENDMENT

IS HEREBY EXECUTED THIS 31st DAY

OF May, 2018, AT TUCSON, ARIZONA

for Nathan Dixon
Pete Saxton, CPA
as Director of Procurement and not personally



Janitorial and Sanitation Supplies, Equipment and Related
Services Executive Summary

Lead Agency: City of Tucson, Arizona

Solicitation: 151148

RFP Issued: January 23, 2015

Pre-Proposal Date: February 5, 2015

Response Due Date: February 20, 2015

Proposals

Received: 3 Awarded to:



The City of Tucson, Arizona Department of Procurement issued Request for Proposal # 151148 on January 23, 2015, to establish a national contract for janitorial and sanitation supplies, equipment and related services.

Notice of the solicitation was sent to potential offerors, as well as advertised in the following:

- ≡ City of Tucson, AZ website
- ≡ Hawaii Tribune-Herald, HI
- ≡ Daily Journal of Commerce, OR
- ≡ The State, SC
- ≡ The Olympian, WA
- ≡ Times Union, NY
- ≡ National IPA website

On February 20, 2015 proposals were received from the following offerors:

- ≡ Office Depot
- ≡ SMA
- ≡ Network Services Company

The proposals were evaluated by an evaluation committee. Using the evaluation criteria established in the RFP, the committee elected to enter into negotiations with Network Services Company and proceeding with contract award upon successful completion of negotiations.

The City of Tucson, AZ, National IPA and Network Services Company successfully negotiated a contract and the City of Tucson executed the agreement with a contract effective date of August 2, 2015.

Contract Includes:

All janitorial and sanitation product and supply needs are available via the City of Tucson, AZ national cooperative award.

Term Initial two-year agreement from August 2, 2015 through August 1, 2017 with the option to
: renew for three (3) additional one-year periods through August 1, 2020.

Pricing/Discount:

- ≡ The National Core List of items represent the high use items nationwide offered by Network Services Company at a discounted net price. This is NOT the complete list of janitorial and sanitation products available under the contract.
- ≡ Agency-Specific Custom Core Lists are available to accommodate the diverse specific products needs of agencies nationwide. Each agency has the opportunity to build a list of their most highly utilized items and brands. These items are priced based on regional market conditions in order to drive additional savings.
 - ≡ Large volume discounts are available. Your agency's local Network Services distributor will work with you to ensure your savings are maximized via the cooperative contract.



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National IPA Janitorial Supply Contract Information

WAXIE Sanitary Supply as a member of Network Services offers eligible customers access to the Janitorial Supplies and Equipment Contract between the City of Tucson and Network Services Inc.

Janitorial and Sanitation Supplies

Awarded by City of Tucson, AZ (Contract #151148)

Awarded to: Network Services Company

Local Supplier: WAXIE Sanitary Supply

Contact: Mike Muscara, Corporate Accounts Director 800-544-8054 ext. 625 / Cell 480-213-1709.

mmuscara@waxie.com

A competitively bid contract that is available to public agencies nationwide via the National Intergovernmental Purchasing Alliance (National IPA). This contract is a catalog wide agreement offering a core product list of approximately 800 of the most frequently ordered Janitorial and Sanitation Supplies items, which are available nationally and offered at substantially reduced prices. In addition, the contract offers Custom Product Lists so that the City of Tucson and participating public agencies can create an offering that is unique to their facility or institution.

National IPA Janitorial and Sanitation Supplies Contract Highlights

- **Term:**
 - Initial two year agreement from August 2, 2015 through August 1, 2017 with option to renew for three (3) additional one year periods.
- **Pricing:**
 - Consists of a deep, discounted core list containing approximately 800 products available nationally and a WAXIE Sanitary Supply branded product offering at very deep discounts for WAXIE customers participating in the contract
 - Custom Price List for each participating agency to meet their specific needs. Pricing may provide additional discounts and reduced pricing in cases of high volume and/or repetitive product purchases. See City custom price list titled "City of Tucson NIPA Market Basket Rev 8-2-10.xls"
 - Private Line Products: Products offered typically yield a 5-25% savings when compared to equivalent branded products
 - Volume Discounts for large purchases
 - Orders \$1,500 - \$2,499 receive a 3% discount off invoice
 - Orders \$2,500+ receive a 5% discount off invoice
- **Freight**
 - FOB Destination subject to a minimum \$400 order. Orders below the minimum will incur a \$40 service fee. Remote rural locations may incur a freight charge
- **Payment:**
 - Payment is accepted by credit cards at time of order entry online, phone or fax
 - Payment is also accepted by ACH, EFT and EDI 820
 - Net 30 payment terms
- **Ordering**
 - Web-based electronic order entry
 - EDI-based electronic ordering



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- Contact your local distributor to verify ordering capabilities which may include will call, fax and phone orders
- eCommerce
 - Punch-out catalog capabilities, static catalog for product search, Automated Clearing House and EFT payment receipt
- Consulting Services available from WAXIE Sanitary Supply
 - Includes services such as Sustainable Supply Chain Management, Green Partner Support Program, CIMS, LEED, Green Programs and Environmental Effectiveness Audits
- Training and Education
 - Provided in a seminar format using a multi-media platform covering topics such as effective cleaning techniques, team cleaning approach, hand hygiene, safety/personal protection and proper utilization of powered cleaning equipment
- Customizable Small Business Program
 - WAXIE is working with the City of Tucson to identify Tucson based companies that can add value to the contract with goods and or services
- Repair Services
 - WAXIE has offered an addendum and the City of Tucson has accepted a comprehensive equipment repair service program for onsite and shop repairs for any contract customer purchasing from WAXIE Sanitary Supply

About National IPA

National IPA is a cooperative purchasing organization established for agencies and institutions nationwide in order to reduce procurement costs by leveraging group volume. All contracts are competitively solicited, awarded and held by a public agency and made available for "piggybacking" to agencies nationwide via National IPA. Eligible agencies include:

- State Government
- County Government
- City/Local Government
- Public and Private Educational Institutions & Systems
- Special Districts
- Government-Education Healthcare Entities
- Nonprofits
- Any agency that exists for public benefit

This is an optional use program with no fee to participate. Visit www.nationalipa.org for more information and to register for participation.

Additional information about the National IPA Janitorial and Sanitation Supplies Contract with Network/WAXIE Sanitary Supply can be viewed on the National IPA website:

http://nationalipa.org/network_services_documents.html

Everything You Need To Clean When You Want To Go Green

WAXIE can provide assistance in implementing an effective green cleaning program – please click here to learn more about **WAXIE's GPS® Green Partner Support™**.

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Contact WAXIE

- Corporate Headquarters
- 9353 WAXIE Way
- San Diego, CA 92123
- (800) 995-4466



Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

To: Board of Directors
From: Ryan Smith, Communications & Government Relations
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: Terminal Advertising Agreement – Owens, Harkey & Associates, LLC
Date: September 18, 2018

Proposed Motion

To authorize a terminal advertising agreement with Owens, Harkey & Associates, LLC for two column wraps, 10' x 5' wall ad, and 9' x 9' floor ad. The agreement term is one year, commencing on October 1, 2018, payable at a monthly rate of \$5,849.

Narrative

Owens, Harkey & Associates, LLC (OH) is a full-service national advertising agency and the ad agency of record for Gila River Gaming Enterprises (GRGE). OH has made several media buys with PMGAA on behalf of GRGE since February 2017. This agreement includes a wall ad above baggage belt two, 9' x 9' floor ad just outside the automated exit lane, a column wrap in baggage claim, and a column wrap at gate five.

Agreement Term and Rate

This agreement has a term of one year with no renewal options. Agreement rate is \$5,849 per month.

Attachment(s)

Terminal Advertising Agreement



RESOLUTION NO. 18-34

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS the Authority desires to enter into a terminal advertising agreement with Owens, Harkey & Associates, LLC;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorize a terminal advertising agreement with Owens, Harkey & Associates, LLC for two column wraps, 10’ x 5’ wall ad, and 9’ x 9’ floor ad. The agreement term is one year, commencing on October 1, 2018, payable at a monthly rate of \$5,849. This resolution also authorizes the Chair or Executive Director/CEO to execute such Contract, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 18th day of September, 2018.

Jeff Serdy, Chair

ATTEST:

APPROVED AS TO FORM:

Maria Gonzalez, Clerk of the Board

Attorney



Phoenix-Mesa Gateway Airport Authority

Terminal Advertising Agreement

with

Owens, Harkey & Associates, LLC

Effective Date: October 1, 2018

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EXHIBIT A..... A-1

**Phoenix-Mesa Gateway Airport Authority
TERMINAL ADVERTISING AGREEMENT**

This LICENSE AGREEMENT (the “Agreement”) is made and entered into this FIRST (1st) day of OCTOBER 2018 (the “Effective Date”), by and between the **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY**, a joint powers airport authority authorized and existing under the laws of the State of Arizona (“PMGAA”), and **OWENS, HARKEY & ASSOCIATES**, an Arizona Limited Liability Company (“Advertiser”). PMGAA and Advertiser may be referred to as “Parties,” and each separately as a “Party.”

WITNESSETH:

WHEREAS, PMGAA is the owner and operator of Phoenix-Mesa Gateway Airport, an airport and airfield property generally located at the intersection of Ray Road and Sossaman Road, City of Mesa, Maricopa County, Arizona (the “Airport”); and

WHEREAS, PMGAA has the right to license and grant the use of property and facilities on the Airport and has full power and authority to enter into this Agreement in respect thereof; and

WHEREAS, PMGAA operates and maintains the Ticketing Terminal, Fergie and Feller Field outdoor courtyard, the Annex, and the Arriving Terminal at the Airport which houses facilities for passenger processing and related services and amenities (the “Terminal”); and

WHEREAS, PMGAA wishes to allow appropriate advertising within certain areas of the Terminal;

WHEREAS, Advertiser desires to advertise its or its customers’ products or services within the Terminal in accordance with the rules of the Authority;

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

1. ADVERTISING LOCATIONS AND MEDIA

1.1 Identification of Advertising Locations: The authorized advertising locations and media are identified below and illustrated in Exhibit A.

Wall graphic:	Wall 4 above baggage belt two
Floor space / graphic:	9’x9’ area west of the Baggage Claim Automated Exit Lane
Column wrap:	Gate 5 (CW5B)
Column wrap:	Baggage claim (CW12)

1.2 Use of Premises: Advertiser agrees that this Agreement solely grants a license for the designated advertising locations and media to be used exclusively for advertising purposes only. Advertiser represents that Advertiser has the legal right to display the advertisement or advertising materials. Advertiser shall be responsible for any damage to Airport property during the installation or removal of the advertisement, as well as any damage that is caused by Advertiser during the term of this Agreement. Advertiser shall be granted access to the Airport during regular business hours to install the advertisement. Advertiser’s installation shall not unreasonably interfere with any activity at the Airport or its patrons or employees. Advertiser shall maintain the advertisement and space provided in a reasonable, commercially presentable condition, as further described in SECTION 4.

1.2.1 Advertising Standards: Advertising shall be limited to speech that proposes a commercial transaction. Advertising copy must not be displayed that:

- (1) Is false, misleading, or deceptive;
- (2) Relates or refers to an activity that violates federal, state, or local law;
- (3) Contains explicit sexual material, obscene material, or material harmful to minors as these terms are defined in Arizona Revised Statutes Chapter 35;

- (4) Advertises alcohol or tobacco products;
- (5) Depicts violence and/or anti-social behavior;
- (6) Includes language that is obscene, vulgar, profane or scatological; or
- (7) Relates to instruments, devices, items, products, or paraphernalia designed for use in connection with “specified sexual activities” as defined in the City of Mesa Zoning Ordinance and City Code.

1.2.2 The Executive Director has the authority to make a determination on whether an advertisement is in compliance with these standards.

2. TERM

The term of this Agreement shall commence on the Effective Date and terminate ONE (1) YEAR thereafter, on September 30, 2019 (the “Term”), unless sooner terminated as provided herein.

3. FEES

3.1 General: For and in consideration of the privilege and authorization herein granted, Advertiser shall pay to PMGAA, the following fees:

Wall graphic:	Wall 4 above baggage belt two	=	\$1,275.00 / month
Floor space / graphic:	9’x9’ area	=	\$1,154.00 / month
Column wrap:	CW5B	=	\$1,710.00 / month
Column wrap:	CW12	=	\$1,710.00 / month

Total: \$5,849.00 / month

All advertising fees shall be remitted to PMGAA as specified in SECTION 3.2 herein, payable in full and without any prior demand therefor and without any abatement, deductions or set-offs whatsoever.

3.2 Fee Payments:

3.2.1 Advertiser shall remit all monthly fees to PMGAA on or before the FIRST (1st) day of the month for the previous month (“Advertising Fee Due Date”). Such payments shall include applicable taxes, as required by SECTION 3.4. All payments shall be tendered in lawful currency of the United States, either by check or electronic transfer, and shall be free from all claims or setoffs of any kind against PMGAA.

3.2.2 No payment to or receipt by PMGAA of a lesser amount than that which is due and payable under the provisions of this Agreement at the time of such payment shall be deemed to be other than a payment on account of the earliest payment due, nor shall any endorsement or statement on any check or payment prejudice in any way PMGAA’s right to recover the balance of such payment or pursue any other remedy provided in this Agreement or by law.

3.2.3 All payments required by this SECTION 3 shall be remitted to the following address by the Advertising Fee Due Date:

Phoenix-Mesa Gateway Airport Authority
Attention: Accounts Receivable
5835 S Sossaman Rd
Mesa, AZ 85212-6014

or such other address specified in writing by PMGAA to Advertiser.

3.3 Finance and Late Charges:

3.3.1 If PMGAA receives payment for any rental or other fee from Advertiser TEN (10) or more calendar days after the applicable due date, Advertiser shall pay interest on the unpaid installment at the rate of EIGHTEEN PERCENT (18%) per annum (a "Finance Charge"), from the Advertising Fee Due Date and continuing until payment is received by PMGAA in full.

3.3.2 In the event any payment is received by PMGAA more than TEN (10) days after the Advertising Fee Due Date, a late penalty of TEN PERCENT (10%) of the amount of such delinquent payment (a "Late Penalty") shall be due and payable in addition thereto.

3.4 Taxes: In the event any governmental authority shall impose a tax or imposition based upon any rental payments, fees, or any other sums paid or owing hereunder or the receipt of such payments by PMGAA, then, Advertiser shall pay such amounts to PMGAA at the same time and in addition to payments hereunder, which amounts may include, but are not limited to, any or all rental, transaction privilege, sales, excise, or other similar tax except income taxes. Advertiser's obligation to pay such amounts together with any interest thereon and/or penalties therefor, shall survive the termination of this Agreement.

4. MAINTENANCE, REPAIRS, AND SERVICES

4.1 Advertiser Obligations:

4.1.1 Advertiser shall, at Advertiser's sole expense, acquire the content of all advertisements and endeavor to keep all displays filled with content that enhances the passenger experience, including destination-specific information, airport information, and entertainment, in accordance with the advertising standards set forth in this Agreement.

4.1.2 Advertiser shall perform all cleaning, repair, and maintenance of the trade fixtures installed by Advertiser. Advertiser will make any and all required repairs within twenty-four (24) hours.

4.1.3 Advertiser shall maintain and conduct its operations in a proper, business-like manner so as not to disturb or be offensive to other tenants or customers at the Terminal.

4.1.4 All employees or subcontractors of Advertiser shall, at all times while working at the Terminal, conduct themselves with exemplary demeanor, be courteous and polite to the public, and not engage in any raucous or offensive conduct.

4.2 PMGAA Obligations: PMGAA may provide Advertiser periodic reports of passenger traffic and such other information that may be useful to Advertiser in enhancing Airport passengers' experiences, provided such reports do not entail undue expense to PMGAA.

5. INSURANCE AND INDEMNIFICATION

5.1 Insurance Coverage Required: Advertiser shall procure and maintain, at its expense, insurance of the kind and in the amount hereinafter provided, by companies authorized to do such business in the State of Arizona, covering all operations under this Agreement whether performed by Advertiser or by an approved subcontractor. The insurance requirements set forth below do not in any way limit the amount or scope of liability of the Advertiser under this Agreement. Coverage shall be at least as broad as:

5.1.1 Professional Liability (Errors and Omissions): Insurance appropriate to the Advertiser's profession, with limits no less than \$1,000,000 per occurrence or claim, \$2,000,000 aggregate.

5.1.2 All insurance must be maintained and be current and the Advertiser must name PMGAA as an additional insured. Certificate of Insurance must be on file with PMGAA, be current at all times, and provided to PMGAA prior to the Effective Date of this Agreement.

5.2 Indemnification: To the fullest extent permitted by law, Advertiser shall indemnify, defend, and hold PMGAA, its agents and employees, harmless for, from and against all liability, claims, damages, losses, expenses, and fines including attorney's fees and costs of litigation, arising out of, sustained, or in any manner related to Advertiser's advertisements and their content, and the Advertiser's and its employees' and agents' use of and activities at the Airport or any part or appurtenance thereof. Advertiser shall not be liable for losses due to the gross negligence or willful misconduct of PMGAA, its agents or employees.

6. CIVIL RIGHTS

Advertiser agrees to comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability, be excluded from participating in any activity conducted with or benefiting from Federal assistance. This provision binds the Advertiser and subcontractors from the bid solicitation period through the completion of the contract. This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.

6.1 Compliance with Nondiscrimination Requirements: During the performance of this Agreement, the Advertiser, for itself, its assignees, and successors in interest, agrees as follows:

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

6.1.2 Nondiscrimination: Advertiser, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. Advertiser will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR Part 21.

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

6.1.4 Information and Reports: Advertiser will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the sponsor or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions.

6.1.5 Sanctions for Noncompliance: In the event of Advertiser's noncompliance with the non-discrimination provisions of this contract, the sponsor will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:

- (1) Withholding payments to Advertiser under the contract until the Advertiser complies; and/or
- (2) Cancelling, terminating, or suspending a contract, in whole or in part.

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

6.1.7 Title VI List of Pertinent Nondiscrimination Acts and Authorities: During the performance of this Agreement, the Advertiser, for itself, its assignees, and successors in interest (hereinafter referred to as the “Contractor”) agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- (1) Title VI of the Civil Rights Act of 1964 (42 USC § 2000d et seq., 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);
- (2) 49 CFR part 21 (Non-discrimination in Federally-assisted programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964);
- (3) The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 USC § 4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- (4) Section 504 of the Rehabilitation Act of 1973 (29 USC § 794 et seq.), as amended (prohibits discrimination on the basis of disability); and 49 CFR part 27;
- (5) The Age Discrimination Act of 1975, as amended (42 USC § 6101 et seq.) (prohibits discrimination on the basis of age);
- (6) Airport and Airway Improvement Act of 1982 (49 USC § 471, Section 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);
- (7) The Civil Rights Restoration Act of 1987 (PL 100-209) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms “programs or activities” to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- (8) Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 USC §§ 12131 – 12189) as implemented by U.S. Department of Transportation regulations at 49 CFR parts 37 and 38;
- (9) The Federal Aviation Administration’s Nondiscrimination statute (49 USC § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);

- (10) Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures nondiscrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- (11) Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);
- (12) Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 USC 1681 et seq).

7. FEDERAL FAIR LABOR STANDARDS ACT

This Agreement incorporates by reference the provisions of 29 CFR part 201, the Federal Fair Labor Standards Act (FLSA), with the same force and effect as if given in full text. The FLSA sets minimum wage, overtime pay, recordkeeping, and child labor standards for full and part-time workers.

Advertiser has full responsibility to monitor compliance to the referenced statute or regulation. Advertiser must address any claims or disputes that arise from this requirement directly with the U.S. Department of Labor – Wage and Hour Division.

8. OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970

This Agreement incorporates by reference the requirements of 29 CFR Part 1910 with the same force and effect as if given in full text. The employer must provide a work environment that is free from recognized hazards that may cause death or serious physical harm to the employee. The employer retains full responsibility to monitor its compliance with the applicable requirements of the Occupational Safety and Health Act of 1970 (20 CFR Part 1910). The employer must address any claims or disputes that pertain to a referenced requirement directly with the U.S. Department of Labor – Occupational Safety and Health Administration.

9. ASSIGNMENT

9.1 Consent: Licensee shall not assign, transfer or encumber this Agreement in any manner, or any part hereof, or interest herein or sublicense any of the Premises hereunder, except with the prior written permission of PMGAA and subject to whatever reasonable limitations and conditions may be required by PMGAA. Any other transfer, assignment, or sublicense shall be void and shall confer no rights upon any third person. No authorized assignment or sublicense shall relieve Advertiser of any obligation under this Agreement unless otherwise agreed in advance, in writing by PMGAA. Notwithstanding the foregoing, this Section 9 shall not be interpreted to preclude the assignment of this Agreement to a parent, subsidiary, or merged company, if such part, subsidiary or merged company assumes all rights and obligations of this Agreement. Written notice of such assumption shall be provided by PMGAA by the parent, subsidiary or merged company not less than THIRTY (30) calendar days prior to the effective date of such assignment.

9.2 Transfer Defined: For the purposes of this Agreement, a “transfer” shall be deemed to include the following: (i) if Advertiser is a corporation, partnership, limited liability company, or other legal entity, the transfer of any ownership interest in such entity resulting in a change in the present control of such entity by the person or persons owning a majority of the ownership interest thereof as of the date of this Agreement; provided, however, if

Advertiser is a corporation whose stock is traded on a nationally recognized stock exchange, the transfer of Advertiser's stock shall not constitute a transfer requiring PMGAA's consent, or (ii) the sale of TWENTY-FIVE PERCENT (25%) or more in value of the assets of Advertiser.

10. DEFAULT; TERMINATION BY PMGAA

10.1 Events of Default: A material default of this Agreement by Advertiser (an "Event of Default") is defined as failure of Advertiser to pay any fee or other amount due from Advertiser hereunder, or required by any other agreement between the Parties, failure of Advertiser to comply with any standards or requirements set forth in the Agreement or failure of Advertiser to perform any of its other obligations under this Agreement.

10.1.1 Advertiser shall have TEN (10) business days from receipt of written notice of an Event of Default to cure such default. In the Event the Default is not cured, PMGAA may exercise any of the remedies provided in Section 10.2.

10.2 PMGAA's Remedies: Upon the occurrence of an Event of Default under this Agreement, PMGAA may, without prejudice to any other rights and remedies available to PMGAA at law, in equity or by statute, exercise one or more of the following remedies, all of which shall be construed and held to be cumulative and non-exclusive:

10.2.1 Terminate this Agreement and take possession of and remove any advertising on display;
or

10.2.2 Without terminating this Agreement, take possession of and remove any advertising on display; or

10.2.3 With or without terminating this Agreement, PMGAA may re-license the designated advertising locations or any portion thereof.

10.3 PMGAA's Current Damages: PMGAA is authorized to make such repairs, refurbishments or improvements to the designated advertising locations as may be necessary for the purpose of attempting to re-license the space, and the costs and expenses incurred in respect of such repairs, redecorating, refurbishments and improvements shall be paid by Advertiser to PMGAA within FIVE (5) business days after receipt of PMGAA's statement.

If PMGAA exercises any of the remedies stated above, PMGAA shall be entitled to recover from Advertiser all damages incurred by PMGAA by reason of the Event of Default, which shall include, without limitation, (i) the equivalent of the amount of the fees and all other payments which would be payable under this Agreement by Advertiser for the remainder of the Term as if this Agreement were still in effect, less (ii) the net proceeds of any re-licensing by PMGAA after deducting all of PMGAA's expenses in connection with such re-licensing, which shall include, without limitation, repairs, redecorating, refurbishments or improvements advertising locations, brokerage commissions, attorneys' fees, and legal expenses. Advertiser shall pay such current damages to PMGAA, in the amount set forth in the preceding sentence (hereinafter called the "Deficiency"), in monthly installments on the days on which the fees would have been payable under this Agreement as if this Agreement were still in effect.

10.4 No Waiver by PMGAA: No waiver by PMGAA of any breach or default by Advertiser in the performance of its obligations under this Agreement shall be deemed to be a waiver of any subsequent default by Advertiser in the performance of any of such obligations, and no express waiver shall affect an Event of Default in a manner other than as specified in said waiver. The consent or approval by PMGAA to or of any act by Advertiser requiring PMGAA's consent or approval shall not be deemed to waive or render unnecessary PMGAA's consent or approval to or of any subsequent similar acts by Advertiser.

10.5 Content of Default Notice: Any default notice tendered to Advertiser hereunder shall be deemed to be sufficient if it is reasonably calculated to put Advertiser on inquiry as to the nature and extent of such default.

10.6 Advertiser's Right of Cancellation: Except as otherwise provided herein, Advertiser shall have the right to terminate this Agreement in its entirety upon THIRTY (30) calendar days advance written notice to PMGAA if one or more of the following events of default are committed by PMGAA:

10.6.1 The issuance by any court of competent jurisdiction of any injunction preventing or restraining the use of the Airport in such a manner as to substantially restrict Advertiser from conducting its business activities at, on, and within the Terminal, which injunction is not caused by any act or omission of Advertiser and such injunction remains in force for at least SIXTY (60) consecutive calendar days.

10.6.2 If Advertiser is deprived of the use of all or a major portion of the Terminal for THIRTY (30) consecutive calendar days or more, subject to the relocation or other applicable renovation provision provided for herein.

10.6.3 The assumption by the United States Government and the authorized agencies thereof, or any other governmental agency, of the operation, control or use of Airport facilities or any substantial part of parts thereof in such a manner as to substantially restrict the conduct of Advertiser's business thereto for a period of THIRTY (30) calendar days or more.

10.6.4 The Terminal sustains major damage or destruction by fire or other casualty, when such damage or destruction shall substantially interfere with Advertiser's business therein and PMGAA is unable to complete required repairs and/or restoration of the Terminal within SIX (6) months following the date of such damage or destruction.

10.6.5 Passenger enplanements at the Terminal are reduced below twenty-five percent (25%) of the average monthly passenger enplanements occurring as of the Effective Date of this Agreement and such reduction continues for a period for FOUR (4) consecutive calendar months.

10.6.6 A breach by PMGAA of any of the terms and covenants or conditions within this Agreement. In the event of such a breach, Advertiser shall have available all rights and remedies provided at law or in equity, subject to the terms and conditions of this Agreement; provided, however, Advertiser may not exercise any such right or remedy unless Advertiser has notified PMGAA by written notice of such alleged default, and PMGAA has not cured such default within a THIRTY (30) calendar day period subsequent to receipt of such notice or, in the event such alleged default is of such a nature that it cannot be reasonably cured within such THIRTY (30) day period, PMGAA has failed to cure such alleged default with all due diligence. Notwithstanding anything to the contrary in this Agreement, in no event shall Advertiser be entitled to terminate this Agreement or abate or offset any installment of rent or any other payments to be made by Advertiser hereunder.

11. NONWAIVER

PMGAA's right to terminate this Agreement shall be absolute. Any election by PMGAA to not enforce any provision of this Agreement, or any failure by PMGAA to exercise any of the remedies allowed PMGAA under this Agreement, shall not operate as a waiver by PMGAA of its right.

12. APPLICABLE LAW

The laws of the State of Arizona, including its conflicts of law provisions, shall govern the matters set forth in this Agreement. Venue of any action brought under this Agreement shall, at the option of PMGAA, lie in Maricopa County, Arizona.

13. RULES AND REGULATIONS

Advertiser shall at all times comply with all Federal, State, and local laws, ordinances, rules, and regulations which are applicable to its operations, the Premises itself (including but not limited to the Americans with Disabilities Act), or the operation, management, maintenance, or administration of the Airport, including all laws, ordinances, rules and regulations adopted after the Effective Date. Advertiser shall at all times comply with the Airport Rules and Regulations, as applicable and as the same may be amended from time to time. A copy of the Airport Rules and Regulations is available for download on our website, www.gatewayairport.com, on the Policies, Documents & Forms page. Advertiser acknowledges and agrees that PMGAA may amend the Airport Rules and Regulations at any time in PMGAA's sole and absolute discretion. Advertiser also shall display to PMGAA any permits, licenses, or other evidence of compliance with laws upon request.

14. CORPORATE AUTHORIZATION

In executing this Agreement, Advertiser represents and warrants to PMGAA that Advertiser has obtained and been granted the full right, power, and authority to enter into this Agreement.

15. NOTICES

15.1 Notices required under this Agreement shall be in writing and delivered personally or by registered or certified mail, postage prepaid, addressed as follows:

TO PMGAA: Phoenix-Mesa Gateway Airport Authority
Attention: Marketing Analyst
5835 S Sossaman Rd
Mesa, AZ 85212-6014

TO ADVERTISER: Owens, Harkey & Associates, LLC
Attention: Jennifer Harlan, Media Supervisor
3550 N Central Ave, Ste 1900
Phoenix, AZ 85012
Phone: 602-254-5159
E-mail: j.harlan@ohpartners.com

15.2 Notice by certified or registered mail in the manner described above shall be deemed effective the day after its deposit in the mail.

16. MISCELLANEOUS

16.1 Proof of Performance: Advertiser may request a staff member to provide escort to the secured side of the terminal to review the advertisement with a 24-hour notice.

16.2 Competing Companies: This non-exclusive Agreement allows PMGAA to sell advertising space to possible competitors of Advertiser.

16.3 No Waiver: No provision of this Agreement may be waived or modified except by a written instrument signed by the Party against whom such waiver or modification is sought.

16.4 Non-Waiver of Rights: No waiver or default by PMGAA of any of the terms, conditions, covenants, or agreements hereof to be performed, kept or observed by Advertiser shall be construed or act as a waiver of any subsequent default of any of the terms, covenants, conditions, or agreements herein contained to be

performed, kept or observed by Advertiser, and PMGAA shall not be restricted from later enforcing any of the terms and conditions of this Agreement.

16.5 Amendment: This Agreement may be amended only by a written instrument executed by the Parties.

16.6 Cancellation: The Parties hereto acknowledge and agree that this Agreement may be cancelled pursuant to the provisions of ARS § 38-511.

16.7 Invalid Provisions: Should any provision of this Agreement or any application thereof be held invalid by a court of competent jurisdiction, the remainder of this Agreement shall not be affected thereby, unless one or both Parties would be substantially and materially prejudiced.

16.8 Litigation Expenses: In the event of litigation between PMGAA and Advertiser, the prevailing Party shall be entitled to recover its attorney’s fees and all costs and expenses of litigation, including witness fees, expert witness fees, and court costs.

16.9 Headings: The headings contained herein are for convenience in reference only and are not intended to define or limit the scope of this Agreement or any term thereof.

16.10 Approvals, Consents, and Notices: All approvals, consents, and notices called for in this Agreement shall be in writing, signed by the appropriate party, and may not be established solely by oral testimony.

16.11 Entire Agreement: This Agreement, including exhibits attached hereto at the time of its execution, constitutes the entire Agreement between the Parties hereto.

17. INCORPORATION OF RECITALS

The recitals set forth above are acknowledged by the Parties to be true and correct and are incorporated herein by this reference.

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

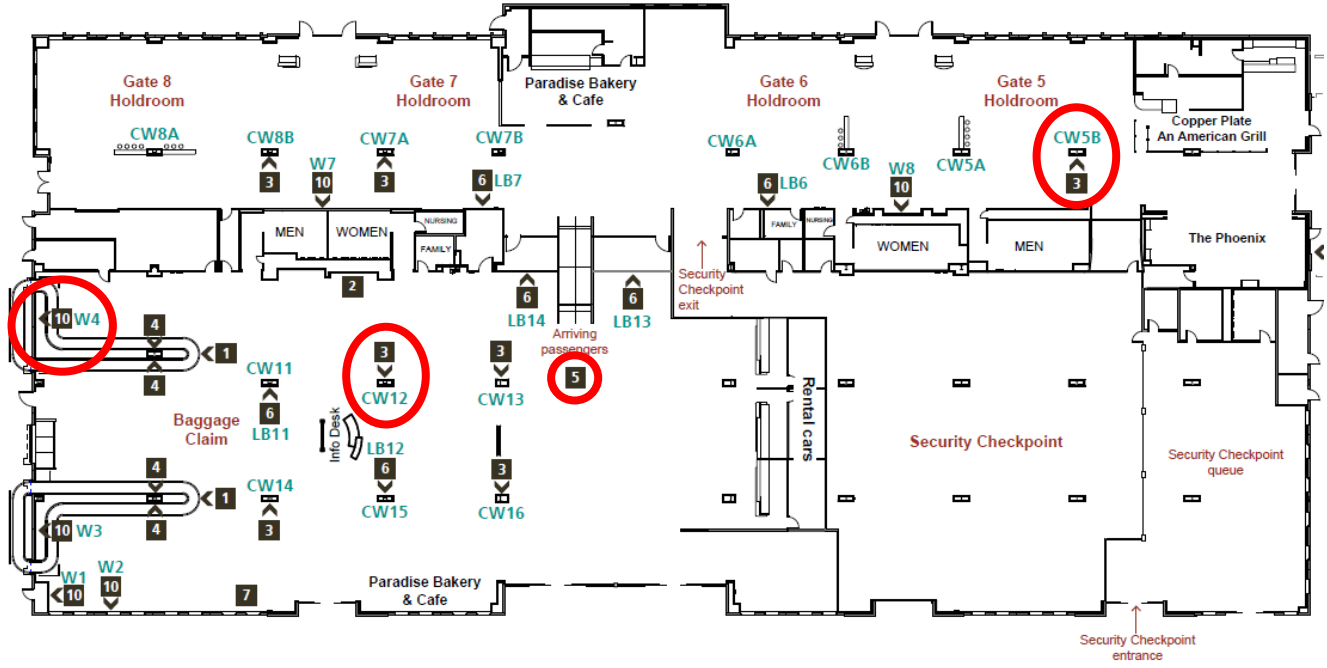
FOR PMGAA:
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY,
an Arizona joint powers airport authority

By: _____ Date: _____
J. Brian O’Neill, A.A.E., Executive Director / CEO

FOR ADVERTISER:
OWENS, HARKEY & ASSOCIATES,
an Arizona Limited Liability Company

By: _____ Date: _____
Jennifer Harlan, Media Supervisor

EXHIBIT A
Location of Advertising





Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

To: Board of Directors
From: Shea Joachim, CEcD, Business Development Director
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: Land Lease – Lot 37
Date: September 4, 2018

Proposed Motion

To authorize a land lease with Wetta Ventures, LLC for lot 37 located at 6253 S. Sossaman Road and consisting of approximately 3.7 acres. The lease term is thirty (30) years, commencing on November 1, 2018, with two (2) five-year extension options, payable at a monthly rate of \$6,715.57 commencing on the Rent Commencement Date.

Narrative

Lot 37, located at 6253 S. Sossaman Rd., consists of approximately 3.7 acres (the “Premises”). Wetta Ventures, LLC (“Lessee”) has requested to lease the Premises to develop and construct speculative corporate hangars with a capital investment of not less than \$5,000,000.00 (the “Improvements”).

Hangar 37 is an open-air hangar that currently exists upon the Premises (the “Existing Improvements”). Lessee will be responsible for demolishing the Existing Improvements to prepare the Premises for construction of the Improvements.

The Airport’s contracted brokerage firm, CBRE, Inc. assisted with the transaction.

Agreement Term and Rate

The initial lease rate is \$6,715.57 per month (or \$80,586.82 annually) for the Premises. The term of the lease is thirty (30) years with two (2) five-year extension options.

To facilitate demolition, site preparation, and new construction, the Rent Commencement Date of the lease is on the earlier of either (i) the delivery of a Certificate of Occupancy or its equivalent from the City of Mesa for the Improvements or; (ii) May 1st, 2020.

Attachment(s)

Land Lease Agreement



RESOLUTION NO. 18-35

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority formed pursuant to Arizona Revised Statute § 28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS, the Authority desires to enter into a land lease with Wetta Ventures, LLC;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorize a land lease with Wetta Ventures, LLC for lot 37 located at 6253 S. Sossaman Road and consisting of approximately 3.7 acres. The lease term is 30 years, commencing on November 1, 2018, with two (2) five-year extension options, payable at a monthly rate of \$6,715.57 commencing on the Rent Commencement Date. This resolution also authorizes the Chair or Executive Director/CEO to execute such Agreement, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 18th day of September, 2018.

Jeff Serdy, Chair

ATTEST:

APPROVED AS TO FORM:

Maria Gonzalez, Clerk of the Board

Attorney



Phoenix-Mesa Gateway Airport Authority

LAND LEASE

with

Wetta Ventures, LLC

Effective Date: November 1st, 2018

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Phoenix-Mesa Gateway Airport Authority
LAND LEASE

This Land Lease (the “Lease”) is executed to be effective the FIRST (1st) day of NOVEMBER 2018 (the “Effective Date”) between the **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY**, a joint powers airport authority authorized and existing under the laws of the State of Arizona (“Lessor”), and **WETTA VENTURES, LLC**, an Arizona limited liability company (“Lessee”). Lessor and Lessee may be referred to jointly as “Parties,” and each separately may be referred to as a “Party.”

WITNESSETH:

WHEREAS, Lessor is the owner and operator of the Phoenix-Mesa Gateway Airport generally located at the intersection of Ray Road and Sossaman Road, City of Mesa, Maricopa County, Arizona (the “Airport”); and

WHEREAS, Lessor has the right to lease, license and grant the use of property and facilities on the Airport and has full power and authority to enter into this Lease in respect thereof; and

WHEREAS, Lessor desires to lease to Lessee, and Lessee desires to lease from Lessor, that certain real property at the Airport located at 6253 South Sossaman Road, Mesa, Arizona 85212 and described as Lot 37, consisting of approximately ONE HUNDRED SIXTY-ONE THOUSAND, ONE HUNDRED SEVENTY-THREE AND 64/100 (161,173.64) square feet, as set forth in **EXHIBIT A** attached hereto (the “Premises”) for the purpose of developing the lot with new aircraft hangars and supporting facilities (the Initial Improvements as defined in Section 7.2 herein); and

WHEREAS, Lessor desires to lease the Premises to Lessee on the terms and conditions set forth herein;

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

1. LEASE.

Lessor hereby leases the Premises to Lessee, subject to all easements and rights of way that may encumber the Premises, and further subject to all operational and use restrictions and other terms and conditions set forth in this Lease.

1.1 Right to Use Premises. Lessor agrees that so long as no uncured event of default exists, Lessee shall peaceably have and enjoy the use of the Premises without hindrance from Lessor. Lessee specifically acknowledges that Lessee has inspected the Premises prior to entering into this Lease and agrees to accept the Premises in an “as is, where is” condition without any warranty or representation from Lessor, either express or implied, of any kind or nature whatsoever with respect to the Premises, including, but not limited to, any warranty of merchantability, habitability, or fitness for any particular or specific purpose, and all such warranties are hereby disclaimed. Should Lessee desire any inspection report, environmental assessment, survey, creation of a legal description, drainage report, or any similar study, Lessee shall be responsible for the same at Lessee’s sole expense.

1.2 Intentionally deleted.

1.3 Access. Lessee is granted the right of reasonable access to and from the Premises via those paved portions of the Airport designated, from time to time, for vehicular and pedestrian ingress and egress as are or may be necessary to allow Lessee to conduct its business operations permitted herein at and on the Premises and the Airport. Lessor reserves the right to designate the location of such access and to change its location from time to time, as Lessor deems reasonably necessary and appropriate; provided such changes do not materially interfere with Lessee's use of or access to the Premises.

1.4 Permitted Uses. Subject to the provisions of SECTION 1.5, Lessee may use the Premises to develop and construct speculative aircraft hangars and related facilities and only use the Premises for the following specifically described uses and no other:

a. Corporate use, general aviation use, and general aviation commercial activities, i.e. flight school, maintenance and repair station, specialty shops serving aircraft up to and including FAA Design Group III; and

b. Other operations and services upon the written approval of the Executive Director of Lessor, in the Executive Director's reasonable discretion.

Lessee's use of the Premises and operation of its business at and on the Airport and the Premises is subject to all applicable laws, rules and regulations of any governmental authority, including Lessor, and to Lessee's compliance with applicable provisions of the *Airport Rules and Regulations* and *Minimum Standards*.

1.5 Prohibited Activities. Lessee shall not use or permit its agents, employees, contractors, invitees, licensees or customers to use the Premises or the Airport for any use that is in violation of the *Airport Rules and Regulations*, the *Airport Minimum Standards*, any matters of record, or applicable laws, rules, regulations and operating policies of any governmental authority, including Lessor, or for any other activity or operation not specified in SECTION 1.4 herein, or that does not have advance, written approval of Lessor's Executive Director.

1.6 Continuous Operation. Upon commencement of business operations at and on the Premises and the Airport, Lessee shall designate an on-site manager for the term of this Lease who shall be available to Lessor and Lessee's customers, if any, during normal business hours, as may be required by the *Airport Minimum Standards*, as applicable.

1.7 Lessee Acknowledgement. Lessee acknowledges this Lease is a TRIPLE NET (NNN) LEASE and agrees that its obligations to pay Base Rent and all other charges due and owing under the terms hereof shall be absolute and unconditional, and shall not be affected by any circumstances whatsoever, including, without limitation: (i) any set-off, counterclaim, recoupment, defense or other right which Lessee may have against Lessor or the United States of America or anyone else for any reason whatsoever; (ii) any liens, encumbrances or rights of others with respect to the Premises; (iii) the invalidity or unenforceability or lack of due authorization or other infirmity of this Lease or any lack of right, power or authority of Lessor or Lessee to enter into this Lease; (iv) any insolvency, bankruptcy, reorganization or similar proceedings by or against Lessee, or any other person; or (v) any other cause, whether similar or dissimilar to the foregoing, any future or present law notwithstanding, it being the intention of the Parties hereto that all rent being payable by Lessee hereunder shall continue to be payable in all events and in the manner and at the times provided herein.

2. **TERM.**

2.1 Initial Term. The term of this Lease shall be for a period of THIRTY (30) years, commencing on the Effective Date and terminating on OCTOBER 3^{1ST}, 2048 thereafter (the "Term").

2.2 Renewal Term(s). Provided Lessee is not then in default of this Lease, Lessee shall have the option of extending the Term for TWO (2) additional periods of FIVE (5) years each (each an "Extension"). Lessee may initiate an Extension by giving written notice to Lessor of its desire to do so no later than ONE HUNDRED EIGHTY (180) calendar days prior to the expiration of the Term, as set forth in SECTION 2.1

herein. If Lessee has properly notified Lessor of its desire to exercise an Extension and Lessor approves of such in writing, then Lessee's Extension of the Term of this Lease shall become effective and all references herein to the "Term" shall mean the initial term as extended.

3. NONEXCLUSIVE RIGHTS.

Lessee shall have the exclusive right to occupy and use the Premises while in compliance with the terms and conditions of this Lease. All other rights granted to Lessee under this Lease are nonexclusive. Lessor may, in its sole discretion and at any time, permit third parties to conduct any and all business activities at the Airport that Lessor deems appropriate, or conduct such activities itself, provided that such activities do not materially or unreasonably interfere with Lessee's use of the Premises.

4. RENT.

4.1 Base Rent. Lessee agrees to pay Lessor annual rental for the use of the Premises in the amount of EIGHTY THOUSAND, FIVE HUNDRED EIGHTY-SEVEN AND 44/100 DOLLARS (\$80,587.44), payable in equal monthly installments of SIX THOUSAND, SEVEN HUNDRED FIFTEEN 62/100 DOLLARS (\$6,715.62) (the Base Rent). The Base Rent shall be payable in advance, without any prior demand therefor and without any abatement, deductions or set-offs whatsoever, and tendered in lawful currency of the United States, either by check or electronic transfer.

4.2 Rent Commencement. Base Rent shall become due and payable on the earlier of either (i) the delivery of a Certificate of Occupancy ("CofO") or its equivalent from the City of Mesa for the first building (if multiple buildings are to be constructed on the Premises) or; (ii) May 1st, 2020 ("Rent Commencement Date").

4.3 Increases. On November 1, 2020, and continuing on every ONE (1) year anniversary of the Effective Date thereafter, the annual Base Rent paid by Lessee shall be increased (but never decreased) by THREE (3%) percent.

4.4 Market Adjustments to Base Rent.

4.4.1 Notwithstanding the Base Rent increases referenced in SECTION 4.3, the annual Base Rent shall be adjusted (but never decreased) on each TEN (10) year anniversary of the Effective Date of this Lease (the "Adjustment Date(s)") as hereinafter set forth in this SECTION. On each such Adjustment Date, the Base Rent shall be adjusted to the fair market base rental rate of the Premises, in relation to comparable (in quality, size, and value) airport-related facilities.

4.4.2 Lessor's determination of such fair market base rental rate for the Premises shall be delivered to Lessee no later than NINETY (90) calendar days prior to the Adjustment Date. If Lessee disputes Lessor's determination of such fair market base rental rate, Lessee shall deliver written notice of such dispute, together with Lessee's determination of such fair market base rental rate, to Lessor within THIRTY (30) calendar days of Lessee's receipt of Lessor's determination. The Parties shall then attempt in good faith to agree upon such fair market base rental rate. If the Parties fail to agree within FIFTEEN (15) business days, they shall, within SEVEN (7) calendar days thereafter, mutually appoint an appraiser to determine the fair market base rental rate. Said appraiser shall have at least FIVE (5) years of full-time commercial real estate appraisal experience and be a member of the Appraisal Institute or comparable professional organization. If the Parties are unable to agree upon an appraiser within such SEVEN (7) calendar days, they shall, within FIVE (5) business days thereafter, apply to the chapter president of the Central Arizona CCIM Chapter for the selection of an appraiser. The parties shall use good faith efforts to cause the chapter president of the Central Arizona CCIM Chapter, within FIFTEEN (15) business days, to select an appraiser with the above qualifications who has not acted in any capacity for either party within the prior TWO (2) years. Within SEVEN (7) calendar days of the appointment (either by agreement or selection) of the appraiser, the Parties shall submit to the appraiser their respective determinations of the fair market base rental rate and any/all substantiated information. Within TWENTY (20) business days thereafter, the appraiser shall review each Party's submittal (and such other information as the appraiser deems necessary) and shall select one Party's

submittal as representing the most reasonable approximation of such fair market base rental rate, and the appraiser's fees and expenses shall be paid by the Party whose submittal was not selected.

4.5 Airport Rates and Charges Schedule. Lessee or its subtenants, as applicable and including its contractors, agents, etc., shall pay all fees identified in the most current *Airport Rates and Charges Schedule* at the time of receipt of any covered service or use of any covered facilities, unless specifically outlined in this Lease. The current *Airport Rates and Charges Schedule* is included as **EXHIBIT B** and is subject to change without prior notice or approval of Lessee. Lessee acknowledges and agrees that Lessor may amend the *Airport Rates and Charges Schedule* at any time at Lessor's sole discretion, and that no fee shall apply to the use of the Premises or access to the Premises.

4.6 Payment.

4.5.1 Unless otherwise specified herein, the first payment of Base Rent shall be paid to Lessor upon the Rent Commencement Date, for the period from the Rent Commencement Date until the end of the calendar month in which the Rent Commencement Date occurs, prorated on the basis of the number of such days to the total number of days in said month. Thereafter, all Base Rent payments shall be paid in monthly installments, in advance, on the first day of each calendar month (the "Base Rent Due Date"). On each such date, Lessee shall pay the full Base Rent payment.

4.5.2 No payment to or receipt by Lessor of a lesser amount than that which is due and payable under the provisions of this Lease at the time of such payment shall be deemed to be other than a payment on account of the earliest payment due, nor shall any endorsement or statement on any check or payment prejudice in any way Lessor's right to recover the balance of such payment or pursue any other remedy provided in this Lease or by law.

4.5.3 All payments (and reports, if any) required by this SECTION 4.5 shall be remitted to the following address by the due date(s) specified hereinabove:

Phoenix-Mesa Gateway Airport Authority
Attn.: Department of Finance (Accounts Receivable)
5835 S. Sossaman Road
Mesa, Arizona 85212-6014

or such other address specified in writing by Lessor to Lessee.

4.6 Finance Charges and Late Fees. If Lessee fails to pay any installment of Base Rent or any other charge due and owing to Lessor in full on or before the applicable due date, Lessee shall be responsible for interest on the unpaid installment at the rate of EIGHTEEN PERCENT (18%) per annum from the due date until payment in full is made. In addition, in the event any installment of Base Rent or other charge owing to Lessor is paid more than TEN (10) days after the due date, a late penalty of TEN PERCENT (10%) of the amount of such delinquent Base Rent installment or other charge shall be due and payable in addition thereto.

4.7 Taxes. In the event any governmental authority shall impose a tax or imposition based upon any Base Rent payments or any other sums paid or owing hereunder, or the receipt of such payments by Lessor, Lessee shall pay such amounts to Lessor at the same time and in addition to payments hereunder, which amounts may include, but are not limited to, any or all rental, transaction privilege, sales, excise or other similar tax except income taxes.

4.8 Survival. Lessee's obligation to pay all amounts stated herein, together with any interest thereon and/or penalties therefor, shall survive the termination of this Lease.

5. PERFORMANCE GUARANTEE.

5.1 Security Deposit.

5.1.1 On or before the Effective Date, Lessee shall pay to Lessor THIRTEEN THOUSAND, FOUR HUNDRED THIRTY-ONE AND 14/100 DOLLARS (\$13,431.14), as a security deposit (the "Security Deposit") to insure the faithful performance of all of Lessee's obligations hereunder.

5.1.2 The Security Deposit, at the election of Lessor, may be applied in reduction of any loss and/or damage sustained by Lessor by reason of the occurrence of any breach, nonperformance or default by Lessee under this Lease without the waiver of any other right or remedy available to Lessor at law, in equity or under the terms of this Lease. If any portion of the Security Deposit is so used or applied, Lessee shall, within FIVE (5) business days after written notice from Lessor, deposit with Lessor immediately available funds in an amount sufficient to restore the Security Deposit to its original amount. In the event of a sale or other transfer of the Premises by Lessor, Lessor shall transfer the remaining balance (if any) of the Security Deposit to Lessor's successor in interest, whereupon the transferor Lessor shall be released from liability to Lessee for the return of such Security Deposit. Unless this Lease is terminated as a result of Lessee's default whereupon Lessee shall immediately forfeit its Security Deposit to Lessor, upon termination, Lessor shall return to Lessee all portions of the Security Deposit which were not otherwise applied by Lessor as permitted above. Lessor shall have no obligation to maintain a separate account for such security deposit and shall have no obligation to pay interest thereon.

5.2 Improvement Construction Guarantee. Notwithstanding and in addition to the Security Deposit, Lessee's specific obligation to timely complete the improvements described in SECTION 7 herein shall be secured, at Lessee's sole cost and expense and prior to commencement of construction of said improvements, by any one of the following instruments, chosen at Lessee's discretion:

5.2.1 *Letter of Credit.* Such instrument (the "Letter of Credit") shall be irrevocable, in an amount equal to the total amount of the construction contract(s) for the construction of the improvements (described in SECTION 7 herein) plus TEN PERCENT (10%) of such amount (the "Improvement Costs") and be issued to Lessee by a financial institution (the "Bank") reasonably acceptable to Lessor. The Letter of Credit shall have a term extending from the date of commencement of construction until the date which is TWENTY-FOUR (24) months thereafter, after which date it shall be renewed on a year-to-year basis until such improvements are completed. Should Lessee utilize the Letter of Credit option hereunder, and should Lessee abandon or otherwise fail to complete the improvements described in SECTION 7 below by the Construction Milestone date set forth in SECTION 7.2.4, then, in addition to any other remedies set forth in this Lease, Lessor shall be entitled to apply to the Bank, following a period of THIRTY (30) calendar days prior written notice to Lessee, for immediate release to Lessor from the Letter of Credit of a dollar amount sufficient to complete such improvements. Lessor's application shall contain evidence of the failure of completion and the estimated dollar amount needed to accomplish such completion. The terms of the Letter of Credit shall require immediate payment to Lessor for the amount set forth in Lessor's application. Upon and following such payment to Lessor, the Letter of Credit shall remain in full force to accommodate further applications, if any, and shall not be subject to cancellation or revocation until fully drawn or otherwise released or satisfied upon full compliance by Lessee. Lessor must approve the form and content of any Letter of Credit in writing.

5.2.2 *Performance Bond.* Such instrument (the "Bond") shall be a construction performance bond or other form of financial security acceptable to Lessor and payable to Lessor in an amount equal to the total amount of the Improvement Costs plus TEN PERCENT (10%) (the "Bond"). The Bond shall be terminable by Lessee, with Lessor approval, upon completion of the Improvements and issuance of a certificate of occupancy (CofO) as provided in SECTION 7.2.4. Should Lessee utilize the Bond option hereunder, and should Lessee abandon or otherwise fail to complete the improvements described in SECTION 7 below by the Construction Milestone date set forth in SECTION 7.2.4, then, in addition to any other remedies set forth in this Lease, Lessor shall be entitled, following a period of THIRTY (30) calendar days prior written notice to Lessee, to declare Lessee in default under the Bond, to claim against the Bond, enforce the terms thereof and

obtain immediate payment to Lessor pursuant thereto of a dollar amount sufficient to complete such Improvements.

5.2.3 *Construction Fund Escrow.* Such instrument shall be evidenced by Lessee's deposit of a cash amount equal to the costs of the Initial Improvements (the "Construction Funds") with an escrow agent mutually acceptable to the Parties ("Escrow Agent"). Not more often than once each calendar month, Lessee may deliver to Escrow Agent a disbursement request requesting disbursement to Lessee (a "Disbursement Request") in an amount equal to the costs expended to construct the improvements described in Section 7 since any prior Disbursement Request. Each Disbursement Request shall describe the work accomplished and shall be accompanied by invoices from contractors for all of the work, proof of payment by Lessee of such invoices, and conditional or final lien waivers for all the work described in the Disbursement Request in the statutorily prescribed form. Any portion of the Construction Funds remaining on deposit with the Escrow Agent after Lessee has submitted its final Disbursement Request for costs expended to construct the Improvements, and has been paid therefor, shall be disbursed to Lessee upon certification by Lessee that all work has been completed, such certification being deemed a Disbursement Request solely for such purpose. Escrow Agent shall be entitled to assume that all matters set forth in a Disbursement Request are accurate and complete and shall have no duty to independently verify the truthfulness of the matters set forth in a Disbursement Request. Upon receipt by Escrow Agent of each Disbursement Request, Escrow Agent shall promptly deliver a copy thereof (including any conditional or final lien waivers that accompanied such Disbursement Request) to Lessor. In the event that Lessor reasonably determines that the content of a Disbursement Request does not materially satisfy the requirements of this Lease, or that any statement made in the Disbursement Request is materially inaccurate, Lessor may reasonably object to such disbursement Request by delivering a written objection to Lessee and Escrow Agent, not later than FIVE (5) days after Lessor received the Disbursement Request from Escrow Agent. Such objection shall be in writing and shall state in reasonable detail the basis for the objection and the specific item of expense or disbursement with respect to which Lessor is making an objection. Escrow Agent shall be instructed to disburse Construction Funds in accordance with the Disbursement Request within ONE (1) business day after the expiration of Lessor's objection period, unless Lessor has made an objection, in which event Escrow Agent shall disburse funds in accordance with the Disbursement Request except for the funds attributable to the objection. In the event that Lessor delivers a timely objection to a Disbursement Request, Lessee may amend or supplement the Disbursement Request by delivering a written amendment or supplement to Escrow Agent. Lessor may object to the amended or supplemented Disbursement Request for the reasons, in the manner, and within the period provided above. In the absence of a timely objection, Escrow Agent shall disburse funds in accordance herewith. Should Lessee abandon or otherwise fail to complete the Initial Improvements described in Section 7 herein by the Construction Milestone date set forth in Subsection 7.3.4, then in addition to any other remedies set forth in this Lease, Lessor shall be entitled, following a period of THIRTY (30) days prior written notice to Lessee and Escrow Agent, to obtain immediate disbursement to Lessor of the Construction Funds in an amount sufficient to complete such improvements.

6. AIRCRAFT OPERATIONS GUIDELINES.

If and to the extent that Lessee operates aircraft at or on the Airport, Lessee shall be subject to the provisions of **EXHIBIT C**. If any subtenant, contractor or agent of Lessee conducting activities on or at the Premises operates aircraft at the Airport, all shall be subject to the provisions of **EXHIBIT C**, which Lessor may enforce directly against such subtenant, contractor or agent, but Lessee shall have no direct liability or responsibility with respect to such matters; except, however, Lessee shall be responsible for compliance by its subtenants, contractors and/or agents with the *Airport Rules and Regulations* and *Minimum Standards*, as appropriate.

7. IMPROVEMENTS.

7.1 Existing Improvements. Lessor and Lessee acknowledge the existing improvements upon the Premises described as Hangar 37, consisting of approximately twenty-one thousand, eight hundred and

fifty-eight (21,858) square feet as set forth in **Exhibit E** attached hereto (the “Existing Improvements”). Lessor hereby conveys to Lessee any rights and interest that Lessor has in the Existing Improvements upon the Effective Date of this Lease. Lessor shall deliver, and Lessee shall accept, the Existing Improvements as is, where is. Lessee’s acceptance of the Existing Improvements shall be at Lessee’s sole risk, and Lessor makes no representation or warranties regarding the Existing Improvements, including, but not limited to, their condition.

7.1.1 Demolition by Lessee. Lessee shall, at its sole cost and expense, be responsible for the demolition and removal of all Existing Improvements upon the Premises, removal of which is necessary for construction of Lessee’s Improvements (as defined in Section 7.2 herein).

7.2 Construction by Lessee. Lessee shall, at its sole cost and expense, construct improvements on the Premises that generally shall consist of corporate hangar facilities consisting of sufficient square footage to provide space for all uses defined in Section 1.4, and related improvements, with capital investment of not less than FIVE MILLION DOLLARS (USD\$5,000,000.00) (the “Initial Improvements”) in accordance with a site plan prepared by Lessee and approved by Lessor’s Design Review Committee, such approval not to be unreasonably withheld or delayed, and in compliance with all applicable governmental regulations, restrictions and building codes. Lessor and Lessee agree that Lessee shall be solely responsible for: (i) any required connection(s) between the Premises and the terminating point of the existing vehicular access way to the Premises, as reasonably required by Lessor; (ii) constructing all improvements necessary to bring all utilities onto the Premises, including, without limitation, electrical, gas, water, sewer, cable and telephone utilities; (iii) installing all utility meters and water and sewer lines to service all improvements constructed on the Premises; and (iv) constructing all improvements necessary to connect the Premises to existing taxiways or taxilanes in accordance with and if allowable under all Airport and FAA rules, regulations and other requirements; and (v) demolishing any existing improvements upon the Premises to facilitate new construction.

7.3 Construction Milestones. Lessee shall construct its Initial Improvements pursuant to the following schedule (each of which events are herein called a “Construction Milestone”):

7.3.1 Lessee shall submit its Initial Improvement design plans to Lessor for review and approval no later than April 30th, 2019.

7.3.2 Lessee shall submit its Initial Improvement construction plans to the City of Mesa for a construction permit no later than June 1st, 2019;

7.3.3 Lessee shall commence demolition/construction of the Initial Improvements and provide written notice to Lessor of such within SIXTY (60) calendar days after the issuance of all necessary construction permits and receipt of all approvals required for such, including any approvals required from the FAA, but no later than November 1st, 2019; and

7.3.4 Lessee shall complete construction of all Initial Improvements to be constructed by Lessee at and on the Premises, and shall have obtained a CofO (or its equivalent) from the City of Mesa therefor, no later than October 31st, 2020.

7.3.5 Except as set forth below, if Lessee fails to complete construction by the date specified in SECTION 7.3.4, Lessee shall pay to Lessor an amount equal to (USD\$150.00) for each day that Lessee is late completing such construction (a “Late Completion Fee”), which payment by Lessee shall be in addition to any Base Rent due from Lessee hereunder. Lessee shall pay Lessor all Late Completion Fees to Lessor on the FIRST (1st) day of the month following the date on which such Late Completion Fee first accrues, until such time as all Late Completion Fees are paid in full. If Lessee is unable to meet a Construction Milestone due to Force Majeure (as defined in Section 42.9 below), then the applicable Construction Milestone shall be extended by ONE (1) day for each day of such delay, as determined in Lessor’s reasonable discretion.

7.4 Design Review Termination. If Lessor's Design Review Committee does not approve of the Initial Improvements, the Parties may choose to terminate this Lease by providing thirty (30) calendar days' written notice of the notifying Party's intent to do so to the other Party (the "Design Review Termination"). Upon approval of the Initial Improvements from Lessor's Design Review Committee, this Section 7.4 shall not be applicable to any future improvement design review requests submitted by Lessee to Lessor's Design Review Committee throughout the Term of this Lease.

7.5 No Alterations. Lessee shall make no material improvements or alterations to the Premises during the Term of this Lease without the prior written permission of Lessor, which shall not be unreasonably withheld or delayed and, if and to the extent applicable, without the approval by Lessor's Design Review Committee. Lessee shall provide Lessor with electronic as-built drawings (or their equivalent) when any improvement or alteration is completed for which such drawings are reasonably required.

7.6 Title to Alterations and Improvements. Title to all Improvements and alterations on the Premises (but not personal property or trade fixtures) shall vest in Lessor upon the expiration or termination of this Lease, and Lessee agrees to execute and deliver to Lessor, within TEN (10) business days after Lessor's request therefor, a quitclaim deed confirming that title to such improvements and alterations is vested in Lessor.

7.7 Mechanics' Liens. Lessee shall keep the Premises and all improvements constructed by Lessee thereon free of any mechanic or materialmen's liens. In the event that any such lien is filed, Lessee shall, at its sole cost, cause such lien to be removed from the Premises by bonding or otherwise within THIRTY (30) calendar days of notice thereof.

7.8 Permit Required. Lessee shall be responsible for determining whether it is subject to local building/construction codes or permit requirements, and for compliance with them to the extent they are applicable. All structural, electrical, plumbing or mechanical construction or reconstruction shall conform to City of Mesa (the "City") construction and technical codes. No such work shall be commenced without first submitting required plans and obtaining required permits from the City. All such work shall be permitted, inspected and approved by the City prior to concealment or use. Lessee shall provide to Lessor a contemporaneous copy of Lessee's permit application and the associated plans and specifications.

7.9 Damage or Destruction. Lessee shall maintain insurance on all of Lessee's improvements to the Premises. In the event that all or any portion Lessee's improvements are destroyed or rendered unusable due to fire or other catastrophe, Lessee shall replace, repair, restore, modify or improve said improvements, subject to the provisions of SECTION 7.8, using available insurance proceeds together with any additional funds from other available sources, or, alternatively, Lessee shall pay the replacement cost of the improvements to Lessor.

8. MAINTENANCE.

8.1 Lessee Responsibilities. Lessee shall, at its sole cost and expense, keep the Premises and all improvements therein in a neat and clean condition and in good order, condition and repair throughout the Term. Lessee's maintenance of the Premises shall consist of the inspection, servicing and repair of all systems and improvements, including the boilers, interior and exterior roof and structures, electrical, plumbing, heating and cooling, fire detection and suppression systems, pavements, parking lot, pest control, landscaping and grounds maintenance.

8.2 Damage to Lessor Property. Any real or personal property of Lessor damaged or destroyed by Lessee as a result of Lessee's use or occupancy of the Premises shall be promptly repaired or replaced by Lessee to the satisfaction of Lessor. In lieu of such repair or replacement, where required by Lessor, Lessee shall pay to Lessor an amount sufficient to compensate for the loss sustained by Lessor.

8.3 Trash Removal. Lessee shall at all times keep the Premises in a neat, clean, safe, sanitary and orderly condition and shall keep such area free of all trash and debris. Lessee shall be responsible for all trash

removal from the Premises and Lessee shall deposit all trash and debris only at collection stations located on or in proximity to the Premises, in accordance with City code.

8.4 Emergency Repairs. Within FIFTEEN (15) days of the Effective Date, Lessee shall provide Lessor with a list of names and telephone numbers for 24-hour emergency contact for the Premises. Lessee shall promptly provide Lessor with updated lists and changes as necessary.

9. ASSIGNMENT, SUBLETTING AND OTHER TRANSFERS.

9.1 Any Transfer of Lease Interest Requires Lessor Advance Written Approval. In the event Lessee desires to transfer, assign, encumber, pledge or hypothecate any portion of its interest in this Lease or any right or interest hereunder (including, but not limited to as part of a mortgagor deed of trust or an assignment by means of a foreclosure or trustee's sale thereunder) (individually and collectively, "Transfer"), or sublet the Premises or any part thereof, Lessee must obtain the prior written consent of Lessor, with such consent to be the in sole and absolute discretion of Lessor without exception. Where Lessor approves in writing of such Transfer, Lessor shall be entitled to request and acquire written financial assurances, including, but not limited to financial statements, business plans and other information related to the financial condition and plans of any proposed transferee. Further, Lessor, may in its sole and absolute discretion require that Lessee still be liable at law and at equity, as well as financially liable, under the Lease, regardless of whether the assignee expressly assumes in writing all of Lessee's obligations under this Lease or in the case of a sublease. Lessee understands and agrees to these terms and conditions regarding any proposed Transfer, and that any violation of this Section 9, may irreparably harm Lessor as the requirements set forth herein are directly related to PMGAA's (and any Lessee's) legal and financial obligations to the Federal Aviation Administration. This section 9 shall remain valid and enforceable even in the event of amendment to or repeal of FAA regulations, so long as this section 9 does not directly conflict therewith.

9.2 Lessee's Required Advance Notice to Lessor of Proposed Transfer. In order for Lessor to even consider a Transfer, Lessee must: (i) notify Lessor in writing at least Forty-five (45) days prior to such proposed transfer; (ii) deliver to Lessor, at the time of Lessee's notice, current financial statements of Lessee and the proposed transferee (along with transferee's business plans) that are reasonably acceptable to Lessor; and (iii) the transferee assumes and agrees in writing to perform Lessee's obligations under this Lease. However, nothing herein shall be construed as Lessor providing its consent to any Transfer or relieving Lessee of any legal, financial or other obligation under the Lease, regardless of Lessor's acceptance or refusal to accept such proposed transfer of Lease. For purposes of this Section 9.2, "Affiliate" means any person or entity that, directly or indirectly, controls, is controlled by or is under common control with Lessee. For purposes of this definition, "control" shall mean possessing the power to direct or cause the direction of the management and policies of the entity by the ownership of a majority of the voting securities of the entity

9.3 Deemed Transfers. For the purposes of this Lease, a Transfer shall be deemed to include the following: (i) if Lessee is a corporation, partnership, limited liability company or other legal entity, the transfer of any ownership interest in such entity resulting in a change in the present control of such entity by the person or persons owning a majority of the ownership interest thereof as of the date of this Lease; provided, however, if Lessee is a corporation whose stock is traded on a nationally recognized stock exchange, the transfer of Lessee's stock shall not constitute a Transfer requiring Lessor's consent; or (ii) the sale of TWENTY-FIVE PERCENT (25%) or more in value of the assets of Lessee.

9.4 Subletting.

9.4.1 Lessee may sublease all or portions of the Premises without Lessor's consent, if the following conditions are met:

- a. The sublease and any amendments or modifications thereto are approved in advance and in writing by Lessor, in Lessor's reasonable discretion, or are in a form which shall have been previously approved in writing (except for changes that do not materially impact Lessor's rights and interests) by Lessor. If a pre-approved

form is used, Lessor's advance approval of the actual sublease and any amendments or modifications thereto is not required

- b. Rent for subleased premises shall not be less than fair market value.
- c. Sublessee(s) shall not pay, and Lessee shall not accept, prepayment of rent in excess of ONE (1) month's rent
- d. The sublease(s) and sublessee(s) shall at all times be subject to the terms and conditions of this Lease.
- e. The permitted uses of the Premises under any sublease shall be the same as that permitted under this Lease.
- f. The term of any sublease shall not extend beyond the stated expiration of this Lease.

9.4.2 Upon request from Lessee, Lessor shall enter into a Non-Disturbance and Attornment Agreement; provided, however, that: (i) the conditions of SECTION 9.4.1 have been met; (ii) the sublessee is not then in default beyond an applicable cure period under the sublease or this Lease; and (iii) the sublessee does not have a history of noncompliance with the *Airport Rules and Regulations* or *Minimum Standards*. All legal fees incurred by Lessor in connection with any reasonably necessary legal counsel review and approval of a Non-Disturbance and Attornment Agreement shall be paid by Lessee.

9.4.3 Lessee shall not permit any sublessee unescorted access to the secured areas of the Airport unless and until the sublessee has obtained its own valid Airport security clearance and media from Lessor. Lessee acknowledges that it may take THIRTY (30) calendar days or more to process sublessee for security clearance and media.

9.4.4 Lessee shall submit a copy of each fully executed sublease to Lessor as soon as possible, but no later than FIVE (5) business days after execution.

9.5 Non-Disturbance. Lessor agrees, for the benefit of all subtenants of all or any part of the Premises, that if this Lease or Lessee's right to possession of the Premises is terminated for default or otherwise, all subleases of all or any part of the Premises, except any sublease to an affiliate of Lessee, shall continue in full force and effect, notwithstanding the termination, as direct leases between Lessor and the subtenants and all such subtenants shall, upon request, attorn in writing to Lessor.

9.6 This Lease and all provisions hereof are subject and subordinate to the terms and conditions of the instruments and documents under which PMGAA acquired the subject property from the United States of America and shall be given only such effect as will not conflict or be inconsistent with the terms and conditions contained in the lease of said lands from PMGAA and any existing or subsequent amendments thereto, and are subject to any ordinances, rules or regulations which have been, or may hereafter be adopted by PMGAA pertaining to the Airport.

10. IDENTIFICATION SIGNS.

Lessee may install on the building in which the Premises is located, a sign or signs identifying its business on the exterior of the Premises; provided, however, that the general type, size, and location of such sign(s) shall conform to Lessor's Comprehensive Sign Plan, be approved in writing by Lessor in advance of installation and be subject to any signage rules, codes and/or regulations of any governmental authority.

11. DEFAULT; TERMINATION BY LESSOR.

11.1 Events of Default. Each of the following shall constitute a material default of this Lease by Lessee (an "Event of Default"):

11.1.1 Failure to pay any installment of Base Rent or other amount due from Lessee hereunder, or required by any other agreement between the Parties, provided that Lessee does not cure such failure within TEN (10) business days after delivery by Lessor of a written notice of such failure.

11.1.2 Failure to perform any of its other obligations under this Lease, provided that Lessee does not cure such failure within THIRTY (30) calendar days after delivery by Lessor of a written notice of such default; provided, however, if a cure of the default reasonably requires more than THIRTY (30) calendar days to complete, then the time to cure shall be extended so long as the cure is being diligently pursued.

11.1.3 The filing of any mechanic's, materialmen's or other lien or any kind against the Premises because of any act or omission of Lessee which lien is not discharged, by bonding or otherwise, within THIRTY (30) calendar days of receipt of actual notice thereof by Lessee.

11.1.4 The Transfer or attempted transfer of any interest in the Lease to any transferee, in violation of Section 9.1 above, without Lessor's advance written authorization, which Lessor may withhold in its sole and absolute discretion.

11.2 Lessor's Remedies. Upon the occurrence of an Event of Default under this Lease, Lessor may, without prejudice to any other rights and remedies available to a Lessor at law, in equity or by statute, but subject to the provisions of SECTIONS 9.2 and 23 herein, exercise one or more of the following remedies, all of which shall be construed and held to be cumulative and non-exclusive:

11.2.1 Terminate this Lease and re-enter and take possession of the Premises; or

11.2.2 Without terminating this Lease, re-enter and take possession of the Premises; or

11.2.3 Without such re-entry, recover possession of the Premises in the manner prescribed by any statute relating to summary process, and any demand for Base Rent, re-entry for condition broken, and any and all notices to quit, or other formalities of any nature to which Lessee may be entitled, are hereby specifically waived to the extent permitted by law; or

11.2.4 With or without terminating this Lease, Lessor may re-let the Premises or any portion thereof.

11.3 No Implied Termination. Lessor shall not be deemed to have terminated this Lease unless Lessor shall have notified Lessee in writing that it has so elected to terminate this Lease. Lessee hereby waives all claims based on Lessor's reentering and taking possession of the Premises, or removing and storing the property of Lessee, and shall save Lessor harmless from all losses, costs or damages occasioned thereby, except to the extent caused by Lessor's gross negligence or intentional misconduct. No such reentry shall be considered or construed to be a forcible entry by Lessor.

11.4 Lessor's Current Damages. Upon an Event of Default, Lessor is authorized to make such repairs, refurbishments or improvements to the Premises as may be necessary for the purpose of attempting to re-let the Premises, and the reasonable costs and expenses actually incurred by Lessor in respect of such repairs, redecorating, refurbishments and improvements shall be paid by Lessee to Lessor within FIVE (5) business days after receipt of Lessor's statement. If Lessor exercises any of the remedies stated above, Lessor shall be entitled to recover from Lessee all damages incurred by Lessor by reason of the Event of Default, which shall include, without limitation, (i) the equivalent of the amount of the Base Rent and all other payments which would be payable under this Lease by Lessee for the remainder of the Term as if this Lease were still in effect, less (ii) the net proceeds of any re-letting by Lessor after deducting all of Lessor's expenses in connection with such re-letting, which shall include, without limitation, repossession costs, repairs, redecorating, refurbishments or improvements to the Premises, brokerage commissions, attorneys' fees, and legal expenses. Lessee shall pay such current damages to Lessor, in the amount set forth in the preceding sentence (hereinafter called the "Deficiency"), in monthly installments on the days on which the Base Rent would have been payable under this Lease as if this Lease were still in effect.

11.5 Lessor's Final Damages. At any time after an Event of Default, whether or not Lessor shall have collected any monthly Deficiency as set forth above, Lessor shall be entitled to recover from Lessee, and Lessee shall pay to Lessor, on demand, as final damages for the applicable Event of Default, the sum of (a) the then present worth (at a discount at the rate of SIX PERCENT (6%) per annum) of (i) the aggregate of the Base Rent and all other amounts to be paid by Lessee hereunder for the unexpired portion of the term of this Lease (assuming this Lease had not been terminated), less (ii) the amount of such loss that could have been reasonably avoided, plus (b) repossession costs, Lessor's expenses in connection with any attempts it may have made to re-let the Premises (which shall include, without limitation, repairs, refurbishments or improvements to the Premises and brokerage commissions), attorneys' fees, legal expenses, and all other damages incurred by Lessor as a result of such Event of Default. In determining the amount of loss that could reasonably be provided, other reasonably projected rental income from leasing the Premises shall be taken into account.

11.6 No Waiver by Lessor. No waiver by Lessor of any breach or default by Lessee in the performance of its obligations under this Lease shall be deemed to be a waiver of any subsequent default by Lessee in the performance of any of such obligations, and no express waiver shall affect an Event of Default in a manner other than as specified in said waiver. The consent or approval by Lessor to or of any act by Lessee requiring Lessor's consent or approval shall not be deemed to waive or render unnecessary Lessor's consent or approval to or of any subsequent similar acts by Lessee.

11.7 Content of Default Notice. Any default notice tendered to Lessee hereunder shall be deemed to be sufficient if it is reasonably calculated to put Lessee on inquiry as to the nature and extent of such default, and is made in accordance with SECTION 20 herein.

11.8 Limitation on Exercise of Termination Remedy by Lessor. Notwithstanding anything to the contrary in SECTION 11.2 hereinabove, if an Event of Default occurs, Lessor shall not have the remedy of terminating this Lease or of taking possession of the Premises unless: (i) the Event of Default consists of a failure to pay Base Rent or other amounts owed to Lessor; or (ii) Lessor has no other remedy that is adequate to protect Lessor's interests. Other remedies that are available to Lessor include self-help and recovery of damages, and nothing in this SECTION 11 shall limit the exercise of any such other remedy.

11.9 Waiver of Landlord's Lien. Lessor hereby waives all statutory or common law landlord's lien rights with respect to personal property located on the Premises.

12. ASSUMPTION OF CRITICAL OPERATIONS.

In the event that Lessee voluntarily abandons or is prevented from furnishing any of its required commercial services which have been deemed by Lessor in advance and in writing to be critical to the operation of the Airport, and Lessee has received and is in agreement with said notification, Lessor shall have the immediate right or, if time permits, upon TWENTY-FOUR (24) hours advance written notice to Lessee, to assume responsibility for providing such critical services until such time as Lessee or another entity acceptable to Lessor assumes responsibility for providing those services. In exercising such right, Lessor may take temporary control of the Premises, or any portion thereof involved in providing such commercial services, together with whatever improvements, fixtures and equipment on the Premises as are necessary to provide the critical services without waiving any of Lessor's rights hereunder. In the event Lessor takes temporary control of the Premises or any portion thereof, Lessor shall pay to Lessee such rent or fees reasonably commensurate with Lessor's assumption and use of that portion of the Premises to provide those critical, commercial services.

13. INDEMNIFICATION.

13.1 Lessee's Indemnity. Except for the actions and omissions of Lessor and its agents, contractors, employees, managers and representatives, to the fullest extent permitted by law, Lessee hereby agrees to defend, indemnify and hold harmless Lessor and its members, elected or appointed officials, agents, contractors, subcontractors, boards, commissions and employees (hereinafter referred to collectively as the

“Lessor” for purposes of this Section 13.1) for, from and against any and all third-party claims, causes of action, liability, suits, litigation (including reasonable attorney’s fees and other costs of investigation and litigation), actions, losses, damages or claims of any nature whatsoever to the extent such arise out of or in connection with (i) any accident, injury or actual damages occurring within the Premises during the Term caused by Lessee or its agents, employees, contractors, or subcontractors, or (ii) any negligent act or omission of Lessee or its agents, employees, contractors, or subcontractors (hereinafter referred to collectively as “Lessee” for purposes of this Section 13.1) on the Premises or the Airport and which result directly or indirectly in the injury to or death of any persons or the damage to or loss of any property, or (iii) subject to Section 11.4, the failure of Lessee to comply with any provisions of this Lease. This indemnification shall exclude responsibility for any damages and for claims arising by reason of the acts or omissions of Lessor or its employees, contractors or agents.

13.2 Lessor’s Indemnity. Except for the actions and omissions of Lessee and its agents, contractors, employees, managers and representatives, to the fullest extent permitted by law, Lessor hereby agrees to defend, indemnify and hold harmless Lessee and its members, elected or appointed officials, agents, contractors, subcontractors, boards, commissions and employees (hereinafter referred to collectively as the “Lessee” for purposes of this Section 13.2) for, from and against any and all third-party claims, causes of action, liability, suits, litigation (including reasonable attorney’s fees and other costs of investigation and litigation), actions, losses, damages or claims of any nature whatsoever to the extent such arise out of or in connection with (i) any negligent act or omission or intentional misconduct by Lessor or its agents, employees, contractors, or subcontractors (hereinafter referred to collectively as “Lessor” for purposes of this Section 13.2) on the Premises or the Airport and which result directly or indirectly in the injury to or death of any persons or the damage to or loss of any property, or (ii) subject to Section 38, the failure of Lessor to comply with any provisions of this Lease. This indemnification shall exclude responsibility for any damages and for claims arising by reason of the acts or omissions of Lessee or its employees, contractors or agents.

14. ENVIRONMENTAL PROTECTION.

14.1 Definitions. Unless the context shall clearly require otherwise, the terms defined in this SECTION 14 shall, for all purposes of this Lease and of any agreement amendatory hereof or supplemental hereto, have the meanings herein specified, with the following definitions to be equally applicable to both the single and plural forms of any of the following:

14.1.1 Environmental Laws. The term “Environmental Laws” shall mean any one or all of the following, as the same are amended from time to time: the *Comprehensive Environmental Response, Compensation, and Liability Act*, 42 USC Section 9601 et seq.; the *Resource Conservation and Recovery Act*, 42 USC Section 6901, et seq.; the *Toxic Substances Control Act*, 15 USC Section 2601 et seq.; the *Safe Drinking Water Act*, 42 USC Section 300f et seq.; the *Clean Water Act*, 33 USC Section 1251 et seq.; the *Clean Air Act*, 42 USC Section 7401 et seq.; the *Arizona Hazardous Waste Management Act*, A.R.S. Section 49-921 et seq. the *Arizona Environmental Quality Act*, A.R.S. Title 49, as amended; and all regulations thereunder and any other laws, regulations and ordinances (whether enacted by the local, state or federal government) now in effect or hereafter enacted that deal with the regulation or protection of the environment, including the ambient air, ground water, surface water, and land use, including substrata land, or that govern the use of hazardous materials, hazardous waste and hazardous substances and petroleum products.

14.1.2 Hazardous Material. The term “Hazardous Material” shall mean any toxic or hazardous material, substance or waste, or any pollutant or contaminant as defined or regulated pursuant to any Environmental Law and petroleum products. For purposes of this definition, petroleum includes petroleum-based substances comprised of a complex blend of hydrocarbons derived from crude oil through processes of separation, conversion, upgrading and finishing (e.g., distillate fuel oils, petroleum solvents and used oils).

14.2 Intentionally omitted.

14.3 Lessee Compliance.

14.3.1 Lessee shall, at the Lessee's own expense, comply with all present and hereafter enacted Environmental Law, including any amendments thereto, affecting Lessee's activities on and property interest in the Premises during the period of Lessee's occupancy of thereof under this Lease.

14.3.2 Lessee shall not cause or permit any Hazardous Material to be brought upon, kept or used in or about the Premises or the Airport by Lessee's agents, employees, contractors or invitees in violation or threatened or suspected violation of any Environmental Law. The Parties recognize and agree that Lessee may bring on the Premises and Airport and use Hazardous Materials that are ordinarily and customarily used in the conduct of Lessee's permitted activities under this Lease, provided that such use shall comply fully with all applicable Environmental Laws.

14.3.3 If Lessee desires and receives written authorization from Lessor to install any underground storage tanks ("USTs") on the Premises or elsewhere on the Airport, Lessee shall submit the plans for such USTs to Lessor for prior written approval and shall comply with all applicable Environmental Laws related thereto, including Title 40, Code of Federal Regulations, Part 280, as adopted by the State of Arizona ("Part 280"), and Lessee shall be the owner of such USTs for statutory purposes. Installation of USTs shall comply with the "code of practice" set forth in Part 280. Lessee is solely responsible for the design, construction, installation, operation, monitoring, inspection, repair and maintenance of any and all USTs, including any connected piping and/or dispensing apparatus. Lessee shall provide to Lessor a copy of the Arizona Department of Environmental Quality *Notification of Underground Storage Tank Registration* that Lessee submits to the state. All USTs shall meet or exceed the tank performance standard for USTs installed after December 22, 1998, including corrosion protection, leak detection and spill/overflow protection. Any UST that stores flammable and combustible liquids shall meet the provisions of NFPA 30, *Flammable and Combustible Liquids Code*. Records demonstrating compliance with release detection requirements, including product inventories, calibration and maintenance, sampling, tightness testing and any other records, fees and taxes required by the state or federal governments shall be the responsibility of Lessee. Upon the expiration of this Lease, Lessee shall remove all USTs in compliance with all UST closure requirements under all applicable Environmental Laws in effect at that time unless otherwise allowed by Lessor.

14.4 Indemnification. To the fullest extent permitted by law, Lessee shall indemnify, defend (with counsel reasonably acceptable to Lessor), protect and hold harmless Lessor and its employees and agents for, from and against any and all liability, loss, damage, expense, penalties and legal and investigation fees or costs, arising from or related to any claim or action for injury, liability, or damage to persons or property and any and all claims or actions brought by any person, entity or governmental body, alleging or arising in connection with contamination of the environment or violation of any Environmental Law or other statute, ordinance, rule, regulation, judgment or order of any government or judicial entity ("Environmental Damages") which are incurred or assessed as a result of any of Lessee's activities or operations on the Premises or Airport. This obligation includes, but is not limited to, all costs and expenses related to cleaning up the property, land, soil and underground or surface water as required under the law. Lessee's obligations and liabilities under this Section 14.4 shall survive the termination of this Lease. The indemnification of Lessor by Lessee as described above includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision. Lessor reserves the right to seek injunctive relief as may be permitted under law and equity. This Section 12.4 explicitly excludes Lessee duty, liability or indemnity to Lessor for any claims or Environmental Damages of any kind whatsoever arising from or in connection with any contamination of any kind existing on the Premises prior to the Effective Date, except and only to the extent known contamination is exacerbated by Lessee or unknown contamination is exacerbated by Lessee's negligence.

14.5 Remediation. Without limiting the foregoing, if the presence of any Hazardous Material during the Term of this Lease caused or permitted by Lessee results in any Release on the Airport in violation or potential violation of any Environmental Law, Lessee shall promptly take action to remediate the affected property at its sole expense as necessary to return the Airport to the condition existing prior to the introduction of any such Hazardous Material to the Airport; provided that Lessor's approval of such actions

shall first be obtained, which approval shall not, except in an emergency, be unreasonably withheld so long as such actions would not potentially have any material adverse long-term effect on the Airport and Lessee is not under administrative or court order related to such remediation action. Notwithstanding Lessor's approval pursuant to this SECTION 14.5, Lessor is not responsible for directing or managing any remediation action. For purposes of this SECTION 14.5, the term "Release" means any releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, disposing, or dumping.

14.6 Governmental Submittals. Lessee shall, at Lessee's own expense, make all submissions to, provide all information to, and comply with all requirements of the appropriate governmental authority (the "Government") under the Environmental Laws. Should the Government determine that a site characterization, site assessment and/or cleanup plan should be prepared and/or that a cleanup should be undertaken because of any spills or discharges of Hazardous Materials by reasons of Lessee's activities or actions at the Airport which occur during the term of this Lease, then Lessee shall, at the Lessee's own expense, prepare and submit the required plans and financial assurances, and carry out the approved plans.

14.7 Information Sharing.

14.7.1 Lessee shall promptly notify Lessor of any of the following: (i) Lessee's receipt of any notification from any governmental entity either charging or informing Lessee that it will be charged with a significant (as defined below) violation of Environmental Laws, and (ii) any significant change in Lessee's activities on the Premises or Airport that is reasonably likely to adversely change Lessee's or Lessor's obligations or liabilities under the Environmental Laws. In addition, Lessee agrees to provide Lessor with copies of documents reflecting the physical condition of the Premises, including but not limited to, environmental testing of soils and groundwater, and information reasonably requested by Lessor to determine the applicability of the Environmental Laws to the Premises, or to respond to any governmental investigation or claim of liability by third parties which is related to environmental contamination of the Premises or Airport, including Lessee's activities thereon. A "significant violation of Environmental Law" shall be any violation that requires more than THIRTY (30) calendar days to resolve.

14.7.2 Lessee shall install on any UST that it is permitted to install pursuant to SECTION 14.3.3, a method or a combination of methods for Release detection that can detect a Release from any portion of the UST and any connected underground piping. Lessee shall immediately notify Lessor's Operations and Maintenance Department upon discovering a Release or Suspected Release of any amount of material that is stored inside a UST. For purposes of this SECTION, a "Suspected Release" is any discovery of released Hazardous Material at the UST site or surrounding area, erratic behavior of Hazardous Material dispensing equipment, the sudden loss of a Hazardous Material, an unexplained presence of water in the UST, or when monitoring indicates that a Release has occurred. In the case of inventory control, Lessee shall notify the Lessor's Operations and Maintenance Department when the second consecutive month of inventory reconciliation data indicates that there is a discrepancy in the figures recorded.

14.8 Sublease. Lessee shall insert provisions substantially identical to the provisions of this SECTION 14 in any sublease agreement or contract by which it grants a right or privilege to any person, firm, corporation or other entity under this Lease.

14.9 Actions of Lessee. The activities or actions of Lessee under this SECTION 14 shall include the activities or actions of Lessee's officers, directors, employees, agents, contractors, invitees and successors.

14.10 Clean Water Act; NPDES Permits and SWPPPs. Without in any way limiting the foregoing, Lessee shall comply with all Environmental Laws regarding discharges to water and land, including, without limitation, obtaining and complying with an individual National Pollutant Discharge Elimination System ("NPDES") permit, or requesting coverage under and complying with any applicable Multi-Sector General Permit (MSGP) obtained by Lessor. If applicable, Lessee shall also prepare and comply with a site-specific MSGP with an individual Storm Water Pollution Prevention Plan ("SWPPP") or any revisions to a SWPPP, with respect to Lessee's operations or activities on the Premises or Airport. At Lessee's discretion and if applicable, Lessee may choose to be added to Lessor's Storm Water Permit. Proof of individual compliance

or compliance by being added to the Lessor's permit shall be provided in the form of both the Lessee's Notice of Intent (NOI) that has been received by the Arizona Department of Environmental Quality (ADEQ) and the individual Arizona Multi-Sector General Permit (AZMSGP) number associated with the NOI, within 30 days.

14.11 Environmental Assessments.

14.11.1 If, during the term of this Lease, any of Lessee's USTs are suspected of or known to be leaking, Lessee shall perform, or cause to be performed, a site characterization of the Premises and/or UST site using all appropriate sections of the LUST Site Characterization Manual dated January 15, 1999, or the most current edition, including tables 1 through 6, as applicable (a "Site Characterization").

14.11.2 Within THIRTY (30) calendar days immediately preceding the expiration of this Lease or within THIRTY (30) calendar days of any earlier termination of the Lease, at Lessor's request, Lessee shall:

a. Deliver to Lessor: (i) a Phase I environmental site assessment that conforms to the standards set forth in 42 USC § 9601(35)(B), as amended by Pub. L. 107-118 (Jan. 11, 2002), section 223(2), and as may be further amended, and any regulations thereunder; and (ii) an environmental compliance audit assessing the status of regulatory compliance of the Premises and all operations and activities thereon; both prepared by a qualified engineer licensed by the State of Arizona; and

b. In the event Lessee installs any USTs upon the Premises or elsewhere on the Airport, perform or cause to be performed a Site Characterization of the Premises in the event there is evidence that there has been or may be a leak or Release of the UST contents; and

c. If either the assessment described in SECTION 14.11.2a (i) above or the Site Characterization described in SECTION 14.11.2a (ii) above identifies any "recognized environmental condition," or any other condition indicating a known or potential liability, including, but not limited to, a known or potential violation of any Environmental Law or a past, present, or material threat of a future release of a hazardous substance or a petroleum product into the environment, Lessor reserves the right, at Lessor's sole discretion, to require Lessee to conduct, at Lessee's sole expense and with a scope of work subject to Lessor's approval, further reasonable investigations and reasonable remediation.

14.12 Protective Devices and Plans. If Lessee is required by the City to estimate the possible constituents of sanitary sewer discharges in order that the City may define certain discharge limitations for the Premises, Lessee shall complete and return an *Industrial Wastewater Discharge Questionnaire* (the "Questionnaire") to the City and promptly provide Lessor with updates to the Questionnaire as they arise. Also, if the City so requires, Lessee shall install and maintain appropriate protective devices to prevent accidental discharge of any Hazardous Materials into domestic or industrial drains on or near the Premises and elsewhere on the Airport, as appropriate, and for any other material for which a slug load discharge could pollute the Airport's storm water discharge or disrupt operations at the sewage treatment plant serving the Premises. Lessee shall post a notice in a prominent place on the Premises advising employees what actions to take and whom to call in the event of said discharge, and shall ensure that all employees of Lessee are trained with regard to the spill protection plan hereinafter referenced. Lessee also shall provide Lessor with immediate notice of any spill.

14.13 Right to Enter Premises. Lessor's rights under this Lease specifically include the right of Lessor, the United States Government, the Environmental Protection Agency (the EPA), the Arizona Department of Environmental Quality (ADEQ) and the Arizona Department of Occupational Safety and Health (ADOSH) to enter the Premises upon reasonable notice to Lessee for purposes of: (i) inspecting Lessee's compliance with environmental, occupational safety and health laws and regulations, whether or not such party is responsible for enforcing such laws; (ii) conducting environmental investigation or remediation, including, without limitation, performing tests and surveys, drillings, test-pitting, borings, compiling data and/or records, and other activities related to environmental investigation; and (iii) carrying out remedial or removal actions as required or necessary under applicable laws, including, without limitation, installing monitoring wells, pumping wells and/or treatment facilities. Lessor shall give Lessee TWENTY-FOUR (24)

hour's prior notice of its intention to enter the Premises unless it determines the entry is required for safety, environmental, operations, or security purposes. Lessee shall have no claim against Lessor for any entries by the United States, EPA, ADEQ, Arizona ADOSH, or any officer, agent, employee or contractor thereof.

14.14 U.S. Air Force Use and Remedial Action.

14.14.1 The Parties assume no liability or responsibility for environmental impacts and damage caused by the U.S. Air Force's use of Hazardous Materials on any portion of the Airport, including the Premises, prior to the Effective Date, and have no obligation under this Lease to undertake the defense of any claim or action, whether in existence now or brought in the future, solely arising out of the use of or release of any Hazardous Materials or deposits of solid waste on or from any part of the Airport, including, but not limited to, the Premises. Further, the Parties have no obligation under this Lease to undertake environmental response, remediation, or cleanup relating to such use or release. For purposes of this SECTION 14.14, "defense" or "environmental response, remediation, or cleanup" shall include liability and responsibility for the costs of damage, penalties, legal and investigative services relating to such use or release. The terms, "Occupation" or "Use" shall mean any activity or presence (in or upon) such portion of, or such building, facility or other improvement on the Premises.

14.14.2 Pursuant to Section VII.E.3 of the Deed (as defined herein), the U.S. Air Force warrants and covenants that all remedial action necessary to protect human health and the environment with respect to hazardous substances remaining on the Airport has been completed prior to the date of the Deed and, further, any remedial action found to be necessary after the date of the Deed shall be conducted by the U.S. Air Force; provided, however, that the foregoing covenant does not apply where Lessor or Lessee is a potentially responsible party with respect to any portion of the Premises or the Airport.

14.15 Cleanup Requirements. Lessee agrees that Lessor assumes no liability to Lessee should Hazardous Materials cleanup or related requirements, whether imposed by law, regulatory agencies, the U.S. Air Force or Department of Defense interfere with Lessee's use of the Premises. Lessee shall have no claim against Lessor or the United States or any officer, agent, employee or contractor thereof on account of any such interference whether due to entry, performance of remedial or removal investigations, or exercise of any right with respect to the Federal Facilities Agreement (FFA) or the Installation Restoration Program (IRP) or under this Lease or otherwise. Lessee agrees to comply with the provisions of any health or safety plan in effect under the IRP or any hazardous substance remediation or response agreement with environmental regulatory authorities during the course of any of the above described response or remedial actions. Any inspection, survey, investigation, or other response or remedial action shall, to the extent practicable, be coordinated with representatives designated by Lessee. Lessee shall have no claim on account of such entries against the United States or any officer, agent, employee, contractor, or subcontractor thereof.

14.16 Spill Protection Plan. In the event Lessee undertakes any type of manufacturing, maintenance or other activities on the Premises involving the use or generation of any Hazardous Materials regulated by Hazardous Materials Laws, Lessee shall have an approved plan for responding to Hazardous Materials, fuel, and other chemical spills prior to commencement of activities on the Premises and other approved Airport locations. Such plan shall comply with all applicable requirements of said plan which shall be updated from time to time or as may be required to comply with changes in site conditions or applicable requirements, and shall be approved by all agencies having regulatory jurisdiction over such plan. Such plan shall be independent of Lessor's spill prevention and response plans, if any. Lessee shall not rely on use of Lessor or Lessor personnel or equipment in execution of its plan. Lessee shall file a copy of the approved plan and approved amendments thereto with Lessor's Environmental and Archeological Coordinator within THIRTY (30) calendar days of receipt of a CofO from the City. Notwithstanding the foregoing, should Lessor provide any personnel or equipment, whether for initial fire response and/or spill containment, on the request of Lessee, or because Lessee was not, in the opinion of Lessor, conducting fire-fighting, containment or timely cleanup actions, Lessee agrees to reimburse Lessor for its actual costs in accordance with all applicable laws and regulations.

14.17 Wells. Lessee shall not install any drinking water or other wells in any location on the Premises without the prior written approval of Lessor.

14.18 Construction Activities and Surface Disturbances.

14.18.1 Should Lessee be permitted to construct improvements on the Premises, Lessee agrees that in the event any hazardous substances, pollutants, contaminants, petroleum or petroleum derivatives are found, Lessee shall promptly notify Lessor of such discovery and shall immediately cease said construction pending investigation and remedial action, if necessary, by Lessor or the appropriate regulatory agency. If Lessee's construction activities pertain to the Initial Improvements, then the Rent Commencement Date shall be delayed on a day-for-day basis for each day of delay in Lessee's ability to conduct construction activities. If Lessee's construction activities pertain to other improvements (occurring after the Rent Commencement Date), then Lessee's obligation to pay Base Rent shall be abated for each day of delay in Lessee's ability to conduct construction activities.

14.18.2 After construction of Lessee's improvements on the Premises, if any, either in the future or as otherwise provided herein, Lessee shall not conduct any material subsurface excavation, digging, drilling or other disturbance of the surface without the prior written approval of Lessor, which shall not be unreasonably withheld.

15. PROTECTION OF WETLANDS.

Lessee shall minimize the destruction, loss, or degradation of any wetlands located on the Premises. Lessor believes there are no wetlands existing on the Premises as of the Effective Date. However, before locating new construction in wetlands, if any exist, Lessee shall contact Lessor and the United States Army Corps of Engineers and obtain a permit or waivers under Section 404 of the *Clean Water Act*. For purposes of this SECTION 15, the term, "new construction," includes structures, facilities, draining, dredging, channeling, filling, diking, impounding, and related activities.

16. SPECIAL PROVISIONS.

16.1 Lessee shall comply with all applicable Federal, State, and local occupational safety and health regulations.

16.2 Lessee shall be responsible for determining whether it is subject to State and local sanitation, licensing, building code or building permit requirements and whether or not it requires a permit to do business and for compliance with them to the extent they are applicable.

17. INSURANCE.

17.1 Coverage Required. Lessee shall procure and maintain, or cause to be procured and maintained, the following types and amounts of insurance with respect to the Premises:

17.1.1 *Builder's Risk* insurance covering the insured's premises and all replacements and/or additions thereto for their full insurable value plus ten percent (Cost +10%) on a "replacement cost" basis and requires an ISO Special Causes of Loss form or equivalent required until completion of construction of the improvements upon the Premises.

17.1.2 *Airport Premises Liability* (5,000,000.00 per occurrence) insurance covering third party bodily injury and property damage, and including coverage for "premises/operations," "products and completed operations," "professional," "host liquor" and "blanket contractual liabilities."

17.1.3 *Commercial Automobile Liability* (1,000,000.00 per occurrence) insurance covering all owned, non-owned and hire vehicles operated on the Airport that are assigned to or used in the performance of commercial activities, or that are operated within the AOA. If any hazardous materials are transported within Airport boundaries in conjunction with the operator's business activities, an MSC-90 Endorsement is required.

17.1.4 *Environmental Impairment Liability* (2,000,000.00 per occurrence) insurance covering third party bodily injury and property damage associated with hazardous material storage facilities, tanks, piping, ancillary equipment and containment structures, or structures that are used, controlled, constructed or maintained on the Airport, and including expenses for defense, release mitigation and off- and on-site remediation.

17.1.5 *Property* (full value of personal property and improvements) insurance covering all essential personal property (property essential to continued business operations) and all operator improvements made to buildings or facilities on the Airport, including all replacements and/or additions thereto, for their full insurable value (All Risks) on a replacement cost basis, and requires an ISO Special Causes of Loss form.

17.1.6 *Worker's Compensation* insurance, as required by law, and *Employer's Liability* insurance in the amount of \$1,000,000.00 covering work-related injuries to employees and others permitted to operate or otherwise conduct business on the Premises.

17.2 Form. Each insurance policy obtained pursuant to this SECTION, except for *Worker's Compensation* and *Employer's Liability* policies, shall: (i) name Lessor as a certificate holder or additional named insured; (ii) contain a provision that written notice of cancellation or modification thereof shall be given to Lessor not less than THIRTY (30) calendar days before such cancellation or modification takes effect (TEN (10) days in case of nonpayment of premium); and (iii) contain a waiver of subrogation in favor of Lessor. Lessee shall not permit any insurance policy to be canceled or modified without Lessor's written consent unless equivalent replacement policies are issued with no lapse in coverage. All policies shall be obtained from insurance companies licensed to do business in the State of Arizona and possessing a rating of at least A – VII or higher from the A.M. Best Company, or an equivalent rating and approved by Lessor.

17.3 Certificates of Insurance. Lessee shall deliver a certificate of insurance for each policy required along with an endorsement naming Phoenix-Mesa Gateway Airport Authority as additional insured, herein to Lessor, in standard Acord or equivalent form, prior to the Effective Date and shall continue to provide such certificates throughout the term of this Lease.

17.4 Additional Insurance. At any time during the term of this Lease, Lessor may, if in its commercially reasonable determination the insurance coverage required by this SECTION 17 is no longer adequate, require Lessee to increase its coverage to commercially reasonable amounts.

17.5 Blanket Insurance. Lessee's insurance obligations under this Lease may be satisfied by means of "blanket" or excess policies.

17.6 Insurance by Lessor. In the event Lessee shall fail to procure any insurance required hereunder, Lessor may, upon written notice to Lessee, procure and maintain any or all of the insurance required of Lessee under this SECTION. In such event, all costs of such insurance procured and maintained by Lessor on behalf of Lessee shall be the responsibility of Lessee and shall be fully reimbursed to Lessor within TEN (10) business days after Lessor advises Lessee of the cost thereof.

18. SURRENDER OF POSSESSION.

18.1 Condition of Property.

18.1.1 Upon the expiration or earlier termination of this Lease, Lessee's right to occupy the Premises and exercise the privileges and rights granted thereunder shall cease, and Lessee shall peaceably surrender the same and leave the Premises broom clean and in good condition except for normal wear and tear. All trade fixtures, equipment, and other personal property installed or placed by Lessee on the Premises which are not permanently affixed thereto shall remain the property of Lessee, and Lessee shall have the right at any time during the term of this Lease, to remove the same from the Airport and Lessee shall repair, at its sole cost, any damage caused by such removal. Any property not removed by Lessee within FIFTEEN (15) calendar days after the expiration or earlier termination of this Lease, or revocation of Lessee's right to occupy the Premises, shall become a part of the Premises, and ownership thereof shall vest in Lessor. Lessee

shall, however, remain financially liable to Lessor for the cost of repairs to the Premises incurred as a result of Lessor's removal and/or relocation of property formerly belonging to Lessee and not otherwise removed from the Premises, as provided herein, and shall remit to Lessor payment for such costs within TEN (10) business days of Lessee's receipt of Lessor's invoice therefor.

18.1.2 Any trade fixtures, equipment or other property affixed to the Premises by Lessee shall, if required by Lessor, be permanently removed from the Premises by Lessee, at Lessee's expense, within FIVE (5) business days of Lease termination. Should Lessee fail to remove such trade fixtures, equipment or other property within said time, Lessor may remove and dispose of such trade fixtures, equipment or other property at Lessee's expense, and Lessee shall reimburse Lessor for the costs thereof within TEN (10) business days of receipt of Lessor's invoice therefor.

18.2 Holding Over. Lessee shall not remain in possession of the Premises after the expiration or earlier termination of the Term without the express written consent of Lessor. Should Lessee hold over without the express written consent of Lessor, such tenancy shall be at the sufferance of Lessor and not a renewal of the Term. In such case, the Base Rent and all other charges due pursuant to this Lease shall be payable at ONE HUNDRED FIFTY PERCENT (150%) of the amount payable during the last year of the Term, and such tenancy at sufferance shall be subject to every other term, covenant and provision of this Lease. In the event Lessee holds over, Lessee shall be liable for all of Lessor's direct and consequential damages, which shall include, without limitation, costs, fees, expenses, damages and attorneys' fees incurred by Lessor as a result of Lessee's holding over, and damages and expenses incurred by Lessor for its inability to deliver possession of the Premises to a new lessee.

19. INSPECTION BY LESSOR.

Lessor may enter upon the Premises at reasonable times and upon at least twenty-four hours advance written notice for any reasonable purpose, including, but not limited to, compliance with the terms and conditions of this Lease and the exercise of its governmental functions for such activities as fire protection or security.

20. NOTICES.

20.1 All notices required or permitted under this Lease shall not be effective unless personally delivered or mailed by certified mail, return receipt requested, postage prepaid, or by reputable commercial overnight courier service, to the following addresses:

TO LESSOR: Phoenix-Mesa Gateway Airport Authority
Attn: Business Development Department
5835 South Sossaman Road
Mesa, Arizona 85212

TO LESSEE: Wetta Ventures, LLC
Attn.: David Wetta, Owner/Manager
3104 E Camelback #957
Phoenix, Arizona 85018
Phone: (602) 478-3538
Email: dw@wettaventures.com

20.2 Any notice shall be deemed to have been received TWO (2) business days after the date of mailing, if given by certified mail, or upon actual receipt if personally delivered or if given by reputable commercial overnight courier service, or upon the computer-generated time/date stamp on any electronic transmission (email included), so long as a hard copy of the same is sent by one of the other methods as well. Any Party may designate in writing a different address for notice purposes pursuant to this SECTION.

21. SEVERABILITY.

Should a court of competent jurisdiction declare any provision of this Lease invalid, the remaining terms shall remain effective.

22. SALES AND PROPERTY TAXES.

Lessee shall pay any leasehold tax, sales tax, personal property tax, transaction privilege tax, license or permit fee, or any other tax assessed as the result of its occupancy of Premises or conduct of any activity at the Airport under authority of this Lease, including any such tax assessable on Lessor. In the event that laws or judicial decisions result in the imposition of a real property tax or any other form of tax or imposition on the interest of Lessor, such tax shall also be paid by Lessee for the period this Lease is in effect, to the extent such taxes are reasonably attributable to the Premises or a portion thereof or the operation of Lessee's business.

23. APPROVALS, CONSENTS AND NOTICES.

All approvals, consents and notices called for in this Lease shall be in writing, signed by the appropriate Party, and may not be established solely by oral testimony.

24. LIENS AND MORTGAGES.**24.1 General Provisions.**

24.1.1 Except as provided in this SECTION 24, Lessee shall not engage in any financing or other transaction creating any mortgage or deed of trust upon the Premises, place or suffer to be placed upon the Premises any lien or other encumbrance, or suffer any levy or attachment to be made on Lessee's interest in the Premises. Any such mortgage or deed of trust, encumbrance or lien shall be deemed a violation of this SECTION, constituting a failure by Lessee to comply with the terms of the Lease, on the date of its execution or filing of record regardless of whether or when it is foreclosed or otherwise enforced.

24.1.2 Notwithstanding anything to the contrary in SECTION 9 herein, Lessee shall, during the Term, be permitted to mortgage, collaterally assign, or otherwise encumber its leasehold interest under this Lease to secure indebtedness, including, without limitation, a loan to finance construction of improvements and other development on the Premises, and including refinancing's thereof, subject to the restrictions of SECTION 24.1.3, and provided that the language of such mortgage or deed of trust and of all related documents that require the execution, approval, or consent of Lessor shall be subject to the prior review and approval of legal counsel for Lessor, and that all legal fees incurred by Lessor in connection with such legal counsel review and approval shall be paid by Lessee. Any such encumbrance is referred to as a "Mortgage" and the holder thereof a "Mortgagee." The Mortgagee, upon taking possession or upon foreclosure or taking an assignment in lieu thereof, shall be liable for all future rents and obligations hereunder and shall attorn to Lessor. No Mortgage shall encumber Lessor's interest in the Premises or the improvements thereon. Further and promptly after Lessee assigns or encumbers any portion of the Premises or the improvements thereon, Lessee shall furnish Lessor with a written notice setting forth the name and address of such Mortgagee or trustee.

24.1.3 No Mortgage or deed of trust shall extend to or affect the fee, the reversionary interest or the estate of Lessor in the Premises. No Mortgage or deed of trust shall be binding upon Lessor in the enforcement of its rights and remedies under this Lease and by law provided, unless and until a copy thereof shall have been delivered to Lessor and such Mortgage or deed of trust is authorized in accordance with provisions of this SECTION 24.

24.2 Lessor Agreement. With respect to Mortgagees of the Premises, Lessor agrees that:

24.2.1 If requested by a Mortgagee which shall have duly registered in writing with Lessor its name and address, and if Lessor shall give any notice, demand, election or other communication required hereunder (hereafter, collectively, "Notices") to Lessee, Lessor shall concurrently give a copy of each such

Notice to the Mortgagee at the address designated by it. Notices shall be sent by registered or certified mail, return receipt requested, and shall be deemed given SEVENTY-TWO (72) hours after the time they are deposited in a United States Post Office with postage charges prepaid, addressed to the Mortgagee. No Notice given by Lessor to Lessee shall be binding upon or affect Lessee or the Mortgagee unless a copy of the Notice shall be given to the Mortgagee pursuant to this SECTION 24.2.1.

24.2.2 Such Mortgagee entitled to such Notices, as specified above, shall have any and all rights of Lessee with respect to the curing of any default hereunder by Lessee.

24.2.3 If Lessor shall elect to terminate this Lease by reason of any default by Lessee with respect to the Premises, the Mortgagee that shall have become entitled to Notice as provided in this SECTION 24.2 shall have any and all rights of Lessee with respect to curing of any default with respect to the Premises.

24.2.4 Nothing herein contained shall be deemed to impose any obligation on the part of Lessor to deliver physical possession of the Premises to such holder of a Mortgage. To the extent the physical possession of the Premises by a secured creditor is not inconsistent with the terms of this Lease, or is incompatible with the Lessor's selection of available remedies in the Event of Default, Lessor shall not prevent such physical possession.

24.2.5 If more than one Mortgagee shall seek to exercise any of the rights provided for in this SECTION 24, the holder of the Mortgage having priority of lien over the other Mortgagees shall be entitled, as against the others, to exercise such rights. Should a dispute arise among Mortgagees regarding the priority of lien, the Mortgagees shall prove to the satisfaction of Lessor that they have settled that dispute.

24.3 Protection of Mortgagee(s). Until the time, if any, that an approved Mortgage shall be satisfied and released of record:

24.3.1 A Mortgagee shall have the right, for a period equal to the period afforded Lessee to perform any term, covenant, or condition and to remedy any default by Lessee hereunder, and Lessor shall accept such performance with the same force and effect as if furnished by Lessee, and the Mortgagee shall thereby and hereby be subrogated to the rights of Lessor. Such Mortgagee cure period shall begin on the later of: (i) the date Mortgagee receives notice pursuant to Section 24.2, or (ii) the date that Lessee's cure period expires under the Lease. During such Mortgagee cure period, Lessor will not disturb possession, interest or quiet enjoyment by the Lessee or Mortgagee in the real property for any reason, subject to the terms of the Lease, until such Mortgagee cure period has expired. The Mortgagee shall have the right to enter upon the Premises to give such performance.

24.3.2 In case of a default by Lessee in the performance or observance of any non-monetary term, covenant or condition to be performed by it hereunder, if such default cannot practicably be cured by the Mortgagee without taking possession of the Premises, in such Mortgagee's reasonable opinion, or if such default is not susceptible of being cured by the Mortgagee, then Lessor shall not serve a notice of lease termination if and so long as:

a. The Mortgagee shall proceed diligently to obtain possession of the Premises (including possession by a receiver), and, upon obtaining such possession, shall proceed diligently to cure such defaults as are reasonably susceptible of cure (subject to any order by a court of competent jurisdiction staying or otherwise precluding such Mortgagee from obtaining such possession); or

b. The Mortgagee shall institute foreclosure proceedings and diligently prosecute the same to completion (unless in the meantime it shall acquire Lessee's estate hereunder, either in its own name or through a nominee, by assignment in lieu of foreclosure), subject to any order by a court of competent jurisdiction staying or otherwise precluding such Mortgagee from obtaining such possession.

c. The Mortgagee shall not be required to obtain possession or to continue in possession of the Premises pursuant to SECTION 24.3.2a, or to continue to prosecute foreclosure proceedings pursuant to SECTION 24.3.2b, if and when such default shall be cured. If a Mortgagee, its nominee, or a purchaser at a foreclosure sale shall acquire title to Lessee's leasehold estate hereunder, a default that is not

reasonably susceptible to cure by the person succeeding to the leasehold interest shall no longer be deemed a default under this Lease.

d. If any Mortgagee is prohibited from commencing or prosecuting foreclosure or other appropriate proceedings in the nature thereof by any process or injunction issued by any court, or by reason of any action by any court having jurisdiction of any bankruptcy or insolvency proceeding involving Lessee, the times for commencing or prosecuting foreclosure or other proceedings, including proceedings to obtain possession, shall be extended for the period of the prohibition.

24.4 New Lease

24.4.1 Subject to FAA regulations, Lessor agrees that, in the event of early termination of this Lease for any reason (including but not limited to any default by Lessee), Lessor, if requested by any Mortgagee, will enter into a new lease of the Premises with the most senior Mortgagee requesting a new lease, which new lease shall commence as of the date of termination of this Lease and shall run for the remainder of the original term of this Lease, at the rent and upon the terms, covenants and conditions herein contained, provided that:

a. Such Mortgagee shall make written request upon Lessor for the new lease within SIXTY (60) calendar days after the date such Mortgagee receives written notice from Lessor that this Lease has been terminated;

b. Such Mortgagee shall pay to Lessor, at the time of the execution and delivery of the new lease, any and all sums which would, at that time, be due and unpaid pursuant to this Lease but for its termination, and in addition thereto all reasonable expenses, including reasonable attorneys' fees, which Lessor shall have incurred by reason of such termination;

c. Such Mortgagee shall perform and observe all covenants in this Lease to be performed and observed by Lessee, and shall further remedy any other conditions which Lessee under the Lease was obligated to perform under its terms, to the extent the same are reasonably susceptible of being cured by the Mortgagee; and

d. The Lessee under the new lease shall have the same right of occupancy to the buildings and improvements on the Premises and elsewhere on the Airport as Lessee had under this Lease immediately prior to its termination.

Notwithstanding anything to the contrary expressed or implied in this Lease, any new lease made pursuant to this SECTION 24 shall have the same priority as this Lease with respect to any mortgage, deed of trust, or other lien, charge, or encumbrance on the fee of the Premises, and any sublease under this Lease shall be a sublease under the new Lease and shall not be deemed to have been terminated by the termination of this Lease.

24.4.2 Nothing herein contained shall require any Mortgagee to enter into a new lease pursuant to this SECTION 24.4, or to cure any default of Lessee referred to above.

24.4.3 If any Mortgagee shall request a new lease as provided in this SECTION 24.4, Lessor agrees, at the request of, on behalf of and at the expense of the Mortgagee, upon a guaranty from it reasonably satisfactory to Lessor, to institute and pursue diligently to conclusion the appropriate legal remedy or remedies to oust or remove the original Lessee from the Premises, but not any authorized subtenants actually occupying the Premises or any part thereof.

24.4.4 Unless and until Lessor has received notice from each Mortgagee that the Mortgagee elects not to demand a new lease as provided herein, or until the period therefor has expired, Lessor shall not cancel or agree to the termination or surrender of any existing subleases nor enter into any new leases or subleases with respect to the Premises without the prior written consent of each Mortgagee.

24.5 Effect of Transfer. Neither the foreclosure of any Mortgage (whether by judicial proceedings or by virtue of any power of sale contained in the Mortgage), nor any conveyance of the

leasehold estate created by this Lease by Lessee to any Mortgagee or its designee by an assignment or deed in lieu of foreclosure or other similar instrument, shall require the consent of Lessor or constitute a default under this Lease, and upon such foreclosure, sale or conveyance, Lessor shall recognize the purchaser or other transferee in connection therewith as the Lessee under this Lease, subject only to an assumption in writing by such purchaser or transferee of all obligations of Lessee under this Lease.

25. GOVERNING LAW; ATTORNEY'S FEES.

The laws of the State of Arizona shall govern the matters set forth in this Lease. Venue of any action brought under this Lease shall, at the option of Lessor, lie in Maricopa County, Arizona. In the event of any litigation, arbitration or mediation relating to this Lease, the prevailing party shall be entitled to an award of reasonable attorney's fees and costs associated therewith.

26. RULES AND REGULATIONS.

Lessee shall at all times comply with all Federal, state and local laws, ordinances, rules, and regulations which are applicable to its activities on the Airport, the Premises itself (including but not limited to the *Americans with Disabilities Act*), or the operation, management, maintenance, or administration of the Airport, including all laws, ordinances, rules and regulations adopted after the Effective Date. Lessee shall at all times comply with the Airport *Minimum Standards* and *Airport Rules and Regulations*, as the same may be amended from time to time. Copies of the current Airport *Minimum Standards* and *Airport Rules and Regulations* are attached hereto as **EXHIBIT D**. Lessee acknowledges and agrees that Lessor may amend the Airport *Minimum Standards* and *Airport Rules and Regulations* at any time in Lessor's sole discretion. Lessee shall be responsible for controlling and preventing disruptive pedestrian and vehicle traffic associated with its activities on the Premises and at the Airport. Lessee also shall display to Lessor any permits, licenses, or other evidence of compliance with laws upon request.

27. CORPORATE AUTHORIZATION.

In executing this Lease, Lessee represents and warrants to Lessor that if Lessee is a corporation, Lessee has obtained and been granted the full right, power and authority to enter into this Lease.

28. UTILITY LINES AND SERVICE CHARGES.

28.1 Lessee shall, at no cost or expense to Lessor, provide or arrange for any public utility, water and sewage lines, connections and services that are needed in connection with any building(s), structure(s) or other improvement(s) placed on the Premises by Lessee, or required for Lessee's activities thereon, and shall be responsible for the maintenance of such lines and connections from where they enter the Premises. If requested in advance to do so by Lessee, Lessor will grant reasonable rights-of-way on or across the Airport to suppliers of public utility services for the purpose of supplying Lessee with such services, but Lessor reserves the right to designate the lands along which such rights-of-way shall be granted so as to cause the least inconvenience in the operation of the Airport and other Airport tenants.

28.2 Lessee shall pay for all utilities, including trash collection, used in its operations at the Airport and the Premises. The charges and method of payment for each utility or service shall be determined by the appropriate supplier of the utility or service in accordance with applicable laws and regulations, on such basis as the appropriate supplier of the utility or service may establish.

28.3 Notwithstanding the execution of this Lease, Lessor retains the right to the continued use of such utility lines and services as are presently on the Premises and the right to repair the same when necessary in Lessor's sole discretion, including but not limited to, any utility easements on the Premises. Lessor shall conduct such repairs in such a manner and at such times as to not unreasonably interfere with Lessee's activities thereon.

29. RESERVATIONS TO LESSOR.

Subject to Lessor's representations, warranties and obligations, the Premises are accepted "as is, where is" by Lessee, subject to any and all existing easements or other encumbrances. In advance consultation with Lessee, Lessor reserves the right to grant reasonable easements, rights-of-way, and permits, over, on, or across any portions of the Premises for commercially reasonable purposes; provided, that Lessor and the grantee, as applicable, shall not exercise such rights so as to interfere with or disrupt Lessee's activities on the Premises, including the development of the Premises, to be determined in the reasonable judgment of Lessor and Lessee, and all such interference shall be minimized. Lessor shall provide Lessee reasonable notice of any plan to undertake the activities contemplated under this Section and shall coordinate with Lessee regarding the execution of such plans to minimize any interference with Lessee's or any subtenant's activities on the Premises, that all work shall be in compliance with all applicable laws, including Environmental Law, and that the surface of the Premises shall be restored to its original condition, including any necessary remediation in accordance with Environmental Law of any contamination associated with any Hazardous Material disturbed during any construction, at no cost to Lessee, upon the completion of any construction. Lessor agrees that any rights granted to any parties by reason of this clause shall contain provisions obligating such parties to at a minimum the same conditions applicable to Lessor under this Section 29, including but not limited to that the surface of the Premises and any Horizontal Improvements shall be promptly restored to their original condition, at no cost to Lessee, promptly upon the completion of any construction.

30. FEDERAL AVIATION ADMINISTRATION (FAA) PROVISIONS.

30.1 Lessee agrees that in the event improvements are constructed, maintained, or otherwise operated on the Premises for a purpose for which a Department of Transportation (DOT) program or activity is intended, or for another purpose involving the providing of similar services or benefits, Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, *Nondiscrimination in Federally Assisted Programs of the Department of Transportation*, as it may be amended.

30.2 Lessee assures Lessor that it will comply with pertinent statutes, Executive Orders, and rules promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, or sex, age or handicap, be excluded from participating in any activity.

30.3 Lessor reserves the right to further develop or improve the landing area of the Airport as it sees fit, regardless of the desires or view of Lessee, and without interference or hindrance therefrom, so long as such activities and improvements do not unreasonably interfere with Lessee's or any subtenant's activities on the Premises and all such interference shall be minimized.

30.4 Lessor reserves the right, but shall not be obligated to Lessee, to maintain and keep in repair the landing area of the Airport and all publicly owned facilities of the Airport, together with the right to direct and control all activities of Lessee in this regard. Lessor and Lessee agree that Lessee has no responsibility whatsoever with respect to maintenance and repair of the landing area of the Airport, or any publicly owned facilities of the Airport.

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

30.6 There is reserved unto Lessor, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Premises, which shall include the right to cause in the airspace any noise inherent in the operation of aircraft, now known or hereafter used for navigation of or flight in or through the airspace, and for the use of such airspace for landing on, taking off from, or operation on the Airport.

30.7 Lessee agrees to comply with the notification and review requirements covered in 14 CFR Part 77 in the event future construction of a building is planned for the Premises or in the event of any planned modification or alteration of any present or future building or structure situated on the Premises.

30.8 Lessee shall not erect or permit the erection of any structure or building, nor permit the growth of any tree on the Premises, or any other obstruction that exceeds height requirements contained in 14 CFR Part 77 or amendments thereto, or interferes with the runway and/or taxiway "line of sight" of the control tower. In the event these covenants are breached, Lessor reserves the right to enter upon the Premises and to remove the offending structure or object at the expense of Lessee.

30.9 Lessee shall not make use of the Premises in any manner that might interfere with the landing and taking off of aircraft from the Airport or otherwise constitute a hazard. In the event this covenant is breached, Lessor reserves the right to enter upon the Premises and cause the abatement of such interference at the expense of Lessee.

30.10 Nothing contained in this Lease shall be construed to grant or authorize the granting of an exclusive right within the meaning 49 U.S.C. §40103(e) and 47107 (a)(4).

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

30.12 To the extent that Lessee conducts or engages in any aeronautical activity for furnishing services to the public at the Airport, Lessee shall furnish its services on a reasonable and not unjustly discriminatory basis to all users and charge reasonable and not unjustly discriminatory prices for each unit or service; except, however, that Lessee may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar type of price reductions to volume purchasers.

30.13 Lessee shall conform to Lessor and FAA safety and security rules and regulations regarding use of the Airport air operations area including runways, taxiways, taxilanes and aircraft aprons by vehicles, employees, customers, visitors, etc., in order to prevent security breaches and avoid aircraft incursions and vehicle/pedestrian deviations; complete and pass an airfield safe driving instruction program when offered or required by Lessor; and be subject to penalties as prescribed by Lessor for violations of Airport safety and security requirements.

31. TITLE VI

31.1 The tenant/Lessee and its transferee agree to comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color or national origin, sex, age or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. Lessee understands and acknowledges that the FAA requires inclusion of and adherence to the terms and conditions of Title VI in all airport/aviation lease agreements where Lessor receives federal funding, including, Lessor in this instance.

31.2 During the performance of this Lease, the tenant/lessee, for itself, its assignees, and successors in interest agrees as follows:

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

2. Non-discrimination: The tenant/lessee, with regard to the work performed by it during the Lease, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The tenant/lessee will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including

employment practices when the Lease covers any activity, project, or program set forth in Appendix B of 49 CFR Part 21.

3. Solicitations for Subcontracts, Including Procurements of Materials and Equipment: In all solicitations, either by competitive bidding, or negotiation made by the tenant/lessee for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the tenant/lessee of the tenant/lessee's obligations under this Lease and the Non-discrimination Acts And Authorities on the grounds of race, color, or national origin.

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

5. Sanctions for Noncompliance: In the event of a tenant/lessee's noncompliance with the Nondiscrimination provisions of this Lease, the Recipient will impose such Lease sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:

- a. withholding payments to the tenant/lessee under the Lease until the tenant/lessee complies; and/or
- b. cancelling, terminating, or suspending a Lease, in whole or in part.

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

31.3 The Lessee for himself/herself, his/her heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree that (1) no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land, and the furnishing of services thereon, no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the lessee will use the premises in compliance with all other requirements imposed by or pursuant to the List of discrimination Acts And Authorities.

31.4 During the performance of this Lease, the tenant/Lessee, for itself, its assignees, and successors in interest agrees to comply with the following non-discrimination statutes and authorities; including but not limited to the following (which Lessor is required to disclose and include in such Lease and other agreements, pursuant to FAA regulation):

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq.*, 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);

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

31.5 Lessee agrees that in the event improvements are constructed, maintained, or otherwise operated on the Premises for a purpose for which a Department of Transportation (DOT) program or activity is intended, or for another purpose involving the providing of similar services or benefits, Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, *Nondiscrimination in Federally Assisted Programs of the Department of Transportation*, as it may be amended.

32. FEDERAL FAIR LABOR STANDARDS ACT

This Lease and all subleases that result from this Lease incorporate by reference the provisions of 29 CFR part 201, the Federal Fair Labor Standards Act (FLSA), with the same force and effect as if given in full text.

The Lessee has full responsibility to monitor compliance to the referenced statute or regulation. The Lessee must address any claims or disputes that arise from this requirement directly with the U.S. Department of Labor – Wage and Hour Division.

33. OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970

This Lease and all subleases that result from this Lease incorporate by reference the provisions of 29 CFR part 1910 with the same force and effect as if given in full text. Lessee must provide a work environment that is free from recognized hazards that may cause death or serious physical harm to the employee. The Lessee retains full responsibility to monitor its compliance and their sublessee's compliance with the applicable requirements of the Occupational Safety and Health Act of 1970 (20CFR Part 1910). Lessee must address any claims or disputes that pertain to a referenced requirement directly with the U.S. Department of Labor – Occupational Safety and Health Administration

34. INCORPORATION OF QUITCLAIM DEED.

Lessor owns the Airport pursuant to a Quitclaim Deed from the United States Government (the "Deed"), a copy of which is available to Lessee upon request and is hereby incorporated in its entirety. To the extent the Deed has terms, conditions, obligations, requirements or restrictions that apply to this Lease, Lessor, Lessee or any matter in connection herewith, Lessee agrees to be bound by all the terms, covenants and conditions of the Deed, including the following:

- 34.1 That this Lease is subject to all terms and conditions of the Deed; and
- 34.2 That in case of any conflict between the Deed and this Lease, the Deed shall control.

35. REQUIRED PROVISIONS OF QUITCLAIM DEED.

35.1 Section VI (A)(5)(c) of the Deed requires that the following provisions be included in this Lease:

35.1.1 In furnishing services to the public, Lessee shall not discriminate against any person or class of persons by reason of race, color, creed, or national origin, and Lessee shall otherwise provide such services on a fair, equal, and not unjustly discriminatory basis to all users thereof.

35.1.2 Lessee shall charge fair, reasonable, and not unjustly discriminatory prices for each unit for service; except, however, that the Lessee may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

35.2 If the Premises are within any of the archaeological sites identified in Section VIII.A of the Deed, then, the provisions of Section VIII of the Deed shall be deemed incorporated in this Lease by this express reference to Section VIII of the Deed.

35.3 To the extent the Deed requires that other specific provisions thereof be inserted in this Lease by express reference to the Deed, this sentence shall constitute an express reference to all such applicable provisions of the Deed.

36. ARCHEOLOGICAL OR CULTURAL RESOURCES.

In the event any archeological or cultural resources are discovered during any construction contemplated or permitted by this Lease, Lessor shall use its best efforts to expedite any necessary actions with respect thereto, at Lessor's sole cost and expense; provided, however, that in the event the necessary

actions with respect to any archeological or cultural resources exceeds or is estimated to exceed \$10,000.00, Lessor shall be entitled to terminate this Lease upon TEN (10) business days' prior written notice to Lessee.

37. AIRPORT SECURITY

37.1 PMGAA Operations Department maintains an approved Airport Security Plan (the "Security Plan") pursuant to 49 CFR Parts 1540 and 1542, and 14 CFR Part 139. Lessee shall at all times comply with PMGAA Operations Department security directives, security bulletins, or verbal notifications existing now or in the future.

37.1.1 Lessee is responsible for maintaining security practices, facilities, and perimeter boundaries on their leasehold that meet the security standards set forth by PMGAA Operations Department.

37.1.2 Lessee shall immediately correct physical or procedural deficiencies which are contrary to PMGAA Operations Department, security directives, security bulletins, or verbal notifications existing now or in the future.

37.1.3 Lessee shall, to the fullest extent permitted by law, indemnify, defend and hold PMGAA harmless for, from and against any security violation committed by any agents, employees, invitees, subcontractors, sub-lessees or independent contractors of Lessee.

37.1.4 Lessee shall conduct and document all self-audits and self-inspections as required by TSA or Airport Operations and make such audits available for inspection.

37.1.5 Lessee shall designate a primary security coordinator to receive security related briefings, bulletins and sensitive security information.

37.1.6 PMGAA reserves the right to modify the Security Plan from time to time, as necessary or as directed by TSA. PMGAA Airport Operations shall notify the Lessee security coordinator regarding modifications that effect Lessee.

37.2 Airport Security Badge.

37.2.1 Lessee employees/contractors that require a Badge shall be obligated to complete all training and comply with all security requirements and directives issued by PMGAA Airport Operations, Transportation Security Administration or other entity having security jurisdiction at PMGAA. Lessee, employees, and contractors will surrender security badges upon request by Airport Operations; physical security media (badges and keys) remain the property of PMGAA.

37.2.2 Lessee, employees and contractors shall comply with all security related audits, inspections, and screenings conducted by the PMGAA Airport Operations Department

37.2.3 Lessee will immediately return badges to the Airport Badging office when badge holders' employment is terminated, the badge is no longer needed or the employee/contractor is on extended leave.

37.2.4 Misuse of a Badge or security procedures will bring about punitive action including suspension or revocation of one or all badges.

38. DEFAULT BY LESSOR.

In the event of any alleged breach by Lessor of its covenants contained in this Lease, Lessee shall have available all rights and remedies provided at law or in equity, subject to the terms and conditions of this Lease; provided, however, Lessee may not exercise any such right or remedy unless Lessee has notified Lessor by written notice of such alleged default, and Lessor has not cured such default within the THIRTY (30) calendar day period subsequent to receipt of such notice or, in the event such alleged default is of such a nature that it cannot reasonably be cured within such THIRTY (30) calendar day period, Lessor has failed to cure such alleged default with all due diligence. Notwithstanding anything to the contrary contained in this Lease, in no event shall Lessee be entitled to terminate this Lease or abate or offset any installment of Base Rent, or any other payments to be made by Lessee hereunder.

39. BROKERS.

Lessor shall provide the brokerage firm of CBRE, Inc. with a commission payment in accordance with Section V of PMGAA's Property Brokerage Service Agreement (Contract Number C-2018003). All payments to CBRE, Inc. owed under this Lease shall be payable within thirty (30) days of the Construction Milestone identified in Section 7.3.3 of this Lease and successful payment of the Security Deposit from Lessee to Lessor. The commission payment to CBRE, Inc. shall equal NINETY-NINE THOUSAND, ONE HUNDRED AND NINETY-SEVEN 70/100 DOLLARS (USD\$99,197.70). Lessor shall send payment to:

CBRE, Inc.
P.O. Box 740935, Location Code 2158
Los Angeles, CA 90074-0935

Lessee has disclosed to Lessor that Lessee and/or principals of Lessee are licensed real estate agents and/or brokers in the state of Arizona.

40. SALE BY LESSOR.

Lessee agrees to look solely to Lessor's interest in the Premises for the recovery of any judgment from Lessor, it being agreed that neither Lessor nor the holders of the equity interests of Lessor, nor the members, partners, officers, directors or shareholders of Lessor shall be personally liable for any such judgment. In the event of any sale or other conveyance by Lessor of its interest in the Premises, Lessor shall be automatically freed and released from all personal liability accruing from and after the date of such sale or conveyance as respects the performance of any covenant or obligation on the part of Lessor contained in this Lease to be performed, it being intended hereby that the covenants and obligations contained in this Lease on the part of Lessor shall be binding on the Lessor and its successors and assigns only during and in respect to the respective successive periods of ownership of the Premises.

41. ESTOPPEL CERTIFICATE.

Lessee shall, without charge, at any time and from time to time hereafter, within TEN (10) business days after written request of Lessor to do so, certify, by written instrument duly executed and acknowledged by Lessee and certified to Lessor and to any prospective lender or purchaser: (i) as to whether this Lease has been supplemented or amended, and if so, the substance and manner of such supplement or amendment; (ii) as to the existence of any default hereunder to the best of Lessee's knowledge; (iii) as to the date on which Lessee was obligated to commence paying Base Rent and all other charges hereunder and the expiration date of the Term; (iv) as to whether the Lessee has assigned or transferred its interests or any portion thereof in this Lease; and (v) as to any other matters as may be reasonably requested. Lessor and any prospective purchaser or lender to whom the same was certified may rely upon any such certificate.

42. MISCELLANEOUS.

42.1 Personal Liability. No member of or employee of either Party shall be charged personally or held contractually liable by or to the other Party under any term or provision of this Lease because of any breach thereof, or because of its execution or attempted execution.

42.2 No Waiver. No provision of this Lease may be waived or modified except by a writing signed by the Party against whom such waiver or modification is sought.

42.3 Non-Waiver of Rights. No waiver or default by Lessor of any of the terms, conditions, covenants or agreements hereof to be performed, kept or observed by Lessee shall be construed or act as a waiver of any subsequent default of any of the terms, covenants, conditions or agreements herein contained to be performed, kept or observed by Lessee, and Lessor shall not be restricted from later enforcing any of the terms and conditions of this Lease.

42.4 Amendment. This Lease shall be modified only by a written amendment mutually agreed to and signed by both Parties, by persons duly authorized to enter into contracts on behalf of each Party.

42.5 Invalid Provisions. Should any provision of this Lease or any application thereof be held invalid by a court of competent jurisdiction, the remainder of this Lease shall not be affected thereby, unless one or both Parties would be substantially and materially prejudiced.

42.6 Litigation Expenses. In the event of litigation between Lessor and Lessee, the prevailing Party shall be entitled to recover its attorneys' fees and all costs and expenses of litigation, including witness fees, expert witness fees, and court costs.

42.7 Headings. The headings contained herein are for convenience in reference only and are not intended to define or limit the scope of this Lease or any term thereof.

42.8 Entire Agreement. This Lease, including exhibits attached hereto at the time of its execution, constitutes the entire agreement between the Parties hereto and supersedes all prior negotiations, understandings and agreements between the Parties concerning such matters.

42.9 Force Majeure. Force Majeure shall mean delays caused by or resulting from an Act of God, severe weather conditions, war, insurrection, riot, civil commotion, fire or other casualty, strikes, lockouts, inability to obtain labor or materials, governmental regulations, or other causes beyond the party's reasonable control. Neither party shall have any liability whatsoever to the other party on account of any event of Force Majeure. If this Lease specifies a time period for performance of an obligation of either party, that time period shall be extended by the period of any delay caused by any event of Force Majeure. However, an event of Force Majeure shall not in any way affect Lessee's obligation to pay rent or other moneys due, nor shall it extend the Term of this Lease

43. INCORPORATION OF RECITALS.

The recitals set forth herein are acknowledged by the Parties to be true and correct and are incorporated herein by this reference.

IN WITNESS WHEREOF, the Parties have executed this Lease the day and year first above written.

EXECUTED to be effective on the date specified above.

LESSOR:

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, an Arizona joint powers airport authority

By: _____
J. Brian O'Neill, A.A.E.
Executive Director/CEO

STATE OF ARIZONA)
) ss.
County of Maricopa)

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me this ____ day of _____, 2018, by J. Brian O'Neill, in his capacity as the Executive Director/CEO of the Phoenix-Mesa Gateway Airport Authority.

Notary Public

My Commission Expires:

LESSEE:

WETTA VENTURES, LLC, an Arizona limited liability company

By: _____
David Wetta, Owner / Manager

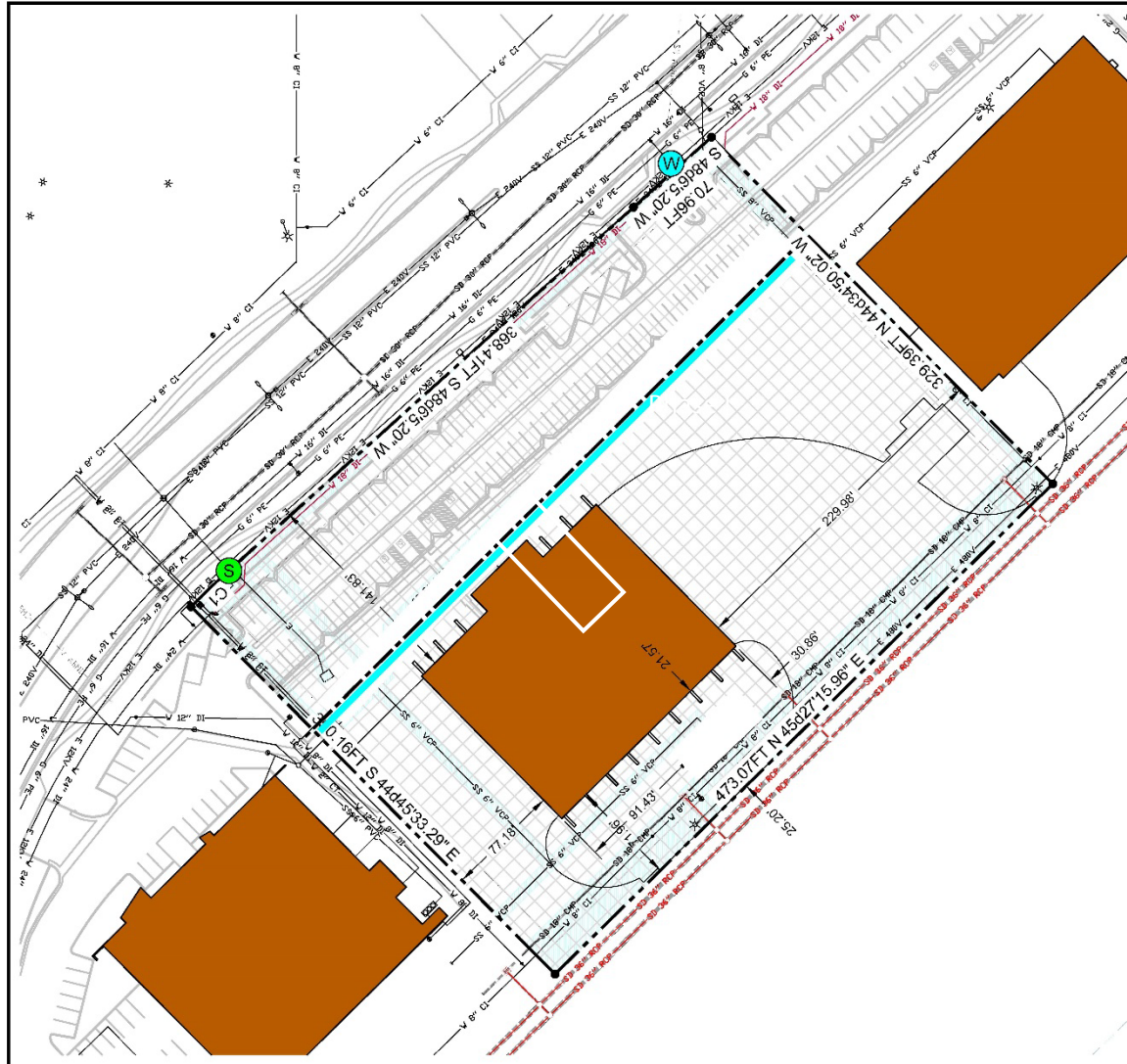
STATE OF _____)
County of _____) ss.

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me this ____ day of _____, 2018, by David Wetta, in his capacity as Owner / Manager, Wetta Ventures, LLC, an Arizona limited liability company, for and on behalf of said limited liability company.

Notary Public

My Commission Expires:

EXHIBIT A
DEPICTION OF THE PREMISES



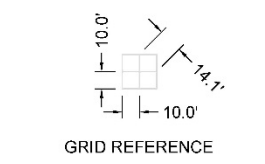
LEGEND

- BOUNDARY LINE, LOT
- BOUNDARY LINE, WGA
- SETBACK LINE
- EASEMENT, UTILITY
- ULTIMATE UTILITY LINE
- COM UTILITY LINE, COM
- UTILITY LINE, ELECTRIC
- UTILITY LINE, FRCD MAIN
- UTILITY LINE, GAS
- UTILITY LINE, SEWER
- UTILITY LINE, WATER


- UTILITY STUB, COM
- UTILITY STUB, ELECTRIC
- UTILITY STUB, FIRE SPRS
- UTILITY STUB, GAS
- UTILITY STUB, WATER
- UTILITY STUB, SEWER

CURVE DATA

CURVE ID:	C1
RADIUS:	542'
ARC LENGTH:	35.28'
DELTA:	3.73°
TANGENT:	17.65'



ATTENTION!
DIMENSIONS AND FEATURES SHOWN
ON THIS DRAWING ARE APPROXIMATE
AND ARE NOT MEANT TO REPRESENT
SURVEYED SITE CONDITIONS



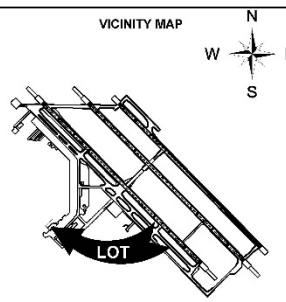
Williams Gateway Airport Authority
DEVELOPMENT DEPARTMENT
5835 S SOSSAMAN ROAD
MESA, ARIZONA 85212
480-985-7000 www.phoenixairport.com

EXHIBIT "A"
LOT 37
6253 S. SOSSAMAN RD

80' 0 80'
FEET
SCALE: 1"=80'

LOT DATA
161173.64 SF
3.70 ACRES

VICINITY MAP



CREATED BY: MLC
REVIEWED BY: MLC
APPROVED BY: MLC
PDF ON FILE: YES
DWF ON FILE: NO
PRINT DATE: 12/05/10
DWG DATE: 12/05/10
FILE NAME: 11-01-04

SHEET
1

APPROVED FOR FINAL DISTRIBUTION

EXHIBIT B

AIRPORT RATES & CHARGES SCHEDULE

(Link)

[http://www.gatewayairport.com/Documents/DocumentLibrary/Board%20Policies/Airport%20Rates%20and%20Charges%20\(Res.%2017-38\)%20Effective%208-1-17.pdf?Uniqueifier=iAlojEFhT5](http://www.gatewayairport.com/Documents/DocumentLibrary/Board%20Policies/Airport%20Rates%20and%20Charges%20(Res.%2017-38)%20Effective%208-1-17.pdf?Uniqueifier=iAlojEFhT5)

EXHIBIT C**AIRCRAFT OPERATIONS GUIDELINES**

C1. Use of Airport. Lessee, Lessee's assigns, sublessees, or transferees who operate aircraft at the Airport and are engaged in a private, government, or commercial aeronautical business or service and desire to use the Airport landing facilities for certain types of operations including, but not limited to: 1) taxiing and maneuvering on Airport runways, taxiways, ramps and aprons; 2) landings and approaches ("touch and go", "stop and go"); and 3) low approaches shall be subject to the provisions of this **EXHIBIT C**.

C2. Fees. As appropriate, Lessee shall pay Lessor fees as outlined below:

C2.1 *Landing Fee.* Lessee shall pay a landing fee at a rate equal to the amount reflected on the most current *Airport Rates and Charges Schedule* at the time of the aircraft operation, for each flight subject to a landing fee operated by or in conjunction with Lessee. The weight of any particular aircraft shall be its maximum certificated gross landing weight (MGLW). The amount owed to Lessor for each chargeable aircraft landing for each preceding calendar month shall be due and payable no later than the TWENTIETH (20th) day of the month succeeding the calendar month in which said aircraft landings took place. Lessee's written listing of all aircraft landings subject to such fee shall accompany said payment. Each entry in such listing shall include the date of the landing, the aircraft registration number, the type and model aircraft, the aircraft MGLW and the amount of the fee due.

C2.2 *Aircraft Ramp Space.* Lessee shall pay Lessor monthly, an aircraft-parking fee in an amount equal to that specified in the most current Airport Rates and Charges Schedule at the time of use, for each overnight aircraft parking position used by Lessee that is situated on Airport ramp outside Lessee's Premises. Such fees, if any, shall be payable to Lessor no later than the TWENTIETH (20th) day of the month following that in which Lessee occupied or used such space, and such payment shall be accompanied by a written listing of the aircraft (including registration number, make and model), dates and times of usage.

C2.3 *Other Space.* When available and specifically assigned to Lessee, Lessee shall pay Lessor monthly, in advance, a fee for Lessee's non-exclusive use of other space not situated on or part of the Premises. The location and cost of such other space shall be determined by Lessor at its sole discretion, and both may be subject to change from time to time by Lessor, as necessary.

C2.4 *Additional Space/Services.* In the event that Lessee requires space or special services such as, but not limited to, aircraft line services, out-of-station ARFF standby, operations safety officers, ground service equipment, or fuel spills response teams, Lessee shall pay Lessor's standard fees for such services at the time the service is rendered, unless a secured account or agreement is established prior to requesting additional services.

C3. Books and Records. Lessee shall maintain permanent books, records and ledgers accurately reflecting the total number of monthly Aircraft landings for each aircraft subject to a landing fee and any other aforementioned fee indicating the make, type (including model designation), registration, maximum certificated gross landing weight, and arrival and departure time of each aircraft involved. These records shall be made available to Lessor upon request. In addition to monthly payment as set forth in SECTION C2 herein and together therewith, Lessee shall provide Lessor with a written report, indicating all aircraft operations and related information for the preceding calendar month.

C4. Disabled or Abandoned Aircraft. Should any aircraft owned or operated by Lessee through accident or for any other reason, become disabled or be abandoned in any area which could interfere with the continuous, normal operations of any of the runways, taxiways and airfield facilities at the Airport, Lessee shall:

C4.1 Immediately remove said aircraft to such location as may be designated by Lessor, unless such aircraft is required to remain in place pending investigation by the appropriate regulatory agency or agencies of the federal government; and

C4.2 In the event of any accident where federal investigation in place is required, immediately upon receiving clearance to do so from the appropriate federal agency, remove said aircraft and any wreckage or debris resulting therefrom to the area(s) designated by said federal agency authorizing such removal; otherwise, such aircraft wreckage and debris shall be immediately removed from the Airport or stored at a location approved by Lessor.

C4.3 Should Lessee fail to proceed immediately to remove disabled aircraft, or should aircraft owned or operated by Lessee be abandoned on the Airport, Lessor shall have the right to remove such aircraft by any means Lessor deems necessary under the circumstances, and Lessee shall indemnify, defend, keep and hold Lessor, its members, board of directors, officers, agents, officials, servants, employees and contractors harmless from and against any and all claims, costs, loss, liability, actions, suits, proceedings, damage or expense (including costs of suit and attorneys' fees and expenses) incurred by Lessor or claimed by anyone by reason of removal of said aircraft, injury to persons or property or damages to such aircraft caused by such removal, as well as storage costs therefor. Lessee shall reimburse Lessor for any costs incurred by Lessor in removing and storing any aircraft, any property damage to the airport caused by such aircraft or removal within TEN (10) business days of demand therefor.

C5. Aviation Fuel. Lessee, at Lessee's sole cost and expense, shall procure aviation fuel delivered to its aircraft on the Airport. If fueling or defueling aircraft owned or operated by Lessee, or under Lessee's direct control, Lessee shall comply fully with Lessor's *Aviation Fuel Storage, Dispensing and Handling Guidelines*.

C6. Fly Friendly Procedures. Lessee acknowledges receipt of Lessor's *Fly Friendly* noise abatement procedures, and shall provide such information to flight crews, post the information in the Lessee's flight planning area, and use the procedures to the extent possible, when consistent with safety and Air Traffic Control directives.

EXHIBIT D

MINIMUM STANDARDS

(Link)

http://www.gatewayairport.com/Documents/DocumentLibrary/Board%20Policies/Rules%20and%20Regulations_16-53.pdf?Uniqueifier=iAIojEFhT5

&

AIRPORT RULES AND REGULATIONS

(Link)

http://www.gatewayairport.com/Documents/DocumentLibrary/Board%20Policies/Rules%20and%20Regulations_16-53.pdf?Uniqueifier=iAIojEFhT5

EXHIBIT E

DEPICTION OF THE EXISTING IMPROVEMENTS

PMGAA BUILDING SUMMARY

PROPERTY INFORMATION:

Physical address: **6253 S. Sossaman Road**
 Building number: **37**
 Building size: **21,858 sf**
 Year built: **1943**
 Lot number: **37**
 Lot size: **3.7-acres** (161,172 sf)
 Parking: **72** (add'l space available in vicinity)
 Restrooms: **Yes** (1 ea. unisex; not ADA compliant)
 AOA access: **Yes**
 Replacement cost: **\$450,000** (new)

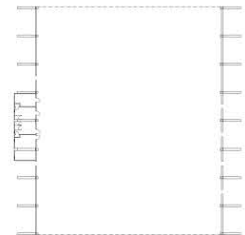


TENANT(S):

VACANT

AVAILABLE UTILITIES:

Electrical – **Yes** (SRP-metered, 277/480v & 120/208v, 400-amps)
 Gas – **No** (available at street)
 Water – **Yes** (City of Mesa-metered, 1½-inch)
 Sewer – **Yes** (City of Mesa)
 Fire protection – **No**
 Telecommunications – **Yes** (PMGAA & Qwest-phone, PMGAA internet)
 Security – **No**



COMMENTS: This 66+ year old Quonset-hangar is categorized as an "historic building," but was authorized for demolition in 2007. Small office, storage area and restroom have extensive termite damage. Lot/building being advertised as redevelopment opportunity due to the large lot size, and the reality that lot represents the last developable aviation-use lot opportunity within the south-central zone.



Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

To: Board of Directors
From: Shea Joachim, CEcD, Business Development Director
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: Land Lease – Lot 18
Date: September 4, 2018

Proposed Motion

To authorize a land lease with Aviation Performance Solutions, LLC for lot 18, consisting of approximately 4.7 acres. The lease term is 25 years, commencing on October 1, 2018, with two (2) five-year extension options, payable at a monthly rate of \$7,690.24 commencing on the Rent Commencement Date.

Narrative

Aviation Performance Solutions, LLC (“Lessee”) currently operates out of the University of North Dakota building located at 5865 S. Sossaman Rd. Lessee has expanded and outgrown their current facility’s capacity. Lessee has decided to develop new facilities on lot 18 to accommodate its anticipated growth as well as other aviation users.

Lot 18, consists of approximately 4.7 acres (the “Premises”). Lessee has requested to lease the Premises to develop and construct corporate hangars with a combined square footage of approximately 70,000 square feet under roof and a capital investment of approximately \$10,000,000.00 (the “Improvements”).

Agreement Term and Rate

The initial lease rate is \$7,690.24 per month (or \$92,282.85 annually) for the Premises. The term of the lease is twenty-five (25) years with two (2) five-year extension options.

To facilitate design, site preparation, and construction the Rent Commencement Date of the lease is on the earlier of either (i) the delivery of a Certificate of Occupancy or its equivalent from the City of Mesa for the Improvements or; (ii) April 1st, 2020.

Attachment(s)

Land Lease Agreement



RESOLUTION NO. 18-36

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority formed pursuant to Arizona Revised Statute § 28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS, the Authority desires to enter into a land lease with Aviation Performance Solutions, LLC;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorize a land lease with Aviation Performance Solutions, LLC for lot 18, consisting of approximately 4.7 acres. The lease term is 25 years, commencing on October 1, 2018, with two (2) five-year extension options, payable at a monthly rate of \$7,690.24 commencing on the Rent Commencement Date. This resolution also authorizes the Chair or Executive Director/CEO to execute such Agreement, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 18th day of September, 2018.

Jeff Serdy, Chair

ATTEST:

APPROVED AS TO FORM:

Maria Gonzalez, Clerk of the Board

Attorney



Phoenix-Mesa Gateway Airport Authority

LAND LEASE

with

Aviation Performance Solutions, LLC

Effective Date: October 1st, 2018

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Phoenix-Mesa Gateway Airport Authority
LAND LEASE

This Land Lease (the “Lease”) is executed to be effective the FIRST (1st) day of OCTOBER 2018 (the “Effective Date”) between the **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY**, a joint powers airport authority authorized and existing under the laws of the State of Arizona (“Lessor”), and **AVIATION PERFORMANCE SOLUTIONS, LLC**, an Arizona limited liability company (“Lessee”). Lessor and Lessee may be referred to jointly as “Parties,” and each separately may be referred to as a “Party.”

WITNESSETH:

WHEREAS, Lessor is the owner and operator of the Phoenix-Mesa Gateway Airport generally located at the intersection of Ray Road and Sossaman Road, City of Mesa, Maricopa County, Arizona (the “Airport”); and

WHEREAS, Lessor has the right to lease, license and grant the use of property and facilities on the Airport and has full power and authority to enter into this Lease in respect thereof; and

WHEREAS, Lessor desires to lease to Lessee, and Lessee desires to lease from Lessor, that certain real property at the Airport described as Lot 18, consisting of approximately TWO HUNDRED FIVE THOUSAND, SEVENTY-THREE (205,073) square feet, as set forth in **EXHIBIT A** attached hereto (the “Premises”) for the purpose of developing the lot with new aircraft hangars and supporting facilities (the Improvements as defined in Section 7.1 herein); and

WHEREAS, Lessor desires to lease the Premises to Lessee on the terms and conditions set forth herein;

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

1. LEASE.

Lessor hereby leases the Premises to Lessee, subject to all easements and rights of way that may encumber the Premises, and further subject to all operational and use restrictions and other terms and conditions set forth in this Lease.

1.1 Right to Use Premises. Lessor agrees that so long as Lessee shall timely pay the Base Rent and other charges required to be paid hereunder, and perform all of its other obligations under this Lease, Lessee shall peaceably have and enjoy the use of the Premises without hindrance from Lessor. Lessee specifically acknowledges that Lessee has inspected the Premises prior to entering into this Lease and agrees to accept the Premises in an “as is, where is” condition without any warranty or representation from Lessor, either express or implied, of any kind or nature whatsoever with respect to the Premises, including, but not limited to, any warranty of merchantability, habitability, or fitness for any particular or specific purpose, and all such warranties are hereby disclaimed. Should Lessee desire any inspection report, environmental assessment, survey, creation of a legal description, drainage report, or any similar study, Lessee shall be responsible for the same at Lessee’s sole expense.

1.2 Reserved.

1.3 Access. Lessee is granted the right of reasonable access to and from the Premises via such portions of the Airport as are or may be necessary to allow Lessee to conduct its business operations permitted herein at and on the Premises and the Airport. Lessor reserves the right to designate the location of such access and to change its location from time to time, as Lessor deems reasonably necessary and appropriate; provided such changes do not materially interfere with Lessee's use of or access to the Premises.

1.4 Permitted Uses. Subject to the provisions of SECTION 1.5, Lessee may use the Premises to develop speculative aircraft hangars and related facilities and only use the Premises for the following specifically described uses and no other:

- a. Corporate use, general aviation use, and general aviation commercial activities, i.e. flight school, maintenance and repair station, specialty shops serving aircraft up to and including FAA Design Group III;
- b. Other operations and services upon the written approval of the Executive Director of Lessor.

Lessee's use of the Premises and operation of its business at and on the Airport and the Premises is subject to all applicable laws, rules and regulations of any governmental authority, including Lessor, and to Lessee's compliance with applicable provisions of the *Airport Rules and Regulations* and *Minimum Standards*.

1.5 Prohibited Activities. Lessee shall not use or permit its agents, employees, contractors, invitees, licensees or customers to use the Premises or the Airport for any use that is in violation of the *Airport Rules and Regulations*, the *Airport Minimum Standards*, any matters of record, or applicable laws, rules, regulations and operating policies of any governmental authority, including Lessor, or for any other activity or operation not specified in SECTION 1.4 herein, or that does not have advance, written approval of Lessor's Executive Director.

1.6 Continuous Operation. Upon commencement of business operations at and on the Premises and the Airport, Lessee shall designate an on-site manager for the term of this Lease who shall be available to Lessor and Lessee's customers, if any, during normal business hours, and otherwise as required by the *Airport Minimum Standards*, as applicable.

1.7 Lessee Acknowledgement. Lessee agrees that its obligations to pay Base Rent and all other charges due and owing under the terms hereof shall be absolute and unconditional, and shall not be affected by any circumstances whatsoever, including, without limitation: (i) any set-off, counterclaim, recoupment, defense or other right which Lessee may have against Lessor or the United States of America or anyone else for any reason whatsoever; (ii) any liens, encumbrances or rights of others with respect to the Premises; (iii) the invalidity or unenforceability or lack of due authorization or other infirmity of this Lease or any lack of right, power or authority of Lessor or Lessee to enter into this Lease; (iv) any insolvency, bankruptcy, reorganization or similar proceedings by or against Lessee, or any other person; or (v) any other cause, whether similar or dissimilar to the foregoing, any future or present law notwithstanding, it being the intention of the Parties hereto that all rent being payable by Lessee hereunder shall continue to be payable in all events and in the manner and at the times provided herein.

2. **TERM.**

2.1 Initial Term. The term of this Lease shall be for a period of TWENTY-FIVE (25) years, commencing on the Effective Date and terminating on SEPTEMBER 30TH, 2043 thereafter (the "Term").

2.2 Renewal Term(s). Provided Lessee is not then in default of this Lease, the Parties shall have the option of extending the Term for TWO (2) additional periods of FIVE (5) years each (each an "Extension"). Lessee may initiate an Extension by giving written notice to Lessor of its desire to do so no later than ONE HUNDRED EIGHTY (180) calendar days prior to the expiration of the Term, as set forth in SECTION 2.1 herein. If Lessee has properly notified Lessor of its desire to exercise an Extension then Lessee's Extension of the

Term of this Lease shall become effective and all references herein to the "Term" shall mean the initial term as extended.

3. NONEXCLUSIVE RIGHTS.

Lessee shall have the exclusive right to occupy and use the Premises while in compliance with the terms and conditions of this Lease. All other rights granted to Lessee under this Lease are nonexclusive. Lessor may, in its sole discretion and at any time, permit third parties to conduct any and all business activities at the Airport that Lessor deems appropriate, or conduct such activities itself, provided that such activities do not require or materially interfere with Lessee's use of the Premises.

4. RENT.

4.1 Base Rent. Lessee agrees to pay Lessor annual rental for the use of the Premises in the amount of NINETY-TWO THOUSAND, TWO HUNDRED EIGHTY-TWO AND 85/100 DOLLARS (\$92,282.85), payable in equal monthly installments of SEVEN THOUSAND, SIX HUNDRED NINETY AND 24/100 DOLLARS (\$7,690.24) (the Base Rent). The Base Rent shall be payable in advance, without any prior demand therefor and without any abatement, deductions or set-offs whatsoever, and tendered in lawful currency of the United States, either by check or electronic transfer.

4.2 Rent Commencement. Base Rent shall become due and payable on the earlier of either (i) the delivery of a Certificate of Occupancy ("CofO") or its equivalent from the City of Mesa for the first building (if multiple buildings are to be constructed on the Premises) or; (ii) April 1st, 2020 (the "Rent Commencement").

4.3 Increases. The annual Base Rent paid by Lessee shall be increased (but never decreased) on every ONE (1) year anniversary of the Effective Date of this Lease by FOUR (4%) percent. The first increase shall be on October 1st, 2020 and then on an annual basis thereafter.

4.4 Market Adjustments to Base Rent.

4.4.1 Notwithstanding the Base Rent increases referenced in SECTION 4.2, the annual Base Rent shall be adjusted (but never decreased) on each FIVE (5) year anniversary of the Effective Date of this Lease (the "Adjustment Date(s)") as hereinafter set forth in this SECTION. On each such Adjustment Date, the Base Rent shall be adjusted to the fair market base rental rate of the Premises, in relation to comparable (in quality, size, and value) airport-related facilities.

4.4.2 Lessor's determination of such fair market base rental rate for the Premises shall be delivered to Lessee no later than NINETY (90) calendar days prior to the Adjustment Date. If Lessee disputes Lessor's determination of such fair market base rental rate, Lessee shall deliver written notice of such dispute, together with Lessee's determination of such fair market base rental rate, to Lessor within THIRTY (30) calendar days of Lessee's receipt of Lessor's determination. The Parties shall then attempt in good faith to agree upon such fair market base rental rate. If the Parties fail to agree within FIFTEEN (15) business days, they shall, within SEVEN (7) calendar days thereafter, mutually appoint an appraiser to determine the fair market base rental rate. Said appraiser shall have at least FIVE (5) years of full-time commercial appraisal experience and be a member of the Appraisal Institute or comparable professional organization. If the Parties are unable to agree upon an appraiser within such SEVEN (7) calendar days, they shall, within FIVE (5) business days thereafter, apply to the president of the local Board of Realtors for the selection of an appraiser. The president of the Board of Realtors shall, within FIFTEEN (15) business days, select an appraiser with the above qualifications who has not acted in any capacity for either party within the prior TWO (2) years. Within SEVEN (7) calendar days of the appointment (either by agreement or selection) of the appraiser, the Parties shall submit to the appraiser their respective determinations of the fair market base rental rate and any/all substantiated information. Within TWENTY (20) business days thereafter, the appraiser shall review each Party's submittal (and such other information as the appraiser deems necessary) and shall select one Party's submittal as representing the most reasonable approximation of such fair market base rental rate, and the appraiser's fees and expenses shall be paid by the Party whose submittal was not selected.

4.5 Airport Rates and Charges Schedule. Lessee or its subtenants, as applicable and including its contractors, agents, etc., shall pay all fees identified in the most current *Airport Rates and Charges Schedule* at the time of receipt of any covered service or use of any covered facilities, unless specifically outlined in this Lease. The current *Airport Rates and Charges Schedule* is included as **EXHIBIT B** and is subject to change without prior notice or approval of Lessee. Lessee acknowledges and agrees that Lessor may amend the *Airport Rates and Charges Schedule* at any time at Lessor's sole discretion, and that no fee shall apply to the use of the Premises or access to the Premises.

4.6 Payment.

4.6.1 Unless otherwise specified herein, the first payment of Base Rent shall be paid to Lessor upon the delivery of this Lease, for the period from the Effective Date until the end of the calendar month in which the Effective Date occurs, prorated on the basis of the number of such days to the total number of days in said month. Thereafter, all Base Rent payments shall be paid in monthly installments, in advance, on the first day of each calendar month (the "Base Rent Due Date"). On each such date, Lessee shall pay the full Base Rent payment.

4.6.2 No payment to or receipt by Lessor of a lesser amount than that which is due and payable under the provisions of this Lease at the time of such payment shall be deemed to be other than a payment on account of the earliest payment due, nor shall any endorsement or statement on any check or payment prejudice in any way Lessor's right to recover the balance of such payment or pursue any other remedy provided in this Lease or by law.

4.6.3 All payments (and reports, if any) required by this SECTION 4.5 shall be remitted to the following address by the due date(s) specified hereinabove:

Phoenix-Mesa Gateway Airport Authority
Attn.: Department of Finance (Accounts Receivable)
5835 S. Sossaman Road
Mesa, Arizona 85212-6014

or such other address specified in writing by Lessor to Lessee.

4.7 Finance Charges and Late Fees. If Lessee fails to pay any installment of Base Rent or any other charge due and owing to Lessor in full on or before the applicable due date, Lessee shall be responsible for interest on the unpaid installment at the rate of EIGHTEEN PERCENT (18%) per annum from the due date until payment in full is made. In addition, in the event any installment of Base Rent or other charge owing to Lessor is paid more than TEN (10) days after the due date, a late penalty of TEN PERCENT (10%) of the amount of such delinquent Base Rent installment or other charge shall be due and payable in addition thereto.

4.8 Taxes. In the event any governmental authority shall impose a tax or imposition based upon any Base Rent payments or any other sums paid or owing hereunder, or the receipt of such payments by Lessor, Lessee shall pay such amounts to Lessor at the same time and in addition to payments hereunder, which amounts may include, but are not limited to, any or all rental, transaction privilege, sales, excise or other similar tax except income taxes.

4.9 Survival. Lessee's obligation to pay all amounts stated herein, together with any interest thereon and/or penalties therefor, shall survive the termination of this Lease.

5. **PERFORMANCE GUARANTEE.**

5.1 Security Deposit.

5.1.1 On or before the Effective Date, Lessee shall pay to Lessor FIFTEEN THOUSAND, THREE HUNDRED EIGHTY AND 48/100 DOLLARS (\$15,380.48), as a security deposit (the "Security Deposit") to insure the faithful performance of all of Lessee's obligations hereunder.

5.1.2 The Security Deposit, at the election of Lessor, may be applied in reduction of any loss and/or damage sustained by Lessor by reason of the occurrence of any breach, nonperformance or default by Lessee under this Lease without the waiver of any other right or remedy available to Lessor at law, in equity or under the terms of this Lease. If any portion of the Security Deposit is so used or applied, Lessee shall, within FIVE (5) business days after written notice from Lessor, deposit with Lessor immediately available funds in an amount sufficient to restore the Security Deposit to its original amount. In the event of a sale or other transfer of the Premises by Lessor, Lessor shall transfer the remaining balance (if any) of the Security Deposit to Lessor's successor in interest, whereupon the transferor Lessor shall be released from liability to Lessee for the return of such Security Deposit. Unless this Lease is terminated as a result of Lessee's default whereupon Lessee shall immediately forfeit its Security Deposit to Lessor, upon termination, Lessor shall return to Lessee all portions of the Security Deposit which were not otherwise applied by Lessor as permitted above. Lessor shall have no obligation to maintain a separate account for such security deposit and shall have no obligation to pay interest thereon.

5.2 Improvement Construction Guarantee. Notwithstanding and in addition to the Security Deposit, Lessee's specific obligation to timely complete the improvements described in SECTION 7 herein shall be secured, at Lessee's sole cost and expense and prior to commencement of construction of said improvements, by any one of the following instruments, chosen at Lessee's discretion:

5.2.1 *Letter of Credit.* Such instrument (the "Letter of Credit") shall be irrevocable, in an amount equal to the total amount of the construction contract(s) for the construction of the improvements (described in SECTION 7 herein) plus TEN PERCENT (10%) of such amount (the "Improvement Costs") and be issued to Lessee by a financial institution (the "Bank") acceptable to Lessor. The Letter of Credit shall have a term extending from the date of commencement of construction until the date which is TWENTY-FOUR (24) months thereafter, after which date it shall be renewed on a year-to-year basis until such improvements are completed. Should Lessee utilize the Letter of Credit option hereunder, and should Lessee abandon or otherwise fail to complete the improvements described in SECTION 7 below by the Construction Milestone date set forth in SECTION 7.2.4, then, in addition to any other remedies set forth in this Lease, Lessor shall be entitled to apply to the Bank, following a period of THIRTY (30) calendar days prior written notice to Lessee, for immediate release to Lessor from the Letter of Credit of a dollar amount sufficient to complete such improvements. Lessor's application shall contain evidence of the failure of completion and the estimated dollar amount needed to accomplish such completion. The terms of the Letter of Credit shall require immediate payment to Lessor for the amount set forth in Lessor's application. Upon and following such payment to Lessor, the Letter of Credit shall remain in full force to accommodate further applications, if any, and shall not be subject to cancellation or revocation until fully drawn or otherwise released or satisfied upon full compliance by Lessee. Lessor must approve the form and content of any Letter of Credit in writing.

5.2.2 *Performance Bond.* Such instrument (the "Bond") shall be a construction performance bond or other form of financial security acceptable to Lessor and payable to Lessor in an amount equal to the total amount of the Improvement Costs plus TEN PERCENT (10%) (the "Bond"). The Bond shall be terminable by Lessee, with Lessor approval, upon completion of the Improvements and issuance of a certificate of occupancy (CofO) as provided in SECTION 7.2.4. Should Lessee utilize the Bond option hereunder, and should Lessee abandon or otherwise fail to complete the improvements described in SECTION 7 below by the Construction Milestone date set forth in SECTION 7.2.4, then, in addition to any other remedies set forth in this Lease, Lessor shall be entitled, following a period of THIRTY (30) calendar days prior written notice to Lessee, to declare Lessee in default under the Bond, to claim against the Bond, enforce the terms thereof and obtain immediate payment to Lessor pursuant thereto of a dollar amount sufficient to complete such Improvements.

6. AIRCRAFT OPERATIONS GUIDELINES.

If and to the extent that Lessee, including its subtenants, contractors, agents, etc., operates aircraft at or on the Airport, Lessee shall be subject to the provisions of **EXHIBIT C**. If any subtenant, contractor or agent of Lessee conducting activities on or at the Premises operates aircraft at the Airport, all shall be subject to the provisions of **EXHIBIT C**, which Lessor may enforce directly against such subtenant, contractor or agent,

but Lessee shall have no direct liability or responsibility with respect to such matters; except, however, Lessee shall be responsible for compliance by its subtenants, contractors and/or agents with the *Airport Rules and Regulations* and *Minimum Standards*, as appropriate.

7. IMPROVEMENTS.

7.1 Construction by Lessee. Lessee shall, at its sole cost and expense, construct improvements on the Premises that generally shall consist of corporate hangar facilities with a combined square footage of approximately seventy thousand (70,000) square feet under roof, and with a capital investment of approximately TEN MILLION DOLLARS (USD\$10,000,000.00) (the "Improvements") in accordance with a site plan prepared by Lessee and approved by Lessor's Design Review Committee, such approval not to be unreasonably withheld or delayed, and in compliance with all applicable governmental regulations, restrictions and building codes. Lessor and Lessee agree that Lessee shall be solely responsible for: (i) any required connection(s) between the Premises and the terminating point of the existing vehicular access way to the Premises, as reasonably required by Lessor; (ii) constructing all improvements necessary to bring all utilities onto the Premises, including, without limitation, electrical, gas, water, sewer, cable and telephone utilities; (iii) installing all utility meters and water and sewer lines to service all improvements constructed on the Premises; and (iv) constructing all improvements necessary to connect the Premises to existing taxiways or taxilanes in accordance with and if allowable under all Airport and FAA rules, regulations and other requirements.

7.2 Construction Milestones. Lessee shall construct its Improvements pursuant to the following schedule (each of which events are herein called a "Construction Milestone"):

7.2.1 Lessee shall submit its Improvement design plans to Lessor for review and approval no later than March 31st, 2019;

7.2.2 Lessee shall submit its Improvement construction plans to the City of Mesa for a construction permit no later than May 1st, 2019;

7.2.3 Lessee shall commence construction of the Improvements and provide written notice to Lessor of such within SIXTY (60) calendar days after the issuance of all necessary construction permits and receipt of all approvals required for such, including any approvals required from the FAA, but no later than October 1st, 2019; and

7.2.4 Lessee shall complete construction of all Improvements to be constructed by Lessee at and on the Premises, and shall have obtained a CofO (or its equivalent) from the City of Mesa therefor, no later than April 1st, 2020.

7.2.5 If Lessee fails to complete construction by the date specified in SECTION 7.2.4, Lessee shall pay to Lessor an amount equal to (USD\$150.00) for each day that Lessee is late completing such construction (a "Late Completion Fee"), which payment by Lessee shall be in addition to any Base Rent due from Lessee hereunder. Lessee shall pay Lessor all Late Completion Fees to Lessor on the FIRST (1st) day of the month following the date on which such Late Completion Fee first accrues, until such time as all Late Completion Fees are paid in full. If Lessee is unable to meet a Construction Milestone for reasons beyond Lessee's reasonable control, then the applicable Construction Milestone shall be extended by ONE (1) day for each day of such delay, as determined in Lessor's sole and absolute discretion.

7.3 No Alterations. Lessee shall make no material improvements or alterations to the Premises during the Term of this Lease without the prior written permission of Lessor, which shall not be unreasonably withheld or delayed and, if and to the extent applicable, without the approval by Lessor's Design Review Committee. Lessee shall provide Lessor with electronic as-built drawings (or their equivalent) when any improvement or alteration is completed for which such drawings are reasonably required.

7.4 Title to Alterations and Improvements. Title to all Improvements and alterations on the Premises (but not personal property or trade fixtures) shall vest in Lessor upon the expiration of this Lease, and Lessee agrees to execute and deliver to Lessor, within TEN (10) business days after Lessor's request therefor, a quitclaim deed confirming that title to such improvements and alterations is vested in Lessor.

7.5 Mechanics' Liens. Lessee shall keep the Premises and all improvements constructed by Lessee thereon free of any mechanic or materialmen's liens. In the event that any such lien is filed, Lessee shall, at its sole cost, cause such lien to be removed from the Premises by bonding or otherwise within THIRTY (30) calendar days of notice thereof.

7.6 Permit Required. Lessee shall be responsible for determining whether it is subject to local building/construction codes or permit requirements, and for compliance with them to the extent they are applicable. All structural, electrical, plumbing or mechanical construction or reconstruction shall conform to City of Mesa (the "City") construction and technical codes. No such work shall be commenced without first submitting required plans and obtaining required permits from the City. All such work shall be permitted, inspected and approved by the City prior to concealment or use. Lessee shall provide to Lessor a contemporaneous copy of Lessee's permit application and the associated plans and specifications.

7.7 Damage or Destruction. Lessee shall maintain insurance on all of Lessee's improvements to the Premises. In the event that all or any portion Lessee's improvements are destroyed or rendered unusable due to fire or other catastrophe, Lessee shall replace, repair, restore, modify or improve said improvements, subject to the provisions of SECTION 7.6, using available insurance proceeds together with any additional funds from other available sources, or, alternatively, Lessee shall pay the replacement cost of the improvements to Lessor.

8. MAINTENANCE.

8.1 Lessee Responsibilities. Lessee shall, at its sole cost and expense, keep the Premises and all improvements therein in a neat and clean condition and in good order, condition and repair throughout the Term. Lessee's maintenance of the Premises shall consist of the inspection, servicing and repair of all systems and improvements, including the boilers, interior and exterior roof and structures, electrical, plumbing, heating and cooling, fire detection and suppression systems, pavements, pest control, landscaping and grounds maintenance.

8.2 Damage to Lessor Property. Any real or personal property of Lessor damaged or destroyed by Lessee as a result of Lessee's use or occupancy of the Premises shall be promptly repaired or replaced by Lessee to the satisfaction of Lessor. In lieu of such repair or replacement, where required by Lessor, Lessee shall pay to Lessor an amount sufficient to compensate for the loss sustained by Lessor.

8.3 Trash Removal. Lessee shall at all times keep the Premises in a neat, clean, safe, sanitary and orderly condition and shall keep such area free of all trash and debris. Lessee shall be responsible for all trash removal from the Premises and Lessee shall deposit all trash and debris only at collection stations located on or in proximity to the Premises, in accordance with City code.

8.4 Emergency Repairs. Within FIFTEEN (15) days of the Effective Date, Lessee shall provide Lessor with a list of names and telephone numbers for 24-hour emergency contact for the Premises. Lessee shall promptly provide Lessor with updated lists and changes as necessary.

9. ASSIGNMENT, SUBLETTING AND OTHER TRANSFERS.

9.1 Any Transfer of Lease Interest Requires Lessor Advance Written Approval. In the event Lessee desires to transfer, assign, encumber, pledge or hypothecate any portion of its interest in this Lease or any right or interest hereunder (including, but not limited to as part of a mortgagor deed of trust or an assignment by means of a foreclosure or trustee's sale thereunder)(individually and collectively, "Transfer"), or sublet the Premises or any part thereof, Lessee must obtain the prior written consent of Lessor, with such consent to be in sole and absolute discretion of Lessor without exception. Where Lessor approves in writing of such Transfer, Lessor shall be entitled to request and acquire written financial assurances, including, but not limited to financial statements, business plans and other information related to the financial condition and plans of any proposed transferee. Further, Lessor, may in its sole and absolute discretion require that Lessee still be liable at law and at equity, as well as financially liable, under the Lease, regardless of whether the assignee expressly assumes in writing all of Lessee's obligations under this Lease or in the case of a sublease.

Lessee understands and agrees to these terms and conditions regarding any proposed Transfer, and that any violation of this Section 9, may irreparably harm Lessor as the requirements set forth herein are directly related to PMGAA's (and any Lessee's) legal and financial obligations to the Federal Aviation Administration. This section 9 shall remain valid and enforceable even in the event of amendment to or repeal of FAA regulations, so long as this section 9 does not directly conflict therewith.

9.2 Lessee's Required Advance Notice to Lessor of Proposed Transfer. In order for Lessor to even consider a Transfer, Lessee must: (i) notify Lessor in writing at least Forty-five (45) days prior to such proposed transfer; (ii) deliver to Lessor, at the time of Lessee's notice, current financial statements of Lessee and the proposed transferee (along with transferee's business plans) that are reasonably acceptable to Lessor; and (iii) the transferee assumes and agrees in writing to perform Lessee's obligations under this Lease. However, nothing herein shall be construed as Lessor providing its consent to any Transfer or relieving Lessee of any legal, financial or other obligation under the Lease, regardless of Lessor's acceptance or refusal to accept such proposed transfer of Lease. For purposes of this Section 9.2, "Affiliate" means any person or entity that, directly or indirectly, controls, is controlled by or is under common control with Lessee. For purposes of this definition, "control" shall mean possessing the power to direct or cause the direction of the management and policies of the entity by the ownership of a majority of the voting securities of the entity

9.3 Deemed Transfers. For the purposes of this Lease, a Transfer shall be deemed to include the following: (i) if Lessee is a corporation, partnership, limited liability company or other legal entity, the transfer of any ownership interest in such entity resulting in a change in the present control of such entity by the person or persons owning a majority of the ownership interest thereof as of the date of this Lease; provided, however, if Lessee is a corporation whose stock is traded on a nationally recognized stock exchange, the transfer of Lessee's stock shall not constitute a Transfer requiring Lessor's consent; or (ii) the sale of TWENTY-FIVE PERCENT (25%) or more in value of the assets of Lessee.

9.4 Subletting.

9.4.1 Lessee may sublease all or portions of the Premises if the following conditions are met:

a. The sublease and any amendments or modifications thereto are approved in advance and in writing by Lessor, or are in a form which shall have been previously approved in writing (except for changes that do not materially impact Lessor's rights and interests) by Lessor. If a pre-approved form is used, Lessor's advance approval of the actual sublease and any amendments or modifications thereto is not required.

b. Rent for subleased premises shall not be less than fair market value.

c. Sublessee(s) shall not pay, and Lessee shall not accept, prepayment of rent in excess of ONE (1) month's rent

d. The sublease(s) and sublessee(s) shall at all times be subject to the terms and conditions of this Lease.

e. The permitted uses of the Premises under any sublease shall be the same as that permitted under this Lease.

f. The term of any sublease shall not extend beyond the stated expiration of this Lease.

9.4.2 Upon request from Lessee, Lessor shall enter into a Non-Disturbance and Attornment Agreement; provided, however, that: (i) the conditions of SECTION 9.4.1 have been met; (ii) the sublessee is not then in default beyond an applicable cure period under the sublease or this Lease; and (iii) the sublessee does not have a history of noncompliance with the *Airport Rules and Regulations* or *Minimum Standards*. All legal fees incurred by Lessor in connection with any reasonably necessary legal counsel review and approval of a Non-Disturbance and Attornment Agreement shall be paid by Lessee.

9.4.3 Lessee shall not permit any sublessee unescorted access to the secured areas of the Airport unless and until the sublessee has obtained its own valid Airport security clearance and media from Lessor. Lessee acknowledges that it may take THIRTY (30) calendar days or more to process sublessee for security clearance and media.

9.4.4 Lessee shall submit a copy of each fully executed sublease to Lessor as soon as possible, but no later than FIVE (5) business days after execution.

9.5 Non-Disturbance. Lessor agrees, for the benefit of all subtenants of all or any part of the Premises, that if this Lease or Lessee's right to possession of the Premises is terminated for default or otherwise, all subleases of all or any part of the Premises, except any sublease to an affiliate of Lessee, shall continue in full force and effect, notwithstanding the termination, as direct leases between Lessor and the subtenants and all such subtenants shall, upon request, attorn in writing to Lessor.

9.6 This Lease and all provisions hereof are subject and subordinate to the terms and conditions of the instruments and documents under which PMGAA acquired the subject property from the United States of America and shall be given only such effect as will not conflict or be inconsistent with the terms and conditions contained in the lease of said lands from PMGAA and any existing or subsequent amendments thereto, and are subject to any ordinances, rules or regulations which have been, or may hereafter be adopted by PMGAA pertaining to the Airport.

10. IDENTIFICATION SIGNS.

Lessee may install on the building in which the Premises is located, a sign or signs identifying its business on the exterior of the Premises; provided, however, that the general type, size, and location of such sign(s) shall conform to Lessor's Comprehensive Sign Plan, be approved in writing by Lessor in advance of installation and be subject to any signage rules, codes and/or regulations of any governmental authority.

11. DEFAULT; TERMINATION BY LESSOR.

11.1 Events of Default. Each of the following shall constitute a material default of this Lease by Lessee (an "Event of Default"):

11.1.1 Failure to pay any installment of Base Rent or other amount due from Lessee hereunder, or required by any other agreement between the Parties, provided that Lessee does not cure such failure within TEN (10) business days after delivery by Lessor of a written notice of such failure.

11.1.2 Failure to perform any of its other obligations under this Lease, provided that Lessee does not cure such failure within THIRTY (30) calendar days after delivery by Lessor of a written notice of such default; provided, however, if a cure of the default reasonably requires more than THIRTY (30) calendar days to complete, then the time to cure shall be extended so long as the cure is being diligently pursued.

11.1.3 The filing of any mechanic's, materialmen's or other lien or any kind against the Premises because of any act or omission of Lessee which lien is not discharged, by bonding or otherwise, within THIRTY (30) calendar days of receipt of actual notice thereof by Lessee.

11.1.4 The Transfer or attempted transfer of any interest in the Lease to any transferee without Lessor's advance written authorization, which Lessor may withhold in its sole and absolute discretion.

11.2 Lessor's Remedies. Upon the occurrence of an Event of Default under this Lease, Lessor may, without prejudice to any other rights and remedies available to a Lessor at law, in equity or by statute, but subject to the provisions of SECTIONS 9.2 and 23 herein, exercise one or more of the following remedies, all of which shall be construed and held to be cumulative and non-exclusive:

11.2.1 Terminate this Lease and re-enter and take possession of the Premises; or

11.2.2 Without terminating this Lease, re-enter and take possession of the Premises; or

11.2.3 Without such re-entry, recover possession of the Premises in the manner prescribed by any statute relating to summary process, and any demand for Base Rent, re-entry for condition broken, and any and all notices to quit, or other formalities of any nature to which Lessee may be entitled, are hereby specifically waived to the extent permitted by law; or

11.2.4 With or without terminating this Lease, Lessor may re-let the Premises or any portion thereof.

11.3 No Implied Termination. Lessor shall not be deemed to have terminated this Lease unless Lessor shall have notified Lessee in writing that it has so elected to terminate this Lease. Lessee hereby waives all claims based on Lessor's reentering and taking possession of the Premises, or removing and storing the property of Lessee, and shall save Lessor harmless from all losses, costs or damages occasioned thereby. No such reentry shall be considered or construed to be a forcible entry by Lessor.

11.4 Lessor's Current Damages. Lessor is authorized to make such repairs, refurbishments or improvements to the Premises as may be necessary for the purpose of attempting to re-let the Premises, and the costs and expenses incurred in respect of such repairs, redecorating, refurbishments and improvements shall be paid by Lessee to Lessor within FIVE (5) business days after receipt of Lessor's statement. If Lessor exercises any of the remedies stated above, Lessor shall be entitled to recover from Lessee all damages incurred by Lessor by reason of the Event of Default, which shall include, without limitation, (i) the equivalent of the amount of the Base Rent and all other payments which would be payable under this Lease by Lessee for the remainder of the Term as if this Lease were still in effect, less (ii) the net proceeds of any re-letting by Lessor after deducting all of Lessor's expenses in connection with such re-letting, which shall include, without limitation, repossession costs, repairs, redecorating, refurbishments or improvements to the Premises, brokerage commissions, attorneys' fees, and legal expenses. Lessee shall pay such current damages to Lessor, in the amount set forth in the preceding sentence (hereinafter called the "Deficiency"), in monthly installments on the days on which the Base Rent would have been payable under this Lease as if this Lease were still in effect.

11.5 Lessor's Final Damages. At any time after an Event of Default, whether or not Lessor shall have collected any monthly Deficiency as set forth above, Lessor shall be entitled to recover from Lessee, and Lessee shall pay to Lessor, on demand, as final damages for the applicable Event of Default, the sum of (a) the then present worth (at a discount at the rate of SIX PERCENT (6%) per annum) of (i) the aggregate of the Base Rent and all other amounts to be paid by Lessee hereunder for the unexpired portion of the term of this Lease (assuming this Lease had not been terminated), less (ii) the amount of such loss that could have been reasonably avoided, plus (b) repossession costs, Lessor's expenses in connection with any attempts it may have made to re-let the Premises (which shall include, without limitation, repairs, refurbishments or improvements to the Premises and brokerage commissions), attorneys' fees, legal expenses, and all other damages incurred by Lessor as a result of such Event of Default. In determining the amount of loss that could reasonably be provided, other reasonably projected rental income from leasing the Premises shall be taken into account.

11.6 No Waiver by Lessor. No waiver by Lessor of any breach or default by Lessee in the performance of its obligations under this Lease shall be deemed to be a waiver of any subsequent default by Lessee in the performance of any of such obligations, and no express waiver shall affect an Event of Default in a manner other than as specified in said waiver. The consent or approval by Lessor to or of any act by Lessee requiring Lessor's consent or approval shall not be deemed to waive or render unnecessary Lessor's consent or approval to or of any subsequent similar acts by Lessee.

11.7 Content of Default Notice. Any default notice tendered to Lessee hereunder shall be deemed to be sufficient if it is reasonably calculated to put Lessee on inquiry as to the nature and extent of such default, and is made in accordance with SECTION 20 herein.

11.8 Limitation on Exercise of Termination Remedy by Lessor. Notwithstanding anything to the contrary in SECTION 11.2 hereinabove, if an Event of Default occurs, Lessor shall not have the remedy of terminating this Lease or of taking possession of the Premises unless: (i) the Event of Default consists of a failure to pay of Base Rent or other amounts owed to Lessor; or (ii) Lessor has no other remedy that is adequate to protect Lessor's interests. Other remedies that are available to Lessor include self-help and recovery of damages, and nothing in this SECTION 11 shall limit the exercise of any such other remedy.

11.9 Waiver of Landlord's Lien. Lessor hereby waives all statutory or common law landlord's lien rights with respect to personal property located on the Premises.

12. ASSUMPTION OF CRITICAL OPERATIONS.

In the event that Lessee voluntarily abandons or is prevented from furnishing any of its required commercial services which have been deemed by Lessor in advance and in writing to be critical to the operation of the Airport, and Lessee has received and is in agreement with said notification, Lessor shall have the immediate right or, if time permits, upon TWENTY-FOUR (24) hours advance written notice to Lessee, to assume responsibility for providing such critical services until such time as Lessee or another entity acceptable to Lessor assumes responsibility for providing those services. In exercising such right, Lessor may take temporary control of the Premises, or any portion thereof involved in providing such commercial services, together with whatever improvements, fixtures and equipment on the Premises as are necessary to provide the critical services without waiving any of Lessor's rights hereunder. In the event Lessor takes temporary control of the Premises or any portion thereof, Lessor shall pay to Lessee such rent or fees reasonably commensurate with Lessor's assumption and use of that portion of the Premises to provide those critical, commercial services.

13. INDEMNIFICATION.

13.1 Lessee's Indemnity. Except for the actions and omissions of Lessor and its agents, contractors, employees, managers and representatives, to the fullest extent permitted by law, Lessee hereby agrees to defend, indemnify and hold harmless Lessor and its members, elected or appointed officials, agents, contractors, subcontractors, boards, commissions and employees (hereinafter referred to collectively as the "Lessor" for purposes of this Section 13.1 for, from and against any and all third-party claims, causes of action, liability, suits, litigation (including reasonable attorney's fees and other costs of investigation and litigation), actions, losses, damages or claims of any nature whatsoever to the extent such arise out of or in connection with (i) any accident, injury or actual damages occurring within the Premises during the Term caused by Lessee or its agents, employees, contractors, or subcontractors, or (ii) any negligent act or omission of Lessee or its agents, employees, contractors, or subcontractors (hereinafter referred to collectively as "Lessee" for purposes of this Section 13.1) on the Property or the Airport and which result directly or indirectly in the injury to or death of any persons or the damage to or loss of any property or other damages or losses to Lessor, or (iii) the failure of Lessee to comply with any provisions of this Lease. This indemnification shall exclude responsibility for any damages and for claims arising by reason of the acts or omissions of Lessor or its employees, contractors or agents.

13.1 Lessor's Indemnity. Except for the actions and omissions of Lessee and its agents, contractors, employees, managers and representatives, to the fullest extent permitted by law, Lessor hereby

agrees to defend, indemnify and hold harmless Lessee and its members, elected or appointed officials, agents, contractors, subcontractors, boards, commissions and employees (hereinafter referred to collectively as the “Lessee” for purposes of this Section 13.2) for, from and against any and all third-party claims, causes of action, liability, suits, litigation (including reasonable attorney’s fees and other costs of investigation and litigation), actions, losses, damages or claims of any nature whatsoever to the extent such arise out of or in connection with (i) any negligent act or omission or intentional misconduct by Lessor or its agents, employees, contractors, or subcontractors (hereinafter referred to collectively as “Lessor” for purposes of this Section 13.2) on the Property or the Airport, and which result directly or indirectly in the injury to or death of any persons or the damage to or loss of any property or other damages or losses to Lessee, or (ii) the failure of Lessor to comply with any provisions of this Lease. This indemnification shall exclude responsibility for any damages and for claims arising by reason of the acts or omissions of Lessee or its employees, contractors or agents.

14. ENVIRONMENTAL PROTECTION.

14.1 Definitions. Unless the context shall clearly require otherwise, the terms defined in this SECTION 14 shall, for all purposes of this Lease and of any agreement amendatory hereof or supplemental hereto, have the meanings herein specified, with the following definitions to be equally applicable to both the single and plural forms of any of the following:

14.1.1 *Environmental Laws.* The term “Environmental Laws” shall mean any one or all of the following, as the same are amended from time to time: the *Comprehensive Environmental Response, Compensation, and Liability Act*, 42 USC Section 9601 et seq.; the *Resource Conservation and Recovery Act*, 42 USC Section 6901, et seq.; the *Toxic Substances Control Act*, 15 USC Section 2601 et seq.; the *Safe Drinking Water Act*, 42 USC Section 300f et seq.; the Clean Water Act, 33 USC Section 1251 et seq.; the *Clean Air Act*, 42 USC Section 7401 et seq.; the *Arizona Hazardous Waste Management Act*, A.R.S. Section 49-921 et seq. the *Arizona Environmental Quality Act*, A.R.S. Title 49, as amended; and all regulations thereunder and any other laws, regulations and ordinances (whether enacted by the local, state or federal government) now in effect or hereafter enacted that deal with the regulation or protection of the environment, including the ambient air, ground water, surface water, and land use, including substrata land, or that govern the use of hazardous materials, hazardous waste and hazardous substances and petroleum products.

14.1.2 *Hazardous Material.* The term “Hazardous Material” shall mean any toxic or hazardous material, substance or waste, or any pollutant or contaminant as defined or regulated pursuant to any Environmental Law and petroleum products. For purposes of this definition, petroleum includes petroleum-based substances comprised of a complex blend of hydrocarbons derived from crude oil through processes of separation, conversion, upgrading and finishing (e.g., distillate fuel oils, petroleum solvents and used oils).

14.2 Intentionally Omitted.

14.3 Lessee Compliance.

14.3.1 Lessee shall, at the Lessee’s own expense, comply with all present and hereafter enacted Environmental Law, including any amendments thereto, affecting Lessee’s activities on and property interest in the Premises during the period of Lessee’s occupancy of thereof under this Lease.

14.3.2 Lessee shall not cause or permit any Hazardous Material to be brought upon, kept or used in or about the Premises or the Airport by Lessee’s agents, employees, contractors or invitees in violation or threatened or suspected violation of any Environmental Law. The Parties recognize and agree that Lessee may bring on the Premises and Airport and use Hazardous Materials that are ordinarily and customarily used in the conduct of Lessee’s permitted activities under this Lease, provided that such use shall comply fully with all applicable Environmental Laws.

14.3.3 If Lessee desires and receives written authorization from Lessor to install any underground storage tanks (“USTs”) on the Premises or elsewhere on the Airport, Lessee shall submit the plans for such USTs to Lessor for prior written approval and shall comply with all applicable Environmental

Laws related thereto, including Title 40, Code of Federal Regulations, Part 280, as adopted by the State of Arizona (“Part 280”), and Lessee shall be the owner of such USTs for statutory purposes. Installation of USTs shall comply with the “code of practice” set forth in Part 280. Lessee is solely responsible for the design, construction, installation, operation, monitoring, inspection, repair and maintenance of any and all USTs, including any connected piping and/or dispensing apparatus. Lessee shall provide to Lessor a copy of the Arizona Department of Environmental Quality *Notification of Underground Storage Tank Registration* that Lessee submits to the state. All USTs shall meet or exceed the tank performance standard for USTs installed after December 22, 1998, including corrosion protection, leak detection and spill/overflow protection. Any UST that stores flammable and combustible liquids shall meet the provisions of NFPA 30, *Flammable and Combustible Liquids Code*. Records demonstrating compliance with release detection requirements, including product inventories, calibration and maintenance, sampling, tightness testing and any other records, fees and taxes required by the state or federal governments shall be the responsibility of Lessee. Upon the expiration of this Lease, Lessee shall remove all USTs in compliance with all UST closure requirements under all applicable Environmental Laws in effect at that time unless otherwise allowed by Lessor.

14.4 Indemnification. To the fullest extent permitted by law, Lessee shall indemnify, defend (with counsel reasonably acceptable to Lessor), protect and hold harmless Lessor and its employees and agents for, from and against any and all liability, loss, damage, expense, penalties and legal and investigation fees or costs, arising from or related to any claim or action for injury, liability, or damage to persons or property and any and all claims or actions brought by any person, entity or governmental body, alleging or arising in connection with contamination of the environment or violation of any Environmental Law or other statute, ordinance, rule, regulation, judgment or order of any government or judicial entity (“Environmental Damages”) which are incurred or assessed as a result of any of Lessee’s activities or operations on the Premises or Airport. This obligation includes, but is not limited to, all costs and expenses related to cleaning up the property, land, soil and underground or surface water as required under the law. Lessee’s obligations and liabilities under this Section 14.4 shall survive the termination of this Lease. The indemnification of Lessor by Lessee as described above includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision. Lessor reserves the right to seek injunctive relief as may be permitted under law and equity. This Section 14.4 explicitly excludes Lessee duty, liability or indemnity to Lessor for any claims or Environmental Damages of any kind whatsoever arising from or in connection with any contamination of any kind existing on the Premises prior to the Effective Date, except and only to the extent known contamination is exacerbated by Lessee or unknown contamination is exacerbated by Lessee’s negligence.

14.5 Remediation. Without limiting the foregoing, if the presence of any Hazardous Material during the Term of this Lease caused or permitted by Lessee results in any Release on the Airport in violation or potential violation of any Environmental Law, Lessee shall promptly take action to remediate the affected property at its sole expense as necessary to return the Airport to the condition existing prior to the introduction of any such Hazardous Material to the Airport; provided that Lessor’s approval of such actions shall first be obtained, which approval shall not, except in an emergency, be unreasonably withheld so long as such actions would not potentially have any material adverse long-term effect on the Airport and Lessee is not under administrative or court order related to such remediation action. Notwithstanding Lessor’s approval pursuant to this SECTION 14.5, Lessor is not responsible for directing or managing any remediation action. For purposes of this SECTION 14.5, the term “Release” means any releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, disposing, or dumping.

14.6 Governmental Submittals. Lessee shall, at Lessee’s own expense, make all submissions to, provide all information to, and comply with all requirements of the appropriate governmental authority (the “Government”) under the Environmental Laws. Should the Government determine that a site characterization, site assessment and/or cleanup plan should be prepared and/or that a cleanup should be undertaken because of any spills or discharges of Hazardous Materials by reasons of Lessee’s activities or actions at the Airport which occur during the term of this Lease, then Lessee shall, at the Lessee’s own expense, prepare and submit the required plans and financial assurances, and carry out the approved plans.

14.7 Information Sharing.

14.7.1 Lessee shall immediately notify Lessor of any of the following: (i) Lessee's receipt of any notification from any governmental entity either charging or informing Lessee that it will be charged with a significant (as defined below) violation of Environmental Laws, and (ii) any significant change in Lessee's activities on the Premises or Airport that is reasonably likely to adversely change Lessee's or Lessor's obligations or liabilities under the Environmental Laws. In addition, Lessee agrees to provide Lessor with copies of documents reflecting the physical condition of the Premises, including but not limited to, environmental testing of soils and groundwater, and information reasonably requested by Lessor to determine the applicability of the Environmental Laws to the Premises, or to respond to any governmental investigation or claim of liability by third parties which is related to environmental contamination of the Premises or Airport, including Lessee's activities thereon. A "significant violation of Environmental Law" shall be any violation that requires more than THIRTY (30) calendar days to resolve.

14.7.2 Lessee shall install on any UST that it is permitted to install pursuant to SECTION 14.3.3, a method or a combination of methods for Release detection that can detect a Release from any portion of the UST and any connected underground piping. Lessee shall immediately notify Lessor's Operations and Maintenance Department upon discovering a Release or Suspected Release of any amount of material that is stored inside a UST. For purposes of this SECTION, a "Suspected Release" is any discovery of released Hazardous Material at the UST site or surrounding area, erratic behavior of Hazardous Material dispensing equipment, the sudden loss of a Hazardous Material, an unexplained presence of water in the UST, or when monitoring indicates that a Release has occurred. In the case of inventory control, Lessee shall notify the Lessor's Operations and Maintenance Department when the second consecutive month of inventory reconciliation data indicates that there is a discrepancy in the figures recorded.

14.8 Sublease. Lessee shall insert provisions substantially identical to the provisions of this SECTION 14 in any sublease agreement or contract by which it grants a right or privilege to any person, firm, corporation or other entity under this Lease.

14.9 Actions of Lessee. The activities or actions of Lessee under this SECTION 14 shall include the activities or actions of Lessee's officers, directors, employees, agents, contractors, invitees and successors.

14.10 Clean Water Act; NPDES Permits and SWPPPs. Without in any way limiting the foregoing, Lessee shall comply with all Environmental Laws regarding discharges to water and land, including, without limitation, obtaining and complying with an individual National Pollutant Discharge Elimination System ("NPDES") permit, or requesting coverage under and complying with any applicable Multi-Sector General Permit (MSGP) obtained by Lessor. If applicable, Lessee shall also prepare and comply with a site-specific MSGP with an individual Storm Water Pollution Prevention Plan ("SWPPP") or any revisions to a SWPPP, with respect to Lessee's operations or activities on the Premises or Airport. At Lessee's discretion and if applicable, Lessee may choose to be added to Lessor's Storm Water Permit. Proof of individual compliance or compliance by being added to the Lessor's permit shall be provided in the form of both the Lessee's Notice of Intent (NOI) that has been received by the Arizona Department of Environmental Quality (ADEQ) and the individual Arizona Multi-Sector General Permit (AZMSGP) number associated with the NOI, within 30 days.

14.11 Environmental Assessments.

14.11.1 If, during the term of this Lease, any of Lessee's USTs are suspected of or known to be leaking, Lessee shall perform, or cause to be performed, a site characterization of the Premises and/or UST site using all appropriate sections of the LUST Site Characterization Manual dated January 15, 1999, or the most current edition, including tables 1 through 6, as applicable (a "Site Characterization").

14.11.2 Within THIRTY (30) calendar days immediately preceding the expiration of this Lease or within THIRTY (30) calendar days of any earlier termination of the Lease, Lessee shall:

a. Deliver to Lessor: (i) a Phase I environmental site assessment that conforms to the standards set forth in 42 USC § 9601(35)(B), as amended by Pub. L. 107-118 (Jan. 11, 2002), section 223(2), and as may be further amended, and any regulations thereunder; and (ii) an environmental compliance audit

assessing the status of regulatory compliance of the Premises and all operations and activities thereon; both prepared by a qualified engineer licensed by the State of Arizona; and

b. In the event Lessee installs any USTs upon the Premises or elsewhere on the Airport, perform or cause to be performed a Site Characterization of the Premises in the event there is evidence that there has been or may be a leak or Release of the UST contents; and

c. If either the assessment described in SECTION 14.11.2a (i) above or the Site Characterization described in SECTION 14.11.2a (ii) above identifies any “recognized environmental condition,” or any other condition indicating a known or potential liability, including, but not limited to, a known or potential violation of any Environmental Law or a past, present, or material threat of a future release of a hazardous substance or a petroleum product into the environment, Lessor reserves the right, at Lessor’s sole discretion, to require Lessee to conduct, at Lessee’s sole expense and with a scope of work subject to Lessor’s approval, further reasonable investigations and reasonable remediation.

14.12 Protective Devices and Plans. If Lessee is required by the City to estimate the possible constituents of sanitary sewer discharges in order that the City may define certain discharge limitations for the Premises, Lessee shall complete and return an *Industrial Wastewater Discharge Questionnaire* (the “Questionnaire”) to the City and promptly provide Lessor with updates to the Questionnaire as they arise. Also, if the City so requires, Lessee shall install and maintain appropriate protective devices to prevent accidental discharge of any Hazardous Materials into domestic or industrial drains on or near the Premises and elsewhere on the Airport, as appropriate, and for any other material for which a slug load discharge could pollute the Airport’s storm water discharge or disrupt operations at the sewage treatment plant serving the Premises. Lessee shall post a notice in a prominent place on the Premises advising employees what actions to take and whom to call in the event of said discharge, and shall ensure that all employees of Lessee are trained with regard to the spill protection plan hereinafter referenced. Lessee also shall provide Lessor with immediate notice of any spill.

14.13 Right to Enter Premises. Lessor’s rights under this Lease specifically include the right of Lessor, the United States Government, the Environmental Protection Agency (the EPA), the Arizona Department of Environmental Quality (ADEQ) and the Arizona Department of Occupational Safety and Health (ADOSH) to enter the Premises upon reasonable notice to Lessee for purposes of: (i) inspecting Lessee’s compliance with environmental, occupational safety and health laws and regulations, whether or not such party is responsible for enforcing such laws; (ii) conducting environmental investigation or remediation, including, without limitation, performing tests and surveys, drillings, test-pitting, borings, compiling data and/or records, and other activities related to environmental investigation; and (iii) carrying out remedial or removal actions as required or necessary under applicable laws, including, without limitation, installing monitoring wells, pumping wells and/or treatment facilities. Lessor shall give Lessee TWENTY-FOUR (24) hour’s prior notice of its intention to enter the Premises unless it determines the entry is required for safety, environmental, operations, or security purposes. Lessee shall have no claim against Lessor for any entries by the United States, EPA, ADEQ, Arizona ADOSH, or any officer, agent, employee or contractor thereof.

14.14 U.S. Air Force Use and Remedial Action.

14.14.1 The Parties assume no liability or responsibility for environmental impacts and damage caused by the U.S. Air Force’s use of Hazardous Materials on any portion of the Airport, including the Premises, prior to the Effective Date, and have no obligation under this Lease to undertake the defense of any claim or action, whether in existence now or brought in the future, solely arising out of the use of or release of any Hazardous Materials or deposits of solid waste on or from any part of the Airport, including, but not limited to, the Premises. Further, the Parties have no obligation under this Lease to undertake environmental response, remediation, or cleanup relating to such use or release. For purposes of this SECTION 14.14, “defense” or “environmental response, remediation, or cleanup” shall include liability and responsibility for the costs of damage, penalties, legal and investigative services relating to such use or release. The terms, “Occupation” or “Use” shall mean any activity or presence (in or upon) such portion of, or such building, facility or other improvement on the Premises.

14.14.2 Pursuant to Section VII.E.3 of the Deed (as defined herein), the U.S. Air Force warrants and covenants that all remedial action necessary to protect human health and the environment with respect to hazardous substances remaining on the Airport has been completed prior to the date of the Deed and, further, any remedial action found to be necessary after the date of the Deed shall be conducted by the U.S. Air Force; provided, however, that the foregoing covenant does not apply where Lessor or Lessee is a potentially responsible party with respect to any portion of the Premises or the Airport.

14.15 Cleanup Requirements. Lessee agrees that Lessor assumes no liability to Lessee should Hazardous Materials cleanup or related requirements, whether imposed by law, regulatory agencies, the U.S. Air Force or Department of Defense interfere with Lessee's use of the Premises. Lessee shall have no claim against Lessor or the United States or any officer, agent, employee or contractor thereof on account of any such interference whether due to entry, performance of remedial or removal investigations, or exercise of any right with respect to the Federal Facilities Agreement (FFA) or the Installation Restoration Program (IRP) or under this Lease or otherwise. Lessee agrees to comply with the provisions of any health or safety plan in effect under the IRP or any hazardous substance remediation or response agreement with environmental regulatory authorities during the course of any of the above described response or remedial actions. Any inspection, survey, investigation, or other response or remedial action shall, to the extent practicable, be coordinated with representatives designated by Lessee. Lessee shall have no claim on account of such entries against the United States or any officer, agent, employee, contractor, or subcontractor thereof.

14.16 Spill Protection Plan. In the event Lessee undertakes any type of manufacturing, maintenance or other activities on the Premises involving the use or generation of any Hazardous Materials regulated by Hazardous Materials Laws, Lessee shall have an approved plan for responding to Hazardous Materials, fuel, and other chemical spills prior to commencement of activities on the Premises and other approved Airport locations. Such plan shall comply with all applicable requirements of said plan which shall be updated from time to time or as may be required to comply with changes in site conditions or applicable requirements, and shall be approved by all agencies having regulatory jurisdiction over such plan. Such plan shall be independent of Lessor's spill prevention and response plans, if any. Lessee shall not rely on use of Lessor or Lessor personnel or equipment in execution of its plan. Lessee shall file a copy of the approved plan and approved amendments thereto with Lessor's Environmental and Archeological Coordinator within THIRTY (30) calendar days of receipt of a CofO from the City. Notwithstanding the foregoing, should Lessor provide any personnel or equipment, whether for initial fire response and/or spill containment, on the request of Lessee, or because Lessee was not, in the opinion of Lessor, conducting fire-fighting, containment or timely cleanup actions, Lessee agrees to reimburse Lessor for its actual costs in accordance with all applicable laws and regulations.

14.17 Wells. Lessee shall not install any drinking water or other wells in any location on the Premises without the prior written approval of Lessor.

14.18 Construction Activities and Surface Disturbances.

14.18.1 Should Lessee be permitted to construct improvements on the Premises, Lessee agrees that in the event any hazardous substances, pollutants, contaminants, petroleum or petroleum derivatives are found, Lessee shall promptly notify Lessor of such discovery and shall immediately cease said construction pending investigation and remedial action, if necessary, by Lessor or the appropriate regulatory agency.

14.18.2 After construction of Lessee's improvements on the Premises, if any, either in the future or as otherwise provided herein, Lessee shall not conduct any subsurface excavation, digging, drilling or other disturbance of the surface without the prior written approval of Lessor, which shall not be unreasonably withheld.

15. PROTECTION OF WETLANDS.

Lessee shall minimize the destruction, loss, or degradation of any wetlands located on the Premises. Lessor believes there are no wetlands existing on the Premises as of the Effective Date. However, before locating new construction in wetlands, if any exist, Lessee shall contact Lessor and the United States Army Corps of Engineers and obtain a permit or waivers under Section 404 of the *Clean Water Act*. For purposes of

this SECTION 15, the term, "new construction," includes structures, facilities, draining, dredging, channeling, filling, diking, impounding, and related activities.

16. SPECIAL PROVISIONS.

16.1 Lessee shall comply with all applicable Federal, State, and local occupational safety and health regulations.

16.2 Lessee shall be responsible for determining whether it is subject to State and local sanitation, licensing, building code or building permit requirements and whether or not it requires a permit to do business and for compliance with them to the extent they are applicable.

17. INSURANCE.

17.1 Coverage Required. Lessee shall procure and maintain, or cause to be procured and maintained, the following types and amounts of insurance with respect to the Premises:

17.1.1 *Builder's Risk* insurance covering the insured's premises and all replacements and/or additions thereto for their full insurable value plus ten percent (Cost +10%) on a "replacement cost" basis and requires an ISO Special Causes of Loss form or equivalent required until completion of construction of the improvements upon the Premises.

17.1.2 *Airport Premises Liability* (5,000,000.00 per occurrence) insurance covering third party bodily injury and property damage, and including coverage for "premises/operations," "products and completed operations," "professional," "host liquor" and "blanket contractual liabilities."

17.1.3 *Commercial Automobile Liability* (1,000,000.00 per occurrence) insurance covering all owned, non-owned and hire vehicles operated on the Airport that are assigned to or used in the performance of commercial activities, or that are operated within the AOA. If any hazardous materials are transported within Airport boundaries in conjunction with the operator's business activities, an MSC-90 Endorsement is required.

17.1.4 *Environmental Impairment Liability* (2,000,000.00 per occurrence) insurance covering third party bodily injury and property damage associated with hazardous material storage facilities, tanks, piping, ancillary equipment and containment structures, or structures that are used, controlled, constructed or maintained on the Airport, and including expenses for defense, release mitigation and off- and on-site remediation.

17.1.5 *Property* (full value of personal property and improvements) insurance covering all essential personal property (property essential to continued business operations) and all operator improvements made to buildings or facilities on the Airport, including all replacements and/or additions thereto, for their full insurable value (All Risks) on a replacement cost basis, and requires an ISO Special Causes of Loss form.

17.1.6 *Worker's Compensation* insurance, as required by law, and *Employer's Liability* insurance in the amount of \$1,000,000.00 covering work-related injuries to employees and others permitted to operate or otherwise conduct business on the Premises.

17.2 Form. Each insurance policy obtained pursuant to this SECTION, except for *Worker's Compensation* and *Employer's Liability* policies, shall: (i) name Lessor as a certificate holder or additional named insured; (ii) contain a provision that written notice of cancellation or modification thereof shall be given to Lessor not less than THIRTY (30) calendar days before such cancellation or modification takes effect (TEN (10) days in case of nonpayment of premium); and (iii) contain a waiver of subrogation in favor of Lessor. Lessee shall not permit any insurance policy to be canceled or modified without Lessor's written consent unless equivalent replacement policies are issued with no lapse in coverage. All policies shall be obtained from insurance companies licensed to do business in the State of Arizona and possessing a rating of at least A – VII or higher from the A.M. Best Company, or an equivalent rating and approved by Lessor.

17.3 Certificates of Insurance. Lessee shall deliver a certificate of insurance for each policy required along with an endorsement naming Phoenix-Mesa Gateway Airport Authority as additional insured, herein to Lessor, in standard Acord or equivalent form, prior to the Effective Date and shall continue to provide such certificates throughout the term of this Lease unless otherwise agreed to by Lessor in writing.

17.4 Additional Insurance. At any time during the term of this Lease, Lessor may, if in its reasonable determination the insurance coverage required by this SECTION 17 is no longer adequate, require Lessee to increase its coverage to commercially reasonable amounts.

17.5 Blanket Insurance. Lessee's insurance obligations under this Lease may be satisfied by means of "blanket" or excess policies.

17.6 Insurance by Lessor. In the event Lessee shall fail to procure any insurance required hereunder, Lessor may, upon written notice to Lessee, procure and maintain any or all of the insurance required of Lessee under this SECTION. In such event, all costs of such insurance procured and maintained by Lessor on behalf of Lessee shall be the responsibility of Lessee and shall be fully reimbursed to Lessor within TEN (10) business days after Lessor advises Lessee of the cost thereof.

18. SURRENDER OF POSSESSION.

18.1 Condition of Property.

18.1.1 Upon the expiration or earlier termination of this Lease, Lessee's right to occupy the Premises and exercise the privileges and rights granted thereunder shall cease, and Lessee shall peaceably surrender the same and leave the Premises broom clean and in good condition except for normal wear and tear. All trade fixtures, equipment, and other personal property installed or placed by Lessee on the Premises which are not permanently affixed thereto shall remain the property of Lessee, and Lessee shall have the right at any time during the term of this Lease, to remove the same from the Airport and Lessee shall repair, at its sole cost, any damage caused by such removal. Any property not removed by Lessee within FIFTEEN (15) calendar days of the expiration or earlier termination of this Lease, or revocation of Lessee's right to occupy the Premises, shall become a part of the Premises, and ownership thereof shall vest in Lessor. Lessee shall, however, remain financially liable to Lessor for the cost of repairs to the Premises incurred as a result of Lessor's removal and/or relocation of property formerly belonging to Lessee and not otherwise removed from the Premises, as provided herein, and shall remit to Lessor payment for such costs within TEN (10) business days of Lessee's receipt of Lessor's invoice therefor.

18.1.2 Any trade fixtures, equipment or other property affixed to the Premises by Lessee shall, if required by Lessor, be permanently removed from the Premises by Lessee, at Lessee's expense, within FIVE (5) business days of Lease termination. Should Lessee fail to remove such trade fixtures, equipment or other property within said time, Lessor may remove and dispose of such trade fixtures, equipment or other property at Lessee's expense, and Lessee shall reimburse Lessor for the costs thereof within TEN (10) business days of receipt of Lessor's invoice therefor.

18.2 Holding Over. Lessee shall not remain in possession of the Premises after the expiration or earlier termination of the Term without the express written consent of Lessor. Should Lessee hold over without the express written consent of Lessor, such tenancy shall be at the sufferance of Lessor and not a renewal of the Term. In such case, the Base Rent and all other charges due pursuant to this Lease shall be payable at ONE HUNDRED FIFTY PERCENT (150%) of the amount payable during the last year of the Term, and such tenancy at sufferance shall be subject to every other term, covenant and provision of this Lease. In the event Lessee holds over, Lessee shall be liable for all of Lessor's direct and consequential damages, which shall include, without limitation, costs, fees, expenses, damages and attorneys' fees incurred by Lessor as a result of Lessee's holding over, and damages and expenses incurred by Lessor for its inability to deliver possession of the Premises to a new lessee.

19. INSPECTION BY LESSOR.

Lessor may enter upon the Premises at reasonable times and upon reasonable notice for any reasonable purpose, including, but not limited to, compliance with the terms and conditions of this Lease and the exercise of its governmental functions for such activities as fire protection or security.

20. NOTICES.

20.1 All notices required or permitted under this Lease shall not be effective unless personally delivered or mailed by certified mail, return receipt requested, postage prepaid, or by reputable commercial overnight courier service, to the following addresses:

TO LESSOR: Phoenix-Mesa Gateway Airport Authority
Attn: Business Development Department
5835 South Sossaman Road
Mesa, Arizona 85212

TO LESSEE: Aviation Performance Solutions, LLC
Attn.: Tara Ransbury, Vice President - Finance & Strategy
5865 S. Sossaman Road
Mesa, Arizona 85212
Phone: (480) 279-1881
Email: Tara.ransbury@apstraining.com

20.2 Any notice shall be deemed to have been received TWO (2) business days after the date of mailing, if given by certified mail, or upon actual receipt if personally delivered or if given by reputable commercial overnight courier service. Any Party may designate in writing a different address for notice purposes pursuant to this SECTION.

21. SEVERABILITY.

Should a court of competent jurisdiction declare any provision of this Lease invalid, the remaining terms shall remain effective.

22. SALES AND PROPERTY TAXES.

Lessee shall pay any leasehold tax, sales tax, personal property tax, transaction privilege tax, license or permit fee, or any other tax assessed as the result of its occupancy of Premises or conduct of any activity at the Airport under authority of this Lease, including any such tax assessable on Lessor. In the event that laws or judicial decisions result in the imposition of a real property tax or any other form of tax or imposition on the interest of Lessor, such tax shall also be paid by Lessee for the period this Lease is in effect, to the extent such taxes are reasonably attributable to the Premises or a portion thereof or the operation of Lessee's business.

23. APPROVALS, CONSENTS AND NOTICES.

All approvals, consents and notices called for in this Lease shall be in writing, signed by the appropriate Party, and may not be established solely by oral testimony.

24. LIENS AND MORTGAGES.

24.1 General Provisions.

24.1.1 Except as provided in this SECTION 24, Lessee shall not engage in any financing or other transaction creating any mortgage or deed of trust upon the Premises, place or suffer to be placed upon the Premises any lien or other encumbrance, or suffer any levy or attachment to be made on Lessee's interest in the Premises. Any such mortgage or deed of trust, encumbrance or lien shall be deemed a violation of this SECTION, constituting a failure by Lessee to comply with the terms of the Lease, on the date of its execution or filing of record regardless of whether or when it is foreclosed or otherwise enforced.

24.1.2 Notwithstanding anything to the contrary in SECTION 9 herein, Lessee shall, during the Term, be permitted to mortgage, collaterally assign, or otherwise encumber its leasehold interest under this Lease to secure indebtedness, including, without limitation, a loan to finance construction of improvements and other development on the Premises, and including refinancing's thereof, subject to the restrictions of SECTION 24.1.3, and provided that the language of such mortgage or deed of trust and of all related documents that require the execution, approval, or consent of Lessor shall be subject to the prior review and approval of legal counsel for Lessor, and that all legal fees incurred by Lessor in connection with such legal counsel review and approval shall be paid by Lessee. Any such encumbrance is referred to as a "Mortgage" and the holder thereof a "Mortgagee." The Mortgagee, upon taking possession or upon foreclosure or taking an assignment in lieu thereof, shall be liable for all future rents and obligations hereunder and shall attorn to Lessor. No Mortgage shall encumber Lessor's interest in the Premises or the improvements thereon. Further and promptly after Lessee assigns or encumbers any portion of the Premises or the improvements thereon, Lessee shall furnish Lessor with a written notice setting forth the name and address of such Mortgagee or trustee.

24.1.3 No Mortgage or deed of trust shall extend to or affect the fee, the reversionary interest or the estate of Lessor in the Premises. No Mortgage or deed of trust shall be binding upon Lessor in the enforcement of its rights and remedies under this Lease and by law provided, unless and until a copy thereof shall have been delivered to Lessor and such Mortgage or deed of trust is authorized in accordance with provisions of this SECTION 24.

24.2 Lessor Agreement. With respect to Mortgagees of the Premises, Lessor agrees that:

24.2.1 If requested by a Mortgagee which shall have duly registered in writing with Lessor its name and address, and if Lessor shall give any notice, demand, election or other communication required hereunder (hereafter, collectively, "Notices") to Lessee, Lessor shall concurrently give a copy of each such Notice to the Mortgagee at the address designated by it. Notices shall be sent by registered or certified mail, return receipt requested, and shall be deemed given SEVENTY-TWO (72) hours after the time they are deposited in a United States Post Office with postage charges prepaid, addressed to the Mortgagee. No Notice given by Lessor to Lessee shall be binding upon or affect Lessee or the Mortgagee unless a copy of the Notice shall be given to the Mortgagee pursuant to this SECTION 24.2.1.

24.2.2 Such Mortgagee entitled to such Notices, as specified above, shall have any and all rights of Lessee with respect to the curing of any default hereunder by Lessee.

24.2.3 If Lessor shall elect to terminate this Lease by reason of any default by Lessee with respect to the Premises, the Mortgagee that shall have become entitled to Notice as provided in this SECTION 24.2 shall have any and all rights of Lessee with respect to curing of any default with respect to the Premises.

24.2.4 Nothing herein contained shall be deemed to impose any obligation on the part of Lessor to deliver physical possession of the Premises to such holder of a Mortgage. To the extent the physical possession of the Premises by a secured creditor is not inconsistent with the terms of this Lease, or is incompatible with the Lessor's selection of available remedies in the Event of Default, Lessor shall not prevent such physical possession.

24.2.5 If more than one Mortgagee shall seek to exercise any of the rights provided for in this SECTION 24, the holder of the Mortgage having priority of lien over the other Mortgagees shall be entitled, as against the others, to exercise such rights. Should a dispute arise among Mortgagees regarding the priority of lien, the Mortgagees shall prove to the satisfaction of Lessor that they have settled that dispute.

24.3 Protection of Mortgagee(s). Until the time, if any, that an approved Mortgage shall be satisfied and released of record:

24.3.1 A Mortgagee shall have the right, for a period equal to the period afforded Lessee to perform any term, covenant, or condition and to remedy any default by Lessee hereunder, and Lessor shall accept such performance with the same force and effect as if furnished by Lessee, and the Mortgagee shall thereby and hereby be subrogated to the rights of Lessor. Such Mortgagee cure period shall begin on the later of: (i) the date Mortgagee receives notice pursuant to Section 24.2, or (ii) the date that Lessee's cure period

expires under the Lease. During such Mortgagee cure period, Lessor will not disturb possession, interest or quiet enjoyment by the Lessee or Mortgagee in the real property for any reason, subject to the terms of the Lease, until such Mortgagee cure period has expired. The Mortgagee shall have the right to enter upon the Premises to give such performance.

24.3.2 In case of a default by Lessee in the performance or observance of any non-monetary term, covenant or condition to be performed by it hereunder, if such default cannot practicably be cured by the Mortgagee without taking possession of the Premises, in such Mortgagee's reasonable opinion, or if such default is not susceptible of being cured by the Mortgagee, then Lessor shall not serve a notice of lease termination if and so long as:

a. The Mortgagee shall proceed diligently to obtain possession of the Premises (including possession by a receiver), and, upon obtaining such possession, shall proceed diligently to cure such defaults as are reasonably susceptible of cure (subject to any order by a court of competent jurisdiction staying or otherwise precluding such Mortgagee from obtaining such possession); or

b. The Mortgagee shall institute foreclosure proceedings and diligently prosecute the same to completion (unless in the meantime it shall acquire Lessee's estate hereunder, either in its own name or through a nominee, by assignment in lieu of foreclosure), subject to any order by a court of competent jurisdiction staying or otherwise precluding such Mortgagee from obtaining such possession.

c. The Mortgagee shall not be required to obtain possession or to continue in possession of the Premises pursuant to SECTION 24.3.2a, or to continue to prosecute foreclosure proceedings pursuant to SECTION 24.3.2b, if and when such default shall be cured. If a Mortgagee, its nominee, or a purchaser at a foreclosure sale shall acquire title to Lessee's leasehold estate hereunder, a default that is not reasonably susceptible to cure by the person succeeding to the leasehold interest shall no longer be deemed a default under this Lease.

d. If any Mortgagee is prohibited from commencing or prosecuting foreclosure or other appropriate proceedings in the nature thereof by any process or injunction issued by any court, or by reason of any action by any court having jurisdiction of any bankruptcy or insolvency proceeding involving Lessee, the times for commencing or prosecuting foreclosure or other proceedings, including proceedings to obtain possession, shall be extended for the period of the prohibition.

24.4 New Lease

24.4.1 Subject to FAA regulations, Lessor agrees that, in the event of early termination of this Lease for any reason (including but not limited to any default by Lessee), Lessor, if requested by any Mortgagee, will enter into a new lease of the Premises with the most senior Mortgagee requesting a new lease, which new lease shall commence as of the date of termination of this Lease and shall run for the remainder of the original term of this Lease, at the rent and upon the terms, covenants and conditions herein contained, provided that:

a. Such Mortgagee shall make written request upon Lessor for the new lease within SIXTY (60) calendar days after the date such Mortgagee receives written notice from Lessor that this Lease has been terminated;

b. Such Mortgagee shall pay to Lessor, at the time of the execution and delivery of the new lease, any and all sums which would, at that time, be due and unpaid pursuant to this Lease but for its termination, and in addition thereto all reasonable expenses, including reasonable attorneys' fees, which Lessor shall have incurred by reason of such termination;

c. Such Mortgagee shall perform and observe all covenants in this Lease to be performed and observed by Lessee, and shall further remedy any other conditions which Lessee under the Lease was obligated to perform under its terms, to the extent the same are reasonably susceptible of being cured by the Mortgagee; and

d. The Lessee under the new lease shall have the same right of occupancy to the buildings and improvements on the Premises and elsewhere on the Airport as Lessee had under this Lease immediately prior to its termination.

Notwithstanding anything to the contrary expressed or implied in this Lease, any new lease made pursuant to this SECTION 24 shall have the same priority as this Lease with respect to any mortgage, deed of trust, or other lien, charge, or encumbrance on the fee of the Premises, and any sublease under this Lease shall be a sublease under the new Lease and shall not be deemed to have been terminated by the termination of this Lease.

24.4.2 Nothing herein contained shall require any Mortgagee to enter into a new lease pursuant to this SECTION 24.4, or to cure any default of Lessee referred to above.

24.4.3 If any Mortgagee shall request a new lease as provided in this SECTION 24.4, Lessor agrees, at the request of, on behalf of and at the expense of the Mortgagee, upon a guaranty from it reasonably satisfactory to Lessor, to institute and pursue diligently to conclusion the appropriate legal remedy or remedies to oust or remove the original Lessee from the Premises, but not any authorized subtenants actually occupying the Premises or any part thereof.

24.4.4 Unless and until Lessor has received notice from each Mortgagee that the Mortgagee elects not to demand a new lease as provided herein, or until the period therefor has expired, Lessor shall not cancel or agree to the termination or surrender of any existing subleases nor enter into any new leases or subleases with respect to the Premises without the prior written consent of each Mortgagee.

24.5 Effect of Transfer. Neither the foreclosure of any Mortgage (whether by judicial proceedings or by virtue of any power of sale contained in the Mortgage), nor any conveyance of the leasehold estate created by this Lease by Lessee to any Mortgagee or its designee by an assignment or deed in lieu of foreclosure or other similar instrument, shall require the consent of Lessor or constitute a default under this Lease, and upon such foreclosure, sale or conveyance, Lessor shall recognize the purchaser or other transferee in connection therewith as the Lessee under this Lease, subject only to an assumption in writing by such purchaser or transferee of all obligations of Lessee under this Lease.

25. GOVERNING LAW; ATTORNEY'S FEES.

The laws of the State of Arizona shall govern the matters set forth in this Lease. Venue of any action brought under this Lease shall, at the option of Lessor, lie in Maricopa County, Arizona.

26. RULES AND REGULATIONS.

Lessee shall at all times comply with all Federal, state and local laws, ordinances, rules, and regulations which are applicable to its activities on the Airport, the Premises itself (including but not limited to the *Americans with Disabilities Act*), or the operation, management, maintenance, or administration of the Airport, including all laws, ordinances, rules and regulations adopted after the Effective Date. Lessee shall at all times comply with the Airport *Minimum Standards* and *Airport Rules and Regulations*, as the same may be amended from time to time. Copies of the current Airport *Minimum Standards* and *Airport Rules and Regulations* are attached hereto as **EXHIBIT D**. Lessee acknowledges and agrees that Lessor may amend the Airport *Minimum Standards* and *Airport Rules and Regulations* at any time in Lessor's sole discretion. Lessee shall be responsible for controlling and preventing disruptive pedestrian and vehicle traffic associated with its activities on the Premises and at the Airport. Lessee also shall display to Lessor any permits, licenses, or other evidence of compliance with laws upon request.

27. CORPORATE AUTHORIZATION.

In executing this Lease, Lessee represents and warrants to Lessor that if Lessee is a corporation, Lessee has obtained and been granted the full right, power and authority to enter into this Lease.

28. UTILITY LINES AND SERVICE CHARGES.

28.1 Lessee shall, at no cost or expense to Lessor, provide or arrange for any public utility, water and sewage lines, connections and services that are needed in connection with any building(s), structure(s) or other improvement(s) placed on the Premises by Lessee, or required for Lessee's activities thereon, and shall be responsible for the maintenance of such lines and connections from where they enter the Premises. If requested in advance to do so by Lessee, Lessor will grant reasonable rights-of-way on or across the Airport to suppliers of public utility services for the purpose of supplying Lessee with such services, but Lessor reserves the right to designate the lands along which such rights-of-way shall be granted so as to cause the least inconvenience in the operation of the Airport and other Airport tenants.

28.2 Lessee shall pay for all utilities, including trash collection, used in its operations at the Airport and the Premises. The charges and method of payment for each utility or service shall be determined by the appropriate supplier of the utility or service in accordance with applicable laws and regulations, on such basis as the appropriate supplier of the utility or service may establish.

28.3 Notwithstanding the execution of this Lease, Lessor retains the right to the continued use of such utility lines and services as are presently on the Premises and the right to repair the same when necessary in Lessor's sole discretion, including but not limited to, any utility easements on the Premises. Lessor shall conduct such repairs in such a manner and at such times as to not unreasonably interfere with Lessee's activities thereon.

29. RESERVATIONS TO LESSOR.

The Premises are accepted "as is, where is" by Lessee, subject to any and all existing easements or other encumbrances, and Lessor shall have the right to install, lay, construct, maintain, repair and operate such sanitary sewers, drains, storm water sewers, pipelines, manholes, connections; water, oil and gas pipelines; telephone and telegraph power lines; and such other appliances and appurtenances necessary or convenient to use in connection therewith, over, on, across or in proximity to the Premises, or any part thereof, as will not unreasonably interfere with Lessee's or any subtenant's operations hereunder, and to enter upon the Premises for such purposes. Lessor also reserves the right to grant franchises, easements, rights-of-way, and permits, over, on, across or in proximity to any portions of the Premises for the same purposes; provided, that Lessor or the grantee, as applicable, shall not exercise such rights so as to interfere unreasonably with Lessee's or any subtenant's activities on the Premises and all such interference shall be minimized. Lessor agrees that any rights granted to any parties by reason of this clause shall contain provisions that the surface of the Premises shall be restored to its original condition, at no cost to Lessee, upon the completion of any construction.

30. FEDERAL AVIATION ADMINISTRATION (FAA) PROVISIONS.

30.1 Lessee agrees that in the event improvements are constructed, maintained, or otherwise operated on the Premises for a purpose for which a Department of Transportation (DOT) program or activity is intended, or for another purpose involving the providing of similar services or benefits, Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, *Nondiscrimination in Federally Assisted Programs of the Department of Transportation*, as it may be amended.

30.2 Lessee assures Lessor that it will comply with pertinent statutes, Executive Orders, and rules promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, or sex, age or handicap, be excluded from participating in any activity.

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

30.4 Lessor reserves the right, but shall not be obligated to Lessee, to maintain and keep in repair the landing area of the Airport and all publicly owned facilities of the Airport, together with the right to direct and control all activities of Lessee in this regard. Lessor and Lessee agree that Lessee has no responsibility whatsoever with respect to maintenance and repair of the landing area of the Airport, or any publicly owned facilities of the Airport.

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

30.6 There is reserved unto Lessor, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Premises, which shall include the right to cause in the airspace any noise inherent in the operation of aircraft, now known or hereafter used for navigation of or flight in or through the airspace, and for the use of such airspace for landing on, taking off from, or operation on the Airport.

30.7 Lessee agrees to comply with the notification and review requirements covered in 14 CFR Part 77 in the event future construction of a building is planned for the Premises or in the event of any planned modification or alteration of any present or future building or structure situated on the Premises.

30.8 Lessee shall not erect or permit the erection of any structure or building, nor permit the growth of any tree on the Premises, or any other obstruction that exceeds height requirements contained in 14 CFR Part 77 or amendments thereto, or interferes with the runway and/or taxiway "line of sight" of the control tower. In the event these covenants are breached, Lessor reserves the right to enter upon the Premises and to remove the offending structure or object at the expense of Lessee.

30.9 Lessee shall not make use of the Premises in any manner that might interfere with the landing and taking off of aircraft from the Airport or otherwise constitute a hazard. In the event this covenant is breached, Lessor reserves the right to enter upon the Premises and cause the abatement of such interference at the expense of Lessee.

30.10 Nothing contained in this Lease shall be construed to grant or authorize the granting of an exclusive right within the meaning 49 U.S.C. §40103(e) and 47107 (a)(4).

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

30.12 To the extent that Lessee conducts or engages in any aeronautical activity for furnishing services to the public at the Airport, Lessee shall furnish its services on a reasonable and not unjustly discriminatory basis to all users and charge reasonable and not unjustly discriminatory prices for each unit or service; except, however, that Lessee may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar type of price reductions to volume purchasers.

30.13 Lessee shall conform to Lessor and FAA safety and security rules and regulations regarding use of the Airport air operations area including runways, taxiways, taxilanes and aircraft aprons by vehicles, employees, customers, visitors, etc., in order to prevent security breaches and avoid aircraft incursions and vehicle/pedestrian deviations; complete and pass an airfield safe driving instruction program when offered or required by Lessor; and be subject to penalties as prescribed by Lessor for violations of Airport safety and security requirements.

31. TITLE VI

31.1 The tenant/Lessee and its transferee agree to comply with pertinent statues, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color or national origin, sex, age or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. Lessee understands and acknowledges that the FAA requires inclusion of and adherence to the terms and conditions of Title VI in all airport/aviation lease agreements where Lessor receives federal funding, including, Lessor in this instance.

31.2 During the performance of this Lease, the tenant/lessee, for itself, its assignees, and successors in interest agrees as follows:

1. Compliance with Regulations: The tenant/lessee (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this Lease.
2. Non-discrimination: The tenant/lessee, with regard to the work performed by it during the Lease, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The tenant/lessee will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the Lease covers any activity, project, or program set forth in Appendix B of 49 CFR Part 21.
3. Solicitations for Subcontracts, Including Procurements of Materials and Equipment: In all solicitations, either by competitive bidding, or negotiation made by the tenant/lessee for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the tenant/lessee of the tenant/lessee's obligations under this Lease and the Non-discrimination Acts And Authorities on the grounds of race, color, or national origin.
4. Information and Reports: The tenant/lessee will provide all information and reports required by the Acts, the Regulations and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the sponsor or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of a tenant/lessee is in the exclusive possession of another who fails or refuses to furnish the information, the tenant/lessee will so certify to the sponsor or the Federal Aviation Administration as appropriate, and will set forth what efforts it has made to obtain the information.
5. Sanctions for Noncompliance: In the event of a tenant/lessee's noncompliance with the Nondiscrimination provisions of this Lease, the Recipient will impose such Lease sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:
 - a. withholding payments to the tenant/lessee under the Lease until the tenant/lessee complies; and/or
 - b. cancelling, terminating, or suspending a Lease, in whole or in part.
6. Incorporation of Provisions: The tenant/lessee will include the provisions of paragraphs one through six in every sublease, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. The tenant/lessee will take action with respect to any sublease or procurement as the sponsor or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the tenant/lessee becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the tenant/lessee may request the sponsor to enter into any litigation to protect the interests of the sponsor. In addition, the tenant/lessee may request the United States to enter into the litigation to protect the interests of the United States.

31.3 The Lessee for himself/herself, his/her heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree that (1) no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land, and the furnishing of services thereon, no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the lessee will use the premises in compliance with all other requirements imposed by or pursuant to the List of discrimination Acts And Authorities.

31.4 During the performance of this Lease, the tenant/Lessee, for itself, its assignees, and successors in interest agrees to comply with the following non-discrimination statutes and authorities; including but not limited to the following (which Lessor is required to disclose and include in such Lease and other agreements, pursuant to FAA regulation):

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

31.5 Lessee agrees that in the event improvements are constructed, maintained, or otherwise operated on the Premises for a purpose for which a Department of Transportation (DOT) program or activity is intended, or for another purpose involving the providing of similar services or benefits, Lessee shall maintain

and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, *Nondiscrimination in Federally Assisted Programs of the Department of Transportation*, as it may be amended.

32. FEDERAL FAIR LABOR STANDARDS ACT

This Lease and all subleases that result from this Lease incorporate by reference the provisions of 29 CFR part 201, the Federal Fair Labor Standards Act (FLSA), with the same force and effect as if given in full text.

The Lessee has full responsibility to monitor compliance to the referenced statute or regulation. The Lessee must address any claims or disputes that arise from this requirement directly with the U.S. Department of Labor – Wage and Hour Division.

33. OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970

This Lease and all subleases that result from this Lease incorporate by reference the provisions of 29 CFR part 1910 with the same force and effect as if given in full text. Lessee must provide a work environment that is free from recognized hazards that may cause death or serious physical harm to the employee. The Lessee retains full responsibility to monitor its compliance and their sublessee's compliance with the applicable requirements of the Occupational Safety and Health Act of 1970 (20CFR Part 1910). Lessee must address any claims or disputes that pertain to a referenced requirement directly with the U.S. Department of Labor – Occupational Safety and Health Administration

34. INCORPORATION OF QUITCLAIM DEED.

Lessor owns the Airport pursuant to a Quitclaim Deed from the United States Government (the "Deed"), a copy of which is available to Lessee upon request and is hereby incorporated in its entirety. To the extent the Deed has terms, conditions, obligations, requirements or restrictions that apply to this Lease, Lessor, Lessee or any matter in connection herewith, Lessee agrees to be bound by all the terms, covenants and conditions of the Deed, including the following:

- 34.1 That this Lease is subject to all terms and conditions of the Deed; and
- 34.2 That in case of any conflict between the Deed and this Lease, the Deed shall control.

35. REQUIRED PROVISIONS OF QUITCLAIM DEED.

35.1 Section VI (A)(5)(c) of the Deed requires that the following provisions be included in this Lease:

35.1.1 In furnishing services to the public, Lessee shall not discriminate against any person or class of persons by reason of race, color, creed, or national origin, and Lessee shall otherwise provide such services on a fair, equal, and not unjustly discriminatory basis to all users thereof.

35.1.2 Lessee shall charge fair, reasonable, and not unjustly discriminatory prices for each unit for service; except, however, that the Lessee may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

35.2 If the Premises are within any of the archaeological sites identified in Section VIII.A of the Deed, then, the provisions of Section VIII of the Deed shall be deemed incorporated in this Lease by this express reference to Section VIII of the Deed.

35.3 To the extent the Deed requires that other specific provisions thereof be inserted in this Lease by express reference to the Deed, this sentence shall constitute an express reference to all such applicable provisions of the Deed.

36. ARCHEOLOGICAL OR CULTURAL RESOURCES.

In the event any archeological or cultural resources are discovered during any construction contemplated or permitted by this Lease, Lessor shall use its best efforts to expedite any necessary actions with respect thereto, at Lessor's sole cost and expense; provided, however, that in the event the necessary actions with respect to any archeological or cultural resources exceeds or is estimated to exceed \$10,000.00, Lessor shall be entitled to terminate this Lease upon TEN (10) business days' prior written notice to Lessee.

37. AIRPORT SECURITY

37.1 PMGAA Operations Department maintains an approved Airport Security Plan (the "Security Plan") pursuant to 49 CFR Parts 1540 and 1542, and 14 CFR Part 139. Lessee shall at all times comply with PMGAA Operations Department security directives, security bulletins, or verbal notifications existing now or in the future.

37.1.1 Lessee is responsible for maintaining security practices, facilities, and perimeter boundaries on their leasehold that meet the security standards set forth by PMGAA Operations Department.

37.1.2 Lessee shall immediately correct physical or procedural deficiencies which are contrary to PMGAA Operations Department, security directives, security bulletins, or verbal notifications existing now or in the future.

37.1.3 Lessee shall, to the fullest extent permitted by law, indemnify, defend and hold PMGAA harmless for, from and against any security violation committed by any agents, employees, invitees, subcontractors, sub-lessees or independent contractors of Lessee.

37.1.4 Lessee shall conduct and document all self-audits and self-inspections as required by TSA or Airport Operations and make such audits available for inspection.

37.1.5 Lessee shall designate a primary security coordinator to receive security related briefings, bulletins and sensitive security information.

37.1.6 PMGAA reserves the right to modify the Security Plan from time to time, as necessary or as directed by TSA. PMGAA Airport Operations shall notify the Lessee security coordinator regarding modifications that effect Lessee.

37.2 Airport Security Badge.

37.2.1 Lessee employees/contractors that require a Badge shall be obligated to complete all training and comply with all security requirements and directives issued by PMGAA Airport Operations, Transportation Security Administration or other entity having security jurisdiction at PMGAA. Lessee, employees, and contractors will surrender security badges upon request by Airport Operations; physical security media (badges and keys) remain the property of PMGAA.

37.2.2 Lessee, employees and contractors shall comply with all security related audits, inspections, and screenings conducted by the PMGAA Airport Operations Department

37.2.3 Lessee will immediately return badges to the Airport Badging office when badge holders' employment is terminated, the badge is no longer needed or the employee/contractor is on extended leave.

37.2.4 Misuse of a Badge or security procedures will bring about punitive action including suspension or revocation of one or all badges.

38. DEFAULT BY LESSOR.

In the event of any alleged breach by Lessor of its covenants contained in this Lease, Lessee shall have available all rights and remedies provided at law or in equity, subject to the terms and conditions of this Lease; provided, however, Lessee may not exercise any such right or remedy unless Lessee has notified Lessor by written notice of such alleged default, and Lessor has not cured such default within the THIRTY (30) calendar day period subsequent to receipt of such notice or, in the event such alleged default is of such a nature that it cannot reasonably be cured within such THIRTY (30) calendar day period, Lessor has failed to cure such alleged default with all due diligence. Notwithstanding anything to the contrary contained in this Lease, in no event shall Lessee be entitled to terminate this Lease or abate or offset any installment of Base Rent, or any other payments to be made by Lessee hereunder.

39. BROKERS.

Lessee represents and warrants that it has not had any dealings with any real estate brokers, finders or agents in connection with this Lease. Lessee further agrees to indemnify, defend (with counsel selected by Lessor) and hold Lessor and Lessor's nominees, successors and assigns harmless from any and all claims, costs, commissions, fees or damages by any person or firm whom Lessee authorized or employed, or acted by implication to authorize or employ, to act for Lessee in connection with this Lease.

40. SALE BY LESSOR.

Lessee agrees to look solely to Lessor's interest in the Premises for the recovery of any judgment from Lessor, it being agreed that neither Lessor nor the holders of the equity interests of Lessor, nor the members, partners, officers, directors or shareholders of Lessor shall be personally liable for any such judgment. In the event of any sale or other conveyance by Lessor of its interest in the Premises, Lessor shall be automatically freed and released from all personal liability accruing from and after the date of such sale or conveyance as respects the performance of any covenant or obligation on the part of Lessor contained in this Lease to be performed, it being intended hereby that the covenants and obligations contained in this Lease on the part of Lessor shall be binding on the Lessor and its successors and assigns only during and in respect to the respective successive periods of ownership of the Premises.

41. ESTOPPEL CERTIFICATE.

Lessee shall, without charge, at any time and from time to time hereafter, within TEN (10) business days after written request of Lessor to do so, certify, by written instrument duly executed and acknowledged by Lessee and certified to Lessor and to any prospective lender or purchaser: (i) as to whether this Lease has been supplemented or amended, and if so, the substance and manner of such supplement or amendment; (ii) as to the existence of any default hereunder to the best of Lessee's knowledge; (iii) as to the date on which Lessee was obligated to commence paying Base Rent and all other charges hereunder and the expiration date of the Term; (iv) as to whether the Lessee has assigned or transferred its interests or any portion thereof in this Lease; and (v) as to any other matters as may be reasonably requested. Lessor and any prospective purchaser or lender to whom the same was certified may rely upon any such certificate.

42. MISCELLANEOUS.

42.1 Personal Liability. No member of or employee of either Party shall be charged personally or held contractually liable by or to the other Party under any term or provision of this Lease because of any breach thereof, or because of its execution or attempted execution.

42.2 No Waiver. No provision of this Lease may be waived or modified except by a writing signed by the Party against whom such waiver or modification is sought.

42.3 Non-Waiver of Rights. No waiver or default by Lessor of any of the terms, conditions, covenants or agreements hereof to be performed, kept or observed by Lessee shall be construed or act as a

waiver of any subsequent default of any of the terms, covenants, conditions or agreements herein contained to be performed, kept or observed by Lessee, and Lessor shall not be restricted from later enforcing any of the terms and conditions of this Lease.

42.4 Amendment. This Lease shall be modified only by a written amendment mutually agreed to and signed by both Parties, by persons duly authorized to enter into contracts on behalf of each Party.

42.5 Invalid Provisions. Should any provision of this Lease or any application thereof be held invalid by a court of competent jurisdiction, the remainder of this Lease shall not be affected thereby, unless one or both Parties would be substantially and materially prejudiced.

42.6 Litigation Expenses. In the event of litigation between Lessor and Lessee, the prevailing Party shall be entitled to recover its attorneys' fees and all costs and expenses of litigation, including witness fees, expert witness fees, and court costs.

42.7 Headings. The headings contained herein are for convenience in reference only and are not intended to define or limit the scope of this Lease or any term thereof.

42.8 Entire Agreement. This Lease, including exhibits attached hereto at the time of its execution, constitutes the entire agreement between the Parties hereto and supersedes all prior negotiations, understandings and agreements between the Parties concerning such matters.

43. INCORPORATION OF RECITALS.

The recitals set forth herein are acknowledged by the Parties to be true and correct and are incorporated herein by this reference.

IN WITNESS WHEREOF, the Parties have executed this Lease the day and year first above written.

EXECUTED to be effective on the date specified above.

LESSOR:

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, an Arizona joint powers airport authority

By: _____
J. Brian O’Neill, A.A.E.
Executive Director/CEO

STATE OF ARIZONA)
) ss.
County of Maricopa)

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me this ____ day of _____, 2018, by J. Brian O’Neill, in his capacity as the Executive Director/CEO of the Phoenix-Mesa Gateway Airport Authority.

Notary Public

My Commission Expires:

LESSEE:

AVIATION PERFORMANCE SOLUTIONS, LLC, an Arizona limited liability company

By: _____
Tara Ransbury, VP – Finance & Strategy

STATE OF _____)
) ss.
County of _____)

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me this ___ day of _____, 2018, by Tara Ransbury, in her capacity as VP – Finance & Strategy, Aviation Performance Solutions, LLC, an Arizona limited liability company, for and on behalf of said limited liability company.

Notary Public

My Commission Expires:

EXHIBIT A
DEPICTION OF THE PREMISES

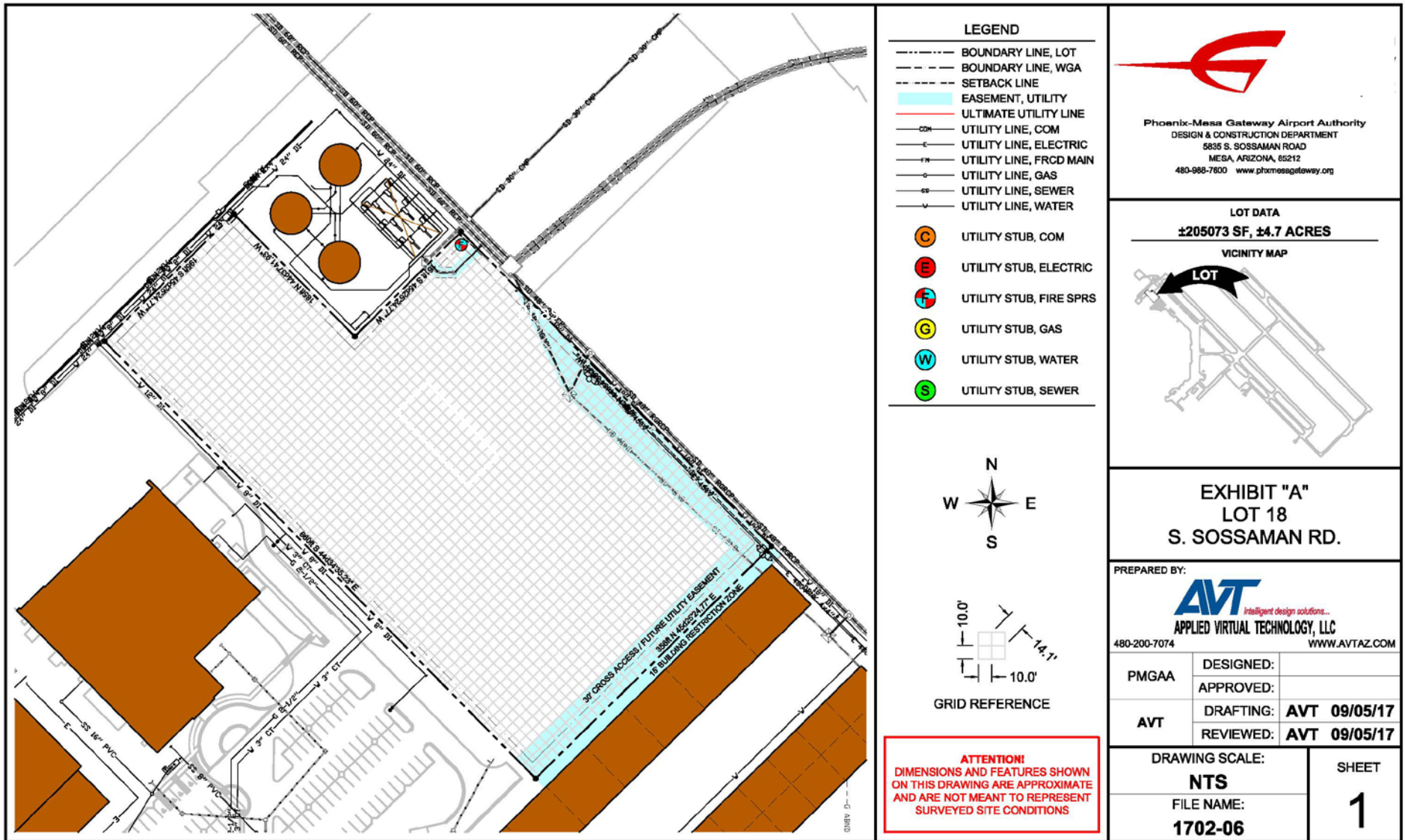


EXHIBIT B

AIRPORT RATES & CHARGES SCHEDULE

(Link)

[http://www.gatewayairport.com/Documents/DocumentLibrary/Board%20Policies/Airport%20Rates%20and%20Charges%20\(Res.%2017-38\)%20Effective%208-1-17.pdf?Uniqueifier=iAlojEFhT5](http://www.gatewayairport.com/Documents/DocumentLibrary/Board%20Policies/Airport%20Rates%20and%20Charges%20(Res.%2017-38)%20Effective%208-1-17.pdf?Uniqueifier=iAlojEFhT5)

EXHIBIT C**AIRCRAFT OPERATIONS GUIDELINES**

C1. Use of Airport. Lessee, Lessee's assigns, sublessees, or transferees who operate aircraft at the Airport and are engaged in a private, government, or commercial aeronautical business or service and desire to use the Airport landing facilities for certain types of operations including, but not limited to: 1) taxiing and maneuvering on Airport runways, taxiways, ramps and aprons; 2) landings and approaches ("touch and go", "stop and go"); and 3) low approaches shall be subject to the provisions of this **EXHIBIT C**.

C2. Fees. As appropriate, Lessee shall pay Lessor fees as outlined below:

C2.1 *Landing Fee.* Lessee shall pay a landing fee at a rate equal to the amount reflected on the most current *Airport Rates and Charges Schedule* at the time of the aircraft operation, for each flight subject to a landing fee operated by or in conjunction with Lessee. The weight of any particular aircraft shall be its maximum certificated gross landing weight (MGLW). The amount owed to Lessor for each chargeable aircraft landing for each preceding calendar month shall be due and payable no later than the TWENTIETH (20th) day of the month succeeding the calendar month in which said aircraft landings took place. Lessee's written listing of all aircraft landings subject to such fee shall accompany said payment. Each entry in such listing shall include the date of the landing, the aircraft registration number, the type and model aircraft, the aircraft MGLW and the amount of the fee due.

C2.2 *Aircraft Ramp Space.* Lessee shall pay Lessor monthly, an aircraft-parking fee in an amount equal to that specified in the most current *Airport Rates and Charges Schedule* at the time of use, for each overnight aircraft parking position used by Lessee that is situated on Airport ramp outside Lessee's Premises. Such fees, if any, shall be payable to Lessor no later than the TWENTIETH (20th) day of the month following that in which Lessee occupied or used such space, and such payment shall be accompanied by a written listing of the aircraft (including registration number, make and model), dates and times of usage.

C2.3 *Other Space.* When available and specifically assigned to Lessee, Lessee shall pay Lessor monthly, in advance, a fee for Lessee's non-exclusive use of other space not situated on or part of the Premises. The location and cost of such other space shall be determined by Lessor at its sole discretion, and both may be subject to change from time to time by Lessor, as necessary.

C2.4 *Additional Space/Services.* In the event that Lessee requires space or special services such as, but not limited to, aircraft line services, out-of-station ARFF standby, operations safety officers, ground service equipment, or fuel spills response teams, Lessee shall pay Lessor's standard fees for such services at the time the service is rendered, unless a secured account or agreement is established prior to requesting additional services.

C3. Books and Records. Lessee shall maintain permanent books, records and ledgers accurately reflecting the total number of monthly Aircraft landings for each aircraft subject to a landing fee and any other aforementioned fee indicating the make, type (including model designation), registration, maximum certificated gross landing weight, and arrival and departure time of each aircraft involved. These records shall be made available to Lessor upon request. In addition to monthly payment as set forth in SECTION C2 herein and together therewith, Lessee shall provide Lessor with a written report, indicating all aircraft operations and related information for the preceding calendar month.

C4. Disabled or Abandoned Aircraft. Should any aircraft owned or operated by Lessee through accident or for any other reason, become disabled or be abandoned in any area which could interfere with the continuous, normal operations of any of the runways, taxiways and airfield facilities at the Airport, Lessee shall:

C4.1 Immediately remove said aircraft to such location as may be designated by Lessor, unless such aircraft is required to remain in place pending investigation by the appropriate regulatory agency or agencies of the federal government; and

C4.2 In the event of any accident where federal investigation in place is required, immediately upon receiving clearance to do so from the appropriate federal agency, remove said aircraft and any wreckage or debris resulting therefrom to the area(s) designated by said federal agency authorizing such removal; otherwise, such aircraft wreckage and debris shall be immediately removed from the Airport or stored at a location approved by Lessor.

C4.3 Should Lessee fail to proceed immediately to remove disabled aircraft, or should aircraft owned or operated by Lessee be abandoned on the Airport, Lessor shall have the right to remove such aircraft by any means Lessor deems necessary under the circumstances, and Lessee shall indemnify, defend, keep and hold Lessor, its members, board of directors, officers, agents, officials, servants, employees and contractors harmless from and against any and all claims, costs, loss, liability, actions, suits, proceedings, damage or expense (including costs of suit and attorneys' fees and expenses) incurred by Lessor or claimed by anyone by reason of removal of said aircraft, injury to persons or property or damages to such aircraft caused by such removal, as well as storage costs therefor. Lessee shall reimburse Lessor for any costs incurred by Lessor in removing and storing any aircraft, any property damage to the airport caused by such aircraft or removal within TEN (10) business days of demand therefor.

C5. Aviation Fuel. Lessee, at Lessee's sole cost and expense, shall procure aviation fuel delivered to its aircraft on the Airport. If fueling or defueling aircraft owned or operated by Lessee, or under Lessee's direct control, Lessee shall comply fully with Lessor's *Aviation Fuel Storage, Dispensing and Handling Guidelines*.

C6. Fly Friendly Procedures. Lessee acknowledges receipt of Lessor's *Fly Friendly* noise abatement procedures, and shall provide such information to flight crews, post the information in the Lessee's flight planning area, and use the procedures to the extent possible, when consistent with safety and Air Traffic Control directives.

EXHIBIT D
MINIMUM STANDARDS

(Link)

http://www.gatewayairport.com/Documents/DocumentLibrary/Board%20Policies/Rules%20and%20Regulations_16-53.pdf?Uniqueifier=iAIojEFhT5

&

AIRPORT RULES AND REGULATIONS

(Link)

http://www.gatewayairport.com/Documents/DocumentLibrary/Board%20Policies/Rules%20and%20Regulations_16-53.pdf?Uniqueifier=iAIojEFhT5



Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

To: Board of Directors
From: Shea Joachim, CEcD, Business Development Director
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: Swoop Operating Agreement
Date: September 18, 2018

Proposed Motion

Authorizing the Executive Director to execute an operating agreement with Swoop, Inc for commercial air service at the Airport.

Narrative

Swoop is a Canadian ultra-low-cost airline and a subsidiary WestJet. The relatively new airline was announced in 2017 and conducted its inaugural flight in June 2018. In August 2018 Swoop announced service to multiple U.S. destination including Phoenix-Mesa Gateway Airport.

Swoop approached the Authority in July 2018 to establish seasonal, non-stop service from Phoenix-Mesa Gateway Airport to the Canadian city of Edmonton. Swoop envisions two (2) weekly flights to Edmonton.

The operating agreement between the Authority and Swoop outlines the requirements of Swoop for offering commercial passenger service at the Airport, identifies the applicable changes for facilities and services at the Airport, and contractually obligates Swoop to adhere to the Airport's Rules and Regulations and Minimum Standards.

Fiscal Impact

Variable revenues are more difficult to forecast because they are based on passenger activity. However, the Airport anticipates increases in concessionaire revenue, rental car fees, Car Rental Facility Charges (CFC's), parking fees, Passenger Facility Charges (PFC's) and fuel service charges.

Attachment(s)

Airline Operating Agreement



RESOLUTION NO. 18-37

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority, formed pursuant to Arizona Revised Statutes § 28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS, the Airport Authority desires to enter into an operating agreement with Swoop, Inc.;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Phoenix-Mesa Gateway Airport Authority as follows:

The Board of Directors of the Authority hereby authorize the Executive Director to execute an operating agreement with Swoop, Inc. for commercial air services at the Airport. This resolution also authorizes the Chair or Executive Director/CEO to execute such Contract, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purpose and intent of this Resolution.

Passed and adopted by the Authority this 18th day of September, 2018.

Jeff Serdy, Chair

ATTEST:

APPROVED AS TO FORM:

Maria Gonzalez, Clerk of the Board

Attorney



Phoenix-Mesa Gateway Airport Authority

Air Carrier Operating Agreement

with

Swoop, Inc.

Effective Date: October 1, 2018

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Phoenix-Mesa Gateway Airport Authority
AIR CARRIER OPERATING AGREEMENT

This Air Carrier Operating Agreement (the "Agreement") is executed to be effective the 1st day of October 2018 (the "Effective Date") between the **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY ("PMGAA")**, a joint powers airport authority authorized under the laws of the State of Arizona ("PMGAA"), and **SWOOP, Inc. ("CARRIER")**. PMGAA and CARRIER may be referred to collectively as "Parties," and each separately may be referred to as a "Party."

WITNESSETH:

WHEREAS, PMGAA is the owner and operator of the Phoenix-Mesa Gateway Airport generally located at the intersection of Ray Road and Sossaman Road, City of Mesa, Maricopa County, Arizona (the "Airport"); and

WHEREAS, PMGAA has the right to enter into Agreement, license and grant the use of property and facilities on the Airport and has full power and authority to enter into this Agreement in respect thereof; and

WHEREAS, CARRIER provides commercial airline services, charters, flight crews, aircraft and desires to use the Airport facilities for commercial operations; and

WHEREAS, CARRIER desires to obtain certain non-exclusive rights to use the common use areas of the passenger terminal, services and privileges in connection with the use of the Airport and its facilities, and PMGAA is willing to grant the same to CARRIER upon the terms and conditions hereinafter stated; and

WHEREAS, the Parties agree to enter into this Agreement, specifying the rights and obligations of the Parties with respect to the operation of the Airport by PMGAA and the use and/or occupancy of the Airport by CARRIER;

NOW, THEREFORE, for good and valuable consideration, the mutual covenants and conditions herein set forth and the sufficiency of which is agreed to by the Parties, the Parties hereby agree as follows:

1. PERMITTED ACTIVITIES AND CONDITIONS OF AIRPORT USE.

- 1.1 CARRIER shall have the right to use, in common with others, the passenger terminal, taxiways, runways and air navigational aids of the Airport for the purpose of conducting its FAR Part 121 scheduled domestic operations, public charter, private charter and the landing and taking off of aircraft incidental thereto, and provided, however, such activities and services are performed in strict accordance with applicable PMGAA Minimum Standards, upon terms and conditions as herein provided.
- 1.2 RESERVED.
- 1.3 CARRIER shall not engage in any other commercial or revenue producing activity at the Airport (excluding charter activities by CARRIER, and charter activities requested by PMGAA) without first applying for and receiving written approval for such activity from PMGAA. In the event any other commercial or revenue producing activity is engaged in by CARRIER prior to obtaining such approval, without waiver or limitation of any other remedies available to PMGAA at law or equity, CARRIER hereby agrees to remit to PMGAA the sum equal to TEN PERCENT (10%) of gross billings for such unauthorized activity, plus any expenses incurred by PMGAA in the course of any audit conducted for all of CARRIER's activities.

- 1.4 CARRIER shall at all times comply with all Federal, State and local laws, ordinances, rules and regulations which are applicable to its operations or the Premises itself (including but not limited to the Americans with Disabilities Act), including all laws, ordinances, rules and regulations adopted after the Effective Date. Carrier shall at all times comply with the Phoenix-Mesa Gateway Airport Authority Rules and Regulations, as the same may be amended from time to time in the Authority's sole and absolute discretion.

2. TERM.

- 2.1 Initial Term. Subject to earlier termination as provided herein, the term of this Agreement shall be one (1) year, commencing on the Effective Date (the "Term").
- 2.2 Renewal Term. Provided CARRIER is not then in default of this Agreement, the Term may be extended for one (1) year, without action by the Parties, unless otherwise terminated as provided herein.
- 2.3 Either Party may terminate this Agreement by providing the notified Party ninety (90) calendar days advance written notice of the terminating Party's intent to do so.

3. NONEXCLUSIVE RIGHTS.

CARRIER shall have the non-exclusive right to occupy and use the designated areas of the Airport while in compliance with the terms and conditions of this Agreement. All rights granted to CARRIER under this Agreement are nonexclusive, except by express written agreement herein. PMGAA may, in its sole discretion and at any time, permit third parties to conduct any and all business activities at the Airport that PMGAA deems appropriate, or conduct such activities itself, provided that such activities do not require or materially interfere with CARRIER's use of the Airport.

- 3.1 PMGAA shall provide CARRIER with common use of one (1) boarding gate and four (4) ticketing positions. In addition, CARRIER shall have Common Use access to additional ticket counters, gate hold rooms, and the baggage claim area for scheduled flight operations, the scheduling of such use is subject to the guidelines outlined in PMGAA's Common Use Facilities Operating Procedures. Common use requirements shall be scheduled with PMGAA's Operations & Maintenance department prior to any planned use. CARRIER shall not schedule or advertise flight schedules originating from or destined for Phoenix-Mesa Gateway Airport without prior and in advance coordination and confirmation of terminal availability.
- 3.2 PMGAA has implemented Common Use Facilities Operating Procedures. PMGAA reserves the right to modify said procedures from time-to-time, as it deems necessary in its sole and absolute discretion and authority to accomplish its purposes. CARRIER shall at all times comply with these operating procedures.
- 3.3 PMGAA has implemented an Airport Security Program in a form acceptable to the Transportation Security Administration. PMGAA reserves the right to modify said program from time-to-time, as it deems necessary to accomplish its purposes. CARRIER shall at all times comply with the Airport Security Program and indemnify, defend, hold and save PMGAA, its board members, member governments, officers, officials, employees, and agents free and harmless for, from, and against any violations of said Security Program caused, or alleged to be caused, by the acts, errors or omissions of CARRIER, its employees, agents, invitees or contractors.

4. RENTALS, FEES AND CHARGES

- 4.1 General. Rent for use of any exclusive use space due and payable at the beginning of each month. All other fees are assessed at the time of each use, flight, or service, as applicable, and are due and payable no later than the twentieth (20th) day of the following month in which the use or activity occurred ("Fee Due Date"). The CARRIER shall self-report its flight activity monthly to PMGAA pursuant to Section 5. Delinquent rents and fees shall be assessed a finance charge in accordance

with Section 4.10.2. Any ground handling services requested of PMGAA or other authorized service provider by Carrier shall be governed by a separate agreement. In any event, CARRIER shall be the responsible party for the purposes of this Air Carrier Operating Agreement, and therefore CARRIER shall pay, or cause to be paid, to PMGAA, the fees and charges as outlined below:

- 4.2 Landing Fees. CARRIER shall pay a landing fee at a rate equal to the amount reflected on the most current Airport Rates & Charges Schedule at the time of the aircraft operation, for each flight operated by or in conjunction with CARRIER that is subject to a landing fee. The weight used to determine the landing fee for any particular aircraft shall be its maximum certificated gross landing weight (MGLW), as certified by the Federal Aviation Administration. Landing fee increases will not exceed an average of three percent (3%) annually for the duration of this Agreement.
- 4.3 Terminal Use Fees. Terminal Use includes ticket counter(s) and lobby area, secure hold room and boarding area podium, aircraft parking position (2 hours), baggage claim area, and common use computer equipment per flight. CARRIER shall pay PMGAA a Terminal Use Fee in the amount reflected on the most current Airport Rates & Charges Schedule. Terminal use fee increases will not exceed an average of three percent (3%) annually for the duration of this Agreement.
- 4.4 Common Use Set-up and Operating Fees. CARRIER shall pay PMGAA for common use terminal equipment, internet connection, and dark fiber per the most current Airport Rates & Charges Schedule.
- 4.5 Aircraft Parking Fees. CARRIER shall pay PMGAA a fee per the most recent Airport Rates & Charges Schedule for any aircraft occupying an aircraft parking position, including terminal gates and remote parking positions, for more than three hours; and for any portion of each 24hour parking period. This fee shall be waived if the aircraft performed a revenue service operation the day prior or will perform a revenue service operation the day after being parked for more than three hours.
- 4.6 Passenger Facility Charges. CARRIER shall pay monthly to PMGAA, on or before the Twentieth (20th) day of each month (the “Due Date”), a PFC in the amount of Four and 50/100 Dollars (\$4.50) for each Enplaned Passenger departing the Airport on an CARRIER Revenue Flight during the previous calendar month. The collection of said fees by CARRIER shall be subject to the terms, conditions and methods of collection set forth in the Aviation Safety and Capacity Expansion Act of 1990, Section 9110, at it now exists or is modified hereafter (the “PFC Act”).
- 4.7 Monthly Tie Down Fees. CARRIER shall pay Monthly Tie Down Fees per Rates and Charges.
- 4.8 Fueling Fees. CARRIER shall execute a Fuel Agreement with PMGAA.
- 4.9 Aircraft Ramp Space and Services. CARRIER shall pay PMGAA monthly for any aircraft line services, out-of-station Aircraft Rescue and Firefighting (ARFF) services, operations safety officers, ground service equipment use, fuel spill response teams and any other space or service requirements as specified in the Airport Rates & Charges Schedule or, if not so specified in that Schedule, as determined by PMGAA (collectively, “Additional Services”).
- 4.10 Other Fees. Unless specified otherwise herein, CARRIER shall pay PMGAA for its usage or rental of PMGAA equipment and the performance of services by PMGAA within TEN (10) business days of CARRIER’s receipt of an invoice (the “Due Date”) for same from PMGAA. The amount of such fees shall be as provided by separate agreement between CARRIER and PMGAA, or, in the absence of such agreement, as specified in the most current Airport Rates and Charges Schedule or PMGAA’s Price Listing in effect when the charge or fee was incurred. Failure to remit payment by the Due Date may result in the suspension of further equipment rentals or services until payment is made to PMGAA in full.
- 4.11 With regard to the fees and charges specified in SECTION 4 above, the following conditions and considerations shall apply:
 - 4.11.1 Airport Rates & Charges Schedule. The Airport Rates & Charges Schedule referred to in this Agreement may be revised from time to time. CARRIER shall pay the most

current fee(s) at the time of the event or service, as applicable, unless specifically outlined in this Agreement. The current Airport Rates & Charges Schedule is attached as **EXHIBIT A** and is subject to change without prior notice or approval of CARRIER.

- 4.11.2 Finance Charges and Late Fees. If CARRIER fails to pay any charge due and owing to PMGAA in full on or before the applicable due date, CARRIER shall be responsible for interest on the unpaid fee or charge at the rate of EIGHTEEN PERCENT (18%) per annum from the due date until payment in full is made. In addition, in the event any payment is received more than TEN (10) days after the due date, a late penalty of TEN PERCENT (10%) of the amount of such delinquent amount shall be due and payable in addition thereto.
- 4.11.3 Books and Records. CARRIER shall maintain permanent books, records and ledgers accurately reflecting the total passengers, and total number of monthly aircraft landings for all aircraft subject to a landing fee indicating the make, type (including model designation), registration number, maximum certificated gross landing weight, and arrival and departure time of each aircraft involved. These records shall be made available to PMGAA upon request. PMGAA may audit the books, records and ledgers maintained by CARRIER in accordance with this SECTION 4. In the event an audit reveals a deficiency of TWO PERCENT (2%) or greater in the amount of payment made pursuant to this SECTION 4, CARRIER shall not only pay such deficiency but also the cost of any audit performed by PMGAA.

5. REPORTING REQUIREMENTS

- 5.1 CARRIER shall file with PMGAA written reports for the items specified below no later than the TENTH (10th) day of the calendar month following the month in which the specified activities occurred (the "Due Date"). Such reports shall cover all of CARRIER's Airport activities during said month, and include activity handled by CARRIER for other Air Transportation Companies not having an agreement with PMGAA providing for its own submission of activity data to PMGAA.
 - 5.1.1 A complete listing of all of CARRIER's aircraft landings at the Airport, including the aircraft registration number, make and model, and date of said landing, and indicating which were performed as Revenue Flights or Non-Revenue Flights;
 - 5.1.2 A complete listing of CARRIER's Enplaned Passengers and Deplaned Passengers, specified by and including the date of each flight, the flight number, the total number of Enplaned and Deplaned Passengers departing and arriving at the Airport;
 - 5.1.3 A complete listing, by date and by flight number, of CARRIER's Revenue Passengers enplaning at the Airport and the amount of PFCs collected in conjunction therewith; and
 - 5.1.4 A complete listing, by date and by aircraft registration number, of CARRIER's aircraft incurring parking fees and the amount of such fees.
- 5.2 PMGAA shall have the right to rely on said activity reports in determining rentals and other charges due hereunder; provided, however, CARRIER shall have full responsibility for the accuracy of said reports. Payment deficiencies due to incomplete or inaccurate activity reports shall be subject to interest charges as set forth in SECTION 6.8.1 herein.
- 5.3 CARRIER shall at all times maintain and keep books, ledgers, accounts or other records wherein are accurately kept all entries reflecting the activity statistics to be reported pursuant to SECTION 5. Such records shall be retained by CARRIER for a period of THREE (3) years subsequent to the activities reported therein, or such other retention period as set forth in 14 CFR Part 249.7, and made available at Mesa, Arizona for audit and/or examination by PMGAA or its duly authorized representative during all normal business hours. CARRIER shall produce such books and records at Mesa, Arizona within THIRTY (30) calendar days of PMGAA's notice to do so or

pay all reasonable expenses, including but not limited to, transportation, food, lodging and other related expenses, necessary for an auditor selected by PMGAA to audit said books and records.

- 5.4 The cost of audit, with the exception of the aforementioned expenses, shall be borne by PMGAA; provided, however, the total cost of said audit shall be borne by CARRIER if either or both of the following conditions exist:
- 5.4.1 The audit reveals an underpayment of more than FIVE PERCENT (5%) of rentals, fees and charges due hereunder, as determined by said audit; and/or
 - 5.4.2 CARRIER has failed to maintain true and complete books, records, accounts and supportive source documents in accordance with SECTION 5.
- 5.5 Payments. All payments due and payable hereunder shall be paid in lawful money of the United States of America, without set off, by check made payable to the Phoenix-Mesa Gateway Airport Authority and delivered to:

Phoenix-Mesa Gateway Airport Authority
Attn.: Accounts Receivable
5835 S. Sossaman Road
Mesa, Arizona 85212-0614

6. INSURANCE

- 6.1 General. Carrier shall procure and maintain the following types and amounts of insurance for its operations at the Airport throughout the Term of this Agreement and any Extension thereto:

Aircraft Liability insurance covering third party bodily injury and property damage, and passenger and contractual liabilities which shall protect and indemnify PMGAA from any and all claims arising in connection with aircraft movement on the Airport in amounts as are customarily carried by a carrier of like kind and size, but in no event less than \$250,000,000.00 per occurrence. Such insurance shall also insure against third party liabilities arising from War Risk perils.

Airport Premises Liability insurance third party bodily injury and property damage, including coverage for “premises/operations,” “products and completed operations,” “host liquor” and “blanket contractual” liabilities in an amount not less than \$250,000,000.00 per occurrence.

Comprehensive Automobile Liability insurance for all owned, non-owned and hired vehicles operated airside on the Airport that are assigned to or used in the performance of commercial activities in the amount of \$25,000,000.00 per occurrence or combined single limit. If any hazardous materials are transported in conjunction with Carrier’s business operations at or on the Airport, an MSC 90 endorsement shall be required in addition thereto.

Workers’ Compensation insurance, as required by law, and *Employer’s Liability* insurance in the amount of \$1,000,000.

- 6.2 Additional Insurance. At any time during the Term of this Agreement, including any Extension thereto, PMGAA may, if in its reasonable determination the insurance coverage required by this SECTION 4 is no longer adequate, require CARRIER to increase its coverage to commercially reasonable amounts.
- 6.3 Blanket Insurance. CARRIER’s insurance obligations under this Agreement may be satisfied by means of the general corporate “blanket” policies carried by it and evidenced by the insurance carrier’s standard certificates thereof.
- 6.3.1 Use of Proceeds. Proceeds of any liability and property damage insurance required under this SECTION 5 shall be applied toward extinguishing, satisfying or remedying the liability, loss or damage with respect to which such proceeds may be paid.
- 6.4 Indemnity. To the fullest extent permitted by law CARRIER (as “indemnitor”) shall indemnify, defend, hold and save PMGAA, its board members, and its member governments, officers,

officials, employees, and agents (as "indemnitee") free and harmless of, for, from and against any and all Losses caused in whole or in part by (a) any act or omission of CARRIER (including indemnitor's officers, officials, agents, employees, contractors or invitees), (b) CARRIER's operations at the Airport, (c) CARRIER's violations of said Security Program caused, or alleged to be caused, by the acts, errors or omissions of CARRIER, its employees, agents, invitees or contractors, or (d) any default by CARRIER hereunder. This indemnification shall exclude responsibility for any consequential damages and for claims arising by reason of the negligent or wrongful act of PMGAA or its employees, contractors or agents. For purposes hereof "Losses" shall mean any and all losses, liabilities, judgments, suits, claims, damages, fines, penalties, costs and expenses (including reasonable attorneys and consultant fees, investigation costs, monitoring costs, remediation costs, and court costs), of any kind or nature." In carrying out the defense of any claim subject to its indemnification obligations hereunder, CARRIER shall use counsel reasonably acceptable to PMGAA.

- 6.6 Insurance Form. Each insurance policy obtained pursuant to this SECTION 5, except for Workers' Compensation and Employer Liability policies, shall: (i) name PMGAA as a certificate holder or an additional insured to the extent of Operator's contractual indemnity obligations; (ii) contain a provision that written notice of cancellation or modification thereof shall be given to PMGAA not less than THIRTY (30) calendar days before such cancellation or modification takes effect (TEN (10) days in the case of nonpayment of premium); and (iii) contain a waiver of subrogation in favor of PMGAA. Operator shall not permit any insurance policy to be canceled or modified without PMGAA's written consent unless equivalent replacement policies are issued with no lapse in coverage. All policies shall be obtained from insurance companies licensed to do business in the State of Arizona and possessing a rating of at least A - VII or higher from the A.M. Best Company, or an equivalent rating approved by PMGAA.

7. **DISABLED OR ABANDONED AIRCRAFT.**

- 7.1 Should any aircraft owned or operated by CARRIER, through accident or for any other reason, become disabled or be abandoned in any area which could interfere with the continuous, normal operations of any of the runways, taxiways and airfield facilities at the Airport, CARRIER shall, at CARRIER'S sole cost and expense:
- 7.1.1 Immediately remove said aircraft to such location as may be designated by PMGAA, unless such aircraft is required to remain in place pending investigation by the appropriate regulatory agency or agencies of the federal government; and
- 7.1.2 In the event of any accident where federal investigation in place is required, immediately upon receiving clearance to do so from the appropriate federal agency, remove said aircraft and any wreckage or debris resulting therefrom to the area(s) designated by said federal agency authorizing such removal; otherwise, such aircraft wreckage and debris shall be immediately removed from the Airport or stored at a location approved by PMGAA.
- 7.2 Should CARRIER fail to proceed immediately to remove disabled aircraft, or should aircraft owned or operated by CARRIER be abandoned on the Airport, PMGAA shall have the right to remove such aircraft by any means PMGAA deems necessary under the circumstances, and CARRIER shall, to the fullest extent permitted by law, indemnify, defend, keep and hold PMGAA, its members, board of directors, officers, agents, officials, servants, employees and contractors harmless from and against any and all claims, costs, loss, liability, actions, suits, proceedings, damage or expense (including costs of suit and attorneys' fees and expenses) incurred by PMGAA or claimed by anyone by reason of removal of said aircraft, injury to persons or property or damages to such aircraft caused by such removal, as well as storage costs therefor. CARRIER shall reimburse PMGAA for any costs incurred by PMGAA in removing and storing any aircraft, at PMGAA's sole discretion, and as provided herein in performing authorized maintenance on its aircraft on the Airport.
- 7.3 Sound and Noise Suppression. CARRIER shall comply fully with PMGAA rules and requirements when performing high-speed engine test operations at the Airport, if any, and Section 10.3 to

mitigate excessive ambient sound and/or noise that may be generated incident thereto and that have or may have an adverse effect on other Airport tenant operations and the surrounding community. CARRIER acknowledges and agrees that said rules and requirements for such test operations may change from time to time at PMGAA's sole and absolute discretion. CARRIER also agrees that any costs associated with compliance with PMGAA's rules and requirements for sound or noise suppression or mitigation shall be borne solely by CARRIER.

8. ENVIRONMENTAL COMPLIANCE.

CARRIER shall at all times during the existence of this Agreement promptly observe and comply with applicable Federal, State, and local laws, regulations, rules and standards concerning the environment (collectively, the "Environmental Laws"). CARRIER shall be responsible for collecting, storing, recycling and/or disposing of its hazardous or toxic waste, if any, in compliance with the Environmental Laws governing the storage and disposal of hazardous or toxic waste. CARRIER shall ensure its employees and agents are aware that domestic drains, storm drains, or industrial waste drains shall not be used to dispose of gasoline, hydraulic fluid, solvents, concentrated cleaning agents or any other hazardous or toxic materials. Where so required, PMGAA may act on behalf of CARRIER, as and if appropriate, to dispose of CARRIER's waste, sign manifests on behalf of CARRIER and assign such disposal to CARRIER's EPA identification (ID) number. CARRIER shall repay PMGAA the costs and fees for doing so within TEN (10) days of demand therefor. CARRIER shall, to the fullest extent permitted by law, indemnify, defend and hold PMGAA, its members, board of directors, officers, agents, officials, employees, and contractors harmless from and against any and all claims, costs, loss, liability, actions, suits, proceedings, damage or expense including, but not limited to, the costs of suit and reasonable attorneys' fees and expenses of any nature whatsoever arising out of or related to CARRIER's failure to comply with the Environmental Laws.

9. TAXES AND RELATED IMPOSITIONS.

In the event any governmental authority shall impose a tax or imposition based upon this Agreement, upon CARRIER or its aircraft, or upon payments to be made hereunder, CARRIER shall pay such amounts either to PMGAA or the appropriate governmental authority on or before any delinquency date. Specifically, CARRIER shall be responsible for any transaction privilege, sales, excise or other similar tax except income taxes as a result of this Agreement. CARRIER shall also pay all licensing or permitting fees necessary or required by law for the conduct of its aeronautical operations hereunder, or any other matters hereunder. CARRIER shall be responsible for any property interests created hereunder, which may constitute or be deemed to be a possessory interest for purposes of taxation.

10. RULES, REGULATIONS AND MINIMUM STANDARDS.

- 10.1 CARRIER shall at all times comply with all federal, State and local laws and ordinances, rules and regulations, which are applicable to its operations, or the operation, management, maintenance, or administration of the Airport, including but not limited to the Americans with Disabilities Act, and all laws, ordinances, rules and regulations adopted after the Effective Date. CARRIER shall at all times comply with all rules and regulations, and minimum standards established by PMGAA regarding operation and maintenance of the Airport, copies of which are attached as **EXHIBIT B** and are incorporated herein. CARRIER will be responsible for controlling and preventing disruptive pedestrian and vehicle traffic, if any, associated with its activities on the Airport. CARRIER also shall display or provide copies to PMGAA of any permits, licenses, or other evidence of compliance with laws upon request.
- 10.2 PMGAA shall operate the Airport in compliance with all applicable Federal state and local laws, ordinances, rules and regulations, and shall enforce the Airport Rules and Regulations established by it to ensure the effective and orderly operation of the Airport, and to prevent any disruption caused by CARRIER's operations at and on the Airport.
- 10.3 CARRIER acknowledges receipt of and agrees to abide by PMGAA's *Fly Friendly* noise abatement procedures and will provide such information to flight crews and/or students, post the information in CARRIER's flight planning area, and use the procedures to the extent possible

when consistent with safety and air traffic control directives.

11. **DEFAULT: TERMINATION BY PMGAA**

11.1 General Grounds. PMGAA may terminate this Agreement upon the occurrence of any of the following events:

- 11.1.1 Failure of CARRIER to perform any of its obligations under this Agreement, or any other contract, license or agreement between the Parties, which failure shall not be cured within FIVE (5) business days after delivery by PMGAA to CARRIER of a written notice of such failure.
- 11.1.2 The filing of any lien against the Airport because of any act or omission of CARRIER which is not discharged within FIVE (5) business days of receipt of actual notice of such lien by CARRIER.

CARRIER may terminate this Agreement upon the occurrence of any of the following events:

- 11.1.3 Failure of PMGAA to perform any of its obligations under this Agreement, or any other contract, license or agreement between the Parties, which failure shall not be cured within FIVE (5) business days after delivery by CARRIER to PMGAA of a written notice of such failure.
- 11.1.4 The filing of any lien against the Airport because of any act or omission of PMGAA which is not discharged within FIVE (5) business days of receipt of actual notice of such lien by PMGAA.

11.2 Failure to Pay Fees. PMGAA may declare CARRIER in default of this Agreement by giving CARRIER FIVE (5) business day's written notice of CARRIER's failure to timely pay any fees or payments due pursuant to this Agreement. If CARRIER fails to cure such payment default within said FIVE (5) business day period, PMGAA may, in its sole discretion, elect to do any one or more than one of the following:

- 11.2.1 Institute action(s) to enforce this Agreement; or
- 11.2.2 Terminate this Agreement automatically without further notice to CARRIER; or
- 11.2.3 Exercise any other remedy allowed by law or equity.

11.3 Failure to Provide Insurance. In the event CARRIER at any time fails to maintain all insurance coverage required by this Agreement, PMGAA shall have the right, upon written notice to CARRIER, to immediately terminate this Agreement or secure the required insurance at CARRIER's expense.

11.4 No Waiver by PMGAA. No waiver by PMGAA of any default by CARRIER in the performance of its obligations under this Agreement shall be deemed to be a waiver of any subsequent default by CARRIER in the performance of any such obligations.

12. **GOVERNING LAW; ATTORNEY'S FEES.**

The laws of the State of Arizona shall govern this Agreement and the matters set forth therein, without regard to its conflict of law principles. Venue of any action brought under this Agreement shall, at the option of PMGAA, lie in Maricopa County, Arizona. In the event of any litigation or arbitration between PMGAA and CARRIER arising under this Agreement, the successful party shall be entitled to recover its attorney's fees, expert witness fees and other costs incurred in connection with such litigation or arbitration.

13. **NONWAIVER.**

PMGAA's right to revoke this Agreement shall be absolute. Any election by PMGAA to not enforce any provision of this Agreement, or any failure by PMGAA to exercise any of the remedies allowed PMGAA

under this Agreement, shall not operate as a waiver by PMGAA of any of its right hereunder.

14. ASSIGNMENT.

CARRIER shall not assign or transfer any right or interest in this Agreement.

15. OTHER RESTRICTIONS.

CARRIER shall comply with all rules, laws, ordinances, and statues of any governmental authority having jurisdiction over the Airport or the matters provided in this Agreement.

16. AIRPORT SECURITY.

PMGAA maintains an approved Airport Security Plan (the "Security Plan") pursuant to 49 CFR Parts 1540 and 1542 and 14 CFR Part 139. CARRIER shall at all times comply with the Security Plan and the written and verbal directives issued by PMGAA supporting the Security Plan.

- 16.1 The CARRIER shall immediately correct physical or procedural deficiencies which are contrary to the Security Plan, security directives, security bulletins, or verbal notifications existing now or in the future. CARRIER is responsible for maintaining security practices, facilities, and perimeter boundaries on their leasehold that meet the security standards of the Security Plan.
- 16.2 CARRIER shall, to the fullest extent permitted by law, indemnify, defend, and hold PMGAA harmless for, from, and against any violations of the Security Plan committed by any agents, employees, invitees, subcontractors, or independent contractors of the CARRIER.
- 16.3 CARRIER shall conduct and document all self-audits and self-inspections as required by the Transportation Security Administration ("TSA") or PMGAA and make such audits available for inspection.
- 16.4 CARRIER shall designate a primary security coordinator to receive security -related briefings, bulletins, and sensitive security information ("SSI").
- 16.5 PMGAA reserves the right to modify the Security Plan from time-to-time, as necessary, or as directed by the TSA.

17. AIRPORT SECURITY BADGE

- 17.1 Carrier employees/contractors that require a badge shall be obligated to complete all training and comply with all security requirements and directives issued by PMGAA, TSA, or other entities having jurisdiction at PMGAA.
- 17.2 CARRIER and employees/contractors shall comply with all security-related audits, inspection, and screenings conducted by PMGAA.
- 17.3 CARRIER will immediately return badges to the Airport Badging Office when badge holders terminate employment, the badge is no longer needed, or the employee/contractor is on extended leave.
- 17.4 Misuse of a badge or security procedures will bring about punitive action including suspension or revocation of one or all badges.

18. NOTICE.

- 18.1 All notices required or permitted under this Agreement shall not be deemed effective unless personally delivered or mailed by certified mail, return receipt requested, postage prepaid, or by reputable commercial overnight courier service, to the following addresses:

TO PMGAA:	Phoenix-Mesa Gateway Airport Authority Attn.: Business Development Department 5835 S. Sossaman Road Mesa, Arizona 85212-0614
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TO CARRIER:

Swoop, Inc.
Attn: Head of Airports
22 Aerial Place N.E.
Calgary, AB T2E 3J1

- 18.2 Notices shall be deemed to have been received TWO (2) business days after the date of mailing, if given by certified mail, or upon actual receipt if personally delivered or if given by reputable commercial overnight courier service. Any Party may designate in writing a different address for notice purposes pursuant to this SECTION.

19. PRIOR AGREEMENTS AND PERMITS.

Upon execution hereof, this Agreement shall supersede and cancel any prior agreements between PMGAA and CARRIER with respect to the business activities governed hereby. CARRIER shall not construe PMGAA's execution of this Agreement as a waiver of any prior indebtedness or obligation to PMGAA under any prior agreement or license, nor does PMGAA waive any claim or cause of action arising therefrom.

20. CORPORATE AUTHORIZATION.

In executing this Agreement, CARRIER represents and warrants to PMGAA that if CARRIER is a corporation, CARRIER has obtained and been granted the full right, power and authority to enter into this Agreement.

21. MISCELLANEOUS.

- 21.1 Personal Liability. No member of or employee of either Party shall be charged personally or held contractually liable by or to the other Party under any term or provision of this Agreement because of any breach thereof or because of its execution or attempted execution.
- 21.2 No Waiver. No provision of this Agreement may be waived or modified except by a writing signed by the Party against whom such waiver or modification is sought.
- 21.3 Non-Waiver of Rights. No waiver or default by PMGAA of any of the terms, conditions, covenants or agreements hereof to be performed, kept or observed by CARRIER shall be construed or act as a waiver of any subsequent default of any of the terms, covenants, conditions or agreements herein contained to be performed, kept or observed by CARRIER, and PMGAA shall not be restricted from later enforcing any of the terms and conditions of this Agreement.
- 21.4 Amendment. Only a written instrument executed by the Parties may amend this Agreement.
- 21.5 Invalid Provisions. Should any provision of this Agreement or any application thereof be held invalid by a court of competent jurisdiction, the remainder of this Agreement shall not be affected thereby, unless one or both Parties would be substantially and materially prejudiced.
- 21.6 Headings. The headings contained herein are for convenience in reference only and are not intended to define or limit the scope of this Agreement or any term thereof.
- 21.7 Entire Agreement. This Agreement, including **EXHIBITS** attached hereto at the time of its execution, constitutes the entire agreement between the Parties hereto and supersedes all prior negotiations, understandings and agreements between the Parties concerning such matters.

21. INCORPORATION OF RECITALS.

The recitals set forth above are acknowledged by the Parties to be true and correct and are incorporated herein by this reference.

IN WITNESS WHEREOF, the Parties have executed this Agreement to be effective on the Effective Date specified above.

FOR PMGAA:

FOR CARRIER:

By: J. Brian O'Neill, A.A.E

By: Steven Greenway

Its: Executive Director/CEO

Its: President

Date Signed: _____

Date Signed: _____

EXHIBIT A

PMGAA Rates & Charges

[http://www.gatewayairport.com/documents/documentlibrary/board%20policies/airport%20rates%20and%20charges%20\(res.%202017-38\)%20effective%208-1-17.pdf?Uniqueifier=Zp6ub4UvLG](http://www.gatewayairport.com/documents/documentlibrary/board%20policies/airport%20rates%20and%20charges%20(res.%202017-38)%20effective%208-1-17.pdf?Uniqueifier=Zp6ub4UvLG)

EXHIBIT B

PMGAA Minimum Standards

<http://www.gatewayairport.com/documents/documentlibrary/board%20policies/wga%20minimum%20standards.pdf>

PMGAA Rules & Regulations

http://www.gatewayairport.com/documents/documentlibrary/board%20policies/rules%20and%20regulations_16-53.pdf?Uniqueifier=Zp6ub4UvLG



Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

To: Board of Directors
From: R. J. Draper, P.E., LEED AP, CM Engineering & Facilities Director
Through: Scott Brownlee, Deputy Director/COO
J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: Baggage Claim Expansion Advance Procurement and Preliminary Construction Services Phase 1 Project – CIP 1004
Date: September 18, 2018

Proposed Motion

To Authorize a Contract with DPR Construction to provide Advance Procurement and Preliminary Construction Services for the Baggage Claim Expansion Phase 1 Project CIP 1004 in an amount not-to-exceed \$1,091,217.

Narrative

The Phoenix-Mesa Gateway Airport Authority has seen tremendous growth due to a recent increase in commercial passenger flight activity and new air service. The current baggage claim area, as identified in the West Terminal Optimization Report, is reaching capacity during peak times of operation and is in need of expansion.

This project is part of the West Terminal Optimization Phase IV and will include improvements to accommodate increasing demands of arriving passengers. The project consists of extending each existing inbound baggage carousel from 100 feet of claim hall frontage to 160 feet. This will result in a total of 320 linear feet of baggage claim frontage. The project will also increase the capacity of inbound flights baggage handled from two flights at a time to four flights at a time by constructing 62 feet additional of new baggage drop conveyor belts that will feed each carousel for a total of 124 feet of drop carousel area. Phase I of the project will allow for advance procurement of long lead items and secure baggage handling systems (BHS) and electrical sub-contractors to finalize drawings in preparation for construction.

The Notice of Request for Qualifications (RFQ), Solicitation 2018-019-RFQ was issued on January 29, 2018 and advertised in the Arizona Business Gazette on 02/01, 02/08, 02/15 and 02/22/18; it was also posted on the AzAA, ACC, ACI-NA and SWAAAE Websites as well as the Phoenix-Mesa Gateway Airport Authority Website. In addition, the RFQ was emailed to a list of 89 prospective firms and included ACDBE/DBE/SBC outreach. PMGAA Staff received seven (7) RFQ's on March 1, 2018 and the Evaluation Panel selected DPR Construction based on the Qualifications of the Firm, Project Team Experience, Project Understanding, and Approach to Performing the Required Services. The PMGAA Executive Team concurred with this selection.

Fiscal Impact

This contract was included in the FY18 Capital Budget and rolled to FY19 using PFC funding under CIP 1004.

Attachment(s)

Contract



RESOLUTION NO. 18-38

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS the Authority desires to obtain Advance Procurement and Preliminary Construction Services from DPR Construction;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorize a contract with DPR Construction to provide Advance Procurement and Preliminary Construction Services for the Baggage Claim Expansion Phase 1 Project CIP 1004 in an amount not-to-exceed \$1,091,217. This resolution also authorizes the Chair or Executive Director/CEO to execute such Contract, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 18th day of September, 2018.

Jeff Serdy, Chair

ATTEST:

APPROVED AS TO FORM:

Maria Gonzalez, Clerk of the Board

Attorney



BAGGAGE CLAIM EXPANSION

CONSTRUCTION MANAGER AT RISK (CMAR) ADVANCE PROCUREMENT AND PRELIMINARY CONSTRUCTION SERVICES CONTRACT PHASE 1

PROJECT NO. 1004

CONTRACT No. 2018-019-1004

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Phoenix Mesa Gateway Airport Authority

Construction Manager at Risk Construction Services Phase 1 Project No.: 1004

THIS CONTRACT is made and entered into on the ____ day of _____, 2018, by and between the Phoenix Mesa Gateway Airport Authority, a joint powers airport authority authorized by the state of Arizona, hereinafter called "Owner" and the "Construction Manager at Risk" or "CMAR" designated below. Individually, each is a "Party" and collectively, the "Parties."

NOW, THEREFORE, intending to be legally bound and for valuable consideration, the receipt and sufficiency of which are acknowledged, the Owner and CMAR agree as follows:

ARTICLE 1 – PARTICIPANTS AND PROJECT

Owner Project Manager: **Mike Hanas**
Telephone: 480-988-7636
Cell: 480-438-7318
E-mail: mhanas@gatewayairport.com

CMAR: **DPR Construction**
222 N. 44th Street
Phoenix, AZ 85034
Arizona ROC No.: 271230 B-1
Federal Tax ID No.: 27-0853429
CMAR Representative: Jim Lauer
Telephone: 602-808-0500
Cell: 602-327-1277
E-mail: JamesLa@dpr.com

PROJECT DESCRIPTION:

This project is part of West Terminal Optimization Phase IV and will include improvements to accommodate increasing demands of arriving passengers per hour. The project consists of extending each existing inbound baggage carousel from 100 feet of claim hall frontage to 160 feet. This will result in total of 320 linear feet of baggage claim frontage. The project will also increase the amount of inbound flights handled from two flights at a time to four flights at a time by constructing 62 feet each of new baggage drop conveyor belts that will feed each carousel for a total of 124 feet of drop carousel area. Phase I of the project will allow for advance procurement of long lead items and secure baggage handling systems (BHS) and electrical sub-contractors to finalize drawings in preparation for construction.

ARTICLE 2 – CONTRACT DOCUMENTS

2.1 CONTRACT DOCUMENTS

The Contract between Owner and CMAR shall consist of the following Contract Documents:

1. This Contract and all of its Exhibits, including subsequent Specifications and Plans
2. The SOQ requirements, documents CMAR's submittal (2018-019-RFQ)
3. General Conditions
4. General Provisions
5. Special Provisions
6. Any plans and drawings
7. Any amendments or modifications to the foregoing documents, including (a) a written amendment signed by both parties, (b) a Change Order, (c) a Change Directive, (d) Supplementary Instructions, or (e) a written order for a minor change in the work (collectively the "Contract").
8. Guaranteed Maximum Price (GMP)

2.3 PROJECT SPECIFIC CONDITIONS

If there are any additional conditions that apply to this Project, they are set forth in the attached Exhibit D, and are incorporated herein.

2.4 PROJECT PLANS AND SPECIFICATIONS

A detailed list of the Plans and Specifications for this Project are set forth in the attached Exhibit D.

ARTICLE 3 – PRE-CONSTRUCTION SERVICES

Although CMAR has performed Pre-Construction Services pursuant to a separate Contract between Owner and CMAR, the completion, quality and accuracy of those services and the deliverables provided by Owner thereunder directly impact CMAR's performance of its obligations under this Contract. Therefore, all of CMAR's obligations, duties, and warranties in relation to Pre-Construction Services and deliverables survive completion of the Pre-Construction Services Contract and are incorporated herein. Any breach of any of CMAR's duties, obligations, or warranties under the Pre-Construction Services Contract shall likewise be considered a breach of this Contract.

ARTICLE 4 – CONSTRUCTION SERVICES

4.1 GENERAL

- 4.1.1 CMAR agrees at its own cost and expense, to do all work necessary and required to fully, timely and properly complete the construction of the Project in strict accordance with the Contract Documents in a good and workmanlike manner, free and clear of all claims, liens, and charges whatsoever, in the manner and under the conditions specified, and within the Project Schedule included in Exhibit A of this Contract.
- 4.1.2 CMAR shall provide all of the labor and materials, and perform the Work in accordance with the General Conditions and General Provisions. Some but not all of the major components of the Construction Services and the corresponding subsections of Section 4 of the General Conditions are set forth below.
- 4.1.3 At all times relevant to the Contract and performance of the Work, the CMAR and its subcontractors shall fully comply with all Laws, Regulations, or Legal Requirements applicable to Owner, the Project and the Contract, including, without limitation, those set forth on attached Exhibit C and Article 3 of the General Conditions.
- 4.1.4 CMAR shall perform the Work under this Contract using only those firms, team members and individuals designated by CMAR consistent with the Statement of Qualifications dated March 1, 2018, the GMP Proposal, or otherwise approved by Owner pursuant to the General Conditions. No other entities or individuals may be used without prior approval of the Project Manager.

- 4.1.5 CMAR will comply with all terms and conditions of the General Conditions, General Provisions and Special Provisions, as well as the Owner's published Rules & Regulations and Minimum Standards (Exhibit J).
- 4.1.6 In the event of a conflict between this Contract and the General Conditions, General Provisions, Special Provisions or any exhibit hereto or appendix thereto, the terms of this Contract shall control, but nothing in this contract shall be construed so as to either (i) Violate any term or condition of the Owner's published Rules & Regulations or Minimum Standards; or (ii) Violate Owner's mandatory subordination to its federal obligations, pursuant to Federal Aviation Administration ("FAA") Policies (2009) (including, but not limited to § 1.1, § 1.5, § 12.3, §10, § 14.1, *et. seq.*) and federal statutory authority, including, but not limited to, 49 U.S.C. §40103(a) (establishes the federal government's total dominance over the airspace of the United States, including, U.S. airports).
- 4.1.7 **Ownership of Work Product.** Notwithstanding anything to the contrary in this Contract, all Work Product prepared or otherwise created in connection with the performance of this Contract, including the Work, are to be and remain the property of Owner. For purposes of this provision, "Work Product" shall include all designs, drawings, plans, specifications, ideas, renderings and other information or matter, in whatever form created (e.g., electronic or printed) and in all media now known or hereinafter created. All Work Product shall be considered Work Made for Hire as defined in the United States Copyright Act 17 U.S.C. § 101 (Copyright Act). If for any reason any such Work is found not to be a work for hire, CMAR hereby transfers and assigns ownership of the copyright in such Work to Owner. The rights in this section are exclusive to Owner in perpetuity.

4.2 CMAR's PRE-CONTRACT AND PRE-WORK DELIVERABLES

The CMAR will provide the insurance and bond(s) requirements in accordance with Article 11 of the General Conditions prior to any work commencing.

Owner will obtain and pay for all permits necessary for the work.

4.3 PRE-CONSTRUCTION CONFERENCE

CMAR shall attend the Pre-Construction Conference.

4.4 PERFORMANCE OF THE WORK (INCLUDING FIELD MEASUREMENTS, SUBCONTRACTORS, AND SUPPLIERS)

CMAR shall perform the Work in accordance with the General Conditions.

4.5 CONTROL OF THE PROJECT SITE

CMAR shall control and maintain the Project Site in accordance with Article 4 of the General Conditions.

4.6 PROJECT SAFETY

CMAR shall implement and enforce Project safety in accordance with Article 10 of the General Conditions.

4.7 MATERIALS QUALITY, SUBSTITUTIONS AND SHOP DRAWINGS

CMAR shall provide materials testing and submit substitute materials and Shop Drawings in accordance with Article 3 of the General Conditions.

4.8 PROJECT RECORD DOCUMENTS

CMAR shall maintain and make available the Project Record Documents in accordance with Article 3.12 of the General Conditions.

4.9 WARRANTY AND CORRECTION OF DEFECTIVE WORK

CMAR shall provide warranties and correct defective Work in accordance with Article 3.6 of the General Conditions.

ARTICLE 5 – OWNER RESPONSIBILITIES

5.1 Owner shall have the responsibilities, and provide the information specified in, and subject to the conditions set forth throughout the Contract Documents.

5.2 Additional information to be provided by Owner, if any, is listed below:

Final contract documents, including, but not limited to General Conditions, General Provisions, Special Provisions, applicable as-built drawings, stamped Construction Documents and Technical Specifications.

ARTICLE 6 – CONTRACT TIME

Contract Duration is a fixed date with a Substantial Completion no later than 02/16/2019.

6.1 CONTRACT TIME

6.1.1 The Contract Time shall start with the Notice to Proceed (“NTP”) and end with Final Acceptance, as set forth in Article 6.4 below. The Notice to Proceed cannot be issued prior to the approval and acceptance by Owner of the GMP or Fixed Price.

6.1.2 CMAR agrees that it will commence performance of the Work and complete the Project through both Substantial Completion and Final Completion within the Contract Time.

6.1.3 Time is of the essence of this Contract, for the Project, and for each phase and/or designated Milestone thereof.

6.2 PROJECT SCHEDULE

The Project Schedule approved as part of the GMP Proposal and incorporated herein as part of the attached Exhibit A shall be updated and maintained throughout CMAR’s performance under this Contract in accordance with Article 3 of the General Conditions.

6.2.1 Failure on the part of CMAR to adhere to the approved Project Schedule will be deemed a material breach and sufficient grounds for termination for cause of this Contract by Owner.

6.3 SUBSTANTIAL COMPLETION

Substantial Completion shall be achieved not later than the Substantial Completion Date set forth above. Substantial Completion shall be determined in accordance with Article 9.8 of the General Conditions.

6.4 FINAL COMPLETION AND FINAL ACCEPTANCE

6.4.1 Final Completion will be obtained within 30 days of Substantial completion.

6.4.2 Final Completion will be determined, and a Final Acceptance will be issued, pursuant to Article 9.9 of the General Conditions.

6.5 LIQUIDATED DAMAGES

6.5.1 **Substantial and Final Completion Liquidated Damages.** For the same reason set forth in Article 6.1.3 above, Owner and CMAR further agree that if CMAR fails to achieve Substantial or Final Completion of the Work within the time set forth in Article 6.4.1 above, Owner shall be entitled to retain or recover from CMAR, as liquidated damages and not as a penalty, the following per diem amounts (which the Parties agree is a reasonable approximation of any resulting damages) commencing from the actual date of Substantial Completion or the Final Completion Date as required under the Contract, whichever is later, until the actual date of Final Completion:

\$1,000 per calendar day.

- 6.5.2 Owner may deduct liquidated damages described in this Article 6.5 above from any unpaid amounts then or thereafter due CMAR under this Agreement. Any liquidated damages not so deducted from any unpaid amounts due CMAR shall be payable to Owner at the demand of Owner, together with interest from the date of the demand at the highest lawful rate of interest payable by CMAR.

ARTICLE 7 – CONTRACT PRICE

7.1 CONTRACT PRICE

- 7.1.1 In exchange for CMAR's full, timely, and acceptable performance and construction of the Work under this Contract, and subject to all of the terms of this Contract, Owner will pay CMAR the "Contract Price" which:

The sum of the CMAR's Fee and reimbursable Cost of the Work, which the CMAR guarantees will not exceed the GMP set forth in Exhibit A, in the amount of **\$1,091,217**. Costs which would cause the GMP to be exceeded shall be paid by CMAR without reimbursement from Owner.

- 7.1.2 The Contract Price is all-inclusive and specifically includes all fees, costs, insurance and bond premiums, and taxes any type necessary to fully, properly and timely perform and construct the Work encompassed in attached Exhibit A.

- 7.1.3 The contract price may only be changed as set forth in the Contract Documents.

- 7.1.4 Only costs specifically designated as reimbursable costs are eligible for payment by Owner or may be charged against the Contract Price. All other costs will not be paid by Owner and shall not be chargeable against the Contract Price.

- 7.1.5 For Contract Amendments, Change Orders, or Job Orders reimbursable costs shall be determined pursuant to MAG Specifications 109.5.

7.2 ALLOWANCES

Contractor shall include in the Contract Price all Allowances stated in the Contract Documents and agreed to in writing by Owner. Items covered by these Allowances shall be supplied for such amounts and by such persons as Owner may direct, provided Contractor will not be required to employ persons against whom Contractor makes a reasonable objection. Materials and equipment under an Allowance shall be selected by Owner in accordance with a schedule to be mutually agreed upon by Owner, Design Professional and Contractor or otherwise in reasonably sufficient time to avoid delay in the Work.

- 7.2.1 Unless otherwise provided in the Contract Documents:

- 7.2.1.1 These Allowances shall cover the cost to Contractor, less any applicable trade discount, of the Materials and equipment required by the Allowances, delivered at the Site, and all applicable taxes;

- 7.2.1.2 Contractor's costs for unloading and handling on the Site, labor, installation costs, overhead, profit and other expenses relating to Materials and Equipment required by the Allowance shall be included in the Contract Sum and not in the Allowance; and

- 7.2.1.3 Whenever the cost is more or less than the Allowance, the Contract Sum shall be adjusted accordingly by Change Order, the amount of which will recognize the difference between actual costs for an Allowance item and the amount of the Allowance item and changes, if any, in handling costs on the Site, labor, installation costs, overhead, profit and other expenses.

7.3 CONTINGENCY

An agreed to amount in the GMP that may only be used in accordance with the terms set forth in these General Conditions and with prior written approval by Owner.

7.4 FINAL PAYMENT

If the Contract Price is based upon a GMP, as a further condition precedent to Final Payment by Owner, Contractor must submit to the Project Manager a complete final accounting of the Actual Reimbursable Cost of the Work, including all such documentation (including, without limitation, invoices, subcontracts, subcontractor change orders, purchase orders, records of payment, etc.) as Owner may require, to establish whether the payments made to Contractor equal, exceed, or are less than the Actual Reimbursable Cost of the Work to date.

Any excess payments by Owner, as determined by the Project Manager, shall be deducted from the one-half retention payment to be made to Contractor, and any additional excess amounts paid to Contractor shall be refunded by Contractor to Owner. Disputes relating to the Final Cost of the Work shall be subject to Owner's audit rights under Article 13.14 of the General Conditions and 7.5 below, and the dispute resolution process under Article 4 of the General Conditions.

7.5 OPEN BOOK

On any GMP-based or Change Order, Owner may attend any and all meetings or discussions pertaining to the Project, including bid openings, and shall have access to all books, invoices, accounts, memoranda, correspondence, and written communications or records of any kind pertaining to the Project, including without limitation, those stored in electronic format.

ARTICLE 8 – PAYMENT

Payments shall be made to CMAR in accordance with Article 9 of the General Conditions and Article 7 above.

ARTICLE 9 – CHANGES TO THE CONTRACT

Changes to the Contract may be made in strict accordance with Article 7 of the General Conditions.

ARTICLE 10 – SUSPENSION AND TERMINATION

This Contract may be suspended and/or terminated in accordance with Article 14 of the General Conditions.

ARTICLE 11 – INSURANCE AND BONDS

- 11.1 CMAR shall provide insurance as provided on the attached Exhibit B, and in accordance with Article 11 of the General Conditions. CMAR shall provide proof of such insurance and all required endorsements in forms acceptable to Owner prior to commencing any Work under this Contract.
- 11.2 CMAR shall provide performance and payment bonds to Owner in accordance with Article 11 of the General Conditions and A.R.S. § 34-610(A).
- 11.3 Failure to provide proof of insurance and the required endorsements, or the required bonds, in forms acceptable to Owner will be material breach and grounds for termination for cause of this Contract by Owner.

ARTICLE 12 – INDEMNIFICATION

CMAR shall have and assume the indemnity obligations set forth in Article 3 of the General Conditions.

ARTICLE 13 – DISPUTE RESOLUTION

Any claims or disputes relating to this Contract shall be resolved according to the dispute resolution process set forth in Article 4 of the General Conditions.

ARTICLE 14 – MISCELLANEOUS PROVISIONS

The miscellaneous provisions set forth in Article 13 of the General Conditions shall apply to this Contract.

IN WITNESS WHEREOF, the parties hereto executed this Contract through their duly authorized representatives and bind their respective entities as of the effective date.

“OWNER”

**PHOENIX MESA GATEWAY AIRPORT AUTHORITY,
a joint powers airport authority, authorized by the
State of Arizona**

“CMAR”

**DPR Construction, a California corporation
authorized to conduct business under the laws of
the State of Arizona**

By: _____
J. Brian O’Neill, A.A.E.

Title: Executive Director/CEO

Date: _____

By: _____

Title: _____

Date: _____

ATTEST:

By: _____
Official Record Keeper

By: _____

EXHIBIT A – ACCEPTED GMP/PRICE PROPOSAL AND
PROJECT SCHEDULE (Under Separate Cover)

All terms and conditions are set forth in the Contract. Any terms and conditions and/or exceptions noted in the CMAR's proposal, GMP, or other documents do not apply unless agreed to in this Contract or an approved addendum.

EXHIBIT B – INSURANCE REQUIREMENTS

MINIMUM INSURANCE REQUIREMENTS

The CMAR and its Subcontractors shall purchase from and maintain in a company or companies authorized to do business in Arizona the following insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the CMAR, his agents, representatives, employees, or subcontractors. Such insurance shall be effective for the duration of the contract and for ten (10) years thereafter.

Workers' Compensation. Workers' Compensation insurance with statutory limits as required by the State of Arizona and Employer's Liability insurance with limits of no less than \$1,000,000 per occurrence for bodily injury, \$1,000,000 per employee for bodily injury by disease and a \$1,000,000 policy limit for bodily injury by disease. Such Workers' Compensation insurance will cover obligations imposed by federal and state statutes having jurisdiction of CMAR's or Subcontractors' employees while performing work at locations other than the Site and shall cover CMAR's employees after Substantial Completion of the work and Subcontractor's employees after Subcontractor has substantially performed its Subcontract.

Commercial General Liability. Commercial General Liability insurance, with a combined single limit of \$5,000,000 per occurrence and in the annual aggregate. Such insurance shall include coverage for Bodily Injury, Property Damage, Personal Injury, Broad Form Property Damage (including Completed Operations), Contractual, Contractors Protective, Products and Completed Operations, and the hazards commonly referred to as "XCU." This insurance shall also be required for work performed at locations other than the Site, shall cover CMAR after Substantial Completion of the work, and shall cover Subcontractor after Subcontractor has substantially performed its Subcontract. Further, this insurance shall contain a severability of interest provision.

Business Automobile Liability. Business Automobile Liability insurance, with a combined single limit no less than \$5,000,000 combined single limit per accident for Bodily Injury and Property Damage with respect to all vehicles used in performance of the work on or off the Site, whether owned, non-owned, leased, hired, assigned, or borrowed.

Additional Insured. The policies required for Commercial General Liability and Business Automobile Liability herein shall be endorsed to include Phoenix-Mesa Gateway Airport Authority and the Engineer and their officers employees, successors and assigns as additional insured, shall provide that the insurance shall be primary, and shall stipulate that any insurance carried by the additional insured and their officers or employees, shall not be contributory insurance.

Waiver. CMAR and its Subcontractors waive all rights of recovery against Phoenix-Mesa Gateway Airport Authority and the Engineer, their directors, officers, employees, successors and assigns, and shall require its insurers to waive all rights of subrogation against Phoenix-Mesa Gateway Airport Authority and the Engineer, and all of their respective directors, officers, employees, successors and assigns.

Certificates of Insurance. Before commencing any work under this Contract, CMAR shall furnish Owner with Certificates of Insurance issued by CMAR's and Subcontractors' insurer(s), as necessary, in a form acceptable to Owner, as evidence that the insurance policies, including all applicable endorsements, providing the coverage, conditions, and limits required by this section and those contained in Article 11 of the General Conditions, are in full force and effect. Owner has the right to request and receive promptly from the CMAR certified copies of any or all of such insurance policies and/or endorsements. Owner will not be obligated, however, to review such certificates, policies, and endorsements, or to advise CMAR of any deficiencies in such documents, and such receipts shall not relieve CMAR from, or be deemed a waiver of, Owner's right to insist on strict fulfillment of CMAR's obligations hereunder.

Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to, and approved by, Owner. At the option of Owner, either: the CMAR shall reduce or eliminate such deductibles; or the CMAR shall provide a financial guarantee satisfactory to the Owner guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

Claims Made Policy. No Claims Made policies, other than Professional Liability, Cyber Liability or Pollution Legal Liability (if applicable to this Contract), will be accepted.

Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best rating of no less than “A” unless otherwise acceptable to the Owner.

Subcontractors. CMAR shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and CMAR shall ensure that Owner is an additional insured on insurance from subcontractors.

Special Risks or Circumstances. Owner reserves the right to modify these requirements, including limits, based on the nature of the risk, scope of services, prior experience, insurer, coverage, or other special circumstances

CMAR agrees to additional insurance requirements and conditions as set forth in Article 11 of the General Conditions.

EXHIBIT C – COMPLIANCE WITH SPECIFIC GOVERNMENT PROVISIONS

CIVIL RIGHTS - GENERAL

The contractor agrees to comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance.

This provision binds the contractor and subtier contractors from the bid solicitation period through the completion of the contract. This provision is in addition to that required of Title VI of the Civil Rights Act of 1964.

CIVIL RIGHTS – TITLE VI ASSURANCES

TITLE VI COMPLIANCE WITH NONDISCRIMINATION REQUIREMENTS

During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the “contractor”) agrees as follows:

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

Non-discrimination: The contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.

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

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

Sanctions for Noncompliance: In the event of a contractor’s noncompliance with the Non-discrimination provisions of this contract, the owner will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:

- a. Withholding payments to the contractor under the contract until the contractor complies; and/or
- b. Cancelling, terminating, or suspending a contract, in whole or in part.

Incorporation of Provisions: The contractor will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. The contractor will take action with respect to any subcontract or procurement as the owner or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the contractor may request the owner to enter into any litigation to protect the interests of the owner. In addition, the contractor may request the United States to enter into the litigation to protect the interests of the United States. Title VI Clauses for Construction/Use/Access to Real Property Acquired Under the Activity, Facility or Program

TITLE VI LIST OF PERTINENT NONDISCRIMINATION ACTS AND AUTHORITIES

During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the “contractor”) agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq.*, 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR part 21 (Non-discrimination in Federally-Assisted Programs of The Department of Transportation—Effectuation of Title VI of The Civil Rights Act of 1964);
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 *et seq.*), as amended, (prohibits discrimination on the basis of disability); and 49 CFR part 27;
- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 *et seq.*), (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);

The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms “programs or activities” to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);

- Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 CFR parts 37 and 38;
- The Federal Aviation Administration’s Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures non-discrimination against minority populations by discouraging programs,

policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;

- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq).

FEDERAL FAIR LABOR STANDARDS ACT (FEDERAL MINIMUM WAGE)

This contract and all subcontracts that result from this contract incorporate by reference the provisions of 29 CFR part 201, the Federal Fair Labor Standards Act (FLSA), with the same force and effect as if given in full text. The FLSA sets minimum wage, overtime pay, recordkeeping, and child labor standards for full and part time workers.

The contractor has full responsibility to monitor compliance to the referenced statute or regulation. The contractor must address any claims or disputes that arise from this requirement directly with the U.S. Department of Labor – Wage and Hour Division

OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970

This contract and all subcontracts that result from this contract incorporate by reference the requirements of 29 CFR Part 1910 with the same force and effect as if given in full text. Contractor must provide a work environment that is free from recognized hazards that may cause death or serious physical harm to the employee. The Contractor retains full responsibility to monitor its compliance and their subcontractor's compliance with the applicable requirements of the Occupational Safety and Health Act of 1970 (20 CFR Part 1910). Contractor must address any claims or disputes that pertain to a referenced requirement directly with the U.S. Department of Labor – Occupational Safety and Health Administration.

**EXHIBIT D – PROJECT SPECIFIC CONDITIONS &
PROJECT PLANS AND SPECIFICATIONS (Under Separate Cover)**

1. All Specifications

Specification Title: _____ Date: _____

2. Plans

Drawing Title: _____ Date: _____

Project Number: _____

EXHIBIT E – REQUIRED FORMS

STATUTORY PERFORMANCE BOND

PURSUANT TO TITLE 34, CHAPTER 2, ARTICLE 2, ARIZONA REVISED STATUTES

KNOW ALL MEN BY THESE PRESENTS:

That, _____, (hereinafter called the Principal), as Principal, and the _____, a corporation duly organized under the laws of the State of _____, with its principal office in the City of _____, (hereinafter called the Surety), as Surety, are held and firmly bound unto Phoenix-Mesa Gateway Airport Authority, Maricopa County, Arizona (hereinafter called the Obligee), in the amount of _____ (\$_____), for the payment of which the Principal and Surety bind themselves and their heirs, administrators, executors, successors, and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a certain written contract with Obligee, dated the _____ day of _____, 201_ to construct the following projects under the **Authority Solicitation No. 2018-019-RFQ; CMAR for Baggage Claim Expansion Phase 1 (Authority Project No. 1004)**, which contract is hereby referred to and made a part of this bond as fully and to the same extent as if copied at length herein.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that if the Principal faithfully performs and fulfills all of the undertakings, covenants, terms, conditions, and agreements of the contract during the original term of the contract and any extension of the contract, with or without notice to the Surety, and during the life of any guaranty required under the contract, and also performs and fulfills all the undertakings, covenants, terms, conditions, and agreements of all duly authorized modifications of the contract that may hereafter be made, notice of which modifications to the Surety being hereby waived, the above obligation is void. Otherwise it remains in full force and effect.

PROVIDED, HOWEVER, that this bond is executed pursuant to the provisions of Title 34, Chapter 2, Article 2, Arizona Revised Statutes, and all liabilities on this bond shall be determined in accordance with the provisions of Title 34, Chapter 2, Article 2, Arizona Revised Statutes, to the same extent as if they were copied at length in this agreement.

The prevailing party in a suit on this bond shall recover as part of the judgment to reasonable attorney fees that may be fixed by a judge of the court.

Witness our hands this _____ day of _____, 201_.

AGENCY OF RECORD, STATE OF ARIZONA	PRINCIPAL
BY: _____	_____
AGENCY ADDRESS	TITLE: _____
	SURETY
	BY: _____
	TITLE: _____

BOND NUMBER: _____ ATTACH SURETY POWER OF ATTORNEY

STATUTORY PAYMENT BOND

PURSUANT TO TITLE 34, CHAPTER 2, ARTICLE 2, ARIZONA REVISED STATUTES

KNOW ALL MEN BY THESE PRESENTS:

That, _____, (hereinafter called the Principal), as Principal and _____, a corporation duly organized under the laws of the State of _____, with its principal office in the City of _____, (hereinafter called the Surety), as Surety, are held and firmly bound unto Phoenix-Mesa Gateway Airport Authority, Maricopa County, Arizona (hereinafter called the Obligee), in the amount of _____ (\$_____), for the payment of which the Principal and Surety bind themselves and their heirs, administrators, executors, successors, and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a certain written Contract with Obligee, dated the ___ day of _____, 201_ to construct the following projects under the **Authority Solicitation No. 2018-019-RFQ: CMAR for Baggage Claim Expansion Phase 1 (Authority Project No. 1004)**, which contract is hereby referred to and made a part of this bond as fully and to the same extent as if copied at length herein.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that if the Principal promptly pays all monies due to all persons supplying labor or materials to the Principal or the Principal's subcontractors in the prosecution of the work provided for in the contract, this obligation is void. Otherwise it remains in full force and effect.

PROVIDED, HOWEVER, that this bond is executed pursuant to the provisions of Title 34, Chapter 2, Article 2, Arizona Revised Statutes, and all liabilities on this bond shall be determined in accordance with the provisions of Title 34, Chapter 2, Article 2, Arizona Revised Statutes, to the same extent as if they were copied at length in this agreement.

The prevailing party in a suit on this bond shall recover as part of the judgment reasonable attorney fees that may be fixed by a judge of the court.

Witness our hands this _____ day of _____, 201__.

AGENCY OF RECORD, STATE OF ARIZONA

PRINCIPAL

BY: _____

AGENCY ADDRESS

TITLE:

SURETY

BY: _____

TITLE: _____

BOND NUMBER: _____ **ATTACH SURETY POWER OF ATTORNEY**

CERTIFICATE OF SUBSTANTIAL COMPLETION

(To be completed by Owner/Architect)

I hereby certify that _____ has substantially completed
(Name of CMAR)

The work under the following project:

BAGGAGE CLAIM EXPANSION Phase 1 Authority Solicitation No. 2018-019-RFQ, Authority Project No. 1004

in accordance with the contract documents and bid specifications, and all activities required by the Contractor under the Contract have been substantially completed as of _____ (date).

Firm Name: _____

By: _____
(Name)

(Title)

(Signature)

(Date)

CERTIFICATE OF FINAL COMPLETION

(To be Completed by CMAR)

I hereby certify that all goods and/or services required by **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY**, have been delivered in accordance with the Contract Documents and Specifications, and all activities required by the CMAR under the Contract have been completed, including all items on the final punch list, including administrative items, as of _____ (date).

Firm Name: _____

Principal: _____
(Name)

(Title)

(Signature)

(Date)

**CMAR'S AFFIDAVIT REGARDING
SETTLEMENT OF CLAIMS**

Gentlemen:

This is to certify that all lawful claims for materials, rental of equipment and labor used in connection with the construction of the above project, whether by subcontractor or claimant in person, have been duly discharged.

The undersigned, for the consideration of \$_____, as set out in the final pay estimate, as full and complete payment under the terms of the contract, hereby waives and relinquishes any and all further claims or right of lien under, in connection with, or as a result of the above described project. The undersigned further agrees to indemnify and save harmless **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, ARCHITECT**, the OWNER's **DESIGNATED CONSTRUCTION ADMINISTRATOR** (if applicable), their employees, agents or representatives, against any and all liens, claims of liens, suits, actions, damages, charges and expenses whatsoever, which said OWNER and Architect may suffer arising out of the failure or the undersigned to pay for all labor performances and materials furnished for the performance of said installation.

Signed and dated at _____, this _____ day of _____, 201__.

CMAR_____
By:STATE OF ARIZONA)
) ss
COUNTY OF)

The foregoing instrument was subscribed and sworn to before me this _____ day of _____, 201__.

(Notary Public)_____
(My Commission Expires)

APPLICATION AND CERTIFICATE FOR PAYMENT

PROJECT: _____

CMAR: _____

Application No. _____ Period From _____ To: _____

Application is made for payment, as shown below, and on the attached Construction Progress Estimate Form, in accordance with the Contract Documents:

Original GMP: \$ _____

Approved Change Orders and Dates:

Change Order No.1	Date _____	\$ _____
Change Order No.2	Date _____	\$ _____
Change Order No.3	Date _____	\$ _____

Total Change Orders Approved to Date: \$ _____

Adjusted GMP \$ _____

Total Amount Due to Date
(from attached Construction Progress Estimate) \$ _____

Retainage _____% \$ _____

Total Earned Less Retainage \$ _____

Less Previous Certificates for Payment \$ _____

Currently Payment Due \$ _____

Notice to Proceed Date _____ Date of Substantial Completion _____

Time Used _____% Complete _____%

NOTICE OF INTENT TO AWARD CMAR CONTRACT

DPR Construction
222 North 44th Street
Phoenix, AZ 85034

Attn: Jim Lauer

Re:
BAGGAGE CLAIM EXPANSION Phase 1
Authority Project No. 1004
Authority Solicitation No. 2018-019-RFQ

Phoenix-Mesa Gateway Airport Authority, a joint powers airport authority authorized by the State of Arizona (Owner), has considered the Statement of Qualifications (SOQ) submitted and interview performed (if applicable) by your firm for the above described WORK in response to the Advertisement for SOQ's dated January 29, 2018. You are hereby notified that you were awarded this CMAR Contract by Phoenix-Mesa Gateway Airport Authority on _____, in the amount of \$ _____. You are required by the Terms and Conditions of this bid to execute the Construction Contract and to furnish Contractor's Performance and Payment Bonds and submit the appropriate Certificate(s) of Insurance within fifteen (15) calendar days from this Notice.

If you fail to execute the Construction Contract, furnish the required bonds, and submit Insurance Certificate(s) within Fifteen (15) calendar days from the date of this Notice, the Owner will consider this as a forfeiture of your consideration to be selected as CMAR. The Owner will be entitled to such other rights as may be granted by law.

A pre-construction meeting is scheduled for _____ **TBD** _____ 201__, at _____ in the Phoenix-Mesa Gateway Airport Authority Board Room, 5835 South Sossaman Road, Mesa.

You are required to return an acknowledged copy of the NOTICE OF AWARD to the Phoenix-Mesa Gateway Airport Authority.

Dated this _____ day of _____, 201__.

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, a joint powers airport authority authorized by the State of Arizona

By: _____

Title: _____

ACCEPTANCE OF NOTICE:

Receipt of the above NOTICE OF AWARD is hereby acknowledged.

By: _____

Title: _____

Subscribed and sworn before me this _____ day of _____, 201__.

NOTARY PUBLIC

CMAR ADVANCE PROCUREMENT AND PRELIMINARY CONSTRUCTION
Phase 1 1004

My Commission Expires

CMAR-23

NOTICE TO PROCEED

DPR Construction
222 North 44th Street
Phoenix, AZ 85034

Attn: Jim Lauer

BAGGAGE CLAIM EXPANSION Phase 1
Authority Project No. 1004
Authority Solicitation No. 2018-019-RFQ

Dear _____:

You are unconditionally authorized to proceed with the above-referenced project effective the date of this letter. The contract time is ____ calendar days. All work shall be performed strictly in accordance with the Contract Documents, including all project schedule requirements.

Your contact for this project is Mike Hanas, phone no. (480) 438-7318 and all project communications should be directed to him. If the preconstruction conference has not already occurred, he will contact you shortly about scheduling it.

Remember, the Owner must approve *in writing* any and all changes in the project scope of work before you start work on the change.

Phoenix-Mesa Gateway Airport Authority looks forward to a successful project with your firm.

Sincerely,

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, a joint powers airport authority authorized by the State of Arizona

Authorized Representative

CHANGE ORDER

PROJECT: BAGGAGE CLAIM EXPANSION Phase 1

CHANGE ORDER NO: _ _

Authority Project No. 1004
Authority Solicitation No. 2018-019-RFQ

TO CMAR: Name,
address

CONTRACT NO: _____

CONTRACT DATE: _____, 201_

The Contract is changed as follows. CMAR shall provide all labor, materials, equipment, services, transportation, utilities, and facilities to perform all of the following changes: *[describe]*.

This Change Order shall constitute a final settlement of all matters relating to the change in the work that is the subject of the Change Order, including but not limited to all direct or indirect costs associated with such change, all delay and disruption costs, any impact such change may have on unchanged work, and any and all adjustments to the Contract Sum or the Contract Time. This Change Order supersedes all prior reservations stated or implied.

Not Valid until signed by the Owner, Architect, and CMAR.

The original **Contract Sum** was.....\$ _____
 Net change by previously authorized Change Orders.....\$ _____
 The **Contract Sum** prior to this Change Order was\$ _____
 The **Contract Sum** will be **increased** [or **decreased**] by this Change Order.....\$ _____
 The new **Contract Sum** including this Change Order is.....\$ _____

The Contract Time will be **unchanged** [or **increased/decreased by** _____ **calendar days.**]

The Substantial Completion date for base contract work is **unchanged** [or **changed to** _____, **201_.**]

[CMAR],
 By _____ Date _____
 It's _____

Owner
 By _____ Date _____
 It's _____

Architect Name (if applicable)
 By _____ Date _____
 It's _____

CONDITIONAL**FULL RELEASE OF ALL CLAIMS AND WAIVER OF LIEN
UPON FINAL PAYMENT
(CMAR)**

WHEREAS, the undersigned, _____ (CMAR) has furnished labor, materials, and services and/or equipment for the construction of the **Baggage Claim Expansion Phase 1, Authority Project No. 1004**, at the Phoenix-Mesa Gateway Airport, Maricopa County, State of Arizona, on the Property of the Phoenix-Mesa Gateway Airport Authority, Mesa, Arizona.

NOW, THEREFORE, the undersigned, on receipt of a check from the Owner payable to the CMAR in the sum of \$ _____, said sum representing full and final payment for the above-mentioned labor, materials, services and/or equipment, does hereby waive and release any and all liens, claims of lien, and demands whatsoever that now exist or may hereafter accrue against the Owner and the Property on account of labor and materials furnished by the undersigned.

The undersigned warrants that all materials and labor placed by the undersigned in the Project are free from any claims, liens, or encumbrances and that all bills and obligations incurred for labor, taxes, withholding taxes based on payroll and payable to the United States of America or State of Arizona, premiums under a voluntary disability insurance policy, if any, carried with a private insurer, and payments to all union health, welfare, pension, apprentice training and vacation funds applicable for workmen employed on the above-described Project, in connection with the work of improvement on the Project, have been paid in full. The undersigned warrants that all subcontractors and material-men that may have delivered materials and performed work upon the Property for the Project have been fully paid or will be paid from monies received from this final payment. The undersigned shall and does hereby indemnify, save, and hold harmless the Owner and CMAR from all claims, damages, liens and losses, including all costs, professional fees, and reasonable attorney's fees, which the Owner may suffer by reason of filing of any claims, notices, liens or encumbrances, or the failure of the undersigned to obtain cancellation and discharge thereof.

DATED this _____ day of _____, 201__.

Company Name

By _____

(Title)

EXHIBIT F – DEFINITIONS

Allowance – A specific amount for a specific item of Work, if any, that Owner agrees has not been sufficiently designed, detailed, or selected (including design changes from 90% to 100% as authorized by and at the discretion of the Owner) at the time the Contract Price is agreed to for Contractor to provide a definitive price. Allowances shall be treated in accordance with Article 7.2 above.

Baseline Cost Model – A breakdown and estimate of the scope of the Project developed by CMAR.

CMAR or Construction Manager at Risk – The person or firm selected by Owner to provide pre-construction and/or construction services as detailed in a Construction Manager at Risk Contract with Owner. In these General Conditions, the term “Contractor” includes CMAR under both Pre-Construction and Construction Services Contracts.

CMAR Fee or Contractor’s Fee – An agreed to percentage in an accepted GMP that represents the Contractor’s fee for performance of the Work.

Contract Documents – Where compensation under the Contract is based upon a GMP accepted by Owner, the term “Contract Documents” also includes the accepted GMP Proposal.

Contract Price – Where compensation under the Contract based upon a GMP accepted by Owner, the term “Contract Price” refers to the GMP.

Cost-Based Contract, Change Order, or Job Order – A Contract, Change Order, or Job Order where the Contract Price is based upon the actual cost of performing the Work, subject to the terms of the Contract Documents. These would include those generally referred to as “Cost of the Work plus a Fee with a GMP,” “Time and Materials,” or “Cost Plus a Fee.”

Cost of the Work – The direct costs necessarily incurred by Contractor in the proper, timely, and complete performance on the Work. The Cost of the Work shall include only those costs set forth in Article 7 above.

Deliverables – The work products prepared by Contractor in performing the scope of work described in the Contract. Some of the major deliverables to be prepared and provided by Contractor during pre-construction may include but are limited to: the Baseline Cost Model and Schedule that validate Owner’s plan and budget, Construction Management Plan, Detailed Project Schedule, Schedule of Values, alternative system evaluations, procurement strategies and plans, Detailed Cost Estimates, construction market surveys, cash flow projections, GMP Proposals, Subcontractor procurement plan, Subcontractor agreements, Subcontractor bid packages, Supplier agreements, Constructability Review, Cost Control Log, Traffic control and phasing plans and others as indicated in this Contract or required by the Project Team.

Pre-Construction Services Contract – The Contract entered into between Owner and the CMAR for Pre-Construction Services to be provided by the CMAR, including, without limitation, the generation of a GMP Proposal. If the GMP Proposal is accepted by Owner and a Construction Contract is entered into between Owner and CMAR, the duties, obligations and warranties of the CMAR under the Pre-Construction Services Contract survive and are incorporated into the resulting Construction Contract.

Pre-Construction Services – The services to be provided under a Pre-Construction Services Contract.

Detailed Project Schedule – The Detailed Project Schedule developed by the CMAR for the review and approval of the Owner.

GMP Plans and Specifications – The plan and specifications upon which the Guaranteed Maximum price Proposal is based.

GMP Proposal – The proposal of Contractor submitted for the entire Work and/or portion (phases) of the Work.

Guaranteed Maximum Price or GMP – The Guaranteed Maximum Price set forth in the Contract.

EXHIBIT J

COMPLIANCE WITH OWNER'S PUBLISHED RULES AND REGULATIONS AND MINIMUM STANDARDS, AS AMENDED FROM TIME TO TIME

1. Rules & Regulations (link)

http://www.gatewayairport.com/documents/documentlibrary/board%20policies/rules%20and%20regulations_16-53.pdf?Uniqueifier=PsRgTkRZsi

2. Minimum Standards (link)

<http://www.gatewayairport.com/Documents/DocumentLibrary/Board%20Policies/Airport%20Minimum%20Standards.pdf?Uniqueifier=5lh2D7nqnG>



Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

To: Board of Directors
From: R. J. Draper, P.E., LEED AP, CM Engineering & Facilities Director
Through: Scott Brownlee, Deputy Director/COO
J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: Bag Make-up Expansion Advance Procurement and Preliminary Construction
Services Phase 1 Project – CIP 1047
Date: September 18, 2018

Proposed Motion

To Authorize a Contract with DPR Construction to provide Advance Procurement and Preliminary Construction Services for the Bag Make-up Expansion Phase 1 Project CIP 1047 in an amount not-to-exceed \$1,088,534.

Narrative

The Phoenix-Mesa Gateway Airport Authority has seen tremendous growth due to a recent increase in commercial passenger flight activity and new air service. The current bag make-up layout, as identified in the West Terminal Optimization Report, is reaching capacity during peak times of operation and is in need of expansion.

This project is part of the West Terminal Optimization Phase IV and will provide additional bag make-up capacity after TSA baggage screening to accommodate the increased passenger activity. In order to reduce congestion, the exterior conveyor will be extended approximately 65 linear feet to the east and a new sort carousel will be installed that will store approximately 120 bags. Additionally, the existing baggage conveyors downstream of the baggage inspection equipment will be refurbished or replaced to increase efficiency and reduce downtime due to maintenance issues. Phase I of the project will allow for advance procurement of long lead items and secure baggage handling systems (BHS) and electrical sub-contractors to finalize drawings in preparation for construction.

The Notice of Request for Qualifications (RFQ), Solicitation 2018-019-RFQ was issued on January 29, 2018 and advertised in the Arizona Business Gazette on 02/01, 02/08, 02/15 and 02/22/18; it was also posted on the AzAA, ACC, ACI-NA and SWAAAE Websites as well as the Phoenix-Mesa Gateway Airport Authority Website. In addition, the RFQ was emailed to a list of 89 prospective firms and included ACDBE/DBE/SBC outreach. PMGAA Staff received seven (7) RFQ's on March 1, 2018 and the Evaluation Panel selected DPR Construction based on the Qualifications of the Firm, Project Team Experience, Project Understanding, and Approach to Performing the Required Services. The PMGAA Executive Team concurred with this selection.

Fiscal Impact

This contract was included in the FY18 Capital Budget and rolled to FY19 using PFC funding under CIP 1047.

Attachment(s)

Contract



RESOLUTION NO. 18-39

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS the Authority desires to obtain Advance Procurement and Preliminary Construction Services from DPR Construction;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes a Contract with DPR Construction to provide Advance Procurement and Preliminary Construction Services for the Bag Make-up Expansion Phase 1 Project CIP 1047 in an amount not-to-exceed \$1,088,534. This resolution also authorizes the Chair or Executive Director/CEO to execute such Contract, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 18th day of September, 2018.

Jeff Serdy, Chair

ATTEST:

APPROVED AS TO FORM:

Maria Gonzalez, Clerk of the Board

Attorney



BAG MAKEUP EXPANSION

**CONSTRUCTION MANAGER AT RISK (CMAR)
ADVANCE PROCUREMENT AND
PRELIMINARY CONSTRUCTION SERVICES
CONTRACT PHASE 1**

PROJECT NO. 1047

CONTRACT No. 2018-019-1047

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Phoenix Mesa Gateway Airport Authority

Construction Manager at Risk

Advance Procurement and Preliminary Construction Services Phase 1

Project No.: 1047

THIS CONTRACT is made and entered into on the ____ day of _____, 2018, by and between the Phoenix Mesa Gateway Airport Authority, a joint powers airport authority authorized by the state of Arizona, hereinafter called "Owner" and the "Construction Manager at Risk" or "CMAR" designated below. Individually, each is a "Party" and collectively, the "Parties."

NOW, THEREFORE, intending to be legally bound and for valuable consideration, the receipt and sufficiency of which are acknowledged, the Owner and CMAR agree as follows:

ARTICLE 1 – PARTICIPANTS AND PROJECT

Owner Project Manager: **Mike Hanas**
Telephone: 480-988-7636
Cell: 480-438-7318
E-mail: mhanas@gatewayairport.com

CMAR: **DPR Construction**
222 N. 44th Street
Phoenix, AZ 85034
Arizona ROC No.: 271230 B-1
Federal Tax ID No.: 27-0853429
CMAR Representative: Jim Lauer
Telephone: 602-808-0500
Cell: 602-327-1277
E-mail: JamesLa@dpr.com

PROJECT DESCRIPTION:

This project is part of West Terminal Optimization Phase IV and will provide additional bag make-up capacity after TSA baggage screening to accommodate increased passenger activity and to reduce congestion by extending the exterior conveyor approximately 65 linear feet to the east and installing a new sort carousel that will store approximately 120 bags. Additionally, the existing baggage conveyors downstream of the baggage inspection equipment will be refurbished or replaced to increase efficiency and reduce downtime due to maintenance issues. Phase I of the project will allow for advance procurement of long lead items and secure baggage handling systems (BHS) and electrical sub-contractors to finalize drawings in preparation for construction.

ARTICLE 2 – CONTRACT DOCUMENTS

2.1 CONTRACT DOCUMENTS

The Contract between Owner and CMAR shall consist of the following Contract Documents:

1. This Contract and all of its Exhibits, including subsequent Specifications and Plans
2. The SOQ requirements, documents CMAR's submittal (2018-019-RFQ)
3. General Conditions
4. General Provisions
5. Special Provisions
6. Any plans and drawings
7. Any amendments or modifications to the foregoing documents, including (a) a written amendment signed by both parties, (b) a Change Order, (c) a Change Directive, (d) Supplementary Instructions, or (e) a written order for a minor change in the work (collectively the "Contract").
8. Guaranteed Maximum Price (GMP)

2.3 PROJECT SPECIFIC CONDITIONS

If there are any additional conditions that apply to this Project, they are set forth in the attached Exhibit D, and are incorporated herein.

2.4 PROJECT PLANS AND SPECIFICATIONS

A detailed list of the Plans and Specifications for this Project are set forth in the attached Exhibit D.

ARTICLE 3 – PRE-CONSTRUCTION SERVICES

Although CMAR has performed Pre-Construction Services pursuant to a separate Contract between Owner and CMAR, the completion, quality and accuracy of those services and the deliverables provided by Owner thereunder directly impact CMAR's performance of its obligations under this Contract. Therefore, all of CMAR's obligations, duties, and warranties in relation to Pre-Construction Services and deliverables survive completion of the Pre-Construction Services Contract and are incorporated herein. Any breach of any of CMAR's duties, obligations, or warranties under the Pre-Construction Services Contract shall likewise be considered a breach of this Contract.

ARTICLE 4 – CONSTRUCTION SERVICES

4.1 GENERAL

- 4.1.1 CMAR agrees at its own cost and expense, to do all work necessary and required to fully, timely and properly complete the construction of the Project in strict accordance with the Contract Documents in a good and workmanlike manner, free and clear of all claims, liens, and charges whatsoever, in the manner and under the conditions specified, and within the Project Schedule included in Exhibit A of this Contract.
- 4.1.2 CMAR shall provide all of the labor and materials, and perform the Work in accordance with the General Conditions and General Provisions. Some but not all of the major components of the Construction Services and the corresponding subsections of Section 4 of the General Conditions are set forth below.
- 4.1.3 At all times relevant to the Contract and performance of the Work, the CMAR and its subcontractors shall fully comply with all Laws, Regulations, or Legal Requirements applicable to Owner, the Project and the Contract, including, without limitation, those set forth on attached Exhibit C and Article 3 of the General Conditions.
- 4.1.4 CMAR shall perform the Work under this Contract using only those firms, team members and individuals designated by CMAR consistent with the Statement of Qualifications dated March 1, 2018, the GMP Proposal, or otherwise approved by Owner pursuant to the General Conditions. No other entities or individuals may be used without prior approval of the Project Manager.

- 4.1.5 CMAR will comply with all terms and conditions of the General Conditions, General Provisions and Special Provisions, as well as the Owner's published Rules & Regulations and Minimum Standards (Exhibit J).
- 4.1.6 In the event of a conflict between this Contract and the General Conditions, General Provisions, Special Provisions or any exhibit hereto or appendix thereto, the terms of this Contract shall control, but nothing in this contract shall be construed so as to either (i) Violate any term or condition of the Owner's published Rules & Regulations or Minimum Standards; or (ii) Violate Owner's mandatory subordination to its federal obligations, pursuant to Federal Aviation Administration ("FAA") Policies (2009) (including, but not limited to § 1.1, § 1.5, § 12.3, §10, § 14.1, *et. seq.*) and federal statutory authority, including, but not limited to, 49 U.S.C. §40103(a) (establishes the federal government's total dominance over the airspace of the United States, including, U.S. airports).
- 4.1.7 **Ownership of Work Product.** Notwithstanding anything to the contrary in this Contract, all Work Product prepared or otherwise created in connection with the performance of this Contract, including the Work, are to be and remain the property of Owner. For purposes of this provision, "Work Product" shall include all designs, drawings, plans, specifications, ideas, renderings and other information or matter, in whatever form created (e.g., electronic or printed) and in all media now known or hereinafter created. All Work Product shall be considered Work Made for Hire as defined in the United States Copyright Act 17 U.S.C. § 101 (Copyright Act). If for any reason any such Work is found not to be a work for hire, CMAR hereby transfers and assigns ownership of the copyright in such Work to Owner. The rights in this section are exclusive to Owner in perpetuity.
- 4.2 CMAR's PRE-CONTRACT AND PRE-WORK DELIVERABLES**
- The CMAR will provide the insurance and bond(s) requirements in accordance with Article 11 of the General Conditions prior to any work commencing.
- Owner will obtain and pay for all permits necessary for the work.
- 4.3 PRE-CONSTRUCTION CONFERENCE**
- CMAR shall attend the Pre-Construction Conference.
- 4.4 PERFORMANCE OF THE WORK (INCLUDING FIELD MEASUREMENTS, SUBCONTRACTORS, AND SUPPLIERS)**
- CMAR shall perform the Work in accordance with the General Conditions.
- 4.5 CONTROL OF THE PROJECT SITE**
- CMAR shall control and maintain the Project Site in accordance with Article 4 of the General Conditions.
- 4.6 PROJECT SAFETY**
- CMAR shall implement and enforce Project safety in accordance with Article 10 of the General Conditions.
- 4.7 MATERIALS QUALITY, SUBSTITUTIONS AND SHOP DRAWINGS**
- CMAR shall provide materials testing and submit substitute materials and Shop Drawings in accordance with Article 3 of the General Conditions.
- 4.8 PROJECT RECORD DOCUMENTS**
- CMAR shall maintain and make available the Project Record Documents in accordance with Article 3.12 of the General Conditions.
- 4.9 WARRANTY AND CORRECTION OF DEFECTIVE WORK**
- CMAR shall provide warranties and correct defective Work in accordance with Article 3.6 of the General Conditions.

ARTICLE 5 – OWNER RESPONSIBILITIES

5.1 Owner shall have the responsibilities, and provide the information specified in, and subject to the conditions set forth throughout the Contract Documents.

5.2 Additional information to be provided by Owner, if any, is listed below:

Final contract documents, including, but not limited to General Conditions, General Provisions, Special Provisions, applicable as-built drawings, stamped Construction Documents and Technical Specifications.

ARTICLE 6 – CONTRACT TIME

Contract Duration is a fixed date with a Substantial Completion no later than 02/23/2019.

6.1 CONTRACT TIME

6.1.1 The Contract Time shall start with the Notice to Proceed (“NTP”) and end with Final Acceptance, as set forth in Article 6.4 below. The Notice to Proceed cannot be issued prior to the approval and acceptance by Owner of the GMP or Fixed Price.

6.1.2 CMAR agrees that it will commence performance of the Work and complete the Project through both Substantial Completion and Final Completion within the Contract Time.

6.1.3 Time is of the essence of this Contract, for the Project, and for each phase and/or designated Milestone thereof.

6.2 PROJECT SCHEDULE

The Project Schedule approved as part of the GMP Proposal and incorporated herein as part of the attached Exhibit A shall be updated and maintained throughout CMAR’s performance under this Contract in accordance with Article 3 of the General Conditions.

6.2.1 Failure on the part of CMAR to adhere to the approved Project Schedule will be deemed a material breach and sufficient grounds for termination for cause of this Contract by Owner.

6.3 SUBSTANTIAL COMPLETION

Substantial Completion shall be achieved not later than the Substantial Completion Date set forth above. Substantial Completion shall be determined in accordance with Article 9.8 of the General Conditions.

6.4 FINAL COMPLETION AND FINAL ACCEPTANCE

6.4.1 Final Completion will be obtained within 30 days of Substantial completion.

6.4.2 Final Completion will be determined, and a Final Acceptance will be issued, pursuant to Article 9.9 of the General Conditions.

6.5 LIQUIDATED DAMAGES

6.5.1 **Substantial and Final Completion Liquidated Damages.** For the same reason set forth in Article 6.1.3 above, Owner and CMAR further agree that if CMAR fails to achieve Substantial or Final Completion of the Work within the time set forth in Article 6.4.1 above, Owner shall be entitled to retain or recover from CMAR, as liquidated damages and not as a penalty, the following per diem amounts (which the Parties agree is a reasonable approximation of any resulting damages) commencing from the actual date of Substantial Completion or the Final Completion Date as required under the Contract, whichever is later, until the actual date of Final Completion:

\$1,000 per calendar day.

- 6.5.2 Owner may deduct liquidated damages described in this Article 6.5 above from any unpaid amounts then or thereafter due CMAR under this Agreement. Any liquidated damages not so deducted from any unpaid amounts due CMAR shall be payable to Owner at the demand of Owner, together with interest from the date of the demand at the highest lawful rate of interest payable by CMAR.

ARTICLE 7 – CONTRACT PRICE

7.1 CONTRACT PRICE

- 7.1.1 In exchange for CMAR's full, timely, and acceptable performance and construction of the Work under this Contract, and subject to all of the terms of this Contract, Owner will pay CMAR the "Contract Price" which:

The sum of the CMAR's Fee and reimbursable Cost of the Work, which the CMAR guarantees will not exceed the GMP set forth in Exhibit A, in the amount of **\$1,088,534**. Costs which would cause the GMP to be exceeded shall be paid by CMAR without reimbursement from Owner.

- 7.1.2 The Contract Price is all-inclusive and specifically includes all fees, costs, insurance and bond premiums, and taxes any type necessary to fully, properly and timely perform and construct the Work encompassed in attached Exhibit A.
- 7.1.3 The contract price may only be changed as set forth in the Contract Documents.
- 7.1.4 Only costs specifically designated as reimbursable costs are eligible for payment by Owner or may be charged against the Contract Price. All other costs will not be paid by Owner and shall not be chargeable against the Contract Price.
- 7.1.5 For Contract Amendments, Change Orders, or Job Orders reimbursable costs shall be determined pursuant to MAG Specifications 109.5.

7.2 ALLOWANCES

Contractor shall include in the Contract Price all Allowances stated in the Contract Documents and agreed to in writing by Owner. Items covered by these Allowances shall be supplied for such amounts and by such persons as Owner may direct, provided Contractor will not be required to employ persons against whom Contractor makes a reasonable objection. Materials and equipment under an Allowance shall be selected by Owner in accordance with a schedule to be mutually agreed upon by Owner, Design Professional and Contractor or otherwise in reasonably sufficient time to avoid delay in the Work.

- 7.2.1 Unless otherwise provided in the Contract Documents:
- 7.2.1.1 These Allowances shall cover the cost to Contractor, less any applicable trade discount, of the Materials and equipment required by the Allowances, delivered at the Site, and all applicable taxes;
- 7.2.1.2 Contractor's costs for unloading and handling on the Site, labor, installation costs, overhead, profit and other expenses relating to Materials and Equipment required by the Allowance shall be included in the Contract Sum and not in the Allowance; and
- 7.2.1.3 Whenever the cost is more or less than the Allowance, the Contract Sum shall be adjusted accordingly by Change Order, the amount of which will recognize the difference between actual costs for an Allowance item and the amount of the Allowance item and changes, if any, in handling costs on the Site, labor, installation costs, overhead, profit and other expenses.

7.3 CONTINGENCY

An agreed to amount in the GMP that may only be used in accordance with the terms set forth in these General Conditions and with prior written approval by Owner.

7.4 FINAL PAYMENT

If the Contract Price is based upon a GMP, as a further condition precedent to Final Payment by Owner, Contractor must submit to the Project Manager a complete final accounting of the Actual Reimbursable Cost of the Work, including all such documentation (including, without limitation, invoices, subcontracts, subcontractor change orders, purchase orders, records of payment, etc.) as Owner may require, to establish whether the payments made to Contractor equal, exceed, or are less than the Actual Reimbursable Cost of the Work to date.

Any excess payments by Owner, as determined by the Project Manager, shall be deducted from the one-half retention payment to be made to Contractor, and any additional excess amounts paid to Contractor shall be refunded by Contractor to Owner. Disputes relating to the Final Cost of the Work shall be subject to Owner's audit rights under Article 13.14 of the General Conditions and 7.5 below, and the dispute resolution process under Article 4 of the General Conditions.

7.5 OPEN BOOK

On any GMP-based or Change Order, Owner may attend any and all meetings or discussions pertaining to the Project, including bid openings, and shall have access to all books, invoices, accounts, memoranda, correspondence, and written communications or records of any kind pertaining to the Project, including without limitation, those stored in electronic format.

ARTICLE 8 – PAYMENT

Payments shall be made to CMAR in accordance with Article 9 of the General Conditions and Article 7 above.

ARTICLE 9 – CHANGES TO THE CONTRACT

Changes to the Contract may be made in strict accordance with Article 7 of the General Conditions.

ARTICLE 10 – SUSPENSION AND TERMINATION

This Contract may be suspended and/or terminated in accordance with Article 14 of the General Conditions.

ARTICLE 11 – INSURANCE AND BONDS

- 11.1 CMAR shall provide insurance as provided on the attached Exhibit B, and in accordance with Article 11 of the General Conditions. CMAR shall provide proof of such insurance and all required endorsements in forms acceptable to Owner prior to commencing any Work under this Contract.
- 11.2 CMAR shall provide performance and payment bonds to Owner in accordance with Article 11 of the General Conditions and A.R.S. § 34-610(A).
- 11.3 Failure to provide proof of insurance and the required endorsements, or the required bonds, in forms acceptable to Owner will be material breach and grounds for termination for cause of this Contract by Owner.

ARTICLE 12 – INDEMNIFICATION

CMAR shall have and assume the indemnity obligations set forth in Article 3 of the General Conditions.

ARTICLE 13 – DISPUTE RESOLUTION

Any claims or disputes relating to this Contract shall be resolved according to the dispute resolution process set forth in Article 4 of the General Conditions.

ARTICLE 14 – MISCELLANEOUS PROVISIONS

The miscellaneous provisions set forth in Article 13 of the General Conditions shall apply to this Contract.

IN WITNESS WHEREOF, the parties hereto executed this Contract through their duly authorized representatives and bind their respective entities as of the effective date.

“OWNER”
PHOENIX MESA GATEWAY AIRPORT AUTHORITY,
a joint powers airport authority, authorized by the
State of Arizona

“CMAR”
DPR Construction, a California corporation
authorized to conduct business under the laws of
the State of Arizona

By: _____
J. Brian O’Neill, A.A.E.

By: _____

Title: Executive Director/CEO

Title: _____

Date: _____

Date: _____

ATTEST:

By: _____
Official Record Keeper

By: _____

EXHIBIT A – ACCEPTED GMP/PRICE PROPOSAL AND
PROJECT SCHEDULE (Under Separate Cover)

All terms and conditions are set forth in the Contract. Any terms and conditions and/or exceptions noted in the CMAR's proposal, GMP, or other documents do not apply unless agreed to in this Contract or an approved addendum.

EXHIBIT B – INSURANCE REQUIREMENTS

MINIMUM INSURANCE REQUIREMENTS

The CMAR and its Subcontractors shall purchase from and maintain in a company or companies authorized to do business in Arizona the following insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the CMAR, his agents, representatives, employees, or subcontractors. Such insurance shall be effective for the duration of the contract and for ten (10) years thereafter.

Workers' Compensation. Workers' Compensation insurance with statutory limits as required by the State of Arizona and Employer's Liability insurance with limits of no less than \$1,000,000 per occurrence for bodily injury, \$1,000,000 per employee for bodily injury by disease and a \$1,000,000 policy limit for bodily injury by disease. Such Workers' Compensation insurance will cover obligations imposed by federal and state statutes having jurisdiction of CMAR's or Subcontractors' employees while performing work at locations other than the Site and shall cover CMAR's employees after Substantial Completion of the work and Subcontractor's employees after Subcontractor has substantially performed its Subcontract.

Commercial General Liability. Commercial General Liability insurance, with a combined single limit of \$5,000,000 per occurrence and in the annual aggregate. Such insurance shall include coverage for Bodily Injury, Property Damage, Personal Injury, Broad Form Property Damage (including Completed Operations), Contractual, Contractors Protective, Products and Completed Operations, and the hazards commonly referred to as "XCU." This insurance shall also be required for work performed at locations other than the Site, shall cover CMAR after Substantial Completion of the work, and shall cover Subcontractor after Subcontractor has substantially performed its Subcontract. Further, this insurance shall contain a severability of interest provision.

Business Automobile Liability. Business Automobile Liability insurance, with a combined single limit no less than \$5,000,000 combined single limit per accident for Bodily Injury and Property Damage with respect to all vehicles used in performance of the work on or off the Site, whether owned, non-owned, leased, hired, assigned, or borrowed.

Additional Insured. The policies required for Commercial General Liability and Business Automobile Liability herein shall be endorsed to include Phoenix-Mesa Gateway Airport Authority and the Engineer and their officers employees, successors and assigns as additional insured, shall provide that the insurance shall be primary, and shall stipulate that any insurance carried by the additional insured and their officers or employees, shall not be contributory insurance.

Waiver. CMAR and its Subcontractors waive all rights of recovery against Phoenix-Mesa Gateway Airport Authority and the Engineer, their directors, officers, employees, successors and assigns, and shall require its insurers to waive all rights of subrogation against Phoenix-Mesa Gateway Airport Authority and the Engineer, and all of their respective directors, officers, employees, successors and assigns.

Certificates of Insurance. Before commencing any work under this Contract, CMAR shall furnish Owner with Certificates of Insurance issued by CMAR's and Subcontractors' insurer(s), as necessary, in a form acceptable to Owner, as evidence that the insurance policies, including all applicable endorsements, providing the coverage, conditions, and limits required by this section and those contained in Article 11 of the General Conditions, are in full force and effect. Owner has the right to request and receive promptly from the CMAR certified copies of any or all of such insurance policies and/or endorsements. Owner will not be obligated, however, to review such certificates, policies, and endorsements, or to advise CMAR of any deficiencies in such documents, and such receipts shall not relieve CMAR from, or be deemed a waiver of, Owner's right to insist on strict fulfillment of CMAR's obligations hereunder.

Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to, and approved by, Owner. At the option of Owner, either: the CMAR shall reduce or eliminate such deductibles; or the CMAR shall provide a financial guarantee satisfactory to the Owner guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

Claims Made Policy. No Claims Made policies, other than Professional Liability, Cyber Liability or Pollution Legal Liability (if applicable to this Contract), will be accepted.

Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best rating of no less than "A" unless otherwise acceptable to the Owner.

Subcontractors. CMAR shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and CMAR shall ensure that Owner is an additional insured on insurance from subcontractors.

Special Risks or Circumstances. Owner reserves the right to modify these requirements, including limits, based on the nature of the risk, scope of services, prior experience, insurer, coverage, or other special circumstances

CMAR agrees to additional insurance requirements and conditions as set forth in Article 11 of the General Conditions.

EXHIBIT C – COMPLIANCE WITH SPECIFIC GOVERNMENT PROVISIONS

CIVIL RIGHTS - GENERAL

The contractor agrees to comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance.

This provision binds the contractor and subtier contractors from the bid solicitation period through the completion of the contract. This provision is in addition to that required of Title VI of the Civil Rights Act of 1964.

CIVIL RIGHTS – TITLE VI ASSURANCES

TITLE VI COMPLIANCE WITH NONDISCRIMINATION REQUIREMENTS

During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the “contractor”) agrees as follows:

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

Non-discrimination: The contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.

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

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

Sanctions for Noncompliance: In the event of a contractor’s noncompliance with the Non-discrimination provisions of this contract, the owner will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:

- a. Withholding payments to the contractor under the contract until the contractor complies; and/or
- b. Cancelling, terminating, or suspending a contract, in whole or in part.

Incorporation of Provisions: The contractor will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. The contractor will take action with respect to any subcontract or procurement as the owner or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the contractor may request the owner to enter into any litigation to protect the interests of the owner. In addition, the contractor may request the United States to enter into the litigation to protect the interests of the United States. Title VI Clauses for Construction/Use/Access to Real Property Acquired Under the Activity, Facility or Program

TITLE VI LIST OF PERTINENT NONDISCRIMINATION ACTS AND AUTHORITIES

During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the “contractor”) agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq.*, 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR part 21 (Non-discrimination in Federally-Assisted Programs of The Department of Transportation—Effectuation of Title VI of The Civil Rights Act of 1964);
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 *et seq.*), as amended, (prohibits discrimination on the basis of disability); and 49 CFR part 27;
- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 *et seq.*), (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);

The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms “programs or activities” to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);

- Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 CFR parts 37 and 38;
- The Federal Aviation Administration’s Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures non-discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;

- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq).

FEDERAL FAIR LABOR STANDARDS ACT (FEDERAL MINIMUM WAGE)

This contract and all subcontracts that result from this contract incorporate by reference the provisions of 29 CFR part 201, the Federal Fair Labor Standards Act (FLSA), with the same force and effect as if given in full text. The FLSA sets minimum wage, overtime pay, recordkeeping, and child labor standards for full and part time workers.

The contractor has full responsibility to monitor compliance to the referenced statute or regulation. The contractor must address any claims or disputes that arise from this requirement directly with the U.S. Department of Labor – Wage and Hour Division

OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970

This contract and all subcontracts that result from this contract incorporate by reference the requirements of 29 CFR Part 1910 with the same force and effect as if given in full text. Contractor must provide a work environment that is free from recognized hazards that may cause death or serious physical harm to the employee. The Contractor retains full responsibility to monitor its compliance and their subcontractor's compliance with the applicable requirements of the Occupational Safety and Health Act of 1970 (20 CFR Part 1910). Contractor must address any claims or disputes that pertain to a referenced requirement directly with the U.S. Department of Labor – Occupational Safety and Health Administration.

**EXHIBIT D – PROJECT SPECIFIC CONDITIONS &
PROJECT PLANS AND SPECIFICATIONS (Under Separate Cover)**

1. All Specifications

Specification Title: _____ Date: _____

2. Plans

Drawing Title: _____ Date: _____

Project Number: _____

EXHIBIT E – REQUIRED FORMS

STATUTORY PERFORMANCE BOND

PURSUANT TO TITLE 34, CHAPTER 2, ARTICLE 2, ARIZONA REVISED STATUTES

KNOW ALL MEN BY THESE PRESENTS:

That, _____, (hereinafter called the Principal), as Principal, and the _____, a corporation duly organized under the laws of the State of _____, with its principal office in the City of _____, (hereinafter called the Surety), as Surety, are held and firmly bound unto Phoenix-Mesa Gateway Airport Authority, Maricopa County, Arizona (hereinafter called the Obligee), in the amount of _____ (\$ _____), for the payment of which the Principal and Surety bind themselves and their heirs, administrators, executors, successors, and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a certain written contract with Obligee, dated the _____ day of _____, 201_ to construct the following projects under the **Authority Solicitation No. 2018-019-RFQ; CMAR for Bag Makeup Expansion Phase 1 (Authority Project No. 1047)**, which contract is hereby referred to and made a part of this bond as fully and to the same extent as if copied at length herein.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that if the Principal faithfully performs and fulfills all of the undertakings, covenants, terms, conditions, and agreements of the contract during the original term of the contract and any extension of the contract, with or without notice to the Surety, and during the life of any guaranty required under the contract, and also performs and fulfills all the undertakings, covenants, terms, conditions, and agreements of all duly authorized modifications of the contract that may hereafter be made, notice of which modifications to the Surety being hereby waived, the above obligation is void. Otherwise it remains in full force and effect.

PROVIDED, HOWEVER, that this bond is executed pursuant to the provisions of Title 34, Chapter 2, Article 2, Arizona Revised Statues, and all liabilities on this bond shall be determined in accordance with the provisions of Title 34, Chapter 2, Article 2, Arizona Revised Statues, to the same extent as if they were copied at length in this agreement.

The prevailing party in a suit on this bond shall recover as part of the judgment to reasonable attorney fees that may be fixed by a judge of the court.

Witness our hands this _____ day of _____, 201_.

AGENCY OF RECORD, STATE OF ARIZONA

PRINCIPAL

BY:

AGENCY ADDRESS

TITLE:

SURETY

BY:

TITLE:

BOND NUMBER: _____

ATTACH SURETY POWER OF ATTORNEY

STATUTORY PAYMENT BOND

PURSUANT TO TITLE 34, CHAPTER 2, ARTICLE 2, ARIZONA REVISED STATUTES

KNOW ALL MEN BY THESE PRESENTS:

That, _____, (hereinafter called the Principal), as Principal and _____, a corporation duly organized under the laws of the State of _____, with its principal office in the City of _____, (hereinafter called the Surety), as Surety, are held and firmly bound unto Phoenix-Mesa Gateway Airport Authority, Maricopa County, Arizona (hereinafter called the Obligee), in the amount of _____ (\$_____), for the payment of which the Principal and Surety bind themselves and their heirs, administrators, executors, successors, and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a certain written Contract with Obligee, dated the ___ day of _____, 201_ to construct the following projects under the **Authority Solicitation No. 2018-019-RFQ: CMAR for Bag Makeup Expansion Phase 1 (Authority Project No. 1047)**, which contract is hereby referred to and made a part of this bond as fully and to the same extent as if copied at length herein.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that if the Principal promptly pays all monies due to all persons supplying labor or materials to the Principal or the Principal's subcontractors in the prosecution of the work provided for in the contract, this obligation is void. Otherwise it remains in full force and effect.

PROVIDED, HOWEVER, that this bond is executed pursuant to the provisions of Title 34, Chapter 2, Article 2, Arizona Revised Statutes, and all liabilities on this bond shall be determined in accordance with the provisions of Title 34, Chapter 2, Article 2, Arizona Revised Statutes, to the same extent as if they were copied at length in this agreement.

The prevailing party in a suit on this bond shall recover as part of the judgment reasonable attorney fees that may be fixed by a judge of the court.

Witness our hands this _____ day of _____, 201__.

AGENCY OF RECORD, STATE OF ARIZONA

PRINCIPAL

BY: _____

AGENCY ADDRESS

TITLE:

SURETY

BY: _____

TITLE: _____

BOND NUMBER: _____ **ATTACH SURETY POWER OF ATTORNEY**

CERTIFICATE OF SUBSTANTIAL COMPLETION

(To be completed by Owner/Architect)

I hereby certify that _____ has substantially completed
(Name of CMAR)

The work under the following project:

BAG MAKEUP EXPANSION Phase 1 Authority Solicitation No. 2018-019-RFQ, Authority Project No. 1047

in accordance with the contract documents and bid specifications, and all activities required by the Contractor under the Contract have been substantially completed as of _____ (date).

Firm Name: _____

By: _____
(Name)

(Title)

(Signature)

(Date)

CERTIFICATE OF FINAL COMPLETION

(To be Completed by CMAR)

I hereby certify that all goods and/or services required by **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY**, have been delivered in accordance with the Contract Documents and Specifications, and all activities required by the CMAR under the Contract have been completed, including all items on the final punch list, including administrative items, as of _____ (date).

Firm Name: _____

Principal: _____
(Name)_____
(Title)_____
(Signature)_____
(Date)

**CMAR'S AFFIDAVIT REGARDING
SETTLEMENT OF CLAIMS**

Gentlemen:

This is to certify that all lawful claims for materials, rental of equipment and labor used in connection with the construction of the above project, whether by subcontractor or claimant in person, have been duly discharged.

The undersigned, for the consideration of \$_____, as set out in the final pay estimate, as full and complete payment under the terms of the contract, hereby waives and relinquishes any and all further claims or right of lien under, in connection with, or as a result of the above described project. The undersigned further agrees to indemnify and save harmless **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, ARCHITECT**, the OWNER's **DESIGNATED CONSTRUCTION ADMINISTRATOR** (if applicable), their employees, agents or representatives, against any and all liens, claims of liens, suits, actions, damages, charges and expenses whatsoever, which said OWNER and Architect may suffer arising out of the failure or the undersigned to pay for all labor performances and materials furnished for the performance of said installation.

Signed and dated at _____, this _____ day of _____, 201__.

CMAR

By:

STATE OF ARIZONA)
) ss
COUNTY OF)

The foregoing instrument was subscribed and sworn to before me this _____ day of _____, 201__.

(Notary Public)_____
(My Commission Expires)

APPLICATION AND CERTIFICATE FOR PAYMENT

PROJECT: _____

CMAR: _____

Application No. _____ Period From _____ To: _____

Application is made for payment, as shown below, and on the attached Construction Progress Estimate Form, in accordance with the Contract Documents:

Original GMP: \$ _____

Approved Change Orders and Dates:

Change Order No.1	Date _____	\$ _____
Change Order No.2	Date _____	\$ _____
Change Order No.3	Date _____	\$ _____

Total Change Orders Approved to Date: \$ _____

Adjusted GMP \$ _____

Total Amount Due to Date
(from attached Construction Progress Estimate) \$ _____

Retainage _____ % \$ _____

Total Earned Less Retainage \$ _____

Less Previous Certificates for Payment \$ _____

Currently Payment Due \$ _____

Notice to Proceed Date _____ Date of Substantial Completion _____

Time Used _____ % Complete _____ %

NOTICE OF INTENT TO AWARD CMAR CONTRACT

DPR Construction
222 North 44th Street
Phoenix, AZ 85034

Attn: Jim Lauer

Re:
BAG MAKEUP EXPANSION Phase 1
Authority Project No. 1047
Authority Solicitation No. 2018-019-RFQ

Phoenix-Mesa Gateway Airport Authority, a joint powers airport authority authorized by the State of Arizona (Owner), has considered the Statement of Qualifications (SOQ) submitted and interview performed (if applicable) by your firm for the above described WORK in response to the Advertisement for SOQ's dated January 29, 2018. You are hereby notified that you were awarded this CMAR Contract by Phoenix-Mesa Gateway Airport Authority on _____, in the amount of \$ _____. You are required by the Terms and Conditions of this bid to execute the Construction Contract and to furnish Contractor's Performance and Payment Bonds and submit the appropriate Certificate(s) of Insurance within fifteen (15) calendar days from this Notice.

If you fail to execute the Construction Contract, furnish the required bonds, and submit Insurance Certificate(s) within Fifteen (15) calendar days from the date of this Notice, the Owner will consider this as a forfeiture of your consideration to be selected as CMAR. The Owner will be entitled to such other rights as may be granted by law.

A pre-construction meeting is scheduled for _____ **TBD** _____ 201__, at _____ in the Phoenix-Mesa Gateway Airport Authority Board Room, 5835 South Sossaman Road, Mesa.

You are required to return an acknowledged copy of the NOTICE OF AWARD to the Phoenix-Mesa Gateway Airport Authority.

Dated this _____ day of _____, 201__.

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, a joint powers airport authority authorized by the State of Arizona

By: _____

Title: _____

ACCEPTANCE OF NOTICE:

Receipt of the above NOTICE OF AWARD is hereby acknowledged.

By: _____

Title: _____

Subscribed and sworn before me this _____ day of _____, 201__.

NOTARY PUBLIC

My Commission Expires

NOTICE TO PROCEED

DPR Construction
222 North 44th Street
Phoenix, AZ 85034

Attn: Jim Lauer

BAG MAKEUP EXPANSION Phase 1
Authority Project No. 1047
Authority Solicitation No. 2018-019-RFQ

Dear _____:

You are unconditionally authorized to proceed with the above-referenced project effective the date of this letter. The contract time is ____ calendar days. All work shall be performed strictly in accordance with the Contract Documents, including all project schedule requirements.

Your contact for this project is Mike Hanas, phone no. (480) 438-7318 and all project communications should be directed to him. If the preconstruction conference has not already occurred, he will contact you shortly about scheduling it.

Remember, the Owner must approve *in writing* any and all changes in the project scope of work before you start work on the change.

Phoenix-Mesa Gateway Airport Authority looks forward to a successful project with your firm.

Sincerely,

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, a joint powers airport authority authorized by the State of Arizona

Authorized Representative

CHANGE ORDER

PROJECT: BAG MAKEUP EXPANSION Phase 1

CHANGE ORDER NO: _ _

Authority Project No. 1047
Authority Solicitation No. 2018-019-RFQ

TO CMAR: Name,
address

CONTRACT NO: _____

CONTRACT DATE: _____, 201_

The Contract is changed as follows. CMAR shall provide all labor, materials, equipment, services, transportation, utilities, and facilities to perform all of the following changes: *[describe]*.

This Change Order shall constitute a final settlement of all matters relating to the change in the work that is the subject of the Change Order, including but not limited to all direct or indirect costs associated with such change, all delay and disruption costs, any impact such change may have on unchanged work, and any and all adjustments to the Contract Sum or the Contract Time. This Change Order supersedes all prior reservations stated or implied.

Not Valid until signed by the Owner, Architect, and CMAR.

The original **Contract Sum** was..... \$ _____
 Net change by previously authorized Change Orders..... \$ _____
 The **Contract Sum** prior to this Change Order was \$ _____
 The **Contract Sum** will be **increased** [or **decreased**] by this Change Order..... \$ _____
 The new **Contract Sum** including this Change Order is..... \$ _____

The Contract Time will be **unchanged** [or **increased/decreased by** _____ **calendar days.**]

The Substantial Completion date for base contract work is **unchanged** [or **changed to** _____, **201_.**]

[CMAR],

Owner

By _____ Date _____

By _____ Date _____

It's _____

It's _____

Architect Name (if applicable)

By _____ Date _____

It's _____

CONDITIONAL**FULL RELEASE OF ALL CLAIMS AND WAIVER OF LIEN
UPON FINAL PAYMENT
(CMAR)**

WHEREAS, the undersigned, _____ (CMAR) has furnished labor, materials, and services and/or equipment for the construction of the **Bag Makeup Expansion Phase 1, Authority Project No. 1047**, at the Phoenix-Mesa Gateway Airport, Maricopa County, State of Arizona, on the Property of the Phoenix-Mesa Gateway Airport Authority, Mesa, Arizona.

NOW, THEREFORE, the undersigned, on receipt of a check from the Owner payable to the CMAR in the sum of \$ _____, said sum representing full and final payment for the above-mentioned labor, materials, services and/or equipment, does hereby waive and release any and all liens, claims of lien, and demands whatsoever that now exist or may hereafter accrue against the Owner and the Property on account of labor and materials furnished by the undersigned.

The undersigned warrants that all materials and labor placed by the undersigned in the Project are free from any claims, liens, or encumbrances and that all bills and obligations incurred for labor, taxes, withholding taxes based on payroll and payable to the United States of America or State of Arizona, premiums under a voluntary disability insurance policy, if any, carried with a private insurer, and payments to all union health, welfare, pension, apprentice training and vacation funds applicable for workmen employed on the above-described Project, in connection with the work of improvement on the Project, have been paid in full. The undersigned warrants that all subcontractors and material-men that may have delivered materials and performed work upon the Property for the Project have been fully paid or will be paid from monies received from this final payment. The undersigned shall and does hereby indemnify, save, and hold harmless the Owner and CMAR from all claims, damages, liens and losses, including all costs, professional fees, and reasonable attorney's fees, which the Owner may suffer by reason of filing of any claims, notices, liens or encumbrances, or the failure of the undersigned to obtain cancellation and discharge thereof.

DATED this _____ day of _____, 201__.

Company Name

By _____

(Title)

EXHIBIT F – DEFINITIONS

Allowance – A specific amount for a specific item of Work, if any, that Owner agrees has not been sufficiently designed, detailed, or selected (including design changes from 90% to 100% as authorized by and at the discretion of the Owner) at the time the Contract Price is agreed to for Contractor to provide a definitive price. Allowances shall be treated in accordance with Article 7.2 above.

Baseline Cost Model – A breakdown and estimate of the scope of the Project developed by CMAR.

CMAR or Construction Manager at Risk – The person or firm selected by Owner to provide pre-construction and/or construction services as detailed in a Construction Manager at Risk Contract with Owner. In these General Conditions, the term “Contractor” includes CMAR under both Pre-Construction and Construction Services Contracts.

CMAR Fee or Contractor’s Fee – An agreed to percentage in an accepted GMP that represents the Contractor’s fee for performance of the Work.

Contract Documents – Where compensation under the Contract is based upon a GMP accepted by Owner, the term “Contract Documents” also includes the accepted GMP Proposal.

Contract Price – Where compensation under the Contract based upon a GMP accepted by Owner, the term “Contract Price” refers to the GMP.

Cost-Based Contract, Change Order, or Job Order – A Contract, Change Order, or Job Order where the Contract Price is based upon the actual cost of performing the Work, subject to the terms of the Contract Documents. These would include those generally referred to as “Cost of the Work plus a Fee with a GMP,” “Time and Materials,” or “Cost Plus a Fee.”

Cost of the Work – The direct costs necessarily incurred by Contractor in the proper, timely, and complete performance on the Work. The Cost of the Work shall include only those costs set forth in Article 7 above.

Deliverables – The work products prepared by Contractor in performing the scope of work described in the Contract. Some of the major deliverables to be prepared and provided by Contractor during pre-construction may include but are limited to: the Baseline Cost Model and Schedule that validate Owner’s plan and budget, Construction Management Plan, Detailed Project Schedule, Schedule of Values, alternative system evaluations, procurement strategies and plans, Detailed Cost Estimates, construction market surveys, cash flow projections, GMP Proposals, Subcontractor procurement plan, Subcontractor agreements, Subcontractor bid packages, Supplier agreements, Constructability Review, Cost Control Log, Traffic control and phasing plans and others as indicated in this Contract or required by the Project Team.

Pre-Construction Services Contract – The Contract entered into between Owner and the CMAR for Pre-Construction Services to be provided by the CMAR, including, without limitation, the generation of a GMP Proposal. If the GMP Proposal is accepted by Owner and a Construction Contract is entered into between Owner and CMAR, the duties, obligations and warranties of the CMAR under the Pre-Construction Services Contract survive and are incorporated into the resulting Construction Contract.

Pre-Construction Services – The services to be provided under a Pre-Construction Services Contract.

Detailed Project Schedule – The Detailed Project Schedule developed by the CMAR for the review and approval of the Owner.

GMP Plans and Specifications – The plan and specifications upon which the Guaranteed Maximum price Proposal is based.

GMP Proposal – The proposal of Contractor submitted for the entire Work and/or portion (phases) of the Work.

Guaranteed Maximum Price or GMP – The Guaranteed Maximum Price set forth in the Contract.

EXHIBIT J

COMPLIANCE WITH OWNER'S PUBLISHED RULES AND REGULATIONS AND MINIMUM STANDARDS, AS AMENDED FROM TIME TO TIME

1. Rules & Regulations (link)

http://www.gatewayairport.com/documents/documentlibrary/board%20policies/rules%20and%20regulations_16-53.pdf?Uniqueifier=PsRgTkRZsi

2. Minimum Standards (link)

<http://www.gatewayairport.com/Documents/DocumentLibrary/Board%20Policies/Airport%20Minimum%20Standards.pdf?Uniqueifier=5lh2D7nqnG>



Board Action Item

To: Board of Directors
From: R. J. Draper, P.E., LEED AP, CM Engineering & Facilities Director
Through: Scott Brownlee, Deputy Director/COO
J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: Twy K between Rwy 12R/12C & Hot Spot 1 - Design – Kimley Horn & Associates
Date: September 18, 2018

Proposed Motion

Approval of Authorization of Services No. 16B-1901 with Kimley-Horn & Associates for Engineering Design Services for Taxiway K between 12R/12C & RIM (Runway Incursion Mitigation)–Hot Spot 1 Design for a total cost not-to-exceed \$325,303.

Narrative

According to the AP Tech Report dated March 2010, the pavement condition index (PCI) of the most critical section of Taxiway K design between Runway 12R/12C is rated at 30. Hot Spot 1 is in the intersections of Taxiway V, A, B and K west of Runway 12R/30L. This area is a concern for Runway Safety Action Team (RSAT). The Design of the project will be comprised of an Engineer's Design Report, topographic surveys, utility designation, geotechnical investigates, preparation of preliminary/final contract bid documents, and bid phase services.

In support of large capital projects such as this, the Airport utilizes professional engineering design services. These services are needed to ensure that the Airport manages the project in accordance with the project specifications, and to ensure compliance with federal and state grant requirements. Kimley-Horn & Associates will provide Engineering Design Services for the Taxiway K / RIM Hot Spot project.

In 2016 a Request for Qualifications for Engineering Services was issued; Kimley-Horn & Associates was one of two firms selected as the most qualified. In accordance with the terms of our agreement, C-2016011-B, Kimley-Horn & Associates worked with PMGAA staff to create a Scope-of-Work for these Engineering Design Services. The cost for these services was negotiated based upon the contract fee schedule at a not-to-exceed total cost of \$325,303.

Fiscal Impact

This project was included in the FY19 capital budget. Pending the FAA and ADOT award of grant, this work will be funded with FAA grant funds (91.06%), ADOT grant match funds (4.47%), and Airport grant match funds (4.47%) under CIP 726. Initial funding will be from Airport Non-Grant funds until grant funds received.

Attachment(s)

Kimley-Horn & Associates Proposal, AOS



RESOLUTION NO. 18-40

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS the Authority desires to obtain Engineering Design Services from Kimley-Horn & Associates;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby approves Authorization of Services No. 16B-1901 with Kimley-Horn & Associates for Engineering Design Services for Taxiway K between 12R/12C & RIM (Runway Incursion Mitigation)–Hot Spot 1 Design for a total cost not-to-exceed \$325,303. This resolution also authorizes the Chair or Executive Director/CEO to execute such Contract, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 18th day of September, 2018.

Jeff Serdy, Chair

ATTEST:

APPROVED AS TO FORM:

Maria Gonzalez, Clerk of the Board

Attorney



AUTHORIZATION OF SERVICES
Kimley-Horn & Associates, AOS 16B-1804

The signing of this Authorization (Agreement) by Phoenix-Mesa Gateway Airport Authority (PMGAA) and Kimley-Horn & Associates, 7740 N. 16th Street, Suite 300, Phoenix, AZ 85020 (“Kimley-Horn”), authorizes Kimley-Horn to carry out and complete the services described below in consideration of the mutual covenants set forth below:

1. **PROJECT:** Taxiway K between Rwy 12R/12C & RIM-Hot Spot 1 – Design CIP726.
2. **SCOPE OF WORK:** Perform and provide Engineering Design Services comprised of an Engineer’s Design Report, topographic surveys, utility designation, geotechnical investigations, preparation of preliminary/final contract bid documents, and bid phase services. All services are to be performed in accordance with PMGAA Agreement C-2016011-B, including the Standard Terms, and the attached detailed scope of work. Services shall be coordinated with and approved by a PMGAA Authorized Representative prior to start of work.
3. **FEE FOR SERVICES:** The fee for services shall be based upon the attached scope of work, not-to-exceed three hundred twenty-five thousand, three hundred three dollars and zero cents (\$325,303) without the express written approval of PMGAA.
4. **AVAILABILITY OF PROJECT FUNDING:** The approval and continuation of this contract is subject to the availability of funds provided to, made available to, or appropriated by PMGAA for this purpose. In the event that funds are not available or appropriated for PMGAA’s payment requirements under this contract for the goods and/or services to be provided hereunder, PMGAA may terminate this contract by providing notice to the consultant of the lack of the availability of funds. The consultant acknowledges and agrees that one source of funding for this contract may be funds made available from the Federal Aviation Administration and/or Arizona Department of Transportation, and that this contract, its approval and continuation, is contingent on the availability of those funds being made to PMGAA.
5. **INCORPORATED:** The following documents are hereby incorporated with this Authorization of Services and made part thereof:
 - PMGAA Agreement C-2016011-B dated June 21, 2016.
6. **ATTACHED:** The following documents are attached to this Agreement and are incorporated herein by this reference made part thereof:
 - Revised Scope and Fee Proposal received August 22, 2018.

PMGAA and Kimley-Horn acknowledge that they are in agreement with the terms and conditions as set forth in this Authorization.

APPROVED FOR PMGAA:

By: _____

Print: J. Brian O’Neill, A.A.E.

Title: Executive Director/CEO

Date: _____

ACCEPTED FOR Kimley-Horn & Associates:

By: _____

Print: _____

Title: _____

Date: _____

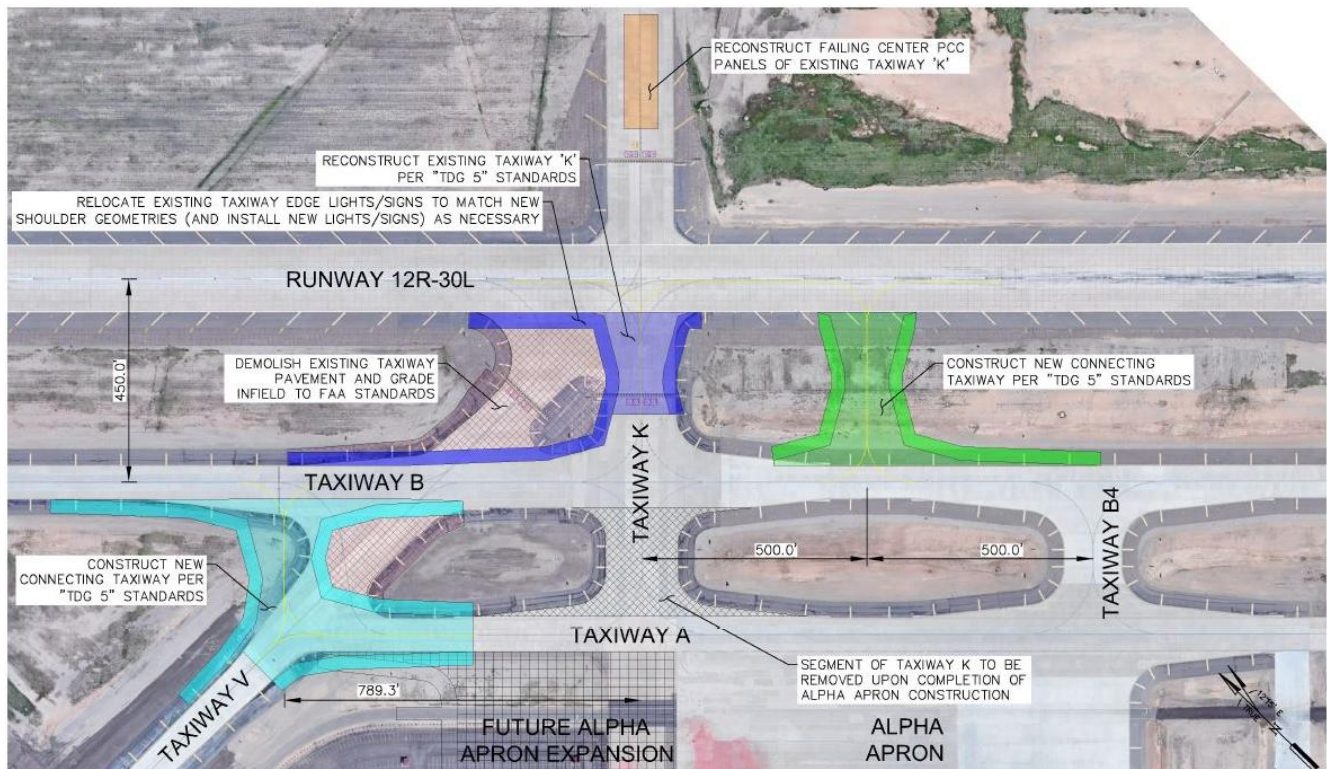
EXHIBIT A
SCOPE OF WORK
ENGINEERING DESIGN SERVICES

for
Twy K between Rwy 12R/12C & RIM- Hot Spot 1- Design

A. PROJECT DESCRIPTION: The existing concrete pavement on Taxiway K located between Runways 12R-30L and 12C-30C was inspected in early 2018, and was found to have a PCI Value of 21. A PCI value of 21, falls in the “Serious” category of the PCI Rating Scale. Reconstruction of the keel section of this area will be part of this project. No edge lighting improvements for this taxiway area will be made.

The intersection of Taxiways ‘V’ / ‘B’ and Runway 12R-30L has made the list of high priority Hot Spots identified by the FAA’s RIM Program for mitigation. The angled connector taxiway may cause pilot confusion and has direct access from the terminal apron to the Runway. The area will be redesigned to mitigate the “IWA-HS1” hot spot area and improve the Taxiway V&A geometry issues at the same time. The project will demolish the portion of existing Taxiway ‘V’ between Taxiway ‘B’ and Runway 12R-30L, construct a new connecting taxiway from Taxiway ‘B’ to the Runway (east of Taxiway K), and re-align the existing portion of Taxiway ‘V’ from Taxiway ‘A’ to Taxiway ‘B’ (as is shown in the Figure below). By removing the segment of Taxiway ‘V’ the proposed design addresses the geometry issues associated with the existing hot spot, and the new replacement connecting taxiway will be constructed east of Taxiway K will maintain FAA Tower requested aircraft traffic patterns.

Design services will be comprised of the preparation of an Engineer's Design Report, topographic surveys, utility designation, geotechnical investigations, preparation of preliminary/final contract bid documents, and bid phase services. The project will be bid in May of 2019 using a combination with FAA Supplemental and AIP funding. Construction Administration services are not part of this authorization.



Preliminary Project Elements

B. PROJECT SCOPE: The specific scope of work for this Authorization of Service is identified as follows:

- 1. PROJECT ADMINISTRATION:** The following general tasks are anticipated to be needed for the project.
 - a) Provide project administrative tasks for support throughout the project.
 - b) Provide project planning, budgeting, and initial project schedule.
 - c) Provide monthly progress reports, meetings and notes of project meetings.
 - d) Attend (up to five) coordination and plan review meetings.

- 2. ENGINEER'S DESIGN REPORT AND PRELIMINARY PLANS (30%):** Kimley-Horn will produce a draft Engineer's Design Report and Preliminary Plans (30%) of the project. The Engineer's Design Report will include a description of design methodology and other design concepts, criteria and standards used. Reference will be made to appropriate FAA design circulars, specifications and applicable federal and state regulations. Design standards will be according to FAA Advisory Circular 150/5300-13A (change 1) "Airport Design", other applicable circulars, and Maricopa Association of Governments (MAG) standards. A draft construction safety plan and air study submittals will be made as required by the FAA for typical construction projects.

Information created and determined during this effort will be used to prepare the construction plans and specifications. Information from the E-ALP/GIS project will be used as a base and to augment the survey and utility files for use on the project. As part of this task, topographic survey, utility designation and geotechnical work will be completed.

These efforts will be done so that preliminary plans (30%) can be prepared. A limited number of preliminary plan sheets (project layout, preliminary typical section, geometrics layout and preliminary electrical layout), an outline of intended specifications and preliminary cost estimate will be provided to display the project elements to FAA and to Arizona Department of Transportation (ADOT). A facilitated review meeting with the airport and ADOT will be held to review the proposed work.

- 3. DESIGN AND CONSTRUCTION DRAWINGS:** The Engineer will provide design and contract construction documents for the taxiway improvements. The Engineer will provide engineering drawings and specifications to be used as contract documents. Plan sheets will include: cover sheet, sheet index, summary of quantities, general notes and abbreviations, project layout, construction phasing, demolition, plan and profiles, pavement elevations, typical section/details, joint layout/details, pavement marking, soil boring/pavement coring investigation results. Drainage improvements, taxiway edge lighting plans and details will be prepared for the project. The Engineer will assemble owner provided front end documents, a project quantity based bid proposal, FAA general provisions, special provisions (unique project requirements) and technical specifications to be used as project contract documents for the bidding process.

Plans, specifications, engineer's design report and construction safety/phasing plan will be prepared for 70% and 95% review submittals. Facilitated review meetings will be held after each submittal and comments by PMGAA, FAA and ADOT will be incorporated into the next submittal. Final Plans and Specifications for bid will then be submitted.

Construction Costs: An Engineer's Opinion of Probable Construction Costs will be provided for the project and will be based on cost history for past work within the vicinity of the airfield and for projects of a similar nature. The opinion of probable cost will reflect construction during a regular construction schedule.

4. PRE-BID ASSISTANCE SERVICES: The Engineer will provide bidding assistance, issue contract documents to reprographics company for distribution, attend pre-bid conference, answer contractor questions, prepare addendum, tabulate bids, prepare bid summary spreadsheet, and submit to PMGAA written recommendation of award.

C. DELIVERABLES: The following deliverables will be provided according to this contract:

- (1) Engineer's Design Report – four copies to PMGAA,
- (2) Plans and Specifications (30%, 70% and 95% plan submittals) two (2) copies to PMGAA, one (1) copy to FAA and ADOT.
- (3) Construction Safety Plan/Phasing Plan – copy with each submittal.
- (4) Opinion of probable construction costs – copy with each submittal.
- (5) Final Plans and Specifications (Final Submittal) one review copy to PMGAA. The Airport will provide copies of the plans to contractors for bidding purposes.
- (6) Electronic drawing files to PMGAA.

D. OWNER'S RESPONSIBILITIES: PMGAA will furnish specification front end documents including, DBE, legal, bonding and other provisions as required for the contract documents. The Engineer will assemble this information into the contract documents for the bidding process. The information will be due from PMGAA at time of service authorization. PMGAA will review the plan submittals in a timely fashion and provide written comments of the desired changes to the contract documents. PMGAA will provide all archeological and environmental clearances for the project.

E. WORK SCHEDULE: Work is to be completed within seven (7) months from the authorization of service date. Draft Schedule as attached.

F. CONSULTANT'S COMPENSATION FOR SERVICES: The CONSULTANT shall be compensated for services using a "Fixed Lump-Sum Payment" method of compensation.

Design Services - \$ 325,303

The derivation of engineering fee for design services are attached to this authorization as Exhibits.

Twy K between Rwy 12R/12C & RIM- Hot Spot 1- Design
 Phoenix-Mesa Gateway Airport
 Phoenix-Mesa Gateway Airport Authority

Kimley-Horn and Associates
 Phoenix, Arizona

DATE: revised - August 2018

EXHIBIT I - DESIGN DOCUMENTS - ENGINEERING FEE
Twy K between Rwy 12R/12C & RIM- Hot Spot 1- Design

DERIVATION OF COST OF PROPOSAL FEE

1. DIRECT LABOR

<u>TASK</u>	<u>DESCRIPTION</u>	<u>MANHOURS</u>	<u>TOTAL</u>	<u>EXTENDED TOTAL</u>
001	Project Administration	209	10,711.40	
002	Preliminary Layout and Design (30% Plans)	260	10,965.20	
003	Construction Drawings (70% Submittal)	681	27,422.90	
	Quantities & Cost Estimate	80	3,377.20	
	Project Specifications	150	5,964.80	
004	Construction Drawings (95% Submittal)	376	14,883.60	
	Quantities & Cost Estimate	44	2,093.60	
	Project Specifications	88	4,190.80	
005	Final Plans & Specification Submittal	172	7,592.00	
006	Bid Phase Services	68	3,175.20	
TOTAL DIRECT LABOR		2,128		\$90,376.70

2. EXPENSES:

EXPENSE (Printing/Travel)	2,850.00
TOTAL EXPENSES:	\$2,850.00

3. CONSULTANTS:

TRACE ENGINEERING - SURVEY (Base)	14,104.00
WESTERN TECHNOLOGY INC - GEOTECHNICAL	10,400.00
UNDERGROUND LOCATION	7,500.00
TOTAL CONSULTANTS	\$32,004.00

4. ENGINEERING FEE

TOTAL LABOR		90,376.70
OVERHEAD (%)	192.16%	173,667.87
FEE (% OF NET)	10%	26,404.46
CONSULTANTS		32,004.00
EXPENSES		2,850.00
TOTAL ENGINEERING FEE		\$325,303.02

Twy K between Rwy 12R/12C & RIM- Hot Spot 1- Design
 Phoenix-Mesa Gateway Airport
 Phoenix-Mesa Gateway Airport Authority

Kimley-Horn and Associates
 Phoenix, Arizona

DATE: revised - August 2018

EXHIBIT II - DESIGN DOCUMENTS - ENGINEERING FEE
Twy K between Rwy 12R/12C & RIM- Hot Spot 1- Design

DERIVATION OF COST OF PROPOSAL FEE

1. Direct Salary Costs

<u>Title</u>	<u>HOURS</u>	<u>Rate</u>	<u>Total Labor</u>	<u>EXTENDED TOTAL</u>
Senior Project Manager (Steve Reeder)	343	64.00	21,952.00	
Principal Engineer (Mike Herman)	4	78.50	314.00	
Discipline Leader (electrical) (Dustin Calwell)	188	57.40	10,791.20	
Professional Engineer (III) (Jarrett Moore)	438	47.50	20,805.00	
Engineer in Training (Analyst)(Brandon Robinson)	422	34.00	14,348.00	
CADD Designer (Fred Stauffer)	117	39.50	4,621.50	
CADD Technician (Pat Crawford)	462	29.50	13,629.00	
Finance/Admin Manager (Andrew Hacker)	44	36.50	1,606.00	
Clerical/Admin (Ria Hendrickson)	110	21.00	2,310.00	
Total Direct Salary Costs	2,128			\$90,376.70

2. Labor and General & Administrative Overhead

Percentage of Direct Salary Costs By 192.16% \$173,667.87

3. Subtotal of Items 1 and 2

\$264,044.57

4. Fixed Payment

10% of Item No. 3: \$26,404.46

5. Non-Salary Expenses

EXPENSE (Printing/Travel)	2,850.00
Total Direct Non-Salary Expenses	\$2,850.00

6. Subcontract Costs

TRACE ENGINEERING - SURVEY (Base)	14,104.00
WESTERN TECHNOLOGY INC - GEOTECHNICAL	10,400.00
UNDERGROUND LOCATION	7,500.00
Subtotal of subcontract Costs	\$32,004.00

7. TOTAL ENGINEERING FEE

\$325,303.02

<u>DESIGN, CONSTRUCTION ADMINISTRATION AND INSPECTION EXPENSES</u>							
TRANSPORTATION:							
Airfare	\$250.00	/ ticket X	2	trips for	1	500.00	
Vehicle Mileage (Office)	10	trips X	100	miles X	0.575	575.00	1,075.00
PRINTING:							
	(30, 60, 90 & final submittals		4	Number of sets -total			
Reports	150	pages	\$0.10	per copy	16	240.00	
Drawings	60	plan sheets	\$0.50	per copy	16	480.00	
Specifications	550	spec documents	\$0.10	per copy	16	880.00	1,600.00
TOTAL EXPENSES =							\$2,850.00

DATE: revised - August 2018

		Project	Principal	Discipline	Prof	EIT	CADD	CADD	Finance/	TOTAL		TOTAL
		Mgr	Engineer	Leader	Eng. (III)	Analyst	Designer	Tech	Admin	Clerical	MAN-HRS	LABOR COST
001 Project Administration												
1	Project Administration-Client Coordination, Subconsultant Coordination, Supervision	12	2		8				4	4	30	\$1,535
2	Project Planning, Budgeting, and Initial Project Schedule, Billing	25	2	2	2				40		71	3,427
3	Progress Reports, Bi-Weekly Meetings, Note preparation and Schedule Updates	24		12	24					4	64	3,449
4	Company Quality Control Review											
	- Review construction plans with ADOT at 30%	4		4	8					2	18	\$908
	Review Meetings after 70%, and 95% Submittals	8		8	8					2	26	\$1,393
Subtotal Task 001		73	4	26	50				44	12	209	\$10,711

002 Preliminary Layout and Design (30% Plans)

1	Engineer's Report (Preliminary and Final) - Document with summary and recommendations for civil project layout, pavement design electrical layout, sign plan and voltage calculations, drainage design, exhibits and hydraulic calculations	12		24	40	12	4	12		12	116	\$5,218
3	Prepare Preliminary Plan (30%) Set	24		4	24	40	12	40		4	136	\$5,236
4	Technical Supervision and Review				8						8	\$512
Subtotal Task 002		32		28	64	52	16	52		16	260	\$10,965

003 Construction Drawings (70% Submittal)

		Sheets											
1	Cover Sheet, Project Title Sheet	1	1			2			4		7	\$250	
2	Summary of Quantities, General Notes, Index	1	2		4	8			8		22	\$826	
3	Project Layout and Horz/Vert Control	2	4		8		2	12			26	\$1,069	
4	Demolition and Existing Utility Plan	4	2		8	12	4	24			50	\$1,782	
5	Construction Phasing Plans / ACSP	4	6		8	8	2	24			48	\$1,823	
6	Typical Sections and Details	2	4		8	12	2	12			38	\$1,477	
7	Taxiway Geometry Plan	4	2		8	8	12	8			38	\$1,490	
8	Taxiway Plan and Profile	3	2		8	8	12	4			34	\$1,372	
9	Paving Elevation Plans	4	6		12	4	12	8			42	\$1,800	
10	Grading and Drainage Plans	4	6		12	4	12	8			42	\$1,800	
11	Culvert Profile and Detail Plans	2	6		12	4	4	12			38	\$1,602	
12	PCC Pavement Joint Layout Plans	4	4		4	8	2	12			30	\$1,151	
13	PCC Pavement Joint Details	2	2		4	8		8			22	\$826	
14	Taxiway Marking Plan	3	2		2	10		16			30	\$1,035	
15	Marking Details	2	1		2	4	1	12			20	\$689	
16	SWPPP Plan and Details	2	2		2	2		12			18	\$645	
17	Soil Borings Sheet	4	1		4	4		12			21	\$744	
18	Electrical Symbols, Data Table - Diagram	2	1	2		8		4			15	\$569	
19	Electrical Lighting Layout/Circuiting	6	4	36		40		4			84	\$3,800	
20	Electrical Details	4	2	8		24		4			38	\$1,521	
21	Technical Supervision and Review		18								18	\$1,152	
Subtotal		60	78	46	106	178	65	208			681	\$27,423	

Quantities & Cost Estimate

1	Calculate Quantities		2		8	24		8			42	\$1,560
2	Cost Estimate											
	- Determine Preliminary Cost Estimates		4	8	8						20	\$1,095
3	Technical Supervision and Review		8							10	18	\$722
Subtotal			14	8	16	24		8		10	80	\$3,377

Project Specifications

1	Project Specification-General											
	- Create cover		2							8	10	\$296
	- Prepare Boiler Plate including FAA Compliance				12						12	\$570
	- Prepare Bid Tab and Agreement											
	- Add Geo-Technical Report & FAA Circulars											
2	Specification - Special Provisions		4		12	2				8	26	\$1,062
	- Prepare Special Conditions for Project											
3	Technical Specification											
	- Prepare Technical specifications-		4		12	4				12	32	\$1,214
	Earthwork, Subgrade, Pavement, Marking,											
	Electrical		2	12						8	22	\$985
4	Prepare Airport Construction Safety Plan		2		4	24		8		4	42	\$1,454
5	Technical Supervision and Review		6								6	\$384
Subtotal			20	12	40	30		8		40	150	\$5,965
Subtotal Task 003			112	66	162	232	65	224		50	911	36,765

DATE: revised - August 2018

											TOTAL	TOTAL
											TOTAL	LABOR
Project	Principal	Discipline	Prof	EIT	CADD	CADD	Finance/				MAN-HRS	COST
Mgr	Engineer	Leader	Eng. (III)	Analyst	Designer	Tech	Admin	Clerical				
004 Construction Drawings (95% Submittal)												
1						2					4	\$127
2						4					13	\$472
3						4		2			16	\$633
4						4		2			27	\$959
5						8		2			26	\$1,058
6						2		2			20	\$751
7						4		8			26	\$1,024
8						2		8			14	\$598
9						4		4			24	\$958
10						8		2			30	\$1,216
11						8		2			22	\$891
12						6		4			20	\$785
13						2					5	\$218
14						3		1			15	\$531
15						2					6	\$186
16						2		1			10	\$357
17						4					3	\$107
18						2		1			13	\$548
19						6		2			46	\$1,851
20						4					28	\$1,103
21								8			8	\$512
						60		40			376	14,884
Quantities & Cost Estimate												
1								2			18	\$708
2								4			20	\$1,002
3								6			6	\$384
						12		4			44	\$2,094
Project Specifications												
1											12	\$470
2											18	\$788
3											30	\$1,437
4											20	\$984
5											8	\$512
						22		12			88	\$4,191
						74		40			508	\$21,168
005 Final Plans & Specification Submittal												
1											90	\$3,780
2											34	\$1,507
3											40	\$1,793
4											8	\$512
						32		20			172	\$7,592
006 Bid Phase Services												
1											32	\$1,451
a											8	\$8
b											8	\$8
c											8	\$512
						20		8			68	\$3,175
SUBTOTAL - DESIGN												
						343		4			2,128	90,377



July 31, 2018

Mr. Steve Reeder, PE
Kimley-Horn and Associates, Inc.
7740 North 16th Street, Suite 300
Phoenix, AZ 85020

Phone: (602) 906-1379
Email: Steve.Reeder@kimley-horn.com

Re: Scope of Services and Fee Proposal for
PMGA TWY K and RIM Hot Spot 1
Topographic Survey Services

Dear Mr. Reeder:

TRACE Consulting, LLC (TRACE) is pleased to submit the enclosed Scope of Services and Fee Proposal for professional survey services for the referenced project.

The Scope of Services is prepared based on information in your email dated July 27th, 2018.

We are excited about the opportunity to work with Kimley-Horn and Associates, Inc. (KHA) and the Phoenix Mesa Gateway Airport (PMGA) on this project, and look forward to providing quality and timely professional services. We are ready to begin work immediately.

If you have any questions, please feel free to contact me at (602) 680-8264.

Sincerely,

TRACE Consulting, LLC.

A handwritten signature in black ink, appearing to read "C. S. Jhaveri", with a horizontal line underneath.

Chintan S. Jhaveri, PE
Principal

Enclosures:
Scope of Services
Fee Estimate

C:\Users\cjhaveri\Desktop\FOR FILING\IS - TWY K and HS1\TWY K Supplemental Survey - SOS - 7-31-18.docx

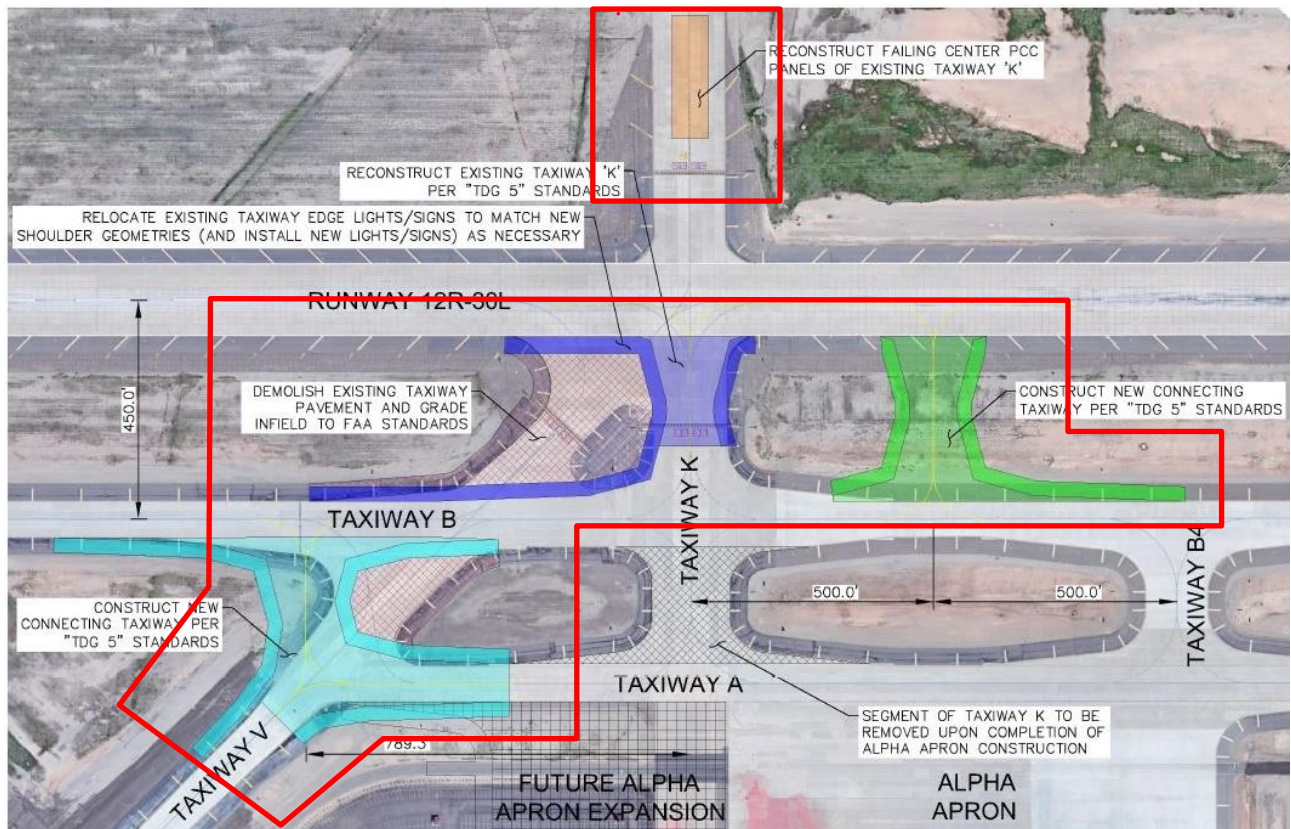
SCOPE OF SERVICES

PMGA TAXIWAY K AND RIM HOT SPOT 1 TOPOGRAPHIC SURVEY SERVICES

PROJECT DESCRIPTION

Taxiway K at Phoenix-Mesa Gateway Airport (PMGA) is located north-easterly of Runway 12L/30R. It is our understanding that the intersection of Taxiways 'V' / 'B' and Runway 12R-30L has made the list of high priority Hot Spots identified by the FAA's RIM Program for mitigation. The area will be redesigned to mitigate the "IWA-HS1" hot spot area and improve the Taxiway V&A intersection area issues at the same time. By demolishing the portion of existing Taxiway 'V' between Taxiway 'B' and Runway 12R-30L, constructing a new connecting taxiway per current TDG 5 standards from Taxiway 'B' to the Runway (east of Taxiway K), and re-aligning the existing portion of Taxiway 'V' from Taxiway 'A' to Taxiway 'B' (as is shown in the Figure below). Removing the portion of Taxiway 'V' this design addresses the geometrical issues associated with the existing hot spot, and a new connecting taxiway will be constructed east of Taxiway K to replace the one that will be removed so as to maintain aircraft traffic movements. Figure 1 below shows the general project area as provided by KHA and the requested topographic survey limits.

Figure 1: TWY K and Hot Spot 1 Project Area (Survey Limits in Red)



PROJECT TASKS

Background: TRACE's scope of services will include collecting topographic survey data within limits shown in Figure 1. These tasks are described below in detail.

1.0 TOPOGRAPHIC SURVEY

Survey Control: TRACE will tie into horizontal and vertical survey control as provided by KHA/PMGA. Five (5) temporary benchmarks will be established as requested by KHA and level loops will be run between these benchmarks. An attempt will be made to set these points in areas that are not anticipated to be disturbed by limits of project construction.

Field Survey: Topographic survey will be performed to determine locations and elevations of existing pavement along Taxiways 'K', 'A', 'V', 'B', Runway 12R/30L and associated infield areas, as shown in Figure 1. Data will be collected at approximately 40' intervals to include pavement elevations and joint lines on PCCP or natural ground elevations. Further, detailed data will be collected at approximately 20' intervals in the vicinity of proposed tie-in points for 3-4 rows of PCCP panels. Additionally, geotech soil boring locations and any visible utility designating marks will also be picked up within survey limits.

Deliverables: Electronic CAD base file with topographic survey data in AutoCAD Civil 3D format and .XML surface file.

ASSUMPTIONS

- Horizontal/Vertical Control information will be provided by KHA/PMGA in electronic format.
- Access to the airfield will be provided by PMGA to perform this work.

EXCLUSIONS

- Aerial Mapping / setting panels
- SUE, Utility Research and Mapping.
- Preparation of any construction drawings / plans.
- Tasks not explicitly included above are excluded from this Scope of Work.

EXHIBIT B - SCHEDULE

Topographic Survey will be completed within four (4) weeks from Notice to Proceed, subject to Airport's scheduling availability to accommodate field work. If delays occur due to limited access based on airport operation's needs, additional time may be requested.

FEE ESTIMATE

CONTRACT TASK/PHASE	Project Principal	Project Manager	Project Engineer	Sr. Engg. Technician	Survey Manager	Survey Crew (2P)	Admin	TOTAL HOURS	TOTAL LABOR
	\$ 154.46	\$ 138.75	\$ 109.96	\$ 81.16	\$ 104.72	\$ 123.05	\$ 58.91		
TOPOGRAPHIC SURVEY									
Survey Control	1				4	8		13	\$ 1,557.74
Field Survey (Topo, borin locations, blue sta	2				12	60		74	\$ 8,948.56
Base File (.dwg) and DTM (.xml) - Civil 3D			12	20	4		4	40	\$ 3,597.22
Total (Lump Sum)	3	-	12	20	20	68	4	127	\$ 14,103.52

Reeder, Steve

From: Armando de la Rocha <armando.dlr@wt-us.com>
Sent: Monday, July 30, 2018 3:16 PM
To: Reeder, Steve
Subject: RE: Twy K between Rwy 12R12C and Rim Hot Spot 1 - SubConsult.doc

Categories: External

Hi Steve,

Here is our cost estimate for performing geotechnical evaluation at Phoenix-Mesa Gateway Airport: Taxiway K Between Rwy 12R/12C & RIM Hot Spot 1. It considers advancing 9 borings to a depth of 10 ft below existing site grade, with coring of the existing PCCP (10-inch diameter cores), laboratory testing (sieve analysis and Atterberg Limits, In-situ dry density/moisture content, Soluble sulfates and chlorides, Proctors and 3-point CBR tests) and geotechnical evaluation report. The field work is assumed to be performed during the day time and to be completed in one day (a total of 90 ft of boring).

Field Work and Coordination:	\$3,990
Laboratory Testing:	\$2,265
Report Preparation:	\$4,110
TOTAL	\$10,365 (You were quite close to our estimate!!!)

Let us know when you will need the formal proposal.
Regards,

Armando de la Rocha, P.E.

Senior Geotechnical Engineer/Principal
(602) 437-3737, ext. 113
3737 East Broadway Road, Phoenix AZ 85040



From: Reeder, Steve [mailto:Steve.Reeder@kimley-horn.com]
Sent: Friday, July 27, 2018 8:23 AM
To: Armando de la Rocha (armando.dlr@wt-us.com) <armando.dlr@wt-us.com>; randers@traceconsulting.us
Subject: Twy K between Rwy 12R12C and Rim Hot Spot 1 - SubConsult.doc

Armando, Richard

We have been asked to provide a scope and fee for a Taxiway intersection project at the Phoenix-Mesa Gateway Airport. Attached is a general/preliminary scope of work templet that generally describes the project. I will give each of you a call to discuss what is needed.

There would need to be a runway closure for your work – so want to make sure that you both are coordinated for working a similar timeframe.

SCHEDULE:
PHX-MESA GATEWAY AIRPORT
Twy K between Rwy 12R/12C & RIM - Hot Spot 1, Design

ID	Task Name	Duration	Start	Finish	Qtr 3, 2018			Qtr 4, 2018			Qtr 1, 2019			Qtr 2, 2019		
					Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
1	TASK 1 - PROJECT ADMINISTRATION & SITE INVESTIGATIONS	195 days	Mon 9/3/18	Fri 5/31/19												
2	Notice To Proceed	1 day	Mon 9/3/18	Mon 9/3/18												
3	Project Administration	195 days	Mon 9/3/18	Fri 5/31/19												
4	Survey (On-site and Base Map Preparation)	20 days	Tue 9/18/18	Mon 10/15/18												
5	Geotechnical Investigation (On-site sampling, lab work and report)	30 days	Tue 9/4/18	Mon 10/15/18												
6	TASK 2 - PRELIMINARY DESIGN AND ENGINEER'S DESIGN	48 days	Mon 10/15/18	Wed 12/19/18												
7	Preparation of Preliminary Layout and Report	10 days	Mon 10/15/18	Fri 10/26/18												
8	Submit Engineer's Report	12 days	Wed 11/21/18	Thu 12/6/18												
9	Prepare Preliminary Plan (30%)	30 days	Fri 10/26/18	Thu 12/6/18												
10	Prepare Preliminary Specifications (30%)	10 days	Fri 11/23/18	Thu 12/6/18												
11	Facilitated 30% Design Plan Review Meeting w/	10 days	Thu 12/6/18	Wed 12/19/18												
12	TASK 3 - DESIGN AND CONSTRUCTION DRAWINGS PREPARATION	41 days	Thu 12/20/18	Thu 2/14/19												
13	70% Construction Drawings	35 days	Thu 12/20/18	Wed 2/6/19												
14	Quantities & Cost Estimates	7 days	Tue 1/29/19	Wed 2/6/19												
15	Project Specifications	10 days	Thu 1/24/19	Wed 2/6/19												
16	Facilitated 70% Design Plan Review Meeting	7 days	Wed 2/6/19	Thu 2/14/19												
17	TASK 4 - CONSTRUCTION DRAWINGS PREPARATION	31 days	Thu 2/14/19	Thu 3/28/19												
18	95% Construction Drawings	25 days	Thu 2/14/19	Wed 3/20/19												
19	Quantities & Cost Estimates	7 days	Tue 3/12/19	Wed 3/20/19												
20	Project Specifications	10 days	Thu 3/7/19	Wed 3/20/19												
21	Facilitated 95% Design Plan Review Meeting	7 days	Wed 3/20/19	Thu 3/28/19												
22	TASK 5 - FINAL PLAN & SPECIFICATION SUBMITTAL	6 days	Thu 3/28/19	Thu 4/4/19												
23	Construction Drawings	5 days	Fri 3/29/19	Thu 4/4/19												
24	Quantities & Cost Estimates	5 days	Fri 3/29/19	Thu 4/4/19												
25	Project Specifications	5 days	Thu 3/28/19	Wed 4/3/19												
26	Submit Final Plans & Specifications	0 days	Thu 4/4/19	Thu 4/4/19												
27	TASK 6 - BID ASSISTANCE	30 days	Thu 4/4/19	Wed 5/15/19												
28	Bid Advertisement	26 days	Thu 4/4/19	Thu 5/9/19												
29	Answer Contractors Questions	15 days	Fri 4/5/19	Thu 4/25/19												
30	Attend Pre Bid Conference - TBD	0 days	Tue 4/16/19	Tue 4/16/19												
31	Bid Date - May 9, 2019	0 days	Thu 5/9/19	Thu 5/9/19												
32	Prepare Bid Tab and Recommendation Letter	5 days	Thu 5/9/19	Wed 5/15/19												

BID SCHEDULE - DATE FORMULATION
Twy K between Rwy 12R/12C RIM- Hot Spot 1

Activity	Date		Description
Newspaper Advertisement Dates	4/4/2019	0	days prior to counter date
	4/11/2019	7	days after counter date
	4/18/2019	14	days after counter date
	4/25/2019	21	days after counter date
	5/2/2019	28	days after counter date
Bid Package Counter Date Availability	4/4/2019	35	days prior to bid opening
Pre-Bid Conference Date	4/16/2019	23	days prior to bid opening
Last Date of Written Questions	4/25/2019	14	days prior to bid opening
Issue Addenda NLT*	5/2/2019	7	days prior to bid opening
Bid Opening Date	5/9/2019		Thursday 2:00

*NLT (No Later Than)

PMGA Project No: 2019-01?-IFB TBD

MGA Solicitation No: 6XX? _____

Project Title: Twy K between Rwy 12R/12C & RIM- Hot Spot 1- Design

ADOT Grant No: _____

FAA Grant No: _____



Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

To: Board of Directors
From: Chuck Odom, Chief Financial Officer
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: Amended Procurement Policy
Date: September 18, 2018

Proposed Motion

To amend the Procurement Policy.

Narrative

Upon completion of a review of Phoenix-Mesa Gateway Airport Authority's (PMGAA) Procurement Policy in June 2018, the City of Mesa's City Auditor recommended certain revisions be made to the policy for clarification and improvement.

PMGAA staff reviewed both the recommendations by the City Auditor and our current Procurement Policy. All recommendations have been incorporated into the Airport's Policy:

1. Added a section on Purchasing Authorizations.
2. Added a separate section on Impractical Procurements.
3. Added clarification throughout the Policy on when the Executive Director/CEO shall inform the Board when exceptions to the Policy are made.
4. Added a section on Scope of Work changes that result in an increase in the original procurement amount.
5. Added clarification on when a contract would be established under a procurement.
6. Clarified the Airport's continued use of A.R.S. Title 34.

Fiscal Impact

There is no fiscal impact to the Procurement Policy.

Attachment(s)

Amended Procurement Policy



RESOLUTION NO. 18-41

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS the Authority desires to amend the Authority’s Procurement Policy;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes the amendment of the Authority’s Procurement Policy to include Purchasing Authorizations, Impractical Procurements, Scope of Work changes, and additional clarification throughout the policy. The Procurement Policy remains in full force and effect as amended.

Passed and adopted by the Authority this 18th day of September, 2018.

Jeff Serdy, Chair

ATTEST:

APPROVED AS TO FORM:

Maria Gonzalez, Clerk of the Board

Attorney

Resolution No.: 18-41 | Procurement**Responsible Department:** Finance and Accounting**Effective Date:** September 18, 2018**Supersedes:** May 15, 2018 (Res. 18-17)**Personnel Covered:** All Employees**POLICY STATEMENT**

It is the policy of the Phoenix-Mesa Gateway Airport Authority (“PMGAA” or “Authority”) to purchase goods and services in such a manner that promotes fiscal responsibility and efficiency, in accordance with this policy’s terms and conditions.

PURPOSE

This policy’s purposes are to obtain competitive pricing in PMGAA procurements, to authorize exceptions in specific situations, and to provide reasonable controls and accountability to PMGAA’s Board of Directors.

DEFINITIONS

A.R.S.: Arizona Revised Statutes, as amended from time to time.

A/E (Architect or Engineer) Professional Services: Services performed by a registered professional licensed by the Arizona State Board of Technical Registration architect or engineer, including architectural, engineering, or other services associated with research, planning, development, design, construction, surveying, alteration, or repair of buildings and other improvements to real property.

Alternative Project Delivery Method: These methods contemplate that the contractor will be selected based on qualifications—not low bid. Alternative methods include design-build, construction manager at risk, job order contracting and any method required by federal funding.

Award: A determination by the PMGAA to enter into a contract with one or more respondents. An award precedes execution of a contract.

Bid: The response submitted by a bidder to an Invitation for Bids. The response to a Request for Proposals is called a proposal or offer.

Bidder: A person or company submitting a bid.

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Board of Directors/Board: The members who jointly oversee the activities of PMGAA, a joint powers airport authority. The Authority is comprised of the Cities of Mesa, Phoenix, and Apache Junction, Towns of Queen Creek and Gilbert, and the Gila River Indian Community.

Capital Improvements: A new building or structure, or additions to or alterations of existing buildings or structures, or other improvements to real property as further defined in the budget or capital improvement program policy.

Competitive Procurement: The process of publicly soliciting bids or proposals to select the best provider of materials, equipment, services, concessions, or construction. Methods of competitive selection include Request for Quotations, Request for Proposals, Invitation for Bids, Requests for Qualifications, and cooperative contracts (with other agencies) that were competitively procured one of these ways.

Competitive Bidding: The process of soliciting bids from bidders, which may result in an award to the lowest responsible, responsive bidder. For purposes of this policy, either PMGAA or a cooperating agency may conduct competitive bidding.

Contract: All types of written agreements, regardless of what they may be called, for the procurement of materials, equipment, services, concessions, or construction. The Authority shall never enter into an oral contract.

Cooperative Purchasing: A competitively bid procurement conducted by, or on behalf of, or utilized by another governmental agency or procurement unit.

Emergency Purchase: Any purchase necessary for the immediate benefit of the public health, safety, or welfare and for which compliance with established procurement procedures is impracticable or contrary to the public interest.

Executive Director/CEO: The Chief Executive Officer of the Airport reporting to PMGAA's Board of Directors. The Executive Director/CEO has responsibility to manage, operate, and maintain Phoenix-Mesa Gateway Airport.

General Services: By contrast to professional services, general services are provided primarily through semi-skilled labor.

IFB: Invitation for Bid. The IFB consists of all documents, including those attached to or incorporated by reference, utilized for soliciting bids where price is the sole consideration for the award.

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Interested Person: A person that is an actual or prospective bidder or proposer with a direct economic interest affected by the award or failure to award the contract at issue. Neither a subcontractor nor a supplier is an “interested person.”

Intergovernmental Agreement: An agreement with another public agency in accordance with A.R.S. 11-952.

Micro-purchase: The purchase of supplies or services using simplified acquisition procedures, the aggregate amount of which does not exceed the micro-purchase threshold. The threshold is set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1 and as of the publication of this Policy is currently set at \$3,500, but this threshold is periodically adjusted.

PMGAA: Phoenix-Mesa Gateway Airport Authority.

Procurement Coordinator: The PMGAA employee with specific responsibility for overseeing procurement of materials, goods, and services valued over \$3,500.

Professional Services: Professional services are rendered by members of a recognized profession or by persons possessing a special skill. These services include advertising, appraisers, architects, attorneys, consultants, certified public accountants, planners, environmental studies, financial and operational audits, personnel and benefits studies, land surveyors, landscape architects, renewals of proprietary computer hardware and software licensing, trainers, and other licensed professionals.

Proposal: A proposal is an offer submitted by a vendor in response to a solicitation.

Protest: A formal objection that arises during the procurement process asserted by an interested person.

Protester: An interested person that objects to a solicitation or award.

Publicly Accessible Procurement Source: A public source to establish market value of used equipment.

Purchaser: PMGAA or another agency that acquires goods, professional services, other services, or construction on behalf of an organization.

Purchasing Director: A PMGAA employee responsible for and authorized to administer day-to-day procurement activities under this Board Policy and applicable law.

Quote: An informal purchasing process that results in obtaining pricing information from several sources, including publicly posted or advertised pricing.

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Quotation: A statement of price, terms of sale, and description of goods or services offered by a vendor to a prospective purchaser.

Responsible Bidder/Proposer: A person who is licensed (if required), who complies with all of the requirements of law, the solicitation, and proposed contract, and who possesses the experience, resources, financial and technical capacity, and everything else necessary to perform the contract.

Responsive Bid: A bid or proposal that fully conforms in all material respects to the IFB/RFP and all of its requirements.

RFP: Request for Proposals. The RFP consists of all documents, including those attached or incorporated by reference, utilized for soliciting proposals.

RFQ: Request for Qualifications. The RFQ consists of all documents, including those attached to or incorporated by reference, utilized for soliciting statements of qualifications.

Services: Includes A/E, professional and general services.

Solicitation: An Invitation for Bid (IFB), Request for Proposals (RFP) or Request for Qualifications (RFQ) issued by PMGAA or another agency or procurement unit.

Vendor: A seller or supplier of goods and services.

I. CONFLICT OF INTEREST STATEMENT

Employees conducting business on behalf of PMGAA have a responsibility to do so in a manner that is objective and ethical. The goal of all such business dealings must be to benefit PMGAA. The following policies apply:

1. No employee, officer, agent or outside firm may participate in the preparation, selection, award, or administration of a solicitation or contract if he or she has a real or perceived conflict of interest.
2. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.
3. The acceptance of gifts, money, or gratuities from any person or organization is prohibited except as provided below. PMGAA employees, officers or agents will

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be guided in interpretation of this section by the distinction between a gift, gratuity, or favor given or received which has significant monetary value and is offered or accepted in expectation of preferential treatment, and an expression of courtesy.

- a. Employees, officers or agents may not accept cash in any form.
- b. It is recognized that employees, officers and agents must conduct a certain amount of Airport business with non-Airport employees during meals, or occasionally during entertainment events. An employee, officer or agent may accept minor items such as business meals and/or entertainment tickets when, in the employee's, officer's or agent's judgment, such offers are made in the normal course of Airport business, they benefit and advance positive working relationships and PMGAA interests, they are the usual standard of the industry, and it is not appropriate to decline.
- c. This policy is not meant to preclude the acceptance of:
 - (1.) Free attendance or participation at official or quasi-official functions such as groundbreaking, open houses, award ceremonies, banquets or similar events which the employee, officer or agent attends in the capacity as a PMGAA employee; or
 - (2.) Free meals and/or entertainment that are part of such programs or functions;
 - (3.) Gifts of nominal value such as promotional items such as calendars, note pads, and pens.
4. Any contract entered into in violation of this policy is voidable or subject to cancellation at the option of the Purchasing Director. Employees, officers and agents who violate PMGAA's conflict of interest policy will be subject to disciplinary action, as set forth in PMGAA's Personnel Rules.
5. If an employee, officer or agent has any questions concerning this policy or is in doubt as to what is considered appropriate, he/she is directed to contact PMGAA's Procurement Coordinator.

Policy No.: 18-41 | Procurement**II. RESPONSIBILITY FOR PURCHASING**

- A. PMGAA's Chief Financial Officer shall serve as Purchasing Director. The Purchasing Director shall direct all purchases of goods and services made by or on behalf of PMGAA. The Purchasing Director may delegate purchasing functions to authorized PMGAA employees.
- B. Department Directors must ensure that their employees comply with this policy.
- C. The Purchasing Director shall establish procedures necessary to effectively implement this policy.
- D. Under the Purchasing Director's oversight, the Accounting Department shall maintain documentation sufficient to detail the history of procurements for audit purposes and for compliance with records-retention requirements. All procurement records must be maintained and disposed of in accordance with PMGAA's records-retention schedule.
- E. PMGAA, alone, will be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes, and claims. These standards do not relieve PMGAA of any contractual responsibilities under its contracts.

For Federal procurements, the Federal awarding agency will not substitute its judgment for that of PMGAA unless the matter is primarily a Federal concern. Violations of law will be referred to the local, state, or Federal authority having proper jurisdiction.

III. GENERAL

- A. PMGAA shall award contracts only to responsible vendors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as vendor integrity, compliance with public policy, record of past performance, and financial and technical resources. Solicitation documents shall outline additional requirements for award considered by PMGAA. PMGAA shall not award Federally funded contracts to any vendor that is listed on the government wide exclusions in the System for Award Management (SAM).

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- B. PMGAA will conduct all procurement transactions in a manner providing full and open competition consistent with the standards of this policy.

For procurements funded in full or in part by a Federal agency:

1. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals shall be excluded from competing for such procurements.
 2. PMGAA shall ensure, to the fullest extent possible, enough qualified sources are notified of the procurement opportunity to ensure maximum open and free competition. PMGAA shall not preclude potential bidders from qualifying during the solicitation period.
 3. PMGAA shall conduct procurements in a manner that prohibits the use of statutorily or administratively imposed state or local geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference.
 4. Nothing in this section preempts state licensing laws.
 5. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.
 6. PMGAA will maintain a list of interested persons, firms or products which are used in acquiring goods and services. Such list shall be kept current, to the extent possible, and include enough qualified sources to ensure maximum open and free competition.
- C. PMGAA will avoid acquisition of unnecessary or duplicative items by ensuring the need and use of goods and services. Staff will review existing procurement contracts to ensure that the procurement will not be duplicative. Consideration shall be given to consolidating or breaking out procurements to obtain a more economical purchase, however, will not circumvent the requirement of Section IV(A)(1) of this policy. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.

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- D. In accordance with Title 49 Code of Federal Regulations Part 26, Disadvantaged Business Enterprise (DBE) and Part 23, Airport Concession DBEs (ACDBE), PMGAA has established a DBE and ACDBE program, approved by the FAA, taking all necessary affirmative steps to assure that minority businesses, women' and small business concerns (SBC) have equal and fair opportunity to participate in procurements where they meet the stated requirements and goals established.
- E. PMGAA encourages the use of recovered materials. For procurements funded in full or in part by a Federal agency for items designated in the guidelines of the Environmental Protection Agency (EPA) at 40 CFR Part 247 and where the item being procured exceeds the threshold set at 2 CFR Part §200.322, PMGAA will procure that item from recovered materials, when possible or practicable, consistent with maintaining a satisfactory level of competition. Further, PMGAA will follow this policy when the value of the quantity acquired during the preceding fiscal year exceeded the dollar threshold set. At the time of publication of this Policy, the threshold is \$10,000.
- F. PMGAA's solicitation documents and contracts shall contain the required provisions as set forth in the FAA's "Contract Provision Guidelines for Obligated Sponsors and Airport Improvement Program Projects", regardless of funding source.

IV. PURCHASING AUTHORIZATIONS

The Executive Director/CEO will delegate purchasing authorizations, including spending limits, to designated PMGAA staff at the beginning of each fiscal year, as required by current PMGAA Operating Policies and Procedures.

Once designated by the Executive Director/CEO, defined staff will be authorized for that fiscal year to approve purchasing commitments with PMGAA vendors at the spending limits set forth by the Executive Director/CEO. Spending limits will be set to meet the typical needs associated with certain airport requirements, staff functions, and staff responsibilities.

Except as provided in this policy, purchases or contracts that exceed \$50,000 may not be awarded without the Board's prior approval.

IV.V. TYPES OF PURCHASES & APPROVAL THRESHOLDS

- A. General Applicability

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1. Purchases may not be intentionally divided between multiple, separate procurements to circumvent this policy's requirements.
2. No purchase may be made without proper authorization.
- ~~3. Except as provided in this policy, purchases or contracts that exceed \$50,000 per year may not be awarded without the Board's prior approval.~~
- 4.3. When purchasing materials and general services eligible for reimbursement under a federal or state grant, PMGAA shall ensure compliance with all applicable laws, regulations, and grant assurances.
- 5.4. If, after adequate advertising of a solicitation, only one bid, proposal or statement of qualifications is received the Purchasing Director or designee will:
 - a. Confirm that the specifications of the IFB, RFP or RFQ were not overly restrictive. If deemed nonrestrictive, the Purchasing Director or designee shall perform a cost or price analysis to ensure the pricing received is in line with expected services and, if in line, proceed to award the contract following the guidelines set forth in this Policy.

If the solicitation is deemed restrictive, the department requesting the procurement must submit a sole source justification to the Purchasing Director for consideration before contract award.

OR

- b. Cancel the solicitation.

The procurement file shall be documented with sufficient information detailing the procurement history.

B. Federally Funded Procurements

Any procurement funded in full or in part by a Federal agency will adhere to the following purchasing methods:

1. Purchases under the Micro-purchase threshold. For purchases of supplies or services under the Micro-purchase threshold, as defined at 2 CFR 200 part §200.67, PMGAA may obtain the supplies or services as needed without further formality. Multiple quotes are not required for procurements up to the Micro-purchase threshold. However, the authorized employee must ensure that the

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procurement is made consistent with sound business practice and that PMGAA receives the best value. PMGAA, to the extent practicable, will distribute these purchases equitably among qualified suppliers. As of the publication of this Policy, the Micro-purchase threshold is \$3,500.

2. Purchases between the Micro-purchase threshold and \$50,000. Unless otherwise outlined within this Policy, for purchases of services, supplies, or other property that is equal to or will exceed the Micro-purchase threshold but does not exceed \$50,000, the authorized employee will obtain at least three price or rate quotes from qualified sources for the same or substantially similar items or services. If, after solicitation of a number of sources, competition is determined inadequate and three quotes are not available, the employee shall obtain as many quotes as are reasonably available. The employee shall document the procurement file explaining why three quotes/proposals were not obtained. Oral quotes, published advertisements, catalogues, and online web pricing will satisfy this requirement.
3. Purchases in excess of \$50,000. For purchases that will exceed \$50,000, the Purchasing Director shall require a formal competitive procurement process, except as otherwise provided in this Policy.
4. Procurement by noncompetitive proposals. Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source. PMGAA may only use this procurement method when one or more of the following circumstances apply:
 - a. The item is available only from a single source;
 - b. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
 - c. The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from PMGAA; or
 - d. After solicitation from a number of sources, competition is determined inadequate.
5. For procurements of services other than A/E services and Alternative Project Delivery Methods, PMGAA shall not use the competitive selection process of a Request for Qualifications (RFQ).

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- C. Non-Federally Funded Procurements: Purchases of Products, Materials, Equipment, and General Services
1. Purchases under \$5,000. For purchases under \$5,000, PMGAA may obtain the products, materials, equipment, or general services as needed without further formality. Multiple quotes are not required for procurements up to \$5,000. However, the authorized employee must ensure that the procurement is made consistent with sound business practice and that PMGAA receives the best value.
 2. Purchases between \$5,000 and \$50,000. Unless otherwise outlined within this Policy, for purchases of products, materials, equipment, or general services that will exceed \$5,000 but not exceed \$50,000, the authorized employee shall obtain at least three written price quotes for the same or substantially similar items or services. If, after solicitation of a number of sources, competition is determined inadequate and three quotes are not available, the employee shall obtain as many quotes as are reasonably available. The employee shall document the procurement file explaining why three quotes/proposals were not obtained. Oral quotes, published advertisements, catalogues, and online web pricing will satisfy this requirement.
 3. Purchases in excess of \$50,000. For purchases of products, materials, equipment, or general services that will exceed \$50,000, the Purchasing Director shall require a formal competitive procurement process, except as otherwise provided in this Policy.
- D. Non-Federally Funded Procurements: A/E Professional Services and Construction
1. PMGAA shall comply with A.R.S. Title 34 to procure construction and A/E professional services.
 2. Under A.R.S. Title 34, contracts with engineers in excess of \$500,000 and contracts with architects in excess of \$250,000 require advertising and selection through an RFQ. These A/E professional services and construction projects utilizing design-bid-build, construction-manager-at-risk, and job-order contracting delivery methods must be approved by the Purchasing Director or designee before advertising.
- ~~0. PMGAA may procure services of an architect, engineer, or other registrant by direct selection without advertising if it is in the best interest of PMGAA as~~

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~~determined by the Executive Director/CEO and less than the dollar threshold amounts specified in Section IV(D)(2) above.~~

F.E. Non-Federally Funded Procurements: Professional Services (not including A/E Professional Services)

1. Purchase of professional services between \$5,000 and \$50,000. When contemplating a purchase of professional services (such as legal counsel, auditors, brokers, or other professional consultants), the authorized employee shall obtain at least three written quotes/proposals. If after solicitation of a number of sources, competition is determined inadequate and three quotes or proposals are not available, the employee shall obtain as many quotes/proposals as are reasonably available. The employee shall document the procurement file explaining why three (3) quotes/proposals were not obtained. Alternatively, the Purchasing Director may authorize the employee to directly select professional services as needed without further formality.
2. Purchase of professional services over \$50,000. Unless the Executive Director/CEO grants an exception, PMGAA shall procure professional services that exceed \$50,000 by competitive selection to the extent practicable, advantageous to PMGAA, consistent with sound business practices, and likely to ensure that PMGAA receives the best value and service. The Executive Director/CEO may grant exceptions upon written recommendation by the department head that competitive selection is not practicable or advantageous to PMGAA. If an exception is granted by the Executive Director/CEO and the amount for the services exceeds \$50,000 then a report will be made to the Board detailing the circumstances at the next scheduled Board meeting.

G.F. Purchases from Member Governments

The Purchasing Director may purchase services from or contract directly with any member government as necessary without using a competitive procurement process.

H.G. Excess and Surplus Property

For procurements funded in full or in part by a Federal agency, PMGAA shall utilize Federal excess and surplus property in lieu of purchasing new equipment and property, whenever such use is feasible, acceptable for the intended use, and available in the needed time frame.

Policy No.: 18-41 | Procurement**H.** Procurements Involving Gateway Aviation Services

PMGAA shall procure products and services for Gateway Aviation Services in accordance with this policy, with the following exceptions.

1. Fuel, oil, and other products for resale may be purchased without formality from any qualified vendor as needed to fulfill customer orders, with due regard for price.
2. Fuel trucks and related equipment and parts may be acquired, at the Purchasing Director's option, by purchase or lease from PMGAA's fuel supplier through direct negotiations with the supplier. The Board must approve any proposed purchase or lease with a value that exceeds \$50,000.

I. Emergency ~~and Impractical~~ Procurements

Notwithstanding any other provision of this policy, the Purchasing Director may make or authorize other employees to make emergency procurements without following this policy if a threat to the public health, safety, or welfare exists, or if a situation exists that makes compliance with this policy impracticable, unnecessary, or contrary to the public interest. All procurements completed under this Section must be conducted with as much competition as practicable under the circumstances. A written determination of the basis for the emergency must be included in the procurement file, and if the procurement exceeds \$50,000, a report explaining the emergency and the procurement's outcome must be made to the Board at ~~its next regular~~ the next scheduled Board meeting.

J. Impractical Procurements

In some cases, it is impractical to require competitive bids for products or services. In such situations and notwithstanding any other provision of this policy, the Purchasing Director may make or authorize other employees to make procurements without following this policy. Such examples include but are not limited to: matching existing furniture and fixtures, warranty service, and standardization. All procurements completed under this section must be conducted with as much competition as practical under the circumstances. A written determination of the basis for the impracticality must be included in the procurement file, and if the procurement exceeds \$50,000, a report explaining the impractical situation and the procurement's outcome must be made to the Board at the next scheduled Board meeting.

Policy No.: 18-41 | Procurement**K. Purchases Excluded from Quotation/Competitive Selection Requirements**

The following items are excluded from the requirement of multiple quotes or competitive selection.

1. Sponsorships.
2. Advertisements in magazines, newspapers, or other media.
3. Former employees with unique knowledge contracted on a temporary or part-time basis.
4. Publicly available training seminars and conferences.
5. Memberships in professional associations.
6. Works of art, entertainment, or performance (when authorized by the Executive Director/CEO or Board, as applicable).
7. Subscriptions to trade/professional magazines or journals.
8. Travel-related expenses as defined in the Business Travel Authorization and Reimbursement policy.
9. Payments for regulated services, such as postage and utilities, where no practical competitive alternatives exist.
10. Arizona Correctional Industries, Arizona Industries for the Blind, and other entities established by the state of Arizona under the set-aside program (A.R.S. 41-2636).
11. Hardware and software licensing renewals and maintenance support.

L. Multi-Year Contracts

1. Multi-year contracts are contracts that extend more than one (1) year in length. Multi-year contracts may have optional years specified to be exercised at PMGAA's discretion. An example of a multi-year contract is a contract for three (3) years with two (2) one (1) year options for a total of five (5) years (potentially). Multi-year contracts may not exceed five (5) years total unless approved by the Board.

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2. Board approval is required for multi-year contracts having a total cumulative value, including all options, in excess of \$50,000. Board approval for exercising the option years is not required if the Board approves the option when the contract is first approved.

V.VI. PROCUREMENT PROCESSES

PMGAA may procure goods and services generally in accordance with the following selection methods. The selection method to be used for each procurement should be determined in coordination with the Purchasing Director or designee, giving due consideration to the nature and scope of the procurement, this policy, applicable laws, and any applicable grant or other funding requirements.

A. Obtaining Quotes for Purchases of Products, Materials, Equipment, or General Services

1. The authorized employee shall obtain and document quotes from at least three (3) qualified vendors for the same or substantially similar items or services. If three quotes are not available, the employee shall obtain as many quotes as are reasonably available, and the employee shall document the circumstances for the procurement file.
2. The authorized employee may receive quotes by any expedient manner, including telephone, fax, email, advertisements, catalogues, and online web pricing.
3. The authorized employee shall not reveal the amount of any quote to any competing vendor until after all quotes have been received.
4. As part of the purchase order approval process, the Purchasing Director or designee will review the quotes and may: (1) accept the quotes; (2) reject any or all quotes and re-procure; (3) request additional quotes; or (4) require a formal competitive procurement process.

B. Sole Source

When there is only one person or entity capable of providing a particular product or service, or when sole source procurement is needed to maintain program continuity or compatibility with existing equipment, these circumstances must be documented. The Purchasing Director or designee may then authorize a sole

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source procurement and waive the requirement for a competitive procurement process.

C. Invitations for Bid (IFB)

1. Each IFB shall describe the goods or services required and include design or performance specifications for the item or service. Such description shall not contain features which unduly restrict competition.
2. Each IFB shall describe all requirements which offerors must fulfill and all other factors to be used in evaluating bids submitted.
3. The Purchasing Director or designee shall publicly issue and advertise each IFB. A notice inviting bids shall be published in accordance with A.R.S. 34-201 (construction) or A.R.S. 39-203 (if applicable).
4. The IFB must state the place where each bid must be submitted, the deadline for submitting bids, and the date, time, and place of the bid opening.
5. Each bid must be submitted in a sealed envelope clearly identified as a bid on the front of the envelope. Any bid not sealed or not received within the specified time period must be rejected.
6. All bids must be opened in public at the time and place specified by PMGAA in the IFB documents. A tabulation of all bids received will be posted on PMGAA's website.
7. The Purchasing Director or designee may reject any and all bids or parts of bids and may re-advertise and re-solicit bids.
8. The contract must be awarded to the lowest responsible and responsive bidder for a firm fixed price. In making the determination of the lowest responsible, responsive bidder, the Purchasing Director, designee or Board may consider the following:
 - a. The ability, capacity, experience, and resources of the bidder, its employees, and subcontractors to perform the contract.
 - b. The bidder's capacity to perform the contract promptly and within the time specified, without delay or disruption.

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- c. The bidder's quality of performance on previous contracts with PMGAA or with its members.
 - d. The bidder's financial, technical, and other resources to perform the contract.
 - e. The quality and adaptability of the bidder's materials, supplies, or services to the particular use required.
9. If an award is not made to the lowest bidder, the Purchasing Director or designee shall prepare a written statement of the reasons and include this statement in the procurement file.
- D. Requests for Proposals (RFP)
1. A Request for Proposal may be used when the Purchasing Director or designee determines that the product(s) or service(s) being procured cannot be evaluated by cost alone. With the use of an RFP, PMGAA may conduct oral or written discussions with proposers regarding experience, technical information, price, or other aspects of their proposals would be beneficial.
 2. Each RFP must be publicly issued and advertised in the same manner as an IFB.
 3. Each RFP must state:
 - a. A clear and accurate description of the technical requirements for the material, product, or service to be procured as well as a description of the work involved, if applicable. Such description must not contain features which unduly restrict competition;
 - b. Whether cost or pricing data is required;
 - c. Whether discussions, interviews, presentations or any combination thereof, may be held with the top-ranked proposers.
 - d. Identify all requirements which offerors must fulfill in order to be considered under the solicitation;
 - e. The criteria on which an award will be based and the points that may be awarded for each criterion.

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4. Proposals submitted that meet the requirements, as outlined in the RFP, shall be considered by PMGAA to the maximum extent practical.
 5. The Purchasing Director, designee or the Board may reject any and all proposals or parts of proposals and may re-advertise or re-solicit proposals.
 6. For an RFP, the award must be made to the responsible and responsive proposer whose proposal is determined to be the most advantageous to PMGAA and best satisfies PMGAA's needs taking into consideration the evaluation criteria in the RFP. PMGAA is not required to award the contract to the proposer with the lowest price. The following criteria may be considered.
 - a. Price;
 - b. The ability, capacity, and experience of the proposer, its employees, and subcontractors to perform the contract;
 - c. The proposer's capacity to perform the contract promptly and within the time specified, without delay or disruption;
 - d. The proposer's quality of performance on previous contracts with PMGAA or with its members;
 - e. The proposer's financial, technical, and other resources to perform the contract;
 - f. The quality and adaptability of the proposer's materials, supplies, or services to the particular use required;
 - g. The number and scope of conditions attached to the proposer's offer, and the offer's conformance to all material aspects of the RFP.
 7. The procurement file must contain the basis on which the award is made, including the evaluation method and evaluation criteria used for the proposals received.
- E. Requests for Qualifications (RFQ)
1. A Request for Qualifications may be issued for professional services ~~and must be used for procurements~~ where federal or state law requires or allows the use of a qualifications-based selection process.

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2. Each RFQ must be publicly issued and advertised in the same manner as an IFB.
 3. Each RFQ must state:
 - a. A clear and accurate description of the work to be performed; involved;
 - b. Whether discussions, interviews, presentations or any combination thereof, may be held with the most-qualified firms;
 - c. identify all requirements which the offeror must fulfill in order to be considered under the solicitation;
 - d. The criteria on which an award will be based and the points that may be awarded for each criterion.
 4. The contract or purchase shall be awarded based upon the criteria outlined in the RFQ and in accordance with applicable federal and state laws. The following criteria may be considered:
 - a. The ability, capacity, and experience of the proposer, its employees, and subcontractors to perform the contract;
 - b. The proposer's capacity to perform the contract promptly and within the time specified, without delay or disruption;
 - c. The proposer's quality of performance on previous contracts with PMGAA or with its members;
 - d. The proposer's financial, technical, and other resources to perform the contract;
 - e. The quality and adaptability of the proposer's materials, supplies, or services to the particular use required;
 - f. The number and scope of conditions attached to the proposer's offer, and the offer's conformance to all material aspects of the RFQ.
- F. Cooperative Purchasing Agreements

To foster greater economy and efficiency, and in accordance with efforts to promote cost-effective use of shared services across governmental agencies, PMGAA may, where appropriate, enter into cooperative purchasing agreements with state and

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local governments and other procurement units for the procurement or use of common or shared goods and services.

The Purchasing Director or Executive Director/CEO may enter into cooperative purchasing agreements with other agencies or procurement units. In most cases, a procurement process conducted by another agency will satisfy this policy. The Purchasing Director or designee shall exercise reasonable efforts to ensure that the original contract was solicited with the intent to be used for cooperative procurement, that the process was conducted in a manner consistent with this policy, and that the contract provides the best value for PMGAA.

G. Publicly Accessible Procurement Sources

When the Procurement Director determines it more practical and economical to purchase used heavy equipment versus new, and the amount exceeds \$50,000 in value, publicly accessible procurement sources may be utilized for establishing a market value for the equipment. The applicability of procurement methodology will be determined on an individual basis without securing multiple bids. Sources to establish market value may include, but are not limited to, auctions and classified advertisements (print and Web based).

Due to the type of purchase, the equipment must be paid for at time of sale to ensure availability. This makes Board approval prior to the purchase impractical. Therefore, PMGAA staff will subsequently make a full report to the Board, including type of equipment purchased, cost of the item, disclosure of the information utilized to establish market value and related expenses, if any.

This method benefits PMGAA both financially and operationally due to a larger pool of equipment at a less expensive costs and immediate availability.

H. Changes in Scope of Work After Contract Award

If, after a contract has been awarded and changes in the scope of work are required, PMGAA shall negotiate an amendment to the contract to be executed by PMGAA and the Bidder/Proposer. No work shall commence on any amendment or change until the amendment has been approved by PMGAA and the Bidder/Proposer has been notified, in writing, to proceed by PMGAA. If the change in scope of work results in a contract that exceeds \$50,000 a report will be made notifying the PMGAA Board at the next scheduled Board meeting.

VI.VII. CONTRACTS

If the original quote/proposal for services exceeds \$10,000 a contract will be executed by PMGAA and the Bidder/Proposer prior to any work commencing. The contract will detail the Scope of Work, contract dollar amount, and payment terms, along with PMGAA standard terms and conditions.

For procurements funded in full or in part by a Federal agency:

- A. PMGAA shall, if deemed appropriate and feasible, use value engineering clauses in contracts for constructions projects of sufficient size to offer reasonable opportunities for cost reduction.
- B. PMGAA may use a time and materials type contract only after a determination that no other contract is suitable and if the contract includes a ceiling price that the contractor exceeds at its own risk. Time and materials type contract means a contract whose cost to PMGAA is the sum of:
 - 1. The actual cost of materials; and
 - 2. Direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit.

With a time and materials contract, PMGAA will assert a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.

- C. PMGAA shall perform a cost or price analysis in connection with procurements in excess of the Simplified Acquisition Threshold (set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1) including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, PMGAA shall make independent estimates before receiving bids or proposals.
- D. PMGAA shall negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. To establish a fair and reasonable profit, consideration must be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.

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- E. PMGAA will only allow costs or prices based on estimated costs for contracts under the Federal award to the extent that costs incurred or cost estimates included in negotiated prices would be allowable for PMGAA under Subpart E—Cost Principles, of 2 CFR Part 200.
- F. The cost plus a percentage of cost and percentage of construction cost methods of contracting will not be used.
- G. PMGAA’s contracts will contain the applicable provisions described in Appendix II to Part 200, Contract Provisions for non-Federal Entity Contracts Under Federal Awards.
- H. PMGAA will follow the State of Arizona bonding requirements for all construction work unless, on construction work funded in full or in part by a Federal agency, the Federal agency determines that the Federal interest is not adequately protected. In such cases, the bonding requirements at 2 CFR Part §200.325 shall take effect.

VII.VIII. OTHER

- A. Public Access to Procurement Information
 - 1. Procurement opportunities that exceed \$50,000 in value will be posted on PMGAA’s website at www.gatewayairport.com under the Business|Procurements & Notices section.
 - 2. Written records pertaining to a solicitation or award of a contract or purchase order must be maintained by the Purchasing Director or designee.
 - 3. Submittals to PMGAA become public documents subject to disclosure and applicable Arizona public records laws and PMGAA published policies. Bids, proposals, statements of qualification, and all solicitation and evaluation materials (except the solicitation document itself) may not be disclosed until the final contract has been negotiated and awarded. If the proposer deems any portion of its submittal as confidential, the proposer must label each and every page of the confidential portions with: “Trade Secret”, “Confidential” and/or “Proprietary.” Proposers are advised that, pursuant to Arizona law, contract terms and conditions, pricing, and information which are generally available to the public are not considered confidential information. The proposer must also list each of the materials it deems confidential at the beginning of its proposal, and provide a written, detailed justification for not making such material public,

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along with its submittal. This justification must address, at a minimum, the specific competitive harm that may result from any disclosure, the intrinsic value of the information to the proposer, and any safeguards the proposer uses to protect the information from disclosure. PMGAA shall have the sole discretion to disclose or not disclose such material, subject to any protective order that the proposer may obtain, but it is incumbent on the proposer to assert its rights to confidentiality. By submitting a quote, bid, proposal, or statement of qualifications, the proposer agrees to hold PMGAA harmless from any claim arising from the release of Trade Secret, Confidential Information and/or Proprietary Information which is not clearly marked as such by the proposer or lacking written, detailed justification supported by applicable law. PMGAA shall endeavor to protect against disclosure of any trade secrets, confidential or proprietary information or data contained in a proposal, which information and data the proposer has designated as confidential. If any member of the public demands public disclosure of this confidential information, PMGAA will notify the proposer, who shall defend and indemnify PMGAA against attorneys' fees and costs incurred in the event the proposer is resisting the demand to disclose the confidential information.

B. Procurement Transparency Regulation

1. PMGAA has adopted the following transparency regulation. This transparency regulation applies to every solicitation under this Procurement Policy. The transparency regulation's purpose is to ensure that every person's solicitation-related contacts and communications with PMGAA's Board of Directors and staff (other than the Purchasing Director or his designee) occur in a public meeting in which every other interested person may participate.
2. No person may directly or indirectly contact or communicate with any member of PMGAA's Board of Directors or any PMGAA employee about any active or pending solicitation under this Procurement Policy except at the Board of Directors' regular monthly public meeting, unless the solicitation documents specifically authorize otherwise. This transparency regulation becomes effective for each solicitation immediately upon PMGAA's release of the solicitation documents or posting of the solicitation opportunity on PMGAA's website. The regulation continues in effect through any protest until the Board's public meeting at which final action on the solicitation (or protest) has been scheduled.

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3. The Purchasing Director may reject the bid, proposal, statement of qualifications, or other offer of, and the Purchasing Director may disqualify, any person that directly or indirectly (through agents, subcontractors, or suppliers, for example) violates this transparency regulation. The Purchasing Director's decision to reject a bid, proposal, statement of qualifications, or other offer and to disqualify any person that violates this transparency regulation is final and non-appealable.
4. Every person's contacts or communications with PMGAA regarding any active or pending solicitation must conform to this transparency regulation and the solicitation documents' terms and conditions. Generally, each solicitation will establish PMGAA's point of contact (typically the Purchasing Director or his designee) for purposes of the solicitation, and all persons interested in the solicitation may contact or communicate with the point of contact as specified in the solicitation documents.

VIII.IX. PROTESTS - GENERAL INFORMATION**A. Authority to Resolve Protest**

The Purchasing Director is authorized to decide any protest relating to any procurement on PMGAA's behalf.

B. Right to Protest

Any interested person aggrieved in connection with a solicitation or award of a contract may protest the solicitation or award. The protest must be filed with the Purchasing Director.

C. Confidentiality of Protest Information

All materials submitted by a protester may be disclosed to any interested person except to the extent permitted or required by law or as determined under this policy.

D. Protests Involving Federal Aviation Administration (FAA) or Arizona Department of Transportation (ADOT) Funded Projects.

For protests on FAA or ADOT funded projects, PMGAA may be required to provide information to or obtain the funding agency's approval of protest determinations. Accordingly, notwithstanding any deadline in this policy applicable

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to PMGAA, PMGAA is entitled to additional time as needed to comply with any grant or other agency requirements relating to a procurement dispute. Under no circumstances may the protester consider or name FAA or ADOT a party to the protest.

E. Record of Protest

PMGAA shall maintain a written record of each protest.

IX.X. PROTEST OF SOLICITATION OR SPECIFICATIONS (BEFORE BID OPENING)

- A. Any interested person aggrieved in connection with the solicitation of a contract shall protest irregularities in the IFB, RFP, or RFQ within three (3) business days from the date the protester knew or should have known of the basis for the protest and, in any case, at least five (5) business days before opening bids or the deadline for submission of proposals or statements of qualifications.
- B. All protests must be made in writing to the Purchasing Director. Each protest must state the specific factual and legal grounds on which the protest is based. The protester must also include with the protest all pertinent documents and all supporting evidence. PMGAA need not accept any protest that fails to comply with the requirements of this section. The protester's failure to timely protest specifications or other solicitation terms and conditions constitutes a waiver of the protest.
- C. If a timely protest before the bid opening or receipt of proposals or statements of qualifications is made, PMGAA may proceed with the solicitation or with the award of the contract unless the Purchasing Director determines in writing that the protest should be sustained or that an addendum addressing the protest should be issued.

X.XI. PROTEST OF AWARD RECOMMENDATION

- A. A protest made after the deadline for bids or proposals, including challenges to the evaluation committee, must be submitted in writing to the Purchasing Director.
- B. A protest must be received by the Purchasing Director within five business days following public posting of PMGAA's intent of award recommendation. The formal protest must contain the following information.
 - 1. PMGAA's solicitation identification number and title.

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2. Name and address of the protester, the title or position of the person submitting the protest, and a statement that the protest has been authorized by the protester and the protest is made in good faith.
 3. A statement of all facts alleged and all rules, regulations, statutes, or constitutional provisions that entitles the protester to relief.
 4. All other information, documents, materials, legal authority, and evidence in support of the protest.
 5. A statement indicating the precise relief sought by the protester.
- C. The Purchasing Director will make a written decision on the protest within ten business days after it is received.
- D. The Protester may appeal the Purchasing Director's decision to the Executive Director/CEO. Any appeal must be filed with the Executive Director/CEO within three (3) business days after the protester receives the Purchasing Director's decision.
- E. The Executive Director/CEO may hear the appeal or appoint an independent hearing officer to do so. If a hearing officer is appointed, the hearing officer shall conduct an informal hearing on the appeal within 10 business days from receipt of the appeal. The hearing officer shall promptly prepare an informal decision and recommendation on the appeal for the Executive Director/CEO's consideration. The hearing officer shall promptly serve the recommendation on the protester.
- F. Upon receipt of the hearing officer's recommendation, or if no hearing officer is appointed, the Executive Director/CEO shall decide any protest for a solicitation valued at less than \$50,000. For solicitations valued less than \$50,000 or sustained protests, the Executive Director/CEO's decision is final. For solicitations valued over \$50,000 and the Executive Director/CEO is recommending denial of the protest, the Executive Director/CEO shall make a recommendation to the Board, and the Board shall make the final decision regarding award of the contract.
- G. Notice of the Board's final decision must be furnished to the protesting party, in writing, by the Purchasing Director.



Phoenix-Mesa Gateway Airport Authority
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Board Action Item

To: Board of Directors
From: Chuck Odom, Chief Financial Officer
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: Primary Legal Counsel Policy
Date: September 18, 2018

Proposed Motion

To adopt a new policy regarding the selection of Primary Legal Counsel.

Narrative

At the request of the Board, Phoenix-Mesa Gateway Airport Authority (PMGAA) staff has developed a policy for selecting Primary Legal Counsel for the Airport Authority. The policy provides guidance to PMGAA staff on the selection process, responsibilities and reporting relationships, and the termination of the Primary Legal Counsel.

Fiscal Impact

There is no fiscal impact to the establishing of a Primary Legal Counsel Policy.

Attachment(s)

Primary Legal Counsel Policy



RESOLUTION NO. 18-42

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS the Authority desires to adopt a new policy regarding the selection of Primary Legal Counsel;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby adopts a new policy regarding the selection Primary Legal Counsel.

Passed and adopted by the Authority this 18th day of September, 2018.

Jeff Serdy, Chair

ATTEST:

APPROVED AS TO FORM:

Maria Gonzalez, Clerk of the Board

Attorney

Resolution No.: 18-42 | Primary Legal Counsel

Responsible Department: Administration

Effective Date: September 18, 2018

Supersedes: N/A

POLICY STATEMENT

It is the policy of the Phoenix-Mesa Gateway Airport Authority (“PMGAA” or “Authority”) to ensure efficient and effective legal counsel. At this time, PMGAA has elected to contract with a law firm to obtain Primary Legal Counsel services.

PURPOSE & SCOPE

PMGAA staff is responsible for coordinating the selection of PMGAA’s Primary Legal Counsel. The purpose of this policy is to provide guidance to PMGAA staff on the selection process, responsibilities and reporting relationships of the Primary Legal Counsel, and termination of the Primary Legal Counsel.

DEFINITIONS

Board of Directors/Board: The members who jointly oversee the activities of PMGAA, a joint powers airport authority. As of the effective date, the Authority is comprised of the Cities of Mesa, Phoenix, and Apache Junction, Towns of Queen Creek and Gilbert, and the Gila River Indian Community.

Evaluation Panel: A panel established by PMGAA staff to review, evaluate, rank, and interview (if applicable) submittals received by PMGAA from a formal solicitation request. Upon conclusion of the evaluation process, the panel makes a recommendation for award.

Executive Director/CEO: The Chief Executive Officer of the Airport reporting to PMGAA’s Board of Directors. The Executive Director/CEO has responsibility to manage, operate, and maintain Phoenix-Mesa Gateway Airport.

Offeror: A person or firm who is licensed (if required), who complies with all of the requirements of law, the solicitation, proposed contract, possesses the experience, resources, financial and technical capacity, and everything else necessary to perform the contract.

Primary Legal Counsel: The licensed attorney or law firm providing general legal services to PMGAA in connection with issues and projects arising from the operation of the Airport.

Request for Qualifications (RFQ): A request utilized for soliciting statements of qualification. The RFQ consists of all documents, including those attached to or incorporated by reference.

Policy No.: 18-42 | Primary Legal Counsel

Specialty Legal Services: Any specialized contract legal services necessary for the successful operation of PMGAA.

I. SELECTION

PMGAA will issue a Request for Qualifications (RFQ) in accordance with PMGAA Board-Approved Procurement Policy.

In addition to any other members, the Evaluation Panel shall provide an opportunity for up to two members of the PMGAA Board (or Senior Staff delegate) to participate in the selection process for Primary Legal Counsel. The Evaluation Panel shall evaluate, rank, and interview the most qualified prospective Offerors.

Upon final selection of the Offeror by the Evaluation Panel, the Evaluation Panel shall make a recommendation to the PMGAA Board for consideration and action.

After Board approval, the Executive Director/CEO, or his/her delegate, shall enter into negotiations to finalize a Professional Services Agreement which will be presented to the PMGAA Board for consideration and approval.

II. RESPONSIBILITIES OF PRIMARY LEGAL COUNSEL

It is the responsibility of the Primary Legal Counsel to provide legal services to PMGAA in accordance with the Scope of Work detailed in the RFQ and subsequent executed Professional Services Agreement. The Primary Legal Counsel will regularly work with the Executive Director and staff with respect to various legal needs of the Authority. The Primary Legal Counsel will communicate directly with the PMGAA Board when, in the professional judgment of the Primary Legal Counsel, such communication is in the best interest of the Authority, or upon request from the PMGAA Board. The PMGAA Board, as a whole, may consult with or request assistance from the Primary Legal Counsel at any time. Upon the direction of the Board, one or more individual members of the Board may consult with or request assistance from the Primary Legal Counsel on behalf of the Board.

Specialty Legal services will be procured in accordance with current PMGAA Board-Approved Procurement Policy. Primary Legal Counsel will coordinate with PMGAA and the provider of any Specialty Legal Services procured by PMGAA to ensure consistent, coordinated legal services that are in the best interest of the Authority. Unless otherwise agreed between PMGAA and Primary Legal Counsel, Primary Legal Counsel

Policy No.: 18-42 | Primary Legal Counsel

will be responsible for managing the matters for which Specialty Legal Services are engaged.

III. TERMINATION OF PRIMARY LEGAL COUNSEL

Termination of Primary Legal Counsel prior to the term set forth in the Professional Services Agreement will require PMGAA Board approval.

Board Action Item

To: Board of Directors
From: Shea Joachim, CEcD, Business Development Director
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: Mesa SkyBridge, LLC – Acquisition of Parcel #604-61-002W
Date: September 18, 2018

Proposed Motion

To authorize an exception to Section 6, Item k of the Master Development Agreement (“MDA”) to allow Mesa SkyBridge, LLC (“SkyBridge”) to acquire a 77.7-acre property immediately south of the Skybridge Arizona project site.

Narrative

Section 6, Item k of the MDA prohibits SkyBridge or an Affiliate from 1) undertaking a similar role with respect to Airport development in the State of Arizona, and 2) buying or leasing any warehouse facilities, office space, commercial space, or land for development within a 10-mile radius of the Airport. This section of the MDA was intended to keep the development capabilities of the SkyBridge team to on-airport development opportunities. In May 2018, SkyBridge notified PMGAA that a known third-party (but not an Affiliate) was considering purchasing parcel #604-61-002W. At that time, no action was required by PMGAA.

In July 2018, SkyBridge notified PMGAA that it was interested in purchasing the property from the known third-party. This proposal violates Section 6, Item k of the MDA. SkyBridge asked PMGAA to consider an exception. Based on information provided by SkyBridge, PMGAA staff has derived the following conclusions:

- The proposed acquisition does not alter the Minimum Development Requirements as defined in the MDA;
- The proposed acquisition improves the marketability of the SkyBridge Arizona project by allowing for a fee simple product offering and potentially improving the ingress and egress of the project site.

Based on this information, PMGAA staff is recommending an approval of an exception to Section 6, Item k of the MDA.

Fiscal Impact

There is no direct fiscal impact as a result of the recommended action.

Attachment(s)

Exception Approval Letter



RESOLUTION NO. 18-43

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS the Authority desires to grant a one-time exception to Section 6, Item k of the Master Development Agreement to allow Mesa SkyBridge, LLC to acquire a 77.7-acre property immediately south of the Skybridge Arizona project site, commonly known as parcel #604-61-002W;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes a one-time exception to Section 6, Item k of the Master Development Agreement to allow Mesa SkyBridge, LLC to acquire a 77.7-acre property immediately south of the Skybridge Arizona project site, commonly known as parcel #604-61-002W. This resolution also authorizes the Executive Director/CEO to execute such instruments to effectuate the exception to the Master Development Agreement.

Passed and adopted by the Authority this 18th day of September, 2018.

Jeff Serdy, Chair

ATTEST:

APPROVED AS TO FORM:

Maria Gonzalez, Clerk of the Board

Attorney



September 18, 2018

Jose Pablo Martinez
Vice President, Chief Project Officer
Mesa SkyBridge, LLC
2415 East Camelback Road
Suite 700
Phoenix, AZ 85016

Dear Jose,

In July 2018 you disclosed to Airport staff that Mesa SkyBridge, LLC was interested in acquiring approximately 77.7 acres (Parcel #604-61-002W) immediately south of the SkyBridge Arizona project site ("Park Property"). The intention of your disclosure was to ensure compliance with Section 6, Item k of the Master Development Agreement ("MDA") but also to request that the Phoenix-Mesa Gateway Airport Authority ("Authority") consider granting an exception to the requirements of Section 6, Item k.

Based on information you have provided to the Authority, on or before the date of this letter, we understand the following to be true:

- 1) The proposed acquisition will not alter the Minimum Development Requirements as defined in the MDA.
- 2) The proposed acquisition is a strategic investment by Mesa SkyBridge, LLC to improve the marketability of the SkyBridge Arizona project by offering a fee simple product as well as providing enhanced vehicular ingress and egress to the Park Property.
- 3) The proposed acquisition will serve as collateral and thus assist Mesa SkyBridge, LLC with obtaining the necessary financing to perform the Minimum Development Requirements as defined in the MDA.
- 4) The proposed acquisition would fall into Phase III of the development plan for the Park Property and therefore will not inhibit the development progression of the Park Property.

The information above serves as the basis of the Authority's approval of an exception to Section 6, Item k. The Authority's approval of this exception shall be solely for the proposed acquisition of Parcel #604-61-002W.

Sincerely,

J. Brian O'Neill, A.A.E.
Executive Director / CEO



Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Management Information Report

To: Board of Directors
From: Chuck Odom, Chief Financial Officer
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Re: Solicitation Notification
Date: August 20, 2018

This report is to provide notification of the active and upcoming solicitations to help ensure compliance with the Phoenix-Mesa Gateway Airport Authority procurement transparency clause. The active activities include the following:

Active/Pending Solicitations

Type Solicitation	Number	Title	Anticipated Contract Award (Board Action)
Request for Qualifications	2018-019-RFQ	CMAR for Baggage Claim & Baggage Make-up Expansions	September 2018
Request for Qualifications	2018-024-RFQ	CMAR for Gateway Aviation Services Building Remodel	November 2018

Future Solicitations

Type Solicitation	Number	Title	Scheduled for Release	Anticipated Contract Award (Board Action)
Request for Proposals	2019-005-RFP	Aviation Fuel Supplier	October 2018	January 2019
Request for Proposals	TBD	Legal Services	TBD	TBD
Request for Qualifications	TBD	Design of New Air Traffic Control Tower	TBD	TBD

Equipment Disposals

Fiscal year total from sales of decommissioned equipment total **\$3,316** consisting of 1 piece.

If you have any questions about the solicitations or the procurement process, please feel free to contact me at 480-988-7613.



Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Management Information Report

To: Board of Directors
From: Shea Joachim, CEcD, Business Development Director
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Re: Memorandum of Understanding with Able Aerospace Services, Inc.
Date: September 18, 2018

On July 17, 2018 the PMGAA Board of Directors authorized a Memorandum of Understanding (“MOU”) with Able Aerospace Services, Inc (“Able”). The MOU contemplated a 40,000 SF expansion to Able’s existing facility located at 7706 East Velocity Way. In general, PMGAA committed to financing and constructing the expansion while Able committed to designing the facility and entering into a new Facility Lease for the expansion premises.

During a meeting on Tuesday, August 21st Able informed PMGAA that they intended to proceed with the expansion without any financial assistance from PMGAA. As such, the deal structure outlined in the MOU is no longer necessary. On September 10th PMGAA sent Able a letter providing the required thirty (30) day notification that PMGAA intended to cancel the MOU along with an invoice for all the pre-construction service costs PMGAA incurred while working on this project.

PMGAA staff is excited the expansion project is moving forward and is looking forward to the additional jobs and capital investment Able is bringing to the Airport.



Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Management Information Report

To: Board of Directors
From: Margi Evanson, Operations & Maintenance Director
Through: Scott Brownlee, Deputy Director/COO
J. Brian O'Neill, A.A.E., Executive Director/CEO
Re: Aircraft Rescue and Fire Fighting (ARFF) Vehicle – CIP 699
Date: September 18, 2018

This report is to provide notification of approved additional funding to help ensure compliance with the Phoenix-Mesa Gateway Airport Authority procurement transparency clause.

In 2017, Project 699 was approved for the purchase of an Oshkosh ARFF Vehicle with a not to exceed amount of \$657,590. The cost estimate of \$657,587.63 for the vehicle included tax at a 7.35% tax rate. An updated invoice amount was received with an 8.05% tax rate on September 2018. The additional amount over the cost estimate is \$4,210.82 for the vehicle. The total revised cost for the Oshkosh vehicle purchase is \$ 661,798.45.



**NOTICE AND AGENDA OF MEETING OF THE
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
BOARD OF DIRECTORS**

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Phoenix-Mesa Gateway Airport Authority and to the public that the Phoenix-Mesa Gateway Airport Authority will hold a meeting open to the public on **Tuesday, October 16, 2018 beginning at 9:00 a.m.** in the Board Room (Saguaro A & B) of the Gateway Administration Building, 5835 South Sossaman Road, Mesa, Arizona. The Board may vote to hold an executive session for the purpose of obtaining legal advice from the Board's attorney on any matter listed on the agenda pursuant to A.R.S. § 38-431.03 (A)(3)&(4).

The agenda for the meeting is as follows:

1. Call to Order. (Mayor Jeff Serdy, Chair)

Members of the Phoenix-Mesa Gateway Airport Authority will attend either in person or by telephone conference call.

2. Call to the Public.

Members of the Board may not discuss items that are not on the agenda. Therefore, action taken as a result of public comment will be limited to directing staff to study the matter or scheduling the matter for further consideration and decision at a later date. Maximum of three minutes per speaker.

3. Executive Director's Report. - J. Brian O'Neill, A.A.E., Executive Director/CEO

4. Presentation: Airport Master Plan Update - Anthony Bianchi, A.A.E., GISP, Airport Planner

5. Consent Agenda.

a) **Minutes** of the Board Meeting held on September 18, 2018.

b) **Resolution No. 18-41** - Authorizing an amendment to the **PMGAA Procurement Policy**.

c) **Resolution No. 18-45** - Authorizing an operating agreement with **WestJet** for commercial air service at the Airport.

d) **Resolution No. 18-46** - Authorizing the Executive Director/CEO to execute an operating agreement with **Flair Airlines, Ltd.** for commercial air service at the Airport.

e) **Resolution No. 18-47** - Authorizing the Executive Director/CEO to execute an operating agreement with **California Pacific Airlines** for commercial air service at the Airport.

f) **Resolution No. 18-48** - Authorizing the purchase of airfield pavement maintenance with **Regional Pavement Maintenance of Arizona, Inc.** in an amount not to exceed \$254,248.22.

g) **Resolution No. 18-49** - Authorizing the procurement of computer equipment from **Dell** not-to-exceed \$61,835.91.

Consideration and Possible Approval of:

6. Resolution No. 18-50 - Authorizing an additional \$8,108,463 for the **FY19 Capital Budget**.

7. **Resolution No. 18-51** - Authorizing the Executive Director/CEO to execute such contracts and amendments that assign Ground Lease 1998-001 for the property located at 6305 S. Sossaman Road, Mesa 85212 to **Koon-Boen, Inc., LLC** and extend the Ground Lease termination date approximately 10-months from February 28, 2048 to December 31, 2048.
8. **Resolution No. 18-52** - Authorizing a contract with **DPR Construction** to provide Final Construction Services for the Bag Make-up Expansion Phase 2 Project CIP 1047 in an amount not-to-exceed \$608,700.
9. **Resolution No. 18-53** - Authorizing a contract with **DPR Construction** to provide Final Construction services for the Baggage Claim Expansion Phase 2 Project CIP 1004 in an amount not-to-exceed \$519,500.
10. **Discussion on Recovery of Water Damage to Air Traffic Control Tower.**
11. **Board Member Comments/Announcements.**
12. **Next Meeting: Tuesday, November 20, 2018** at 9:00 a.m.
13. **Adjournment.**

Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting Maria Gonzalez at 480-988-7603 or mgonzalez@gatewayairport.com. Requests should be made as early as possible to allow time to arrange the accommodation.



Executive Director's Report
October 2018

Financial Snapshot

REVENUES	FY17	FY18	% Change
Total Airline Revenues	2,010,514	2,086,916	3.8%
Landing Fees	782,034	791,496	1.2%
Terminal Fees	246,155	254,260	3.3%
Aircraft RON	14,190	210	-98.5%
Facility Leases	238,578	323,633	35.7%
Fuel	583,770	595,975	2.1%
Badging	8,799	2,268	-74.2%
CUTE System	19,705	19,980	1.4%
Other	13,083	6,944	-46.9%
GPU	104,200	92,150	-11.6%
Total Non-Airline Revenues	5,248,312	5,520,097	5.2%
Parking	2,857,818	2,928,213	2.5%
Rental Car	1,905,334	2,022,015	6.1%
Food & Beverage	309,773	374,959	21.0%
Retail	175,386	194,910	11.1%

Grants, PFCs & Procurements

Active/Pending Solicitations

TYPE OF SOLICITATION	Number	Title	Anticipated Contract Award
Request for Qualifications	2018-024-RFQ	CMAR for Gateway Aviation Services Building Remodel	November 2018

Future Solicitations

TYPE OF SOLICITATION	Number	Title	Schedule for Release	Anticipated Contract Award
Request for Proposals	2019-005-RFP	Aviation Fuel Supplier	October 2018	January 2019
Request for Proposals	2019-009-RFP	Terminal Concessionaire(s)	November 2018	May 2019
Request for Qualifications	TBD	Legal Services	TBD	TBD
Request for Qualifications	TBD	Design of New Air Traffic Control Tower	TBD	TBD

Information Technology

Phoenix-Mesa Gateway Airport Authority (PMGAA) successfully launched Phase One of its new Enterprise Resource Planning (ERP) System on July 1st, which included various financial modules. PMGAA staff began implementation and training on Phase 2, which covers both Human Resources & Payroll System modules. The anticipated activation date for Phase 2 is January 1, 2019.

Airport Operations



New ARFF Vehicle

PMGAA Airport Operations and the Mesa Fire & Medical Department (Mesa Fire) recently took delivery of a new 2019 Oshkosh Striker 4x4. This Aircraft Rescue and Firefighting (ARFF) vehicle carries 1,500 gallons of water and is outfitted with the latest emergency response equipment and technology.

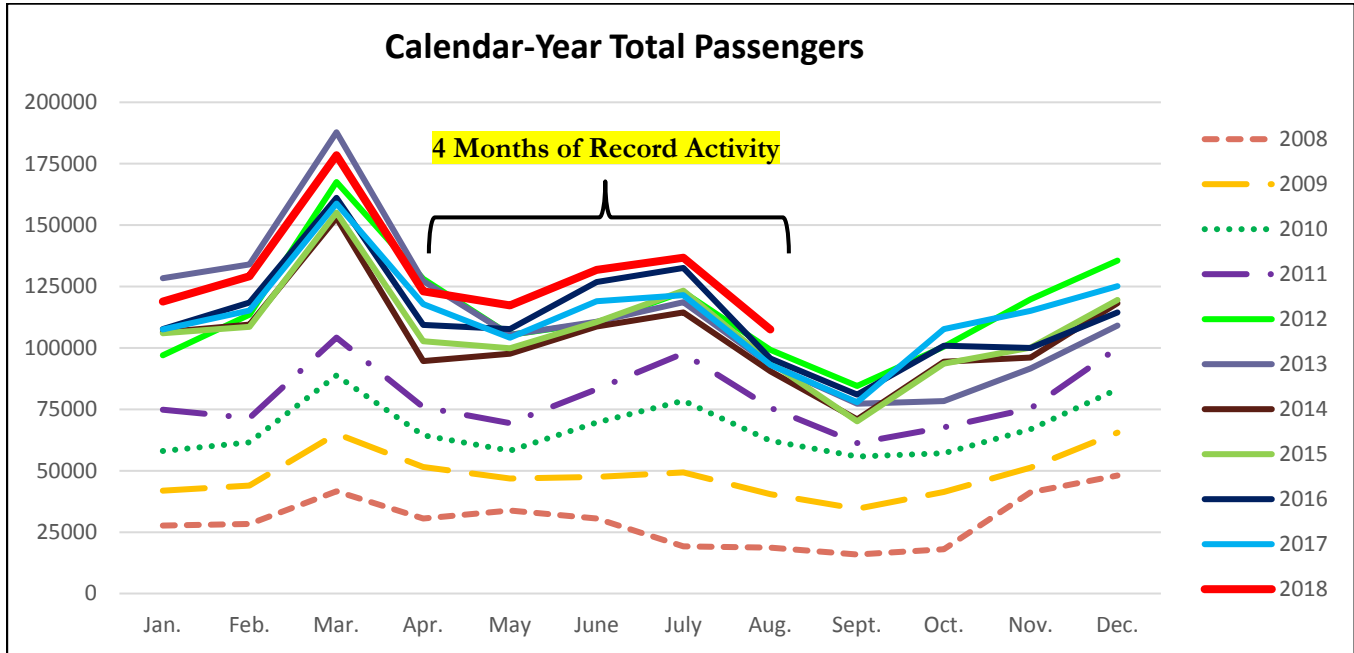
Mesa Fire does an excellent job providing emergency response services to Phoenix-Mesa Gateway Airport (Gateway Airport, Airport) through a multi-year contractual agreement.

Operations Statistics

PASSENGER COUNTS		August		% Change	FYTD		% Change
		FY18	FY19		FY18	FY19	
Passengers	TOTAL	93,015	107,511	16%	214,502	244,281	14%
	Deplaned	47,072	54,438	16%	108,338	124,824	15%
	Enplaned	45,943	53,073	16%	106,164	119,457	13%
Allegiant	Scheduled	92,793	107,381	16%	214,206	244,021	14%
WestJet	Scheduled	0	0	NA	0	0	NA
Elite	Charter	222	130	-41%	296	260	-12%

OPERATIONS	August		% Change	FYTD		% Change
	FY18	FY19		FY18	FY19	
Air Carrier	829	918	10%	1,760	1,931	10%
Military	742	496	-50%	1,258	856	-32%
General Aviation	21,308	22,921	7%	40,565	40,918	1%
TOTAL	22,879	24,335	6%	43,583	43,705	0%

PMGAA set passenger activity records in each of the past four months (May-August) and reported positive growth in commercial passengers for the past 11 consecutive months.



Noise Report

PMGAA received aircraft noise calls from six area residents in August 2018, compared to two callers last August.

CALLERS	August		FYTD	
	FY18	FY19	FY18	FY19
Total	2	6	28	7

TYPE OF AIRCRAFT	August		FYTD	
	FY18	FY19	FY18	FY19
	Callers	Callers	Callers	Callers
Unknown Jet	0	1	3	1
A-319	1	3	4	4
Commercial	1	0	13	0
GA Total	0	0	2	0
Helicopter	0	0	0	0
Military	0	2	6	2
Total	2	6	28	7

LOCATION	August		FYTD	
	FY18	FY19	FY18	FY19
Mesa	0	3	1	3
Gilbert	2	1	22	1
Gold Canyon	0	0	2	1
Queen Creek	0	2	1	2
Queen Valley	0	0	1	0
San Tan Valley	0	0	1	0
Florence	0	0	0	0
Apache Junction	0	0	0	0
Unknown	0	0	0	0
TOTAL	2	6	28	7

Engineering & Facilities

Earlier this year, the PMGAA Board of Directors approved the Terminal Roadway Modification Project. This important infrastructure project is designed to enhance roadway capacity and improve vehicle flow on South Sossaman Road and around the passenger terminal. A new entrance into the Hourly Parking Lot will greatly reduce congestion along the terminal's arrival and departure curb. The project was strategically phased to avoid traffic impacts during construction and will be completed prior to the busy Thanksgiving Holiday travel period.



Terminal Roadway Construction Project



Conduit laid for the final section of Taxiway Charlie

Construction began on the final section of Taxiway Charlie located on the eastside of the airfield. Funding for this project was made possible through a combination of Member Government contributions, and grants from the Arizona Department of Transportation (ADOT) and the Federal Aviation Administration (FAA). PMGAA is grateful for the partnerships we have with these organizations and appreciates their continued support and investment in Gateway Airport. Thank you Member Governments, ADOT, and FAA!

Planning and Zoning

On September 11, 2018, the Arizona Power Plant & Transmission Line Siting Committee recommended approval of Salt River Project's (SRP) proposed transmission line along State Routes 202 & 24 extending from Mesa into Queen Creek. PMGAA coordinated with SRP engineers to adjust pole heights in the vicinity of the Airport to protect airspace so there would be no negative impacts to the Airport.

Gateway Aviation Services

PMGAA pumped more than 1.1 million gallons in the month of August, a 14% increase over August 2017. Activity is up in all fuel categories due to increased flight activity by commercial carriers, military operations, flight training schools, and corporate traffic at the airport.

FUEL (Gallons)	August			FYTD		
	FY18	FY19	% Change	FY18	FY19	% Change
Retail (Jet)	33,876	58,827	74%	68,784	102,374	49%
AvGas	44,521	53,450	20%	85,000	98,412	16%
Contract	251,866	293,582	17%	620,933	567,787	-9%
Commercial	690,284	760,216	10%	1,487,491	1,630,413	10%
TOTAL	1,020,547	1,166,075	14%	2,262,208	2,398,986	6%

Human Resources

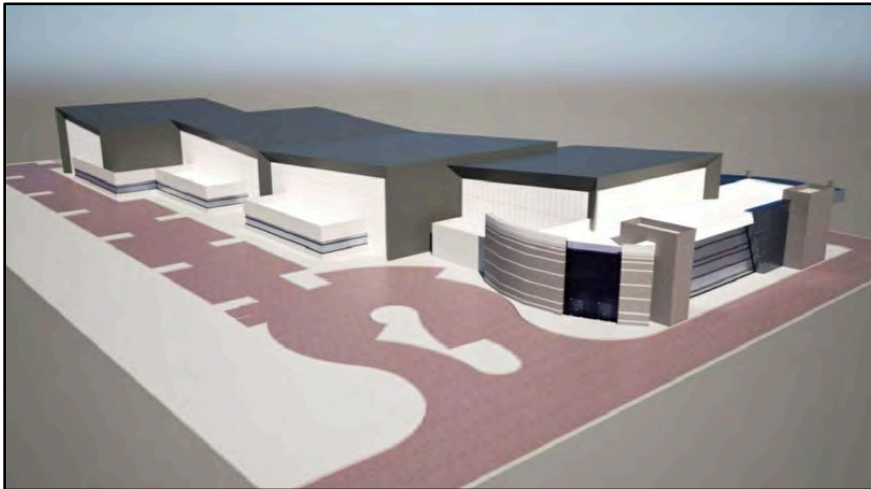
PMGAA is working to implement several of the recommendations received during the 2018 Employee Engagement Study. Employee suggestions included opportunities for increased communication, organization-sponsored events and activities, health and wellness benefits, and recognition program enhancements. Human Resources Director Veronica Lewis and her team did an excellent job surveying PMGAA employees, conducting interviews, gathering information, and compiling the final report.

Human Resources has begun training and implementation for Phase 2 of the Airport's ERP project. This new system will streamline benefits and payroll functions at PMGAA and provide further efficiencies to the entire organization.

Business Development

Exciting new private developments planned for Gateway Airport!

At the September PMGAA Board of Directors Meeting, the Board approved two significant land lease agreements that will result in the first privately-funded hangar development at Gateway Airport in nearly a decade. Aviation Performance Solutions, LLC (APS) and Wetta Ventures, LLC each plan to develop aircraft hangar facilities on PMGAA-owned property adjacent to the airfield.



Rendering of Wetta Ventures Office and Hangar Space

Wetta Ventures, LLC leased land currently occupied by an open-air hangar constructed in 1943, when Gateway Airport was an Air Force Base. Development plans include construction of new office and hangar space totaling approximately 50,000 SF. It is anticipated that the facility will be large enough to accommodate a variety of Group III-sized aircraft.



Rendering of APS Office and Hangar Space

APS has been located at Gateway Airport since 2000 and currently leases space in a hangar facility owned and operated by the University of North Dakota (UND). Both organizations have seen record growth over the past five years, and this new development will provide both APS and UND with room for future expansion. The APS hangar office complex will total approximately 70,000 SF.

Communications and Government Relations

An exceptional passenger experience at the Airport is a key part of being *Just Plane Easy*. So, starting September 25th, Gateway Airport customers waiting for their flights in the building housing Gates 5-8 now have the option of ordering a drink at the Copper Plate Bar and enjoying it back at their seat in the gate area. This is just one more amenity that makes flying through Gateway Airport a unique and enjoyable travel experience.





**MINUTES OF PUBLIC MEETING OF THE
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
BOARD OF DIRECTORS | September 18, 2018**

A public meeting of the Phoenix-Mesa Gateway Airport Authority was convened on Tuesday, September 18, 2018, beginning at 9:00 a.m. in the Board Room (Saguaro A & B) of the Gateway Administration Building, 5835 S Sossaman Road, Mesa, Arizona.

Members Present

Mayor Jeff Serdy, Apache Junction
Lt. Governor Robert Stone, Gila River
Indian Community
Mayor Gail Barney, Queen Creek
Mayor Thelda Williams, Phoenix
Mayor John Giles, Mesa
Mayor Jenn Daniels, Gilbert

Airport Staff Present

J. Brian O'Neill, Executive Director/CEO
Scott Brownlee, Deputy Director/COO
Chuck Odom, CFO
Maria Gonzalez, Clerk of the Board
Jill Casson Owen, Attorney

Keith Belden, Morrison Meirle
Jamie Bennett, Town of Queen Creek
Eric Bashaw, Gebesa
Aric Bopp, City of Mesa
Matt Busby, City of Apache Junction
Scott Butler, City of Mesa
Rhonda Curtis, Wells Fargo
Kent Dibble, Dibble Engineering
Ken Halverson, Jetstrip/KMH
Karyn MacVean AZ Spaceport Alliance
Pearl Meza, City of Phoenix

Jarrett Moore, Kimley Horn
Monica Morales, Mexico Customs SAT
Warde Nichols, Arizona State University
Ariel Picker, SkyBridge
Steve Reeder, Kimley-Horn
Paul Salinas, Wetta Ventures
Valerie Shaffer, Town of Gilbert
Samantha Pinkal, The Weitz Co.
David Wetta, Wetta Ventures
Bob Winrow, WSP

1. Call to Order at 9:00 a.m. (Mayor Jeff Serdy)

2. Call to the Public.

There were no public comments.

3. Executive Director's Report

Executive Director O'Neill provided a briefing on PMGAA financial performance, passenger activity, the community noise report, and an update on various Airport projects. He reminded the Board of staff's recent transition to a new Enterprise Resource Planning (ERP) System and noted staff's continued efforts to close out and report July/August financials. Hopefully they will be available at the October 16, 2018 Board Meeting.

PMGAA wrapped up its Annual Outside Independent Audit and received a clean audit with no reportable conditions. Credit goes to all staff involved, especially the Finance Team as a clean audit is the product of teamwork and ensuring complete compliance. The Lead Auditor will provide a briefing to the Board at the November 20, 2018 Board Meeting.

Year-End Fiscal Year (YEFY)2018 Net Operating Income is \$3,250,001, a 69% increase compared to the previous fiscal year.

YEFY2018 Performance Metrics for commercial passengers (+7%), aircraft operations (+8%), operating revenue (+13%), concession revenue (+27%), facility/land lease revenue (+14%), car rental revenue (6%), vehicle parking revenue (3%) and net operating income (+69%) all increased and PMGAA responded to the same number of noise program callers in both FY2017 and FY2018 (134 callers).

PMGAA Update:

- Swoop, a new ultra-low cost Canadian airline (subsidiary of WestJet) has announced nonstop service to Edmonton (twice-weekly) beginning at the end of October; Flair Air, another ultra-low cost Canadian airlines has announced nonstop service to Edmonton (four days a week) and Winnipeg (twice-weekly) beginning December 15, 2018; and California Pacific Airlines (CP Air) has announced new nonstop service to Carlsbad/San Diego, CA (six days a week). CP Air flights will begin on November 15, 2018.
- Allegiant Air has announced new nonstop service to the popular tourist destination of St. George, Utah. In March 2019, Allegiant will reposition ten aircraft from Las Vegas to PMGAA on Saturdays-only to supplement the frequency of existing nonstop destinations.
- Airport Master Plan Update – PMGAA staff are reviewing two draft chapters on inventory and aviation forecasts. The Tactical Advisory Committee (TAC) and the Study Advisory Committee (SAC) met on July 31. In the next month or two, the PMGAA Board will receive another update presentation on the progress of the Airport Master Plan Update.
- The Taxiway Charlie Construction Project is underway on the eastside of the Airport. This important infrastructure project will complete the taxiway and add additional opportunity for future development.
- South Sossaman Road & Hourly Parking Lot Improvement Projects are designed to increase capacity and alleviate congestion on Sossaman Road.
- The new Aircraft Rescue & Fire Fighting (ARFF) Vehicle has arrived and is set to be placed in service on October 1, 2018. The ARFF vehicle will enhance the capabilities of our response team at the Airport.
- Allegiant and PMGAA signed a new Air Carrier Operating Agreement in January 1, 2017. The new agreement includes a Non-Airline Revenue Sharing Program. Allegiant eclipsed the 675,000 EPAX threshold by 35,003 passengers, making them eligible for shared revenues in the amount of \$38,283.

4. Consent Agenda.

Minutes of the Board Meeting held on July 17, 2018

Resolution No. 18-33 - Authorizing the purchase of janitorial supplies from **Waxie Sanitary Supply** between August 2, 2018 and August 1, 2019, in the amount of \$81,300.

Resolution No. 18-34 - Authorizing a terminal advertising agreement with **Owens, Harkey & Associates, LLC** for two column wraps, a wall ad, and a floor ad. The agreement is one year, commencing on October 1, 2018.

Mayor Jenn Daniels moved to approve the Consent Agenda. Mayor Gail Barney seconded the motion. The motion was carried unanimously.

Consideration and Possible Approval of:

Note: Item 13 was moved ahead of Agenda Item #5 to accommodate representatives from Mesa SkyBridge, LLC.

13. Resolution No. 18-43 - Granting a one-time exception to Section 6, Item k of the Master Development Agreement to allow **Mesa SkyBridge, LLC** to acquire a 77.7-acre property immediately south of the Skybridge Arizona project site, commonly known as parcel #604-61-002W.

Mr. Ariel Picker briefed the Board on the status of the SkyBridge Arizona project. The Site Master Plan has been submitted to PMGAA staff for review and comment. During the development of the Site Master Plan, an opportunity presented itself to purchase a parcel of land connecting SkyBridge Arizona to Pecos Road. Mr. Picker stated that if they owned the parcel it may provide for additional access to the SkyBridge Arizona site in the future and will add increased value to the entire project.

SkyBridge Arizona now offers a full-time Mexican Customs Agent working at Phoenix-Mesa Gateway Airport.

Mayor Williams expressed concern about possible security impacts to SkyBridge Arizona by increased access to the site. Executive Director O'Neill noted that the proposed internal roadway system connecting down to Pecos Road would not allow for any through-the-fence operations.

Mayor Giles thanked SkyBridge representatives for being terrific partners.

Mayor Gail Barney moved to approve Resolution No. 18-43. Mayor Jenn Daniels seconded the motion. The motion was carried unanimously.

5. Resolution No. 18-35 - Authorizing a land lease with **Wetta Ventures, LLC** for lot 37 located at 6253 S. Sossaman Road and consisting of approximately 3.7 acres. The lease term is thirty (30) years, commencing on October 1, 2018, with two (2) five-year extension options, payable at a monthly rate of \$6,715.57 commencing on the Rent Commencement Date.

Mayor Giles inquired of the potential opportunity to relocate the existing Quonset hut? Executive Director O'Neill stated that an interested buyer could disassemble, relocate it, and resurrect at another location.

Mayor Gail Barney moved to approve Resolution No. 18-35. Mayor John Giles seconded the motion. The motion was carried unanimously.

6. **Resolution No. 18-36** - Authorizing a land lease with **Aviation Performance Solutions, LLC** for lot 18, consisting of approximately 4.7 acres. The lease term is twenty-five (25) years, commencing on October 1, 2018, with two (2) five-year extension options, payable at a monthly rate of \$7,690.24 commencing on the Rent Commencement Date.

Mayor Thelda Williams moved to approve Resolution No. 18-36. Mayor Gail Barney seconded the motion. The motion was carried unanimously.

7. **Resolution No. 18-37** - Authorizing the Executive Director/CEO to execute an operating agreement with **SWOOP, Inc.** for commercial air service.

Mayor Williams stated “there is a slight difference of opinion on the interpretation of Section 1.7 of the IGA on whether you’re to focus on domestic, and international service to stay at Sky Harbor. It’s not based necessarily on what’s on our Agenda today as much as what has transpired in the Management Meeting. Phoenix will strongly object if you further develop international and immigration services.”

Executive Director O’Neill acknowledged receipt of Mayor Williams’ message.

Mayor John Giles moved to approve Resolution No. 18-37. Mayor Gail Barney seconded the motion. The motion was carried unanimously.

8. **Resolution No. 18-38** - Authorizing a contract with **DPR Construction** to provide Advance Procurement and Preliminary Construction Services for the Baggage Claim Expansion Phase 1 CIP 1004 in an amount not-to-exceed \$1,091,217.

Mayor Thelda Williams moved to approve Resolution No. 18-38. Lt. Governor Robert Stone seconded the motion. The motion was carried unanimously.

9. **Resolution No. 18-39** - Authorizing a Contract with **DPR Construction** to provide Advance Procurement and Preliminary Construction Services for the Bag Make-up Expansion Phase 1 Project CIP 1047 in an amount not-to-exceed \$1,088,534.

Mayor Gail Barney moved to approve Resolution No. 18-39. Mayor John Giles seconded the motion. The motion was carried unanimously.

10. **Resolution No. 18-40** - Approval of Authorization of Services No. 16B-1901 with **Kimley-Horn & Associates** for Engineering Design Services for Taxiway K between 12R/12C & RIM (Runway Incursion Mitigation)–Hot Spot 1 Design for a total cost not-to-exceed \$325,303.

Mayor John Giles moved to approve Resolution No. 18-40. Mayor Gail Barney seconded the motion. The motion was carried unanimously.

11. Resolution No. 18-41 - Authorizing an amendment to the PMGAA Procurement Policy.

Chief Financial Officer Chuck Odom briefed the Board on the summarized recommendations and proposed revisions to the Procurement Policy.

Mayor Daniels asked if the intent was to inform the Board on all impractical procurements or just those exceeding the \$50,000 threshold, as it was her preference the Board be informed on all impractical procurements exceeding the \$5,000 threshold. Mayor Giles added the efforts to be transparent and err on the side of disclosure, he agreed with Mayor Daniels. Mayor Williams and Mayor Serdy concurred.

Mayor Daniels noted that sometimes the next scheduled meeting of the Board could be delayed. Rather than waiting for the next scheduled Board Meeting, can staff set a time specific email notification within a reasonable amount of time (such as 30-days) and also add notification in the monthly Board packet. Chief Financial Officer Chuck Odom added it should then be applied to Emergency Procurements as well. Executive Director stated the language could be changed to reflect Mayor Daniels suggestions.

Mayor Barney inquired as to the quantity of impractical and emergency procurements each year and the current process for notification.

Mayor Gail Barney moved to continue Resolution No. 18-41 to the October 16, 2018 Board Meeting as a Consent Item on the Agenda. Mayor Jenn Daniels seconded the motion. The motion was carried unanimously.

12. Resolution No. 18-42 - Adoption of a new PMGAA policy regarding the selection of Primary Legal Counsel.

Mayor John Giles moved to approve Resolution No. 18-42. Mayor Gail Barney seconded the motion. The motion was carried unanimously.

13. Board Member Comments/Announcements

14. Next Meeting: Tuesday, October 16, 2018 at 9:00 a.m. in the Board Room (Saguaro A&B) of the Gateway Administration Building, 5835 South Sossaman Road, Mesa, Arizona.

15. Adjournment.

The meeting adjourned at 9:54 a.m.

Dated this ____ day of _____, 20 ____.

Maria E. Gonzalez, Clerk of the Board



Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

To: Board of Directors
From: Chuck Odom, Chief Financial Officer
Through: Scott Brownlee, Deputy Director/COO
J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: Amended Procurement Policy
Date: September 18, 2018

Proposed Motion

To amend the Authority's Procurement Policy.

Narrative

Upon completion of a review of Phoenix-Mesa Gateway Airport Authority's (PMGAA) Procurement Policy in June 2018, the City of Mesa's City Auditor recommended certain revisions be made to the policy for clarification and improvement.

PMGAA staff reviewed both the recommendations by the City Auditor and our current Procurement Policy. All recommendations have been incorporated into the Airport's Policy:

1. Added a section on Purchasing Authorizations.
2. Added a separate section on Impractical Procurements.
3. Added clarification throughout the Policy on when the Executive Director/CEO shall inform the Board when exceptions to the Policy are made.
4. Added a section on Scope of Work changes that result in an increase in the original procurement amount.
5. Added clarification on when a contract would be established under a procurement.
6. Clarified the Airport's continued use of A.R.S. Title 34.

Fiscal Impact

There is no fiscal impact to the Procurement Policy.

Attachment(s)

Amended Procurement Policy



RESOLUTION NO. 18-41

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS the Authority desires to amend the Authority’s Procurement Policy;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes the amendment of the Authority’s Procurement Policy to include Purchasing Authorizations, Impractical Procurements, Scope of Work changes, and additional clarification through the policy. The Procurement Policy remains in full force and effect as amended.

Passed and adopted by the Authority this 16th day of October, 2018.

Jeff Serdy, Chair

ATTEST:

APPROVED AS TO FORM:

Maria Gonzalez, Clerk of the Board

Attorney

Resolution No.: 18-17 | Procurement**Responsible Department:** Finance and Accounting**Effective Date:** May 15, 2018**Supersedes:** October 18, 2016 (Res. 16-46)**Personnel Covered:** All Employees**POLICY STATEMENT**

It is the policy of the Phoenix-Mesa Gateway Airport Authority (“PMGAA” or “Authority”) to purchase goods and services in such a manner that promotes fiscal responsibility and efficiency, in accordance with this policy’s terms and conditions.

PURPOSE

This policy’s purposes are to obtain competitive pricing in PMGAA procurements, to authorize exceptions in specific situations, and to provide reasonable controls and accountability to PMGAA’s Board of Directors.

DEFINITIONS

A.R.S.: Arizona Revised Statutes, as amended from time to time.

A/E (Architect or Engineer) Professional Services: Services performed by a registered professional licensed by the Arizona State Board of Technical Registration architect or engineer, including architectural, engineering, or other services associated with research, planning, development, design, construction, surveying, alteration, or repair of buildings and other improvements to real property.

Alternative Project Delivery Method: These methods contemplate that the contractor will be selected based on qualifications—not low bid. Alternative methods include design-build, construction manager at risk, job order contracting and any method required by federal funding.

Award: A determination by the PMGAA to enter into a contract with one or more respondents. An award precedes execution of a contract.

Bid: The response submitted by a bidder to an Invitation for Bids. The response to a Request for Proposals is called a proposal or offer.

Bidder: A person or company submitting a bid.

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Board of Directors/Board: The members who jointly oversee the activities of PMGAA, a joint powers airport authority. The Authority is comprised of the Cities of Mesa, Phoenix, and Apache Junction, Towns of Queen Creek and Gilbert, and the Gila River Indian Community.

Capital Improvements: A new building or structure, or additions to or alterations of existing buildings or structures, or other improvements to real property as further defined in the budget or capital improvement program policy.

Competitive Procurement: The process of publicly soliciting bids or proposals to select the best provider of materials, equipment, services, concessions, or construction. Methods of competitive selection include Request for Quotations, Request for Proposals, Invitation for Bids, Requests for Qualifications, and cooperative contracts (with other agencies) that were competitively procured one of these ways.

Competitive Bidding: The process of soliciting bids from bidders, which may result in an award to the lowest responsible, responsive bidder. For purposes of this policy, either PMGAA or a cooperating agency may conduct competitive bidding.

Contract: All types of written agreements, regardless of what they may be called, for the procurement of materials, equipment, services, concessions, or construction. The Authority shall never enter into an oral contract.

Cooperative Purchasing: A competitively bid procurement conducted by, or on behalf of, or utilized by another governmental agency or procurement unit.

Emergency Purchase: Any purchase necessary for the immediate benefit of the public health, safety, or welfare and for which compliance with established procurement procedures is impracticable or contrary to the public interest.

Executive Director/CEO: The Chief Executive Officer of the Airport reporting to PMGAA's Board of Directors. The Executive Director/CEO has responsibility to manage, operate, and maintain Phoenix-Mesa Gateway Airport.

General Services: By contrast to professional services, general services are provided primarily through semi-skilled labor.

IFB: Invitation for Bid. The IFB consists of all documents, including those attached to or incorporated by reference, utilized for soliciting bids where price is the sole consideration for the award.

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Interested Person: A person that is an actual or prospective bidder or proposer with a direct economic interest affected by the award or failure to award the contract at issue. Neither a subcontractor nor a supplier is an “interested person.”

Intergovernmental Agreement: An agreement with another public agency in accordance with A.R.S. 11-952.

Micro-purchase: The purchase of supplies or services using simplified acquisition procedures, the aggregate amount of which does not exceed the micro-purchase threshold. The threshold is set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1 and as of the publication of this Policy is currently set at \$3,500, but this threshold is periodically adjusted.

PMGAA: Phoenix-Mesa Gateway Airport Authority.

Procurement Coordinator: The PMGAA employee with specific responsibility for overseeing procurement of materials, goods, and services valued over \$3,500.

Professional Services: Professional services are rendered by members of a recognized profession or by persons possessing a special skill. These services include advertising, appraisers, architects, attorneys, consultants, certified public accountants, planners, environmental studies, financial and operational audits, personnel and benefits studies, land surveyors, landscape architects, renewals of proprietary computer hardware and software licensing, trainers, and other licensed professionals.

Proposal: A proposal is an offer submitted by a vendor in response to a solicitation.

Protest: A formal objection that arises during the procurement process asserted by an interested person.

Protester: An interested person that objects to a solicitation or award.

Publicly Accessible Procurement Source: A public source to establish market value of used equipment.

Purchaser: PMGAA or another agency that acquires goods, professional services, other services, or construction on behalf of an organization.

Purchasing Director: A PMGAA employee responsible for and authorized to administer day-to-day procurement activities under this Board Policy and applicable law.

Quote: An informal purchasing process that results in obtaining pricing information from several sources, including publicly posted or advertised pricing.

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Quotation: A statement of price, terms of sale, and description of goods or services offered by a vendor to a prospective purchaser.

Responsible Bidder/Proposer: A person who is licensed (if required), who complies with all of the requirements of law, the solicitation, and proposed contract, and who possesses the experience, resources, financial and technical capacity, and everything else necessary to perform the contract.

Responsive Bid: A bid or proposal that fully conforms in all material respects to the IFB/RFP and all of its requirements.

RFP: Request for Proposals. The RFP consists of all documents, including those attached or incorporated by reference, utilized for soliciting proposals.

RFQ: Request for Qualifications. The RFQ consists of all documents, including those attached to or incorporated by reference, utilized for soliciting statements of qualifications.

Services: Includes A/E, professional and general services.

Solicitation: An Invitation for Bid (IFB), Request for Proposals (RFP) or Request for Qualifications (RFQ) issued by PMGAA or another agency or procurement unit.

Vendor: A seller or supplier of goods and services.

I. CONFLICT OF INTEREST STATEMENT

Employees conducting business on behalf of PMGAA have a responsibility to do so in a manner that is objective and ethical. The goal of all such business dealings must be to benefit PMGAA. The following policies apply:

1. No employee, officer, agent or outside firm may participate in the preparation, selection, award, or administration of a solicitation or contract if he or she has a real or perceived conflict of interest.
2. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.
3. The acceptance of gifts, money, or gratuities from any person or organization is prohibited except as provided below. PMGAA employees, officers or agents will

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be guided in interpretation of this section by the distinction between a gift, gratuity, or favor given or received which has significant monetary value and is offered or accepted in expectation of preferential treatment, and an expression of courtesy.

- a. Employees, officers or agents may not accept cash in any form.
- b. It is recognized that employees, officers and agents must conduct a certain amount of Airport business with non-Airport employees during meals, or occasionally during entertainment events. An employee, officer or agent may accept minor items such as business meals and/or entertainment tickets when, in the employee's, officer's or agent's judgment, such offers are made in the normal course of Airport business, they benefit and advance positive working relationships and PMGAA interests, they are the usual standard of the industry, and it is not appropriate to decline.
- c. This policy is not meant to preclude the acceptance of:
 - (1.) Free attendance or participation at official or quasi-official functions such as groundbreaking, open houses, award ceremonies, banquets or similar events which the employee, officer or agent attends in the capacity as a PMGAA employee; or
 - (2.) Free meals and/or entertainment that are part of such programs or functions;
 - (3.) Gifts of nominal value such as promotional items such as calendars, note pads, and pens.
4. Any contract entered into in violation of this policy is voidable or subject to cancellation at the option of the Purchasing Director. Employees, officers and agents who violate PMGAA's conflict of interest policy will be subject to disciplinary action, as set forth in PMGAA's Personnel Rules.
5. If an employee, officer or agent has any questions concerning this policy or is in doubt as to what is considered appropriate, he/she is directed to contact PMGAA's Procurement Coordinator.

II. RESPONSIBILITY FOR PURCHASING

- A. PMGAA's Chief Financial Officer shall serve as Purchasing Director. The Purchasing Director shall direct all purchases of goods and services made by or on behalf of PMGAA. The Purchasing Director may delegate purchasing functions to authorized PMGAA employees.
- B. Department Directors must ensure that their employees comply with this policy.
- C. The Purchasing Director shall establish procedures necessary to effectively implement this policy.
- D. Under the Purchasing Director's oversight, the Accounting Department shall maintain documentation sufficient to detail the history of procurements for audit purposes and for compliance with records-retention requirements. All procurement records must be maintained and disposed of in accordance with PMGAA's records-retention schedule.
- E. PMGAA, alone, will be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes, and claims. These standards do not relieve PMGAA of any contractual responsibilities under its contracts.

For Federal procurements, the Federal awarding agency will not substitute its judgment for that of PMGAA unless the matter is primarily a Federal concern. Violations of law will be referred to the local, state, or Federal authority having proper jurisdiction.

III. GENERAL

- A. PMGAA shall award contracts only to responsible vendors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as vendor integrity, compliance with public policy, record of past performance, and financial and technical resources. Solicitation documents shall outline additional requirements for award considered by PMGAA. PMGAA shall not award Federally funded contracts to any vendor that is listed on the government wide exclusions in the System for Award Management (SAM).

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- B. PMGAA will conduct all procurement transactions in a manner providing full and open competition consistent with the standards of this policy.

For procurements funded in full or in part by a Federal agency:

1. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals shall be excluded from competing for such procurements.
 2. PMGAA shall ensure, to the fullest extent possible, enough qualified sources are notified of the procurement opportunity to ensure maximum open and free competition. PMGAA shall not preclude potential bidders from qualifying during the solicitation period.
 3. PMGAA shall conduct procurements in a manner that prohibits the use of statutorily or administratively imposed state or local geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference.
 4. Nothing in this section preempts state licensing laws.
 5. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.
 6. PMGAA will maintain a list of interested persons, firms or products which are used in acquiring goods and services. Such list shall be kept current, to the extent possible, and include enough qualified sources to ensure maximum open and free competition.
- C. PMGAA will avoid acquisition of unnecessary or duplicative items by ensuring the need and use of goods and services. Staff will review existing procurement contracts to ensure that the procurement will not be duplicative. Consideration shall be given to consolidating or breaking out procurements to obtain a more economical purchase, however, will not circumvent the requirement of Section IV(A)(1) of this policy. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.

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- D. In accordance with Title 49 Code of Federal Regulations Part 26, Disadvantaged Business Enterprise (DBE) and Part 23, Airport Concession DBEs (ACDBE), PMGAA has established a DBE and ACDBE program, approved by the FAA, taking all necessary affirmative steps to assure that minority businesses, women' and small business concerns (SBC) have equal and fair opportunity to participate in procurements where they meet the stated requirements and goals established.
- E. PMGAA encourages the use of recovered materials. For procurements funded in full or in part by a Federal agency for items designated in the guidelines of the Environmental Protection Agency (EPA) at 40 CFR Part 247 and where the item being procured exceeds the threshold set at 2 CFR Part §200.322, PMGAA will procure that item from recovered materials, when possible or practicable, consistent with maintaining a satisfactory level of competition. Further, PMGAA will follow this policy when the value of the quantity acquired during the preceding fiscal year exceeded the dollar threshold set. At the time of publication of this Policy, the threshold is \$10,000.
- F. PMGAA's solicitation documents and contracts shall contain the required provisions as set forth in the FAA's "Contract Provision Guidelines for Obligated Sponsors and Airport Improvement Program Projects", regardless of funding source.

IV. PURCHASING AUTHORIZATIONS

The Executive Director/CEO will delegate purchasing authorizations, including spending limits, to designated PMGAA staff at the beginning of each fiscal year, as required by current PMGAA Operating Policies and Procedures.

Once designated by the Executive Director/CEO, defined staff will be authorized for that fiscal year to approve purchasing commitments with PMGAA vendors at the spending limits set forth by the Executive Director/CEO. Spending limits will be set to meet the typical needs associated with certain airport requirements, staff functions, and staff responsibilities.

Except as provided in this policy, purchases or contracts that exceed \$50,000 may not be awarded without the Board's prior approval.

IV.V. TYPES OF PURCHASES & APPROVAL THRESHOLDS

- A. General Applicability

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1. Purchases may not be intentionally divided between multiple, separate procurements to circumvent this policy's requirements.
2. No purchase may be made without proper authorization.
- ~~3. Except as provided in this policy, purchases or contracts that exceed \$50,000 per year may not be awarded without the Board's prior approval.~~
- 4.3. When purchasing materials and general services eligible for reimbursement under a federal or state grant, PMGAA shall ensure compliance with all applicable laws, regulations, and grant assurances.
- 5.4. If, after adequate advertising of a solicitation, only one bid, proposal or statement of qualifications is received the Purchasing Director or designee will:
 - a. Confirm that the specifications of the IFB, RFP or RFQ were not overly restrictive. If deemed nonrestrictive, the Purchasing Director or designee shall perform a cost or price analysis to ensure the pricing received is in line with expected services and, if in line, proceed to award the contract following the guidelines set forth in this Policy.

If the solicitation is deemed restrictive, the department requesting the procurement must submit a sole source justification to the Purchasing Director for consideration before contract award.

OR

- b. Cancel the solicitation.

The procurement file shall be documented with sufficient information detailing the procurement history.

B. Federally Funded Procurements

Any procurement funded in full or in part by a Federal agency will adhere to the following purchasing methods:

1. Purchases under the Micro-purchase threshold. For purchases of supplies or services under the Micro-purchase threshold, as defined at 2 CFR 200 part §200.67, PMGAA may obtain the supplies or services as needed without further formality. Multiple quotes are not required for procurements up to the Micro-purchase threshold. However, the authorized employee must ensure that the

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procurement is made consistent with sound business practice and that PMGAA receives the best value. PMGAA, to the extent practicable, will distribute these purchases equitably among qualified suppliers. As of the publication of this Policy, the Micro-purchase threshold is \$3,500.

2. Purchases between the Micro-purchase threshold and \$50,000. Unless otherwise outlined within this Policy, for purchases of services, supplies, or other property that is equal to or will exceed the Micro-purchase threshold but does not exceed \$50,000, the authorized employee will obtain at least three price or rate quotes from qualified sources for the same or substantially similar items or services. If, after solicitation of a number of sources, competition is determined inadequate and three quotes are not available, the employee shall obtain as many quotes as are reasonably available. The employee shall document the procurement file explaining why three quotes/proposals were not obtained. Oral quotes, published advertisements, catalogues, and online web pricing will satisfy this requirement.
3. Purchases in excess of \$50,000. For purchases that will exceed \$50,000, the Purchasing Director shall require a formal competitive procurement process, except as otherwise provided in this Policy.
4. Procurement by noncompetitive proposals. Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source. PMGAA may only use this procurement method when one or more of the following circumstances apply:
 - a. The item is available only from a single source;
 - b. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
 - c. The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from PMGAA; or
 - d. After solicitation from a number of sources, competition is determined inadequate.
5. For procurements of services other than A/E services and Alternative Project Delivery Methods, PMGAA shall not use the competitive selection process of a Request for Qualifications (RFQ).

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- C. Non-Federally Funded Procurements: Purchases of Products, Materials, Equipment, and General Services
1. Purchases under \$5,000. For purchases under \$5,000, PMGAA may obtain the products, materials, equipment, or general services as needed without further formality. Multiple quotes are not required for procurements up to \$5,000. However, the authorized employee must ensure that the procurement is made consistent with sound business practice and that PMGAA receives the best value.
 2. Purchases between \$5,000 and \$50,000. Unless otherwise outlined within this Policy, for purchases of products, materials, equipment, or general services that will exceed \$5,000 but not exceed \$50,000, the authorized employee shall obtain at least three written price quotes for the same or substantially similar items or services. If, after solicitation of a number of sources, competition is determined inadequate and three quotes are not available, the employee shall obtain as many quotes as are reasonably available. The employee shall document the procurement file explaining why three quotes/proposals were not obtained. Oral quotes, published advertisements, catalogues, and online web pricing will satisfy this requirement.
 3. Purchases in excess of \$50,000. For purchases of products, materials, equipment, or general services that will exceed \$50,000, the Purchasing Director shall require a formal competitive procurement process, except as otherwise provided in this Policy.
- D. Non-Federally Funded Procurements: A/E Professional Services and Construction
1. PMGAA shall comply with A.R.S. Title 34 to procure construction and A/E professional services.
 2. Under A.R.S. Title 34, contracts with engineers in excess of \$500,000 and contracts with architects in excess of \$250,000 require advertising and selection through an RFQ. These A/E professional services and construction projects utilizing design-bid-build, construction-manager-at-risk, and job-order contracting delivery methods must be approved by the Purchasing Director or designee before advertising.
 - ~~3. PMGAA may procure services of an architect, engineer, or other registrant by direct selection without advertising if it is in the best interest of PMGAA as~~

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~~determined by the Executive Director/CEO and less than the dollar threshold amounts specified in Section IV(D)(2) above.~~

E. Non-Federally Funded Procurements: Professional Services (not including A/E Professional Services)

1. Purchase of professional services between \$5,000 and \$50,000. When contemplating a purchase of professional services (such as legal counsel, auditors, brokers, or other professional consultants), the authorized employee shall obtain at least three written quotes/proposals. If after solicitation of a number of sources, competition is determined inadequate and three quotes or proposals are not available, the employee shall obtain as many quotes/proposals as are reasonably available. The employee shall document the procurement file explaining why three (3) quotes/proposals were not obtained. Alternatively, the Purchasing Director may authorize the employee to directly select professional services as needed without further formality.
2. Purchase of professional services over \$50,000. Unless the Executive Director/CEO grants an exception, PMGAA shall procure professional services that exceed \$50,000 by competitive selection to the extent practicable, advantageous to PMGAA, consistent with sound business practices, and likely to ensure that PMGAA receives the best value and service. The Executive Director/CEO may grant exceptions upon written recommendation by the department head that competitive selection is not practicable or advantageous to PMGAA. If an exception is granted by the Executive Director/CEO and the amount for the services exceeds \$50,000 then a report will be made to the Board detailing the circumstances at the next scheduled Board meeting.

F. Purchases from Member Governments

The Purchasing Director may purchase services from or contract directly with any member government as necessary without using a competitive procurement process.

G. Excess and Surplus Property

For procurements funded in full or in part by a Federal agency, PMGAA shall utilize Federal excess and surplus property in lieu of purchasing new equipment and property, whenever such use is feasible, acceptable for the intended use, and available in the needed time frame.

Policy No.: 18-17 | Procurement**H. Procurements Involving Gateway Aviation Services**

PMGAA shall procure products and services for Gateway Aviation Services in accordance with this policy, with the following exceptions.

1. Fuel, oil, and other products for resale may be purchased without formality from any qualified vendor as needed to fulfill customer orders, with due regard for price.
2. Fuel trucks and related equipment and parts may be acquired, at the Purchasing Director's option, by purchase or lease from PMGAA's fuel supplier through direct negotiations with the supplier. The Board must approve any proposed purchase or lease with a value that exceeds \$50,000.

I. Emergency ~~and Impractical~~ Procurements

Notwithstanding any other provision of this policy, the Purchasing Director may make or authorize other employees to make emergency procurements without following this policy if a threat to the public health, safety, or welfare exists; or if a situation exists that makes compliance with this policy problematic. ~~impracticable, unnecessary, or contrary to the public interest.~~ All procurements completed under this Section must be conducted with as much competition as practicable under the circumstances. A written determination of the basis for the emergency must be included in the procurement file, and if the procurement exceeds \$5,000, a report explaining the emergency and the procurement's outcome must be made to the Board at its next regular the next scheduled Board meeting. If, however, the next scheduled Board meeting is not within thirty (30) days from the date of the Emergency Procurement, PMGAA staff will provide email notification to all Board members explaining the emergency and the procurement's outcome in addition to providing a report at the next scheduled Board meeting.

J. Impractical Procurements

In some cases, it is impractical to require competitive quotes or bids for products or services. In such situations and notwithstanding any other provision of this policy, the Purchasing Director may make or authorize other employees to make procurements without following this policy. Such examples include but are not limited to: matching existing furniture and fixtures, warranty service, and standardization. All procurements completed under this section must be conducted

with as much competition as practical under the circumstances. A written determination of the basis for the impracticality must be included in the procurement file, and if the procurement exceeds \$5,000, a report explaining the impractical situation and the procurement's outcome must be made to the Board at the next scheduled Board meeting. If, however, the next scheduled Board meeting is not within thirty (30) days from the date of the Impractical Procurement, PMGAA staff will provide email notification to all Board members explaining the impractical situation and the procurement's outcome in addition to providing a report at the next scheduled Board meeting.

J.K. Purchases Excluded from Quotation/Competitive Selection Requirements

The following items are excluded from the requirement of multiple quotes or competitive selection.

1. Sponsorships.
2. Advertisements in magazines, newspapers, or other media.
3. Former employees with unique knowledge contracted on a temporary or part-time basis.
4. Publicly available training seminars and conferences.
5. Memberships in professional associations.
6. Works of art, entertainment, or performance (when authorized by the Executive Director/CEO or Board, as applicable).
7. Subscriptions to trade/professional magazines or journals.
8. Travel-related expenses as defined in the Business Travel Authorization and Reimbursement policy.
9. Payments for regulated services, such as postage and utilities, where no practical competitive alternatives exist.
10. Arizona Correctional Industries, Arizona Industries for the Blind, and other entities established by the state of Arizona under the set-aside program (A.R.S. 41-2636).
11. Hardware and software licensing renewals and maintenance support.

K.L. Multi-Year Contracts

1. Multi-year contracts are contracts that extend more than one (1) year in length. Multi-year contracts may have optional years specified to be exercised at PMGAA's discretion. An example of a multi-year contract is a contract for three (3) years with two (2) one (1) year options for a total of five (5) years (potentially). Multi-year contracts may not exceed five (5) years total unless approved by the Board.
2. Board approval is required for multi-year contracts having a total cumulative value, including all options, in excess of \$50,000. Board approval for exercising the option years is not required if the Board approves the option when the contract is first approved.

V.VI. PROCUREMENT PROCESSES

PMGAA may procure goods and services generally in accordance with the following selection methods. The selection method to be used for each procurement should be determined in coordination with the Purchasing Director or designee, giving due consideration to the nature and scope of the procurement, this policy, applicable laws, and any applicable grant or other funding requirements.

A. Obtaining Quotes for Purchases of Products, Materials, Equipment, or General Services

1. The authorized employee shall obtain and document quotes from at least three (3) qualified vendors for the same or substantially similar items or services. If three quotes are not available, the employee shall obtain as many quotes as are reasonably available, and the employee shall document the circumstances for the procurement file.
2. The authorized employee may receive quotes by any expedient manner, including telephone, fax, email, advertisements, catalogues, and online web pricing.
3. The authorized employee shall not reveal the amount of any quote to any competing vendor until after all quotes have been received.
4. As part of the purchase order approval process, the Purchasing Director or designee will review the quotes and may: (1) accept the quotes; (2) reject

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any or all quotes and re-procure; (3) request additional quotes; or (4) require a formal competitive procurement process.

B. Sole Source

When there is only one person or entity capable of providing a particular product or service, or when sole source procurement is needed to maintain program continuity or compatibility with existing equipment, these circumstances must be documented. The Purchasing Director or designee may then authorize a sole source procurement and waive the requirement for a competitive procurement process.

C. Invitations for Bid (IFB)

1. Each IFB shall describe the goods or services required and include design or performance specifications for the item or service. Such description shall not contain features which unduly restrict competition.
2. Each IFB shall describe all requirements which offerors must fulfill and all other factors to be used in evaluating bids submitted.
3. The Purchasing Director or designee shall publicly issue and advertise each IFB. A notice inviting bids shall be published in accordance with A.R.S. 34-201 (construction) or A.R.S. 39-203 (if applicable).
4. The IFB must state the place where each bid must be submitted, the deadline for submitting bids, and the date, time, and place of the bid opening.
5. Each bid must be submitted in a sealed envelope clearly identified as a bid on the front of the envelope. Any bid not sealed or not received within the specified time period must be rejected.
6. All bids must be opened in public at the time and place specified by PMGAA in the IFB documents. A tabulation of all bids received will be posted on PMGAA's website.
7. The Purchasing Director or designee may reject any and all bids or parts of bids and may re-advertise and re-solicit bids.
8. The contract must be awarded to the lowest responsible and responsive bidder for a firm fixed price. In making the determination of the lowest

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responsible, responsive bidder, the Purchasing Director, designee or Board may consider the following:

- a. The ability, capacity, experience, and resources of the bidder, its employees, and subcontractors to perform the contract.
 - b. The bidder's capacity to perform the contract promptly and within the time specified, without delay or disruption.
 - c. The bidder's quality of performance on previous contracts with PMGAA or with its members.
 - d. The bidder's financial, technical, and other resources to perform the contract.
 - e. The quality and adaptability of the bidder's materials, supplies, or services to the particular use required.
9. If an award is not made to the lowest bidder, the Purchasing Director or designee shall prepare a written statement of the reasons and include this statement in the procurement file.

D. Requests for Proposals (RFP)

1. A Request for Proposal may be used when the Purchasing Director or designee determines that the product(s) or service(s) being procured cannot be evaluated by cost alone. With the use of an RFP, PMGAA may conduct oral or written discussions with proposers regarding experience, technical information, price, or other aspects of their proposals would be beneficial.
2. Each RFP must be publicly issued and advertised in the same manner as an IFB.
3. Each RFP must state:
 - a. A clear and accurate description of the technical requirements for the material, product, or service to be procured as well as a description of the work involved, if applicable. Such description must not contain features which unduly restrict competition;
 - b. Whether cost or pricing data is required;

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- c. Whether discussions, interviews, presentations or any combination thereof, may be held with the top-ranked proposers.
 - d. Identify all requirements which offerors must fulfill in order to be considered under the solicitation;
 - e. The criteria on which an award will be based and the points that may be awarded for each criterion.
4. Proposals submitted that meet the requirements, as outlined in the RFP, shall be considered by PMGAA to the maximum extent practical.
 5. The Purchasing Director, designee or the Board may reject any and all proposals or parts of proposals and may re-advertise or re-solicit proposals.
 6. For an RFP, the award must be made to the responsible and responsive proposer whose proposal is determined to be the most advantageous to PMGAA and best satisfies PMGAA's needs taking into consideration the evaluation criteria in the RFP. PMGAA is not required to award the contract to the proposer with the lowest price. The following criteria may be considered.
 - a. Price;
 - b. The ability, capacity, and experience of the proposer, its employees, and subcontractors to perform the contract;
 - c. The proposer's capacity to perform the contract promptly and within the time specified, without delay or disruption;
 - d. The proposer's quality of performance on previous contracts with PMGAA or with its members;
 - e. The proposer's financial, technical, and other resources to perform the contract;
 - f. The quality and adaptability of the proposer's materials, supplies, or services to the particular use required;
 - g. The number and scope of conditions attached to the proposer's offer, and the offer's conformance to all material aspects of the RFP.

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7. The procurement file must contain the basis on which the award is made, including the evaluation method and evaluation criteria used for the proposals received.
- E. Requests for Qualifications (RFQ)
1. A Request for Qualifications may be issued for professional services ~~and must be used for procurements~~ where federal or state law requires or allows the use of a qualifications-based selection process.
 2. Each RFQ must be publicly issued and advertised in the same manner as an IFB.
 3. Each RFQ must state:
 - a. A clear and accurate description of the work to be performed; involved;
 - b. Whether discussions, interviews, presentations or any combination thereof, may be held with the most-qualified firms;
 - c. identify all requirements which the offeror must fulfill in order to be considered under the solicitation;
 - d. The criteria on which an award will be based and the points that may be awarded for each criterion.
 4. The contract or purchase shall be awarded based upon the criteria outlined in the RFQ and in accordance with applicable federal and state laws. The following criteria may be considered:
 - a. The ability, capacity, and experience of the proposer, its employees, and subcontractors to perform the contract;
 - b. The proposer's capacity to perform the contract promptly and within the time specified, without delay or disruption;
 - c. The proposer's quality of performance on previous contracts with PMGAA or with its members;
 - d. The proposer's financial, technical, and other resources to perform the contract;
 - e. The quality and adaptability of the proposer's materials, supplies, or services to the particular use required;

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- f. The number and scope of conditions attached to the proposer's offer, and the offer's conformance to all material aspects of the RFQ.

F. Cooperative Purchasing Agreements

To foster greater economy and efficiency, and in accordance with efforts to promote cost-effective use of shared services across governmental agencies, PMGAA may, where appropriate, enter into cooperative purchasing agreements with state and local governments and other procurement units for the procurement or use of common or shared goods and services.

The Purchasing Director or Executive Director/CEO may enter into cooperative purchasing agreements with other agencies or procurement units. In most cases, a procurement process conducted by another agency will satisfy this policy. The Purchasing Director or designee shall exercise reasonable efforts to ensure that the original contract was solicited with the intent to be used for cooperative procurement, that the process was conducted in a manner consistent with this policy, and that the contract provides the best value for PMGAA.

G. Publicly Accessible Procurement Sources

When the Procurement Director determines it more practical and economical to purchase used heavy equipment versus new, and the amount exceeds \$50,000 in value, publicly accessible procurement sources may be utilized for establishing a market value for the equipment. The applicability of procurement methodology will be determined on an individual basis without securing multiple bids. Sources to establish market value may include, but are not limited to, auctions and classified advertisements (print and Web based).

Due to the type of purchase, the equipment must be paid for at time of sale to ensure availability. This makes Board approval prior to the purchase impractical. Therefore, PMGAA staff will subsequently make a full report to the Board, including type of equipment purchased, cost of the item, disclosure of the information utilized to establish market value and related expenses, if any.

This method benefits PMGAA both financially and operationally due to a larger pool of equipment at a less expensive costs and immediate availability.

H. Changes in Scope of Work After Contract Award

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If, after a contract has been awarded and changes in the scope of work are required, PMGAA shall negotiate an amendment to the contract to be executed by PMGAA and the Bidder/Proposer. No work shall commence on any amendment or change until the amendment has been approved by PMGAA and the Bidder/Proposer has been notified, in writing, to proceed by PMGAA. If the change in scope of work results in a contract that exceeds \$50,000 a report will be made notifying the PMGAA Board at the next scheduled Board meeting.

VI.VII. CONTRACTS

If the original quote/proposal for services exceeds \$10,000 a contract will be executed by PMGAA and the Bidder/Proposer prior to any work commencing. The contract will detail the Scope of Work, contract dollar amount, and payment terms, along with PMGAA standard terms and conditions.

For procurements funded in full or in part by a Federal agency:

- A. PMGAA shall, if deemed appropriate and feasible, use value engineering clauses in contracts for constructions projects of sufficient size to offer reasonable opportunities for cost reduction.
- B. PMGAA may use a time and materials type contract only after a determination that no other contract is suitable and if the contract includes a ceiling price that the contractor exceeds at its own risk. Time and materials type contract means a contract whose cost to PMGAA is the sum of:
 - 1. The actual cost of materials; and
 - 2. Direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit.

With a time and materials contract, PMGAA will assert a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.

- C. PMGAA shall perform a cost or price analysis in connection with procurements in excess of the Simplified Acquisition Threshold (set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1) including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, PMGAA shall make independent estimates before receiving bids or proposals.

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- D. PMGAA shall negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. To establish a fair and reasonable profit, consideration must be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.
- E. PMGAA will only allow costs or prices based on estimated costs for contracts under the Federal award to the extent that costs incurred or cost estimates included in negotiated prices would be allowable for PMGAA under Subpart E—Cost Principles, of 2 CFR Part 200.
- F. The cost plus a percentage of cost and percentage of construction cost methods of contracting will not be used.
- G. PMGAA's contracts will contain the applicable provisions described in Appendix II to Part 200, Contract Provisions for non-Federal Entity Contracts Under Federal Awards.
- H. PMGAA will follow the State of Arizona bonding requirements for all construction work unless, on construction work funded in full or in part by a Federal agency, the Federal agency determines that the Federal interest is not adequately protected. In such cases, the bonding requirements at 2 CFR Part §200.325 shall take effect.

VII-VIII. OTHER

- A. Public Access to Procurement Information
 - 1. Procurement opportunities that exceed \$50,000 in value will be posted on PMGAA's website at www.gatewayairport.com under the Business|Procurements & Notices section.
 - 2. Written records pertaining to a solicitation or award of a contract or purchase order must be maintained by the Purchasing Director or designee.
 - 3. Submittals to PMGAA become public documents subject to disclosure and applicable Arizona public records laws and PMGAA published policies. Bids, proposals, statements of qualification, and all solicitation and evaluation materials (except the solicitation document itself) may not be disclosed until the final contract has been negotiated and awarded. If the proposer deems any

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portion of its submittal as confidential, the proposer must label each and every page of the confidential portions with: “Trade Secret”, “Confidential” and/or “Proprietary.” Proposers are advised that, pursuant to Arizona law, contract terms and conditions, pricing, and information which are generally available to the public are not considered confidential information. The proposer must also list each of the materials it deems confidential at the beginning of its proposal, and provide a written, detailed justification for not making such material public, along with its submittal. This justification must address, at a minimum, the specific competitive harm that may result from any disclosure, the intrinsic value of the information to the proposer, and any safeguards the proposer uses to protect the information from disclosure. PMGAA shall have the sole discretion to disclose or not disclose such material, subject to any protective order that the proposer may obtain, but it is incumbent on the proposer to assert its rights to confidentiality. By submitting a quote, bid, proposal, or statement of qualifications, the proposer agrees to hold PMGAA harmless from any claim arising from the release of Trade Secret, Confidential Information and/or Proprietary Information which is not clearly marked as such by the proposer or lacking written, detailed justification supported by applicable law. PMGAA shall endeavor to protect against disclosure of any trade secrets, confidential or proprietary information or data contained in a proposal, which information and data the proposer has designated as confidential. If any member of the public demands public disclosure of this confidential information, PMGAA will notify the proposer, who shall defend and indemnify PMGAA against attorneys’ fees and costs incurred in the event the proposer is resisting the demand to disclose the confidential information.

B. Procurement Transparency Regulation

1. PMGAA has adopted the following transparency regulation. This transparency regulation applies to every solicitation under this Procurement Policy. The transparency regulation’s purpose is to ensure that every person’s solicitation-related contacts and communications with PMGAA’s Board of Directors and staff (other than the Purchasing Director or his designee) occur in a public meeting in which every other interested person may participate.
2. No person may directly or indirectly contact or communicate with any member of PMGAA’s Board of Directors or any PMGAA employee about any active or pending solicitation under this Procurement Policy except at the Board of

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Directors' regular monthly public meeting, unless the solicitation documents specifically authorize otherwise. This transparency regulation becomes effective for each solicitation immediately upon PMGAA's release of the solicitation documents or posting of the solicitation opportunity on PMGAA's website. The regulation continues in effect through any protest until the Board's public meeting at which final action on the solicitation (or protest) has been scheduled.

3. The Purchasing Director may reject the bid, proposal, statement of qualifications, or other offer of, and the Purchasing Director may disqualify, any person that directly or indirectly (through agents, subcontractors, or suppliers, for example) violates this transparency regulation. The Purchasing Director's decision to reject a bid, proposal, statement of qualifications, or other offer and to disqualify any person that violates this transparency regulation is final and non-appealable.
4. Every person's contacts or communications with PMGAA regarding any active or pending solicitation must conform to this transparency regulation and the solicitation documents' terms and conditions. Generally, each solicitation will establish PMGAA's point of contact (typically the Purchasing Director or his designee) for purposes of the solicitation, and all persons interested in the solicitation may contact or communicate with the point of contact as specified in the solicitation documents.

VIII.IX. PROTESTS - GENERAL INFORMATION

A. Authority to Resolve Protest

The Purchasing Director is authorized to decide any protest relating to any procurement on PMGAA's behalf.

B. Right to Protest

Any interested person aggrieved in connection with a solicitation or award of a contract may protest the solicitation or award. The protest must be filed with the Purchasing Director.

C. Confidentiality of Protest Information

All materials submitted by a protester may be disclosed to any interested person except to the extent permitted or required by law or as determined under this policy.

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- D. Protests Involving Federal Aviation Administration (FAA) or Arizona Department of Transportation (ADOT) Funded Projects.

For protests on FAA or ADOT funded projects, PMGAA may be required to provide information to or obtain the funding agency's approval of protest determinations. Accordingly, notwithstanding any deadline in this policy applicable to PMGAA, PMGAA is entitled to additional time as needed to comply with any grant or other agency requirements relating to a procurement dispute. Under no circumstances may the protester consider or name FAA or ADOT a party to the protest.

- E. Record of Protest

PMGAA shall maintain a written record of each protest.

IX.X. PROTEST OF SOLICITATION OR SPECIFICATIONS (BEFORE BID OPENING)

- A. Any interested person aggrieved in connection with the solicitation of a contract shall protest irregularities in the IFB, RFP, or RFQ within three (3) business days from the date the protester knew or should have known of the basis for the protest and, in any case, at least five (5) business days before opening bids or the deadline for submission of proposals or statements of qualifications.
- B. All protests must be made in writing to the Purchasing Director. Each protest must state the specific factual and legal grounds on which the protest is based. The protester must also include with the protest all pertinent documents and all supporting evidence. PMGAA need not accept any protest that fails to comply with the requirements of this section. The protester's failure to timely protest specifications or other solicitation terms and conditions constitutes a waiver of the protest.
- C. If a timely protest before the bid opening or receipt of proposals or statements of qualifications is made, PMGAA may proceed with the solicitation or with the award of the contract unless the Purchasing Director determines in writing that the protest should be sustained or that an addendum addressing the protest should be issued.

X.XI. PROTEST OF AWARD RECOMMENDATION

- A. A protest made after the deadline for bids or proposals, including challenges to the evaluation committee, must be submitted in writing to the Purchasing Director.

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- B. A protest must be received by the Purchasing Director within five business days following public posting of PMGAA's intent of award recommendation. The formal protest must contain the following information.
1. PMGAA's solicitation identification number and title.
 2. Name and address of the protester, the title or position of the person submitting the protest, and a statement that the protest has been authorized by the protester and the protest is made in good faith.
 3. A statement of all facts alleged and all rules, regulations, statutes, or constitutional provisions that entitles the protester to relief.
 4. All other information, documents, materials, legal authority, and evidence in support of the protest.
 5. A statement indicating the precise relief sought by the protester.
- C. The Purchasing Director will make a written decision on the protest within ten business days after it is received.
- D. The Protester may appeal the Purchasing Director's decision to the Executive Director/CEO. Any appeal must be filed with the Executive Director/CEO within three (3) business days after the protester receives the Purchasing Director's decision.
- E. The Executive Director/CEO may hear the appeal or appoint an independent hearing officer to do so. If a hearing officer is appointed, the hearing officer shall conduct an informal hearing on the appeal within 10 business days from receipt of the appeal. The hearing officer shall promptly prepare an informal decision and recommendation on the appeal for the Executive Director/CEO's consideration. The hearing officer shall promptly serve the recommendation on the protester.
- F. Upon receipt of the hearing officer's recommendation, or if no hearing officer is appointed, the Executive Director/CEO shall decide any protest for a solicitation valued at less than \$50,000. For solicitations valued less than \$50,000 or sustained protests, the Executive Director/CEO's decision is final. For solicitations valued over \$50,000 and the Executive Director/CEO is recommending denial of the protest, the Executive Director/CEO shall make a recommendation to the Board, and the Board shall make the final decision regarding award of the contract.

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- G. Notice of the Board's final decision must be furnished to the protesting party, in writing, by the Purchasing Director.



Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

To: Board of Directors
From: Shea Joachim, CECd, Business Development Director
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: WestJet Air Carrier Operating Agreement
Date: October 16, 2018

Proposed Motion

To authorize the Executive Director/CEO to execute an operating agreement with Swoop, Inc for commercial air service at the Airport.

Narrative

WestJet has been operating at Phoenix-Mesa Gateway Airport since 2017 providing service to the Canadian cities of Calgary and Edmonton.

The operating agreement between the Authority and WestJet outlines the requirements of WestJet for offering commercial passenger service at the Airport, identifies the applicable changes for facilities and services at the Airport, and contractually obligates WestJet to adhere to the Airport's Rules and Regulations and Minimum Standards.

Fiscal Impact

Variable revenues are more difficult to forecast because they are based on passenger activity. However, the Airport anticipates increases in concessionaire revenue, rental car fees, Car Rental Facility Charges (CFC's), parking fees, Passenger Facility Charges (PFC's) and fuel service charges.

Attachment(s)

Air Carrier Operating Agreement



RESOLUTION NO. 18-45

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS the Authority desires to enter into an operating agreement with WestJet, an Alberta Partnership;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes the Executive Director/CEO to execute an operating agreement with WestJet, an Alberta Partnership for commercial air service at the Airport. This resolution also authorizes the Chair or Executive Director/CEO to execute such Contract, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 16th day of October, 2018.

Jeff Serdy, Chair

ATTEST:

APPROVED AS TO FORM:

Maria Gonzalez, Clerk of the Board

Attorney



Phoenix-Mesa Gateway Airport Authority

Air Carrier Operating Agreement

with

WestJet, an Alberta Partnership

Effective Date: January 1, 2019

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Phoenix-Mesa Gateway Airport Authority
AIR CARRIER OPERATING AGREEMENT

This Air Carrier Operating Agreement (the "Agreement") is executed to be effective the 1st day of January 2019 (the "Effective Date") between the **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY ("PMGAA")**, a joint powers airport authority authorized under the laws of the State of Arizona ("PMGAA"), and **WestJet, an Alberta Partnership**. ("CARRIER"). PMGAA and CARRIER may be referred to collectively as "Parties," and each separately may be referred to as a "Party."

WITNESSETH:

WHEREAS, PMGAA is the owner and operator of the Phoenix-Mesa Gateway Airport generally located at the intersection of Ray Road and Sossaman Road, City of Mesa, Maricopa County, Arizona (the "Airport"); and

WHEREAS, PMGAA has the right to enter into Agreement, license and grant the use of property and facilities on the Airport and has full power and authority to enter into this Agreement in respect thereof; and

WHEREAS, CARRIER provides commercial airline services, charters, flight crews, aircraft and desires to use the Airport facilities for commercial operations; and

WHEREAS, CARRIER desires to obtain certain non-exclusive rights to use the common use areas of the passenger terminal, services and privileges in connection with the use of the Airport and its facilities, and PMGAA is willing to grant the same to CARRIER upon the terms and conditions hereinafter stated; and

WHEREAS, the Parties agree to enter into this Agreement, specifying the rights and obligations of the Parties with respect to the operation of the Airport by PMGAA and the use and/or occupancy of the Airport by CARRIER;

NOW, THEREFORE, for good and valuable consideration, the mutual covenants and conditions herein set forth and the sufficiency of which is agreed to by the Parties, the Parties hereby agree as follows:

1. PERMITTED ACTIVITIES AND CONDITIONS OF AIRPORT USE.

- 1.1 CARRIER shall have the right to use, in common with others, the passenger terminal, taxiways, runways and air navigational aids of the Airport for the purpose of conducting its FAR Part 121 scheduled domestic operations, public charter, private charter and the landing and taking off of aircraft incidental thereto, and provided, however, such activities and services are performed in strict accordance with applicable PMGAA Minimum Standards, upon terms and conditions as herein provided.
- 1.2 CARRIER shall have the exclusive use of areas in and around the Airport passenger terminal as shown on **EXHIBIT C** for the purposes of crew offices, administration of ticketing, and ground crew coordination. This space is to be used for commercial flight operations only in connection with CARRIER's airline service being conducted at the Airport.
- 1.3 CARRIER shall not engage in any other commercial or revenue producing activity at the Airport (excluding charter activities by CARRIER, and charter activities requested by PMGAA) without first applying for and receiving written approval for such activity from PMGAA. In the event any other commercial or revenue producing activity is engaged in by CARRIER prior to obtaining such approval, without waiver or limitation of any other remedies available to PMGAA at law or equity, CARRIER hereby agrees to remit to PMGAA the sum equal to TEN PERCENT (10%) of gross billings for such unauthorized activity, plus any expenses incurred by PMGAA in the course of any audit conducted for all of CARRIER's activities.

- 1.4 CARRIER shall at all times comply with all Federal, State and local laws, ordinances, rules and regulations which are applicable to its operations or the Premises itself (including but not limited to the Americans with Disabilities Act), including all laws, ordinances, rules and regulations adopted after the Effective Date. Carrier shall at all times comply with the Phoenix-Mesa Gateway Airport Authority Rules and Regulations, as the same may be amended from time to time in the Authority's sole and absolute discretion.

2. TERM.

- 2.1 Initial Term. Subject to earlier termination as provided herein, the term of this Agreement shall be one (1) year, commencing on the Effective Date (the "Term").
- 2.2 Renewal Term. Provided CARRIER is not then in default of this Agreement, the Term may be extended for one (1) year, without action by the Parties, unless otherwise terminated as provided herein.
- 2.3 Either Party may terminate this Agreement by providing the notified Party ninety (90) calendar days advance written notice of the terminating Party's intent to do so.

3. NONEXCLUSIVE RIGHTS.

CARRIER shall have the non-exclusive right to occupy and use the designated areas of the Airport while in compliance with the terms and conditions of this Agreement. All rights granted to CARRIER under this Agreement are nonexclusive, except by express written agreement herein. PMGAA may, in its sole discretion and at any time, permit third parties to conduct any and all business activities at the Airport that PMGAA deems appropriate, or conduct such activities itself, provided that such activities do not require or materially interfere with CARRIER's use of the Airport.

- 3.1 PMGAA shall provide CARRIER with common use of two (2) boarding gates and four (4) ticketing positions. In addition, CARRIER shall have Common Use access to additional ticket counters, gate hold rooms, and the baggage claim area for scheduled flight operations, the scheduling of such use is subject to the guidelines outlined in PMGAA's Common Use Facilities Operating Procedures. Common use requirements shall be scheduled with PMGAA's Operations & Maintenance department prior to any planned use. CARRIER shall not schedule or advertise flight schedules originating from or destined for Phoenix-Mesa Gateway Airport without prior and in advance coordination and confirmation of terminal availability.
- 3.2 PMGAA has implemented Common Use Facilities Operating Procedures. PMGAA reserves the right to modify said procedures from time-to-time, as it deems necessary in its sole and absolute discretion and authority to accomplish its purposes. CARRIER shall at all times comply with these operating procedures.
- 3.3 PMGAA has implemented an Airport Security Program in a form acceptable to the Transportation Security Administration. PMGAA reserves the right to modify said program from time-to-time, as it deems necessary to accomplish its purposes. CARRIER shall at all times comply with the Airport Security Program and indemnify, defend, hold and save PMGAA, its board members, member governments, officers, officials, employees, and agents free and harmless for, from, and against any violations of said Security Program caused, or alleged to be caused, by the acts, errors or omissions of CARRIER, its employees, agents, invitees or contractors.

4. RENTALS, FEES AND CHARGES

- 4.1 General. Rent for use of any exclusive use space due and payable at the beginning of each month. All other fees are assessed at the time of each use, flight, or service, as applicable, and are due and payable no later than the twentieth (20th) day of the following month in which the use or activity occurred ("Fee Due Date"). The CARRIER shall self-report its flight activity monthly to PMGAA pursuant to Section 5. Delinquent rents and fees shall be assessed a finance charge in accordance

with Section 4.10.2. Any ground handling services requested of PMGAA or other authorized service provider by Carrier shall be governed by a separate agreement. In any event, CARRIER shall be the responsible party for the purposes of this Air Carrier Operating Agreement, and therefore CARRIER shall pay, or cause to be paid, to PMGAA, the fees and charges as outlined below:

- 4.2 Landing Fees. CARRIER shall pay a landing fee at a rate equal to the amount reflected on the most current Airport Rates & Charges Schedule at the time of the aircraft operation, for each flight operated by or in conjunction with CARRIER that is subject to a landing fee (as of July 1, 2016 \$1.20/1000 lbs. MGLW). The weight used to determine the landing fee for any particular aircraft shall be its maximum certificated gross landing weight (MGLW), as certified by the Federal Aviation Administration. Landing fee increases will not exceed an average of three percent (3%) annually for the duration of this Agreement.
- 4.3 Terminal Use Fees. Terminal Use includes ticket counter(s) and lobby area, secure hold room and boarding area podium, aircraft parking position (2 hours), baggage claim area, and common use computer equipment per flight. CARRIER shall pay PMGAA a Terminal Use Fee in the amount reflected on the most current Airport Rates & Charges Schedule. Terminal use fee increases will not exceed an average of three percent (3%) annually for the duration of this Agreement.
- 4.4 Common Use Set-up and Operating Fees. CARRIER shall pay PMGAA for common use terminal equipment, internet connection, and dark fiber per the most current Airport Rates & Charges Schedule.
- 4.5 Aircraft Parking Fees. CARRIER shall pay PMGAA a fee per the most recent Airport Rates & Charges Schedule for any aircraft occupying an aircraft parking position, including terminal gates and remote parking positions, for more than three hours; and for any portion of each 24hour parking period. This fee shall be waived if the aircraft performed a revenue service operation the day prior or will perform a revenue service operation the day after being parked for more than three hours.
- 4.6 Passenger Facility Charges. CARRIER shall pay monthly to PMGAA, on or before the Twentieth (20th) day of each month (the “Due Date”), a PFC in the amount of Four and 50/100 Dollars (\$4.50) for each Enplaned Passenger departing the Airport on an CARRIER Revenue Flight during the previous calendar month. The collection of said fees by CARRIER shall be subject to the terms, conditions and methods of collection set forth in the Aviation Safety and Capacity Expansion Act of 1990, Section 9110, at it now exists or is modified hereafter (the “PFC Act”).
- 4.7 Monthly Tie Down Fees. CARRIER shall pay Monthly Tie Down Fees per Rates and Charges.
- 4.8 Fueling Fees. CARRIER shall execute a Fuel Service Agreement with PMGAA.
- 4.9 Aircraft Ramp Space and Services. CARRIER shall pay PMGAA monthly for any aircraft line services, out-of-station Aircraft Rescue and Firefighting (ARFF) services, operations safety officers, ground service equipment use, fuel spill response teams and any other space or service requirements as specified in the Airport Rates & Charges Schedule or, if not so specified in that Schedule, as determined by PMGAA (collectively, “Additional Services”).
- 4.10 Other Fees. Unless specified otherwise herein, CARRIER shall pay PMGAA for its usage or rental of PMGAA equipment and the performance of services by PMGAA within TEN (10) business days of CARRIER’s receipt of an invoice (the “Due Date”) for same from PMGAA. The amount of such fees shall be as provided by separate agreement between CARRIER and PMGAA, or, in the absence of such agreement, as specified in the most current Airport Rates and Charges Schedule or PMGAA’s Price Listing in effect when the charge or fee was incurred. Failure to remit payment by the Due Date may result in the suspension of further equipment rentals or services until payment is made to PMGAA in full.
- 4.11 With regard to the fees and charges specified in SECTION 4 above, the following conditions and considerations shall apply:
 - 4.11.1 Airport Rates & Charges Schedule. The Airport Rates & Charges Schedule referred to

in this Agreement may be revised from time to time. CARRIER shall pay the most current fee(s) at the time of the event or service, as applicable, unless specifically outlined in this Agreement. The current Airport Rates & Charges Schedule is attached as **EXHIBIT A** and is subject to change without prior notice or approval of CARRIER.

- 4.11.2 Finance Charges and Late Fees. If CARRIER fails to pay any charge due and owing to PMGAA in full on or before the applicable due date, CARRIER shall be responsible for interest on the unpaid fee or charge at the rate of EIGHTEEN PERCENT (18%) per annum from the due date until payment in full is made. In addition, in the event any payment is received more than TEN (10) days after the due date, a late penalty of TEN PERCENT (10%) of the amount of such delinquent amount shall be due and payable in addition thereto.
- 4.11.3 Books and Records. CARRIER shall maintain permanent books, records and ledgers accurately reflecting the total passengers, and total number of monthly aircraft landings for all aircraft subject to a landing fee indicating the make, type (including model designation), registration number, maximum certificated gross landing weight, and arrival and departure time of each aircraft involved. These records shall be made available to PMGAA upon request. PMGAA may audit the books, records and ledgers maintained by CARRIER in accordance with this SECTION 4. In the event an audit reveals a deficiency of TWO PERCENT (2%) or greater in the amount of payment made pursuant to this SECTION 4, CARRIER shall not only pay such deficiency but also the cost of any audit performed by PMGAA.

5. REPORTING REQUIREMENTS

- 5.1 CARRIER shall file with PMGAA written reports for the items specified below no later than the TENTH (10th) day of the calendar month following the month in which the specified activities occurred (the "Due Date"). Such reports shall cover all of CARRIER's Airport activities during said month, and include activity handled by CARRIER for other Air Transportation Companies not having an agreement with PMGAA providing for its own submission of activity data to PMGAA.
 - 5.1.1 A complete listing of all of CARRIER's scheduled aircraft landings and actual aircraft landings at the Airport, including the aircraft type and MGTOW; and a listing, by destinations, of the number of flights that qualify under applicable waiver agreements for any landing fee waivers;
 - 5.1.2 A complete listing of CARRIER's Enplaned Passengers and Deplaned Passengers, specified by and including the type of aircraft;
 - 5.1.3 A complete listing, by date and by flight number, of CARRIER's Revenue Passengers enplaning at the Airport and the amount of PFCs collected in conjunction therewith; and
 - 5.1.4 A complete listing, by date and flight number, of CARRIER's commercial cargo loaded and off loaded.
- 5.2 PMGAA shall have the right to rely on said activity reports in determining rentals and other charges due hereunder; provided, however, CARRIER shall have full responsibility for the accuracy of said reports. Payment deficiencies due to incomplete or inaccurate activity reports shall be subject to interest charges as set forth in SECTION 6.8.1 herein.
- 5.3 CARRIER shall at all times maintain and keep books, ledgers, accounts or other records wherein are accurately kept all entries reflecting the activity statistics to be reported pursuant to SECTION 5. Such records shall be retained by CARRIER for a period of THREE (3) years subsequent to the activities reported therein, or such other retention period as set forth in 14 CFR Part 249.7, and made available at Mesa, Arizona for audit and/or examination by PMGAA or its duly authorized representative during all normal business hours. CARRIER shall produce such books

and records at Mesa, Arizona within THIRTY (30) calendar days of PMGAA's notice to do so or pay all reasonable expenses, including but not limited to, transportation, food, lodging and other related expenses, necessary for an auditor selected by PMGAA to audit said books and records.

- 5.4 The cost of audit, with the exception of the aforementioned expenses, shall be borne by PMGAA; provided, however, the total cost of said audit shall be borne by CARRIER if either or both of the following conditions exist:
- 5.4.1 The audit reveals an underpayment of more than FIVE PERCENT (5%) of rentals, fees and charges due hereunder, as determined by said audit; and/or
 - 5.4.2 CARRIER has failed to maintain true and complete books, records, accounts and supportive source documents in accordance with SECTION 5.
- 5.5 Payments. All payments due and payable hereunder shall be paid in lawful money of the United States of America, without set off, by check made payable to the Phoenix-Mesa Gateway Airport Authority and delivered to:

Phoenix-Mesa Gateway Airport Authority
Attn.: Accounts Receivable
5835 S. Sossaman Road
Mesa, Arizona 85212-0614

6. INSURANCE

- 6.1 General. Carrier shall procure and maintain the following types and amounts of insurance for its operations at the Airport throughout the Term of this Agreement and any Extension thereto:

Aircraft Liability insurance covering third party bodily injury and property damage, and passenger and contractual liabilities which shall protect and indemnify PMGAA from any and all claims arising in connection with aircraft movement on the Airport in amounts as are customarily carried by a carrier of like kind and size, but in no event less than \$250,000,000.00 per occurrence. Such insurance shall also insure against third party liabilities arising from War Risk perils.

Airport Premises Liability insurance third party bodily injury and property damage, including coverage for "premises/operations," "products and completed operations," "host liquor" and "blanket contractual" liabilities in an amount not less than \$250,000,000.00 per occurrence.

Comprehensive Automobile Liability insurance for all owned, non-owned and hired vehicles operated airside on the Airport that are assigned to or used in the performance of commercial activities in the amount of \$25,000,000.00 per occurrence or combined single limit. If any hazardous materials are transported in conjunction with Carrier's business operations at or on the Airport, an MSC 90 endorsement shall be required in addition thereto.

Workers' Compensation insurance, as required by law, and *Employer's Liability* insurance in the amount of \$1,000,000.

- 6.2 Additional Insurance. At any time during the Term of this Agreement, including any Extension thereto, PMGAA may, if in its reasonable determination the insurance coverage required by this SECTION 4 is no longer adequate, require CARRIER to increase its coverage to commercially reasonable amounts.
- 6.3 Blanket Insurance. CARRIER's insurance obligations under this Agreement may be satisfied by means of the general corporate "blanket" policies carried by it and evidenced by the insurance carrier's standard certificates thereof.
- 6.3.1 Use of Proceeds. Proceeds of any liability and property damage insurance required under this SECTION 5 shall be applied toward extinguishing, satisfying or remedying the liability, loss or damage with respect to which such proceeds may be paid.

- 6.4 Indemnity. To the fullest extent permitted by law CARRIER (as "indemnitor") shall indemnify, defend, hold and save PMGAA, its board members, and its member governments, officers, officials, employees, and agents (as "indemnitee") free and harmless of, for, from and against any and all Losses caused in whole or in part by (a) any act or omission of CARRIER (including indemnitor's officers, officials, agents, employees, contractors or invitees), (b) CARRIER's operations at the Airport, (c) CARRIER's violations of said Security Program caused, or alleged to be caused, by the acts, errors or omissions of CARRIER, its employees, agents, invitees or contractors, or (d) any default by CARRIER hereunder. This indemnification shall exclude responsibility for any consequential damages and for claims arising by reason of the negligent or wrongful act of PMGAA or its employees, contractors or agents. For purposes hereof "Losses" shall mean any and all losses, liabilities, judgments, suits, claims, damages, fines, penalties, costs and expenses (including reasonable attorneys and consultant fees, investigation costs, monitoring costs, remediation costs, and court costs), of any kind or nature." In carrying out the defense of any claim subject to its indemnification obligations hereunder, CARRIER shall use counsel reasonably acceptable to PMGAA.
- 6.6 Insurance Form. Each insurance policy obtained pursuant to this SECTION 5, except for Workers' Compensation and Employer Liability policies, shall: (i) name PMGAA as a certificate holder or an additional insured to the extent of Operator's contractual indemnity obligations; (ii) contain a provision that written notice of cancellation or modification thereof shall be given to PMGAA not less than THIRTY (30) calendar days before such cancellation or modification takes effect (TEN (10) days in the case of nonpayment of premium); and (iii) contain a waiver of subrogation in favor of PMGAA. Operator shall not permit any insurance policy to be canceled or modified without PMGAA's written consent unless equivalent replacement policies are issued with no lapse in coverage. All policies shall be obtained from insurance companies licensed to do business in the State of Arizona and possessing a rating of at least A - VII or higher from the A.M. Best Company, or an equivalent rating approved by PMGAA.

7. **DISABLED OR ABANDONED AIRCRAFT.**

- 7.1 Should any aircraft owned or operated by CARRIER, through accident or for any other reason, become disabled or be abandoned in any area which could interfere with the continuous, normal operations of any of the runways, taxiways and airfield facilities at the Airport, CARRIER shall, at CARRIER'S sole cost and expense:
- 7.1.1 Immediately remove said aircraft to such location as may be designated by PMGAA, unless such aircraft is required to remain in place pending investigation by the appropriate regulatory agency or agencies of the federal government; and
- 7.1.2 In the event of any accident where federal investigation in place is required, immediately upon receiving clearance to do so from the appropriate federal agency, remove said aircraft and any wreckage or debris resulting therefrom to the area(s) designated by said federal agency authorizing such removal; otherwise, such aircraft wreckage and debris shall be immediately removed from the Airport or stored at a location approved by PMGAA.
- 7.2 Should CARRIER fail to proceed immediately to remove disabled aircraft, or should aircraft owned or operated by CARRIER be abandoned on the Airport, PMGAA shall have the right to remove such aircraft by any means PMGAA deems necessary under the circumstances, and CARRIER shall, to the fullest extent permitted by law, indemnify, defend, keep and hold PMGAA, its members, board of directors, officers, agents, officials, servants, employees and contractors harmless from and against any and all claims, costs, loss, liability, actions, suits, proceedings, damage or expense (including costs of suit and attorneys' fees and expenses) incurred by PMGAA or claimed by anyone by reason of removal of said aircraft, injury to persons or property or damages to such aircraft caused by such removal, as well as storage costs therefor. CARRIER shall reimburse PMGAA for any costs incurred by PMGAA in removing and storing any aircraft, at PMGAA's sole discretion, and as provided herein in performing authorized maintenance on its aircraft on the Airport.

- 7.3 Sound and Noise Suppression. CARRIER shall comply fully with PMGAA rules and requirements when performing high-speed engine test operations at the Airport, if any, and Section 10.3 to mitigate excessive ambient sound and/or noise that may be generated incident thereto and that have or may have an adverse effect on other Airport tenant operations and the surrounding community. CARRIER acknowledges and agrees that said rules and requirements for such test operations may change from time to time at PMGAA's sole and absolute discretion. CARRIER also agrees that any costs associated with compliance with PMGAA's rules and requirements for sound or noise suppression or mitigation shall be borne solely by CARRIER.

8. ENVIRONMENTAL COMPLIANCE.

CARRIER shall at all times during the existence of this Agreement promptly observe and comply with applicable Federal, State, and local laws, regulations, rules and standards concerning the environment (collectively, the "Environmental Laws"). CARRIER shall be responsible for collecting, storing, recycling and/or disposing of its hazardous or toxic waste, if any, in compliance with the Environmental Laws governing the storage and disposal of hazardous or toxic waste. CARRIER shall ensure its employees and agents are aware that domestic drains, storm drains, or industrial waste drains shall not be used to dispose of gasoline, hydraulic fluid, solvents, concentrated cleaning agents or any other hazardous or toxic materials. Where so required, PMGAA may act on behalf of CARRIER, as and if appropriate, to dispose of CARRIER's waste, sign manifests on behalf of CARRIER and assign such disposal to CARRIER's EPA identification (ID) number. CARRIER shall repay PMGAA the costs and fees for doing so within TEN (10) days of demand therefor. CARRIER shall, to the fullest extent permitted by law, indemnify, defend and hold PMGAA, its members, board of directors, officers, agents, officials, employees, and contractors harmless from and against any and all claims, costs, loss, liability, actions, suits, proceedings, damage or expense including, but not limited to, the costs of suit and reasonable attorneys' fees and expenses of any nature whatsoever arising out of or related to CARRIER's failure to comply with the Environmental Laws.

9. TAXES AND RELATED IMPOSITIONS.

In the event any governmental authority shall impose a tax or imposition based upon this Agreement, upon CARRIER or its aircraft, or upon payments to be made hereunder, CARRIER shall pay such amounts either to PMGAA or the appropriate governmental authority on or before any delinquency date. Specifically, CARRIER shall be responsible for any transaction privilege, sales, excise or other similar tax except income taxes as a result of this Agreement. CARRIER shall also pay all licensing or permitting fees necessary or required by law for the conduct of its aeronautical operations hereunder, or any other matters hereunder. CARRIER shall be responsible for any property interests created hereunder, which may constitute or be deemed to be a possessory interest for purposes of taxation.

10. RULES, REGULATIONS AND MINIMUM STANDARDS.

- 10.1 CARRIER shall at all times comply with all federal, State and local laws and ordinances, rules and regulations, which are applicable to its operations, or the operation, management, maintenance, or administration of the Airport, including but not limited to the Americans with Disabilities Act, and all laws, ordinances, rules and regulations adopted after the Effective Date. CARRIER shall at all times comply with all rules and regulations, and minimum standards established by PMGAA regarding operation and maintenance of the Airport, copies of which are attached as **EXHIBIT B** and are incorporated herein. CARRIER will be responsible for controlling and preventing disruptive pedestrian and vehicle traffic, if any, associated with its activities on the Airport. CARRIER also shall display or provide copies to PMGAA of any permits, licenses, or other evidence of compliance with laws upon request.
- 10.2 PMGAA shall operate the Airport in compliance with all applicable Federal state and local laws, ordinances, rules and regulations, and shall enforce the Airport Rules and Regulations established by it to ensure the effective and orderly operation of the Airport, and to prevent any disruption caused by CARRIER's operations at and on the Airport.

- 10.3 CARRIER acknowledges receipt of and agrees to abide by PMGAA's *Fly Friendly* noise abatement procedures and will provide such information to flight crews and/or students, post the information in CARRIER's flight planning area, and use the procedures to the extent possible when consistent with safety and air traffic control directives.

11. DEFAULT: TERMINATION BY PMGAA

- 11.1 General Grounds. PMGAA may terminate this Agreement upon the occurrence of any of the following events:

11.1.1 Failure of CARRIER to perform any of its obligations under this Agreement, or any other contract, license or agreement between the Parties, which failure shall not be cured within FIVE (5) business days after delivery by PMGAA to CARRIER of a written notice of such failure.

11.1.2 The filing of any lien against the Airport because of any act or omission of CARRIER which is not discharged within FIVE (5) business days of receipt of actual notice of such lien by CARRIER.

CARRIER may terminate this Agreement upon the occurrence of any of the following events:

11.1.3 Failure of PMGAA to perform any of its obligations under this Agreement, or any other contract, license or agreement between the Parties, which failure shall not be cured within FIVE (5) business days after delivery by CARRIER to PMGAA of a written notice of such failure.

11.1.4 The filing of any lien against the Airport because of any act or omission of PMGAA which is not discharged within FIVE (5) business days of receipt of actual notice of such lien by PMGAA.

- 11.2 Failure to Pay Fees. PMGAA may declare CARRIER in default of this Agreement by giving CARRIER FIVE (5) business day's written notice of CARRIER's failure to timely pay any fees or payments due pursuant to this Agreement. If CARRIER fails to cure such payment default within said FIVE (5) business day period, PMGAA may, in its sole discretion, elect to do any one or more than one of the following:

11.2.1 Institute action(s) to enforce this Agreement; or

11.2.2 Terminate this Agreement automatically without further notice to CARRIER; or

11.2.3 Exercise any other remedy allowed by law or equity.

- 11.3 Failure to Provide Insurance. In the event CARRIER at any time fails to maintain all insurance coverage required by this Agreement, PMGAA shall have the right, upon written notice to CARRIER, to immediately terminate this Agreement or secure the required insurance at CARRIER's expense.

- 11.4 No Waiver by PMGAA. No waiver by PMGAA of any default by CARRIER in the performance of its obligations under this Agreement shall be deemed to be a waiver of any subsequent default by CARRIER in the performance of any such obligations.

12. GOVERNING LAW; ATTORNEY'S FEES.

The laws of the State of Arizona shall govern this Agreement and the matters set forth therein, without regard to its conflict of law principles. Venue of any action brought under this Agreement shall, at the option of PMGAA, lie in Maricopa County, Arizona. In the event of any litigation or arbitration between PMGAA and CARRIER arising under this Agreement, the successful party shall be entitled to recover its attorney's fees, expert witness fees and other costs incurred in connection with such litigation or arbitration.

13. NONWAIVER.

PMGAA's right to revoke this Agreement shall be absolute. Any election by PMGAA to not enforce any provision of this Agreement, or any failure by PMGAA to exercise any of the remedies allowed PMGAA under this Agreement, shall not operate as a waiver by PMGAA of any of its right hereunder.

14. ASSIGNMENT.

CARRIER shall not assign or transfer any right or interest in this Agreement.

15. OTHER RESTRICTIONS.

CARRIER shall comply with all rules, laws, ordinances, and statues of any governmental authority having jurisdiction over the Airport or the matters provided in this Agreement.

16. AIRPORT SECURITY.

PMGAA maintains an approved Airport Security Plan (the "Security Plan") pursuant to 49 CFR Parts 1540 and 1542 and 14 CFR Part 139. CARRIER shall at all times comply with the Security Plan and the written and verbal directives issued by PMGAA supporting the Security Plan.

- 16.1 The CARRIER shall immediately correct physical or procedural deficiencies which are contrary to the Security Plan, security directives, security bulletins, or verbal notifications existing now or in the future. CARRIER is responsible for maintaining security practices, facilities, and perimeter boundaries on their leasehold that meet the security standards of the Security Plan.
- 16.2 CARRIER shall, to the fullest extent permitted by law, indemnify, defend, and hold PMGAA harmless for, from, and against any violations of the Security Plan committed by any agents, employees, invitees, subcontractors, or independent contractors of the CARRIER.
- 16.3 CARRIER shall conduct and document all self-audits and self-inspections as required by the Transportation Security Administration ("TSA") or PMGAA and make such audits available for inspection.
- 16.4 CARRIER shall designate a primary security coordinator to receive security -related briefings, bulletins, and sensitive security information ("SSI").
- 16.5 PMGAA reserves the right to modify the Security Plan from time-to-time, as necessary, or as directed by the TSA.

17. AIRPORT SECURITY BADGE

- 17.1 Carrier employees/contractors that require a badge shall be obligated to complete all training and comply with all security requirements and directives issued by PMGAA, TSA, or other entities having jurisdiction at PMGAA.
- 17.2 CARRIER and employees/contractors shall comply with all security-related audits, inspection, and screenings conducted by PMGAA.
- 17.3 CARRIER will immediately return badges to the Airport Badging Office when badge holders terminate employment, the badge is no longer needed, or the employee/contractor is on extended leave.
- 17.4 Misuse of a badge or security procedures will bring about punitive action including suspension or revocation of one or all badges.

18. NOTICE.

- 18.1 All notices required or permitted under this Agreement shall not be deemed effective unless personally delivered or mailed by certified mail, return receipt requested, postage prepaid, or by reputable commercial overnight courier service, to the following addresses:

TO PMGAA: Phoenix-Mesa Gateway Airport Authority
Attn.: Business Development Department
5835 S. Sossaman Road
Mesa, Arizona 85212-0614

TO CARRIER: WestJet, an Alberta Partnership
Vice President, Airports
22 Aerial Place NE
Calgary Alberta T2E 3J1

- 18.2 Notices shall be deemed to have been received TWO (2) business days after the date of mailing, if given by certified mail, or upon actual receipt if personally delivered or if given by reputable commercial overnight courier service. Any Party may designate in writing a different address for notice purposes pursuant to this SECTION.

19. PRIOR AGREEMENTS AND PERMITS.

Upon execution hereof, this Agreement shall supersede and cancel any prior agreements between PMGAA and CARRIER with respect to the business activities governed hereby. CARRIER shall not construe PMGAA's execution of this Agreement as a waiver of any prior indebtedness or obligation to PMGAA under any prior agreement or license, nor does PMGAA waive any claim or cause of action arising therefrom.

20. CORPORATE AUTHORIZATION.

In executing this Agreement, CARRIER represents and warrants to PMGAA that if CARRIER is a corporation, CARRIER has obtained and been granted the full right, power and authority to enter into this Agreement.

21. MISCELLANEOUS.

- 21.1 Personal Liability. No member of or employee of either Party shall be charged personally or held contractually liable by or to the other Party under any term or provision of this Agreement because of any breach thereof or because of its execution or attempted execution.
- 21.2 No Waiver. No provision of this Agreement may be waived or modified except by a writing signed by the Party against whom such waiver or modification is sought.
- 21.3 Non-Waiver of Rights. No waiver or default by PMGAA of any of the terms, conditions, covenants or agreements hereof to be performed, kept or observed by CARRIER shall be construed or act as a waiver of any subsequent default of any of the terms, covenants, conditions or agreements herein contained to be performed, kept or observed by CARRIER, and PMGAA shall not be restricted from later enforcing any of the terms and conditions of this Agreement.
- 21.4 Amendment. Only a written instrument executed by the Parties may amend this Agreement.
- 21.5 Invalid Provisions. Should any provision of this Agreement or any application thereof be held invalid by a court of competent jurisdiction, the remainder of this Agreement shall not be affected thereby, unless one or both Parties would be substantially and materially prejudiced.
- 21.6 Headings. The headings contained herein are for convenience in reference only and are not intended to define or limit the scope of this Agreement or any term thereof.
- 21.7 Entire Agreement. This Agreement, including **EXHIBITS** attached hereto at the time of its execution, constitutes the entire agreement between the Parties hereto and supersedes all prior negotiations, understandings and agreements between the Parties concerning such matters.

22. INCORPORATION OF RECITALS.

The recitals set forth above are acknowledged by the Parties to be true and correct and are incorporated herein by this reference.

IN WITNESS WHEREOF, the Parties have executed this Agreement to be effective on the Effective Date specified above.

FOR PMGAA:

FOR CARRIER:

By: J. Brian O'Neill, A.A.E

By: Louis Saint-Cyn

Its: Executive Director/CEO

Its: Vice President, Airports

Date Signed: _____

Date Signed: _____

EXHIBIT A

PMGAA Rates & Charges

[http://www.gatewayairport.com/documents/documentlibrary/board%20policies/airport%20rates%20and%20charges%20\(res.%202017-38\)%20effective%208-1-17.pdf?Uniqueifier=Zp6ub4UvLG](http://www.gatewayairport.com/documents/documentlibrary/board%20policies/airport%20rates%20and%20charges%20(res.%202017-38)%20effective%208-1-17.pdf?Uniqueifier=Zp6ub4UvLG)

EXHIBIT B

PMGAA Minimum Standards

<http://www.gatewayairport.com/documents/documentlibrary/board%20policies/wga%20minimum%20standards.pdf>

PMGAA Rules & Regulations

http://www.gatewayairport.com/documents/documentlibrary/board%20policies/rules%20and%20regulations_16-53.pdf?Uniqueifier=Zp6ub4UvLG

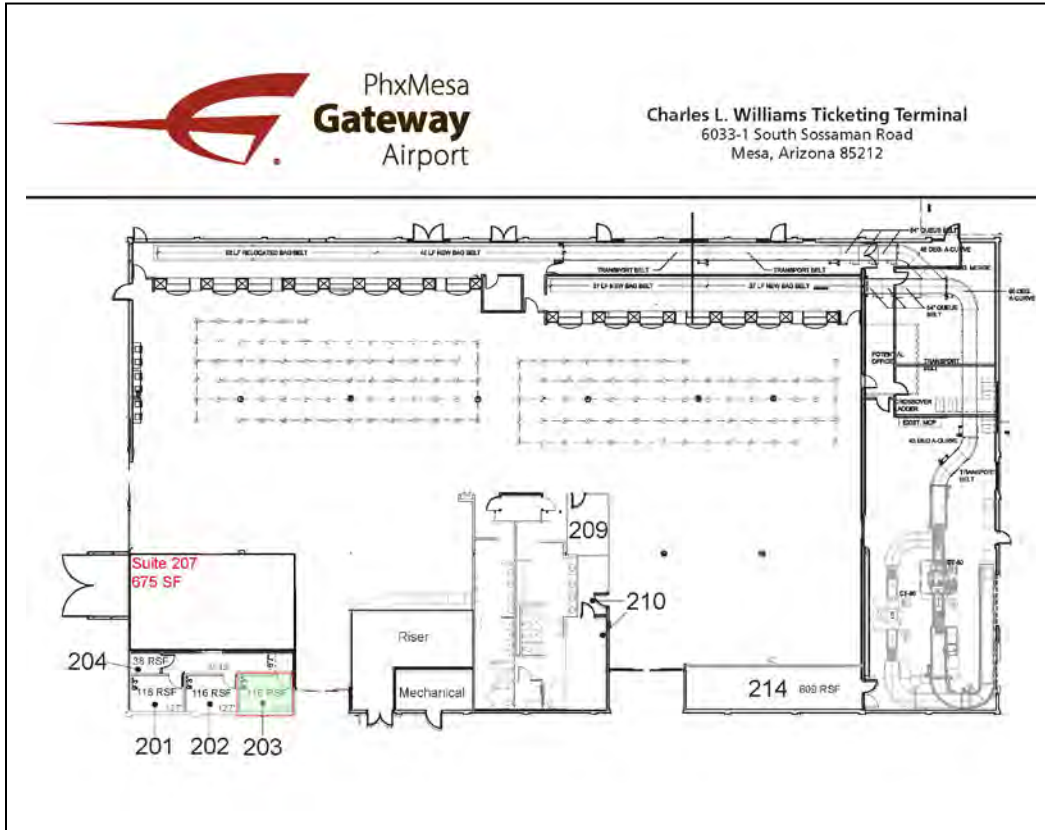
EXHIBIT C

EXCLUSIVE USE AREAS AND FEES¹

6033-1 S. Sossaman Road, Suite 203

116 sf @ \$32.00/sf/yr.

\$309.33/mo.



NOTES:

¹ Plus applicable taxes.



Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

To: Board of Directors
From: Shea Joachim, CEcD, Business Development Director
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: Flair Airlines Air Carrier Operating Agreement
Date: October 16, 2018

Proposed Motion

To authorize the Executive Director to execute an operating agreement with Flair Airlines, Ltd. for commercial air service at the Airport.

Narrative

Flair Airlines, Ltd. ("Flair") has proposed starting commercial air service to Phoenix-Mesa Gateway Airport from various cities in Canada starting on December 15, 2018.

The operating agreement between the Authority and Flair outlines the requirements of Flair for offering commercial passenger service at the Airport, identifies the applicable changes for facilities and services at the Airport, and contractually obligates Flair to adhere to the Airport's Rules and Regulations and Minimum Standards.

Fiscal Impact

Variable revenues are more difficult to forecast because they are based on passenger activity. However, the Airport anticipates increases in concessionaire revenue, rental car fees, Car Rental Facility Charges (CFC's), parking fees, Passenger Facility Charges (PFC's) and fuel service charges.

Attachment(s)

Air Carrier Operating Agreement



RESOLUTION NO. 18-46

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS the Authority desires to enter into an operating agreement with Flair Airlines, Ltd;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes the Executive Director/CEO to execute an operating agreement with Flair Airlines, Ltd. for commercial air service at the Airport. This resolution also authorizes the Chair or Executive Director/CEO to execute such Contract, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 16th day of October, 2018.

Jeff Serdy, Chair

ATTEST:

APPROVED AS TO FORM:

Maria Gonzalez, Clerk of the Board

Attorney



Phoenix-Mesa Gateway Airport Authority

Air Carrier Operating Agreement

with

Flair Airlines, Ltd.

Effective Date: January 1, 2019

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Phoenix-Mesa Gateway Airport Authority
AIR CARRIER OPERATING AGREEMENT

This Air Carrier Operating Agreement (the "Agreement") is executed to be effective the 1st day of January 2019 (the "Effective Date") between the **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY ("PMGAA")**, a joint powers airport authority authorized under the laws of the State of Arizona ("PMGAA"), and **Flair Airlines, Ltd.** ("CARRIER"). PMGAA and CARRIER may be referred to collectively as "Parties," and each separately may be referred to as a "Party."

WITNESSETH:

WHEREAS, PMGAA is the owner and operator of the Phoenix-Mesa Gateway Airport generally located at the intersection of Ray Road and Sossaman Road, City of Mesa, Maricopa County, Arizona (the "Airport"); and

WHEREAS, PMGAA has the right to enter into Agreement, license and grant the use of property and facilities on the Airport and has full power and authority to enter into this Agreement in respect thereof; and

WHEREAS, CARRIER provides commercial airline services, charters, flight crews, aircraft and desires to use the Airport facilities for commercial operations; and

WHEREAS, CARRIER desires to obtain certain non-exclusive rights to use the common use areas of the passenger terminal, services and privileges in connection with the use of the Airport and its facilities, and PMGAA is willing to grant the same to CARRIER upon the terms and conditions hereinafter stated; and

WHEREAS, the Parties agree to enter into this Agreement, specifying the rights and obligations of the Parties with respect to the operation of the Airport by PMGAA and the use and/or occupancy of the Airport by CARRIER;

NOW, THEREFORE, for good and valuable consideration, the mutual covenants and conditions herein set forth and the sufficiency of which is agreed to by the Parties, the Parties hereby agree as follows:

1. PERMITTED ACTIVITIES AND CONDITIONS OF AIRPORT USE.

- 1.1 CARRIER shall have the right to use, in common with others, the passenger terminal, taxiways, runways and air navigational aids of the Airport for the purpose of conducting its FAR Part 121 scheduled domestic operations, public charter, private charter and the landing and taking off of aircraft incidental thereto, and provided, however, such activities and services are performed in strict accordance with applicable PMGAA Minimum Standards, upon terms and conditions as herein provided.
- 1.2 RESERVED.
- 1.3 CARRIER shall not engage in any other commercial or revenue producing activity at the Airport (excluding charter activities by CARRIER, and charter activities requested by PMGAA) without first applying for and receiving written approval for such activity from PMGAA. In the event any other commercial or revenue producing activity is engaged in by CARRIER prior to obtaining such approval, without waiver or limitation of any other remedies available to PMGAA at law or equity, CARRIER hereby agrees to remit to PMGAA the sum equal to TEN PERCENT (10%) of gross billings for such unauthorized activity, plus any expenses incurred by PMGAA in the course of any audit conducted for all of CARRIER's activities.

- 1.4 CARRIER shall at all times comply with all Federal, State and local laws, ordinances, rules and regulations which are applicable to its operations or the Premises itself (including but not limited to the Americans with Disabilities Act), including all laws, ordinances, rules and regulations adopted after the Effective Date. Carrier shall at all times comply with the Phoenix-Mesa Gateway Airport Authority Rules and Regulations, as the same may be amended from time to time in the Authority's sole and absolute discretion.

2. TERM.

- 2.1 Initial Term. Subject to earlier termination as provided herein, the term of this Agreement shall be one (1) year, commencing on the Effective Date (the "Term").
- 2.2 Renewal Term. Provided CARRIER is not then in default of this Agreement, the Term may be extended for one (1) year, without action by the Parties, unless otherwise terminated as provided herein.
- 2.3 Either Party may terminate this Agreement by providing the notified Party ninety (90) calendar days advance written notice of the terminating Party's intent to do so.

3. NONEXCLUSIVE RIGHTS.

CARRIER shall have the non-exclusive right to occupy and use the designated areas of the Airport while in compliance with the terms and conditions of this Agreement. All rights granted to CARRIER under this Agreement are nonexclusive, except by express written agreement herein. PMGAA may, in its sole discretion and at any time, permit third parties to conduct any and all business activities at the Airport that PMGAA deems appropriate, or conduct such activities itself, provided that such activities do not require or materially interfere with CARRIER's use of the Airport.

- 3.1 PMGAA shall provide CARRIER with common use of one (1) boarding gate and two (2) ticketing positions. In addition, CARRIER shall have Common Use access to additional ticket counters, gate hold rooms, and the baggage claim area for scheduled flight operations, the scheduling of such use is subject to the guidelines outlined in PMGAA's Common Use Facilities Operating Procedures. Common use requirements shall be scheduled with PMGAA's Operations & Maintenance department prior to any planned use. CARRIER shall not schedule or advertise flight schedules originating from or destined for Phoenix-Mesa Gateway Airport without prior and in advance coordination and confirmation of terminal availability.
- 3.2 PMGAA has implemented Common Use Facilities Operating Procedures. PMGAA reserves the right to modify said procedures from time-to-time, as it deems necessary in its sole and absolute discretion and authority to accomplish its purposes. CARRIER shall at all times comply with these operating procedures.
- 3.3 PMGAA has implemented an Airport Security Program in a form acceptable to the Transportation Security Administration. PMGAA reserves the right to modify said program from time-to-time, as it deems necessary to accomplish its purposes. CARRIER shall at all times comply with the Airport Security Program and indemnify, defend, hold and save PMGAA, its board members, member governments, officers, officials, employees, and agents free and harmless for, from, and against any violations of said Security Program caused, or alleged to be caused, by the acts, errors or omissions of CARRIER, its employees, agents, invitees or contractors.

4. RENTALS, FEES AND CHARGES

- 4.1 General. Rent for use of any exclusive use space due and payable at the beginning of each month. All other fees are assessed at the time of each use, flight, or service, as applicable, and are due and payable no later than the twentieth (20th) day of the following month in which the use or activity occurred ("Fee Due Date"). The CARRIER shall self-report its flight activity monthly to PMGAA pursuant to Section 5. Delinquent rents and fees shall be assessed a finance charge in accordance

with Section 4.10.2. Any ground handling services requested of PMGAA or other authorized service provider by Carrier shall be governed by a separate agreement. In any event, CARRIER shall be the responsible party for the purposes of this Air Carrier Operating Agreement, and therefore CARRIER shall pay, or cause to be paid, to PMGAA, the fees and charges as outlined below:

- 4.2 Landing Fees. CARRIER shall pay a landing fee at a rate equal to the amount reflected on the most current Airport Rates & Charges Schedule at the time of the aircraft operation, for each flight operated by or in conjunction with CARRIER that is subject to a landing fee. The weight used to determine the landing fee for any particular aircraft shall be its maximum certificated gross landing weight (MGLW), as certified by the Federal Aviation Administration. Landing fee increases will not exceed an average of three percent (3%) annually for the duration of this Agreement.
- 4.3 Terminal Use Fees. Terminal Use includes ticket counter(s) and lobby area, secure hold room and boarding area podium, aircraft parking position (2 hours), baggage claim area, and common use computer equipment per flight. CARRIER shall pay PMGAA a Terminal Use Fee in the amount reflected on the most current Airport Rates & Charges Schedule. Terminal use fee increases will not exceed an average of three percent (3%) annually for the duration of this Agreement.
- 4.4 Common Use Set-up and Operating Fees. CARRIER shall pay PMGAA for common use terminal equipment, internet connection, and dark fiber per the most current Airport Rates & Charges Schedule.
- 4.5 Aircraft Parking Fees. CARRIER shall pay PMGAA a fee per the most recent Airport Rates & Charges Schedule for any aircraft occupying an aircraft parking position, including terminal gates and remote parking positions, for more than three hours; and for any portion of each 24hour parking period. This fee shall be waived if the aircraft performed a revenue service operation the day prior or will perform a revenue service operation the day after being parked for more than three hours.
- 4.6 Passenger Facility Charges. CARRIER shall pay monthly to PMGAA, on or before the Twentieth (20th) day of each month (the "Due Date"), a PFC in the amount of Four and 50/100 Dollars (\$4.50) for each Enplaned Passenger departing the Airport on an CARRIER Revenue Flight during the previous calendar month. The collection of said fees by CARRIER shall be subject to the terms, conditions and methods of collection set forth in the Aviation Safety and Capacity Expansion Act of 1990, Section 9110, at it now exists or is modified hereafter (the "PFC Act").
- 4.7 Monthly Tie Down Fees. CARRIER shall pay Monthly Tie Down Fees per Rates and Charges.
- 4.8 Fueling Fees. CARRIER shall execute a Fuel Service Agreement with PMGAA.
- 4.9 Aircraft Ramp Space and Services. CARRIER shall pay PMGAA monthly for any aircraft line services, out-of-station Aircraft Rescue and Firefighting (ARFF) services, operations safety officers, ground service equipment use, fuel spill response teams and any other space or service requirements as specified in the Airport Rates & Charges Schedule or, if not so specified in that Schedule, as determined by PMGAA (collectively, "Additional Services").
- 4.10 Other Fees. Unless specified otherwise herein, CARRIER shall pay PMGAA for its usage or rental of PMGAA equipment and the performance of services by PMGAA within TEN (10) business days of CARRIER's receipt of an invoice (the "Due Date") for same from PMGAA. The amount of such fees shall be as provided by separate agreement between CARRIER and PMGAA, or, in the absence of such agreement, as specified in the most current Airport Rates and Charges Schedule or PMGAA's Price Listing in effect when the charge or fee was incurred. Failure to remit payment by the Due Date may result in the suspension of further equipment rentals or services until payment is made to PMGAA in full.
- 4.11 With regard to the fees and charges specified in SECTION 4 above, the following conditions and considerations shall apply:
 - 4.11.1 Airport Rates & Charges Schedule. The Airport Rates & Charges Schedule referred to in this Agreement may be revised from time to time. CARRIER shall pay the most

current fee(s) at the time of the event or service, as applicable, unless specifically outlined in this Agreement. The current Airport Rates & Charges Schedule is attached as **EXHIBIT A** and is subject to change without prior notice or approval of CARRIER.

- 4.11.2 Finance Charges and Late Fees. If CARRIER fails to pay any charge due and owing to PMGAA in full on or before the applicable due date, CARRIER shall be responsible for interest on the unpaid fee or charge at the rate of EIGHTEEN PERCENT (18%) per annum from the due date until payment in full is made. In addition, in the event any payment is received more than TEN (10) days after the due date, a late penalty of TEN PERCENT (10%) of the amount of such delinquent amount shall be due and payable in addition thereto.
- 4.11.3 Books and Records. CARRIER shall maintain permanent books, records and ledgers accurately reflecting the total passengers, and total number of monthly aircraft landings for all aircraft subject to a landing fee indicating the make, type (including model designation), registration number, maximum certificated gross landing weight, and arrival and departure time of each aircraft involved. These records shall be made available to PMGAA upon request. PMGAA may audit the books, records and ledgers maintained by CARRIER in accordance with this SECTION 4. In the event an audit reveals a deficiency of TWO PERCENT (2%) or greater in the amount of payment made pursuant to this SECTION 4, CARRIER shall not only pay such deficiency but also the cost of any audit performed by PMGAA.

5. REPORTING REQUIREMENTS

- 5.1 CARRIER shall file with PMGAA written reports for the items specified below no later than the TENTH (10th) day of the calendar month following the month in which the specified activities occurred (the "Due Date"). Such reports shall cover all of CARRIER's Airport activities during said month, and include activity handled by CARRIER for other Air Transportation Companies not having an agreement with PMGAA providing for its own submission of activity data to PMGAA.
 - 5.1.1 A complete listing of all of CARRIERS's scheduled aircraft landings and actual aircraft landings at the Airport, including the aircraft type and MGTOW; and a listing by destinations, of the number of flights that qualify under applicable waiver agreements for any landing fee waivers;
 - 5.1.2 A complete listing of CARRIER's Enplaned Passengers and Deplaned Passengers, specified by and including the type of aircraft;
 - 5.1.3 A complete listing, by date and by flight number, of CARRIER's Revenue Passengers enplaning at the Airport and the amount of PFCs collected in conjunction therewith; and
 - 5.1.4 A complete listing, by date and by flight number, of CARRIER's commercial cargo loaded and off loaded.
- 5.2 PMGAA shall have the right to rely on said activity reports in determining rentals and other charges due hereunder; provided, however, CARRIER shall have full responsibility for the accuracy of said reports. Payment deficiencies due to incomplete or inaccurate activity reports shall be subject to interest charges as set forth in SECTION 6.8.1 herein.
- 5.3 CARRIER shall at all times maintain and keep books, ledgers, accounts or other records wherein are accurately kept all entries reflecting the activity statistics to be reported pursuant to SECTION 5. Such records shall be retained by CARRIER for a period of THREE (3) years subsequent to the activities reported therein, or such other retention period as set forth in 14 CFR Part 249.7, and made available at Mesa, Arizona for audit and/or examination by PMGAA or its duly authorized representative during all normal business hours. CARRIER shall produce such books and records at Mesa, Arizona within THIRTY (30) calendar days of PMGAA's notice to do so or

pay all reasonable expenses, including but not limited to, transportation, food, lodging and other related expenses, necessary for an auditor selected by PMGAA to audit said books and records.

- 5.4 The cost of audit, with the exception of the aforementioned expenses, shall be borne by PMGAA; provided, however, the total cost of said audit shall be borne by CARRIER if either or both of the following conditions exist:
- 5.4.1 The audit reveals an underpayment of more than FIVE PERCENT (5%) of rentals, fees and charges due hereunder, as determined by said audit; and/or
 - 5.4.2 CARRIER has failed to maintain true and complete books, records, accounts and supportive source documents in accordance with SECTION 5.
- 5.5 Payments. All payments due and payable hereunder shall be paid in lawful money of the United States of America, without set off, by check made payable to the Phoenix-Mesa Gateway Airport Authority and delivered to:

Phoenix-Mesa Gateway Airport Authority
Attn.: Accounts Receivable
5835 S. Sossaman Road
Mesa, Arizona 85212-0614

6. INSURANCE

- 6.1 General. Carrier shall procure and maintain the following types and amounts of insurance for its operations at the Airport throughout the Term of this Agreement and any Extension thereto:

Aircraft Liability insurance covering third party bodily injury and property damage, and passenger and contractual liabilities which shall protect and indemnify PMGAA from any and all claims arising in connection with aircraft movement on the Airport in amounts as are customarily carried by a carrier of like kind and size, but in no event less than \$250,000,000.00 per occurrence. Such insurance shall also insure against third party liabilities arising from War Risk perils.

Airport Premises Liability insurance third party bodily injury and property damage, including coverage for “premises/operations,” “products and completed operations,” “host liquor” and “blanket contractual” liabilities in an amount not less than \$250,000,000.00 per occurrence.

Comprehensive Automobile Liability insurance for all owned, non-owned and hired vehicles operated airside on the Airport that are assigned to or used in the performance of commercial activities in the amount of \$25,000,000.00 per occurrence or combined single limit. If any hazardous materials are transported in conjunction with Carrier’s business operations at or on the Airport, an MSC 90 endorsement shall be required in addition thereto.

Workers’ Compensation insurance, as required by law, and *Employer’s Liability* insurance in the amount of \$1,000,000.

- 6.2 Additional Insurance. At any time during the Term of this Agreement, including any Extension thereto, PMGAA may, if in its reasonable determination the insurance coverage required by this SECTION 4 is no longer adequate, require CARRIER to increase its coverage to commercially reasonable amounts.
- 6.3 Blanket Insurance. CARRIER’s insurance obligations under this Agreement may be satisfied by means of the general corporate “blanket” policies carried by it and evidenced by the insurance carrier’s standard certificates thereof.
- 6.3.1 Use of Proceeds. Proceeds of any liability and property damage insurance required under this SECTION 5 shall be applied toward extinguishing, satisfying or remedying the liability, loss or damage with respect to which such proceeds may be paid.
- 6.4 Indemnity. To the fullest extent permitted by law CARRIER (as “indemnitor”) shall indemnify, defend, hold and save PMGAA, its board members, and its member governments, officers,

officials, employees, and agents (as "indemnitee") free and harmless of, for, from and against any and all Losses caused in whole or in part by (a) any act or omission of CARRIER (including indemnitor's officers, officials, agents, employees, contractors or invitees), (b) CARRIER's operations at the Airport, (c) CARRIER's violations of said Security Program caused, or alleged to be caused, by the acts, errors or omissions of CARRIER, its employees, agents, invitees or contractors, or (d) any default by CARRIER hereunder. This indemnification shall exclude responsibility for any consequential damages and for claims arising by reason of the negligent or wrongful act of PMGAA or its employees, contractors or agents. For purposes hereof "Losses" shall mean any and all losses, liabilities, judgments, suits, claims, damages, fines, penalties, costs and expenses (including reasonable attorneys and consultant fees, investigation costs, monitoring costs, remediation costs, and court costs), of any kind or nature." In carrying out the defense of any claim subject to its indemnification obligations hereunder, CARRIER shall use counsel reasonably acceptable to PMGAA.

- 6.6 Insurance Form. Each insurance policy obtained pursuant to this SECTION 5, except for Workers' Compensation and Employer Liability policies, shall: (i) name PMGAA as a certificate holder or an additional insured to the extent of Operator's contractual indemnity obligations; (ii) contain a provision that written notice of cancellation or modification thereof shall be given to PMGAA not less than THIRTY (30) calendar days before such cancellation or modification takes effect (TEN (10) days in the case of nonpayment of premium); and (iii) contain a waiver of subrogation in favor of PMGAA. Operator shall not permit any insurance policy to be canceled or modified without PMGAA's written consent unless equivalent replacement policies are issued with no lapse in coverage. All policies shall be obtained from insurance companies licensed to do business in the State of Arizona and possessing a rating of at least A - VII or higher from the A.M. Best Company, or an equivalent rating approved by PMGAA.

7. **DISABLED OR ABANDONED AIRCRAFT.**

- 7.1 Should any aircraft owned or operated by CARRIER, through accident or for any other reason, become disabled or be abandoned in any area which could interfere with the continuous, normal operations of any of the runways, taxiways and airfield facilities at the Airport, CARRIER shall, at CARRIER'S sole cost and expense:
- 7.1.1 Immediately remove said aircraft to such location as may be designated by PMGAA, unless such aircraft is required to remain in place pending investigation by the appropriate regulatory agency or agencies of the federal government; and
 - 7.1.2 In the event of any accident where federal investigation in place is required, immediately upon receiving clearance to do so from the appropriate federal agency, remove said aircraft and any wreckage or debris resulting therefrom to the area(s) designated by said federal agency authorizing such removal; otherwise, such aircraft wreckage and debris shall be immediately removed from the Airport or stored at a location approved by PMGAA.
- 7.2 Should CARRIER fail to proceed immediately to remove disabled aircraft, or should aircraft owned or operated by CARRIER be abandoned on the Airport, PMGAA shall have the right to remove such aircraft by any means PMGAA deems necessary under the circumstances, and CARRIER shall, to the fullest extent permitted by law, indemnify, defend, keep and hold PMGAA, its members, board of directors, officers, agents, officials, servants, employees and contractors harmless from and against any and all claims, costs, loss, liability, actions, suits, proceedings, damage or expense (including costs of suit and attorneys' fees and expenses) incurred by PMGAA or claimed by anyone by reason of removal of said aircraft, injury to persons or property or damages to such aircraft caused by such removal, as well as storage costs therefor. CARRIER shall reimburse PMGAA for any costs incurred by PMGAA in removing and storing any aircraft, at PMGAA's sole discretion, and as provided herein in performing authorized maintenance on its aircraft on the Airport.
- 7.3 Sound and Noise Suppression. CARRIER shall comply fully with PMGAA rules and requirements when performing high-speed engine test operations at the Airport, if any, and Section 10.3 to

mitigate excessive ambient sound and/or noise that may be generated incident thereto and that have or may have an adverse effect on other Airport tenant operations and the surrounding community. CARRIER acknowledges and agrees that said rules and requirements for such test operations may change from time to time at PMGAA's sole and absolute discretion. CARRIER also agrees that any costs associated with compliance with PMGAA's rules and requirements for sound or noise suppression or mitigation shall be borne solely by CARRIER.

8. ENVIRONMENTAL COMPLIANCE.

CARRIER shall at all times during the existence of this Agreement promptly observe and comply with applicable Federal, State, and local laws, regulations, rules and standards concerning the environment (collectively, the "Environmental Laws"). CARRIER shall be responsible for collecting, storing, recycling and/or disposing of its hazardous or toxic waste, if any, in compliance with the Environmental Laws governing the storage and disposal of hazardous or toxic waste. CARRIER shall ensure its employees and agents are aware that domestic drains, storm drains, or industrial waste drains shall not be used to dispose of gasoline, hydraulic fluid, solvents, concentrated cleaning agents or any other hazardous or toxic materials. Where so required, PMGAA may act on behalf of CARRIER, as and if appropriate, to dispose of CARRIER's waste, sign manifests on behalf of CARRIER and assign such disposal to CARRIER's EPA identification (ID) number. CARRIER shall repay PMGAA the costs and fees for doing so within TEN (10) days of demand therefor. CARRIER shall, to the fullest extent permitted by law, indemnify, defend and hold PMGAA, its members, board of directors, officers, agents, officials, employees, and contractors harmless from and against any and all claims, costs, loss, liability, actions, suits, proceedings, damage or expense including, but not limited to, the costs of suit and reasonable attorneys' fees and expenses of any nature whatsoever arising out of or related to CARRIER's failure to comply with the Environmental Laws.

9. TAXES AND RELATED IMPOSITIONS.

In the event any governmental authority shall impose a tax or imposition based upon this Agreement, upon CARRIER or its aircraft, or upon payments to be made hereunder, CARRIER shall pay such amounts either to PMGAA or the appropriate governmental authority on or before any delinquency date. Specifically, CARRIER shall be responsible for any transaction privilege, sales, excise or other similar tax except income taxes as a result of this Agreement. CARRIER shall also pay all licensing or permitting fees necessary or required by law for the conduct of its aeronautical operations hereunder, or any other matters hereunder. CARRIER shall be responsible for any property interests created hereunder, which may constitute or be deemed to be a possessory interest for purposes of taxation.

10. RULES, REGULATIONS AND MINIMUM STANDARDS.

- 10.1 CARRIER shall at all times comply with all federal, State and local laws and ordinances, rules and regulations, which are applicable to its operations, or the operation, management, maintenance, or administration of the Airport, including but not limited to the Americans with Disabilities Act, and all laws, ordinances, rules and regulations adopted after the Effective Date. CARRIER shall at all times comply with all rules and regulations, and minimum standards established by PMGAA regarding operation and maintenance of the Airport, copies of which are attached as **EXHIBIT B** and are incorporated herein. CARRIER will be responsible for controlling and preventing disruptive pedestrian and vehicle traffic, if any, associated with its activities on the Airport. CARRIER also shall display or provide copies to PMGAA of any permits, licenses, or other evidence of compliance with laws upon request.
- 10.2 PMGAA shall operate the Airport in compliance with all applicable Federal state and local laws, ordinances, rules and regulations, and shall enforce the Airport Rules and Regulations established by it to ensure the effective and orderly operation of the Airport, and to prevent any disruption caused by CARRIER's operations at and on the Airport.
- 10.3 CARRIER acknowledges receipt of and agrees to abide by PMGAA's *Fly Friendly* noise abatement procedures and will provide such information to flight crews and/or students, post the information in CARRIER's flight planning area, and use the procedures to the extent possible

when consistent with safety and air traffic control directives.

11. **DEFAULT: TERMINATION BY PMGAA**

11.1 General Grounds. PMGAA may terminate this Agreement upon the occurrence of any of the following events:

- 11.1.1 Failure of CARRIER to perform any of its obligations under this Agreement, or any other contract, license or agreement between the Parties, which failure shall not be cured within FIVE (5) business days after delivery by PMGAA to CARRIER of a written notice of such failure.
- 11.1.2 The filing of any lien against the Airport because of any act or omission of CARRIER which is not discharged within FIVE (5) business days of receipt of actual notice of such lien by CARRIER.

CARRIER may terminate this Agreement upon the occurrence of any of the following events:

- 11.1.3 Failure of PMGAA to perform any of its obligations under this Agreement, or any other contract, license or agreement between the Parties, which failure shall not be cured within FIVE (5) business days after delivery by CARRIER to PMGAA of a written notice of such failure.
- 11.1.4 The filing of any lien against the Airport because of any act or omission of PMGAA which is not discharged within FIVE (5) business days of receipt of actual notice of such lien by PMGAA.

11.2 Failure to Pay Fees. PMGAA may declare CARRIER in default of this Agreement by giving CARRIER FIVE (5) business day's written notice of CARRIER's failure to timely pay any fees or payments due pursuant to this Agreement. If CARRIER fails to cure such payment default within said FIVE (5) business day period, PMGAA may, in its sole discretion, elect to do any one or more than one of the following:

- 11.2.1 Institute action(s) to enforce this Agreement; or
- 11.2.2 Terminate this Agreement automatically without further notice to CARRIER; or
- 11.2.3 Exercise any other remedy allowed by law or equity.

11.3 Failure to Provide Insurance. In the event CARRIER at any time fails to maintain all insurance coverage required by this Agreement, PMGAA shall have the right, upon written notice to CARRIER, to immediately terminate this Agreement or secure the required insurance at CARRIER's expense.

11.4 No Waiver by PMGAA. No waiver by PMGAA of any default by CARRIER in the performance of its obligations under this Agreement shall be deemed to be a waiver of any subsequent default by CARRIER in the performance of any such obligations.

12. **GOVERNING LAW; ATTORNEY'S FEES.**

The laws of the State of Arizona shall govern this Agreement and the matters set forth therein, without regard to its conflict of law principles. Venue of any action brought under this Agreement shall, at the option of PMGAA, lie in Maricopa County, Arizona. In the event of any litigation or arbitration between PMGAA and CARRIER arising under this Agreement, the successful party shall be entitled to recover its attorney's fees, expert witness fees and other costs incurred in connection with such litigation or arbitration.

13. **NONWAIVER.**

PMGAA's right to revoke this Agreement shall be absolute. Any election by PMGAA to not enforce any provision of this Agreement, or any failure by PMGAA to exercise any of the remedies allowed PMGAA

under this Agreement, shall not operate as a waiver by PMGAA of any of its right hereunder.

14. ASSIGNMENT.

CARRIER shall not assign or transfer any right or interest in this Agreement.

15. OTHER RESTRICTIONS.

CARRIER shall comply with all rules, laws, ordinances, and statues of any governmental authority having jurisdiction over the Airport or the matters provided in this Agreement.

16. AIRPORT SECURITY.

PMGAA maintains an approved Airport Security Plan (the "Security Plan") pursuant to 49 CFR Parts 1540 and 1542 and 14 CFR Part 139. CARRIER shall at all times comply with the Security Plan and the written and verbal directives issued by PMGAA supporting the Security Plan.

- 16.1 The CARRIER shall immediately correct physical or procedural deficiencies which are contrary to the Security Plan, security directives, security bulletins, or verbal notifications existing now or in the future. CARRIER is responsible for maintaining security practices, facilities, and perimeter boundaries on their leasehold that meet the security standards of the Security Plan.
- 16.2 CARRIER shall, to the fullest extent permitted by law, indemnify, defend, and hold PMGAA harmless for, from, and against any violations of the Security Plan committed by any agents, employees, invitees, subcontractors, or independent contractors of the CARRIER.
- 16.3 CARRIER shall conduct and document all self-audits and self-inspections as required by the Transportation Security Administration ("TSA") or PMGAA and make such audits available for inspection.
- 16.4 CARRIER shall designate a primary security coordinator to receive security -related briefings, bulletins, and sensitive security information ("SSI").
- 16.5 PMGAA reserves the right to modify the Security Plan from time-to-time, as necessary, or as directed by the TSA.

17. AIRPORT SECURITY BADGE

- 17.1 Carrier employees/contractors that require a badge shall be obligated to complete all training and comply with all security requirements and directives issued by PMGAA, TSA, or other entities having jurisdiction at PMGAA.
- 17.2 CARRIER and employees/contractors shall comply with all security-related audits, inspection, and screenings conducted by PMGAA.
- 17.3 CARRIER will immediately return badges to the Airport Badging Office when badge holders terminate employment, the badge is no longer needed, or the employee/contractor is on extended leave.
- 17.4 Misuse of a badge or security procedures will bring about punitive action including suspension or revocation of one or all badges.

18. NOTICE.

- 18.1 All notices required or permitted under this Agreement shall not be deemed effective unless personally delivered or mailed by certified mail, return receipt requested, postage prepaid, or by reputable commercial overnight courier service, to the following addresses:

TO PMGAA:	Phoenix-Mesa Gateway Airport Authority Attn.: Business Development Department 5835 S. Sossaman Road Mesa, Arizona 85212-0614
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TO CARRIER:

Flair Airlines, Ltd.
Attn: Commercial Development
5795 Airport Way
Kelowna, BC, Canada V1V 1S1

- 18.2 Notices shall be deemed to have been received TWO (2) business days after the date of mailing, if given by certified mail, or upon actual receipt if personally delivered or if given by reputable commercial overnight courier service. Any Party may designate in writing a different address for notice purposes pursuant to this SECTION.

19. PRIOR AGREEMENTS AND PERMITS.

Upon execution hereof, this Agreement shall supersede and cancel any prior agreements between PMGAA and CARRIER with respect to the business activities governed hereby. CARRIER shall not construe PMGAA's execution of this Agreement as a waiver of any prior indebtedness or obligation to PMGAA under any prior agreement or license, nor does PMGAA waive any claim or cause of action arising therefrom.

20. CORPORATE AUTHORIZATION.

In executing this Agreement, CARRIER represents and warrants to PMGAA that if CARRIER is a corporation, CARRIER has obtained and been granted the full right, power and authority to enter into this Agreement.

21. MISCELLANEOUS.

- 21.1 Personal Liability. No member of or employee of either Party shall be charged personally or held contractually liable by or to the other Party under any term or provision of this Agreement because of any breach thereof or because of its execution or attempted execution.
- 21.2 No Waiver. No provision of this Agreement may be waived or modified except by a writing signed by the Party against whom such waiver or modification is sought.
- 21.3 Non-Waiver of Rights. No waiver or default by PMGAA of any of the terms, conditions, covenants or agreements hereof to be performed, kept or observed by CARRIER shall be construed or act as a waiver of any subsequent default of any of the terms, covenants, conditions or agreements herein contained to be performed, kept or observed by CARRIER, and PMGAA shall not be restricted from later enforcing any of the terms and conditions of this Agreement.
- 21.4 Amendment. Only a written instrument executed by the Parties may amend this Agreement.
- 21.5 Invalid Provisions. Should any provision of this Agreement or any application thereof be held invalid by a court of competent jurisdiction, the remainder of this Agreement shall not be affected thereby, unless one or both Parties would be substantially and materially prejudiced.
- 21.6 Headings. The headings contained herein are for convenience in reference only and are not intended to define or limit the scope of this Agreement or any term thereof.
- 21.7 Entire Agreement. This Agreement, including **EXHIBITS** attached hereto at the time of its execution, constitutes the entire agreement between the Parties hereto and supersedes all prior negotiations, understandings and agreements between the Parties concerning such matters.

22. INCORPORATION OF RECITALS.

The recitals set forth above are acknowledged by the Parties to be true and correct and are incorporated herein by this reference.

IN WITNESS WHEREOF, the Parties have executed this Agreement to be effective on the Effective Date specified above.

FOR PMGAA:

FOR CARRIER:

By: J. Brian O'Neill, A.A.E

By: Lawrence Wright

Its: Executive Director/CEO

Its: Head of Airport Operations

Date Signed: _____

Date Signed: _____

EXHIBIT A

PMGAA Rates & Charges

[http://www.gatewayairport.com/documents/documentlibrary/board%20policies/airport%20rates%20and%20charges%20\(res.%2017-38\)%20effective%208-1-17.pdf?Uniqueifier=Zp6ub4UvLG](http://www.gatewayairport.com/documents/documentlibrary/board%20policies/airport%20rates%20and%20charges%20(res.%2017-38)%20effective%208-1-17.pdf?Uniqueifier=Zp6ub4UvLG)

EXHIBIT B

PMGAA Minimum Standards

<http://www.gatewayairport.com/documents/documentlibrary/board%20policies/wga%20minimum%20standards.pdf>

PMGAA Rules & Regulations

http://www.gatewayairport.com/documents/documentlibrary/board%20policies/rules%20and%20regulations_16-53.pdf?Uniqueifier=Zp6ub4UvLG



Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

To: Board of Directors
From: Shea Joachim, CEcD, Business Development Director
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: California Pacific Airlines Air Carrier Operating Agreement
Date: October 16, 2018

Proposed Motion

To authorize the Executive Director to execute an operating agreement with California Pacific Airlines for commercial air service at the Airport.

Narrative

California Pacific Airlines ("Cal Pacific") has proposed starting commercial air service to Phoenix-Mesa Gateway Airport from Carlsbad, California starting November 15, 2018.

The operating agreement between the Authority and Cal Pacific outlines the requirements of Cal Pacific for offering commercial passenger service at the Airport, identifies the applicable changes for facilities and services at the Airport, and contractually obligates Cal Pacific to adhere to the Airport's Rules and Regulations and Minimum Standards.

Fiscal Impact

Variable revenues are more difficult to forecast because they are based on passenger activity. However, the Airport anticipates increases in concessionaire revenue, rental car fees, Car Rental Facility Charges (CFC's), parking fees, Passenger Facility Charges (PFC's) and fuel service charges.

Attachment(s)

Air Carrier Operating Agreement



RESOLUTION NO. 18-47

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS the Authority desires to enter into an operating agreement with California Pacific Airlines;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes the Executive Director/CEO to execute an operating agreement with California Pacific Airlines for commercial air service at the Airport. This resolution also authorizes the Chair or Executive Director/CEO to execute such Contract, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 16th day of October, 2018.

Jeff Serdy, Chair

ATTEST:

APPROVED AS TO FORM:

Maria Gonzalez, Clerk of the Board

Attorney



Phoenix-Mesa Gateway Airport Authority

Air Carrier Operating Agreement

with

California Pacific Airlines, Inc.

Effective Date: November 1, 2018

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Phoenix-Mesa Gateway Airport Authority
AIR CARRIER OPERATING AGREEMENT

This Air Carrier Operating Agreement (the "Agreement") is executed to be effective the 1st day of November 2018 (the "Effective Date") between the **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY ("PMGAA")**, a joint powers airport authority authorized under the laws of the State of Arizona ("PMGAA"), and **AERODYNAMICS INC. dba CALIFORNIA PACIFIC AIRLINES ("CARRIER")**. PMGAA and CARRIER may be referred to collectively as "Parties," and each separately may be referred to as a "Party."

WITNESSETH:

WHEREAS, PMGAA is the owner and operator of the Phoenix-Mesa Gateway Airport generally located at the intersection of Ray Road and Sossaman Road, City of Mesa, Maricopa County, Arizona (the "Airport"); and

WHEREAS, PMGAA has the right to enter into Agreement, license and grant the use of property and facilities on the Airport and has full power and authority to enter into this Agreement in respect thereof; and

WHEREAS, CARRIER provides commercial airline services, charters, flight crews, aircraft and desires to use the Airport facilities for commercial operations; and

WHEREAS, CARRIER desires to obtain certain non-exclusive rights to use the common use areas of the passenger terminal, services and privileges in connection with the use of the Airport and its facilities, and PMGAA is willing to grant the same to CARRIER upon the terms and conditions hereinafter stated; and

WHEREAS, the Parties agree to enter into this Agreement, specifying the rights and obligations of the Parties with respect to the operation of the Airport by PMGAA and the use and/or occupancy of the Airport by CARRIER;

NOW, THEREFORE, for good and valuable consideration, the mutual covenants and conditions herein set forth and the sufficiency of which is agreed to by the Parties, the Parties hereby agree as follows:

1. PERMITTED ACTIVITIES AND CONDITIONS OF AIRPORT USE.

- 1.1 CARRIER shall have the right to use, in common with others, the passenger terminal, taxiways, runways and air navigational aids of the Airport for the purpose of conducting its FAR Part 121 scheduled domestic operations, public charter, private charter and the landing and taking off of aircraft incidental thereto, and provided, however, such activities and services are performed in strict accordance with applicable PMGAA Minimum Standards, upon terms and conditions as herein provided.
- 1.2 RESERVED.
- 1.3 CARRIER shall not engage in any other commercial or revenue producing activity at the Airport (excluding charter activities by CARRIER, and charter activities requested by PMGAA) without first applying for and receiving written approval for such activity from PMGAA. In the event any other commercial or revenue producing activity is engaged in by CARRIER prior to obtaining such approval, without waiver or limitation of any other remedies available to PMGAA at law or equity, CARRIER hereby agrees to remit to PMGAA the sum equal to TEN PERCENT (10%) of gross billings for such unauthorized activity, plus any expenses incurred by PMGAA in the course of any audit conducted for all of CARRIER's activities.

- 1.4 CARRIER shall at all times comply with all Federal, State and local laws, ordinances, rules and regulations which are applicable to its operations or the Premises itself (including but not limited to the Americans with Disabilities Act), including all laws, ordinances, rules and regulations adopted after the Effective Date. Carrier shall at all times comply with the Phoenix-Mesa Gateway Airport Authority Rules and Regulations, as the same may be amended from time to time in the Authority's sole and absolute discretion.

2. TERM.

- 2.1 Initial Term. Subject to earlier termination as provided herein, the term of this Agreement shall be one (1) year, commencing on the Effective Date (the "Term").
- 2.2 Renewal Term. Provided CARRIER is not then in default of this Agreement, the Term may be extended for one (1) year, without action by the Parties, unless otherwise terminated as provided herein.
- 2.3 Either Party may terminate this Agreement by providing the notified Party ninety (90) calendar days advance written notice of the terminating Party's intent to do so.

3. NONEXCLUSIVE RIGHTS.

CARRIER shall have the non-exclusive right to occupy and use the designated areas of the Airport while in compliance with the terms and conditions of this Agreement. All rights granted to CARRIER under this Agreement are nonexclusive, except by express written agreement herein. PMGAA may, in its sole discretion and at any time, permit third parties to conduct any and all business activities at the Airport that PMGAA deems appropriate, or conduct such activities itself, provided that such activities do not require or materially interfere with CARRIER's use of the Airport.

- 3.1 PMGAA shall provide CARRIER with common use of one (1) boarding gate and four (4) ticketing positions. In addition, CARRIER shall have Common Use access to additional ticket counters, gate hold rooms, and the baggage claim area for scheduled flight operations, the scheduling of such use is subject to the guidelines outlined in PMGAA's Common Use Facilities Operating Procedures. Common use requirements shall be scheduled with PMGAA's Operations & Maintenance department prior to any planned use. CARRIER shall not schedule or advertise flight schedules originating from or destined for Phoenix-Mesa Gateway Airport without prior and in advance coordination and confirmation of terminal availability.
- 3.2 PMGAA has implemented Common Use Facilities Operating Procedures. PMGAA reserves the right to modify said procedures from time-to-time, as it deems necessary in its sole and absolute discretion and authority to accomplish its purposes. CARRIER shall at all times comply with these operating procedures.
- 3.3 PMGAA has implemented an Airport Security Program in a form acceptable to the Transportation Security Administration. PMGAA reserves the right to modify said program from time-to-time, as it deems necessary to accomplish its purposes. CARRIER shall at all times comply with the Airport Security Program and indemnify, defend, hold and save PMGAA, its board members, member governments, officers, officials, employees, and agents free and harmless for, from, and against any violations of said Security Program caused, or alleged to be caused, by the acts, errors or omissions of CARRIER, its employees, agents, invitees or contractors.

4. RENTALS, FEES AND CHARGES

- 4.1 General. Rent for use of any exclusive use space due and payable at the beginning of each month. All other fees are assessed at the time of each use, flight, or service, as applicable, and are due and payable no later than the twentieth (20th) day of the following month in which the use or activity occurred ("Fee Due Date"). The CARRIER shall self-report its flight activity monthly to PMGAA pursuant to Section 5. Delinquent rents and fees shall be assessed a finance charge in accordance

with Section 4.10.2. Any ground handling services requested of PMGAA or other authorized service provider by Carrier shall be governed by a separate agreement. In any event, CARRIER shall be the responsible party for the purposes of this Air Carrier Operating Agreement, and therefore CARRIER shall pay, or cause to be paid, to PMGAA, the fees and charges as outlined below:

- 4.2 Landing Fees. CARRIER shall pay a landing fee at a rate equal to the amount reflected on the most current Airport Rates & Charges Schedule at the time of the aircraft operation, for each flight operated by or in conjunction with CARRIER that is subject to a landing fee. The weight used to determine the landing fee for any particular aircraft shall be its maximum certificated gross landing weight (MGLW), as certified by the Federal Aviation Administration. Landing fee increases will not exceed an average of three percent (3%) annually for the duration of this Agreement.
- 4.3 Terminal Use Fees. Terminal Use includes ticket counter(s) and lobby area, secure hold room and boarding area podium, aircraft parking position (2 hours), baggage claim area, and common use computer equipment per flight. CARRIER shall pay PMGAA a Terminal Use Fee in the amount reflected on the most current Airport Rates & Charges Schedule. Terminal use fee increased will not exceed an average of three percent (3%) annually for the duration of this Agreement.
- 4.4 Common Use Set-up and Operating Fees. CARRIER shall pay PMGAA for common use terminal equipment, internet connection, and dark fiber per the most current Airport Rates & Charges Schedule.
- 4.5 Aircraft Parking Fees. CARRIER shall pay PMGAA a fee per the most recent Airport Rates & Charges Schedule for any aircraft occupying an aircraft parking position, including terminal gates and remote parking positions, for more than three hours; and for any portion of each 24hour parking period. This fee shall be waived if the aircraft performed a revenue service operation the day prior or will perform a revenue service operation the day after being parked for more than three hours.
- 4.6 Passenger Facility Charges. CARRIER shall pay monthly to PMGAA, on or before the Twentieth (20th) day of each month (the "Due Date"), a PFC in the amount of Four and 50/100 Dollars (\$4.50) for each Enplaned Passenger departing the Airport on an CARRIER Revenue Flight during the previous calendar month. The collection of said fees by CARRIER shall be subject to the terms, conditions and methods of collection set forth in the Aviation Safety and Capacity Expansion Act of 1990, Section 9110, at it now exists or is modified hereafter (the "PFC Act").
- 4.7 Monthly Tie Down Fees. CARRIER shall pay Monthly Tie Down Fees per Rates and Charges.
- 4.8 Fueling Fees. CARRIER shall execute a Fuel Service Agreement with PMGAA.
- 4.9 Aircraft Ramp Space and Services. CARRIER shall pay PMGAA monthly for any aircraft line services, out-of-station Aircraft Rescue and Firefighting (ARFF) services, operations safety officers, ground service equipment use, fuel spill response teams and any other space or service requirements as specified in the Airport Rates & Charges Schedule or, if not so specified in that Schedule, as determined by PMGAA (collectively, "Additional Services").
- 4.10 Other Fees. Unless specified otherwise herein, CARRIER shall pay PMGAA for its usage or rental of PMGAA equipment and the performance of services by PMGAA within TEN (10) business days of CARRIER's receipt of an invoice (the "Due Date") for same from PMGAA. The amount of such fees shall be as provided by separate agreement between CARRIER and PMGAA, or, in the absence of such agreement, as specified in the most current Airport Rates and Charges Schedule or PMGAA's Price Listing in effect when the charge or fee was incurred. Failure to remit payment by the Due Date may result in the suspension of further equipment rentals or services until payment is made to PMGAA in full.
- 4.11 With regard to the fees and charges specified in SECTION 4 above, the following conditions and considerations shall apply:
 - 4.11.1 Airport Rates & Charges Schedule. The Airport Rates & Charges Schedule referred to in this Agreement may be revised from time to time. CARRIER shall pay the most

current fee(s) at the time of the event or service, as applicable, unless specifically outlined in this Agreement. The current Airport Rates & Charges Schedule is attached as **EXHIBIT A** and is subject to change without prior notice or approval of CARRIER.

- 4.11.2 Finance Charges and Late Fees. If CARRIER fails to pay any charge due and owing to PMGAA in full on or before the applicable due date, CARRIER shall be responsible for interest on the unpaid fee or charge at the rate of EIGHTEEN PERCENT (18%) per annum from the due date until payment in full is made. In addition, in the event any payment is received more than TEN (10) days after the due date, a late penalty of TEN PERCENT (10%) of the amount of such delinquent amount shall be due and payable in addition thereto.
- 4.11.3 Books and Records. CARRIER shall maintain permanent books, records and ledgers accurately reflecting the total passengers, and total number of monthly aircraft landings for all aircraft subject to a landing fee indicating the make, type (including model designation), registration number, maximum certificated gross landing weight, and arrival and departure time of each aircraft involved. These records shall be made available to PMGAA upon request. PMGAA may audit the books, records and ledgers maintained by CARRIER in accordance with this SECTION 4. In the event an audit reveals a deficiency of TWO PERCENT (2%) or greater in the amount of payment made pursuant to this SECTION 4, CARRIER shall not only pay such deficiency but also the cost of any audit performed by PMGAA.

5. REPORTING REQUIREMENTS

- 5.1 CARRIER shall file with PMGAA written reports for the items specified below no later than the TENTH (10th) day of the calendar month following the month in which the specified activities occurred (the "Due Date"). Such reports shall cover all of CARRIER's Airport activities during said month, and include activity handled by CARRIER for other Air Transportation Companies not having an agreement with PMGAA providing for its own submission of activity data to PMGAA.
 - 5.1.1 A complete listing of all of CARRIERS's scheduled aircraft landings and actual aircraft landings at the Airport, including aircraft type and MGTOW ; and a listing, by destinations, of the number of flights that qualify under applicable waiver agreements for any landing fee waivers;
 - 5.1.2 A complete listing of CARRIER's Enplaned Passengers and Deplaned Passengers, specified by and including the type of aircraft;
 - 5.1.3 A complete listing, by date and by flight number, of CARRIER's Revenue Passengers enplaning at the Airport and the amount of PFCs collected in conjunction therewith; and
 - 5.1.4 A complete listing, by date and flight number, of CARRIER's commercial cargo loaded and off loaded.
- 5.2 PMGAA shall have the right to rely on said activity reports in determining rentals and other charges due hereunder; provided, however, CARRIER shall have full responsibility for the accuracy of said reports. Payment deficiencies due to incomplete or inaccurate activity reports shall be subject to interest charges as set forth in SECTION 6.8.1 herein.
- 5.3 CARRIER shall at all times maintain and keep books, ledgers, accounts or other records wherein are accurately kept all entries reflecting the activity statistics to be reported pursuant to SECTION 5. Such records shall be retained by CARRIER for a period of THREE (3) years subsequent to the activities reported therein, or such other retention period as set forth in 14 CFR Part 249.7, and made available at Mesa, Arizona for audit and/or examination by PMGAA or its duly authorized representative during all normal business hours. CARRIER shall produce such books and records at Mesa, Arizona within THIRTY (30) calendar days of PMGAA's notice to do so or

pay all reasonable expenses, including but not limited to, transportation, food, lodging and other related expenses, necessary for an auditor selected by PMGAA to audit said books and records.

- 5.4 The cost of audit, with the exception of the aforementioned expenses, shall be borne by PMGAA; provided, however, the total cost of said audit shall be borne by CARRIER if either or both of the following conditions exist:
- 5.4.1 The audit reveals an underpayment of more than FIVE PERCENT (5%) of rentals, fees and charges due hereunder, as determined by said audit; and/or
 - 5.4.2 CARRIER has failed to maintain true and complete books, records, accounts and supportive source documents in accordance with SECTION 5.
- 5.5 Payments. All payments due and payable hereunder shall be paid in lawful money of the United States of America, without set off, by check made payable to the Phoenix-Mesa Gateway Airport Authority and delivered to:

Phoenix-Mesa Gateway Airport Authority
Attn.: Accounts Receivable
5835 S. Sossaman Road
Mesa, Arizona 85212-0614

6. INSURANCE

- 6.1 General. Carrier shall procure and maintain the following types and amounts of insurance for its operations at the Airport throughout the Term of this Agreement and any Extension thereto:

Aircraft Liability insurance covering third party bodily injury and property damage, and passenger and contractual liabilities which shall protect and indemnify PMGAA from any and all claims arising in connection with aircraft movement on the Airport in amounts as are customarily carried by a carrier of like kind and size, but in no event less than \$250,000,000.00 per occurrence. Such insurance shall also insure against third party liabilities arising from War Risk perils.

Airport Premises Liability insurance third party bodily injury and property damage, including coverage for “premises/operations,” “products and completed operations,” “host liquor” and “blanket contractual” liabilities in an amount not less than \$250,000,000.00 per occurrence.

Comprehensive Automobile Liability insurance for all owned, non-owned and hired vehicles operated airside on the Airport that are assigned to or used in the performance of commercial activities in the amount of \$25,000,000.00 per occurrence or combined single limit. If any hazardous materials are transported in conjunction with Carrier’s business operations at or on the Airport, an MSC 90 endorsement shall be required in addition thereto.

Workers’ Compensation insurance, as required by law, and *Employer’s Liability* insurance in the amount of \$1,000,000.

- 6.2 Additional Insurance. At any time during the Term of this Agreement, including any Extension thereto, PMGAA may, if in its reasonable determination the insurance coverage required by this SECTION 4 is no longer adequate, require CARRIER to increase its coverage to commercially reasonable amounts.
- 6.3 Blanket Insurance. CARRIER’s insurance obligations under this Agreement may be satisfied by means of the general corporate “blanket” policies carried by it and evidenced by the insurance carrier’s standard certificates thereof.
- 6.3.1 Use of Proceeds. Proceeds of any liability and property damage insurance required under this SECTION 5 shall be applied toward extinguishing, satisfying or remedying the liability, loss or damage with respect to which such proceeds may be paid.
- 6.4 Indemnity. To the fullest extent permitted by law CARRIER (as “indemnitor”) shall indemnify, defend, hold and save PMGAA, its board members, and its member governments, officers,

officials, employees, and agents (as "indemnitee") free and harmless of, for, from and against any and all Losses caused in whole or in part by (a) any act or omission of CARRIER (including indemnitor's officers, officials, agents, employees, contractors or invitees), (b) CARRIER's operations at the Airport, (c) CARRIER's violations of said Security Program caused, or alleged to be caused, by the acts, errors or omissions of CARRIER, its employees, agents, invitees or contractors, or (d) any default by CARRIER hereunder. This indemnification shall exclude responsibility for any consequential damages and for claims arising by reason of the negligent or wrongful act of PMGAA or its employees, contractors or agents. For purposes hereof "Losses" shall mean any and all losses, liabilities, judgments, suits, claims, damages, fines, penalties, costs and expenses (including reasonable attorneys and consultant fees, investigation costs, monitoring costs, remediation costs, and court costs), of any kind or nature." In carrying out the defense of any claim subject to its indemnification obligations hereunder, CARRIER shall use counsel reasonably acceptable to PMGAA.

- 6.6 Insurance Form. Each insurance policy obtained pursuant to this SECTION 5, except for Workers' Compensation and Employer Liability policies, shall: (i) name PMGAA as a certificate holder or an additional insured to the extent of Operator's contractual indemnity obligations; (ii) contain a provision that written notice of cancellation or modification thereof shall be given to PMGAA not less than THIRTY (30) calendar days before such cancellation or modification takes effect (TEN (10) days in the case of nonpayment of premium); and (iii) contain a waiver of subrogation in favor of PMGAA. Operator shall not permit any insurance policy to be canceled or modified without PMGAA's written consent unless equivalent replacement policies are issued with no lapse in coverage. All policies shall be obtained from insurance companies licensed to do business in the State of Arizona and possessing a rating of at least A - VII or higher from the A.M. Best Company, or an equivalent rating approved by PMGAA.

7. **DISABLED OR ABANDONED AIRCRAFT.**

- 7.1 Should any aircraft owned or operated by CARRIER, through accident or for any other reason, become disabled or be abandoned in any area which could interfere with the continuous, normal operations of any of the runways, taxiways and airfield facilities at the Airport, CARRIER shall, at CARRIER'S sole cost and expense:
- 7.1.1 Immediately remove said aircraft to such location as may be designated by PMGAA, unless such aircraft is required to remain in place pending investigation by the appropriate regulatory agency or agencies of the federal government; and
 - 7.1.2 In the event of any accident where federal investigation in place is required, immediately upon receiving clearance to do so from the appropriate federal agency, remove said aircraft and any wreckage or debris resulting therefrom to the area(s) designated by said federal agency authorizing such removal; otherwise, such aircraft wreckage and debris shall be immediately removed from the Airport or stored at a location approved by PMGAA.
- 7.2 Should CARRIER fail to proceed immediately to remove disabled aircraft, or should aircraft owned or operated by CARRIER be abandoned on the Airport, PMGAA shall have the right to remove such aircraft by any means PMGAA deems necessary under the circumstances, and CARRIER shall, to the fullest extent permitted by law, indemnify, defend, keep and hold PMGAA, its members, board of directors, officers, agents, officials, servants, employees and contractors harmless from and against any and all claims, costs, loss, liability, actions, suits, proceedings, damage or expense (including costs of suit and attorneys' fees and expenses) incurred by PMGAA or claimed by anyone by reason of removal of said aircraft, injury to persons or property or damages to such aircraft caused by such removal, as well as storage costs therefor. CARRIER shall reimburse PMGAA for any costs incurred by PMGAA in removing and storing any aircraft, at PMGAA's sole discretion, and as provided herein in performing authorized maintenance on its aircraft on the Airport.
- 7.3 Sound and Noise Suppression. CARRIER shall comply fully with PMGAA rules and requirements when performing high-speed engine test operations at the Airport, if any, and Section 10.3 to

mitigate excessive ambient sound and/or noise that may be generated incident thereto and that have or may have an adverse effect on other Airport tenant operations and the surrounding community. CARRIER acknowledges and agrees that said rules and requirements for such test operations may change from time to time at PMGAA's sole and absolute discretion. CARRIER also agrees that any costs associated with compliance with PMGAA's rules and requirements for sound or noise suppression or mitigation shall be borne solely by CARRIER.

8. ENVIRONMENTAL COMPLIANCE.

CARRIER shall at all times during the existence of this Agreement promptly observe and comply with applicable Federal, State, and local laws, regulations, rules and standards concerning the environment (collectively, the "Environmental Laws"). CARRIER shall be responsible for collecting, storing, recycling and/or disposing of its hazardous or toxic waste, if any, in compliance with the Environmental Laws governing the storage and disposal of hazardous or toxic waste. CARRIER shall ensure its employees and agents are aware that domestic drains, storm drains, or industrial waste drains shall not be used to dispose of gasoline, hydraulic fluid, solvents, concentrated cleaning agents or any other hazardous or toxic materials. Where so required, PMGAA may act on behalf of CARRIER, as and if appropriate, to dispose of CARRIER's waste, sign manifests on behalf of CARRIER and assign such disposal to CARRIER's EPA identification (ID) number. CARRIER shall repay PMGAA the costs and fees for doing so within TEN (10) days of demand therefor. CARRIER shall, to the fullest extent permitted by law, indemnify, defend and hold PMGAA, its members, board of directors, officers, agents, officials, employees, and contractors harmless from and against any and all claims, costs, loss, liability, actions, suits, proceedings, damage or expense including, but not limited to, the costs of suit and reasonable attorneys' fees and expenses of any nature whatsoever arising out of or related to CARRIER's failure to comply with the Environmental Laws.

9. TAXES AND RELATED IMPOSITIONS.

In the event any governmental authority shall impose a tax or imposition based upon this Agreement, upon CARRIER or its aircraft, or upon payments to be made hereunder, CARRIER shall pay such amounts either to PMGAA or the appropriate governmental authority on or before any delinquency date. Specifically, CARRIER shall be responsible for any transaction privilege, sales, excise or other similar tax except income taxes as a result of this Agreement. CARRIER shall also pay all licensing or permitting fees necessary or required by law for the conduct of its aeronautical operations hereunder, or any other matters hereunder. CARRIER shall be responsible for any property interests created hereunder, which may constitute or be deemed to be a possessory interest for purposes of taxation.

10. RULES, REGULATIONS AND MINIMUM STANDARDS.

- 10.1 CARRIER shall at all times comply with all federal, State and local laws and ordinances, rules and regulations, which are applicable to its operations, or the operation, management, maintenance, or administration of the Airport, including but not limited to the Americans with Disabilities Act, and all laws, ordinances, rules and regulations adopted after the Effective Date. CARRIER shall at all times comply with all rules and regulations, and minimum standards established by PMGAA regarding operation and maintenance of the Airport, copies of which are attached as **EXHIBIT B** and are incorporated herein. CARRIER will be responsible for controlling and preventing disruptive pedestrian and vehicle traffic, if any, associated with its activities on the Airport. CARRIER also shall display or provide copies to PMGAA of any permits, licenses, or other evidence of compliance with laws upon request.
- 10.2 PMGAA shall operate the Airport in compliance with all applicable Federal state and local laws, ordinances, rules and regulations, and shall enforce the Airport Rules and Regulations established by it to ensure the effective and orderly operation of the Airport, and to prevent any disruption caused by CARRIER's operations at and on the Airport.
- 10.3 CARRIER acknowledges receipt of and agrees to abide by PMGAA's *Fly Friendly* noise abatement procedures and will provide such information to flight crews and/or students, post the information in CARRIER's flight planning area, and use the procedures to the extent possible

when consistent with safety and air traffic control directives.

11. **DEFAULT: TERMINATION BY PMGAA**

11.1 General Grounds. PMGAA may terminate this Agreement upon the occurrence of any of the following events:

- 11.1.1 Failure of CARRIER to perform any of its obligations under this Agreement, or any other contract, license or agreement between the Parties, which failure shall not be cured within FIVE (5) business days after delivery by PMGAA to CARRIER of a written notice of such failure.
- 11.1.2 The filing of any lien against the Airport because of any act or omission of CARRIER which is not discharged within FIVE (5) business days of receipt of actual notice of such lien by CARRIER.

CARRIER may terminate this Agreement upon the occurrence of any of the following events:

- 11.1.3 Failure of PMGAA to perform any of its obligations under this Agreement, or any other contract, license or agreement between the Parties, which failure shall not be cured within FIVE (5) business days after delivery by CARRIER to PMGAA of a written notice of such failure.
- 11.1.4 The filing of any lien against the Airport because of any act or omission of PMGAA which is not discharged within FIVE (5) business days of receipt of actual notice of such lien by PMGAA.

11.2 Failure to Pay Fees. PMGAA may declare CARRIER in default of this Agreement by giving CARRIER FIVE (5) business day's written notice of CARRIER's failure to timely pay any fees or payments due pursuant to this Agreement. If CARRIER fails to cure such payment default within said FIVE (5) business day period, PMGAA may, in its sole discretion, elect to do any one or more than one of the following:

- 11.2.1 Institute action(s) to enforce this Agreement; or
- 11.2.2 Terminate this Agreement automatically without further notice to CARRIER; or
- 11.2.3 Exercise any other remedy allowed by law or equity.

11.3 Failure to Provide Insurance. In the event CARRIER at any time fails to maintain all insurance coverage required by this Agreement, PMGAA shall have the right, upon written notice to CARRIER, to immediately terminate this Agreement or secure the required insurance at CARRIER's expense.

11.4 No Waiver by PMGAA. No waiver by PMGAA of any default by CARRIER in the performance of its obligations under this Agreement shall be deemed to be a waiver of any subsequent default by CARRIER in the performance of any such obligations.

12. **GOVERNING LAW; ATTORNEY'S FEES.**

The laws of the State of Arizona shall govern this Agreement and the matters set forth therein, without regard to its conflict of law principles. Venue of any action brought under this Agreement shall, at the option of PMGAA, lie in Maricopa County, Arizona. In the event of any litigation or arbitration between PMGAA and CARRIER arising under this Agreement, the successful party shall be entitled to recover its attorney's fees, expert witness fees and other costs incurred in connection with such litigation or arbitration.

13. **NONWAIVER.**

PMGAA's right to revoke this Agreement shall be absolute. Any election by PMGAA to not enforce any provision of this Agreement, or any failure by PMGAA to exercise any of the remedies allowed PMGAA

under this Agreement, shall not operate as a waiver by PMGAA of any of its right hereunder.

14. ASSIGNMENT.

CARRIER shall not assign or transfer any right or interest in this Agreement.

15. OTHER RESTRICTIONS.

CARRIER shall comply with all rules, laws, ordinances, and statues of any governmental authority having jurisdiction over the Airport or the matters provided in this Agreement.

16. AIRPORT SECURITY.

PMGAA maintains an approved Airport Security Plan (the "Security Plan") pursuant to 49 CFR Parts 1540 and 1542 and 14 CFR Part 139. CARRIER shall at all times comply with the Security Plan and the written and verbal directives issued by PMGAA supporting the Security Plan.

- 16.1 The CARRIER shall immediately correct physical or procedural deficiencies which are contrary to the Security Plan, security directives, security bulletins, or verbal notifications existing now or in the future. CARRIER is responsible for maintaining security practices, facilities, and perimeter boundaries on their leasehold that meet the security standards of the Security Plan.
- 16.2 CARRIER shall, to the fullest extent permitted by law, indemnify, defend, and hold PMGAA harmless for, from, and against any violations of the Security Plan committed by any agents, employees, invitees, subcontractors, or independent contractors of the CARRIER.
- 16.3 CARRIER shall conduct and document all self-audits and self-inspections as required by the Transportation Security Administration ("TSA") or PMGAA and make such audits available for inspection.
- 16.4 CARRIER shall designate a primary security coordinator to receive security -related briefings, bulletins, and sensitive security information ("SSI").
- 16.5 PMGAA reserves the right to modify the Security Plan from time-to-time, as necessary, or as directed by the TSA.

17. AIRPORT SECURITY BADGE

- 17.1 Carrier employees/contractors that require a badge shall be obligated to complete all training and comply with all security requirements and directives issued by PMGAA, TSA, or other entities having jurisdiction at PMGAA.
- 17.2 CARRIER and employees/contractors shall comply with all security-related audits, inspection, and screenings conducted by PMGAA.
- 17.3 CARRIER will immediately return badges to the Airport Badging Office when badge holders terminate employment, the badge is no longer needed, or the employee/contractor is on extended leave.
- 17.4 Misuse of a badge or security procedures will bring about punitive action including suspension or revocation of one or all badges.

18. NOTICE.

- 18.1 All notices required or permitted under this Agreement shall not be deemed effective unless personally delivered or mailed by certified mail, return receipt requested, postage prepaid, or by reputable commercial overnight courier service, to the following addresses:

TO PMGAA:	Phoenix-Mesa Gateway Airport Authority
	Attn.: Business Development Department
	5835 S. Sossaman Road
	Mesa, Arizona 85212-0614

TO CARRIER:

California Pacific Airlines
Attn: Head of Airports
114 Townpark Drive, Suite 500
Kennesaw, GA 30144

- 18.2 Notices shall be deemed to have been received TWO (2) business days after the date of mailing, if given by certified mail, or upon actual receipt if personally delivered or if given by reputable commercial overnight courier service. Any Party may designate in writing a different address for notice purposes pursuant to this SECTION.

19. PRIOR AGREEMENTS AND PERMITS.

Upon execution hereof, this Agreement shall supersede and cancel any prior agreements between PMGAA and CARRIER with respect to the business activities governed hereby. CARRIER shall not construe PMGAA's execution of this Agreement as a waiver of any prior indebtedness or obligation to PMGAA under any prior agreement or license, nor does PMGAA waive any claim or cause of action arising therefrom.

20. CORPORATE AUTHORIZATION.

In executing this Agreement, CARRIER represents and warrants to PMGAA that if CARRIER is a corporation, CARRIER has obtained and been granted the full right, power and authority to enter into this Agreement.

21. MISCELLANEOUS.

- 21.1 Personal Liability. No member of or employee of either Party shall be charged personally or held contractually liable by or to the other Party under any term or provision of this Agreement because of any breach thereof or because of its execution or attempted execution.
- 21.2 No Waiver. No provision of this Agreement may be waived or modified except by a writing signed by the Party against whom such waiver or modification is sought.
- 21.3 Non-Waiver of Rights. No waiver or default by PMGAA of any of the terms, conditions, covenants or agreements hereof to be performed, kept or observed by CARRIER shall be construed or act as a waiver of any subsequent default of any of the terms, covenants, conditions or agreements herein contained to be performed, kept or observed by CARRIER, and PMGAA shall not be restricted from later enforcing any of the terms and conditions of this Agreement.
- 21.4 Amendment. Only a written instrument executed by the Parties may amend this Agreement.
- 21.5 Invalid Provisions. Should any provision of this Agreement or any application thereof be held invalid by a court of competent jurisdiction, the remainder of this Agreement shall not be affected thereby, unless one or both Parties would be substantially and materially prejudiced.
- 21.6 Headings. The headings contained herein are for convenience in reference only and are not intended to define or limit the scope of this Agreement or any term thereof.
- 21.7 Entire Agreement. This Agreement, including **EXHIBITS** attached hereto at the time of its execution, constitutes the entire agreement between the Parties hereto and supersedes all prior negotiations, understandings and agreements between the Parties concerning such matters.

21. INCORPORATION OF RECITALS.

The recitals set forth above are acknowledged by the Parties to be true and correct and are incorporated herein by this reference.

IN WITNESS WHEREOF, the Parties have executed this Agreement to be effective on the Effective Date specified above.

FOR PMGAA:

FOR CARRIER:

By: J. Brian O'Neill, A.A.E

By: Mickey Bowman

Its: Executive Director/CEO

Its: Executive Vice President & COO

Date Signed: _____

Date Signed: _____

EXHIBIT A

PMGAA Rates & Charges

[http://www.gatewayairport.com/documents/documentlibrary/board%20policies/airport%20rates%20and%20charges%20\(res.%2017-38\)%20effective%208-1-17.pdf?Uniqueifier=Zp6ub4UvLG](http://www.gatewayairport.com/documents/documentlibrary/board%20policies/airport%20rates%20and%20charges%20(res.%2017-38)%20effective%208-1-17.pdf?Uniqueifier=Zp6ub4UvLG)

EXHIBIT B

PMGAA Minimum Standards

<http://www.gatewayairport.com/documents/documentlibrary/board%20policies/wgaa%20minimum%20standards.pdf>

PMGAA Rules & Regulations

http://www.gatewayairport.com/documents/documentlibrary/board%20policies/rules%20and%20regulations_16-53.pdf?Uniqueifier=Zp6ub4UvLG



Board Action Item

To: Board of Directors
From: Margi EvanSon, Operations & Maintenance Director
Through: Scott Brownlee, Deputy Director/COO
J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: Regional Pavement Maintenance
Date: October 16, 2018

Proposed Motion

To authorize the purchase of airfield pavement maintenance with Regional Pavement Maintenance of Arizona, Inc., in an amount not to exceed \$254,248.22.

Narrative

CIP 958, Perimeter service roads are used for access to different areas of the airport and need periodic maintenance to extend the life cycles. CIP 966, Airfield access road is utilized by ARFF, Operations and Maintenance personnel for access on the south end of the airport. Due to age and numerous construction projects the road is in need of extensive rehab and requires pavement maintenance to extend the life cycle. The Ray Road Overnight Parking Lot is utilized by airport customers for parking and requires pavement maintenance to extend the life cycle.

Authorization of the purchase for service roads and parking pavement maintenance is necessary to reduce FOD, repair deterioration and extend life cycles. The recommended course of action includes crack seal, milling/overlay, patching, seal coat, and slurry seal.

Phoenix-Mesa Gateway Airport Authority (PMGAA) is a participant of the Mohave Educational Services Cooperative (MESCC) Purchasing Group Intergovernmental Agreement. Under MESCC (ADSP018-182122), Regional Pavement Maintenance of Arizona, Inc. was awarded Paving contract #14Y-RPMA-0317, and it is through this competitive selection that PMGAA will utilize Regional Pavement Maintenance of Arizona, Inc. for paving services.

CIP 958	Perimeter Road	\$ 79,977.21
CIP 966	Airfield Access Road	\$ 99,855.85
<u>RM:Pavements</u>	<u>Ray Road Overnight Parking Lot</u>	<u>\$ 74,415.16</u>
	Total	\$254,248.22

Fiscal Impact

These projects were included in the FY19 capital budget and are funded under CIP 958, 966 non-grant funds and operating budget under Repair and Maintenance: Pavements.

Attachment(s)

Scope of Work, Maps and Mohave Contract



RESOLUTION NO. 18-48

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS the Authority desires to purchase airfield pavement maintenance with Regional Pavement Maintenance of Arizona, Inc.;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes the purchase of airfield pavement maintenance with Regional Pavement Maintenance of Arizona, Inc., in an amount not to exceed \$254,248.22. This resolution also authorizes the Chair or Executive Director/CEO to execute such Contract, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 16th day of October, 2018.

Jeff Serdy, Chair

ATTEST:

APPROVED AS TO FORM:

Maria Gonzalez, Clerk of the Board

Attorney

2/21/2018



**Modification of Contract
(Contract Extension)
(Page 1 of 3)**

Kelly Smith
Regional Pavement Maintenance of Arizona, Inc.
2435 S. 6th Avenue
Phoenix, AZ 85003

RE: Contract # 14Y-RPMA-0317 modification of contract through an extension of contract is made by, and between, Regional Pavement Maintenance of Arizona, Inc. and Mohave Educational Services Cooperative (Mohave).

In accordance with its terms and conditions, Mohave requests to extend contract 14Y-RPMA-0317 for a period of one (1) year, beginning 3/17/2018. The extension shall be under the same terms and conditions contained therein.

Provide your agreement to extend by completing the appropriate information below and on the following pages. If the contract is extended, Regional Pavement Maintenance of Arizona, Inc. agrees to provide products or prices as per 14Y-1217.

We agree to **modify** and **extend** the contract as specified above, abiding by the current terms and conditions, and any attached clarifications.

Signature *[Signature]* Title Vice President
Typed/Printed Name Aaron Avery Date 3/6/18

Upon your signed, executed Modification of Contract through a Contract Extension, you shall be bound to sell the materials and/or services offered to and accepted by Mohave in accordance with the solicitation,

Nancy Colbaugh

Nancy Colbaugh, CPPB
Contracts Manager
Mohave Educational Services Cooperative, Inc.
625 East Beale Street
Kingman, AZ 86401
Phone 928-718-3228
Fax 928-718-3232

If all pages of this notice are not received at Mohave's Kingman office on, or before, 3/17/2018, orders shall be held without processing. Email or fax completed extension to contracts@mesc.org or 928-718-3232.

To terminate the contract effective 3/17/2018, email or fax a notice of your request to cancel the contract to contracts@mesc.org or 928-718-3232. You agree to complete any authorized work or orders received prior to that date. Renewals not received within 14 days following 3/17/2018 may result in cancellation of the contract. However, any authorized orders received prior to this date, shall be completed under this contracts terms and conditions.

Modification of Contract (Contract Extension)

(Page 2 of 3)

Requested Pricing Modifications

We list your contract as utilizing Fixed. Please confirm the following regarding pricing under your contract:

Our contract utilized firm-fixed pricing. We agree to hold the current prices until the next contract renewal date of 3/17/2019.

Our contract utilized percentage off MSRP/Retail pricing. The current price lists/catalogs are still applicable.

We are requesting a price modification. A price list/catalog will be submitted by 4/30/18. (Insert Date)

Remember that your firm cannot quote any new products contained in pricing submitted with your contract extension until it has been reviewed and a Contract Modification through a pricing update/product addition has been issued. Current contract pricing will remain in effect until this process is complete.

Please verify that the following information is correct and accurate:

POs Attn: Order Desk
Regional Pavement Maintenance of Arizona, Inc.
2435 S. 6th Avenue
Phoenix, AZ 85003

Remit to: Regional Pavement Maintenance of Arizona, Inc.
Accounts Receivable
2435 S. 6th Avenue
Phoenix, AZ 85003

Member Contact: Roy Sucasick
Contract Administrator: Kelly Smith
Phone Number: 480-435-3667 963-3416
Fax Number: 480-963-3417

Vendor Logo

Currently, we have the following logo on file for use on our website in our product/vendor finder:



If you wish to revise or update the logo we have on file, keep the following requirements in mind:

- *What file types are acceptable?* Vector point files are highly recommended (such as .ai or .eps files). If you don't have access to a vector point file, a large hi-resolution (approximately 150-300 dpi) JPEG, TIFF, BITMAP, GIF or PNG file will work. Having a file with a high dpi will help keep images looking sharp if we need to resize the logo.
- *What file size is recommended?* There is no limitation to the logo file size.

Modification of Contract (Contract Extension)

(Page 2 of 3)

Vendor Benefits Description

Currently, we have the following information on our website detailing the benefits of your contract for our members to view:

Regional Pavement Maintenance has been "Arizona's Better Choice" for keeping School Budgets and Asphalt in the Black for over the past decade. We bring a high level of quality control and "hands-on" owner participation that cannot be matched. Your expectations are merely a benchmark for our experienced and well trained staff to exceed.

We offer the largest array of self-performed applications of any asphalt contractor in our class and provide a variety of installations to meet your general requirements and custom needs. Enjoy Sealcoating with Extended Warranties and various Slurry Seal Applications for your specific project. Asphalt Paving, Patching, Removal and Replacement rank among the highest long term maintenance costs of your property, and your hard fought budget dollars can be spent with confidence.

Regional Pavement Maintenance is an "Accredited" Better Business Bureau company and offers statewide service for Asphalt Paving, Sealcoating, Striping, Cracksealing, Fog Seals, Grading, Slurry Seal, Concrete and more.

If you wish to revise or update the vendors benefits information we have on file, keep the following requirements in mind:

- The description should be 150-200 words that explain the benefits that your company can provide to our members through your Mohave contract.
- The description should give a brief overview for members who may be accessing information about your contract from our product vendor finder on Mohave's website.
- Please note that Mohave reserves the right to revise or modify the information provided either for content or length.

Email or fax request for information revisions or additional information to contracts@mesc.org or 928-718-3232. If you have any questions, contact your Contract Specialist either via email at mike@mesc.org or phone 928-718-3203.

Offer and Acceptance Form

Place after Tab 1a

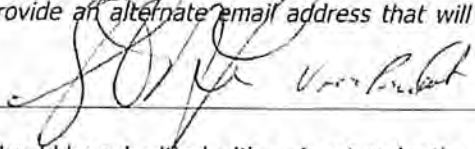
IFB 14Y-1217 Asphalt Paving

To Mohave Educational Services Cooperative, Inc.:

The undersigned hereby certifies understanding and compliance with the requirements in all terms, conditions, specifications and amendments. Bidder further agrees to furnish materials and/or services in compliance with all terms, conditions, specifications and amendments in the solicitation and any written exceptions in the offer.

Federal Employer Identification Number 41-2130279
Company Name Regional Pavement Maintenance of Arizona, Inc.
Address 2435 S. 6th Avenue City Phoenix State AZ Zip 85003
Telephone Number (480) 963-3416 Fax (480) 963-3417
Printed Name Steve Leone Title Vice-President

Primary Email sleone@regionalaz.com Alternate email joe@regionalaz.com
Note: The primary email address will be used for all communication from Mohave regarding your response to this solicitation. Provide an alternate email address that will be used only if the primary email address is not valid.

Authorized Signature _____


The offer and acceptance form should be submitted with a signature by the person authorized to sign the bid. The person signing the bid shall initial erasures, interlineations, or other modifications in bid. Failure to sign the bid and contract award document, or to make other notations as indicated, may result in rejection of bid.

Acceptance of Offer and Contract Award (Mohave Only)


Your Bid is Hereby Accepted:

As contract vendor, you are now bound to sell the materials and/or services offered to and accepted by Mohave in accordance with the solicitation, including all terms, conditions, specifications, and amendments.

This Contract shall be referred to as Contract Number 14Y-RPMA-0317

Awarded this 4th day of February, 2015.

This contract shall be effective this 17 day of March, 2015.


Julia E. Tribbett, Executive Director
Mohave Educational Services Cooperative, Inc.



Project No: P1709-0
Date: 08/06/2018

Submitted To:

Phoenix Mesa Gateway Airport Authority
6263 S Taxiway Circle
Mesa, , Arizona 85212
623-879-0610
proberts@gatewayairport.com;
bwilliams@gatewayairport.com

Job Site:

P1709 PHX Mesa Gateway Airport - CIP 958
S. Perimeter Rd.
6033 S. Sossaman Rd.
Mesa, Arizona

Scope of Work

ASPHALT OVERLAY-CONVENTIONAL ASPHALT - 53,796 SF - 2"

- 1) Thoroughly clean all existing asphalt pavement with a commercial vacuum sweeper.
- 2) Patch holes present on road and broken edges.
- 3) Apply a tack coat of SS-1h for proper bonding of new asphalt.
- 4) Overlay all areas with hot asphalt (1/2" aggregate, 5.5% oil content) and compact to a finished depth of 2 inches with steel drum vibratory rollers.

Please note, reflective cracking of overlay will occur due to movements of the underlying cracked asphalt.
Price based on completing paving in 1 trip

SEAL COATING ONLY 29,988 SF

- 1) Thoroughly clean all existing asphalt pavement.
- 2) Apply TWO coats of PMM pavement sealer.
GuardTop asphalt based sealcoat is specifically formulated from unique base stocks and mineral aggregates and is designed to protect and beautify existing asphalt surfaces. It contains no coal-tar and remains environmentally friendly.
GuardTop is engineered with a high solids content to make it tougher and longer lasting. Sealer is mechanically agitated and applied at a rate that meets or exceeds all state and federal specifications.

Price based on completing sealing in 1 trip.

regional pavement maintenance



PROPOSAL NO. P-1709

August 6, 2018

MOHAVE CONTRACT: 14Y-RPMA-0317

ZONE: 1B

SUBMITTED TO:

PHX Mesa Gateway Airport

Brett Williams
6033 S. Sossaman Rd.
Mesa/AZ/85212

PH: 480-988-7542

JOB SITE:

CIP 958 S. Perimeter Rd.

6033 S. Sossaman Rd.

Mesa

AZ/85212

Scope of Work

	Unit	Unit Price	Total
ASPHALT SURFACE PATCH			
Mobilization Charge	1.00	\$ 435.690	\$ 435.690
Charge per square foot	9300.00	\$ 0.981	\$ 9,119.208
ASPHALT PAVING WITH TACH COAT			
Mobilization Charge	1.00	\$ 818.850	\$ 818.850
Charge per square foot 2 inch depth (over 50,000 sq ft)	53796.00	\$ 1.009	\$ 54,301.682
ASPHALT SURFACE TREATMENT (PMM RTU MEETING AND "EXCEEDING" HA-5 SPEC'S) Ready To Use as Manufactured & Delivered,			
Mobilization Charge	1.00	\$ 437.750	\$ 437.750
Charge per square foot for 1st Coat	29988.00	\$ 0.066	\$ 1,976.809
Charge per square foot for 2nd Coat (add to 1st coat above)	29988.00	\$ 0.055	\$ 1,637.045
ASPHALT EDGE MILLING 2 FEET WIDE			
Minimum Charge	1.00	\$ 3,090.000	\$ 3,090.000
OTHER RATES			
Labor and equipment rate, \$ per man hour	95.00	\$ 66.950	\$ 6,360.250
Sweeping (Heavy Duty Vacuum Truck and/or Kick Broom) - Per Hour	8.00	\$ 77.250	\$ 618.000

TOTAL: \$ 78,795.28

BOND: \$ 1,181.93

TOTAL (w/ BOND): \$ 79,977.21

ALL APPLICABLE TAX INCLUDED

PROPOSAL NOTES:

1. Pricing is protected for 90 days.
2. A signed Proposal, Contract or Purchase Order is required prior to commencement of work.
3. It is your responsibility to make sure sprinklers and hard water are not sprayed on pavement 24 hours before and after application.
4. Warranty Period: One (1) Year from Date of Completion.

Thank you for the opportunity to bid your project!

Randy Bastic

Regional Pavement Maintenance of Arizona, Inc.

randy@regionalaz.com

Cell #: (602) 803-6007

ACCEPTANCE OF PROPOSAL:

The above pricing, specifications and conditions are satisfactory and hereby accepted. You are authorized to do the work as specified. I understand a prelien will be filed. Payment terms are Net 30 days (please complete Billing Information below).

SIGNATURE: _____

DATE: _____

PRINT NAME: _____

TITLE: _____

OWNER INFORMATION:

If the 'Owner' contact name & address is the 'same' as "Submitted To:" on the first page of the Proposal, please check the box below. If not, please provide the correct 'Owner' information below:

Owner Information is the same as the "Submitted To:" contact on the first page of the Proposal.

OWNER/COMPANY NAME: _____

POINT OF CONTACT: _____

BILLING ADDRESS: _____



PROPOSAL NO. P-1709

August 6, 2018

MOHAVE CONTRACT: 14Y-RPMA-0317

ZONE: 1B

CITY/STATE/ZIP:

PHONE:

FAX:

EMAIL:

BILLING INFORMATION:

If the 'Billing' contact name & address is the 'same' as "Submitted To:" on the first page of the Proposal, please check box below. If not, please provide the correct 'Billing' information below for invoicing:

Billing Information is the same as the "Submitted To:" contact on the first page of the Proposal.

COMPANY NAME:

POINT OF CONTACT:

BILLING ADDRESS:

CITY/STATE/ZIP:

PHONE:

FAX:

EMAIL:

Legend

PHX Mesa Gateway Airport - CIP 958 S. Perimeter Rd. - 2018

Green = 2 Coats Sealcoat
Red = Tack Coat and Overlay 2"

regional

pavement maintenance



000 ft

Stellsworth Rd

E-Pecos Rd



Google earth
© 2018 Google

SEALCOATING • STRIPING • CRACKFILLING • PAVING • GRADING • PULVERIZING • MILLING • SLURRY SEAL

480.963.3416 • Fax 480.963.3417 • www.regionalaz.com

2435 South 6th Ave • Phoenix, Arizona 85003 • ROC A5 262947; A14 195953; A15 195952; KA 267126

Product and Services	Phoenix 1A	Phoenix 1B	Tucson 2A	Tucson 2B	Casa Grande / Florence AREA 3	Sells AREA 4	Nogales / Sierra Vista AREA 5	Bisbee AREA 6	Wilcox AREA 7	Safford AREA 8	Globe AREA 9
Charge per each over 20	\$ 30.600	\$ 30.600	\$ 30.652	\$ 30.652	\$ 30.761	\$ 30.652	\$ 30.678	\$ 30.666	\$ 30.666	\$ 30.644	\$ 30.682
Remove and Repin Existing Wheel Stops	\$ 24.720	\$ 24.720	\$ 24.720	\$ 24.720	\$ 24.720	\$ 24.720	\$ 24.720	\$ 24.720	\$ 24.720	\$ 24.720	\$ 24.720
Haul Wheel Stops to Dump	\$ 13.390	\$ 13.390	\$ 13.390	\$ 13.390	\$ 13.390	\$ 13.390	\$ 13.390	\$ 13.390	\$ 13.390	\$ 13.390	\$ 13.390
CONCRETE SINGLE CURB											
Minimum charge	\$ 721.000	\$ 721.000	\$ 824.000	\$ 875.500	\$ 849.750	\$ 1,236.000	\$ 1,236.000	\$ 1,236.000	\$ 1,236.000	\$ 1,236.000	\$ 1,648.000
1-200 linear feet	\$ 17.759	\$ 17.759	\$ 14.232	\$ 14.232	\$ 17.852	\$ 14.232	\$ 14.243	\$ 16.701	\$ 16.701	\$ 16.690	\$ 23.011
201-400 linear feet	\$ 16.392	\$ 16.392	\$ 14.286	\$ 14.286	\$ 16.754	\$ 14.177	\$ 14.188	\$ 16.538	\$ 16.538	\$ 16.525	\$ 22.189
401-800 linear feet	\$ 15.300	\$ 15.300	\$ 13.411	\$ 13.411	\$ 15.765	\$ 13.355	\$ 13.366	\$ 14.566	\$ 14.566	\$ 14.556	\$ 19.176
801+ linear feet	\$ 13.934	\$ 13.934	\$ 13.137	\$ 13.137	\$ 14.337	\$ 13.137	\$ 13.147	\$ 14.292	\$ 14.292	\$ 14.282	\$ 18.135
CONCRETE CURB AND GUTTER											
Minimum charge	\$ 721.000	\$ 721.000	\$ 824.000	\$ 875.500	\$ 849.750	\$ 1,236.000	\$ 1,236.000	\$ 1,236.000	\$ 1,236.000	\$ 1,236.000	\$ 1,648.000
1-200 linear feet	\$ 19.671	\$ 19.671	\$ 21.895	\$ 21.895	\$ 20.324	\$ 24.083	\$ 21.912	\$ 24.095	\$ 24.095	\$ 24.077	\$ 26.846
201-400 linear feet	\$ 17.759	\$ 17.759	\$ 21.895	\$ 21.895	\$ 19.225	\$ 24.083	\$ 21.912	\$ 24.095	\$ 24.095	\$ 24.077	\$ 24.380
401-800 linear feet	\$ 16.776	\$ 16.776	\$ 19.431	\$ 19.431	\$ 17.303	\$ 21.895	\$ 19.447	\$ 21.904	\$ 21.904	\$ 21.889	\$ 21.422
801+ linear feet	\$ 11.748	\$ 11.748	\$ 18.884	\$ 18.884	\$ 15.380	\$ 21.621	\$ 19.337	\$ 21.904	\$ 21.904	\$ 21.889	\$ 19.560
HANDICAP RAMPS											
Single Ramp with Curbs (30 SF @ 4" Thick & 12 LF of 6" wide single curb)	\$ 819.637	\$ 819.637	\$ 1,016.985	\$ 1,016.985	\$ 1,020.589	\$ 1,208.560	\$ 1,159.157	\$ 1,169.681	\$ 1,187.205	\$ 1,173.204	\$ 1,079.224
Single Ramp with Wings (Per MAG Spec 223 C, 234)	\$ 1,016.350	\$ 1,016.350	\$ 1,134.120	\$ 1,134.120	\$ 1,138.138	\$ 1,332.262	\$ 1,282.961	\$ 1,293.440	\$ 1,310.963	\$ 1,296.872	\$ 1,202.043
Detectable Warning Domes (Truncated Dome Tiles)	\$ 30.600	\$ 30.600	\$ 49.262	\$ 48.167	\$ 49.437	\$ 56.925	\$ 55.876	\$ 55.856	\$ 58.046	\$ 58.910	\$ 51.500
CONCRETE FLATWORK											
Minimum charge	\$ 721.000	\$ 721.000	\$ 824.000	\$ 875.500	\$ 849.750	\$ 1,236.000	\$ 1,236.000	\$ 1,236.000	\$ 11,536.000	\$ 1,236.000	\$ 1,648.000
4 inch thick per square foot	\$ 4.481	\$ 4.481	\$ 4.379	\$ 4.379	\$ 4.614	\$ 5.473	\$ 5.094	\$ 5.640	\$ 5.640	\$ 5.745	\$ 6.246
6 inch thick per square foot	\$ 5.464	\$ 5.464	\$ 5.473	\$ 5.473	\$ 5.712	\$ 6.677	\$ 6.684	\$ 6.681	\$ 6.845	\$ 6.849	\$ 7.396
8 inch thick per square foot	\$ 6.612	\$ 6.612	\$ 6.897	\$ 6.897	\$ 6.922	\$ 7.882	\$ 7.889	\$ 7.886	\$ 8.160	\$ 8.153	\$ 9.149
CONSTRUCTION SURVEY											
Registered Surveyor (1 man and equipment), per hour rate	\$ 127.720	\$ 127.720	\$ 127.720	\$ 128.750	\$ 127.720	\$ 127.720	\$ 127.720	\$ 128.750	\$ 127.720	\$ 128.750	\$ 127.720
Non-Registered Surveyor (2 men and equipment), per hour rate	\$ 158.620	\$ 158.620	\$ 158.620	\$ 158.620	\$ 158.620	\$ 158.620	\$ 158.620	\$ 158.620	\$ 158.620	\$ 158.620	\$ 158.620
Per Diem, Per Day, Per Man for Overnight Stay	\$ 127.720	\$ 127.720	\$ 127.720	\$ 128.750	\$ 127.720	\$ 127.720	\$ 127.720	\$ 128.750	\$ 127.720	\$ 128.750	\$ 127.720
OTHER RATES											
Labor and equipment rate, \$ per man hour	\$ 66.950	\$ 66.950	\$ 66.950	\$ 66.950	\$ 66.950	\$ 66.950	\$ 66.950	\$ 66.950	\$ 66.950	\$ 66.950	\$ 66.950
Subsistence rate, \$ per man, per day	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 107.120	\$ 106.090	\$ 108.150	\$ 107.120	\$ 109.180
Sweeping (Heavy Duty Vacuum Truck and/or Kick Broom) - Mobilization Charge (Includes 4 Hour Minimum)	\$ 309.000	\$ 309.000	\$ 309.000	\$ 309.000	\$ 309.000	\$ 309.000	\$ 309.000	\$ 309.000	\$ 309.000	\$ 309.000	\$ 309.000
Sweeping (Heavy Duty Vacuum Truck and/or Kick Broom) - Per Hour	\$ 77.250	\$ 77.250	\$ 77.250	\$ 77.250	\$ 77.250	\$ 77.250	\$ 77.250	\$ 77.250	\$ 77.250	\$ 77.250	\$ 77.250
ROAD STRIPING ONLY											
Paint Mobilization Charge	\$ 515.000	\$ 515.000	\$ 875.500	\$ 901.250	\$ 695.250	\$ 927.000	\$ 1,030.000	\$ 1,184.500	\$ 1,184.500	\$ 1,107.250	\$ 824.000
Minimum Charge	\$ 618.000	\$ 618.000	\$ 1,030.000	\$ 1,030.000	\$ 824.000	\$ 1,133.000	\$ 1,545.000	\$ 1,648.000	\$ 1,648.000	\$ 1,545.000	\$ 1,030.000
Paint 4" Line w/Glass Bead 0-1000 LF	\$ 0.242	\$ 0.242	\$ 0.242	\$ 0.242	\$ 0.243	\$ 0.242	\$ 0.242	\$ 0.242	\$ 0.242	\$ 0.242	\$ 0.242
Paint 4" Line w/Glass Bead 1001-5000 LF	\$ 0.181	\$ 0.181	\$ 0.182	\$ 0.182	\$ 0.182	\$ 0.182	\$ 0.182	\$ 0.182	\$ 0.182	\$ 0.182	\$ 0.182
Paint 4" Line w/Glass Bead 5001+ LF	\$ 0.145	\$ 0.145	\$ 0.145	\$ 0.145	\$ 0.145	\$ 0.145	\$ 0.145	\$ 0.145	\$ 0.145	\$ 0.145	\$ 0.145
Paint 8" Line w/Glass Bead 0-1000 LF	\$ 0.483	\$ 0.483	\$ 0.484	\$ 0.484	\$ 0.485	\$ 0.484	\$ 0.484	\$ 0.484	\$ 0.484	\$ 0.484	\$ 0.484
Paint 8" Line w/Glass Bead 1001-5000 LF	\$ 0.363	\$ 0.363	\$ 0.363	\$ 0.363	\$ 0.365	\$ 0.363	\$ 0.364	\$ 0.364	\$ 0.364	\$ 0.363	\$ 0.364
Paint 8" Line w/Glass Bead 5001+ LF	\$ 0.290	\$ 0.290	\$ 0.291	\$ 0.291	\$ 0.293	\$ 0.291	\$ 0.291	\$ 0.291	\$ 0.291	\$ 0.291	\$ 0.291
Paint 12" Line w/Glass Bead 0-500 LF	\$ 0.726	\$ 0.726	\$ 0.727	\$ 0.727	\$ 0.729	\$ 0.727	\$ 0.727	\$ 0.727	\$ 0.727	\$ 0.727	\$ 0.728
Paint 12" Line w/Glass Bead 501-2000 LF	\$ 0.544	\$ 0.544	\$ 0.545	\$ 0.545	\$ 0.547	\$ 0.545	\$ 0.545	\$ 0.546	\$ 0.545	\$ 0.545	\$ 0.546
Paint 12" Line w/Glass Bead 2001+ LF	\$ 0.363	\$ 0.363	\$ 0.363	\$ 0.363	\$ 0.365	\$ 0.363	\$ 0.364	\$ 0.364	\$ 0.364	\$ 0.363	\$ 0.364
Thermoplastic Mobilization Charge	\$ 544.180	\$ 544.180	\$ 545.044	\$ 545.044	\$ 546.845	\$ 545.044	\$ 545.462	\$ 545.275	\$ 545.275	\$ 544.903	\$ 545.529
Thermoplastic 4" Line 0-1000 LF	\$ 0.606	\$ 0.606	\$ 0.606	\$ 0.606	\$ 0.608	\$ 0.606	\$ 0.607	\$ 0.607	\$ 0.607	\$ 0.607	\$ 0.607
Thermoplastic 4" Line 1001 - 5000 LF	\$ 0.544	\$ 0.544	\$ 0.545	\$ 0.545	\$ 0.547	\$ 0.545	\$ 0.546	\$ 0.545	\$ 0.545	\$ 0.545	\$ 0.546
Thermoplastic 4" Line 5001+ LF	\$ 0.483	\$ 0.483	\$ 0.484	\$ 0.484	\$ 0.485	\$ 0.484	\$ 0.484	\$ 0.484	\$ 0.484	\$ 0.484	\$ 0.484
Thermoplastic 8" Line 1000 LF	\$ 1.209	\$ 1.209	\$ 1.211	\$ 1.211	\$ 1.215	\$ 1.211	\$ 1.212	\$ 1.211	\$ 1.211	\$ 1.211	\$ 1.212
Thermoplastic 8" Line 1001 - 5000 LF	\$ 1.089	\$ 1.089	\$ 1.090	\$ 1.090	\$ 1.094	\$ 1.090	\$ 1.091	\$ 1.091	\$ 1.091	\$ 1.090	\$ 1.091
Thermoplastic 8" Line 5001+ LF	\$ 0.967	\$ 0.967	\$ 0.969	\$ 0.969	\$ 0.972	\$ 0.969	\$ 0.970	\$ 0.969	\$ 0.969	\$ 0.969	\$ 0.970
Thermoplastic 12" Line 0-500 LF	\$ 1.814	\$ 1.814	\$ 1.817	\$ 1.817	\$ 1.823	\$ 1.817	\$ 1.819	\$ 1.818	\$ 1.818	\$ 1.817	\$ 1.819
Thermoplastic 12" Line 501 - 2000 LF	\$ 1.693	\$ 1.693	\$ 1.696	\$ 1.696	\$ 1.702	\$ 1.696	\$ 1.697	\$ 1.696	\$ 1.696	\$ 1.695	\$ 1.697
Thermoplastic 12" Line 2000+ LF	\$ 1.633	\$ 1.633	\$ 1.636	\$ 1.636	\$ 1.641	\$ 1.636	\$ 1.637	\$ 1.636	\$ 1.636	\$ 1.635	\$ 1.637
Thermoplastic Arrow Symbols	\$ 206.788	\$ 206.788	\$ 207.117	\$ 207.117	\$ 207.801	\$ 207.117	\$ 207.276	\$ 207.204	\$ 207.204	\$ 207.063	\$ 207.301
Thermoplastic Bike Lane Symbols	\$ 272.090	\$ 272.090	\$ 272.522	\$ 272.522	\$ 273.423	\$ 272.522	\$ 272.732	\$ 272.638	\$ 272.638	\$ 272.451	\$ 272.765
Obtiteration Mobilization Charge	\$ 544.180	\$ 544.180	\$ 545.044	\$ 545.044	\$ 546.845	\$ 545.044	\$ 545.462	\$ 545.275	\$ 545.275	\$ 544.903	\$ 545.529
Stripe Obliteration, Hydroblast 4"	\$ 0.708	\$ 0.708	\$ 0.708	\$ 0.708	\$ 0.708	\$ 0.708	\$ 0.708	\$ 0.708	\$ 0.708	\$ 0.708	\$ 0.708
Stripe Obliteration, Hydroblast Arrows & Bike Symbols	\$ 48.977	\$ 48.977	\$ 49.054	\$ 49.054	\$ 49.216	\$ 49.054	\$ 49.092	\$ 49.074	\$ 49.074	\$ 49.041	\$ 49.098
Stripe Obliteration, Hydroblast ONLY & EXIT Legend	\$ 89.245	\$ 89.245	\$ 89.388	\$ 89.388	\$ 89.682	\$ 89.388	\$ 89.456	\$ 89.425	\$ 89.425	\$ 89.364	\$ 89.467

Product and Services	Phoenix 1A	Phoenix 1B	Tucson 2A	Tucson 2B	Casa Grande / Florence AREA 3	Sells AREA 4	Nogales / Sierra Vista AREA 5	Bisbee AREA 6	Wilcox AREA 7	Safford AREA 8	Globe AREA 9
Minimum Charge	\$ 2,370,030	\$ 2,370,030	\$ 2,832,500	\$ 2,832,500	\$ 2,369,000	\$ 2,369,000	\$ 3,088,970	\$ 3,605,000	\$ 3,605,000	\$ 4,377,500	\$ 3,605,000
Charge per square foot 0-100,000 sq ft	\$ 0.240	\$ 0.240	\$ 0.241	\$ 0.241	\$ 0.264	\$ 0.263	\$ 0.274	\$ 0.274	\$ 0.274	\$ 0.274	\$ 0.274
Charge per square foot over 100,000 sq ft	\$ 0.235	\$ 0.235	\$ 0.236	\$ 0.236	\$ 0.252	\$ 0.251	\$ 0.263	\$ 0.263	\$ 0.263	\$ 0.263	\$ 0.263
POLYMER MODIFIED SLURRY SEAL											
Mobilization Charge	\$ 947,600	\$ 952,750	\$ 1,339,000	\$ 1,364,750	\$ 927,000	\$ 927,000	\$ 927,000	\$ 1,951,850	\$ 1,951,850	\$ 2,703,750	\$ 1,951,850
Minimum Charge	\$ 2,370,030	\$ 2,370,030	\$ 2,832,500	\$ 2,832,500	\$ 2,369,000	\$ 2,369,000	\$ 3,088,970	\$ 3,605,000	\$ 3,605,000	\$ 4,377,500	\$ 3,605,000
Charge per square foot 0-100,000 sq ft	\$ 0.263	\$ 0.263	\$ 0.263	\$ 0.263	\$ 0.297	\$ 0.296	\$ 0.307	\$ 0.307	\$ 0.307	\$ 0.307	\$ 0.307
Charge per square foot over 100,000 sq ft	\$ 0.251	\$ 0.251	\$ 0.251	\$ 0.251	\$ 0.285	\$ 0.284	\$ 0.298	\$ 0.296	\$ 0.296	\$ 0.296	\$ 0.296
MICRO SEAL											
Mobilization Charge	\$ 3,605,000	\$ 3,605,000	\$ 3,862,500	\$ 3,862,500	\$ 4,377,500	\$ 4,377,500	\$ 4,377,500	\$ 4,377,500	\$ 4,635,000	\$ 4,635,000	\$ 4,635,000
Minimum Charge	\$ 4,223,000	\$ 4,223,000	\$ 4,429,000	\$ 4,429,000	\$ 5,150,000	\$ 5,150,000	\$ 5,150,000	\$ 5,150,000	\$ 5,253,000	\$ 5,253,000	\$ 5,253,000
Charge per square foot 0-100,000 sq ft	\$ 0.602	\$ 0.602	\$ 0.603	\$ 0.603	\$ 0.638	\$ 0.634	\$ 0.636	\$ 0.636	\$ 0.636	\$ 0.634	\$ 0.636
Charge per square foot over 100,000 sq ft	\$ 0.579	\$ 0.579	\$ 0.580	\$ 0.580	\$ 0.615	\$ 0.613	\$ 0.614	\$ 0.613	\$ 0.613	\$ 0.613	\$ 0.614
SINGLE CHIP SEAL											
Mobilization Charge	\$ 1,854,000	\$ 1,854,000	\$ 2,719,200	\$ 2,719,200	\$ 2,719,200	\$ 3,399,000	\$ 5,098,500	\$ 5,098,500	\$ 5,778,300	\$ 5,778,300	\$ 5,098,500
Minimum Charge	\$ 3,708,000	\$ 3,708,000	\$ 4,429,000	\$ 4,429,000	\$ 4,429,000	\$ 5,150,000	\$ 5,150,000	\$ 5,150,000	\$ 5,253,000	\$ 5,253,000	\$ 5,253,000
Charge per square yard	\$ 2.039	\$ 2.039	\$ 4.759	\$ 4.759	\$ 4.759	\$ 5.109	\$ 5.109	\$ 5.109	\$ 5.109	\$ 5.438	\$ 5.438
DOUBLE CHIP SEAL											
Mobilization Charge	\$ 1,730,400	\$ 1,730,400	\$ 2,719,200	\$ 2,719,200	\$ 2,719,200	\$ 3,399,000	\$ 5,098,500	\$ 5,098,500	\$ 5,778,300	\$ 5,778,300	\$ 5,098,500
Minimum Charge	\$ 3,708,000	\$ 3,708,000	\$ 4,429,000	\$ 4,429,000	\$ 4,429,000	\$ 5,150,000	\$ 5,150,000	\$ 5,150,000	\$ 5,253,000	\$ 5,253,000	\$ 5,253,000
Charge per square yard	\$ 7.416	\$ 7.416	\$ 9.517	\$ 9.517	\$ 9.517	\$ 10.218	\$ 10.218	\$ 10.218	\$ 10.218	\$ 10.877	\$ 10.877
STRIPING											
Mobilization Charge	\$ 77,250	\$ 77,250	\$ 128,750	\$ 77,250	\$ 154,500	\$ 154,500	\$ 154,500	\$ 360,500	\$ 360,500	\$ 437,750	\$ 360,500
Minimum Charge	\$ 154,500	\$ 154,500	\$ 180,250	\$ 180,250	\$ 231,750	\$ 231,750	\$ 230,720	\$ 515,000	\$ 515,000	\$ 618,000	\$ 515,000
4" line, charge per linear foot (restripe)	\$ 0.118	\$ 0.107	\$ 0.118	\$ 0.118	\$ 0.119	\$ 0.118	\$ 0.119	\$ 0.119	\$ 0.119	\$ 0.118	\$ 0.119
4" line, charge per linear foot (new layout)	\$ 0.155	\$ 0.105	\$ 0.155	\$ 0.155	\$ 0.155	\$ 0.155	\$ 0.155	\$ 0.155	\$ 0.155	\$ 0.155	\$ 0.155
4" line, Hash-Out Striping (restripe)	\$ 0.145	\$ 0.145	\$ 0.145	\$ 0.145	\$ 0.146	\$ 0.145	\$ 0.146	\$ 0.146	\$ 0.146	\$ 0.145	\$ 0.146
4" line, Hash-Out Striping (layout)	\$ 0.337	\$ 0.337	\$ 0.338	\$ 0.338	\$ 0.338	\$ 0.338	\$ 0.338	\$ 0.338	\$ 0.338	\$ 0.338	\$ 0.338
Curb (top and face), charge per linear foot	\$ 0.475	\$ 0.323	\$ 0.476	\$ 0.476	\$ 0.477	\$ 0.476	\$ 0.476	\$ 0.476	\$ 0.476	\$ 0.476	\$ 0.476
Handicap stencils, charge per each	\$ 16,056	\$ 16,056	\$ 16,074	\$ 16,074	\$ 16,111	\$ 16,074	\$ 16,082	\$ 16,078	\$ 16,078	\$ 16,078	\$ 16,084
Arrows, charge per each	\$ 8,028	\$ 8,028	\$ 8,037	\$ 8,037	\$ 8,058	\$ 8,037	\$ 8,041	\$ 8,039	\$ 8,039	\$ 8,035	\$ 8,042
4 inch numbers/letters, charge per each	\$ 0.595	\$ 0.536	\$ 0.595	\$ 0.595	\$ 0.597	\$ 0.596	\$ 0.596	\$ 0.596	\$ 0.596	\$ 0.595	\$ 0.596
10 inch numbers/letters, charge per each	\$ 0.892	\$ 0.802	\$ 0.893	\$ 0.893	\$ 0.895	\$ 0.895	\$ 0.893	\$ 0.893	\$ 0.893	\$ 0.892	\$ 0.893
24 inch numbers/letters, charge per each	\$ 1,338	\$ 1,338	\$ 1,339	\$ 1,339	\$ 1,343	\$ 1,339	\$ 1,340	\$ 1,340	\$ 1,340	\$ 1,339	\$ 1,340
Speed Bump stripe, charge per each	\$ 28,901	\$ 28,901	\$ 28,933	\$ 28,933	\$ 29,001	\$ 28,933	\$ 28,949	\$ 28,942	\$ 28,942	\$ 28,928	\$ 28,951
Speed Hump stripe, charge per each	\$ 52,450	\$ 52,450	\$ 52,508	\$ 52,508	\$ 52,631	\$ 52,508	\$ 52,537	\$ 52,524	\$ 52,524	\$ 52,499	\$ 52,541
Wheel stops, charge to paint each	\$ 5,887	\$ 5,887	\$ 5,894	\$ 5,894	\$ 5,907	\$ 5,894	\$ 5,897	\$ 5,896	\$ 5,896	\$ 5,893	\$ 5,898
Bollards, charge to paint each	\$ 9,366	\$ 9,366	\$ 9,376	\$ 9,376	\$ 9,399	\$ 9,376	\$ 9,381	\$ 9,379	\$ 9,379	\$ 9,375	\$ 9,382
Remove Existing Sign & Post	\$ 80,280	\$ 80,280	\$ 80,370	\$ 80,370	\$ 80,557	\$ 80,370	\$ 80,413	\$ 80,394	\$ 80,394	\$ 80,355	\$ 80,420
Install Stop Sign & Post	\$ 267,601	\$ 267,601	\$ 267,900	\$ 267,900	\$ 268,523	\$ 267,900	\$ 268,045	\$ 267,980	\$ 267,980	\$ 267,852	\$ 268,068
Fire Lane Sign & Post Single Sided	\$ 133,800	\$ 133,800	\$ 133,949	\$ 133,949	\$ 134,262	\$ 133,949	\$ 134,023	\$ 133,990	\$ 133,990	\$ 133,926	\$ 134,034
Handicapped Sign & Post - Single Sided	\$ 133,800	\$ 133,800	\$ 133,949	\$ 133,949	\$ 134,262	\$ 133,949	\$ 134,023	\$ 133,990	\$ 133,990	\$ 133,926	\$ 134,034
Double Sided Sign & Post	\$ 187,321	\$ 187,321	\$ 187,530	\$ 187,530	\$ 187,966	\$ 187,530	\$ 187,631	\$ 187,586	\$ 187,586	\$ 187,496	\$ 187,647
Ceramic Reflectors (Installed)	\$ 4,282	\$ 4,282	\$ 4,287	\$ 4,287	\$ 4,296	\$ 4,287	\$ 4,289	\$ 4,288	\$ 4,288	\$ 4,286	\$ 4,289
Square Reflectors (Installed)	\$ 4,282	\$ 4,282	\$ 4,287	\$ 4,287	\$ 4,296	\$ 4,287	\$ 4,289	\$ 4,288	\$ 4,288	\$ 4,286	\$ 4,289
Blue Reflectors (Installed)	\$ 5,352	\$ 5,352	\$ 5,358	\$ 5,358	\$ 5,370	\$ 5,358	\$ 5,361	\$ 5,359	\$ 5,359	\$ 5,357	\$ 5,361
ASPHALT EDGE MILLING 2 FEET WIDE											
Mobilization Charge	\$ 2,214,500	\$ 2,240,250	\$ 3,090,000	\$ 3,193,000	\$ 2,781,000	\$ 3,296,000	\$ 3,708,000	\$ 4,068,500	\$ 4,248,750	\$ 4,454,750	\$ 3,399,000
Minimum Charge	\$ 3,090,000	\$ 3,090,000	\$ 4,120,000	\$ 4,223,000	\$ 3,811,000	\$ 4,635,000	\$ 4,944,000	\$ 5,150,000	\$ 5,665,000	\$ 5,665,000	\$ 4,635,000
Charge per square foot	\$ 0.170	\$ 0.170	\$ 0.170	\$ 0.170	\$ 0.170	\$ 0.170	\$ 0.216	\$ 0.216	\$ 0.216	\$ 0.216	\$ 0.216
ASPHALT MILLING 8 FEET WIDE											
Mobilization Charge	\$ 2,214,500	\$ 2,240,250	\$ 3,090,000	\$ 3,193,000	\$ 2,781,000	\$ 3,296,000	\$ 3,708,000	\$ 4,068,500	\$ 4,248,750	\$ 4,454,750	\$ 3,399,000
Minimum Charge	\$ 3,090,000	\$ 3,090,000	\$ 4,120,000	\$ 4,223,000	\$ 3,811,000	\$ 4,635,000	\$ 4,944,000	\$ 5,150,000	\$ 5,665,000	\$ 5,665,000	\$ 4,635,000
Charge per square foot per 1 inch in depth of milling	\$ 0.185	\$ 0.185	\$ 0.185	\$ 0.185	\$ 0.185	\$ 0.185	\$ 0.227	\$ 0.227	\$ 0.227	\$ 0.227	\$ 0.227
ASPHALT PULVERIZING											
Mobilization Charge	\$ 1,133,000	\$ 1,133,000	\$ 1,957,000	\$ 1,957,000	\$ 1,596,500	\$ 1,982,750	\$ 2,446,250	\$ 2,755,250	\$ 2,466,850	\$ 2,466,850	\$ 1,982,750
Minimum Charge	\$ 2,884,000	\$ 2,884,000	\$ 3,605,000	\$ 3,605,000	\$ 3,296,000	\$ 3,605,000	\$ 3,914,000	\$ 4,223,000	\$ 3,914,000	\$ 3,914,000	\$ 3,605,000
Charge per square foot 0 - 50,000 square feet + mobilization charge	\$ 0.031	\$ 0.036	\$ 0.036	\$ 0.036	\$ 0.036	\$ 0.036	\$ 0.036	\$ 0.036	\$ 0.036	\$ 0.036	\$ 0.036
Per square foot over 50,001 square feet + mobilization charge	\$ 0.031	\$ 0.036	\$ 0.036	\$ 0.036	\$ 0.036	\$ 0.036	\$ 0.036	\$ 0.036	\$ 0.036	\$ 0.036	\$ 0.036
LIME SOIL STABILIZATION (Lime Slurry MAG309, Soil Cement MAG311, Quicklime)											
Mobilization Charge	\$ 2,781,000	\$ 2,781,000	\$ 3,914,000	\$ 3,914,000	\$ 3,399,000	\$ 3,914,000	\$ 4,532,000	\$ 4,532,000	\$ 5,047,000	\$ 4,532,000	\$ 3,914,000

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Minimum Charge	\$ 3,605.000	\$ 3,605.000	\$ 4,944.000	\$ 4,944.000	\$ 4,429.000	\$ 5,047.000	\$ 5,665.000	\$ 5,665.000	\$ 6,180.000	\$ 5,665.000	\$ 5,150.000
Charge per square foot per 8 inch depth	\$ 0.322	\$ 0.322	\$ 0.323	\$ 0.323	\$ 0.324	\$ 0.323	\$ 0.342	\$ 0.356	\$ 0.356	\$ 0.342	\$ 0.323
Charge per square foot per 12 inch depth	\$ 0.449	\$ 0.449	\$ 0.450	\$ 0.450	\$ 0.451	\$ 0.450	\$ 0.471	\$ 0.482	\$ 0.482	\$ 0.471	\$ 0.452
GRADE/PLACE ABC											
Mobilization Charge	\$ 412.000	\$ 360.500	\$ 412.000	\$ 412.000	\$ 1,236.000	\$ 1,442.000	\$ 1,236.000	\$ 2,163.000	\$ 2,266.000	\$ 2,884.000	\$ 1,339.000
Minimum Charge	\$ 721.000	\$ 669.500	\$ 772.500	\$ 772.500	\$ 1,854.000	\$ 2,060.000	\$ 2,060.000	\$ 3,090.000	\$ 3,090.000	\$ 4,120.000	\$ 2,472.000
Charge per square foot times thickness in inches of ABC	\$ 0.098	\$ 0.082	\$ 0.100	\$ 0.100	\$ 0.110	\$ 0.109	\$ 0.109	\$ 0.109	\$ 0.109	\$ 0.109	\$ 0.142
Charge per square foot times thickness in inches of ABC (over 45000 square feet)	\$ 0.082	\$ 0.069	\$ 0.082	\$ 0.082	\$ 0.110	\$ 0.111	\$ 0.109	\$ 0.109	\$ 0.109	\$ 0.109	\$ 0.121
Charge per square foot times thickness in inches of ABC (over 90000 square feet)	\$ 0.076	\$ 0.066	\$ 0.076	\$ 0.076	\$ 0.110	\$ 0.111	\$ 0.109	\$ 0.109	\$ 0.109	\$ 0.109	\$ 0.121
DEMO/AUHL ASPHALT, DIRT, ETC											
Mobilization Charge	\$ 185.400	\$ 185.400	\$ 185.400	\$ 187.480	\$ 1,236.000	\$ 1,442.000	\$ 1,236.000	\$ 2,188.750	\$ 2,266.000	\$ 2,909.750	\$ 360.500
Mobilization Charge (over 250 cubic yards)	\$ 412.000	\$ 360.500	\$ 412.000	\$ 412.000	\$ 1,236.000	\$ 1,442.000	\$ 1,236.000	\$ 2,188.750	\$ 2,266.000	\$ 2,909.750	\$ 1,133.000
Mobilization Charge (over 500 cubic yards)	\$ 412.000	\$ 360.500	\$ 412.000	\$ 412.000	\$ 1,236.000	\$ 1,442.000	\$ 1,236.000	\$ 2,188.750	\$ 2,266.000	\$ 2,909.750	\$ 1,133.000
Charge per cubic yard of material	\$ 28.840	\$ 26.780	\$ 28.840	\$ 28.840	\$ 35.020	\$ 36.050	\$ 35.020	\$ 35.020	\$ 35.020	\$ 35.020	\$ 37.080
Charge per cubic yard of material (over 250 cubic yards)	\$ 22.660	\$ 22.660	\$ 22.660	\$ 22.660	\$ 35.020	\$ 23.690	\$ 23.690	\$ 23.690	\$ 23.690	\$ 23.690	\$ 26.870
Charge per cubic yard of material (over 500 cubic yards)	\$ 21.630	\$ 18.540	\$ 21.630	\$ 21.630	\$ 23.690	\$ 23.690	\$ 23.690	\$ 23.690	\$ 23.690	\$ 23.690	\$ 26.780
SITE GRADING (Moving/Excavating Dirt - On Site, No Haul Off)											
Mobilization Charge	\$ 849.750	\$ 849.750	\$ 849.750	\$ 872.863	\$ 2,987.000	\$ 3,502.000	\$ 2,961.250	\$ 5,150.000	\$ 5,453.850	\$ 7,081.250	\$ 2,369.000
Mobilization Charge (over 3200 cubic yards)	\$ 1,133.000	\$ 1,133.000	\$ 1,133.000	\$ 1,133.000	\$ 2,987.000	\$ 3,502.000	\$ 2,961.250	\$ 5,150.000	\$ 5,453.850	\$ 7,081.250	\$ 3,399.000
Charge per cubic yard	\$ 7.931	\$ 7.931	\$ 7.931	\$ 7.931	\$ 40.170	\$ 41.20	\$ 40.17	\$ 40.17	\$ 40.17	\$ 40.17	\$ 8.034
Charge per cubic yard (over 1500 cubic yards)	\$ 4.017	\$ 4.017	\$ 4.017	\$ 4.017	\$ 40.170	\$ 41.20	\$ 40.17	\$ 40.17	\$ 40.17	\$ 40.17	\$ 8.034
Charge per cubic yard (over 3200 cubic yards)	\$ 3.502	\$ 3.502	\$ 3.502	\$ 3.502	\$ 36.050	\$ 36.050	\$ 36.050	\$ 36.050	\$ 36.050	\$ 36.050	\$ 3.502
FINE GRADE AREA											
Mobilization Charge	\$ 592.250	\$ 515.000	\$ 592.250	\$ 592.250	\$ 2,575.000	\$ 3,193.000	\$ 2,575.000	\$ 4,532.000	\$ 4,944.000	\$ 6,283.000	\$ 1,493.500
Mobilization Charge (over 5000 square yards)	\$ 824.000	\$ 824.000	\$ 875.500	\$ 875.500	\$ 2,575.000	\$ 3,090.000	\$ 2,575.000	\$ 4,532.000	\$ 4,944.000	\$ 6,283.000	\$ 2,575.000
Charge per square yard	\$ 1.288	\$ 1.082	\$ 1.298	\$ 1.288	\$ 1.236	\$ 1.298	\$ 1.288	\$ 1.288	\$ 1.288	\$ 1.288	\$ 1.288
Charge per square yard (over 5000 square yards)	\$ 1.236	\$ 1.051	\$ 1.236	\$ 1.236	\$ 1.236	\$ 1.288	\$ 1.288	\$ 1.288	\$ 1.288	\$ 1.288	\$ 1.288
Charge per square yard (over 10000 square yards)	\$ 1.154	\$ 0.979	\$ 1.143	\$ 1.133	\$ 1.236	\$ 1.288	\$ 1.288	\$ 1.288	\$ 1.288	\$ 1.288	\$ 1.288
MANHOLE ADJUSTMENTS											
Mobilization Charge	\$ 200.850	\$ 200.850	\$ 412.000	\$ 412.000	\$ 746.750	\$ 463.500	\$ 412.000	\$ 412.000	\$ 824.000	\$ 824.000	\$ 824.000
Minimum Charge	\$ 1,081.500	\$ 1,081.500	\$ 1,292.650	\$ 1,292.650	\$ 1,519.250	\$ 1,545.000	\$ 1,184.500	\$ 1,493.500	\$ 1,905.500	\$ 1,905.500	\$ 1,704.650
Charge per each unit	\$ 293.650	\$ 293.650	\$ 293.650	\$ 293.650	\$ 257.500	\$ 360.500	\$ 257.500	\$ 360.500	\$ 360.500	\$ 360.500	\$ 293.650
WATERS/SEWER COVER ADJUSTMENTS											
Mobilization Charge	\$ 200.850	\$ 128.750	\$ 412.000	\$ 412.000	\$ 746.750	\$ 463.500	\$ 412.000	\$ 412.000	\$ 824.000	\$ 824.000	\$ 824.000
Minimum Charge	\$ 973.350	\$ 607.700	\$ 1,184.500	\$ 1,184.500	\$ 1,519.250	\$ 1,236.000	\$ 1,184.500	\$ 1,184.500	\$ 1,996.500	\$ 1,596.500	\$ 1,596.500
Charge per each unit	\$ 257.500	\$ 159.650	\$ 257.500	\$ 257.500	\$ 257.500	\$ 257.500	\$ 257.500	\$ 257.500	\$ 257.500	\$ 257.500	\$ 257.500
SURVEY MONUMENTS											
Mobilization Charge	\$ 200.850	\$ 128.750	\$ 412.000	\$ 412.000	\$ 746.750	\$ 463.500	\$ 412.000	\$ 412.000	\$ 824.000	\$ 824.000	\$ 824.000
Minimum Charge	\$ 257.500	\$ 206.000	\$ 618.000	\$ 618.000	\$ 849.750	\$ 576.800	\$ 566.500	\$ 566.500	\$ 1,802.500	\$ 1,802.500	\$ 1,802.500
Type A: Charge per each unit	\$ 180.250	\$ 180.250	\$ 180.250	\$ 180.250	\$ 180.250	\$ 180.250	\$ 180.250	\$ 180.250	\$ 180.250	\$ 180.250	\$ 180.250
Type B: Charge per each unit	\$ 103.000	\$ 103.000	\$ 103.000	\$ 103.000	\$ 103.000	\$ 103.000	\$ 103.000	\$ 103.000	\$ 103.000	\$ 103.000	\$ 103.000
SAFETY BOLLARDS PLACED IN ASPHALT											
Mobilization Charge	\$ 77.250	\$ 77.250	\$ 128.750	\$ 128.750	\$ 103.000	\$ 231.750	\$ 231.750	\$ 231.750	\$ 231.750	\$ 231.750	\$ 180.250
Minimum Charge	\$ 732.960	\$ 732.960	\$ 785.576	\$ 785.576	\$ 762.153	\$ 888.576	\$ 888.576	\$ 888.576	\$ 888.576	\$ 888.394	\$ 837.703
4-inch diameter, concrete filled,charge per each	\$ 158.463	\$ 158.463	\$ 158.733	\$ 158.733	\$ 159.296	\$ 158.733	\$ 158.884	\$ 158.805	\$ 158.805	\$ 207.937	\$ 208.194
6-inch diameter, concrete filled,charge per each	\$ 191.248	\$ 191.248	\$ 191.574	\$ 191.574	\$ 192.253	\$ 191.574	\$ 191.732	\$ 191.661	\$ 191.661	\$ 191.521	\$ 191.757
8-inch diameter, concrete filled,charge per each	\$ 218.670	\$ 218.670	\$ 218.942	\$ 218.942	\$ 219.718	\$ 218.942	\$ 219.122	\$ 219.042	\$ 219.042	\$ 218.881	\$ 219.151
CONCRETE EXTRUDED CURB NO REBAR											
Minimum Charge	\$ 283.250	\$ 283.250	\$ 283.250	\$ 283.250	\$ 309.000	\$ 329.600	\$ 334.750	\$ 824.000	\$ 824.000	\$ 824.000	\$ 746.750
1 to 300 lf	\$ 4.371	\$ 4.371	\$ 4.379	\$ 4.379	\$ 4.394	\$ 4.379	\$ 4.383	\$ 4.381	\$ 4.381	\$ 4.378	\$ 4.383
301 to 500 lf	\$ 3.825	\$ 3.825	\$ 3.832	\$ 3.832	\$ 3.845	\$ 3.832	\$ 3.835	\$ 3.834	\$ 3.834	\$ 3.831	\$ 3.835
501lf+	\$ 3.771	\$ 3.771	\$ 3.777	\$ 3.777	\$ 3.790	\$ 3.777	\$ 3.780	\$ 3.778	\$ 3.778	\$ 3.776	\$ 3.780
CONCRETE EXTRUDED CURB WITH REBAR											
Minimum Charge	\$ 283.250	\$ 283.250	\$ 283.250	\$ 283.250	\$ 309.000	\$ 334.750	\$ 334.750	\$ 824.000	\$ 824.000	\$ 824.000	\$ 746.750
1 to 300 lf	\$ 6.830	\$ 6.830	\$ 6.842	\$ 6.842	\$ 7.415	\$ 7.115	\$ 7.121	\$ 6.845	\$ 6.845	\$ 6.840	\$ 6.848
301 to 500 lf	\$ 6.284	\$ 6.284	\$ 6.294	\$ 6.294	\$ 6.317	\$ 6.459	\$ 6.447	\$ 6.297	\$ 6.297	\$ 6.293	\$ 6.301
501lf+	\$ 5.137	\$ 5.137	\$ 5.145	\$ 5.145	\$ 5.768	\$ 5.145	\$ 5.752	\$ 5.148	\$ 5.148	\$ 5.144	\$ 5.150
CONCRETE 6 FOOT WHEEL STOPS											
Mobilization Charge	\$ 77.250	\$ 77.250	\$ 154.500	\$ 154.500	\$ 103.000	\$ 257.500	\$ 257.500	\$ 309.000	\$ 309.000	\$ 334.750	\$ 206.000
Minimum Charge	\$ 206.000	\$ 206.000	\$ 329.600	\$ 329.600	\$ 257.500	\$ 412.000	\$ 412.000	\$ 463.500	\$ 463.500	\$ 463.500	\$ 386.250
Charge per each 1-20 each	\$ 33.879	\$ 33.879	\$ 33.936	\$ 33.936	\$ 34.056	\$ 34.1549	\$ 33.964	\$ 33.952	\$ 33.952	\$ 33.926	\$ 33.968

Product and Services	Phoenix 1A	Phoenix 1B	Tucson 2A	Tucson 2B	Casa Grande / Florence AREA 3	Sells AREA 4	Nogales / Sierra Vista AREA 5	Bisbee AREA 6	Wilcox AREA 7	Safford AREA 8	Globe AREA 9
ASPHALT SURFACE PATCH											
Mobilization Charge	\$ 334,750	\$ 435,690	\$ 417,150	\$ 465,560	\$ 643,750	\$ 643,750	\$ 643,750	\$ 1,313,250	\$ 1,313,250	\$ 1,879,750	\$ 1,328,700
Minimum Charge	\$ 618,000	\$ 618,000	\$ 618,000	\$ 618,000	\$ 1,030,000	\$ 1,030,000	\$ 1,028,970	\$ 1,802,500	\$ 1,802,500	\$ 2,575,000	\$ 1,802,500
Charge per square foot	\$ 1.046	\$ 0.981	\$ 1.082	\$ 1.159	\$ 1.164	\$ 1.535	\$ 1.215	\$ 1.557	\$ 1.725	\$ 1.556	\$ 1.271
Charge per square foot (over 10,000 sq ft)	\$ 0.882	\$ 0.882	\$ 1.103	\$ 0.994	\$ 0.997	\$ 1.259	\$ 1.215	\$ 1.259	\$ 1.393	\$ 1.258	\$ 1.161
ASPHALT SPEED BUMPS											
Mobilization Charge	\$ 334,750	\$ 435,690	\$ 417,150	\$ 465,560	\$ 643,750	\$ 643,750	\$ 643,750	\$ 1,313,250	\$ 1,313,250	\$ 1,879,750	\$ 1,328,700
Minimum Charge	\$ 618,000	\$ 618,000	\$ 618,000	\$ 618,000	\$ 1,030,000	\$ 1,030,000	\$ 1,028,970	\$ 1,802,500	\$ 1,802,500	\$ 2,575,000	\$ 1,802,500
Speed Bumps, charge per each for standard size of 1 1/2' X 24'	\$ 187,321	\$ 187,321	\$ 214,320	\$ 214,320	\$ 214,819	\$ 246,468	\$ 217,599	\$ 224,406	\$ 224,406	\$ 224,299	\$ 224,480
ASPHALT SPEED HUMPS											
Mobilization Charge	\$ 334,750	\$ 435,690	\$ 417,150	\$ 465,560	\$ 643,750	\$ 643,750	\$ 643,750	\$ 1,313,250	\$ 1,313,250	\$ 1,879,750	\$ 1,328,700
Minimum Charge	\$ 618,000	\$ 618,000	\$ 618,000	\$ 618,000	\$ 1,030,000	\$ 1,030,000	\$ 1,028,970	\$ 1,802,500	\$ 1,802,500	\$ 2,575,000	\$ 1,802,500
Charge per square foot	\$ 1.488	\$ 1.541	\$ 1.521	\$ 1.575	\$ 1.601	\$ 1.682	\$ 1.598	\$ 1.683	\$ 1.683	\$ 1.682	\$ 1.683
ASPHALT REMOVE/REPLACE											
Mobilization Charge	\$ 334,750	\$ 435,690	\$ 417,150	\$ 465,560	\$ 643,750	\$ 643,750	\$ 643,750	\$ 1,313,250	\$ 1,313,250	\$ 1,879,750	\$ 1,328,700
Minimum Charge	\$ 618,000	\$ 618,000	\$ 618,000	\$ 618,000	\$ 1,030,000	\$ 1,030,000	\$ 1,028,970	\$ 1,802,500	\$ 1,802,500	\$ 2,575,000	\$ 1,802,500
Charge per square foot 2 inch depth	\$ 1.404	\$ 1.763	\$ 1.428	\$ 1.951	\$ 1.947	\$ 2.226	\$ 2.442	\$ 2.443	\$ 2.443	\$ 2.398	\$ 2.259
Charge per square foot 2 inch depth (over 10,000 sq ft)	\$ 1.328	\$ 1.447	\$ 1.766	\$ 2.148	\$ 1.761	\$ 2.333	\$ 2.247	\$ 2.334	\$ 2.334	\$ 2.332	\$ 2.117
Charge per square foot 3 inch depth	\$ 2.274	\$ 2.525	\$ 2.595	\$ 2.911	\$ 2.822	\$ 3.598	\$ 3.240	\$ 3.599	\$ 3.599	\$ 3.597	\$ 3.229
Charge per square foot 3 inch depth (over 10,000 sq ft)	\$ 2.209	\$ 2.079	\$ 2.595	\$ 2.911	\$ 2.461	\$ 3.237	\$ 2.837	\$ 3.239	\$ 3.239	\$ 3.236	\$ 2.913
Charge per square foot 4 inch depth(2 lifts)	\$ 2.093	\$ 3.048	\$ 3.379	\$ 3.543	\$ 3.642	\$ 4.906	\$ 4.037	\$ 4.908	\$ 4.362	\$ 4.904	\$ 4.495
Charge per square foot 4 inch depth (over 10,000 sq ft)(2 lifts)	\$ 2.993	\$ 2.982	\$ 3.379	\$ 3.543	\$ 3.456	\$ 4.481	\$ 3.818	\$ 4.483	\$ 4.483	\$ 4.316	\$ 4.059
ASPHALT CONCRETE OVERLAY											
Mobilization Charge	\$ 808,550	\$ 818,850	\$ 901,250	\$ 952,750	\$ 1,648,000	\$ 1,648,000	\$ 1,648,000	\$ 3,193,000	\$ 3,193,000	\$ 4,248,750	\$ 3,193,000
Minimum Charge	\$ 1,030,000	\$ 1,040,300	\$ 1,081,500	\$ 1,184,500	\$ 1,957,000	\$ 1,957,000	\$ 1,957,000	\$ 3,811,000	\$ 3,811,000	\$ 5,150,000	\$ 3,811,000
Charge per square foot 1 1/2 inch depth	\$ 0.562	\$ 0.551	\$ 0.773	\$ 0.773	\$ 0.687	\$ 1.049	\$ 0.984	\$ 1.038	\$ 1.060	\$ 1.082	\$ 0.939
Charge per square foot 1 1/2 inch depth (over 50,000 sq ft)	\$ 0.551	\$ 0.540	\$ 0.773	\$ 0.773	\$ 0.621	\$ 0.994	\$ 0.884	\$ 0.994	\$ 0.994	\$ 1.004	\$ 0.928
Charge per square foot 2 inch depth	\$ 0.661	\$ 0.783	\$ 0.883	\$ 0.938	\$ 0.887	\$ 1.336	\$ 1.215	\$ 1.337	\$ 1.347	\$ 1.379	\$ 1.161
Charge per square foot 2 inch depth (over 50,000 sq ft)	\$ 0.661	\$ 0.661	\$ 0.883	\$ 0.938	\$ 0.787	\$ 1.325	\$ 1.083	\$ 1.326	\$ 1.326	\$ 1.325	\$ 1.155
Charge per square foot 3 inch depth	\$ 0.981	\$ 0.992	\$ 1.435	\$ 1.435	\$ 1.220	\$ 1.910	\$ 1.757	\$ 1.911	\$ 1.911	\$ 1.910	\$ 1.657
Charge per square foot 3 inch depth (over 50,000 sq ft)	\$ 0.981	\$ 0.882	\$ 1.325	\$ 1.336	\$ 1.131	\$ 1.877	\$ 1.547	\$ 1.889	\$ 1.889	\$ 1.898	\$ 1.591
Charge per square foot 4 inch depth	\$ 1.300	\$ 1.565	\$ 1.877	\$ 1.766	\$ 1.662	\$ 2.562	\$ 2.321	\$ 2.574	\$ 2.596	\$ 2.594	\$ 2.199
Charge per square foot 4 inch depth (over 50,000 sq ft)	\$ 1.300	\$ 1.323	\$ 1.877	\$ 1.766	\$ 1.552	\$ 2.539	\$ 2.133	\$ 2.540	\$ 2.540	\$ 2.538	\$ 2.166
ASPHALT PAVING WITH TACH COAT											
Mobilization Charge	\$ 808,550	\$ 818,850	\$ 901,250	\$ 952,750	\$ 1,648,000	\$ 1,648,000	\$ 1,648,000	\$ 3,193,000	\$ 3,193,000	\$ 4,248,750	\$ 3,193,000
Minimum Charge	\$ 1,030,000	\$ 1,040,300	\$ 1,081,500	\$ 1,184,500	\$ 1,957,000	\$ 1,957,000	\$ 1,957,000	\$ 3,811,000	\$ 3,811,000	\$ 5,150,000	\$ 3,811,000
Charge per square foot 1 1/2 inch depth	\$ 0.814	\$ 0.814	\$ 1.133	\$ 1.133	\$ 0.950	\$ 1.311	\$ 1.246	\$ 1.301	\$ 1.323	\$ 1.344	\$ 1.202
Charge per square foot 1 1/2 inch depth (over 50,000 sq ft)	\$ 0.803	\$ 0.803	\$ 1.112	\$ 1.112	\$ 0.929	\$ 1.291	\$ 1.226	\$ 1.280	\$ 1.302	\$ 1.324	\$ 1.181
Charge per square foot 2 inch depth	\$ 0.865	\$ 1.020	\$ 1.236	\$ 1.257	\$ 1.073	\$ 1.435	\$ 1.370	\$ 1.424	\$ 1.446	\$ 1.468	\$ 1.326
Charge per square foot 2 inch depth (over 50,000 sq ft)	\$ 0.865	\$ 1.009	\$ 1.226	\$ 1.236	\$ 1.063	\$ 1.424	\$ 1.360	\$ 1.414	\$ 1.436	\$ 1.457	\$ 1.315
Charge per square foot 3 inch depth	\$ 1.339	\$ 1.339	\$ 1.792	\$ 1.803	\$ 1.537	\$ 2.001	\$ 1.833	\$ 2.002	\$ 2.002	\$ 1.931	\$ 1.789
Charge per square foot 3 inch depth (over 50,000 sq ft)	\$ 1.329	\$ 1.329	\$ 1.782	\$ 1.792	\$ 1.526	\$ 1.991	\$ 1.823	\$ 1.992	\$ 1.992	\$ 1.921	\$ 1.779
Charge per square foot 4 inch depth	\$ 1.658	\$ 1.926	\$ 2.235	\$ 2.122	\$ 2.124	\$ 2.588	\$ 2.421	\$ 2.589	\$ 2.699	\$ 2.697	\$ 2.376
Charge per square foot 4 inch depth (over 50,000 sq ft)	\$ 1.648	\$ 1.916	\$ 2.225	\$ 2.112	\$ 2.114	\$ 2.578	\$ 2.410	\$ 2.579	\$ 2.688	\$ 2.686	\$ 2.366
RUBBERIZED ASPHALT CONCRETE OVERLAY											
Mobilization Charge	\$ 808,550	\$ 818,850	\$ 901,250	\$ 952,750	\$ 1,648,000	\$ 1,648,000	\$ 1,648,000	\$ 3,193,000	\$ 3,193,000	\$ 4,248,750	\$ 3,193,000
Minimum Charge	\$ 2,575,000	\$ 2,626,500	\$ 2,678,000	\$ 2,729,500	\$ 3,450,500	\$ 3,450,500	\$ 3,450,500	\$ 5,304,500	\$ 5,304,500	\$ 6,643,500	\$ 5,304,500
Charge per square foot 1 inch depth	\$ 0.927	\$ 0.927	\$ 1.164	\$ 1.226	\$ 1.073	\$ 1.435	\$ 1.370	\$ 1.424	\$ 1.446	\$ 1.468	\$ 1.326
Charge per square foot 1 inch depth (over 50,000 sq ft)	\$ 0.876	\$ 0.876	\$ 1.092	\$ 1.143	\$ 1.053	\$ 1.414	\$ 1.349	\$ 1.404	\$ 1.426	\$ 1.447	\$ 1.305
Charge per square foot 1 1/2 inch depth	\$ 1.391	\$ 1.391	\$ 1.741	\$ 1.823	\$ 1.702	\$ 2.063	\$ 1.998	\$ 2.053	\$ 2.074	\$ 2.096	\$ 1.954
Charge per square foot 1 1/2 inch depth (over 50,000 sq ft)	\$ 1.313	\$ 1.313	\$ 1.638	\$ 1.720	\$ 1.619	\$ 1.981	\$ 1.916	\$ 1.970	\$ 1.992	\$ 2.014	\$ 1.872
Charge per square foot 2 inch depth	\$ 1.854	\$ 1.854	\$ 2.318	\$ 2.431	\$ 2.330	\$ 2.691	\$ 2.627	\$ 2.681	\$ 2.703	\$ 2.724	\$ 2.582
Charge per square foot 2 inch depth (over 50,000 sq ft)	\$ 1.751	\$ 1.751	\$ 2.194	\$ 2.307	\$ 2.217	\$ 2.578	\$ 2.513	\$ 2.568	\$ 2.589	\$ 2.611	\$ 2.469
Charge per square foot 2 1/2 inch depth	\$ 2.318	\$ 2.318	\$ 2.894	\$ 3.039	\$ 2.927	\$ 3.289	\$ 3.224	\$ 3.278	\$ 3.300	\$ 3.322	\$ 3.180
Charge per square foot 2 1/2 inch depth (over 50,000 sq ft)	\$ 2.189	\$ 2.189	\$ 2.740	\$ 2.874	\$ 2.814	\$ 3.175	\$ 3.111	\$ 3.165	\$ 3.187	\$ 3.208	\$ 3.066
Charge per square foot 3 inch depth	\$ 2.781	\$ 2.781	\$ 3.481	\$ 3.657	\$ 3.504	\$ 3.866	\$ 3.801	\$ 3.855	\$ 3.877	\$ 3.899	\$ 3.756
Charge per square foot 3 inch depth (over 50,000 sq ft)	\$ 2.627	\$ 2.627	\$ 3.286	\$ 3.451	\$ 3.422	\$ 3.783	\$ 3.718	\$ 3.773	\$ 3.795	\$ 3.816	\$ 3.674
Charge per square foot 4 inch depth	\$ 3.708	\$ 3.708	\$ 4.635	\$ 4.872	\$ 3.550	\$ 3.912	\$ 3.847	\$ 3.902	\$ 3.923	\$ 3.945	\$ 3.803
Charge per square foot 4 inch depth (over 50,000 sq ft)	\$ 3.502	\$ 3.502	\$ 4.378	\$ 4.594	\$ 3.468	\$ 3.830	\$ 3.765	\$ 3.819	\$ 3.841	\$ 3.863	\$ 3.720
GEOTEXTILE FABRIC UNDERLAYMENT FOR ASPHALT CONCRETE OVERLAY											
Mobilization Charge	\$ 206,000	\$ 231,750	\$ 231,750	\$ 463,500	\$ 334,750	\$ 901,250	\$ 746,750	\$ 1,416,250	\$ 1,467,750	\$ 1,879,750	\$ 1,055,750

Regional Pavement Maintenance of Arizona Inc. - Mohave Contract Pricing

Product and Services	Phoenix 1A	Phoenix 1B	Tucson 2A	Tucson 2B	Casa Grande / Florence AREA 3	Sells AREA 4	Nogales / Sierra Vista AREA 5	Bisbee AREA 6	Wilcox AREA 7	Safford AREA 8	Globe AREA 9
Minimum Charge	\$ 309,000	\$ 334,750	\$ 334,750	\$ 566,500	\$ 412,000	\$ 1,081,500	\$ 927,000	\$ 1,699,500	\$ 1,751,000	\$ 2,266,000	\$ 1,339,000
Charge per square foot (ADD TO PAVING PRICE ABOVE)	\$ 0.131	\$ 0.131	\$ 0.142	\$ 0.142	\$ 0.143	\$ 0.142	\$ 0.142	\$ 0.142	\$ 0.142	\$ 0.142	\$ 0.142
Chrg per square foot (GlassPave High Quality Fabric)ADD TO PAVING PRICE ABOVE	\$ 0.218	\$ 0.218	\$ 0.230	\$ 0.230	\$ 0.231	\$ 0.230	\$ 0.230	\$ 0.230	\$ 0.230	\$ 0.230	\$ 0.230
ASPHALT SAWCUTTING											
Mobilization Charge	\$ 30,900	\$ 41,200	\$ 30,900	\$ 61,800	\$ 82,400	\$ 149,350	\$ 84,460	\$ 84,460	\$ 283,250	\$ 283,250	\$ 175,100
Minimum Charge	\$ 51,500	\$ 61,800	\$ 61,800	\$ 77,250	\$ 113,300	\$ 185,400	\$ 113,300	\$ 113,300	\$ 339,900	\$ 339,900	\$ 206,000
Charge per linear foot times thickness in inches (Unit Price based on 1" depth - LF to be adjusted based on depth)	\$ 0.185	\$ 0.124	\$ 0.206	\$ 0.206	\$ 0.309	\$ 0.309	\$ 0.309	\$ 0.309	\$ 0.309	\$ 0.309	\$ 0.309
CONCRETE SAWCUTTING											
Mobilization Charge	\$ 30,900	\$ 41,200	\$ 30,900	\$ 61,800	\$ 82,400	\$ 149,350	\$ 84,460	\$ 84,460	\$ 283,250	\$ 283,250	\$ 175,100
Minimum Charge	\$ 51,500	\$ 61,800	\$ 61,800	\$ 77,250	\$ 113,300	\$ 185,400	\$ 113,300	\$ 113,300	\$ 339,900	\$ 339,900	\$ 206,000
Charge per linear foot times thickness in inches (Unit Price based on 1" depth - LF to be adjusted based on depth)	\$ 0.618	\$ 0.268	\$ 0.567	\$ 0.567	\$ 0.567	\$ 0.618	\$ 0.567	\$ 0.567	\$ 0.618	\$ 0.618	\$ 0.618
HOT RUBBER CRACKFILL											
Mobilization Charge	\$ 334,750	\$ 334,750	\$ 386,250	\$ 360,500	\$ 612,850	\$ 612,850	\$ 612,850	\$ 880,650	\$ 901,250	\$ 1,238,000	\$ 875,500
Minimum Charge	\$ 618,000	\$ 618,000	\$ 618,000	\$ 618,000	\$ 1,030,000	\$ 1,030,000	\$ 1,028,970	\$ 1,802,500	\$ 1,802,500	\$ 2,575,000	\$ 1,802,500
Charge per Gallon used	\$ 13,005	\$ 13,005	\$ 13,027	\$ 13,027	\$ 13,073	\$ 13,027	\$ 13,038	\$ 13,033	\$ 13,033	\$ 13,023	\$ 13,040
Crackfill Cleaning per gallon used ; add if no sealing / slurry	\$ 1,803	\$ 1,803	\$ 1,803	\$ 1,803	\$ 1,803	\$ 1,803	\$ 1,803	\$ 1,803	\$ 1,803	\$ 1,803	\$ 1,803
Crackfill Routing per Linear Foot	\$ 0.361	\$ 0.361	\$ 0.361	\$ 0.361	\$ 0.412	\$ 0.412	\$ 0.412	\$ 0.412	\$ 0.412	\$ 0.412	\$ 0.412
PM10 Compliant Self Contained Crack Vacuuming per linear foot	\$ 0.258	\$ 0.258	\$ 0.258	\$ 0.258	\$ 0.309	\$ 0.309	\$ 0.309	\$ 0.309	\$ 0.309	\$ 0.309	\$ 0.309
ASPHALTIC CONCRETE CRACK MASTIC											
Mobilization Charge	\$ 669,500	\$ 669,500	\$ 721,000	\$ 721,000	\$ 721,000	\$ 746,750	\$ 746,750	\$ 772,500	\$ 772,500	\$ 772,500	\$ 721,000
Minimum Charge	\$ 1,390,500	\$ 1,390,500	\$ 1,442,000	\$ 1,442,000	\$ 1,442,000	\$ 1,467,750	\$ 1,467,750	\$ 1,493,500	\$ 1,493,500	\$ 1,493,500	\$ 1,442,000
Charge per gallon for Crack Mastic (Deery or Crafoco)	\$ 30.385	\$ 30.385	\$ 30.385	\$ 30.385	\$ 30.385	\$ 30.385	\$ 30.385	\$ 30.385	\$ 30.385	\$ 30.385	\$ 30.385
Special Equipment Rental, per day	\$ 515,000	\$ 515,000	\$ 515,000	\$ 515,000	\$ 515,000	\$ 515,000	\$ 515,000	\$ 515,000	\$ 515,000	\$ 515,000	\$ 515,000
ASPHALT EMULSION SEALER (SPRAY APPLIED W/SQUEEGEE LINE ITEM)											
Mobilization Charge	\$ 334,750	\$ 360,500	\$ 437,750	\$ 386,250	\$ 515,000	\$ 515,000	\$ 515,000	\$ 1,081,500	\$ 1,081,500	\$ 1,596,500	\$ 1,055,750
Minimum Charge	\$ 618,000	\$ 618,000	\$ 618,000	\$ 618,000	\$ 1,030,000	\$ 1,030,000	\$ 1,028,970	\$ 1,802,500	\$ 1,802,500	\$ 2,575,000	\$ 1,802,500
Squeegee Application additional price per coat	\$ 0.015	\$ 0.015	\$ 0.021	\$ 0.021	\$ 0.031	\$ 0.031	\$ 0.031	\$ 0.031	\$ 0.031	\$ 0.031	\$ 0.031
Charge per square foot for 1st Coat	\$ 0.043	\$ 0.043	\$ 0.044	\$ 0.044	\$ 0.044	\$ 0.044	\$ 0.044	\$ 0.044	\$ 0.044	\$ 0.044	\$ 0.044
Charge per square foot for 2nd Coat (add to 1st coat above)	\$ 0.021	\$ 0.021	\$ 0.021	\$ 0.021	\$ 0.021	\$ 0.021	\$ 0.021	\$ 0.021	\$ 0.021	\$ 0.021	\$ 0.021
Charge per square foot for 1st Coat (over 50,000 sq ft)	\$ 0.043	\$ 0.043	\$ 0.044	\$ 0.044	\$ 0.044	\$ 0.044	\$ 0.044	\$ 0.044	\$ 0.044	\$ 0.044	\$ 0.044
Charge per square foot for 2nd Coat (over 50,000 sq ft)	\$ 0.021	\$ 0.021	\$ 0.021	\$ 0.021	\$ 0.021	\$ 0.021	\$ 0.021	\$ 0.021	\$ 0.021	\$ 0.021	\$ 0.021
Charge per square foot for 1st Coat (over 100,000 sq ft)	\$ 0.043	\$ 0.043	\$ 0.044	\$ 0.044	\$ 0.044	\$ 0.044	\$ 0.044	\$ 0.044	\$ 0.044	\$ 0.044	\$ 0.044
Charge per square foot for 2nd Coat (over 100,000 sq ft)	\$ 0.019	\$ 0.019	\$ 0.021	\$ 0.021	\$ 0.021	\$ 0.021	\$ 0.021	\$ 0.021	\$ 0.021	\$ 0.021	\$ 0.021
Charge per square foot for 1st Coat (over 250,000 sq ft)	\$ 0.043	\$ 0.043	\$ 0.044	\$ 0.044	\$ 0.044	\$ 0.044	\$ 0.044	\$ 0.044	\$ 0.044	\$ 0.044	\$ 0.044
Charge per square foot for 2nd Coat (over 250,000 sq ft)	\$ 0.019	\$ 0.019	\$ 0.019	\$ 0.019	\$ 0.019	\$ 0.019	\$ 0.019	\$ 0.019	\$ 0.019	\$ 0.019	\$ 0.019
Extended Warranty per square foot per additional year	\$ 0.021	\$ 0.021	\$ 0.021	\$ 0.021	\$ 0.031	\$ 0.031	\$ 0.031	\$ 0.031	\$ 0.031	\$ 0.031	\$ 0.031
ASPHALT SURFACE TREATMENT (PMM RTU MEETING AND "EXCEEDING" HA-5 SPEC'S) Ready To Use as Manufactured & Delivered, no onsite mixing											
Mobilization Charge	\$ 437,750	\$ 437,750	\$ 515,000	\$ 515,000	\$ 515,000	\$ 515,000	\$ 515,000	\$ 1,081,500	\$ 1,081,500	\$ 1,596,500	\$ 1,055,750
Minimum Charge	\$ 1,802,500	\$ 1,802,500	\$ 1,802,500	\$ 1,802,500	\$ 1,802,500	\$ 1,802,500	\$ 1,801,470	\$ 2,575,000	\$ 2,575,000	\$ 2,575,000	\$ 2,575,000
Squeegee Application additional price per coat	\$ 0.031	\$ 0.031	\$ 0.036	\$ 0.036	\$ 0.041	\$ 0.041	\$ 0.041	\$ 0.041	\$ 0.041	\$ 0.041	\$ 0.041
Charge per square foot for 1st Coat	\$ 0.066	\$ 0.066	\$ 0.071	\$ 0.071	\$ 0.077	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076
Charge per square foot for 2nd Coat (add to 1st coat above)	\$ 0.055	\$ 0.055	\$ 0.066	\$ 0.066	\$ 0.071	\$ 0.071	\$ 0.071	\$ 0.071	\$ 0.071	\$ 0.071	\$ 0.071
Charge per square foot for 1st Coat (over 50,000 sq ft)	\$ 0.066	\$ 0.066	\$ 0.071	\$ 0.071	\$ 0.077	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076
Charge per square foot for 2nd Coat (over 50,000 sq ft)	\$ 0.055	\$ 0.055	\$ 0.066	\$ 0.066	\$ 0.071	\$ 0.071	\$ 0.071	\$ 0.071	\$ 0.071	\$ 0.071	\$ 0.071
Charge per square foot for 1st Coat (over 100,000 sq ft)	\$ 0.066	\$ 0.066	\$ 0.066	\$ 0.066	\$ 0.077	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076
Charge per square foot for 2nd Coat (over 100,000 sq ft)	\$ 0.049	\$ 0.049	\$ 0.066	\$ 0.066	\$ 0.071	\$ 0.071	\$ 0.071	\$ 0.071	\$ 0.071	\$ 0.071	\$ 0.071
Charge per square foot for 1st Coat (over 250,000 sq ft)	\$ 0.066	\$ 0.066	\$ 0.066	\$ 0.066	\$ 0.077	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076
Charge per square foot for 2nd Coat (over 250,000 sq ft)	\$ 0.049	\$ 0.049	\$ 0.060	\$ 0.060	\$ 0.071	\$ 0.071	\$ 0.071	\$ 0.071	\$ 0.071	\$ 0.071	\$ 0.071
Extended Warranty per square foot per additional year	\$ 0.041	\$ 0.041	\$ 0.046	\$ 0.046	\$ 0.052	\$ 0.052	\$ 0.052	\$ 0.052	\$ 0.052	\$ 0.052	\$ 0.052
TYPE II CATIONIC SLURRY SEAL											
Mobilization Charge	\$ 947,600	\$ 952,750	\$ 1,339,000	\$ 1,364,750	\$ 927,000	\$ 927,000	\$ 927,000	\$ 1,951,850	\$ 1,951,850	\$ 2,703,750	\$ 1,951,850
Minimum Charge	\$ 2,370,030	\$ 2,370,030	\$ 2,832,500	\$ 2,832,500	\$ 2,369,000	\$ 3,090,000	\$ 3,088,970	\$ 3,605,000	\$ 3,605,000	\$ 4,377,500	\$ 3,605,000
Charge per square foot 0-100,000 sq ft	\$ 0.177	\$ 0.177	\$ 0.177	\$ 0.177	\$ 0.178	\$ 0.241	\$ 0.177	\$ 0.241	\$ 0.241	\$ 0.241	\$ 0.219
Charge pe square foot over 100,000 sq ft	\$ 0.180	\$ 0.180	\$ 0.180	\$ 0.180	\$ 0.181	\$ 0.230	\$ 0.177	\$ 0.213	\$ 0.213	\$ 0.213	\$ 0.213
TRMS (SPRAY APPLIED; ROADWAYS ONLY)											
Mobilization Charge	\$ 13,156,190	\$ 13,156,190	\$ 14,525,060	\$ 14,526,090	\$ 14,438,540	\$ 16,132,890	\$ 16,560,340	\$ 17,280,310	\$ 16,956,890	\$ 16,957,920	\$ 14,729,000
Minimum Charge	\$ 14,420,000	\$ 14,420,000	\$ 15,965,000	\$ 15,965,000	\$ 15,965,000	\$ 17,304,000	\$ 17,510,000	\$ 18,334,000	\$ 18,025,000	\$ 18,025,000	\$ 16,171,000
Charge per square foot for Single Coat Application at applied rate up to .15 GAL/SY	\$ 0.058	\$ 0.058	\$ 0.065	\$ 0.065	\$ 0.064	\$ 0.071	\$ 0.073	\$ 0.076	\$ 0.075	\$ 0.075	\$ 0.066
Charge per square foot for Single Coat Application at applied rate between .15 and .16 GAL/SY	\$ 0.069	\$ 0.075	\$ 0.075	\$ 0.075	\$ 0.075	\$ 0.082	\$ 0.084	\$ 0.088	\$ 0.087	\$ 0.087	\$ 0.076
LATEX MODIFIED SLURRY SEAL											
Mobilization Charge	\$ 947,600	\$ 952,750	\$ 1,339,000	\$ 1,364,750	\$ 927,000	\$ 927,000	\$ 927,000	\$ 1,951,850	\$ 1,951,850	\$ 2,703,750	\$ 1,951,850



Project No: P1690-0
Date: 08/02/2018

Submitted To:

Phoenix Mesa Gateway Airport Authority
6263 S Taxiway Circle
Mesa, , Arizona 85212
623-879-0610
proberts@gatewayairport.com;
bwilliams@gatewayairport.com

Job Site:

P1690 PHX Mesa Gateway Arpt. CIP 966 S.
Airfield Access Rd.
6033 S. Sossaman Rd.
Mesa , Arizona

Scope of Work

MILL AND PAVE - 64,424 SF at 2". (Dark Blue Area on Map)

- 1) Mill the existing Airfield Access Road to a depth of 2 inches.
- 2) Haul off the material and dispose of to a state approved dump site.
- 3) Pave with hot asphalt 1/2" mix per MAG specifications and compact to a finished depth of 2 inches with a steel drum vibratory roller.

** 1 Day to Mill, 1 Day to Pave

***Regional must have clear access to the ares when our work is to be per formed.

SEALCOATING: 38,412 SF - Green area attached to Blue Milling Section - 1 Mobilization to complete

- 1) Clean the area with power blowers.
- 2) Sealcoat with 2 coats of GuardTop Sealer.

regional pavement maintenance



PROPOSAL NO. P1690

August 3, 2018

MOHAVE CONTRACT: 14Y-RPMA-0317

ZONE: 1B

SUBMITTED TO:

PHX Mesa Gateway Arprt.

Brett Williams
6033 S. Sossaman Rd.
Mesa/AZ,85212
PH: 480-988-7542

JOB SITE:

CIP 966 S. Airfield Access Rd

6033 S. Sossaman Rd.
Mesa

AZ/85212

Scope of Work

	Unit	Unit Price	Total
ASPHALT PAVING WITH TACH GOAT			
Mobilization Charge	1.00	\$ 818.850	818.850
Charge per square foot 2 inch depth (over 50,000 sq ft)	64424.00	\$ 1.009	65,029.586
ASPHALT EMULSION SEALER (SPRAY APPLIED W/SQUEEGEE LINE ITEM)			
Mobilization Charge	1.00	\$ 360.500	360.500
Charge per square foot for 1st Coat	38412.00	\$ 0.043	1,661.703
Charge per square foot for 2nd Coat (add to 1st coat above)	38412.00	\$ 0.021	791.287
ASPHALT MILLING 6 FEET WIDE			
Mobilization Charge	1.00	\$ 2,240.250	2,240.250
Charge per square foot per 1 inch in depth of milling	128848.00	\$ 0.185	23,888.419
OTHER RATES			
Labor and equipment rate, \$ per man hour	49.00	\$ 66.950	3,280.550
Sweeping (Heavy Duty Vacuum Truck and/or Kick Broom) - Per Hour	4.00	\$ 77.250	309.000
TOTAL: \$			98,380.15
BOND: \$			1,475.70
TOTAL (w/ BOND): \$			99,855.85

ALL APPLICABLE TAX INCLUDED

PROPOSAL NOTES:

1. Pricing is protected for 90 days.
2. A signed Proposal, Contract or Purchase Order is required prior to commencement of work.
3. It is your responsibility to make sure sprinklers and hard water are not sprayed on pavement 24 hours before and after application.
4. Warranty Period: One (1) Year from Date of Completion.

Thank you for the opportunity to bid your project!

Randy Bastic
Regional Pavement Maintenance of Arizona, Inc.
randy@regionalaz.com
Cell #: (602) 803-6007

ACCEPTANCE OF PROPOSAL:

The above pricing, specifications and conditions are satisfactory and hereby accepted. You are authorized to do the work as specified. I understand a prelien will be filed. Payment terms are Net 30 days (please complete Billing Information below).

SIGNATURE: _____

DATE: _____

PRINT NAME: _____

TITLE: _____

OWNER INFORMATION:

If the 'Owner' contact name & address is the 'same' as "Submitted To:" on the first page of the Proposal, please check the box below. If not, please provide the correct 'Owner' information below:

Owner Information is the same as the "Submitted To:" contact on the first page of the Proposal.

OWNER/COMPANY NAME: _____

POINT OF CONTACT: _____

BILLING ADDRESS: _____

CITY/STATE/ZIP: _____

regional pavement maintenance



PROPOSAL NO. P1690

August 3, 2018

MOHAVE CONTRACT: 14Y-RPMA-0317

ZONE: 1B

PHONE:

FAX:

EMAIL:

BILLING INFORMATION:

If the 'Billing' contact name & address is the 'same' as "Submitted To:" on the first page of the Proposal, please check box below. If not, please provide the correct 'Billing' information below for invoicing:

Billing Information is the same as the "Submitted To:" contact on the first page of the Proposal.

COMPANY NAME:

POINT OF CONTACT:

BILLING ADDRESS:

CITY/STATE/ZIP:

PHONE:

FAX:

EMAIL:

regional pavement maintenance



Sellsweath Rd



1000 ft

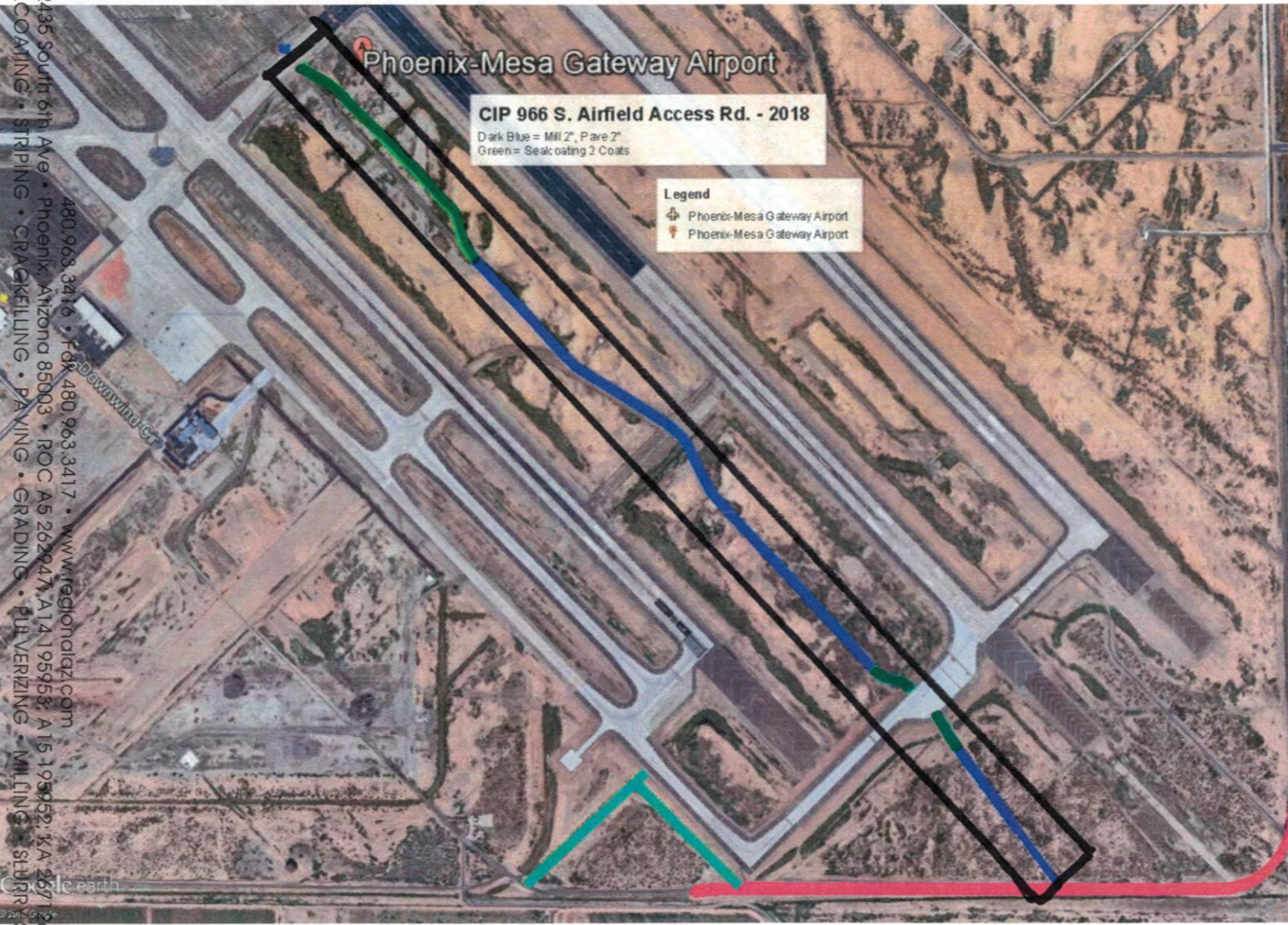
Phoenix-Mesa Gateway Airport

CIP 966 S. Airfield Access Rd. - 2018

Dark Blue = Mill 2", Pare 2"
Green = Seal coating 2 Coats

Legend

- Phoenix-Mesa Gateway Airport
- Phoenix-Mesa Gateway Airport



480.963.3416 • Fdx 480.963.3417 • www.regionalaz.com
2135 South 6th Ave • Phoenix, Arizona 85003 • ROC AS 262947, A14, 195953, A15, 195952, KA 267, 26
SEALCOATING • STRIPING • CRACKFILLING • PAVING • GRADING • PULVERIZING • MILLING • SLURRY SEAL

Product and Services	Phoenix 1A	Phoenix 1B	Tucson 2A	Tucson 2B	Casa Grande / Florence AREA 3	Sells AREA 4	Nogales / Sierra Vista AREA 5	Bisbee AREA 6	Wilcox AREA 7	Safford AREA 8	Globe AREA 9
ASPHALT SURFACE PATCH											
Mobilization Charge	\$ 334,750	\$ 435,690	\$ 417,150	\$ 465,560	\$ 643,750	\$ 643,750	\$ 643,750	\$ 1,313,250	\$ 1,313,250	\$ 1,879,750	\$ 1,328,700
Minimum Charge	\$ 618,000	\$ 618,000	\$ 618,000	\$ 618,000	\$ 1,030,000	\$ 1,030,000	\$ 1,028,970	\$ 1,802,500	\$ 1,802,500	\$ 2,575,000	\$ 1,802,500
Charge per square foot	\$ 1.046	\$ 0.981	\$ 1.082	\$ 1.159	\$ 1.164	\$ 1.535	\$ 1.215	\$ 1.557	\$ 1.725	\$ 1.556	\$ 1.271
Charge per square foot (over 10,000 sq ft)	\$ 0.882	\$ 0.882	\$ 1.103	\$ 0.994	\$ 0.997	\$ 1.259	\$ 1.215	\$ 1.259	\$ 1.393	\$ 1.258	\$ 1.161
ASPHALT SPEED BUMPS											
Mobilization Charge	\$ 334,750	\$ 435,690	\$ 417,150	\$ 465,560	\$ 643,750	\$ 643,750	\$ 643,750	\$ 1,313,250	\$ 1,313,250	\$ 1,879,750	\$ 1,328,700
Minimum Charge	\$ 618,000	\$ 618,000	\$ 618,000	\$ 618,000	\$ 1,030,000	\$ 1,030,000	\$ 1,028,970	\$ 1,802,500	\$ 1,802,500	\$ 2,575,000	\$ 1,802,500
Speed Bumps, charge per each for standard size of 1 1/2' X 24'	\$ 187,321	\$ 187,321	\$ 214,320	\$ 214,320	\$ 214,819	\$ 246,468	\$ 217,599	\$ 224,406	\$ 224,406	\$ 224,299	\$ 224,480
ASPHALT REMOVE/REPLACE											
Mobilization Charge	\$ 334,750	\$ 435,690	\$ 417,150	\$ 465,560	\$ 643,750	\$ 643,750	\$ 643,750	\$ 1,313,250	\$ 1,313,250	\$ 1,879,750	\$ 1,328,700
Minimum Charge	\$ 618,000	\$ 618,000	\$ 618,000	\$ 618,000	\$ 1,030,000	\$ 1,030,000	\$ 1,028,970	\$ 1,802,500	\$ 1,802,500	\$ 2,575,000	\$ 1,802,500
Charge per square foot	\$ 1.488	\$ 1.541	\$ 1.521	\$ 1.575	\$ 1.601	\$ 1.682	\$ 1.598	\$ 1.683	\$ 1.683	\$ 1.682	\$ 1.683
ASPHALT CONCRETE OVERLAY											
Mobilization Charge	\$ 808,550	\$ 818,850	\$ 901,250	\$ 952,750	\$ 1,648,000	\$ 1,648,000	\$ 1,648,000	\$ 3,193,000	\$ 3,193,000	\$ 4,248,750	\$ 3,193,000
Minimum Charge	\$ 1,030,000	\$ 1,040,300	\$ 1,081,500	\$ 1,184,500	\$ 1,957,000	\$ 1,957,000	\$ 1,957,000	\$ 3,811,000	\$ 3,811,000	\$ 5,150,000	\$ 3,811,000
Charge per square foot 1 1/2 inch depth	\$ 0.562	\$ 0.551	\$ 0.773	\$ 0.773	\$ 0.687	\$ 1.049	\$ 0.984	\$ 1.038	\$ 1.060	\$ 1.082	\$ 0.939
Charge per square foot 1 1/2 inch depth (over 50,000 sq ft)	\$ 0.551	\$ 0.540	\$ 0.773	\$ 0.773	\$ 0.621	\$ 0.994	\$ 0.884	\$ 0.994	\$ 0.994	\$ 1.004	\$ 0.928
Charge per square foot 2 inch depth	\$ 0.661	\$ 0.783	\$ 0.883	\$ 0.938	\$ 0.887	\$ 1.336	\$ 1.215	\$ 1.337	\$ 1.347	\$ 1.379	\$ 1.161
Charge per square foot 2 inch depth (over 50,000 sq ft)	\$ 0.661	\$ 0.661	\$ 0.883	\$ 0.938	\$ 0.787	\$ 1.325	\$ 1.083	\$ 1.326	\$ 1.326	\$ 1.325	\$ 1.155
Charge per square foot 3 inch depth	\$ 0.981	\$ 0.992	\$ 1.435	\$ 1.435	\$ 1.220	\$ 1.910	\$ 1.757	\$ 1.911	\$ 1.911	\$ 1.910	\$ 1.657
Charge per square foot 3 inch depth (over 50,000 sq ft)	\$ 0.981	\$ 0.882	\$ 1.325	\$ 1.336	\$ 1.131	\$ 1.877	\$ 1.547	\$ 1.889	\$ 1.899	\$ 1.899	\$ 1.591
Charge per square foot 4 inch depth	\$ 1.300	\$ 1.565	\$ 1.877	\$ 1.766	\$ 1.662	\$ 2.562	\$ 2.321	\$ 2.574	\$ 2.594	\$ 2.594	\$ 2.199
Charge per square foot 4 inch depth (over 50,000 sq ft)	\$ 1.300	\$ 1.323	\$ 1.877	\$ 1.766	\$ 1.552	\$ 2.539	\$ 2.133	\$ 2.540	\$ 2.540	\$ 2.538	\$ 2.166
ASPHALT PAVING WITH TACH COAT											
Mobilization Charge	\$ 808,550	\$ 818,850	\$ 901,250	\$ 952,750	\$ 1,648,000	\$ 1,648,000	\$ 1,648,000	\$ 3,193,000	\$ 3,193,000	\$ 4,248,750	\$ 3,193,000
Minimum Charge	\$ 1,030,000	\$ 1,040,300	\$ 1,081,500	\$ 1,184,500	\$ 1,957,000	\$ 1,957,000	\$ 1,957,000	\$ 3,811,000	\$ 3,811,000	\$ 5,150,000	\$ 3,811,000
Charge per square foot 1 1/2 inch depth	\$ 0.814	\$ 0.814	\$ 1.133	\$ 1.133	\$ 0.950	\$ 1.311	\$ 1.246	\$ 1.301	\$ 1.323	\$ 1.344	\$ 1.202
Charge per square foot 1 1/2 inch depth (over 50,000 sq ft)	\$ 0.803	\$ 0.803	\$ 1.112	\$ 1.112	\$ 0.929	\$ 1.291	\$ 1.226	\$ 1.280	\$ 1.302	\$ 1.324	\$ 1.181
Charge per square foot 2 inch depth	\$ 0.865	\$ 1.020	\$ 1.236	\$ 1.257	\$ 1.073	\$ 1.435	\$ 1.370	\$ 1.424	\$ 1.446	\$ 1.468	\$ 1.328
Charge per square foot 2 inch depth (over 50,000 sq ft)	\$ 0.865	\$ 1.009	\$ 1.226	\$ 1.236	\$ 1.063	\$ 1.424	\$ 1.360	\$ 1.414	\$ 1.436	\$ 1.457	\$ 1.315
Charge per square foot 3 inch depth	\$ 1.339	\$ 1.339	\$ 1.792	\$ 1.803	\$ 1.537	\$ 2.001	\$ 1.833	\$ 2.002	\$ 2.002	\$ 1.931	\$ 1.789
Charge per square foot 3 inch depth (over 50,000 sq ft)	\$ 1.329	\$ 1.329	\$ 1.782	\$ 1.792	\$ 1.526	\$ 1.991	\$ 1.823	\$ 1.992	\$ 1.992	\$ 1.921	\$ 1.779
Charge per square foot 4 inch depth	\$ 1.658	\$ 1.926	\$ 2.235	\$ 2.122	\$ 2.124	\$ 2.588	\$ 2.421	\$ 2.589	\$ 2.699	\$ 2.697	\$ 2.376
Charge per square foot 4 inch depth (over 50,000 sq ft)	\$ 1.648	\$ 1.916	\$ 2.225	\$ 2.112	\$ 2.114	\$ 2.578	\$ 2.410	\$ 2.579	\$ 2.688	\$ 2.686	\$ 2.368
RUBBERIZED ASPHALT CONCRETE OVERLAY											
Mobilization Charge	\$ 808,550	\$ 818,850	\$ 901,250	\$ 952,750	\$ 1,648,000	\$ 1,648,000	\$ 1,648,000	\$ 3,193,000	\$ 3,193,000	\$ 4,248,750	\$ 3,193,000
Minimum Charge	\$ 2,575,000	\$ 2,626,500	\$ 2,678,000	\$ 2,729,500	\$ 3,450,500	\$ 3,450,500	\$ 3,450,500	\$ 5,304,500	\$ 5,304,500	\$ 6,643,500	\$ 5,304,500
Charge per square foot 1 inch depth	\$ 0.927	\$ 0.927	\$ 1.164	\$ 1.226	\$ 1.073	\$ 1.435	\$ 1.370	\$ 1.424	\$ 1.446	\$ 1.468	\$ 1.328
Charge per square foot 1 inch depth (over 50,000 sq ft)	\$ 0.876	\$ 0.876	\$ 1.092	\$ 1.143	\$ 1.053	\$ 1.414	\$ 1.349	\$ 1.404	\$ 1.426	\$ 1.447	\$ 1.305
Charge per square foot 1 1/2 inch depth	\$ 1.391	\$ 1.391	\$ 1.741	\$ 1.823	\$ 1.702	\$ 2.063	\$ 1.998	\$ 2.053	\$ 2.074	\$ 2.096	\$ 1.954
Charge per square foot 1 1/2 inch depth (over 50,000 sq ft)	\$ 1.313	\$ 1.313	\$ 1.638	\$ 1.720	\$ 1.619	\$ 1.981	\$ 1.916	\$ 1.970	\$ 1.992	\$ 2.014	\$ 1.872
Charge per square foot 2 inch depth	\$ 1.854	\$ 1.854	\$ 2.318	\$ 2.431	\$ 2.330	\$ 2.691	\$ 2.627	\$ 2.681	\$ 2.703	\$ 2.724	\$ 2.582
Charge per square foot 2 inch depth (over 50,000 sq ft)	\$ 1.751	\$ 1.751	\$ 2.194	\$ 2.307	\$ 2.217	\$ 2.578	\$ 2.513	\$ 2.568	\$ 2.589	\$ 2.611	\$ 2.469
Charge per square foot 2 1/2 inch depth	\$ 2.318	\$ 2.318	\$ 2.894	\$ 3.039	\$ 2.927	\$ 3.289	\$ 3.224	\$ 3.278	\$ 3.300	\$ 3.322	\$ 3.180
Charge per square foot 2 1/2 inch depth (over 50,000 sq ft)	\$ 2.189	\$ 2.189	\$ 2.740	\$ 2.874	\$ 2.814	\$ 3.175	\$ 3.111	\$ 3.165	\$ 3.187	\$ 3.208	\$ 3.066
Charge per square foot 3 inch depth	\$ 2.781	\$ 2.781	\$ 3.481	\$ 3.657	\$ 3.504	\$ 3.866	\$ 3.801	\$ 3.855	\$ 3.877	\$ 3.899	\$ 3.756
Charge per square foot 3 inch depth (over 50,000 sq ft)	\$ 2.627	\$ 2.627	\$ 3.286	\$ 3.451	\$ 3.422	\$ 3.783	\$ 3.718	\$ 3.773	\$ 3.795	\$ 3.816	\$ 3.674
Charge per square foot 4 inch depth	\$ 3.708	\$ 3.708	\$ 4.635	\$ 4.872	\$ 3.550	\$ 3.912	\$ 3.847	\$ 3.902	\$ 3.923	\$ 3.945	\$ 3.803
Charge per square foot 4 inch depth (over 50,000 sq ft)	\$ 3.502	\$ 3.502	\$ 4.378	\$ 4.594	\$ 3.468	\$ 3.830	\$ 3.765	\$ 3.819	\$ 3.841	\$ 3.863	\$ 3.720
GEOTEXTILE FABRIC UNDERLAYMENT FOR ASPHALT CONCRETE OVERLAY											
Mobilization Charge	\$ 206,000	\$ 231,750	\$ 231,750	\$ 463,500	\$ 334,750	\$ 901,250	\$ 748,750	\$ 1,416,250	\$ 1,467,750	\$ 1,879,750	\$ 1,055,750

Product and Services	Phoenix 1A	Phoenix 1B	Tucson 2A	Tucson 2B	Casa Grande / Florence AREA 3	Sells AREA 4	Nogales / Sierra Vista AREA 5	Bisbee AREA 6	Wilcox AREA 7	Safford AREA 8	Globe AREA 9
Minimum Charge											
Charge per square foot (ADD TO PAVING PRICE ABOVE)	\$ 309.000	\$ 334.750	\$ 334.750	\$ 566.500	\$ 412.000	\$ 1,081.500	\$ 927.000	\$ 1,099.500	\$ 1,751.000	\$ 2,288.000	\$ 1,339.000
Chrg per square foot (GlassPave High Quality Fabric)ADD TO PAVING PRICE ABOVE	\$ 0.131	\$ 0.131	\$ 0.142	\$ 0.142	\$ 0.143	\$ 0.142	\$ 0.142	\$ 0.142	\$ 0.142	\$ 0.142	\$ 0.142
Chrg per square foot (GlassPave High Quality Fabric)ADD TO PAVING PRICE ABOVE	\$ 0.218	\$ 0.218	\$ 0.230	\$ 0.230	\$ 0.231	\$ 0.230	\$ 0.230	\$ 0.230	\$ 0.230	\$ 0.230	\$ 0.230
ASPHALT SAWCUTTING											
Mobilization Charge	\$ 30.900	\$ 41.200	\$ 30.900	\$ 61.800	\$ 82.400	\$ 149.350	\$ 84.460	\$ 84.460	\$ 283.250	\$ 283.250	\$ 175.100
Minimum Charge	\$ 51.500	\$ 61.800	\$ 61.800	\$ 77.250	\$ 113.300	\$ 185.400	\$ 113.300	\$ 113.300	\$ 339.900	\$ 339.900	\$ 206.000
Charge per linear foot times thickness in inches (Unit Price based on 1" depth - LF to be adjusted based on depth)	\$ 0.185	\$ 0.124	\$ 0.208	\$ 0.206	\$ 0.300	\$ 0.309	\$ 0.309	\$ 0.309	\$ 0.309	\$ 0.309	\$ 0.309
CONCRETE SAWCUTTING											
Mobilization Charge	\$ 30.900	\$ 41.200	\$ 30.900	\$ 61.800	\$ 82.400	\$ 149.350	\$ 84.460	\$ 84.460	\$ 283.250	\$ 283.250	\$ 175.100
Minimum Charge	\$ 51.500	\$ 61.800	\$ 61.800	\$ 77.250	\$ 113.300	\$ 185.400	\$ 113.300	\$ 113.300	\$ 339.900	\$ 339.900	\$ 206.000
Charge per linear foot times thickness in inches (Unit Price based on 1" depth - LF to be adjusted based on depth)	\$ 0.618	\$ 0.268	\$ 0.567	\$ 0.567	\$ 0.567	\$ 0.618	\$ 0.567	\$ 0.567	\$ 0.618	\$ 0.618	\$ 0.618
HOT RUBBER CRACKFILL											
Mobilization Charge	\$ 334.750	\$ 334.750	\$ 386.250	\$ 360.500	\$ 612.850	\$ 612.850	\$ 612.850	\$ 880.650	\$ 901.250	\$ 1,236.000	\$ 875.500
Minimum Charge	\$ 618.000	\$ 618.000	\$ 618.000	\$ 618.000	\$ 1,030.000	\$ 1,030.000	\$ 1,028.970	\$ 1,802.500	\$ 1,802.500	\$ 2,575.000	\$ 1,802.500
Charge per Gallon used	\$ 13.005	\$ 13.005	\$ 13.027	\$ 13.027	\$ 13.073	\$ 13.027	\$ 13.038	\$ 13.038	\$ 13.033	\$ 13.023	\$ 13.040
Crackfill Cleaning per gallon used ; add if no sealing / slurry	\$ 1.803	\$ 1.803	\$ 1.803	\$ 1.803	\$ 1.803	\$ 1.803	\$ 1.803	\$ 1.803	\$ 1.803	\$ 1.803	\$ 1.803
Crackfill Routing per Lineal Foot	\$ 0.361	\$ 0.361	\$ 0.361	\$ 0.361	\$ 0.412	\$ 0.412	\$ 0.412	\$ 0.412	\$ 0.412	\$ 0.412	\$ 0.412
PM10 Compliant Self Contained Crack Vacuuming per lineal foot	\$ 0.258	\$ 0.258	\$ 0.258	\$ 0.258	\$ 0.309	\$ 0.309	\$ 0.309	\$ 0.309	\$ 0.309	\$ 0.309	\$ 0.309
ASPHALTIC CONCRETE CRACK MASTIC											
Mobilization Charge	\$ 669.500	\$ 669.500	\$ 721.000	\$ 721.000	\$ 721.000	\$ 746.750	\$ 746.750	\$ 772.500	\$ 772.500	\$ 772.500	\$ 721.000
Minimum Charge	\$ 1,390.500	\$ 1,390.500	\$ 1,442.000	\$ 1,442.000	\$ 1,442.000	\$ 1,467.750	\$ 1,467.750	\$ 1,493.500	\$ 1,493.500	\$ 1,493.500	\$ 1,442.000
Charge per gallon for Crack Mastic (Deery or Crafcoc)	\$ 30.385	\$ 30.385	\$ 30.385	\$ 30.385	\$ 30.385	\$ 30.385	\$ 30.385	\$ 30.385	\$ 30.385	\$ 30.385	\$ 30.385
Special Equipment Rental, per day	\$ 515.000	\$ 515.000	\$ 515.000	\$ 515.000	\$ 515.000	\$ 515.000	\$ 515.000	\$ 515.000	\$ 515.000	\$ 515.000	\$ 515.000
ASPHALT EMULSION SEALER (SPRAY APPLIED W/SQUEEGEE LINE ITEM)											
Mobilization Charge	\$ 334.750	\$ 360.500	\$ 437.750	\$ 386.250	\$ 515.000	\$ 515.000	\$ 515.000	\$ 1,081.500	\$ 1,081.500	\$ 1,596.500	\$ 1,055.750
Minimum Charge	\$ 618.000	\$ 618.000	\$ 618.000	\$ 618.000	\$ 1,030.000	\$ 1,030.000	\$ 1,028.970	\$ 1,802.500	\$ 1,802.500	\$ 2,575.000	\$ 1,802.500
Squeegee Application additional price per coat	\$ 0.015	\$ 0.015	\$ 0.021	\$ 0.021	\$ 0.031	\$ 0.031	\$ 0.031	\$ 0.031	\$ 0.031	\$ 0.031	\$ 0.031
Charge per square foot for 1st Coat	\$ 0.043	\$ 0.043	\$ 0.044	\$ 0.044	\$ 0.044	\$ 0.050	\$ 0.044	\$ 0.044	\$ 0.044	\$ 0.044	\$ 0.050
Charge per square foot for 2nd Coat (add to 1st coat above)	\$ 0.021	\$ 0.021	\$ 0.021	\$ 0.021	\$ 0.021	\$ 0.031	\$ 0.021	\$ 0.033	\$ 0.033	\$ 0.031	\$ 0.022
Charge per square foot for 1st Coat (over 50,000 sq ft)	\$ 0.043	\$ 0.043	\$ 0.044	\$ 0.044	\$ 0.044	\$ 0.050	\$ 0.044	\$ 0.044	\$ 0.044	\$ 0.050	\$ 0.050
Charge per square foot for 2nd Coat (over 50,000 sq ft)	\$ 0.021	\$ 0.021	\$ 0.021	\$ 0.021	\$ 0.021	\$ 0.031	\$ 0.021	\$ 0.033	\$ 0.033	\$ 0.031	\$ 0.022
Charge per square foot for 1st Coat (over 100,000 sq ft)	\$ 0.043	\$ 0.043	\$ 0.044	\$ 0.044	\$ 0.044	\$ 0.050	\$ 0.044	\$ 0.044	\$ 0.044	\$ 0.050	\$ 0.050
Charge per square foot for 2nd Coat (over 100,000 sq ft)	\$ 0.019	\$ 0.019	\$ 0.021	\$ 0.021	\$ 0.021	\$ 0.031	\$ 0.021	\$ 0.033	\$ 0.033	\$ 0.031	\$ 0.020
Charge per square foot for 1st Coat (over 250,000 sq ft)	\$ 0.043	\$ 0.043	\$ 0.044	\$ 0.044	\$ 0.044	\$ 0.050	\$ 0.044	\$ 0.044	\$ 0.044	\$ 0.050	\$ 0.050
Charge per square foot for 2nd Coat (over 250,000 sq ft)	\$ 0.019	\$ 0.019	\$ 0.019	\$ 0.019	\$ 0.019	\$ 0.031	\$ 0.019	\$ 0.033	\$ 0.033	\$ 0.031	\$ 0.020
Extended Warranty per square foot per additional year	\$ 0.021	\$ 0.021	\$ 0.021	\$ 0.021	\$ 0.031	\$ 0.031	\$ 0.031	\$ 0.031	\$ 0.031	\$ 0.031	\$ 0.031
ASPHALT SURFACE TREATMENT (PMM RTU MEETING AND "EXCEEDING" HA-5 SPEC'S) Ready To Use as Manufactured & Delivered, no onsite mixing											
Mobilization Charge	\$ 437.750	\$ 437.750	\$ 515.000	\$ 515.000	\$ 515.000	\$ 515.000	\$ 515.000	\$ 1,081.500	\$ 1,081.500	\$ 1,596.500	\$ 1,055.750
Minimum Charge	\$ 1,802.500	\$ 1,802.500	\$ 1,802.500	\$ 1,802.500	\$ 1,802.500	\$ 1,802.500	\$ 1,801.470	\$ 2,575.000	\$ 2,575.000	\$ 2,575.000	\$ 2,575.000
Squeegee Application additional price per coat	\$ 0.031	\$ 0.031	\$ 0.036	\$ 0.036	\$ 0.041	\$ 0.041	\$ 0.041	\$ 0.041	\$ 0.041	\$ 0.041	\$ 0.041
Charge per square foot for 1st Coat	\$ 0.066	\$ 0.066	\$ 0.071	\$ 0.071	\$ 0.077	\$ 0.077	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076
Charge per square foot for 2nd Coat (add to 1st coat above)	\$ 0.055	\$ 0.055	\$ 0.066	\$ 0.066	\$ 0.071	\$ 0.071	\$ 0.071	\$ 0.071	\$ 0.071	\$ 0.071	\$ 0.071
Charge per square foot for 1st Coat (over 50,000 sq ft)	\$ 0.066	\$ 0.066	\$ 0.071	\$ 0.071	\$ 0.077	\$ 0.077	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076
Charge per square foot for 2nd Coat (over 50,000 sq ft)	\$ 0.055	\$ 0.055	\$ 0.066	\$ 0.066	\$ 0.071	\$ 0.071	\$ 0.071	\$ 0.071	\$ 0.071	\$ 0.071	\$ 0.071
Charge per square foot for 1st Coat (over 100,000 sq ft)	\$ 0.066	\$ 0.066	\$ 0.066	\$ 0.066	\$ 0.077	\$ 0.077	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076
Charge per square foot for 2nd Coat (over 100,000 sq ft)	\$ 0.049	\$ 0.049	\$ 0.066	\$ 0.066	\$ 0.071	\$ 0.071	\$ 0.071	\$ 0.071	\$ 0.071	\$ 0.071	\$ 0.071
Charge per square foot for 1st Coat (over 250,000 sq ft)	\$ 0.066	\$ 0.066	\$ 0.066	\$ 0.066	\$ 0.077	\$ 0.077	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076
Charge per square foot for 2nd Coat (over 250,000 sq ft)	\$ 0.049	\$ 0.049	\$ 0.060	\$ 0.060	\$ 0.071	\$ 0.071	\$ 0.071	\$ 0.071	\$ 0.071	\$ 0.071	\$ 0.071
Extended Warranty per square foot per additional year	\$ 0.041	\$ 0.041	\$ 0.046	\$ 0.046	\$ 0.052	\$ 0.052	\$ 0.052	\$ 0.052	\$ 0.052	\$ 0.052	\$ 0.052
TYPE II CATIONIC SLURRY SEAL											
Mobilization Charge	\$ 947.600	\$ 952.750	\$ 1,339.000	\$ 1,364.750	\$ 927.000	\$ 927.000	\$ 927.000	\$ 1,951.850	\$ 1,951.850	\$ 2,703.750	\$ 1,951.850
Minimum Charge	\$ 2,370.030	\$ 2,370.030	\$ 2,832.500	\$ 2,832.500	\$ 2,369.000	\$ 3,090.000	\$ 3,088.970	\$ 3,605.000	\$ 3,605.000	\$ 4,377.500	\$ 3,605.000
Charge per square foot 0-100,000 sq ft	\$ 0.177	\$ 0.177	\$ 0.177	\$ 0.177	\$ 0.178	\$ 0.241	\$ 0.177	\$ 0.241	\$ 0.241	\$ 0.241	\$ 0.219
Charge per square foot over 100,000 sq ft	\$ 0.180	\$ 0.180	\$ 0.180	\$ 0.180	\$ 0.181	\$ 0.230	\$ 0.177	\$ 0.213	\$ 0.213	\$ 0.213	\$ 0.213
TRMS (SPRAY APPLIED, ROADWAYS ONLY)											
Mobilization Charge	\$ 13,156.190	\$ 13,156.190	\$ 14,525.060	\$ 14,526.090	\$ 14,438.540	\$ 16,132.890	\$ 16,560.340	\$ 17,280.310	\$ 16,956.890	\$ 16,957.920	\$ 14,729.000
Minimum Charge	\$ 14,420.000	\$ 14,420.000	\$ 15,965.000	\$ 15,965.000	\$ 15,965.000	\$ 17,304.000	\$ 17,510.000	\$ 18,334.000	\$ 18,025.000	\$ 18,025.000	\$ 16,171.000
Charge per square foot for Single Coat Application at applied rate up to .15 GAL/SY	\$ 0.058	\$ 0.058	\$ 0.085	\$ 0.085	\$ 0.064	\$ 0.071	\$ 0.073	\$ 0.076	\$ 0.075	\$ 0.075	\$ 0.066
Charge per square foot for Single Coat Application at applied rate between .15 and .16 GAL/SY	\$ 0.069	\$ 0.075	\$ 0.075	\$ 0.075	\$ 0.075	\$ 0.082	\$ 0.084	\$ 0.088	\$ 0.087	\$ 0.087	\$ 0.076
LATEX MODIFIED SLURRY SEAL											
Mobilization Charge	\$ 947.600	\$ 952.750	\$ 1,339.000	\$ 1,364.750	\$ 927.000	\$ 927.000	\$ 927.000	\$ 1,951.850	\$ 1,951.850	\$ 2,703.750	\$ 1,951.850

Product and Services	Phoenix 1A	Phoenix 1B	Tucson 2A	Tucson 2B	Casa Grande / Florence AREA 3	Sells AREA 4	Nogales / Sierra Vista AREA 5	Bisbee AREA 6	Wilcox AREA 7	Safford AREA 8	Globe AREA 9
Minimum Charge											
Charge per square foot 0-100,000 sq ft	\$ 2,370.030	\$ 2,370.030	\$ 2,832.500	\$ 2,832.500	\$ 2,369.000	\$ 2,369.000	\$ 3,088.970	\$ 3,605.000	\$ 3,605.000	\$ 4,377.500	\$ 3,605.000
Charge per square foot over 100,000 sq ft	\$ 0.240	\$ 0.240	\$ 0.241	\$ 0.241	\$ 0.264	\$ 0.263	\$ 0.274	\$ 0.274	\$ 0.274	\$ 0.274	\$ 0.274
POLYMER MODIFIED SLURRY SEAL	\$ 0.235	\$ 0.235	\$ 0.238	\$ 0.238	\$ 0.252	\$ 0.251	\$ 0.263	\$ 0.263	\$ 0.263	\$ 0.263	\$ 0.263
Mobilization Charge	\$ 947.600	\$ 952.750	\$ 1,339.000	\$ 1,364.750	\$ 927.000	\$ 927.000	\$ 927.000	\$ 1,951.850	\$ 1,951.850	\$ 2,703.750	\$ 1,951.850
Minimum Charge	\$ 2,370.030	\$ 2,370.030	\$ 2,832.500	\$ 2,832.500	\$ 2,369.000	\$ 2,369.000	\$ 3,088.970	\$ 3,605.000	\$ 3,605.000	\$ 4,377.500	\$ 3,605.000
Charge per square foot 0-100,000 sq ft	\$ 0.263	\$ 0.263	\$ 0.263	\$ 0.263	\$ 0.297	\$ 0.296	\$ 0.307	\$ 0.307	\$ 0.307	\$ 0.307	\$ 0.307
Charge per square foot over 100,000 sq ft	\$ 0.251	\$ 0.251	\$ 0.251	\$ 0.251	\$ 0.285	\$ 0.284	\$ 0.296	\$ 0.296	\$ 0.296	\$ 0.296	\$ 0.296
MICRO SEAL											
Mobilization Charge	\$ 3,605.000	\$ 3,605.000	\$ 3,862.500	\$ 3,862.500	\$ 4,377.500	\$ 4,377.500	\$ 4,377.500	\$ 4,377.500	\$ 4,635.000	\$ 4,635.000	\$ 4,635.000
Minimum Charge	\$ 4,223.000	\$ 4,223.000	\$ 4,429.000	\$ 4,429.000	\$ 5,150.000	\$ 5,150.000	\$ 5,150.000	\$ 5,150.000	\$ 5,253.000	\$ 5,253.000	\$ 5,253.000
Charge per square foot 0-100,000 sq ft	\$ 0.602	\$ 0.602	\$ 0.603	\$ 0.603	\$ 0.638	\$ 0.634	\$ 0.638	\$ 0.638	\$ 0.638	\$ 0.634	\$ 0.638
Charge per square foot over 100,000 sq ft	\$ 0.579	\$ 0.579	\$ 0.580	\$ 0.580	\$ 0.615	\$ 0.613	\$ 0.614	\$ 0.613	\$ 0.613	\$ 0.613	\$ 0.614
SINGLE CHIP SEAL											
Mobilization Charge	\$ 1,854.000	\$ 1,854.000	\$ 2,719.200	\$ 2,719.200	\$ 2,719.200	\$ 3,399.000	\$ 5,098.500	\$ 5,098.500	\$ 5,778.300	\$ 5,778.300	\$ 5,098.500
Minimum Charge	\$ 3,708.000	\$ 3,708.000	\$ 4,429.000	\$ 4,429.000	\$ 4,429.000	\$ 5,150.000	\$ 5,150.000	\$ 5,150.000	\$ 5,253.000	\$ 5,253.000	\$ 5,253.000
Charge per square yard	\$ 2.039	\$ 2.039	\$ 4.759	\$ 4.759	\$ 4.759	\$ 5.109	\$ 5.109	\$ 5.109	\$ 5.109	\$ 5.438	\$ 5.438
DOUBLE CHIP SEAL											
Mobilization Charge	\$ 1,730.400	\$ 1,730.400	\$ 2,719.200	\$ 2,719.200	\$ 2,719.200	\$ 3,399.000	\$ 5,098.500	\$ 5,098.500	\$ 5,778.300	\$ 5,778.300	\$ 5,098.500
Minimum Charge	\$ 3,708.000	\$ 3,708.000	\$ 4,429.000	\$ 4,429.000	\$ 4,429.000	\$ 5,150.000	\$ 5,150.000	\$ 5,150.000	\$ 5,253.000	\$ 5,253.000	\$ 5,253.000
Charge per square yard	\$ 7.416	\$ 7.416	\$ 9.517	\$ 9.517	\$ 9.517	\$ 10.218	\$ 10.218	\$ 10.218	\$ 10.218	\$ 10.877	\$ 10.877
STRIPING											
Mobilization Charge	\$ 77.250	\$ 77.250	\$ 128.750	\$ 77.250	\$ 154.500	\$ 154.500	\$ 154.500	\$ 360.500	\$ 360.500	\$ 437.750	\$ 360.500
Minimum Charge	\$ 154.500	\$ 154.500	\$ 180.250	\$ 180.250	\$ 231.750	\$ 231.750	\$ 231.750	\$ 515.000	\$ 515.000	\$ 618.000	\$ 515.000
4" line, charge per linear foot (restripe)	\$ 0.118	\$ 0.107	\$ 0.118	\$ 0.118	\$ 0.119	\$ 0.118	\$ 0.119	\$ 0.119	\$ 0.119	\$ 0.118	\$ 0.119
4" line, charge per linear foot (new layout)	\$ 0.155	\$ 0.105	\$ 0.155	\$ 0.155	\$ 0.155	\$ 0.155	\$ 0.155	\$ 0.155	\$ 0.155	\$ 0.155	\$ 0.155
4" line, Hash-Out Striping (restripe)	\$ 0.145	\$ 0.145	\$ 0.145	\$ 0.145	\$ 0.146	\$ 0.145	\$ 0.146	\$ 0.146	\$ 0.146	\$ 0.146	\$ 0.146
4" line, Hash-Out Striping (layout)	\$ 0.337	\$ 0.337	\$ 0.338	\$ 0.338	\$ 0.338	\$ 0.338	\$ 0.338	\$ 0.338	\$ 0.338	\$ 0.338	\$ 0.338
Curb (top and face), charge per linear foot	\$ 0.475	\$ 0.323	\$ 0.476	\$ 0.476	\$ 0.476	\$ 0.476	\$ 0.476	\$ 0.476	\$ 0.476	\$ 0.476	\$ 0.476
Handicap stencils, charge per each	\$ 16.056	\$ 16.056	\$ 16.074	\$ 16.074	\$ 16.111	\$ 16.074	\$ 16.082	\$ 16.078	\$ 16.078	\$ 16.071	\$ 16.084
Arrows, charge per each	\$ 8.028	\$ 8.028	\$ 8.037	\$ 8.037	\$ 8.056	\$ 8.037	\$ 8.041	\$ 8.039	\$ 8.039	\$ 8.035	\$ 8.042
4 inch numbers/letters, charge per each	\$ 0.595	\$ 0.536	\$ 0.595	\$ 0.595	\$ 0.597	\$ 0.595	\$ 0.596	\$ 0.596	\$ 0.596	\$ 0.595	\$ 0.596
10 inch numbers/letters, charge per each	\$ 0.892	\$ 0.802	\$ 0.893	\$ 0.893	\$ 0.895	\$ 0.893	\$ 0.893	\$ 0.893	\$ 0.893	\$ 0.892	\$ 0.893
24 inch numbers/letters, charge per each	\$ 1.338	\$ 1.338	\$ 1.339	\$ 1.339	\$ 1.343	\$ 1.339	\$ 1.340	\$ 1.340	\$ 1.340	\$ 1.339	\$ 1.340
Speed Bump stripe, charge per each	\$ 28.901	\$ 28.901	\$ 28.933	\$ 28.933	\$ 29.001	\$ 28.933	\$ 28.949	\$ 28.942	\$ 28.942	\$ 28.928	\$ 28.951
Speed Hump stripe, charge per each	\$ 52.450	\$ 52.450	\$ 52.508	\$ 52.508	\$ 52.631	\$ 52.508	\$ 52.537	\$ 52.524	\$ 52.524	\$ 52.499	\$ 52.541
Wheel stops, charge to paint each	\$ 5.887	\$ 5.887	\$ 5.894	\$ 5.894	\$ 5.907	\$ 5.894	\$ 5.897	\$ 5.896	\$ 5.896	\$ 5.893	\$ 5.898
Bollards, charge to paint each	\$ 9.366	\$ 9.366	\$ 9.376	\$ 9.376	\$ 9.399	\$ 9.376	\$ 9.381	\$ 9.379	\$ 9.379	\$ 9.375	\$ 9.382
Remove Existing Sign & Post	\$ 80.280	\$ 80.280	\$ 80.370	\$ 80.370	\$ 80.557	\$ 80.370	\$ 80.413	\$ 80.394	\$ 80.394	\$ 80.355	\$ 80.420
Install Stop Sign & Post	\$ 267.601	\$ 267.601	\$ 267.900	\$ 267.900	\$ 268.523	\$ 267.900	\$ 268.045	\$ 267.980	\$ 267.980	\$ 267.852	\$ 268.068
Fire Lane Sign & Post Single Sided	\$ 133.800	\$ 133.800	\$ 133.949	\$ 133.949	\$ 134.262	\$ 133.949	\$ 134.023	\$ 133.990	\$ 133.990	\$ 133.926	\$ 134.034
Handicapped Sign & Post - Single Sided	\$ 133.800	\$ 133.800	\$ 133.949	\$ 133.949	\$ 134.262	\$ 133.949	\$ 134.023	\$ 133.990	\$ 133.990	\$ 133.926	\$ 134.034
Double Sided Sign & Post	\$ 187.321	\$ 187.321	\$ 187.530	\$ 187.530	\$ 187.966	\$ 187.530	\$ 187.631	\$ 187.586	\$ 187.586	\$ 187.496	\$ 187.647
Ceramic Reflectors (Installed)	\$ 4.282	\$ 4.282	\$ 4.287	\$ 4.287	\$ 4.296	\$ 4.287	\$ 4.288	\$ 4.288	\$ 4.288	\$ 4.288	\$ 4.289
Square Reflectors (Installed)	\$ 4.282	\$ 4.282	\$ 4.287	\$ 4.287	\$ 4.296	\$ 4.287	\$ 4.289	\$ 4.288	\$ 4.288	\$ 4.288	\$ 4.289
Blue Reflectors (Installed)	\$ 5.352	\$ 5.352	\$ 5.358	\$ 5.358	\$ 5.370	\$ 5.358	\$ 5.361	\$ 5.359	\$ 5.359	\$ 5.357	\$ 5.361
ASPHALT EDGE MILLING 2 FEET WIDE											
Mobilization Charge	\$ 2,214.500	\$ 2,240.250	\$ 3,090.000	\$ 3,193.000	\$ 2,781.000	\$ 3,296.000	\$ 3,708.000	\$ 4,068.500	\$ 4,248.750	\$ 4,454.750	\$ 3,399.000
Minimum Charge	\$ 3,090.000	\$ 3,090.000	\$ 4,120.000	\$ 4,223.000	\$ 3,811.000	\$ 4,635.000	\$ 4,944.000	\$ 5,150.000	\$ 5,665.000	\$ 5,665.000	\$ 4,635.000
Charge per square foot	\$ 0.170	\$ 0.170	\$ 0.170	\$ 0.170	\$ 0.170	\$ 0.170	\$ 0.216	\$ 0.216	\$ 0.216	\$ 0.216	\$ 0.216
ASPHALT MILLING 8 FEET WIDE											
Mobilization Charge	\$ 2,214.500	\$ 2,240.250	\$ 3,090.000	\$ 3,193.000	\$ 2,781.000	\$ 3,296.000	\$ 3,708.000	\$ 4,068.500	\$ 4,248.750	\$ 4,454.750	\$ 3,399.000
Minimum Charge	\$ 3,090.000	\$ 3,090.000	\$ 4,120.000	\$ 4,223.000	\$ 3,811.000	\$ 4,635.000	\$ 4,944.000	\$ 5,150.000	\$ 5,665.000	\$ 5,665.000	\$ 4,635.000
Charge per square foot per 1 inch in depth of milling	\$ 0.185	\$ 0.185	\$ 0.185	\$ 0.185	\$ 0.185	\$ 0.185	\$ 0.227	\$ 0.227	\$ 0.227	\$ 0.227	\$ 0.227
ASPHALT PULVERIZING											
Mobilization Charge	\$ 1,133.000	\$ 1,133.000	\$ 1,957.000	\$ 1,957.000	\$ 1,596.500	\$ 1,982.750	\$ 2,446.250	\$ 2,755.250	\$ 2,466.850	\$ 2,466.850	\$ 1,982.750
Minimum Charge	\$ 2,884.000	\$ 2,884.000	\$ 3,605.000	\$ 3,605.000	\$ 3,296.000	\$ 3,605.000	\$ 3,914.000	\$ 4,223.000	\$ 3,914.000	\$ 3,914.000	\$ 3,605.000
Charge per square foot 0 - 50,000 square feet + mobilization charge	\$ 0.031	\$ 0.036	\$ 0.036	\$ 0.036	\$ 0.036	\$ 0.036	\$ 0.036	\$ 0.036	\$ 0.036	\$ 0.036	\$ 0.036
Per square foot over 50,001 square feet + mobilization charge	\$ 0.031	\$ 0.036	\$ 0.036	\$ 0.036	\$ 0.036	\$ 0.036	\$ 0.036	\$ 0.036	\$ 0.036	\$ 0.036	\$ 0.036
LIME SOIL STABILIZATION (Lime SlurryMAG309, Soil Cement MAG311, Quicklime)											
Mobilization Charge	\$ 2,781.000	\$ 2,781.000	\$ 3,914.000	\$ 3,914.000	\$ 3,399.000	\$ 3,914.000	\$ 4,532.000	\$ 4,532.000	\$ 5,047.000	\$ 4,532.000	\$ 3,914.000

Product and Services	Phoenix		Tucson		Casa Grande / Florence		Sierra Vista		Bisbee		Wilcox		Safford		Globe
	1A	1B	2A	2B	AREA 3	AREA 4	AREA 5	AREA 6	AREA 7	AREA 8	AREA 9				
Minimum Charge	\$ 3,605.000	\$ 3,605.000	\$ 4,944.000	\$ 4,944.000	\$ 4,429.000	\$ 5,047.000	\$ 5,665.000	\$ 5,665.000	\$ 6,180.000	\$ 5,665.000	\$ 6,180.000	\$ 5,665.000	\$ 6,180.000	\$ 5,665.000	\$ 5,150.000
Charge per square foot per 8 inch depth	\$ 0.322	\$ 0.322	\$ 0.323	\$ 0.323	\$ 0.323	\$ 0.324	\$ 0.323	\$ 0.342	\$ 0.356	\$ 0.358	\$ 0.342	\$ 0.358	\$ 0.342	\$ 0.342	\$ 0.323
Charge per square foot per 12 inch depth	\$ 0.449	\$ 0.449	\$ 0.450	\$ 0.450	\$ 0.451	\$ 0.450	\$ 0.471	\$ 0.482	\$ 0.482	\$ 0.482	\$ 0.471	\$ 0.482	\$ 0.471	\$ 0.452	
GRADE/PLACE ABC															
Mobilization Charge	\$ 412.000	\$ 360.500	\$ 412.000	\$ 412.000	\$ 1,236.000	\$ 1,442.000	\$ 1,236.000	\$ 2,163.000	\$ 2,266.000	\$ 2,884.000	\$ 2,266.000	\$ 2,884.000	\$ 2,266.000	\$ 1,339.000	
Minimum Charge	\$ 721.000	\$ 669.500	\$ 772.500	\$ 772.500	\$ 1,854.000	\$ 2,060.000	\$ 2,060.000	\$ 3,090.000	\$ 3,090.000	\$ 4,120.000	\$ 4,120.000	\$ 5,150.000	\$ 4,120.000	\$ 2,472.000	
Charge per square foot times thickness in inches of ABC	\$ 0.098	\$ 0.082	\$ 0.100	\$ 0.100	\$ 0.110	\$ 0.109	\$ 0.109	\$ 0.109	\$ 0.109	\$ 0.109	\$ 0.109	\$ 0.109	\$ 0.109	\$ 0.142	
Charge per square foot times thickness in inches of ABC (over 45000 square feet)	\$ 0.082	\$ 0.069	\$ 0.082	\$ 0.082	\$ 0.110	\$ 0.111	\$ 0.109	\$ 0.109	\$ 0.109	\$ 0.109	\$ 0.109	\$ 0.109	\$ 0.109	\$ 0.121	
Charge per square foot times thickness in inches of ABC (over 90000 square feet)	\$ 0.076	\$ 0.066	\$ 0.076	\$ 0.076	\$ 0.110	\$ 0.111	\$ 0.109	\$ 0.109	\$ 0.109	\$ 0.109	\$ 0.109	\$ 0.109	\$ 0.109	\$ 0.121	
DEMO/HAUL ASPHALT, DIRT, ETC															
Mobilization Charge	\$ 185.400	\$ 185.400	\$ 185.400	\$ 187.460	\$ 1,236.000	\$ 1,442.000	\$ 1,236.000	\$ 2,188.750	\$ 2,266.000	\$ 2,909.750	\$ 2,266.000	\$ 2,909.750	\$ 2,266.000	\$ 1,339.000	
Mobilization Charge (over 250 cubic yards)	\$ 412.000	\$ 360.500	\$ 412.000	\$ 412.000	\$ 1,236.000	\$ 1,442.000	\$ 1,236.000	\$ 2,188.750	\$ 2,266.000	\$ 2,909.750	\$ 2,266.000	\$ 2,909.750	\$ 2,266.000	\$ 1,339.000	
Mobilization Charge (over 500 cubic yards)	\$ 412.000	\$ 360.500	\$ 412.000	\$ 412.000	\$ 1,236.000	\$ 1,442.000	\$ 1,236.000	\$ 2,188.750	\$ 2,266.000	\$ 2,909.750	\$ 2,266.000	\$ 2,909.750	\$ 2,266.000	\$ 1,339.000	
Charge per cubic yard of material	\$ 28.840	\$ 26.780	\$ 28.840	\$ 28.840	\$ 35.020	\$ 36.050	\$ 35.020	\$ 35.020	\$ 35.020	\$ 35.020	\$ 35.020	\$ 35.020	\$ 35.020	\$ 37.080	
Charge per cubic yard of material (over 250 cubic yards)	\$ 22.660	\$ 22.660	\$ 22.660	\$ 22.660	\$ 35.020	\$ 23.690	\$ 23.690	\$ 23.690	\$ 23.690	\$ 23.690	\$ 23.690	\$ 23.690	\$ 23.690	\$ 29.870	
Charge per cubic yard of material (over 500 cubic yards)	\$ 21.630	\$ 18.540	\$ 21.630	\$ 21.630	\$ 23.690	\$ 23.690	\$ 23.690	\$ 23.690	\$ 23.690	\$ 23.690	\$ 23.690	\$ 23.690	\$ 23.690	\$ 26.780	
SITE GRADING (Moving/Excavating Dirt - On Site, No Haul Off)															
Mobilization Charge	\$ 849.750	\$ 849.750	\$ 849.750	\$ 872.863	\$ 2,987.000	\$ 3,502.000	\$ 2,961.250	\$ 5,150.000	\$ 5,453.850	\$ 7,081.250	\$ 5,453.850	\$ 7,081.250	\$ 5,453.850	\$ 2,369.000	
Mobilization Charge (over 3200 cubic yards)	\$ 1,133.000	\$ 1,133.000	\$ 1,133.000	\$ 1,133.000	\$ 2,987.000	\$ 3,502.000	\$ 2,961.250	\$ 5,150.000	\$ 5,453.850	\$ 7,081.250	\$ 5,453.850	\$ 7,081.250	\$ 5,453.850	\$ 3,399.000	
Charge per cubic yard	\$ 7.931	\$ 7.931	\$ 7.931	\$ 7.931	\$ 40.170	\$ 4.120	\$ 4.017	\$ 4.017	\$ 4.017	\$ 4.017	\$ 4.017	\$ 4.017	\$ 4.017	\$ 8.034	
Charge per cubic yard (over 1500 cubic yards)	\$ 4.017	\$ 4.017	\$ 4.017	\$ 4.017	\$ 40.170	\$ 4.120	\$ 4.017	\$ 4.017	\$ 4.017	\$ 4.017	\$ 4.017	\$ 4.017	\$ 4.017	\$ 8.034	
Charge per cubic yard (over 3200 cubic yards)	\$ 3.502	\$ 3.502	\$ 3.502	\$ 3.502	\$ 36.050	\$ 3.605	\$ 3.605	\$ 3.605	\$ 3.605	\$ 3.605	\$ 3.605	\$ 3.605	\$ 3.605	\$ 3.502	
FINE GRADE AREA															
Mobilization Charge	\$ 592.250	\$ 515.000	\$ 592.250	\$ 592.250	\$ 2,575.000	\$ 3,193.000	\$ 2,575.000	\$ 4,532.000	\$ 4,944.000	\$ 6,283.000	\$ 4,944.000	\$ 6,283.000	\$ 4,944.000	\$ 1,493.500	
Mobilization Charge (over 5000 square yards)	\$ 824.000	\$ 824.000	\$ 875.500	\$ 875.500	\$ 2,575.000	\$ 3,090.000	\$ 2,575.000	\$ 4,532.000	\$ 4,944.000	\$ 6,283.000	\$ 4,944.000	\$ 6,283.000	\$ 4,944.000	\$ 2,575.000	
Charge per square yard	\$ 1.288	\$ 1.082	\$ 1.298	\$ 1.288	\$ 1.236	\$ 1.298	\$ 1.288	\$ 1.288	\$ 1.288	\$ 1.288	\$ 1.288	\$ 1.288	\$ 1.288	\$ 1.288	
Charge per square yard (over 5000 square yards)	\$ 1.236	\$ 1.051	\$ 1.236	\$ 1.236	\$ 1.236	\$ 1.288	\$ 1.288	\$ 1.288	\$ 1.288	\$ 1.288	\$ 1.288	\$ 1.288	\$ 1.288	\$ 1.288	
Charge per square yard (over 10000 square yards)	\$ 1.154	\$ 0.979	\$ 1.143	\$ 1.133	\$ 1.236	\$ 1.288	\$ 1.288	\$ 1.288	\$ 1.288	\$ 1.288	\$ 1.288	\$ 1.288	\$ 1.288	\$ 1.288	
MANHOLE ADJUSTMENTS															
Mobilization Charge	\$ 200.850	\$ 200.850	\$ 412.000	\$ 412.000	\$ 746.750	\$ 463.500	\$ 412.000	\$ 412.000	\$ 824.000	\$ 824.000	\$ 824.000	\$ 824.000	\$ 824.000	\$ 824.000	\$ 824.000
Minimum Charge	\$ 1,081.500	\$ 1,081.500	\$ 1,292.650	\$ 1,292.650	\$ 1,519.250	\$ 1,545.000	\$ 1,184.500	\$ 1,184.500	\$ 1,905.500	\$ 1,905.500	\$ 1,905.500	\$ 1,905.500	\$ 1,905.500	\$ 1,704.650	
Charge per each unit	\$ 293.550	\$ 293.550	\$ 293.550	\$ 293.550	\$ 257.500	\$ 360.500	\$ 257.500	\$ 360.500	\$ 360.500	\$ 360.500	\$ 360.500	\$ 360.500	\$ 360.500	\$ 293.550	
WATER/SEWER COVER ADJUSTMENTS															
Mobilization Charge	\$ 200.850	\$ 128.750	\$ 412.000	\$ 412.000	\$ 746.750	\$ 463.500	\$ 412.000	\$ 412.000	\$ 824.000	\$ 824.000	\$ 824.000	\$ 824.000	\$ 824.000	\$ 824.000	\$ 824.000
Minimum Charge	\$ 973.350	\$ 607.700	\$ 1,184.500	\$ 1,184.500	\$ 1,519.250	\$ 1,236.000	\$ 1,184.500	\$ 1,184.500	\$ 1,596.500	\$ 1,596.500	\$ 1,596.500	\$ 1,596.500	\$ 1,596.500	\$ 1,596.500	
Charge per each unit	\$ 257.500	\$ 159.650	\$ 257.500	\$ 257.500	\$ 257.500	\$ 257.500	\$ 257.500	\$ 257.500	\$ 257.500	\$ 257.500	\$ 257.500	\$ 257.500	\$ 257.500	\$ 257.500	
SURVEY MONUMENTS															
Mobilization Charge	\$ 200.850	\$ 128.750	\$ 412.000	\$ 412.000	\$ 746.750	\$ 463.500	\$ 412.000	\$ 412.000	\$ 824.000	\$ 824.000	\$ 824.000	\$ 824.000	\$ 824.000	\$ 824.000	\$ 824.000
Minimum Charge	\$ 257.500	\$ 206.000	\$ 618.000	\$ 618.000	\$ 849.750	\$ 576.800	\$ 566.500	\$ 566.500	\$ 1,802.500	\$ 1,802.500	\$ 1,802.500	\$ 1,802.500	\$ 1,802.500	\$ 1,802.500	
Type A: Charge per each unit	\$ 180.250	\$ 180.250	\$ 180.250	\$ 180.250	\$ 180.250	\$ 180.250	\$ 180.250	\$ 180.250	\$ 180.250	\$ 180.250	\$ 180.250	\$ 180.250	\$ 180.250	\$ 180.250	
Type B: Charge per each unit	\$ 103.000	\$ 103.000	\$ 103.000	\$ 103.000	\$ 103.000	\$ 103.000	\$ 103.000	\$ 103.000	\$ 103.000	\$ 103.000	\$ 103.000	\$ 103.000	\$ 103.000	\$ 103.000	
SAFETY BOLLARDS PLACED IN ASPHALT															
Mobilization Charge	\$ 77.250	\$ 77.250	\$ 128.750	\$ 128.750	\$ 103.000	\$ 231.750	\$ 231.750	\$ 231.750	\$ 231.750	\$ 231.750	\$ 231.750	\$ 231.750	\$ 231.750	\$ 231.750	\$ 180.250
Minimum Charge	\$ 732.960	\$ 732.960	\$ 785.576	\$ 785.576	\$ 762.153	\$ 888.576	\$ 889.117	\$ 888.876	\$ 888.876	\$ 888.876	\$ 888.876	\$ 888.876	\$ 888.876	\$ 837.703	
4-inch diameter, concrete filled, charge per each	\$ 158.463	\$ 158.463	\$ 158.733	\$ 158.733	\$ 159.296	\$ 158.733	\$ 158.733	\$ 158.864	\$ 158.805	\$ 158.805	\$ 158.805	\$ 158.805	\$ 158.805	\$ 207.937	\$ 208.194
6-inch diameter, concrete filled, charge per each	\$ 191.248	\$ 191.248	\$ 191.574	\$ 191.574	\$ 192.253	\$ 191.574	\$ 191.732	\$ 191.661	\$ 191.661	\$ 191.661	\$ 191.661	\$ 191.661	\$ 191.661	\$ 191.521	\$ 191.757
8-inch diameter, concrete filled, charge per each	\$ 218.570	\$ 218.570	\$ 218.942	\$ 218.942	\$ 219.718	\$ 218.942	\$ 219.122	\$ 219.042	\$ 219.042	\$ 219.042	\$ 219.042	\$ 219.042	\$ 218.881	\$ 219.151	
CONCRETE EXTRUDED CURB NO REBAR															
Minimum Charge	\$ 283.250	\$ 283.250	\$ 283.250	\$ 283.250	\$ 309.000	\$ 329.600	\$ 334.750	\$ 824.000	\$ 824.000	\$ 824.000	\$ 824.000	\$ 824.000	\$ 824.000	\$ 746.750	
1 to 300 lf	\$ 4.371	\$ 4.371	\$ 4.379	\$ 4.379	\$ 4.394	\$ 4.379	\$ 4.383	\$ 4.381	\$ 4.381	\$ 4.378	\$ 4.381	\$ 4.381	\$ 4.378	\$ 4.383	
301 to 500 lf	\$ 3.825	\$ 3.825	\$ 3.832	\$ 3.832	\$ 3.845	\$ 3.832	\$ 3.835	\$ 3.834	\$ 3.834	\$ 3.831	\$ 3.834	\$ 3.831	\$ 3.835	\$ 3.835	
501lf+	\$ 3.771	\$ 3.771	\$ 3.777	\$ 3.777	\$ 3.790	\$ 3.777	\$ 3.780	\$ 3.778	\$ 3.778	\$ 3.776	\$ 3.778	\$ 3.776	\$ 3.780	\$ 3.780	
CONCRETE EXTRUDED CURB WITH REBAR															
Minimum Charge	\$ 283.250	\$ 283.250	\$ 283.250	\$ 283.250	\$ 309.000	\$ 334.750	\$ 334.750	\$ 824.000	\$ 824.000	\$ 824.000	\$ 824.000	\$ 824.000	\$ 824.000	\$ 746.750	
1 to 300 lf	\$ 6.830	\$ 6.830	\$ 6.842	\$ 6.842	\$ 7.415	\$ 7.115	\$ 7.121	\$ 6.845	\$ 6.845	\$ 6.840	\$ 6.845	\$ 6.840	\$ 6.848	\$ 6.848	
301 to 500 lf	\$ 6.284	\$ 6.284	\$ 6.294	\$ 6.294	\$ 6.317	\$ 6.459	\$ 6.459	\$ 6.297	\$ 6.297	\$ 6.293	\$ 6.297	\$ 6.293	\$ 6.301	\$ 6.301	
501lf+	\$ 5.137	\$ 5.137	\$ 5.145	\$ 5.145	\$ 5.768	\$ 5.145	\$ 5.752	\$ 5.148	\$ 5.148	\$ 5.148	\$ 5.148	\$ 5.148	\$ 5.148	\$ 5.150	
CONCRETE 6 FOOT WHEEL STOPS															
Mobilization Charge	\$ 77.250	\$ 77.250	\$ 154.500	\$ 154.500	\$ 103.000	\$ 257.500	\$ 257.500	\$ 309.000	\$ 309.000	\$ 334.750	\$ 309.000	\$ 334.750	\$ 309.000	\$ 206.000	
Minimum Charge	\$ 206.000	\$ 206.000	\$ 329.600	\$ 329.600	\$ 257.500	\$ 412.000	\$ 412.000	\$ 463.500	\$ 463.500	\$ 463.500	\$ 463.500	\$ 463.500	\$ 463.500	\$ 386.250	
Charge per each 1-20 each	\$ 33.879	\$ 33.879	\$ 33.936	\$ 33.936	\$ 34.056	\$ 341.549	\$ 33.964	\$ 33.962	\$ 33.952	\$ 33.952	\$ 33.928	\$ 33.928	\$ 33.928	\$ 33.968	

Product and Services	Phoenix 1A	Phoenix 1B	Tucson 2A	Tucson 2B	Casa Grande / Florence AREA 3	Sells AREA 4	Nogales / Sierra Vista AREA 5	Bisbee AREA 6	Wilcox AREA 7	Safford AREA 8	Globe AREA 9
Charge per each over 20											
Remove and Repin Existing Wheel Stops	\$ 30.600	\$ 30.600	\$ 30.652	\$ 30.652	\$ 30.761	\$ 30.652	\$ 30.078	\$ 30.666	\$ 30.666	\$ 30.644	\$ 30.682
Haul Wheel Stops to Dump	\$ 24.720	\$ 24.720	\$ 24.720	\$ 24.720	\$ 24.720	\$ 24.720	\$ 24.720	\$ 24.720	\$ 24.720	\$ 24.720	\$ 24.720
CONCRETE SINGLE CURB	\$ 13.390	\$ 13.390	\$ 13.390	\$ 13.390	\$ 13.390	\$ 13.390	\$ 13.390	\$ 13.390	\$ 13.390	\$ 13.390	\$ 13.390
Minimum charge	\$ 721.000	\$ 721.000	\$ 824.000	\$ 875.500	\$ 849.750	\$ 1,236.000	\$ 1,236.000	\$ 1,236.000	\$ 1,236.000	\$ 1,236.000	\$ 1,648.000
1-200 linear feet	\$ 17.759	\$ 17.759	\$ 14.232	\$ 14.232	\$ 17.852	\$ 14.232	\$ 14.243	\$ 16.701	\$ 16.701	\$ 16.690	\$ 23.011
201-400 linear feet	\$ 16.392	\$ 16.392	\$ 14.286	\$ 14.286	\$ 16.754	\$ 14.177	\$ 14.188	\$ 16.538	\$ 16.538	\$ 16.525	\$ 22.189
401-800 linear feet	\$ 15.300	\$ 15.300	\$ 13.411	\$ 13.411	\$ 15.765	\$ 13.355	\$ 13.366	\$ 14.566	\$ 14.566	\$ 14.556	\$ 19.176
801+ linear feet	\$ 13.934	\$ 13.934	\$ 13.137	\$ 13.137	\$ 14.337	\$ 13.137	\$ 13.147	\$ 14.292	\$ 14.292	\$ 14.282	\$ 18.135
CONCRETE CURB AND GUTTER											
Minimum charge	\$ 721.000	\$ 721.000	\$ 824.000	\$ 875.500	\$ 849.750	\$ 1,236.000	\$ 1,236.000	\$ 1,236.000	\$ 1,236.000	\$ 1,236.000	\$ 1,648.000
1-200 linear feet	\$ 19.671	\$ 19.671	\$ 21.895	\$ 21.895	\$ 20.324	\$ 24.083	\$ 21.912	\$ 24.095	\$ 24.095	\$ 24.077	\$ 26.846
201-400 linear feet	\$ 17.759	\$ 17.759	\$ 21.895	\$ 21.895	\$ 19.225	\$ 24.083	\$ 21.912	\$ 24.095	\$ 24.095	\$ 24.077	\$ 24.380
401-800 linear feet	\$ 16.776	\$ 16.776	\$ 19.431	\$ 19.431	\$ 17.303	\$ 21.895	\$ 19.447	\$ 21.904	\$ 21.904	\$ 21.889	\$ 21.422
801+ linear feet	\$ 11.748	\$ 11.748	\$ 18.884	\$ 18.884	\$ 15.380	\$ 21.621	\$ 19.337	\$ 21.904	\$ 21.904	\$ 21.889	\$ 19.560
HANDICAP RAMPS											
Single Ramp with Curbs (30 SF @ 4" Thick & 12 LF of 6" wide single curb)	\$ 819.637	\$ 819.637	\$ 1,016.985	\$ 1,016.985	\$ 1,020.589	\$ 1,208.660	\$ 1,159.157	\$ 1,169.681	\$ 1,187.205	\$ 1,173.204	\$ 1,078.224
Single Ramp with Wings (Per MAG Spec 223 C, 234)	\$ 1,016.350	\$ 1,016.350	\$ 1,134.120	\$ 1,134.120	\$ 1,138.138	\$ 1,332.262	\$ 1,282.961	\$ 1,293.440	\$ 1,310.963	\$ 1,296.872	\$ 1,202.043
Detectable Warning Domes (Truncated Dome Tiles)	\$ 30.600	\$ 30.600	\$ 49.262	\$ 48.167	\$ 49.437	\$ 56.925	\$ 55.876	\$ 55.856	\$ 58.046	\$ 56.910	\$ 51.600
CONCRETE FLATWORK											
Minimum charge	\$ 721.000	\$ 721.000	\$ 824.000	\$ 875.500	\$ 849.750	\$ 1,236.000	\$ 1,236.000	\$ 1,236.000	\$ 1,236.000	\$ 1,236.000	\$ 1,648.000
4 inch thick per square foot	\$ 4.481	\$ 4.481	\$ 4.379	\$ 4.379	\$ 4.614	\$ 5.473	\$ 5.094	\$ 5.640	\$ 5.640	\$ 5.745	\$ 6.246
6 inch thick per square foot	\$ 5.464	\$ 5.464	\$ 5.473	\$ 5.473	\$ 5.712	\$ 6.677	\$ 6.684	\$ 6.681	\$ 6.845	\$ 6.949	\$ 7.396
8 inch thick per square foot	\$ 6.612	\$ 6.612	\$ 6.897	\$ 6.897	\$ 6.922	\$ 7.882	\$ 7.889	\$ 7.886	\$ 8.160	\$ 8.153	\$ 9.149
CONSTRUCTION SURVEY											
Registered Surveyor (1 man and equipment), per hour rate	\$ 127.720	\$ 127.720	\$ 127.720	\$ 128.750	\$ 127.720	\$ 127.720	\$ 127.720	\$ 128.750	\$ 127.720	\$ 128.750	\$ 127.720
Non-Registered Surveyor (2 men and equipment), per hour rate	\$ 158.620	\$ 158.620	\$ 158.620	\$ 158.620	\$ 158.620	\$ 158.620	\$ 158.620	\$ 158.620	\$ 158.620	\$ 158.620	\$ 158.620
Per Diem, Per Day, Per Man for Overnight Stay	\$ 127.720	\$ 127.720	\$ 127.720	\$ 128.750	\$ 127.720	\$ 127.720	\$ 127.720	\$ 128.750	\$ 127.720	\$ 128.750	\$ 127.720
OTHER RATES											
Labor and equipment rate, \$ per man hour	\$ 66.950	\$ 66.950	\$ 66.950	\$ 66.950	\$ 66.950	\$ 66.950	\$ 66.950	\$ 66.950	\$ 66.950	\$ 66.950	\$ 66.950
Substance rate, \$ per man, per day	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 107.120	\$ 106.090	\$ 108.150	\$ 107.120	\$ 109.180
Sweeping (Heavy Duty Vacuum Truck and/or Kick Broom) - Mobilization Charge (Includes 4 Hour Minimum)	\$ 309.000	\$ 309.000	\$ 309.000	\$ 309.000	\$ 309.000	\$ 309.000	\$ 309.000	\$ 309.000	\$ 309.000	\$ 309.000	\$ 309.000
Sweeping (Heavy Duty Vacuum Truck and/or Kick Broom) - Per Hour	\$ 77.250	\$ 77.250	\$ 77.250	\$ 77.250	\$ 77.250	\$ 77.250	\$ 77.250	\$ 77.250	\$ 77.250	\$ 77.250	\$ 77.250
ROAD STRIPING ONLY											
Paint Mobilization Charge	\$ 515.000	\$ 515.000	\$ 875.500	\$ 901.250	\$ 695.250	\$ 927.000	\$ 1,030.000	\$ 1,184.500	\$ 1,184.500	\$ 1,107.250	\$ 824.000
Minimum Charge	\$ 618.000	\$ 618.000	\$ 1,030.000	\$ 1,030.000	\$ 824.000	\$ 1,133.000	\$ 1,545.000	\$ 1,648.000	\$ 1,648.000	\$ 1,545.000	\$ 1,030.000
Paint 4" Line w/Glass Bead 0-1000 LF	\$ 0.242	\$ 0.242	\$ 0.242	\$ 0.242	\$ 0.243	\$ 0.242	\$ 0.242	\$ 0.242	\$ 0.242	\$ 0.242	\$ 0.242
Paint 4" Line w/Glass Bead 1001-5000 LF	\$ 0.181	\$ 0.181	\$ 0.182	\$ 0.182	\$ 0.182	\$ 0.182	\$ 0.182	\$ 0.182	\$ 0.182	\$ 0.182	\$ 0.182
Paint 4" Line w/Glass Bead 5001+ LF	\$ 0.145	\$ 0.145	\$ 0.145	\$ 0.145	\$ 0.145	\$ 0.145	\$ 0.145	\$ 0.145	\$ 0.145	\$ 0.145	\$ 0.145
Paint 8" Line w/Glass Bead 0-1000 LF	\$ 0.483	\$ 0.483	\$ 0.484	\$ 0.484	\$ 0.485	\$ 0.484	\$ 0.484	\$ 0.484	\$ 0.484	\$ 0.484	\$ 0.484
Paint 8" Line w/Glass Bead 1001-5000 LF	\$ 0.363	\$ 0.363	\$ 0.363	\$ 0.363	\$ 0.363	\$ 0.363	\$ 0.363	\$ 0.364	\$ 0.364	\$ 0.363	\$ 0.364
Paint 8" Line w/Glass Bead 5001+ LF	\$ 0.290	\$ 0.290	\$ 0.291	\$ 0.291	\$ 0.293	\$ 0.291	\$ 0.291	\$ 0.291	\$ 0.291	\$ 0.291	\$ 0.291
Paint 12" Line w/Glass Bead 0-500 LF	\$ 0.726	\$ 0.726	\$ 0.727	\$ 0.727	\$ 0.729	\$ 0.727	\$ 0.727	\$ 0.727	\$ 0.727	\$ 0.727	\$ 0.728
Paint 12" Line w/Glass Bead 501-2000 LF	\$ 0.544	\$ 0.544	\$ 0.545	\$ 0.545	\$ 0.547	\$ 0.545	\$ 0.545	\$ 0.545	\$ 0.545	\$ 0.545	\$ 0.546
Paint 8" Line w/Glass Bead 2001+ LF	\$ 0.363	\$ 0.363	\$ 0.363	\$ 0.363	\$ 0.363	\$ 0.363	\$ 0.363	\$ 0.364	\$ 0.364	\$ 0.363	\$ 0.364
Thermoplastic Mobilization Charge	\$ 544.180	\$ 544.180	\$ 545.044	\$ 545.044	\$ 546.845	\$ 545.404	\$ 545.402	\$ 545.275	\$ 545.275	\$ 544.903	\$ 545.529
Thermoplastic 4" Line 0-1000 LF	\$ 0.606	\$ 0.606	\$ 0.606	\$ 0.606	\$ 0.606	\$ 0.606	\$ 0.607	\$ 0.607	\$ 0.607	\$ 0.606	\$ 0.607
Thermoplastic 4" Line 1001 - 5000 LF	\$ 0.544	\$ 0.544	\$ 0.545	\$ 0.545	\$ 0.547	\$ 0.545	\$ 0.546	\$ 0.545	\$ 0.545	\$ 0.545	\$ 0.546
Thermoplastic 4" Line 5001+ LF	\$ 0.483	\$ 0.483	\$ 0.484	\$ 0.484	\$ 0.485	\$ 0.484	\$ 0.484	\$ 0.484	\$ 0.484	\$ 0.484	\$ 0.484
Thermoplastic 8" Line 1000 LF	\$ 1.209	\$ 1.209	\$ 1.211	\$ 1.211	\$ 1.215	\$ 1.211	\$ 1.212	\$ 1.211	\$ 1.211	\$ 1.211	\$ 1.212
Thermoplastic 8" Line 1001 - 5000 LF	\$ 1.089	\$ 1.089	\$ 1.090	\$ 1.090	\$ 1.094	\$ 1.090	\$ 1.091	\$ 1.091	\$ 1.091	\$ 1.090	\$ 1.091
Thermoplastic 8" Line 5001+ LF	\$ 0.967	\$ 0.967	\$ 0.969	\$ 0.969	\$ 0.972	\$ 0.969	\$ 0.970	\$ 0.969	\$ 0.969	\$ 0.969	\$ 0.970
Thermoplastic 12" Line 0-500 LF	\$ 1.814	\$ 1.814	\$ 1.817	\$ 1.817	\$ 1.823	\$ 1.817	\$ 1.819	\$ 1.818	\$ 1.818	\$ 1.817	\$ 1.819
Thermoplastic 12" Line 501 - 2000 LF	\$ 1.693	\$ 1.693	\$ 1.696	\$ 1.696	\$ 1.702	\$ 1.696	\$ 1.697	\$ 1.696	\$ 1.696	\$ 1.695	\$ 1.697
Thermoplastic 12" Line 2000+ LF	\$ 1.633	\$ 1.633	\$ 1.636	\$ 1.636	\$ 1.641	\$ 1.636	\$ 1.637	\$ 1.636	\$ 1.636	\$ 1.635	\$ 1.637
Thermoplastic Arrow Symbols	\$ 206.788	\$ 206.788	\$ 207.117	\$ 207.117	\$ 207.801	\$ 207.117	\$ 207.276	\$ 207.204	\$ 207.204	\$ 207.063	\$ 207.301
Thermoplastic Bike Lane Symbols	\$ 272.090	\$ 272.090	\$ 272.522	\$ 272.522	\$ 273.423	\$ 272.522	\$ 272.732	\$ 272.638	\$ 272.638	\$ 272.451	\$ 272.765
Obilitation Mobilization Charge	\$ 544.180	\$ 544.180	\$ 545.044	\$ 545.044	\$ 546.845	\$ 545.044	\$ 545.462	\$ 545.275	\$ 545.275	\$ 544.903	\$ 545.529
Stripe Obilitation, Hydroblast 4"	\$ 0.708	\$ 0.708	\$ 70.856	\$ 70.856	\$ 71.090	\$ 70.856	\$ 70.910	\$ 70.866	\$ 70.866	\$ 70.837	\$ 70.919
Stripe Obilitation, Hydroblast Arrows & Bike Symbols	\$ 48.977	\$ 48.977	\$ 49.054	\$ 49.054	\$ 49.216	\$ 49.054	\$ 49.092	\$ 49.074	\$ 49.074	\$ 49.041	\$ 49.098
Stripe Obilitation, Hydroblast ONLY & EXIT Legend	\$ 89.245	\$ 89.245	\$ 89.388	\$ 89.388	\$ 89.682	\$ 89.388	\$ 89.456	\$ 89.425	\$ 89.425	\$ 89.364	\$ 89.467

regional pavement maintenance



PROPOSAL NO. P-1711

August 8, 2018

MOHAVE CONTRACT: 14Y-RPMA-0317

ZONE: 1B

SUBMITTED TO:

JOB SITE:

Phx Mesa Gateway Arpt.

Ray Rd. Overnight Lot

Brett Williams

Ray Rd. & Sossaman Rd.

6033 S. Sossaman Rd.

Mesa

AZ/85212

Mesa/AZ/85212

PH: 623-879-0610

Scope of Work

	Unit	Unit Price	Total
HOT RUBBER CRACKFILL			
Mobilization Charge	4.00	\$ 334.750	\$ 1,339.000
Charge per Gallon used	1283.00	\$ 13.005	\$ 16,685.133
ASPHALTIC CONCRETE CRACK MASTIC			
Mobilization Charge	1.00	\$ 669.500	\$ 669.500
Charge per gallon for Crack Mastic (Deery or Crafo)	200.00	\$ 30.385	\$ 6,077.000
ASPHALT SURFACE TREATMENT (PMM RTU MEETING AND "EXCEEDING" HA-5 SPEC'S) Ready To Use as Manufactured & Delivered.			
Mobilization Charge	6.00	\$ 437.750	\$ 2,626.500
Charge per square foot for 1st Coat (over 250,000 sq ft)	334905.00	\$ 0.086	\$ 22,076.938
Charge per square foot for 2nd Coat (over 250,000 sq ft)	334905.00	\$ 0.049	\$ 16,557.703
STRIPING			
Mobilization Charge	6.00	\$ 77.250	\$ 463.500
4" line, charge per linear foot (restripe)	27451.00	\$ 0.107	\$ 2,940.551
Handicap stencils, charge per each	8.00	\$ 16.056	\$ 128.445
OTHER RATES			
Labor and equipment rate, \$ per man hour	44.00	\$ 66.950	\$ 2,945.800
Sweeping (Heavy Duty Vacuum Truck and/or Kick Broom) - Per Hour	8.00	\$ 77.250	\$ 618.000
ROADWAY TRAFFIC CONTROL & BARRICADES			
Barricade Mobilization Charge	1.00	\$ 56.650	\$ 56.650
Barricade De-Mobilization Charge	1.00	\$ 56.650	\$ 56.650
Verticle Panel Barricade	100.00	\$ 0.174	\$ 17.407
Caution Tape	5.00	\$ 11.330	\$ 56.650
TOTAL:		\$	73,315.43
BOND:		\$	1,099.73
TOTAL (w/ BOND):		\$	74,415.16

ALL APPLICABLE TAX INCLUDED

PROPOSAL NOTES:

1. Pricing is protected for 90 days.
2. A signed Proposal, Contract or Purchase Order is required prior to commencement of work.
3. It is your responsibility to make sure sprinklers and hard water are not sprayed on pavement 24 hours before and after application.
4. Warranty Period: One (1) Year from Date of Completion.

Thank you for the opportunity to bid your project!

Randy Bastic
 Regional Pavement Maintenance of Arizona, Inc.
 randy@regionalaz.com
 Cell #: (602) 803-6007

ACCEPTANCE OF PROPOSAL:

The above pricing, specifications and conditions are satisfactory and hereby accepted. You are authorized to do the work as specified. I understand a prelien will be filed. Payment terms are Net 30 days (please complete Billing Information below).

SIGNATURE: _____

DATE: _____

PRINT NAME: _____

TITLE: _____

OWNER INFORMATION:

If the 'Owner' contact name & address is the 'same' as "Submitted To:" on the first page of the Proposal, please check the box below. If not, please provide the correct 'Owner' information below:

Owner Information is the same as the "Submitted To:" contact on the first page of the Proposal.



PROPOSAL NO. P-1711

August 8, 2018

MOHAVE CONTRACT: 14Y-RPMA-0317

ZONE: 1B

OWNER/COMPANY NAME:

POINT OF CONTACT:

BILLING ADDRESS:

CITY/STATE/ZIP:

PHONE:

FAX:

EMAIL:

BILLING INFORMATION:

If the 'Billing' contact name & address is the 'same' as "Submitted To:" on the first page of the Proposal, please check box below. If not, please provide the correct 'Billing' information below for invoicing:

Billing Information is the same as the "Submitted To:" contact on the first page of the Proposal.

COMPANY NAME:

POINT OF CONTACT:

BILLING ADDRESS:

CITY/STATE/ZIP:

PHONE:

FAX:

EMAIL:



Legend

2018

2018

2018

PHX Mesa Gateway - Ray Rd . Overnight Lot
Green and Light Blue Areas Only

Google earth

200 ft



Regional Pavement Maintenance of Arizona Inc. - Mohave Contract Pricing

Product and Services	Phoenix 1A	Phoenix 1B	Tucson 2A	Tucson 2B	Casa Grande / Florence AREA 3	Sells AREA 4	Nogales / Sierra Vista AREA 5	Bisbee AREA 6	Wilcox AREA 7	Safford AREA 8	Globe AREA 9
Charge per each over 20	\$ 30.600	\$ 30.600	\$ 30.652	\$ 30.652	\$ 30.761	\$ 30.652	\$ 30.678	\$ 30.666	\$ 30.666	\$ 30.644	\$ 30.682
Remove and Repin Existing Wheel Stops	\$ 24.720	\$ 24.720	\$ 24.720	\$ 24.720	\$ 24.720	\$ 24.720	\$ 24.720	\$ 24.720	\$ 24.720	\$ 24.720	\$ 24.720
Haul Wheel Stops to Dump	\$ 13.390	\$ 13.390	\$ 13.390	\$ 13.390	\$ 13.390	\$ 13.390	\$ 13.390	\$ 13.390	\$ 13.390	\$ 13.390	\$ 13.390
CONCRETE SINGLE CURB											
Minimum charge	\$ 721.000	\$ 721.000	\$ 824.000	\$ 875.500	\$ 849.750	\$ 1,236.000	\$ 1,236.000	\$ 1,236.000	\$ 1,236.000	\$ 1,236.000	\$ 1,648.000
1-200 linear feet	\$ 17.759	\$ 17.759	\$ 14.232	\$ 14.232	\$ 17.852	\$ 14.232	\$ 14.243	\$ 16.701	\$ 16.701	\$ 16.690	\$ 23.011
201-400 linear feet	\$ 16.392	\$ 16.392	\$ 14.286	\$ 14.286	\$ 16.754	\$ 14.177	\$ 14.188	\$ 16.538	\$ 16.538	\$ 16.526	\$ 22.189
401-800 linear feet	\$ 15.300	\$ 15.300	\$ 13.411	\$ 13.411	\$ 15.765	\$ 13.355	\$ 13.366	\$ 14.566	\$ 14.566	\$ 14.556	\$ 19.176
801+ linear feet	\$ 13.934	\$ 13.934	\$ 13.137	\$ 13.137	\$ 14.337	\$ 13.137	\$ 13.147	\$ 14.292	\$ 14.292	\$ 14.282	\$ 18.135
CONCRETE CURB AND GUTTER											
Minimum charge	\$ 721.000	\$ 721.000	\$ 824.000	\$ 875.500	\$ 849.750	\$ 1,236.000	\$ 1,236.000	\$ 1,236.000	\$ 1,236.000	\$ 1,236.000	\$ 1,648.000
1-200 linear feet	\$ 19.671	\$ 19.671	\$ 21.895	\$ 21.895	\$ 20.324	\$ 24.083	\$ 21.912	\$ 24.095	\$ 24.095	\$ 24.077	\$ 26.846
201-400 linear feet	\$ 17.759	\$ 17.759	\$ 21.895	\$ 21.895	\$ 19.225	\$ 24.083	\$ 21.912	\$ 24.095	\$ 24.095	\$ 24.077	\$ 24.380
401-800 linear feet	\$ 16.776	\$ 16.776	\$ 19.431	\$ 19.431	\$ 17.303	\$ 21.895	\$ 19.447	\$ 21.904	\$ 21.904	\$ 21.889	\$ 21.422
801+ linear feet	\$ 11.748	\$ 11.748	\$ 18.884	\$ 18.884	\$ 15.380	\$ 21.621	\$ 19.337	\$ 21.904	\$ 21.904	\$ 21.889	\$ 19.560
HANDICAP RAMPS											
Single Ramp with Curbs (30 SF @ 4" Thick & 12 LF of 6" wide single curb)	\$ 819.637	\$ 819.637	\$ 1,016.985	\$ 1,016.985	\$ 1,020.589	\$ 1,208.560	\$ 1,159.157	\$ 1,169.681	\$ 1,187.205	\$ 1,173.204	\$ 1,078.224
Single Ramp with Wings (Per MAG Spec 223 C, 234)	\$ 1,016.350	\$ 1,016.350	\$ 1,134.120	\$ 1,134.120	\$ 1,138.138	\$ 1,332.262	\$ 1,282.961	\$ 1,293.440	\$ 1,310.963	\$ 1,296.872	\$ 1,202.043
Detectable Warning Domes (Truncated Dome Tiles)	\$ 30.600	\$ 30.600	\$ 49.262	\$ 48.167	\$ 49.437	\$ 56.925	\$ 55.878	\$ 55.856	\$ 58.046	\$ 56.910	\$ 51.500
CONCRETE FLATWORK											
Minimum charge	\$ 721.000	\$ 721.000	\$ 824.000	\$ 875.500	\$ 849.750	\$ 1,236.000	\$ 1,236.000	\$ 1,236.000	\$ 11,536.000	\$ 1,236.000	\$ 1,648.000
4 inch thick per square foot	\$ 4.481	\$ 4.481	\$ 4.379	\$ 4.379	\$ 4.614	\$ 5.473	\$ 5.094	\$ 5.640	\$ 5.640	\$ 5.745	\$ 6.246
6 inch thick per square foot	\$ 5.464	\$ 5.464	\$ 5.473	\$ 5.473	\$ 5.712	\$ 6.677	\$ 6.684	\$ 6.681	\$ 6.845	\$ 6.949	\$ 7.396
8 inch thick per square foot	\$ 6.612	\$ 6.612	\$ 6.897	\$ 6.897	\$ 6.922	\$ 7.882	\$ 7.889	\$ 7.886	\$ 8.160	\$ 8.153	\$ 9.149
CONSTRUCTION SURVEY											
Registered Surveyor (1 man and equipment), per hour rate	\$ 127.720	\$ 127.720	\$ 127.720	\$ 128.750	\$ 127.720	\$ 127.720	\$ 127.720	\$ 128.750	\$ 127.720	\$ 128.750	\$ 127.720
Non-Registered Surveyor (2 men and equipment), per hour rate	\$ 158.620	\$ 158.620	\$ 158.620	\$ 158.620	\$ 158.620	\$ 158.620	\$ 158.620	\$ 158.620	\$ 158.620	\$ 158.620	\$ 158.620
Per Diem, Per Day, Per Man for Overnight Stay	\$ 127.720	\$ 127.720	\$ 127.720	\$ 128.750	\$ 127.720	\$ 127.720	\$ 127.720	\$ 128.750	\$ 127.720	\$ 128.750	\$ 127.720
OTHER RATES											
Labor and equipment rate, \$ per man hour	\$ 66.950	\$ 66.950	\$ 66.950	\$ 66.950	\$ 66.950	\$ 66.950	\$ 66.950	\$ 66.950	\$ 66.950	\$ 66.950	\$ 66.950
Subsistence rate, \$ per man, per day	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 107.120	\$ 106.090	\$ 108.150	\$ 107.120	\$ 109.180
Sweeping (Heavy Duty Vacuum Truck and/or Kick Broom) - Mobilization Charge (Includes 4 Hour Minimum)	\$ 309.000	\$ 309.000	\$ 309.000	\$ 309.000	\$ 309.000	\$ 309.000	\$ 309.000	\$ 309.000	\$ 309.000	\$ 309.000	\$ 309.000
Sweeping (Heavy Duty Vacuum Truck and/or Kick Broom) - Per Hour	\$ 77.250	\$ 77.250	\$ 77.250	\$ 77.250	\$ 77.250	\$ 77.250	\$ 77.250	\$ 77.250	\$ 77.250	\$ 77.250	\$ 77.250
ROAD STRIPING ONLY											
Paint Mobilization Charge	\$ 515.000	\$ 515.000	\$ 875.500	\$ 901.250	\$ 695.250	\$ 927.000	\$ 1,030.000	\$ 1,184.500	\$ 1,184.500	\$ 1,107.250	\$ 824.000
Minimum Charge	\$ 618.000	\$ 618.000	\$ 1,030.000	\$ 1,030.000	\$ 824.000	\$ 1,133.000	\$ 1,545.000	\$ 1,648.000	\$ 1,648.000	\$ 1,545.000	\$ 1,030.000
Paint 4" Line w/Glass Bead 0-1000 LF	\$ 0.242	\$ 0.242	\$ 0.242	\$ 0.242	\$ 0.243	\$ 0.242	\$ 0.242	\$ 0.242	\$ 0.242	\$ 0.242	\$ 0.242
Paint 4" Line w/Glass Bead 1001-5000 LF	\$ 0.181	\$ 0.181	\$ 0.182	\$ 0.182	\$ 0.182	\$ 0.182	\$ 0.182	\$ 0.182	\$ 0.182	\$ 0.182	\$ 0.182
Paint 4" Line w/Glass Bead 5001+ LF	\$ 0.145	\$ 0.145	\$ 0.145	\$ 0.145	\$ 0.145	\$ 0.145	\$ 0.145	\$ 0.145	\$ 0.145	\$ 0.145	\$ 0.145
Paint 8" Line w/Glass Bead 0-1000 LF	\$ 0.483	\$ 0.483	\$ 0.484	\$ 0.484	\$ 0.485	\$ 0.484	\$ 0.484	\$ 0.484	\$ 0.484	\$ 0.484	\$ 0.484
Paint 8" Line w/Glass Bead 1001-5000 LF	\$ 0.363	\$ 0.363	\$ 0.363	\$ 0.363	\$ 0.363	\$ 0.363	\$ 0.364	\$ 0.364	\$ 0.364	\$ 0.363	\$ 0.364
Paint 8" Line w/Glass Bead 5001+ LF	\$ 0.290	\$ 0.290	\$ 0.291	\$ 0.291	\$ 0.293	\$ 0.291	\$ 0.291	\$ 0.291	\$ 0.291	\$ 0.291	\$ 0.291
Paint 12" Line w/Glass Bead 0-500 LF	\$ 0.726	\$ 0.726	\$ 0.727	\$ 0.727	\$ 0.729	\$ 0.727	\$ 0.727	\$ 0.727	\$ 0.727	\$ 0.727	\$ 0.728
Paint 12" Line w/Glass Bead 501-2000 LF	\$ 0.544	\$ 0.544	\$ 0.545	\$ 0.545	\$ 0.547	\$ 0.545	\$ 0.545	\$ 0.545	\$ 0.545	\$ 0.545	\$ 0.546
Paint 8" Line w/Glass Bead 2001+ LF	\$ 0.363	\$ 0.363	\$ 0.363	\$ 0.363	\$ 0.365	\$ 0.363	\$ 0.364	\$ 0.364	\$ 0.364	\$ 0.363	\$ 0.364
Thermoplastic Mobilization Charge	\$ 544.180	\$ 544.180	\$ 545.044	\$ 545.044	\$ 546.845	\$ 545.044	\$ 545.462	\$ 545.275	\$ 545.275	\$ 544.903	\$ 545.529
Thermoplastic 4" Line 0-1000 LF	\$ 0.606	\$ 0.606	\$ 0.606	\$ 0.606	\$ 0.608	\$ 0.606	\$ 0.607	\$ 0.607	\$ 0.607	\$ 0.606	\$ 0.607
Thermoplastic 4" Line 1001 - 5000 LF	\$ 0.544	\$ 0.544	\$ 0.545	\$ 0.545	\$ 0.547	\$ 0.545	\$ 0.546	\$ 0.545	\$ 0.545	\$ 0.545	\$ 0.546
Thermoplastic 4" Line 5001+ LF	\$ 0.483	\$ 0.483	\$ 0.484	\$ 0.484	\$ 0.485	\$ 0.484	\$ 0.484	\$ 0.484	\$ 0.484	\$ 0.484	\$ 0.484
Thermoplastic 8" Line 1000 LF	\$ 1.209	\$ 1.209	\$ 1.211	\$ 1.211	\$ 1.215	\$ 1.211	\$ 1.212	\$ 1.211	\$ 1.211	\$ 1.211	\$ 1.212
Thermoplastic 8" Line 1001 - 5000 LF	\$ 1.089	\$ 1.089	\$ 1.090	\$ 1.090	\$ 1.094	\$ 1.090	\$ 1.091	\$ 1.091	\$ 1.091	\$ 1.090	\$ 1.091
Thermoplastic 8" Line 5001+ LF	\$ 0.967	\$ 0.967	\$ 0.969	\$ 0.969	\$ 0.972	\$ 0.969	\$ 0.970	\$ 0.969	\$ 0.969	\$ 0.969	\$ 0.970
Thermoplastic 12" Line 0-500 LF	\$ 1.814	\$ 1.814	\$ 1.817	\$ 1.817	\$ 1.823	\$ 1.817	\$ 1.819	\$ 1.818	\$ 1.818	\$ 1.817	\$ 1.819
Thermoplastic 12" Line 501 - 2000 LF	\$ 1.693	\$ 1.693	\$ 1.696	\$ 1.696	\$ 1.702	\$ 1.696	\$ 1.697	\$ 1.696	\$ 1.696	\$ 1.695	\$ 1.697
Thermoplastic 12" Line 2000+ LF	\$ 1.633	\$ 1.633	\$ 1.636	\$ 1.636	\$ 1.641	\$ 1.636	\$ 1.637	\$ 1.636	\$ 1.636	\$ 1.635	\$ 1.637
Thermoplastic Arrow Symbols	\$ 206.788	\$ 206.788	\$ 207.117	\$ 207.117	\$ 207.801	\$ 207.117	\$ 207.276	\$ 207.204	\$ 207.204	\$ 207.063	\$ 207.301
Thermoplastic Bike Lane Symbols	\$ 272.090	\$ 272.090	\$ 272.522	\$ 272.522	\$ 273.423	\$ 272.522	\$ 272.732	\$ 272.638	\$ 272.638	\$ 272.451	\$ 272.765
Obliteration Mobilization Charge	\$ 544.180	\$ 544.180	\$ 545.044	\$ 545.044	\$ 546.845	\$ 545.044	\$ 545.462	\$ 545.275	\$ 545.275	\$ 544.903	\$ 545.529
Stripe Obliteration, Hydroblast 4"	\$ 0.708	\$ 0.708	\$ 70.856	\$ 70.856	\$ 71.090	\$ 70.856	\$ 70.910	\$ 70.886	\$ 70.886	\$ 70.837	\$ 70.919
Stripe Obliteration, Hydroblast Arrows & Bike Symbols	\$ 48.977	\$ 48.977	\$ 49.054	\$ 49.054	\$ 49.216	\$ 49.054	\$ 49.092	\$ 49.074	\$ 49.074	\$ 49.041	\$ 49.098
Stripe Obliteration, Hydroblast ONLY & EXIT Legend	\$ 89.245	\$ 89.245	\$ 89.388	\$ 89.388	\$ 89.682	\$ 89.388	\$ 89.456	\$ 89.425	\$ 89.425	\$ 89.364	\$ 89.467

Product and Services	Phoenix 1A	Phoenix 1B	Tucson 2A	Tucson 2B	Casa Grande / Florence AREA 3	Salls AREA 4	Nogales / Sierra Vista AREA 5	Bisbee AREA 6	Wilcox AREA 7	Safford AREA 8	Globe AREA 9
Striping Survey Crew	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4" Type 1 Tape (Cold application)	\$ 2,564	\$ 2,564	\$ 2,568	\$ 2,568	\$ 2,577	\$ 2,568	\$ 2,570	\$ 2,569	\$ 2,569	\$ 2,568	\$ 2,571
ROADWAY TRAFFIC CONTROL & BARRICADES											
Barricade Mobilization Charge	\$ 56,650	\$ 56,650	\$ 154,500	\$ 154,500	\$ 103,000	\$ 206,000	\$ 206,000	\$ 231,750	\$ 283,250	\$ 231,750	\$ 133,900
Barricade De-Mobilization Charge	\$ 56,650	\$ 56,650	\$ 154,500	\$ 154,500	\$ 103,000	\$ 206,000	\$ 206,000	\$ 231,750	\$ 283,250	\$ 231,750	\$ 133,900
Minimum Charge	\$ 154,500	\$ 154,500	\$ 309,000	\$ 309,000	\$ 257,500	\$ 360,500	\$ 412,000	\$ 463,500	\$ 515,000	\$ 463,500	\$ 309,000
Arrow Board (Trailer Mount)	\$ 11,330	\$ 11,330	\$ 11,330	\$ 11,330	\$ 11,330	\$ 11,330	\$ 11,330	\$ 11,330	\$ 11,330	\$ 11,330	\$ 11,330
Light Tower	\$ 87,550	\$ 87,550	\$ 87,550	\$ 87,550	\$ 87,550	\$ 87,550	\$ 87,550	\$ 87,550	\$ 87,550	\$ 87,550	\$ 87,550
Variable Message Center	\$ 56,650	\$ 56,650	\$ 56,650	\$ 56,650	\$ 56,650	\$ 56,650	\$ 56,650	\$ 56,650	\$ 56,650	\$ 56,650	\$ 56,650
Warning Light - Type A (each, per day)	\$ 0.115	\$ 0.115	\$ 0.115	\$ 0.115	\$ 0.115	\$ 0.115	\$ 0.115	\$ 0.115	\$ 0.115	\$ 0.115	\$ 0.115
Warning Light - Type C (each, per day)	\$ 0.138	\$ 0.138	\$ 0.138	\$ 0.138	\$ 0.138	\$ 0.138	\$ 0.138	\$ 0.138	\$ 0.138	\$ 0.138	\$ 0.138
Verticle Panel Barricade	\$ 0.174	\$ 0.174	\$ 0.174	\$ 0.174	\$ 0.174	\$ 0.174	\$ 0.174	\$ 0.174	\$ 0.174	\$ 0.174	\$ 0.174
Type 1 & 2 Barricades	\$ 0.174	\$ 0.174	\$ 0.174	\$ 0.174	\$ 0.174	\$ 0.174	\$ 0.174	\$ 0.174	\$ 0.174	\$ 0.174	\$ 0.174
Type 3 Barricades	\$ 0.464	\$ 0.464	\$ 0.464	\$ 0.464	\$ 0.464	\$ 0.464	\$ 0.464	\$ 0.464	\$ 0.464	\$ 0.464	\$ 0.464
Small Sign 10 SF	\$ 0.232	\$ 0.232	\$ 0.232	\$ 0.232	\$ 0.232	\$ 0.232	\$ 0.232	\$ 0.232	\$ 0.232	\$ 0.232	\$ 0.232
Medium Sign 10-16 SF	\$ 0.347	\$ 0.347	\$ 0.347	\$ 0.347	\$ 0.347	\$ 0.347	\$ 0.347	\$ 0.347	\$ 0.347	\$ 0.347	\$ 0.347
Large Sign 16+ SF	\$ 0.579	\$ 0.579	\$ 0.579	\$ 0.579	\$ 0.579	\$ 0.579	\$ 0.579	\$ 0.579	\$ 0.579	\$ 0.579	\$ 0.579
Sign Cover	\$ 0.232	\$ 0.232	\$ 0.232	\$ 0.232	\$ 0.232	\$ 0.232	\$ 0.232	\$ 0.232	\$ 0.232	\$ 0.232	\$ 0.232
Stop/Slow Paddle	\$ 0.869	\$ 0.869	\$ 0.869	\$ 0.869	\$ 0.869	\$ 0.869	\$ 0.869	\$ 0.869	\$ 0.869	\$ 0.869	\$ 0.869
Spring Stand	\$ 0.869	\$ 0.869	\$ 0.869	\$ 0.869	\$ 0.869	\$ 0.869	\$ 0.869	\$ 0.869	\$ 0.869	\$ 0.869	\$ 0.869
Portable Sign Stand 10 SF	\$ 0.347	\$ 0.347	\$ 0.347	\$ 0.347	\$ 0.347	\$ 0.347	\$ 0.347	\$ 0.347	\$ 0.347	\$ 0.347	\$ 0.347
Portable Sign Stand 10+ SF	\$ 0.579	\$ 0.579	\$ 0.579	\$ 0.579	\$ 0.579	\$ 0.579	\$ 0.579	\$ 0.579	\$ 0.579	\$ 0.579	\$ 0.579
U Channel Post	\$ 0.406	\$ 0.406	\$ 0.406	\$ 0.406	\$ 0.406	\$ 0.406	\$ 0.406	\$ 0.406	\$ 0.406	\$ 0.406	\$ 0.406
High Level Warning Device	\$ 0.579	\$ 0.579	\$ 0.579	\$ 0.579	\$ 0.579	\$ 0.579	\$ 0.579	\$ 0.579	\$ 0.579	\$ 0.579	\$ 0.579
28" Traffic Cones	\$ 0.174	\$ 0.174	\$ 0.174	\$ 0.174	\$ 0.174	\$ 0.174	\$ 0.174	\$ 0.174	\$ 0.174	\$ 0.174	\$ 0.174
28" Reflective Traffic Cones	\$ 0.174	\$ 0.174	\$ 0.174	\$ 0.174	\$ 0.174	\$ 0.174	\$ 0.174	\$ 0.174	\$ 0.174	\$ 0.174	\$ 0.174
Remove Surface Mount Delineator Posts, per EA	\$ 17,273	\$ 17,273	\$ 17,273	\$ 17,273	\$ 17,273	\$ 17,791	\$ 17,791	\$ 17,791	\$ 17,791	\$ 17,791	\$ 17,791
Install Surface Mount Delineator Posts, per EA	\$ 122,055	\$ 122,055	\$ 122,055	\$ 122,055	\$ 122,055	\$ 125,717	\$ 125,717	\$ 125,717	\$ 125,717	\$ 125,717	\$ 125,717
Pedestrian Fence	\$ 2,060	\$ 2,060	\$ 2,060	\$ 2,060	\$ 2,060	\$ 2,060	\$ 2,060	\$ 2,060	\$ 2,060	\$ 2,060	\$ 2,060
Wheel Chair Ramps	\$ 1,133	\$ 1,133	\$ 1,133	\$ 1,133	\$ 1,133	\$ 1,133	\$ 1,133	\$ 1,133	\$ 1,133	\$ 1,133	\$ 1,133
Portable Water Barrier	\$ 3,708	\$ 3,708	\$ 3,708	\$ 3,708	\$ 3,708	\$ 3,708	\$ 3,708	\$ 3,708	\$ 3,708	\$ 3,708	\$ 3,708
Specialty Signs	\$ 8,240	\$ 8,240	\$ 8,240	\$ 8,240	\$ 8,240	\$ 8,240	\$ 8,240	\$ 8,240	\$ 8,240	\$ 8,240	\$ 8,240
16 Foot Trailer	\$ 3,914	\$ 3,914	\$ 3,914	\$ 3,914	\$ 3,914	\$ 3,914	\$ 3,914	\$ 3,914	\$ 3,914	\$ 3,914	\$ 3,914
Traffic Control Plans	\$ 56,650	\$ 56,650	\$ 56,650	\$ 56,650	\$ 56,650	\$ 56,650	\$ 56,650	\$ 56,650	\$ 56,650	\$ 56,650	\$ 56,650
Sand Bags (full)	\$ 0.058	\$ 0.058	\$ 0.058	\$ 0.058	\$ 0.058	\$ 0.058	\$ 0.058	\$ 0.058	\$ 0.058	\$ 0.058	\$ 0.058
Flags on Dowels	\$ 0.058	\$ 0.058	\$ 0.058	\$ 0.058	\$ 0.058	\$ 0.058	\$ 0.058	\$ 0.058	\$ 0.058	\$ 0.058	\$ 0.058
Caution Tape	\$ 11,330	\$ 11,330	\$ 11,330	\$ 11,330	\$ 11,330	\$ 11,330	\$ 11,330	\$ 11,330	\$ 11,330	\$ 11,330	\$ 11,330
1 Man 1 Truck	\$ 44,805	\$ 44,805	\$ 44,805	\$ 44,805	\$ 44,805	\$ 44,805	\$ 44,805	\$ 44,805	\$ 44,805	\$ 44,805	\$ 44,805
2 Man 1 Truck	\$ 75,190	\$ 75,190	\$ 75,190	\$ 75,190	\$ 75,190	\$ 75,190	\$ 75,190	\$ 75,190	\$ 75,190	\$ 75,190	\$ 75,190
Shadow Truck	\$ 44,290	\$ 44,290	\$ 44,290	\$ 44,290	\$ 44,290	\$ 44,290	\$ 44,290	\$ 44,290	\$ 44,290	\$ 44,290	\$ 44,290
Flagger	\$ 39,140	\$ 39,140	\$ 39,140	\$ 39,140	\$ 39,140	\$ 39,140	\$ 39,140	\$ 39,140	\$ 39,140	\$ 39,140	\$ 39,140
Flagger w/Truck	\$ 44,290	\$ 44,290	\$ 44,290	\$ 44,290	\$ 44,290	\$ 44,290	\$ 44,290	\$ 44,290	\$ 44,290	\$ 44,290	\$ 44,290
Crash Attenuator	\$ 115,360	\$ 115,360	\$ 115,360	\$ 115,360	\$ 115,360	\$ 115,360	\$ 115,360	\$ 115,360	\$ 115,360	\$ 115,360	\$ 115,360
Crash Attenuator Operator (8hr minimum)	\$ 40,170	\$ 40,170	\$ 40,170	\$ 40,170	\$ 40,170	\$ 40,170	\$ 40,170	\$ 40,170	\$ 40,170	\$ 40,170	\$ 40,170
Per Diem (Per Man, Per Truck) (Note: Traffic control company NC 3/1/10)	\$ 115,360	\$ 115,360	\$ 115,360	\$ 115,360	\$ 115,360	\$ 115,360	\$ 115,360	\$ 115,360	\$ 115,360	\$ 115,360	\$ 115,360

Regional Pavement Maintenance of Arizona Inc. - Mohave Contract Pricing

Product and Services	Phoenix 1A	Phoenix 1B	Tucson 2A	Tucson 2B	Casa Grande / Florence AREA 3	Sells AREA 4	Nogales / Sierra Vista AREA 5	Bisbee AREA 6	Wilcox AREA 7	Safford AREA 8	Globe AREA 9
Minimum Charge	\$ 2,370.030	\$ 2,370.030	\$ 2,832.500	\$ 2,832.500	\$ 2,369.000	\$ 2,369.000	\$ 3,088.970	\$ 3,605.000	\$ 3,605.000	\$ 4,377.500	\$ 3,605.000
Charge per square foot 0-100,000 sq ft	\$ 0.240	\$ 0.240	\$ 0.241	\$ 0.241	\$ 0.264	\$ 0.263	\$ 0.274	\$ 0.274	\$ 0.274	\$ 0.274	\$ 0.274
Charge per square foot over 100,000 sq ft	\$ 0.235	\$ 0.235	\$ 0.236	\$ 0.236	\$ 0.252	\$ 0.251	\$ 0.263	\$ 0.263	\$ 0.263	\$ 0.263	\$ 0.263
POLYMER MODIFIED SLURRY SEAL											
Mobilization Charge	\$ 947.600	\$ 952.750	\$ 1,339.000	\$ 1,364.750	\$ 927.000	\$ 927.000	\$ 927.000	\$ 1,951.850	\$ 1,951.850	\$ 2,703.750	\$ 1,951.850
Minimum Charge	\$ 2,370.030	\$ 2,370.030	\$ 2,832.500	\$ 2,832.500	\$ 2,369.000	\$ 2,369.000	\$ 3,088.970	\$ 3,605.000	\$ 3,605.000	\$ 4,377.500	\$ 3,605.000
Charge per square foot 0-100,000 sq ft	\$ 0.263	\$ 0.263	\$ 0.263	\$ 0.263	\$ 0.297	\$ 0.296	\$ 0.307	\$ 0.307	\$ 0.307	\$ 0.307	\$ 0.307
Charge per square foot over 100,000 sq ft	\$ 0.251	\$ 0.251	\$ 0.251	\$ 0.251	\$ 0.285	\$ 0.284	\$ 0.296	\$ 0.296	\$ 0.296	\$ 0.296	\$ 0.296
MIGRO SEAL											
Mobilization Charge	\$ 3,605.000	\$ 3,605.000	\$ 3,862.500	\$ 3,862.500	\$ 4,377.500	\$ 4,377.500	\$ 4,377.500	\$ 4,377.500	\$ 4,635.000	\$ 4,635.000	\$ 4,635.000
Minimum Charge	\$ 4,223.000	\$ 4,223.000	\$ 4,429.000	\$ 4,429.000	\$ 5,150.000	\$ 5,150.000	\$ 5,150.000	\$ 5,150.000	\$ 5,253.000	\$ 5,253.000	\$ 5,253.000
Charge per square foot 0-100,000 sq ft	\$ 0.602	\$ 0.602	\$ 0.603	\$ 0.603	\$ 0.638	\$ 0.634	\$ 0.636	\$ 0.636	\$ 0.636	\$ 0.634	\$ 0.636
Charge per square foot over 100,000 sq ft	\$ 0.579	\$ 0.579	\$ 0.580	\$ 0.580	\$ 0.615	\$ 0.613	\$ 0.614	\$ 0.613	\$ 0.613	\$ 0.613	\$ 0.614
SINGLE CHIP SEAL											
Mobilization Charge	\$ 1,854.000	\$ 1,854.000	\$ 2,719.200	\$ 2,719.200	\$ 2,719.200	\$ 3,399.000	\$ 5,098.500	\$ 5,098.500	\$ 5,778.300	\$ 5,778.300	\$ 5,098.500
Minimum Charge	\$ 3,708.000	\$ 3,708.000	\$ 4,429.000	\$ 4,429.000	\$ 4,429.000	\$ 5,150.000	\$ 5,150.000	\$ 5,150.000	\$ 5,253.000	\$ 5,253.000	\$ 5,253.000
Charge per square yard	\$ 2.039	\$ 2.039	\$ 4.759	\$ 4.759	\$ 4.759	\$ 5.109	\$ 5.109	\$ 5.109	\$ 5.109	\$ 5.438	\$ 5.438
DOUBLE CHIP SEAL											
Mobilization Charge	\$ 1,730.400	\$ 1,730.400	\$ 2,719.200	\$ 2,719.200	\$ 2,719.200	\$ 3,399.000	\$ 5,098.500	\$ 5,098.500	\$ 5,778.300	\$ 5,778.300	\$ 5,098.500
Minimum Charge	\$ 3,708.000	\$ 3,708.000	\$ 4,429.000	\$ 4,429.000	\$ 4,429.000	\$ 5,150.000	\$ 5,150.000	\$ 5,150.000	\$ 5,253.000	\$ 5,253.000	\$ 5,253.000
Charge per square yard	\$ 7.416	\$ 7.416	\$ 9.517	\$ 9.517	\$ 9.517	\$ 10.218	\$ 10.218	\$ 10.218	\$ 10.218	\$ 10.877	\$ 10.877
STRIPING											
Mobilization Charge	\$ 77.250	\$ 77.250	\$ 128.750	\$ 77.250	\$ 154.500	\$ 154.500	\$ 154.500	\$ 360.500	\$ 360.500	\$ 437.750	\$ 360.500
Minimum Charge	\$ 154.500	\$ 154.500	\$ 180.250	\$ 180.250	\$ 231.750	\$ 231.750	\$ 230.720	\$ 515.000	\$ 515.000	\$ 618.000	\$ 515.000
4" line, charge per linear foot (restripe)	\$ 0.118	\$ 0.107	\$ 0.118	\$ 0.118	\$ 0.119	\$ 0.119	\$ 0.119	\$ 0.119	\$ 0.119	\$ 0.118	\$ 0.119
4" line, charge per linear foot (new layout)	\$ 0.155	\$ 0.105	\$ 0.155	\$ 0.155	\$ 0.155	\$ 0.155	\$ 0.155	\$ 0.155	\$ 0.155	\$ 0.155	\$ 0.155
4" line, Hash-Out Striping (restripe)	\$ 0.145	\$ 0.145	\$ 0.145	\$ 0.145	\$ 0.146	\$ 0.145	\$ 0.146	\$ 0.146	\$ 0.146	\$ 0.146	\$ 0.146
4" line, Hash-Out Striping (layout)	\$ 0.337	\$ 0.337	\$ 0.338	\$ 0.338	\$ 0.338	\$ 0.338	\$ 0.338	\$ 0.338	\$ 0.338	\$ 0.338	\$ 0.338
Curb (top and face), charge per linear foot	\$ 0.475	\$ 0.323	\$ 0.476	\$ 0.476	\$ 0.477	\$ 0.476	\$ 0.476	\$ 0.476	\$ 0.476	\$ 0.476	\$ 0.476
Handicap stencils, charge per each	\$ 16.056	\$ 16.056	\$ 16.074	\$ 16.074	\$ 16.111	\$ 16.074	\$ 16.082	\$ 16.078	\$ 16.078	\$ 16.071	\$ 16.084
Arrows, charge per each	\$ 8.028	\$ 8.028	\$ 8.037	\$ 8.037	\$ 8.056	\$ 8.037	\$ 8.041	\$ 8.039	\$ 8.039	\$ 8.035	\$ 8.042
4 inch numbers/letters, charge per each	\$ 0.595	\$ 0.536	\$ 0.595	\$ 0.595	\$ 0.597	\$ 0.595	\$ 0.596	\$ 0.596	\$ 0.596	\$ 0.595	\$ 0.596
10 inch numbers/letters, charge per each	\$ 0.892	\$ 0.802	\$ 0.893	\$ 0.893	\$ 0.895	\$ 0.893	\$ 0.893	\$ 0.893	\$ 0.893	\$ 0.892	\$ 0.893
24 inch numbers/letters, charge per each	\$ 1.338	\$ 1.338	\$ 1.339	\$ 1.339	\$ 1.343	\$ 1.339	\$ 1.340	\$ 1.340	\$ 1.340	\$ 1.339	\$ 1.340
Speed Bump stripe, charge per each	\$ 28.901	\$ 28.901	\$ 28.933	\$ 28.933	\$ 29.001	\$ 28.933	\$ 28.949	\$ 28.942	\$ 28.942	\$ 28.928	\$ 28.951
Speed Hump stripe, charge per each	\$ 52.450	\$ 52.450	\$ 52.508	\$ 52.508	\$ 52.631	\$ 52.508	\$ 52.537	\$ 52.524	\$ 52.524	\$ 52.499	\$ 52.541
Wheel stops, charge to paint each	\$ 5.887	\$ 5.887	\$ 5.894	\$ 5.894	\$ 5.907	\$ 5.894	\$ 5.897	\$ 5.896	\$ 5.896	\$ 5.893	\$ 5.898
Bollards, charge to paint each	\$ 9.366	\$ 9.366	\$ 9.376	\$ 9.376	\$ 9.399	\$ 9.376	\$ 9.381	\$ 9.379	\$ 9.379	\$ 9.375	\$ 9.382
Remove Existing Sign & Post	\$ 80.280	\$ 80.280	\$ 80.370	\$ 80.370	\$ 80.557	\$ 80.370	\$ 80.413	\$ 80.394	\$ 80.394	\$ 80.355	\$ 80.420
Install Stop Sign & Post	\$ 267.601	\$ 267.601	\$ 267.900	\$ 267.900	\$ 268.523	\$ 267.900	\$ 268.045	\$ 267.980	\$ 267.980	\$ 267.852	\$ 268.068
Fire Lane Sign & Post Single Sided	\$ 133.800	\$ 133.800	\$ 133.949	\$ 133.949	\$ 134.262	\$ 133.949	\$ 134.023	\$ 133.990	\$ 133.990	\$ 133.926	\$ 134.034
Handicapped Sign & Post - Single Sided	\$ 133.800	\$ 133.800	\$ 133.949	\$ 133.949	\$ 134.262	\$ 133.949	\$ 134.023	\$ 133.990	\$ 133.990	\$ 133.926	\$ 134.034
Double Sided Sign & Post	\$ 187.321	\$ 187.321	\$ 187.530	\$ 187.530	\$ 187.966	\$ 187.530	\$ 187.631	\$ 187.586	\$ 187.586	\$ 187.496	\$ 187.647
Ceramic Reflectors (Installed)	\$ 4.282	\$ 4.282	\$ 4.287	\$ 4.287	\$ 4.296	\$ 4.287	\$ 4.289	\$ 4.288	\$ 4.288	\$ 4.286	\$ 4.289
Square Reflectors (Installed)	\$ 4.282	\$ 4.282	\$ 4.287	\$ 4.287	\$ 4.296	\$ 4.287	\$ 4.289	\$ 4.288	\$ 4.288	\$ 4.286	\$ 4.289
Blue Reflectors (Installed)	\$ 5.352	\$ 5.352	\$ 5.358	\$ 5.358	\$ 5.370	\$ 5.358	\$ 5.361	\$ 5.359	\$ 5.359	\$ 5.357	\$ 5.361
ASPHALT EDGE MILLING 2 FEET WIDE											
Mobilization Charge	\$ 2,214.500	\$ 2,240.250	\$ 3,090.000	\$ 3,193.000	\$ 2,781.000	\$ 3,296.000	\$ 3,708.000	\$ 4,068.500	\$ 4,248.750	\$ 4,454.750	\$ 3,399.000
Minimum Charge	\$ 3,090.000	\$ 3,090.000	\$ 4,120.000	\$ 4,223.000	\$ 3,811.000	\$ 4,635.000	\$ 4,944.000	\$ 5,150.000	\$ 5,665.000	\$ 5,665.000	\$ 4,635.000
Charge per square foot	\$ 0.170	\$ 0.170	\$ 0.170	\$ 0.170	\$ 0.170	\$ 0.170	\$ 0.216	\$ 0.216	\$ 0.216	\$ 0.216	\$ 0.216
ASPHALT MILLING 6 FEET WIDE											
Mobilization Charge	\$ 2,214.500	\$ 2,240.250	\$ 3,090.000	\$ 3,193.000	\$ 2,781.000	\$ 3,296.000	\$ 3,708.000	\$ 4,068.500	\$ 4,248.750	\$ 4,454.750	\$ 3,399.000
Minimum Charge	\$ 3,090.000	\$ 3,090.000	\$ 4,120.000	\$ 4,223.000	\$ 3,811.000	\$ 4,635.000	\$ 4,944.000	\$ 5,150.000	\$ 5,665.000	\$ 5,665.000	\$ 4,635.000
Charge per square foot per 1 inch in depth of milling	\$ 0.185	\$ 0.185	\$ 0.185	\$ 0.185	\$ 0.185	\$ 0.185	\$ 0.227	\$ 0.227	\$ 0.227	\$ 0.227	\$ 0.227
ASPHALT PULVERIZING											
Mobilization Charge	\$ 1,133.000	\$ 1,133.000	\$ 1,957.000	\$ 1,957.000	\$ 1,596.500	\$ 1,982.750	\$ 2,446.250	\$ 2,755.250	\$ 2,466.850	\$ 2,466.850	\$ 1,982.750
Minimum Charge	\$ 2,884.000	\$ 2,884.000	\$ 3,605.000	\$ 3,605.000	\$ 3,296.000	\$ 3,605.000	\$ 3,914.000	\$ 4,223.000	\$ 3,914.000	\$ 3,914.000	\$ 3,605.000
Charge per square foot 0 - 50,000 square feet + mobilization charge	\$ 0.031	\$ 0.036	\$ 0.036	\$ 0.036	\$ 0.036	\$ 0.036	\$ 0.036	\$ 0.036	\$ 0.036	\$ 0.036	\$ 0.036
Per square foot over 50,001 square feet + mobilization charge	\$ 0.031	\$ 0.036	\$ 0.036	\$ 0.036	\$ 0.036	\$ 0.036	\$ 0.036	\$ 0.036	\$ 0.036	\$ 0.036	\$ 0.036
LIME SOIL STABILIZATION (Lime Slurry/MAG309, Soil Cement MAG311, Quicklime)											
Mobilization Charge	\$ 2,781.000	\$ 2,781.000	\$ 3,914.000	\$ 3,914.000	\$ 3,399.000	\$ 3,914.000	\$ 4,532.000	\$ 4,532.000	\$ 5,047.000	\$ 4,532.000	\$ 3,914.000

Product and Services	Phoenix 1A	Phoenix 1B	Tucson 2A	Tucson 2B	Casa Grande / Florence AREA 3	Salis AREA 4	Nogales / Sierra Vista AREA 5	Bisbee AREA 6	Wilcox AREA 7	Safford AREA 8	Globe AREA 9
Minimum Charge	\$ 3,605.000	\$ 3,605.000	\$ 4,944.000	\$ 4,944.000	\$ 4,429.000	\$ 5,047.000	\$ 5,665.000	\$ 5,665.000	\$ 6,180.000	\$ 5,665.000	\$ 5,150.000
Charge per square foot per 8 inch depth	\$ 0.322	\$ 0.322	\$ 0.323	\$ 0.323	\$ 0.324	\$ 0.323	\$ 0.342	\$ 0.356	\$ 0.356	\$ 0.342	\$ 0.323
Charge per square foot per 12 inch depth	\$ 0.449	\$ 0.449	\$ 0.450	\$ 0.450	\$ 0.451	\$ 0.450	\$ 0.471	\$ 0.482	\$ 0.482	\$ 0.471	\$ 0.452
GRADE/PLACE ABC											
Mobilization Charge	\$ 412.000	\$ 360.500	\$ 412.000	\$ 412.000	\$ 1,236.000	\$ 1,442.000	\$ 1,236.000	\$ 2,163.000	\$ 2,266.000	\$ 2,884.000	\$ 1,339.000
Minimum Charge	\$ 721.000	\$ 669.500	\$ 772.500	\$ 772.500	\$ 1,854.000	\$ 2,060.000	\$ 2,060.000	\$ 3,090.000	\$ 3,090.000	\$ 4,120.000	\$ 2,472.000
Charge per square foot times thickness in inches of ABC	\$ 0.098	\$ 0.082	\$ 0.100	\$ 0.100	\$ 0.110	\$ 0.109	\$ 0.109	\$ 0.109	\$ 0.109	\$ 0.109	\$ 0.142
Charge per square foot times thickness in inches of ABC (over 45000 square feet)	\$ 0.082	\$ 0.069	\$ 0.082	\$ 0.082	\$ 0.110	\$ 0.111	\$ 0.109	\$ 0.109	\$ 0.109	\$ 0.109	\$ 0.121
Charge per square foot times thickness in inches of ABC (over 90000 square feet)	\$ 0.078	\$ 0.066	\$ 0.078	\$ 0.078	\$ 0.110	\$ 0.111	\$ 0.109	\$ 0.109	\$ 0.109	\$ 0.109	\$ 0.121
DEMO/HAUL ASPHALT, DIRT, ETC											
Mobilization Charge	\$ 185.400	\$ 185.400	\$ 185.400	\$ 187.460	\$ 1,236.000	\$ 1,442.000	\$ 1,236.000	\$ 2,188.750	\$ 2,266.000	\$ 2,909.750	\$ 360.500
Mobilization Charge (over 250 cubic yards)	\$ 412.000	\$ 360.500	\$ 412.000	\$ 412.000	\$ 1,236.000	\$ 1,442.000	\$ 1,236.000	\$ 2,188.750	\$ 2,266.000	\$ 2,909.750	\$ 1,133.000
Mobilization Charge (over 500 cubic yards)	\$ 412.000	\$ 360.500	\$ 412.000	\$ 412.000	\$ 1,236.000	\$ 1,442.000	\$ 1,236.000	\$ 2,188.750	\$ 2,266.000	\$ 2,909.750	\$ 1,133.000
Charge per cubic yard of material	\$ 28.840	\$ 26.780	\$ 28.840	\$ 28.840	\$ 35.020	\$ 36.050	\$ 35.020	\$ 35.020	\$ 35.020	\$ 35.020	\$ 37.080
Charge per cubic yard of material (over 250 cubic yards)	\$ 22.660	\$ 22.660	\$ 22.660	\$ 22.660	\$ 35.020	\$ 23.690	\$ 23.690	\$ 23.690	\$ 23.690	\$ 23.690	\$ 29.870
Charge per cubic yard of material (over 500 cubic yards)	\$ 21.630	\$ 18.540	\$ 21.630	\$ 21.630	\$ 23.690	\$ 23.690	\$ 23.690	\$ 23.690	\$ 23.690	\$ 23.690	\$ 26.780
SITE GRADING (Moving/Excavating Dirt - On Site, No Haul Off)											
Mobilization Charge	\$ 849.750	\$ 849.750	\$ 849.750	\$ 872.863	\$ 2,987.000	\$ 3,502.000	\$ 2,961.250	\$ 5,150.000	\$ 5,453.850	\$ 7,081.250	\$ 2,369.000
Mobilization Charge (over 3200 cubic yards)	\$ 1,133.000	\$ 1,133.000	\$ 1,133.000	\$ 1,133.000	\$ 2,987.000	\$ 3,502.000	\$ 2,961.250	\$ 5,150.000	\$ 5,453.850	\$ 7,081.250	\$ 3,399.000
Charge per cubic yard	\$ 7.931	\$ 7.931	\$ 7.931	\$ 7.931	\$ 40.170	\$ 4.120	\$ 4.017	\$ 4.017	\$ 4.017	\$ 4.017	\$ 8.034
Charge per cubic yard (over 1500 cubic yards)	\$ 4.017	\$ 4.017	\$ 4.017	\$ 4.017	\$ 40.170	\$ 4.120	\$ 4.017	\$ 4.017	\$ 4.017	\$ 4.017	\$ 4.017
Charge per cubic yard (over 3200 cubic yards)	\$ 3.502	\$ 3.502	\$ 3.502	\$ 3.502	\$ 36.050	\$ 3.605	\$ 3.605	\$ 3.605	\$ 3.605	\$ 3.605	\$ 3.502
FINE GRADE AREA											
Mobilization Charge	\$ 592.250	\$ 515.000	\$ 592.250	\$ 592.250	\$ 2,575.000	\$ 3,193.000	\$ 2,575.000	\$ 4,532.000	\$ 4,944.000	\$ 6,283.000	\$ 1,493.500
Mobilization Charge (over 5000 square yards)	\$ 824.000	\$ 824.000	\$ 875.500	\$ 875.500	\$ 2,575.000	\$ 3,090.000	\$ 2,575.000	\$ 4,532.000	\$ 4,944.000	\$ 6,283.000	\$ 2,575.000
Charge per square yard	\$ 1.288	\$ 1.082	\$ 1.298	\$ 1.288	\$ 1.236	\$ 1.298	\$ 1.288	\$ 1.288	\$ 1.288	\$ 1.288	\$ 1.288
Charge per square yard (over 5000 square yards)	\$ 1.236	\$ 1.051	\$ 1.236	\$ 1.236	\$ 1.236	\$ 1.288	\$ 1.288	\$ 1.288	\$ 1.288	\$ 1.288	\$ 1.288
Charge per square yard (over 10000 square yards)	\$ 1.154	\$ 0.979	\$ 1.143	\$ 1.133	\$ 1.236	\$ 1.288	\$ 1.288	\$ 1.288	\$ 1.288	\$ 1.288	\$ 1.288
MANHOLE ADJUSTMENTS											
Mobilization Charge	\$ 200.850	\$ 200.850	\$ 412.000	\$ 412.000	\$ 746.750	\$ 463.500	\$ 412.000	\$ 412.000	\$ 824.000	\$ 824.000	\$ 824.000
Minimum Charge	\$ 1,081.500	\$ 1,081.500	\$ 1,292.850	\$ 1,292.850	\$ 1,519.250	\$ 1,545.000	\$ 1,184.500	\$ 1,493.500	\$ 1,905.500	\$ 1,905.500	\$ 1,704.850
Charge per each unit	\$ 293.550	\$ 293.550	\$ 293.550	\$ 293.550	\$ 360.500	\$ 360.500	\$ 257.500	\$ 360.500	\$ 360.500	\$ 360.500	\$ 293.550
WATER/SEWER COVER ADJUSTMENTS											
Mobilization Charge	\$ 200.850	\$ 128.750	\$ 412.000	\$ 412.000	\$ 746.750	\$ 463.500	\$ 412.000	\$ 412.000	\$ 824.000	\$ 824.000	\$ 824.000
Minimum Charge	\$ 973.350	\$ 607.700	\$ 1,184.500	\$ 1,184.500	\$ 1,519.250	\$ 1,236.000	\$ 1,184.500	\$ 1,184.500	\$ 1,596.500	\$ 1,596.500	\$ 1,596.500
Charge per each unit	\$ 257.500	\$ 159.850	\$ 257.500	\$ 257.500	\$ 257.500	\$ 257.500	\$ 257.500	\$ 257.500	\$ 257.500	\$ 257.500	\$ 257.500
SURVEY MONUMENTS											
Mobilization Charge	\$ 200.850	\$ 128.750	\$ 412.000	\$ 412.000	\$ 746.750	\$ 463.500	\$ 412.000	\$ 412.000	\$ 824.000	\$ 824.000	\$ 824.000
Minimum Charge	\$ 257.500	\$ 206.000	\$ 618.000	\$ 618.000	\$ 849.750	\$ 576.800	\$ 566.500	\$ 566.500	\$ 1,802.500	\$ 1,802.500	\$ 1,802.500
Type A; Charge per each unit	\$ 180.250	\$ 180.250	\$ 180.250	\$ 180.250	\$ 180.250	\$ 180.250	\$ 180.250	\$ 180.250	\$ 180.250	\$ 180.250	\$ 180.250
Type B; Charge per each unit	\$ 103.000	\$ 103.000	\$ 103.000	\$ 103.000	\$ 103.000	\$ 103.000	\$ 103.000	\$ 103.000	\$ 103.000	\$ 103.000	\$ 103.000
SAFETY BOLLARDS PLACED IN ASPHALT											
Mobilization Charge	\$ 77.250	\$ 77.250	\$ 128.750	\$ 128.750	\$ 103.000	\$ 231.750	\$ 231.750	\$ 231.750	\$ 231.750	\$ 231.750	\$ 180.250
Minimum Charge	\$ 732.960	\$ 732.960	\$ 785.576	\$ 785.576	\$ 762.153	\$ 888.576	\$ 888.876	\$ 888.876	\$ 888.876	\$ 888.394	\$ 837.703
4-inch diameter, concrete filled, charge per each	\$ 158.463	\$ 158.463	\$ 158.733	\$ 158.733	\$ 159.296	\$ 158.733	\$ 158.864	\$ 158.805	\$ 158.805	\$ 207.937	\$ 208.194
6-inch diameter, concrete filled, charge per each	\$ 191.248	\$ 191.248	\$ 191.574	\$ 191.574	\$ 192.253	\$ 191.574	\$ 191.732	\$ 191.661	\$ 191.661	\$ 191.521	\$ 191.757
8-inch diameter, concrete filled, charge per each	\$ 218.570	\$ 218.570	\$ 218.942	\$ 218.942	\$ 219.718	\$ 218.942	\$ 219.122	\$ 219.042	\$ 219.042	\$ 218.881	\$ 219.151
CONCRETE EXTRUDED CURB NO REBAR											
Minimum Charge	\$ 283.250	\$ 283.250	\$ 283.250	\$ 283.250	\$ 309.000	\$ 329.600	\$ 334.750	\$ 824.000	\$ 824.000	\$ 824.000	\$ 746.750
1 to 300 lf	\$ 4.371	\$ 4.371	\$ 4.379	\$ 4.379	\$ 4.394	\$ 4.379	\$ 4.383	\$ 4.381	\$ 4.381	\$ 4.378	\$ 4.383
301 to 500 lf	\$ 3.825	\$ 3.825	\$ 3.832	\$ 3.832	\$ 3.845	\$ 3.832	\$ 3.835	\$ 3.834	\$ 3.834	\$ 3.831	\$ 3.835
501lf+	\$ 3.771	\$ 3.771	\$ 3.777	\$ 3.777	\$ 3.790	\$ 3.777	\$ 3.780	\$ 3.778	\$ 3.778	\$ 3.776	\$ 3.780
CONCRETE EXTRUDED CURB WITH REBAR											
Minimum Charge	\$ 283.250	\$ 283.250	\$ 283.250	\$ 283.250	\$ 309.000	\$ 334.750	\$ 334.750	\$ 824.000	\$ 824.000	\$ 824.000	\$ 746.750
1 to 300 lf	\$ 6.830	\$ 6.830	\$ 6.842	\$ 6.842	\$ 7.415	\$ 7.115	\$ 7.121	\$ 6.845	\$ 6.845	\$ 6.840	\$ 6.848
301 to 500 lf	\$ 6.284	\$ 6.284	\$ 6.294	\$ 6.294	\$ 6.317	\$ 6.459	\$ 6.447	\$ 6.297	\$ 6.297	\$ 6.293	\$ 6.301
501lf+	\$ 5.137	\$ 5.137	\$ 5.145	\$ 5.145	\$ 5.768	\$ 5.145	\$ 5.752	\$ 5.148	\$ 5.148	\$ 5.144	\$ 5.150
CONCRETE 6 FOOT WHEEL STOPS											
Mobilization Charge	\$ 77.250	\$ 77.250	\$ 154.500	\$ 154.500	\$ 103.000	\$ 257.500	\$ 257.500	\$ 309.000	\$ 309.000	\$ 334.750	\$ 206.000
Minimum Charge	\$ 206.000	\$ 206.000	\$ 329.600	\$ 329.600	\$ 257.500	\$ 412.000	\$ 412.000	\$ 463.500	\$ 463.500	\$ 463.500	\$ 386.250
Charge per each 1-20 each	\$ 33.879	\$ 33.879	\$ 33.936	\$ 33.936	\$ 34.056	\$ 34.1549	\$ 33.964	\$ 33.952	\$ 33.952	\$ 33.926	\$ 33.968

Product and Services	Phoenix 1A	Phoenix 1B	Tucson 2A	Tucson 2B	Casa Grande / Florence AREA 3	Sells AREA 4	Nogales / Sierra Vista AREA 5	Bisbee AREA 6	Wilcox AREA 7	Safford AREA 8	Globe AREA 9
ASPHALT SURFACE PATCH											
Mobilization Charge	\$ 334,750	\$ 435,690	\$ 417,150	\$ 465,560	\$ 643,750	\$ 643,750	\$ 643,750	\$ 1,313,250	\$ 1,313,250	\$ 1,879,750	\$ 1,328,700
Minimum Charge	\$ 618,000	\$ 618,000	\$ 618,000	\$ 618,000	\$ 1,030,000	\$ 1,030,000	\$ 1,028,970	\$ 1,802,500	\$ 1,802,500	\$ 2,575,000	\$ 1,802,500
Charge per square foot	\$ 1.046	\$ 0.981	\$ 1.082	\$ 1.159	\$ 1.164	\$ 1.535	\$ 1.215	\$ 1.557	\$ 1.725	\$ 1.556	\$ 1.271
Charge per square foot (over 10,000 sq ft)	\$ 0.882	\$ 0.882	\$ 1.103	\$ 0.994	\$ 0.997	\$ 1.259	\$ 1.215	\$ 1.259	\$ 1.393	\$ 1.258	\$ 1.161
ASPHALT SPEED BUMPS											
Mobilization Charge	\$ 334,750	\$ 435,690	\$ 417,150	\$ 465,560	\$ 643,750	\$ 643,750	\$ 643,750	\$ 1,313,250	\$ 1,313,250	\$ 1,879,750	\$ 1,328,700
Minimum Charge	\$ 618,000	\$ 618,000	\$ 618,000	\$ 618,000	\$ 1,030,000	\$ 1,030,000	\$ 1,028,970	\$ 1,802,500	\$ 1,802,500	\$ 2,575,000	\$ 1,802,500
Speed Bumps, charge per each for standard size of 1 1/2' X 24'	\$ 187,321	\$ 187,321	\$ 214,320	\$ 214,320	\$ 214,819	\$ 246,468	\$ 217,599	\$ 224,406	\$ 224,406	\$ 224,299	\$ 224,480
ASPHALT SPEED HUMPS											
Mobilization Charge	\$ 334,750	\$ 435,690	\$ 417,150	\$ 465,560	\$ 643,750	\$ 643,750	\$ 643,750	\$ 1,313,250	\$ 1,313,250	\$ 1,879,750	\$ 1,328,700
Minimum Charge	\$ 618,000	\$ 618,000	\$ 618,000	\$ 618,000	\$ 1,030,000	\$ 1,030,000	\$ 1,028,970	\$ 1,802,500	\$ 1,802,500	\$ 2,575,000	\$ 1,802,500
Charge per square foot	\$ 1.488	\$ 1.541	\$ 1.521	\$ 1.575	\$ 1.601	\$ 1.682	\$ 1.598	\$ 1.683	\$ 1.683	\$ 1.682	\$ 1.683
ASPHALT REMOVE/REPLACE											
Mobilization Charge	\$ 334,750	\$ 435,690	\$ 417,150	\$ 465,560	\$ 643,750	\$ 643,750	\$ 643,750	\$ 1,313,250	\$ 1,313,250	\$ 1,879,750	\$ 1,328,700
Minimum Charge	\$ 618,000	\$ 618,000	\$ 618,000	\$ 618,000	\$ 1,030,000	\$ 1,030,000	\$ 1,028,970	\$ 1,802,500	\$ 1,802,500	\$ 2,575,000	\$ 1,802,500
Charge per square foot 2 inch depth	\$ 1.404	\$ 1.763	\$ 1.428	\$ 1.951	\$ 1.947	\$ 2.442	\$ 2.226	\$ 2.443	\$ 2.443	\$ 2.998	\$ 2.259
Charge per square foot 2 inch depth (over 10,000 sq ft)	\$ 1.328	\$ 1.447	\$ 1.766	\$ 2.148	\$ 1.781	\$ 2.333	\$ 2.247	\$ 2.334	\$ 2.334	\$ 2.332	\$ 2.117
Charge per square foot 3 inch depth	\$ 2.274	\$ 2.525	\$ 2.595	\$ 2.911	\$ 2.822	\$ 3.598	\$ 3.240	\$ 3.599	\$ 3.599	\$ 3.597	\$ 3.229
Charge per square foot 3 inch depth (over 10,000 sq ft)	\$ 2.209	\$ 2.079	\$ 2.595	\$ 2.911	\$ 2.481	\$ 3.237	\$ 2.837	\$ 3.239	\$ 3.239	\$ 3.238	\$ 2.913
Charge per square foot 4 inch depth(2 lifts)	\$ 2.993	\$ 3.048	\$ 3.379	\$ 3.543	\$ 3.642	\$ 4.906	\$ 4.037	\$ 4.908	\$ 4.362	\$ 4.904	\$ 4.495
Charge per square foot 4 inch depth (over 10,000 sq ft)(2 lifts)	\$ 2.993	\$ 2.982	\$ 3.379	\$ 3.543	\$ 3.456	\$ 4.481	\$ 3.818	\$ 4.483	\$ 4.483	\$ 4.316	\$ 4.059
ASPHALT CONCRETE OVERLAY											
Mobilization Charge	\$ 808,550	\$ 818,850	\$ 901,250	\$ 952,750	\$ 1,648,000	\$ 1,648,000	\$ 1,648,000	\$ 3,193,000	\$ 3,193,000	\$ 4,248,750	\$ 3,193,000
Minimum Charge	\$ 1,030,000	\$ 1,040,300	\$ 1,081,500	\$ 1,184,500	\$ 1,957,000	\$ 1,957,000	\$ 1,957,000	\$ 3,811,000	\$ 3,811,000	\$ 5,150,000	\$ 3,811,000
Charge per square foot 1 1/2 inch depth	\$ 0.562	\$ 0.551	\$ 0.773	\$ 0.773	\$ 0.667	\$ 1.049	\$ 0.984	\$ 1.038	\$ 1.060	\$ 1.082	\$ 0.939
Charge per square foot 1 1/2 inch depth (over 50,000 sq ft)	\$ 0.551	\$ 0.540	\$ 0.773	\$ 0.773	\$ 0.621	\$ 0.994	\$ 0.884	\$ 0.994	\$ 0.994	\$ 1.004	\$ 0.928
Charge per square foot 2 inch depth	\$ 0.661	\$ 0.783	\$ 0.883	\$ 0.938	\$ 0.887	\$ 1.336	\$ 1.215	\$ 1.337	\$ 1.347	\$ 1.379	\$ 1.181
Charge per square foot 2 inch depth (over 50,000 sq ft)	\$ 0.661	\$ 0.661	\$ 0.883	\$ 0.938	\$ 0.787	\$ 1.325	\$ 1.083	\$ 1.326	\$ 1.326	\$ 1.325	\$ 1.155
Charge per square foot 3 inch depth	\$ 0.981	\$ 0.992	\$ 1.435	\$ 1.435	\$ 1.220	\$ 1.910	\$ 1.757	\$ 1.911	\$ 1.911	\$ 1.910	\$ 1.657
Charge per square foot 3 inch depth (over 50,000 sq ft)	\$ 0.981	\$ 0.882	\$ 1.325	\$ 1.336	\$ 1.131	\$ 1.877	\$ 1.547	\$ 1.889	\$ 1.899	\$ 1.898	\$ 1.591
Charge per square foot 4 inch depth	\$ 1.300	\$ 1.565	\$ 1.877	\$ 1.766	\$ 1.662	\$ 2.562	\$ 2.321	\$ 2.574	\$ 2.596	\$ 2.594	\$ 2.199
Charge per square foot 4 inch depth (over 50,000 sq ft)	\$ 1.300	\$ 1.323	\$ 1.877	\$ 1.766	\$ 1.552	\$ 2.539	\$ 2.133	\$ 2.540	\$ 2.540	\$ 2.538	\$ 2.166
ASPHALT PAVING WITH TACH COAT											
Mobilization Charge	\$ 808,550	\$ 818,850	\$ 901,250	\$ 952,750	\$ 1,648,000	\$ 1,648,000	\$ 1,648,000	\$ 3,193,000	\$ 3,193,000	\$ 4,248,750	\$ 3,193,000
Minimum Charge	\$ 1,030,000	\$ 1,040,300	\$ 1,081,500	\$ 1,184,500	\$ 1,957,000	\$ 1,957,000	\$ 1,957,000	\$ 3,811,000	\$ 3,811,000	\$ 5,150,000	\$ 3,811,000
Charge per square foot 1 1/2 inch depth	\$ 0.814	\$ 0.814	\$ 1.133	\$ 1.133	\$ 0.950	\$ 1.311	\$ 1.246	\$ 1.301	\$ 1.323	\$ 1.344	\$ 1.202
Charge per square foot 1 1/2 inch depth (over 50,000 sq ft)	\$ 0.803	\$ 0.803	\$ 1.112	\$ 1.112	\$ 0.929	\$ 1.291	\$ 1.226	\$ 1.280	\$ 1.302	\$ 1.324	\$ 1.181
Charge per square foot 2 inch depth	\$ 0.865	\$ 1.020	\$ 1.236	\$ 1.257	\$ 1.073	\$ 1.435	\$ 1.370	\$ 1.424	\$ 1.446	\$ 1.468	\$ 1.326
Charge per square foot 2 inch depth (over 50,000 sq ft)	\$ 0.865	\$ 1.009	\$ 1.226	\$ 1.236	\$ 1.063	\$ 1.424	\$ 1.360	\$ 1.414	\$ 1.436	\$ 1.457	\$ 1.315
Charge per square foot 3 inch depth	\$ 1.339	\$ 1.339	\$ 1.792	\$ 1.803	\$ 1.537	\$ 2.001	\$ 1.833	\$ 2.002	\$ 2.002	\$ 1.931	\$ 1.789
Charge per square foot 3 inch depth (over 50,000 sq ft)	\$ 1.329	\$ 1.329	\$ 1.782	\$ 1.792	\$ 1.526	\$ 1.991	\$ 1.823	\$ 1.992	\$ 1.992	\$ 1.921	\$ 1.779
Charge per square foot 4 inch depth	\$ 1.658	\$ 1.926	\$ 2.235	\$ 2.122	\$ 2.124	\$ 2.588	\$ 2.421	\$ 2.589	\$ 2.699	\$ 2.697	\$ 2.378
Charge per square foot 4 inch depth (over 50,000 sq ft)	\$ 1.648	\$ 1.916	\$ 2.225	\$ 2.112	\$ 2.114	\$ 2.578	\$ 2.410	\$ 2.579	\$ 2.688	\$ 2.686	\$ 2.366
RUBBERIZED ASPHALT CONCRETE OVERLAY											
Mobilization Charge	\$ 808,550	\$ 818,850	\$ 901,250	\$ 952,750	\$ 1,648,000	\$ 1,648,000	\$ 1,648,000	\$ 3,193,000	\$ 3,193,000	\$ 4,248,750	\$ 3,193,000
Minimum Charge	\$ 2,575,000	\$ 2,626,500	\$ 2,678,000	\$ 2,729,500	\$ 3,450,500	\$ 3,450,500	\$ 3,450,500	\$ 5,304,500	\$ 5,304,500	\$ 6,643,500	\$ 5,304,500
Charge per square foot 1 inch depth	\$ 0.927	\$ 0.927	\$ 1.164	\$ 1.226	\$ 1.073	\$ 1.435	\$ 1.370	\$ 1.424	\$ 1.446	\$ 1.468	\$ 1.326
Charge per square foot 1 inch depth (over 50,000 sq ft)	\$ 0.876	\$ 0.876	\$ 1.092	\$ 1.143	\$ 1.053	\$ 1.414	\$ 1.349	\$ 1.404	\$ 1.426	\$ 1.447	\$ 1.305
Charge per square foot 1 1/2 inch depth	\$ 1.391	\$ 1.391	\$ 1.741	\$ 1.823	\$ 1.702	\$ 2.063	\$ 1.998	\$ 2.053	\$ 2.074	\$ 2.096	\$ 1.954
Charge per square foot 1 1/2 inch depth (over 50,000 sq ft)	\$ 1.313	\$ 1.313	\$ 1.638	\$ 1.720	\$ 1.619	\$ 1.981	\$ 1.916	\$ 1.970	\$ 1.992	\$ 2.014	\$ 1.872
Charge per square foot 2 inch depth	\$ 1.854	\$ 1.854	\$ 2.318	\$ 2.431	\$ 2.330	\$ 2.691	\$ 2.627	\$ 2.681	\$ 2.703	\$ 2.724	\$ 2.582
Charge per square foot 2 inch depth (over 50,000 sq ft)	\$ 1.751	\$ 1.751	\$ 2.194	\$ 2.307	\$ 2.217	\$ 2.578	\$ 2.513	\$ 2.568	\$ 2.589	\$ 2.611	\$ 2.469
Charge per square foot 2 1/2 inch depth	\$ 2.318	\$ 2.318	\$ 2.894	\$ 3.039	\$ 2.927	\$ 3.289	\$ 3.224	\$ 3.300	\$ 3.322	\$ 3.322	\$ 3.180
Charge per square foot 2 1/2 inch depth (over 50,000 sq ft)	\$ 2.189	\$ 2.189	\$ 2.740	\$ 2.874	\$ 2.814	\$ 3.175	\$ 3.111	\$ 3.165	\$ 3.187	\$ 3.208	\$ 3.066
Charge per square foot 3 inch depth	\$ 2.781	\$ 2.781	\$ 3.481	\$ 3.657	\$ 3.504	\$ 3.866	\$ 3.801	\$ 3.855	\$ 3.877	\$ 3.899	\$ 3.756
Charge per square foot 3 inch depth (over 50,000 sq ft)	\$ 2.627	\$ 2.627	\$ 3.286	\$ 3.451	\$ 3.422	\$ 3.783	\$ 3.718	\$ 3.773	\$ 3.795	\$ 3.816	\$ 3.674
Charge per square foot 4 inch depth	\$ 3.708	\$ 3.708	\$ 4.635	\$ 4.872	\$ 3.550	\$ 3.912	\$ 3.847	\$ 3.902	\$ 3.923	\$ 3.945	\$ 3.803
Charge per square foot 4 inch depth (over 50,000 sq ft)	\$ 3.502	\$ 3.502	\$ 4.378	\$ 4.594	\$ 3.468	\$ 3.830	\$ 3.765	\$ 3.819	\$ 3.841	\$ 3.863	\$ 3.720
GEOTEXTILE FABRIC UNDERLAYMENT FOR ASPHALT CONCRETE OVERLAY											
Mobilization Charge	\$ 206,000	\$ 231,750	\$ 231,750	\$ 463,500	\$ 334,750	\$ 901,250	\$ 746,750	\$ 1,416,250	\$ 1,467,750	\$ 1,879,750	\$ 1,055,750

Product and Services	Phoenix		Tucson		Casa Grande / Florence	Sells	Nogales / Sierra Vista	Bisbee	Wilcox	Safford	Globe
	1A	1B	2A	2B	AREA 3	AREA 4	AREA 5	AREA 6	AREA 7	AREA 8	AREA 9
Minimum Charge	\$ 309,000	\$ 334,750	\$ 334,750	\$ 566,500	\$ 412,000	\$ 1,081,500	\$ 927,000	\$ 1,699,500	\$ 1,751,000	\$ 2,266,000	\$ 1,339,000
Charge per square foot (ADD TO PAVING PRICE ABOVE)	\$ 0.131	\$ 0.131	\$ 0.142	\$ 0.142	\$ 0.143	\$ 0.142	\$ 0.142	\$ 0.142	\$ 0.142	\$ 0.142	\$ 0.142
Chrg per square foot (GlassPave High Quality Fabric)ADD TO PAVING PRICE ABOVE	\$ 0.218	\$ 0.218	\$ 0.230	\$ 0.230	\$ 0.231	\$ 0.230	\$ 0.230	\$ 0.230	\$ 0.230	\$ 0.230	\$ 0.230
ASPHALT SAWCUTTING											
Mobilization Charge	\$ 30,900	\$ 41,200	\$ 30,900	\$ 61,800	\$ 82,400	\$ 149,350	\$ 84,460	\$ 84,460	\$ 283,250	\$ 283,250	\$ 175,100
Minimum Charge	\$ 51,500	\$ 61,800	\$ 61,800	\$ 77,250	\$ 113,300	\$ 185,400	\$ 113,300	\$ 113,300	\$ 339,900	\$ 339,900	\$ 206,000
Charge per linear foot times thickness in inches (Unit Price based on 1" depth - LF to be adjusted based on depth)	\$ 0.185	\$ 0.124	\$ 0.206	\$ 0.206	\$ 0.309	\$ 0.309	\$ 0.309	\$ 0.309	\$ 0.309	\$ 0.309	\$ 0.309
CONCRETE SAWCUTTING											
Mobilization Charge	\$ 30,900	\$ 41,200	\$ 30,900	\$ 61,800	\$ 82,400	\$ 149,350	\$ 84,460	\$ 84,460	\$ 283,250	\$ 283,250	\$ 175,100
Minimum Charge	\$ 51,500	\$ 61,800	\$ 61,800	\$ 77,250	\$ 113,300	\$ 185,400	\$ 113,300	\$ 113,300	\$ 339,900	\$ 339,900	\$ 206,000
Charge per linear foot times thickness in inches (Unit Price based on 1" depth - LF to be adjusted based on depth)	\$ 0.618	\$ 0.268	\$ 0.567	\$ 0.567	\$ 0.567	\$ 0.618	\$ 0.567	\$ 0.567	\$ 0.618	\$ 0.618	\$ 0.618
HOT RUBBER CRACKFILL											
Mobilization Charge	\$ 334,750	\$ 334,750	\$ 386,250	\$ 360,500	\$ 612,850	\$ 612,850	\$ 612,850	\$ 880,650	\$ 901,250	\$ 1,236,000	\$ 875,500
Minimum Charge	\$ 618,000	\$ 618,000	\$ 618,000	\$ 618,000	\$ 1,030,000	\$ 1,030,000	\$ 1,028,970	\$ 1,802,500	\$ 1,802,500	\$ 2,575,000	\$ 1,802,500
Charge per Gallon used	\$ 13,005	\$ 13,005	\$ 13,027	\$ 13,027	\$ 13,073	\$ 13,027	\$ 13,038	\$ 13,033	\$ 13,033	\$ 13,023	\$ 13,040
Crackfill Cleaning per gallon used ; add if no sealing / slurry	\$ 1,803	\$ 1,803	\$ 1,803	\$ 1,803	\$ 1,803	\$ 1,803	\$ 1,803	\$ 1,803	\$ 1,803	\$ 1,803	\$ 1,803
Crackfill Routing per Lineal Foot	\$ 0.361	\$ 0.361	\$ 0.361	\$ 0.361	\$ 0.412	\$ 0.412	\$ 0.412	\$ 0.412	\$ 0.412	\$ 0.412	\$ 0.412
PM10 Compliant Self Contained Crack Vacuuming per lineal foot	\$ 0.258	\$ 0.258	\$ 0.258	\$ 0.258	\$ 0.309	\$ 0.309	\$ 0.309	\$ 0.309	\$ 0.309	\$ 0.309	\$ 0.309
ASPHALTIC CONCRETE CRACK MASTIC											
Mobilization Charge	\$ 669,500	\$ 669,500	\$ 721,000	\$ 721,000	\$ 721,000	\$ 746,750	\$ 746,750	\$ 772,500	\$ 772,500	\$ 772,500	\$ 721,000
Minimum Charge	\$ 1,390,500	\$ 1,390,500	\$ 1,442,000	\$ 1,442,000	\$ 1,442,000	\$ 1,467,750	\$ 1,467,750	\$ 1,493,500	\$ 1,493,500	\$ 1,493,500	\$ 1,442,000
Charge per gallon for Crack Mastic (Deery or Crafcoc)	\$ 30.385	\$ 30.385	\$ 30.385	\$ 30.385	\$ 30.385	\$ 30.385	\$ 30.385	\$ 30.385	\$ 30.385	\$ 30.385	\$ 30.385
Special Equipment Rental, per day	\$ 515,000	\$ 515,000	\$ 515,000	\$ 515,000	\$ 515,000	\$ 515,000	\$ 515,000	\$ 515,000	\$ 515,000	\$ 515,000	\$ 515,000
ASPHALT EMULSION SEALER (SPRAY APPLIED W/SQUEEGEE LINE ITEM)											
Mobilization Charge	\$ 334,750	\$ 360,500	\$ 437,750	\$ 386,250	\$ 515,000	\$ 515,000	\$ 515,000	\$ 1,081,500	\$ 1,081,500	\$ 1,596,500	\$ 1,055,750
Minimum Charge	\$ 618,000	\$ 618,000	\$ 618,000	\$ 618,000	\$ 1,030,000	\$ 1,030,000	\$ 1,028,970	\$ 1,802,500	\$ 1,802,500	\$ 2,575,000	\$ 1,802,500
Squeegee Application additional price per coat	\$ 0.015	\$ 0.015	\$ 0.021	\$ 0.021	\$ 0.031	\$ 0.031	\$ 0.031	\$ 0.031	\$ 0.031	\$ 0.031	\$ 0.031
Charge per square foot for 1st Coat	\$ 0.043	\$ 0.043	\$ 0.044	\$ 0.044	\$ 0.044	\$ 0.050	\$ 0.044	\$ 0.044	\$ 0.044	\$ 0.050	\$ 0.050
Charge per square foot for 2nd Coat (add to 1st coat above)	\$ 0.021	\$ 0.021	\$ 0.021	\$ 0.021	\$ 0.021	\$ 0.031	\$ 0.021	\$ 0.033	\$ 0.033	\$ 0.031	\$ 0.022
Charge per square foot for 1st Coat (over 50,000 sq ft)	\$ 0.043	\$ 0.043	\$ 0.044	\$ 0.044	\$ 0.044	\$ 0.050	\$ 0.044	\$ 0.044	\$ 0.044	\$ 0.050	\$ 0.050
Charge per square foot for 2nd Coat (over 50,000 sq ft)	\$ 0.021	\$ 0.021	\$ 0.021	\$ 0.021	\$ 0.021	\$ 0.031	\$ 0.021	\$ 0.033	\$ 0.033	\$ 0.031	\$ 0.022
Charge per square foot for 1st Coat (over 100,000 sq ft)	\$ 0.043	\$ 0.043	\$ 0.044	\$ 0.044	\$ 0.044	\$ 0.050	\$ 0.044	\$ 0.044	\$ 0.044	\$ 0.050	\$ 0.050
Charge per square foot for 2nd Coat (over 100,000 sq ft)	\$ 0.019	\$ 0.019	\$ 0.021	\$ 0.021	\$ 0.021	\$ 0.031	\$ 0.021	\$ 0.033	\$ 0.033	\$ 0.031	\$ 0.020
Charge per square foot for 1st Coat (over 250,000 sq ft)	\$ 0.043	\$ 0.043	\$ 0.044	\$ 0.044	\$ 0.044	\$ 0.050	\$ 0.044	\$ 0.044	\$ 0.044	\$ 0.050	\$ 0.050
Charge per square foot for 2nd Coat (over 250,000 sq ft)	\$ 0.019	\$ 0.019	\$ 0.019	\$ 0.019	\$ 0.019	\$ 0.031	\$ 0.019	\$ 0.033	\$ 0.033	\$ 0.031	\$ 0.020
Extended Warranty per square foot per additional year	\$ 0.021	\$ 0.021	\$ 0.021	\$ 0.021	\$ 0.031	\$ 0.031	\$ 0.031	\$ 0.031	\$ 0.031	\$ 0.031	\$ 0.031
ASPHALT SURFACE TREATMENT (PMM RTU MEETING AND "EXCEEDING" HA-3 SPEC'S) Ready To Use as Manufactured & Delivered, no onsite mixing											
Mobilization Charge	\$ 437,750	\$ 437,750	\$ 515,000	\$ 515,000	\$ 515,000	\$ 515,000	\$ 515,000	\$ 1,081,500	\$ 1,081,500	\$ 1,596,500	\$ 1,055,750
Minimum Charge	\$ 1,802,500	\$ 1,802,500	\$ 1,802,500	\$ 1,802,500	\$ 1,802,500	\$ 1,802,500	\$ 1,801,470	\$ 2,575,000	\$ 2,575,000	\$ 2,575,000	\$ 2,575,000
Squeegee Application additional price per coat	\$ 0.031	\$ 0.031	\$ 0.036	\$ 0.036	\$ 0.041	\$ 0.041	\$ 0.041	\$ 0.041	\$ 0.041	\$ 0.041	\$ 0.041
Charge per square foot for 1st Coat	\$ 0.068	\$ 0.068	\$ 0.071	\$ 0.071	\$ 0.077	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076
Charge per square foot for 2nd Coat (add to 1st coat above)	\$ 0.055	\$ 0.055	\$ 0.066	\$ 0.066	\$ 0.071	\$ 0.071	\$ 0.071	\$ 0.071	\$ 0.071	\$ 0.071	\$ 0.071
Charge per square foot for 1st Coat (over 50,000 sq ft)	\$ 0.068	\$ 0.068	\$ 0.071	\$ 0.071	\$ 0.077	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076
Charge per square foot for 2nd Coat (over 50,000 sq ft)	\$ 0.055	\$ 0.055	\$ 0.066	\$ 0.066	\$ 0.071	\$ 0.071	\$ 0.071	\$ 0.071	\$ 0.071	\$ 0.071	\$ 0.071
Charge per square foot for 1st Coat (over 100,000 sq ft)	\$ 0.068	\$ 0.068	\$ 0.066	\$ 0.066	\$ 0.077	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076
Charge per square foot for 2nd Coat (over 100,000 sq ft)	\$ 0.049	\$ 0.049	\$ 0.066	\$ 0.066	\$ 0.071	\$ 0.071	\$ 0.071	\$ 0.071	\$ 0.071	\$ 0.071	\$ 0.071
Charge per square foot for 1st Coat (over 250,000 sq ft)	\$ 0.066	\$ 0.066	\$ 0.066	\$ 0.066	\$ 0.077	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076	\$ 0.076
Charge per square foot for 2nd Coat (over 250,000 sq ft)	\$ 0.049	\$ 0.049	\$ 0.060	\$ 0.060	\$ 0.071	\$ 0.071	\$ 0.071	\$ 0.071	\$ 0.071	\$ 0.071	\$ 0.071
Extended Warranty per square foot per additional year	\$ 0.041	\$ 0.041	\$ 0.048	\$ 0.048	\$ 0.052	\$ 0.052	\$ 0.052	\$ 0.052	\$ 0.052	\$ 0.052	\$ 0.052
TYPE II CATIONIC SLURRY SEAL											
Mobilization Charge	\$ 947,600	\$ 952,750	\$ 1,339,000	\$ 1,364,750	\$ 927,000	\$ 927,000	\$ 927,000	\$ 1,951,850	\$ 1,951,850	\$ 2,703,750	\$ 1,951,850
Minimum Charge	\$ 2,370,030	\$ 2,370,030	\$ 2,832,500	\$ 2,832,500	\$ 2,369,000	\$ 3,090,000	\$ 3,088,970	\$ 3,605,000	\$ 3,605,000	\$ 4,377,500	\$ 3,605,000
Charge per square foot 0-100,000 sq ft	\$ 0.177	\$ 0.177	\$ 0.177	\$ 0.177	\$ 0.178	\$ 0.241	\$ 0.241	\$ 0.241	\$ 0.241	\$ 0.241	\$ 0.219
Charge per square foot over 100,000 sq ft	\$ 0.180	\$ 0.180	\$ 0.180	\$ 0.180	\$ 0.181	\$ 0.230	\$ 0.177	\$ 0.213	\$ 0.213	\$ 0.213	\$ 0.213
TRMSS (SPRAY APPLIED; ROADWAYS ONLY)											
Mobilization Charge	\$ 13,156,190	\$ 13,156,190	\$ 14,525,060	\$ 14,526,090	\$ 14,438,540	\$ 16,132,890	\$ 16,560,340	\$ 17,260,310	\$ 16,956,890	\$ 16,957,920	\$ 14,729,000
Minimum Charge	\$ 14,420,000	\$ 14,420,000	\$ 15,965,000	\$ 15,965,000	\$ 15,965,000	\$ 17,304,000	\$ 17,510,000	\$ 18,334,000	\$ 18,025,000	\$ 18,025,000	\$ 16,171,000
Charge per square foot for Single Coat Application at applied rate up to .15 GAL/SY	\$ 0.058	\$ 0.058	\$ 0.065	\$ 0.065	\$ 0.064	\$ 0.071	\$ 0.073	\$ 0.076	\$ 0.075	\$ 0.075	\$ 0.066
Charge per square foot for Single Coat Application at applied rate between .15 and .16 GAL/SY	\$ 0.069	\$ 0.075	\$ 0.075	\$ 0.075	\$ 0.075	\$ 0.082	\$ 0.084	\$ 0.088	\$ 0.087	\$ 0.087	\$ 0.076
LATEX MODIFIED SLURRY SEAL											
Mobilization Charge	\$ 947,600	\$ 952,750	\$ 1,339,000	\$ 1,364,750	\$ 927,000	\$ 927,000	\$ 927,000	\$ 1,951,850	\$ 1,951,850	\$ 2,703,750	\$ 1,951,850



Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

To: Board of Directors
From: Doug Wirthgen, Information Technology Director
Through: Chuck Odom, Chief Financial Officer
J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: Desktop Life Cycle Refresh
Date: October 16, 2018

Proposed Motion

To authorize the procurement of computer equipment from Dell not to exceed \$61,835.91.

Narrative

PMGAA's Technical Services Department ensures the Airport's operation, compliance and disaster recovery functionality relative to information technology industry standards. FY19 is slated to continue with prior fiscal years practice of desktop computer/laptop replacement per pre-established schedule. A four-year technology refresh program with year one replacing 50% of desktops, year two replacing remaining 50% of desktops, year three replacing servers, and year four replacing storage arrays.

This year is year one of the four-year technology refresh program with 50% of desktops being replaced.

Dell will provide equipment and software in compliance with an Arizona State Contract.

Fiscal Impact

This contract was included in the FY19 budget and is funded under Capital Project 1026.

Attachment(s)

Dell Quote 3000029025282.1, Arizona State Contracts ADSPO15-093839, ADSPO16-098163 Amendment One, ADSPO16-098163 Amendment Three



RESOLUTION NO. 18-49

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS the Authority desires to procure computer equipment from Dell;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes the procurement of computer equipment from Dell not-to-exceed \$61,835.91. This resolution also authorizes the Chair or Executive Director/CEO to execute such Contract, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 16th day of October, 2018.

Jeff Serdy, Chair

ATTEST:

APPROVED AS TO FORM:

Maria Gonzalez, Clerk of the Board

Attorney



A quote for your consideration!

Total: \$61,835.91

Based on your business needs, we put the following quote together to help with your purchase decision. Please review your quote details below, then contact your sales rep when you're ready to place your order.

Quote number: 3000029025282.1	Quote date: Sep. 19, 2018	Quote expiration: Oct. 19, 2018	Deal ID: 15188923
Company name: PHOENIX-MESA GATEWAY AIRPORT	Customer number: 22980627	Phone: (480) 988-7600	
Sales rep information: Ben Carpenter B_Carpenter@Dell.com (800) 456-3355 Ext: 5138192	Billing Information: PHOENIX-MESA GATEWAY AIRPORT 5835 S SOSSAMAN RD MESA AZ 85212-6014 US (480) 988-7600		

Pricing Summary

Item	Qty	Unit Price	Subtotal
OptiPlex 7060 SFF	50	\$1,095.47	\$54,773.50
Dell Latitude 5490	2	\$1,414.31	\$2,828.62
		Subtotal:	\$57,602.12
		Shipping:	\$0.00
		Environmental Fees:	\$0.00
		Non-Taxable Amount:	\$-0.52
		Taxable Amount:	\$57,602.64
		Estimated Tax:	\$4,233.79
		Total:	\$61,835.91

Special lease pricing may be available for qualified customers. Please contact your DFS Sales Representative for details.

Dear Customer,

Your Quote is detailed below; please review the quote for product and information accuracy. If you find errors or desire certain changes please contact me as soon as possible.

Regards,
Ben Carpenter

Order this quote easily online through your [Premier page](#), or if you do not have Premier, using [Quote to Order](#)

Shipping Group 1

Shipping Contact: BRIAN WALLACE	Shipping phone: (480) 988-7629	Shipping via: Standard Delivery	Shipping Address: 5835 S SOSSAMAN RD MESA AZ 85212 US
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SKU	Description	Qty	Unit Price	Subtotal
	OptiPlex 7060 SFF	50	\$1,095.47	\$54,773.50
	Estimated delivery date: Oct. 1, 2018			
	Contract No: WN01AGW			
	Customer Agreement No: ADSP016-098163			
210-AOKU	OptiPlex 7060 Small Form Factor XCTO	50	-	-
338-BNZU	Intel Core i5-8500 (6 Cores/9MB/6T/up to 4.1GHz/65W); supports Windows 10/Linux	50	-	-
619-AHKN	Win 10 Pro 64 English, French, Spanish	50	-	-
658-BCSB	Microsoft(R) Office 30 Days Trial	50	-	-
370-AEBF	16GB (1x16GB) 2666MHz DDR4 UDIMM Non-ECC	50	-	-
340-ABIG	SSD as first boot drive	50	-	-
400-AWFS	M.2 256GB SATA Class 20 Solid State Drive	50	-	-
773-BBBC	M2X3.5 Screw for SSD/DDPE	50	-	-
401-AANH	No Additional Hard Drive	50	-	-
490-BBFG	Intel Integrated Graphics, Dell OptiPlex	50	-	-
325-BCXP	ODD Bezel, Small Form Factor	50	-	-
429-ABFH	8x DVD+/-RW 9.5mm Optical Disk Drive	50	-	-
379-BBHM	No Media Card Reader	50	-	-

555-BBFO	No Wireless LAN Card	50	-	-
555-BBFO	No Wireless LAN Card	50	-	-
492-BBFF	No PCIe add-in card	50	-	-
329-BDSO	OptiPlex 7060 Small Form Factor with 200W up to 85% efficient Power Supply (80Plus Bronze)	50	-	-
580-AEYY	Dell KM636 Wireless Keyboard & Mouse Black (English)	50	-	-
570-AADI	Mouse included with Keyboard	50	-	-
320-BCGK	No Cove	50	-	-
470-AAJL	NO ADAPTER	50	-	-
817-BBBC	Not selected in this configuration	50	-	-
575-BBBI	No Integrated Stand option	50	-	-
525-BBCL	SupportAssist	50	-	-
640-BBLW	Dell(TM) Digital Delivery Cirrus Client	50	-	-
658-BBMR	Dell Client System Update (Updates latest Dell Recommended BIOS, Drivers, Firmware and Apps)	50	-	-
658-BBRB	Waves Maxx Audio	50	-	-
658-BCUV	Dell Developed Recovery Environment	50	-	-
658-BDVY	SW for 7060 with Win10 OS	50	-	-
620-AALW	OS-Windows Media Not Included	50	-	-
387-BBLW	Energy Star	50	-	-
817-BBBN	NO RAID	50	-	-
555-BBJO	No Additional Network Card Selected (Integrated NIC included)	50	-	-
817-BBBB	No FGA	50	-	-
575-BBKX	No Hard Drive Bracket for Small Form Factor, Dell OptiPlex	50	-	-
340-CDYX	Documentation, English, French, Spanish, Dell OptiPlex 7060 Small Form Factor	50	-	-
650-AAAM	No Anti-Virus Software	50	-	-
658-BBTV	CMS Essentials DVD no Media	50	-	-
329-BBJL	TPM Enabled	50	-	-
389-CXGG	EPA Regulatory Label	50	-	-

389-CGJO	8th Gen Intel Core i5 vPro processor label	50	-	-
450-AAOJ	System Power Cord (Philippine/TH/US)	50	-	-
340-AGIK	Safety/Environment and Regulatory Guide (English/French Multi-language)	50	-	-
389-BCGW	No UPC Label	50	-	-
461-AABF	No CompuTrace	50	-	-
551-BBBJ	No Intel Responsive	50	-	-
631-ABQQ	Intel vPro Technology Enabled	50	-	-
332-1286	US Order	50	-	-
340-CDWZ	Ship Material for OptiPlex Small Form Factor	50	-	-
389-BBUU	Shipping Label for DAO	50	-	-
492-BCKH	No Additional Video Ports	50	-	-
800-BBIO	Desktop BTO Standard shipment	50	-	-
812-3886	Dell Limited Hardware Warranty Plus Service	50	-	-
812-3900	ProSupport: 7x24 Technical Support, 5 Years	50	-	-
812-3910	ProSupport: Next Business Day Onsite 5 Years	50	-	-
989-3449	Thank you choosing Dell ProSupport. For tech support, visit //support.dell.com/ProSupport or call 1-866-516-3115	50	-	-

SKU	Description	Qty	Unit Price	Subtotal
	Dell Latitude 5490	2	\$1,414.31	\$2,828.62
	Estimated delivery date: Oct. 10, 2018			
	Contract No: WN01AGW			
	Customer Agreement No: ADSP016-098163			
210-ANMX	Dell Latitude 5490 XCTO	2	-	-
379-BCXF	Intel® Core™ i5-8250U Processor (Quad Core, 6M Cache, 1.6GHz, 15W)	2	-	-
619-AHKN	Win 10 Pro 64 English, French, Spanish	2	-	-
658-BCSB	Microsoft(R) Office 30 Days Trial	2	-	-
338-BNHG	Intel(R) Core(TM) i5-8250U Processor Base, Integrated UHD Graphics 620	2	-	-
631-ABNR	No Out-of-Band Systems Management	2	-	-

370-ADHW	16GB, 1x16GB, 2400Mhz DDR4 Memory	2	-	-
400-AOTF	M.2 256GB SATA Class 20 Solid State Drive	2	-	-
575-BBKU	M.2 SSD SATA Hard Drive Bracket	2	-	-
320-BCJV	Non-Touch HD LCD Back Cover with WLAN/WWAN antenna	2	-	-
325-BCTR	Non-Touch LCD bezel RGB camera+Mic	2	-	-
391-BDKI	14.0" HD (1366 x 768) Non-Touch LCD	2	-	-
583-BEHV	Single Pointing English non backlit Keyboard	2	-	-
570-AADK	No Mouse	2	-	-
555-BDUK	Qualcomm QCA61x4A 802.11ac Dual Band(2x2) Wireless Adapter+ Bluetooth 4.1 Driver	2	-	-
555-BCMw	Qualcomm QCA61x4A 802.11ac Dual Band (2x2) Wireless Adapter+ Bluetooth 4.1	2	-	-
362-BBBB	No Mobile Broadband Card	2	-	-
451-BBXU	Primary 3-cell 51W/HR Battery	2	-	-
492-BBXF	65W AC Adapter, 3-pin	2	-	-
346-BCOH	No Smart Card Reader and No Fingerprint Reader Palmrest, Single Point	2	-	-
650-AAAM	No Anti-Virus Software	2	-	-
620-AAOH	No Media	2	-	-
452-BBSE	No Docking Station	2	-	-
817-BBBB	No FGA	2	-	-
429-AATO	No Removable CD/DVD Drive	2	-	-
450-AAEJ	US Power Cord	2	-	-
340-ACQQ	No Option Included	2	-	-
332-1286	US Order	2	-	-
430-XXYG	No Resource DVD / USB	2	-	-
460-BBEX	No Carrying Case	2	-	-
340-BYSS	Quick Reference Guide DAO	2	-	-
387-BBLZ	Energy Star	2	-	-
800-BBGT	BTO Standard Shipment (S)	2	-	-

340-AGIK	Safety/Environment and Regulatory Guide (English/French Multi-language)	2	-	-
525-0131	Dell Command Power Manager (DCPM)	2	-	-
525-BBCL	SupportAssist	2	-	-
640-BBLW	Dell(TM) Digital Delivery Cirrus Client	2	-	-
658-BBMR	Dell Client System Update (Updates latest Dell Recommended BIOS, Drivers, Firmware and Apps)	2	-	-
658-BBRB	Waves Maxx Audio	2	-	-
658-BCUV	Dell Developed Recovery Environment	2	-	-
658-BDRV	System Shipment, Latitude 5490	2	-	-
389-BCGW	No UPC Label	2	-	-
389-BEYY	Regulatory Label included	2	-	-
389-CGBB	Intel(R) Core(TM) i5 Processor Label	2	-	-
340-AAPP	Direct ship Info Mod	2	-	-
340-BYSM	MIX SHIP Config (DAO)	2	-	-
975-3461	Dell Limited Hardware Warranty Extended Year(s)	2	-	-
989-3449	Thank you choosing Dell ProSupport. For tech support, visit //support.dell.com/ProSupport or call 1-866-516-3115	2	-	-
997-8317	Dell Limited Hardware Warranty	2	-	-
997-8348	ProSupport: 7x24 Technical Support, 5 Years	2	-	-
997-8349	ProSupport: Next Business Day Onsite, 1 Year	2	-	-
997-8358	ProSupport: Next Business Day Onsite, 4 Year Extended	2	-	-
			Subtotal:	\$57,602.12
			Shipping:	\$0.00
			Environmental Fees:	\$0.00
			Estimated Tax:	\$4,233.79
			Total:	\$61,835.91

Unless you have a separate written agreement that specifically applies to this order, your order is subject to Dell's Terms of Sale (for consumers the terms include a binding arbitration provision). Please see the legal disclaimers below for further information.

Important Notes

Terms of Sale

Unless you have a separate written agreement that specifically applies to this order, your order will be subject to and governed by the following agreements, each of which are incorporated herein by reference and available in hardcopy from Dell at your request: Dell's Terms of Sale (www.dell.com/learn/us/en/uscorp1/terms-of-sale), which include a binding consumer arbitration provision and incorporate Dell's U.S. Return Policy (www.dell.com/returnpolicy) and Warranty (for Consumer warranties ; for Commercial warranties).

If this purchase includes services: in addition to the foregoing applicable terms, the terms of your service contract will apply (Consumer;Commercial). If this purchase includes software: in addition to the foregoing applicable terms, your use of the software is subject to the license terms accompanying the software, and in the absence of such terms, then use of the Dell-branded application software is subject to the Dell End User License Agreement - Type A (www.dell.com/AEULA) and use of the Dell-branded system software is subject to the Dell End User License Agreement - Type S (www.dell.com/SEULA).

If your purchase is for Mozy, in addition to the foregoing applicable terms, your use of the Mozy service is subject to the terms and conditions located at <https://mozy.com/about/legal/terms>.

If your purchase is for Boomi services or support, your use of the Boomi Services (and related professional service) is subject to the terms and conditions located at <https://boom.com/msa>.

If this purchase is for (a) a storage product identified in the DELL EMC Satisfaction Guarantee Terms and Conditions located at

http://www.emc.com/collateral/sales/dellemc-satisfaction-guarantee-terms-and-conditions_ex-gc.pdf("Satisfaction Guarantee") and (ii) three (3) years of a ProSupport Service for such storage product, in addition to the foregoing applicable terms, such storage product is subject to the Satisfaction Guarantee.

You acknowledge having read and agree to be bound by the foregoing applicable terms in their entirety. Any terms and conditions set forth in your purchase order or any other correspondence that are in addition to, inconsistent or in conflict with, the foregoing applicable online terms will be of no force or effect unless specifically agreed to in a writing signed by Dell that expressly references such terms.

Pricing, Taxes, and Additional Information

All product, pricing, and other information is valid for U.S. customers and U.S. addresses only, and is based on the latest information available and may be subject to change. Dell reserves the right to cancel quotes and orders arising from pricing or other errors. Please indicate any tax-exempt status on your PO, and fax your exemption certificate, including your Customer Number, to the Dell Tax Department at 800-433-9023. Please ensure that your tax-exemption certificate reflects the correct Dell entity name: **Dell Marketing L.P.**

Note: All tax quoted above is an estimate; final taxes will be listed on the invoice.

If you have any questions regarding tax please send an e-mail to Tax_Department@dell.com.

For certain products shipped to end-users in California, a State Environmental Fee will be applied to your invoice. Dell encourages customers to dispose of electronic equipment properly.



NASPO Value Point Computer Hardware Including
Peripherals and Associated Services

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Arizona Participating Addendum

Contract No. ADSP015-093839
Contractor: Dell Marketing L.P.

In accordance with A.R.S. §41-2632, AAC R2-7-1002, Cooperative Purchasing, the following document shall relay all additional requirements for the State of Arizona in its use and participation in the NASPO Value Point contract for Computer Hardware, Peripherals and Associated Services, as awarded by the State of Minnesota, Lead State, for this competitively procured contract.

Contractors are strongly encouraged to read this document in its entirety. All requirements stated within this document are allowable under any respective Master contract, and shall be viewed as such. Any attempt to modify or change this document without consent from the State of Arizona shall result in the nullification of this contract.



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State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

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Offer and Acceptance

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

OFFER

TO THE STATE OF ARIZONA:

The Undersigned hereby offers and agrees to furnish the material, service or construction in compliance with all terms, conditions, specifications and amendments in the Solicitation and any written exceptions in the offer.

Arizona Transaction (Sales) Privilege Tax License No.:

07 428149-A

Federal Employer Identification No.:

E-mail: Amy_Ivy@Dell.com

Phone: 512-723-6201

Fax:

Digitally signed by Amy Ivy
DN: cn=Amy Ivy, o=Dell, ou,
email=Amy_Ivy@Dell.com, c=US
Date: 2015.07.07 10:52:59 -05'00'

Dell Marketing, L.P.

Company Name

One Dell Way

Address

Round Rock

TX

78682

City

State

Zip

Signature of Person Authorized to Sign Offer

Amy Ivy

Printed Name

Contracts Manager

Title

By signature in the Offer section above, the Offeror certifies:

1. The submission of the Offer did not involve collusion or other anticompetitive practices.
2. The Offeror shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11246, State Executive Order 2009-09 or A.R.S. §§ 41-1461 through 1465.
3. The Offeror has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the submitted offer. Failure to provide a valid signature affirming the stipulations required by this clause shall result in rejection of the offer. Signing the offer with a false statement shall void the offer, any resulting contract and may be subject to legal remedies provided by law.
4. The Offeror certifies that the above referenced organization IS/ IS NOT a small business with less than 100 employees or has gross revenues of \$4 million or less.

ACCEPTANCE OF OFFER

The Offer is hereby accepted.

The Contractor is now bound to sell the materials or services listed by the attached contract and based upon the solicitation, including all terms, conditions, specifications, amendments, etc., and the Contractor's Offer as accepted by the State.

This Contract shall henceforth be referred to as Contract No.

ADSPO15-093839

The Contractor has been cautioned not to commence any billable work or to provide any material or service under this contract until Contractor receives purchase order, contact release document or written notice to proceed.

State of Arizona

Awarded this

day of

July 2015

[Signature]
Procurement Officer

PROCURE AZ 50



Scope of Work

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Contract No: ADSP015-093839
Description: Computer Hardware including Peripherals and Associated Services

1. Introduction

The State of Arizona, its Agencies, Boards and Commissions (State), as well as authorized Cooperative Members, have an ongoing requirement for the products and services as described herein. This NASPO Value Point Participating Addendum (PA) is developed by and for the State of Arizona. This PA is based on the award of a competitively solicited procurement, performed in concert with NASPO Value Point and the State of Minnesota.

2. Background

In 2014, the State of Minnesota competitively solicited offers from national and regional Contractors for the provision of computer hardware and associated services. Specifically, the categories of equipment are: Desktops, Laptops, Tablets, Servers and Storage. The result of this procurement was the award of thirty-two (32) Master contracts that became effective on April 1, 2015. Per the procedure outlined on the NASPO Value Point website and other materials, an interested participating state, must develop a Participating Addendum (PA) with the Contractors of their choosing.

The Participating Addendum (PA) must adhere to the requirements of the Master Contract as awarded and negotiated by the State of Minnesota. However, each individual PA may stipulate specific requirements, such as terms and conditions and other contract features are mandated or desired by each participating State.

3. State of Arizona Requirements

The State of Arizona shall engage various Contractors through the PA process and award. For this particular PA, the Contractor shall be: **Dell Marketing L.P.** As per award, the Contractor shall provide the following equipment as specified in the Master Contract **MNWNC-108**: Desktops, Laptops, Tablets, and Servers including accessories/peripherals and associated services.

For clarity, the definitions as used in the Master Contract shall be used, but have been modified for this PA. The definitions are as follows:

Desktop – A personal computer intended for regular use at a single location. Typically comes in several units connected together during installation: (1) processor, (2) display monitor, (3) input devices, i.e., keyboard and mouse. **Desktop virtualization endpoints such as zero and thin clients shall also be included if available from this Contractor.**

Laptop – Is a personal computer for mobile use. A laptop includes a display, keyboard, point device such as a touchpad and speakers into a single unit. A laptop can be used away from an outlet using a rechargeable battery. This Band may include notebooks, ultrabooks, and netbooks. Computers with mobile operating systems will also be included under this Band.

Peripherals – A peripheral means any hardware product that can be attached to or added within or networked with computers, servers and storage. Peripherals extend the functionality of a computer without modifying the core components of the system. **Peripherals are defined as including accessories.** Peripherals may be manufactured by a third party, however, Contractor shall not offer any peripherals manufactured by another Contracted Supplier holding a Master Agreement. The Contractor shall provide the warranty service and maintenance for all peripherals.

Accessory – Accessories do not extend the functionality of the computer, but enhances the user experience i.e. mouse pad, monitor stand. **For the purposes of this proposal accessories are considered peripherals.**

Tablet – A tablet is a mobile computer that provides a touchscreen which acts as the primary means of control. **Tablet band shall include notebooks, ultrabooks, and netbooks that are touchscreen capable.**



Scope of Work

State of Arizona
State Procurement Office
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Contract No: **ADSP015-093839**
Description: **Computer Hardware including Peripherals and Associated Services**

Services – Broadly classed as installation/de-installation, maintenance support, *minimal operation training*, migration, and optimization of products offered or supplied. These types of services shall include the following:

- A. Warranty Services;
- B. Equipment Maintenance;
- C. Installation, and De-installation;
- D. Factory Integration (software or equipment components);
- E. Asset Management;
- F. Pre-Implementation Design;
- G. Disaster Recovery Planning and Support; and
- H. Equipment Operation Training

4. Participating Addendum Allowances and Restrictions

This PA shall allow and restrict the following:

- A. Any network equipment that may include, routers, switches, security components, telephony, cabling other networking devices is not allowed as a separate purchase. The network component must be a part of the total equipment solution.
- B. The only allowable software is operating system software and is subject to equipment configuration limits. Commercial off-the shelf (COTS) application software is not allowed;
- C. Software must be pre-loaded or provided as an electronic link with the initial purchase, exception is noted immediately below;
 - C1. Software such as middleware which is not installed on the equipment but is related to storage and server equipment purchased, is allowed and may be procured after the initial purchase of the equipment,
- D. Services must be related to the equipment. No additional professional services, such as consulting, regardless of length of engagement, is allowed;
- E. Wireless phone and internet service is not allowed;
- F. Cellular equipment and accessories are not allowed;
- G. Cloud services including acquisitions structured as managed on-site services are not allowed;
- H. Managed Print Services is not allowed
- I. Hosting Services are not allowed;
- J. Software training, or any other training other than equipment operation training, is not allowed;



Scope of Work

State of Arizona
State Procurement Office
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Contract No; **ADSP015-093839**
Description: **Computer Hardware including Peripherals and Associated Services**

- K. Employee Purchase Programs are not allowed in this PA; and
- L. Trade-In and Recycle Programs or offerings are not allowed in this PA.

5. Leasing and Rental Options

Leasing and rental options are allowable for the acquisition of the awarded equipment, if the Contractor provides this option. A Master Lease or Master Rental Agreement will not be negotiated by the State. Each Eligible Agency or Ordering Entity who chooses to pursue either method, shall be responsible for the review, possible negotiations, and signature on any leasing or rental documents. Additionally, it shall be clear that the Eligible Agency or Ordering Entity has the final financial responsibility. The following shall apply to all State agencies, boards and commissions. All cooperative members shall seek guidance from their internal Finance Department for applicability:

- A. Capital and operating lease agreements, as well as straight rental agreements, between the Contractor and any Eligible Agency or Ordering Entity are allowable under this Contract.
 - 1. Capital leases are those agreements which transfer title or ownership of the leased property at the end of the lease or contain a provision for a bargain purchase option; and
 - 2. Operating leases are those agreements where agencies do not obtain title to or ownership of, only the temporary possession and use of, the leased property.
- B. In the event of a conflict between the provisions of a lease agreement and Contract terms and conditions, the Contract terms and conditions shall prevail.
- C. Any State entity entering into a lease agreement as allowed herein shall follow the policies outlined in the State of Arizona Accounting Manual. Any questions as to the State's policy should be directed to the ADOA General Accounting Office. Inquiries can be sent via email to gaopolicy@azdoa.gov.
- D. To ensure compliance with Article 9, Section 5 of the State of Arizona Constitution, installment purchase agreements, or those agreements where title to the property is transferred to the lessee at the inception of the agreement, shall be prohibited under this contract.

6. Configuration Limits

The dollar limits below are based on a single computer configuration. This is not a restriction on the purchase of multiple configurations. Example – an entity may purchase 10 laptops at \$10K each for a total purchase price of \$100K. Configuration is defined as the combination of hardware and software components that make up the total functioning system. Software purchases are considered a part of the configuration limit on the equipment.

Servers	\$750,000
Storage	\$1,000,000
Desktops	\$10,000
Laptops	\$10,000
Tablets	\$5,000
Peripherals	\$25,000



Scope of Work

State of Arizona
State Procurement Office
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Phoenix, AZ 85007

Contract No: ADSP015-093839
Description: Computer Hardware including Peripherals and Associated Services

7. Reporting

At a minimum the Contractor shall provide sales reports as outlined in the Master contract and sample Participating Addendum, as provided by NASPO Value Point. Sales reports will only be requested as needed by either the State or any Ordering Entity. More importantly for this PA, is Contractor's compliance to Item 8, Administrative Fee and Usage Reports as stated in the Special Terms and Conditions of this document.

8. ePEAT

The State of Arizona has not waived this requirement. At a minimum the Contractor shall be ePEAT Bronze compliant.

9. Utilization of Partners

The Contractor may offer partners to provide additional services in support of this contract. The partners may provide the following:

- A. Marketing and Sales;
- B. Product Fulfillment;
- C. Customer Service;
- D. Expediting Services; and
- E. Administrative Services;
 - E1. Purchase Order Acceptance, and
 - E2. Accounts Receivable

If the Contractor chooses to allow partners to provide administrative services as noted above, Contractor has the responsibility to vet or ensure the partners capabilities including their financial systems and business processes to accept and process contract obligation and financial documents timely and accurately. The ultimate responsibility for the performance of these partners, rests with the Contractor. The State or any Ordering Entity shall not be obligated or forced to utilize a partner or partners.

Contractor may provide up to ten (10) partners. Contractor may remove and add partners within the contract term, as long as the State receives timely notification of these changes. All notifications shall be in writing. At a minimum, the notification shall include:

- A. The name of the Partner;
- B. Address;
- C. Contact Name(s);
- D. Phone and Email Contact Information; and
- E. Description of the Services they will provide.



Scope of Work

State of Arizona
State Procurement Office
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Contract No: **ADSP015-093839**
Description: **Computer Hardware including Peripherals and Associated Services**

10. Current Product and Pricing Schedules

The Contractor is responsible to ensure that any changes made to the Product and Pricing Schedules are current and are accurate. It is required that the Contractor provide a Product and Pricing Schedule update to the State for each update provided to the NASPO Value Point Lead State. Notification regarding any changes shall be made in writing within thirty (30) days of when notification was provided to the NASPO Value Point Lead State.

11. Website Ordering or Punch-Out Capabilities

The State reserves the right to work with the Contractor at a later date, to initiate and implement a web enabled ordering mechanism, including a punch-out feature into the State's e-procurement system, ProcureAZ.

12. Ordering Instruments

Any order for equipment, or services, shall be placed with the Contractor or their approved Partner by either a valid purchase order or a government/commercially sponsored procurement card (P Card). Private and or individual credit may not be accepted.

Any credit card processing fees that may be imposed by the Contractor shall be listed as a separate line item on any invoice. The imposition of processing fees should be carefully considered by the Contractor and should not exceed the following:

- A. For transactions of \$25,000.00 or less, the Contractor may not charge a credit card fee; and
- B. For transactions greater than \$25,000.00, the Contractor may charge a credit card fee that shall not exceed 2.5%.



Special Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Contract No: ADSP015-093839
Description: Computer Hardware including Peripherals and Associated Services

1. Purpose

Pursuant to provisions of the Arizona Procurement Code, A.R.S. 41-2501 Et Seq., the State of Arizona intends to establish a Contract for the materials or services as listed herein.

2. Term of Contract

The term of the resultant Contract shall be effective the date specified on the Offer and Award or Signature page and shall remain in effect unless terminated, cancelled, or extended as otherwise provided herein. The initial first year term shall be July 1, 2015 to March 31, 2017 in order to coincide with the NASPO ValuePoint Master Contract.

3. Contract Extensions

The Contract term is for the stated period subject to additional successive periods of twelve (12) months per extension with a maximum aggregate including all extensions not to exceed five (5) years.

4. Master Contract and Participating Addendum Order of Precedence

As stated in the Participating Addendum of record, as posted on the NASPO Value Point website, the contract order of precedence for this PA is as follows:

- 4.1 State of Arizona Participating Addendum;
- 4.2 Minnesota NASPO ValuePoint Master Agreement;
- 4.3 The Solicitation including all Addendums; and
- 4.4 Contract Vendors response to the Solicitation

5. Non-Exclusive Contract

This contract has been awarded with the understanding and agreement that it is for the sole convenience of the State of Arizona. The State reserves the right to obtain like goods or services from another source when necessary. Off-contract purchase authorization(s) may be approved by the State Procurement Office. Approvals shall be at the exclusive discretion of the State and shall be final. Off-contract procurement shall be consistent with the Arizona Procurement Code.

6. Eligible Agencies

This Contract shall be for the use of all State of Arizona departments, agencies, commissions and boards. In addition, eligible State Purchasing Cooperative members may participate at their discretion. In order to participate in this contract, a cooperative member shall have entered into a Cooperative Purchasing Agreement with the Department of Administration, State Procurement Office as required by Arizona Revised Statutes § 41-2632.

Membership in the State Purchasing Cooperative is available to all Arizona political subdivisions including cities, counties, school districts, and special districts. Membership is also available to all non-profit organizations, as well as State governments, the US Federal Government and Tribal Nations. Non-profit organizations are defined in A.R.S. § 41-2631(4) as any nonprofit corporation as designated by the internal revenue service under section 501(c)(3) through 501(c)(6).



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7. Estimated Quantities

The State anticipates considerable activity resulting from contract(s) that will be awarded as a result of this solicitation; however, no commitment of any kind is made concerning quantities actually acquired and that fact should be taken into consideration by each potential Contractor.

8. Administrative Fee and Usage Reports

Method of Assessment. At the completion of each quarter, the Contractor reviews all sales under their contract in preparation for submission of their Usage Report. The Contractor identifies all sales receipts transacted by members of the State Purchasing Cooperative and assesses one percent (1.0%) of this amount in their Usage Report. An updated list of State Purchasing Cooperative members may be found at: <https://spo.az.gov/state-purchasing-cooperative>. At its option, the State may expand or narrow the applicability of this fee. The State shall provide thirty (30) written notice prior to exercising or changing this option. The Contractor shall summarize all sales, along with all assessed Administrative Fee amounts within their Usage Report, including total amounts for the following:

- 8.1 Total sales receipts from State agencies, boards and commissions;
- 8.2 Total sales receipts from members of the State Purchasing Cooperative; and
- 8.3 Total Administrative Fee amount based on one percent (1.0%) of the sales receipts from members of the State Purchasing Cooperative.

Submission of Reports and Fees. Within thirty (30) days following the end of the quarter, the Contractor submits their Usage Report and if applicable, a check in the amount of one percent (1%) of their sales receipts from members of the State Purchasing Cooperative, to the Department of Administration, State Procurement Office. Contractors are required to use the State's current report templates unless you have authorization from your contract officer to use a different format. You need to complete Form 799, which is a cover letter that gives the totals of your transactions; and Form 801, which is an Excel spreadsheet that details your transactions. Sales to state agencies and the cooperative members are to be totaled separately. The most current forms can be downloaded at <https://spo.az.gov/statewide-contracts-administrative-fee>.

The submission schedule for Administrative Fees and Usage reports shall be as follows:

FY Q1, July through September	Due October 31
FY Q2, October through December	Due January 31
FY Q3, January through March	Due by April 30
FY Q4, April through June	Due by July 31

Usage Reports and any questions are to be submitted by email to the state's designated usage report email address: usage@azdoa.gov

Administrative Fees shall be made out to the "State Procurement Office" and mailed to:

**Department of Administration
General Services Division
ATTN: "Statewide Contracts Administrative Fee"
100 N. 15th Avenue, Suite 202
Phoenix, AZ 85007**



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The Administrative Fee shall be a part of the Contractor's unit prices and is not to be charged directly to the customer in the form of a separate line item. Statewide contracts shall not have separate prices for State Agency customers and State Purchasing Cooperative customers.

Contractor's failure to remit administrative fees in a timely manner consistent with the contract's requirements may result in the State exercising any recourse available under the contract or as provided for by law.

9. Licenses

The Contractor shall maintain in current status, all federal, state and local licenses and permits required for the operation of the business conducted by the Contractor.

10. Authorization to Purchase

Authorization for the purchase of equipment or services shall be made only upon the issuance of a Purchase Order or a government/commercial procurement card/credit card. The Purchase Order will indicate the contract number and the dollar amount of funds authorized. The Contractor shall only be authorized to perform up to the amount on the Purchase Order or the accepted quotation document. The State shall not have any legal obligation to pay for goods or services in excess of the amount indicated on the Purchase Order or accepted quotation document. No further obligation for payment shall exist unless:

- 10.1 The Purchase Order is changed or modified with an official Change Order, and/or
- 10.2 An additional Purchase Order is issued for the purchase of good and services under this Contract.

11. Invoicing

All billing notices or invoices shall be sent to the agency whose address appears on the contract release order/purchase order as the 'bill to address' and should contain, at a minimum, the information listed below.

- 10.1 The contract number, as applicable, the Task Order number, and the contract release/purchase order number;
- 10.2 Name and address of the contractor;
- 10.3 The Contractor's remittance address;
- 10.4 Contractor's representative to contact concerning billing questions;
- 10.5 Contractual payment terms;
- 10.6 Applicable taxes; and
- 10.7 Description of work products delivered.

12. Compliance with Applicable Laws - Negotiated

The Materials and services supplied under this Contract shall comply with all applicable Federal, state and local laws, and the Contractor shall maintain all applicable licenses and permit requirements. Contractor represents and warrants to the State that Contractor has the skill and knowledge possessed by members of its trade or profession and Contractor will apply that skill and knowledge with care and diligence so Contractor and Contractor's employees and any authorized subcontractors shall perform the Services described in this Contract.



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Contractor represents that any Dell-branded products provided through this Contract shall be free of viruses, backdoors, worms, spyware, malware and other malicious code that will hamper performance of the Materials, collect unlawful personally identifiable information on users or prevent the Materials from performing as required under the terms and conditions of this Contract.

13. Price Adjustment - Negotiated

Contractor discounts accepted and subsequently awarded by a Contract shall remain in effect for a minimum of one (1) term. The Contractor may request a price adjustment, but the State will not review or approve an increase until the Contract has been in effect for the initial term. Contractor shall provide written justification for any price adjustment requested. Any price increase adjustment, if approved, will be effective upon execution of a written Contract amendment. In the advent of a price increase authorization allowed by the Lead State of Minnesota, this PA will be modified accordingly.

14. Payment Procedures

The State will not make payments to any Entity, Group or individual other than the Contractor with the Federal Employer Identification (FEI) Number identified in the Contract. Contractor invoices requesting payment to any Entity, Group or individual other than the contractually specified Contractor shall be returned to the Contractor for correction.

The Contractor shall review and insure that the invoices for services provided show the correct Contractor name prior to sending them for payment.

If the Contractor Name and FEI Number change, the Contractor shall complete an "Assignment and Agreement" form transferring contract rights and responsibilities to the new Contractor. The State shall indicate consent on the form. A written Contract Amendment shall be signed by both parties and a new W-9 form shall be submitted by the new Contractor and entered into the system prior to any payments being made to the new Contractor.

15. Order Process

The award of a Contract shall be in accordance with the Arizona Procurement Code. Any attempt to represent any material and/or service not specifically awarded as being under contract with the State is a violation of the Contract and the Arizona Procurement Code. Any such action is subject to the legal and contractual remedies available to the State inclusive of, but not limited to, contract cancellation, suspension and/or debarment of the Contractor.

16. Offshore Performance of Work Prohibited

Due to security and identity protection concerns, direct services under this contract shall be performed within the borders of the United States. Any services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and may involve access to secure or sensitive data or personal client data or development or modification of software for the State shall be performed within the borders of the United States. Unless specifically stated otherwise in the specifications, this definition does not apply to indirect or "overhead" services, redundant back-up services or services that are incidental to the performance of the contract. This provision applies to work performed by subcontractors at all tiers.

17. First Party Limitation of Liability – Refer to Master MNWNC-108, Section 33



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18. Access Constraints and Requirements

Contractor access to State facilities and resources shall be properly authorized by State personnel, based on business need and **will be restricted to least possible privilege**. Upon approval of access privileges, the Contractor shall maintain strict adherence to all policies, standards, and procedures. Policies / Standards, ADOA / ASET Policies / Procedures, and Arizona Revised Statutes (ARS) 28-447, 28-449, 28-450, 38-421, 13-2408, 13-2316, 41-770).

Failure of the Contractor, its agents or subcontractors to comply with policies, standards, and procedures including any person who commits an unlawful breach or harmful access (physical or virtual) will be subject to prosecution under all applicable state and / or federal laws.

Any and all recovery or reconstruction costs or other liabilities associated with an unlawful breach or harmful access shall be paid by the Contractor.

19. Section 508 Compliance

Unless specifically authorized in the Contract, any electronic or information technology offered to the State of Arizona under this Contract shall comply with A.R.S. § 41-2531 and § 41-2532 and Section 508 of the Rehabilitation Act of 1973, which requires that employees and members of the public shall have access to and use of information technology that is comparable to the access and use by employees and members of the public who are not individuals with disabilities.

20. Health Insurance Portability and Accountability Act of 1996

The Contractor warrants that it is familiar with the requirements of HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act (HITECH Act) of 2009, and accompanying regulations and will comply with all applicable HIPAA requirements in the course of this Contract. Contractor warrants that it will cooperate with the State in the course of performance of the Contract so that both the State and the Contractor will be in compliance with HIPAA, including cooperation and coordination with the ADOA-ASET Office, the Statewide Information Security and Privacy Office (SISPO) Chief Privacy Officer and HIPAA Coordinator, and other compliance officials required by HIPAA and its regulations. Contractor will sign any documents that are reasonably necessary to keep the State and Contractor in compliance with HIPAA, including but not limited to, business associate agreements.

If requested, the Contractor agrees to sign a "Pledge to Protect Confidential Information" and to abide by the statements addressing the creation, use and disclosure of confidential information, including information designated as protected health information and all other confidential or sensitive information as defined in policy. In addition, if requested, Contractor agrees to attend or participate in job related HIPAA training that is: (1) intended to make the Contractor proficient in HIPAA for purposes of performing the services required and (2) presented by a HIPAA Privacy Officer or other person or program knowledgeable and experienced in HIPAA and who has been approved by the ADOA-ASET/SISPO Chief Privacy Officer and HIPAA Coordinator.

21. Indemnification - Negotiated

To the extent allowed by law, Contractor shall defend, indemnify, and hold harmless the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees (hereinafter referred to as "Indemnitee") from and against third party claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the gross negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of, or recovered under, the Workers' Compensation Law or



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arising out of the failure of such contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the gross negligent or willful acts or omissions of the Indemnitee, be indemnified by Contractor from and against third party claims. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the State of Arizona, its officers, officials, agents and employees for losses arising from the work performed by the Contractor for the State of Arizona.

This indemnity shall not apply if the contractor or sub-contractor(s) is/are an agency, board, commission or university of the State of Arizona.

22. Intellectual Property Indemnification

Indemnification - Patent and Copyright. With respect solely to Materials provided or proposed by Contractor or Contractor's agents, employees, or subcontractors (each a "Contractor Party") for performance of this Contract, Contractor shall indemnify, defend and hold harmless the State, its departments, agencies, boards, commissions, universities, officers, agents and employees (collectively, the "Indemnitee"), against any third-party claims for liability, including, but not limited to, reasonable costs and expenses, including attorneys' fees, for infringement or violation of any patent, trademark, copyright or trade secret, by such Materials or the State's use thereof.

In addition, with respect to claims arising from computer hardware or software manufactured or developed solely by a third party, Contractor shall pass through to the State such indemnity rights as it receives from such third party (the "Third Party Obligation") and will cooperate in enforcing them; provided, however, that (i) if the third party manufacturer fails to honor the Third Party Obligation, or (ii) the Third Party Obligation is insufficient to fully indemnify the State, Contractor shall indemnify, defend and hold harmless the State against such claims in their entirety or for the balance of any liability not fully covered by the Third Party Obligation.

The State shall reasonably notify the Contractor of any claim for which Contractor may be liable under this section. If the Contractor is insured pursuant to A.R.S. § 41-621 and § 35-154, this section shall not apply. Contractor shall have control, subject to the reasonable approval of the State, of the defense of any action on such claim and all negotiations for its settlement or compromise, provided, however, that when substantial principles of government or public law are involved or when involvement of the State is otherwise mandated by law, the State may elect, in its sole and absolute discretion, to participate in such action at its own expense with respect to attorneys' fees and costs, but not liability, and the State shall have the right to approve or disapprove any settlement, which approval shall not be unreasonably withheld or delayed. The State shall reasonably cooperate in the defense and any related settlement negotiations.

If Contractor believes at any time that any Materials provided or in use pursuant to this Contract infringe a third party's intellectual property rights, Contractor shall, at Contractor's sole cost and expense, and upon receipt of the State's prior written consent, which shall not be unreasonably withheld, (i) replace an infringing Material with a non-infringing Material; (ii) obtain for the State the right to continue to use the infringing Material; or (iii) modify the infringing Material to be non-infringing, provided that following any replacement or modification made pursuant to the foregoing, the Material continues to function in accordance with the Contract. Contractor's failure or inability to accomplish any of the foregoing shall be deemed a material breach of this Contract.

Notwithstanding the foregoing, Contractor shall not be liable for any claim for infringement based solely on any Indemnitee's:

(i) modification of Materials provided by Contractor other than as contemplated by the Contract or the specifications of such Materials or as otherwise authorized or proposed in any way by Contractor or a Contractor Party;



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(ii) use of the Materials in a manner other than as contemplated by this Contract or the specifications of such Materials, or as otherwise authorized or proposed in any way by Contractor or a Contractor Party; or

(iii) use of the Materials in combination, operation, or use with other products in a manner not contemplated by the Contract, or, the specifications of such Materials, or as otherwise authorized or proposed in any way by Contractor or a Contractor Party.

Contractor certifies, represents and warrants to the State that it has appropriate systems and controls in place to ensure that State funds will not be used in the performance of the Contract for the acquisition, operation or maintenance of Materials in violation of intellectual property laws.

23. Insurance

Contractor and subcontractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract, are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, its agents, representatives, employees or subcontractors.

The insurance requirements herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that might arise out of the performance of the work under this contract by the Contractor, its agents, representatives, employees or subcontractors, and Contractor is free to purchase additional insurance.

A. MINIMUM SCOPE AND LIMITS OF INSURANCE: Contractor shall provide coverage at least as broad and with limits of liability not less than those stated below.

1. Commercial General Liability – Occurrence Form

Policy shall include bodily injury, property damage, personal and advertising injury and broad form contractual liability.

• General Aggregate	\$2,000,000
• Products – Completed Operations Aggregate	\$1,000,000
• Personal and Advertising Injury	\$1,000,000
• Damage to Rented Premises	\$ 50,000
• Each Occurrence	\$1,000,000

a. The policy shall include the following additional insured language: ***“The State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor.”*** Such additional insured shall be covered to the full limits of liability purchased by the Contractor, even if those limits of liability are in excess of those required by this Contract.

b. Policy shall contain a waiver of subrogation endorsement (**Blanket Endorsements are not acceptable**) in favor of the ***“State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees”*** for losses arising from work performed by or on behalf of the Contractor.

2. Business Automobile Liability

Bodily Injury and Property Damage for any owned, hired, and/or non-owned vehicles used in the performance of this Contract.

• Combined Single Limit (CSL)	\$1,000,000
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- a. The policy shall include the following additional insured language: *"The State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor, involving automobiles owned, leased, hired or borrowed by the Contractor."* Such additional insured shall be covered to the full limits of liability purchased by the Contractor, even if those limits of liability are in excess of those required by this Contract.
- b. Policy shall contain a waiver of subrogation endorsement (**Blanket Endorsements are not acceptable**) in favor of the "State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees" for losses arising from work performed by or on behalf of the Contractor.
- c. Policy shall contain a severability of interest provision.

3. Worker's Compensation and Employers' Liability

• Workers' Compensation	Statutory
• Employers' Liability	
Each Accident	\$1,000,000
Disease – Each Employee	\$1,000,000
Disease – Policy Limit	\$1,000,000

- a. Policy shall contain a waiver of subrogation endorsement (**Blanket Endorsements are not acceptable**) in favor of the "State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees" for losses arising from work performed by or on behalf of the Contractor.
- b. This requirement shall not apply to: Separately, EACH contractor or subcontractor exempt under A.R.S. § 23-901, AND when such contractor or subcontractor executes the appropriate waiver (Sole Proprietor/Independent Contractor) form.

B. **ADDITIONAL INSURANCE REQUIREMENTS:** The policies are to contain, or be endorsed to contain, the following provisions:

- 1. The Contractor's policies shall stipulate that the insurance afforded the Contractor shall be primary insurance and that any insurance carried by the Department, its agents, officials, employees or the State of Arizona shall be excess and not contributory insurance, as provided by A.R.S. § 41-621 (E).
- 2. Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract.

C. **NOTICE OF CANCELLATION:** With the exception of (10) day notice of cancellation for non-payment of premium, any changes material to compliance with this contract in the insurance policies above shall require (30) days written notice to the State of Arizona. Such notice shall be sent directly to **the Department** and shall be sent by certified mail, return receipt requested.

D. **ACCEPTABILITY OF INSURERS:** Contractors insurance shall be placed with companies licensed in the State of Arizona or hold approved non-admitted status on the Arizona Department of Insurance List of Qualified Unauthorized Insurers. Insurers shall have an "A.M. Best" rating of not less than A- VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

E. **VERIFICATION OF COVERAGE:** Contractor shall furnish the State of Arizona with certificates of insurance (ACORD form or equivalent approved by the State of Arizona) as required by this Contract. The certificates for each insurance policy are to be signed by an authorized representative.



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All certificates and endorsements are to be received and approved by the State of Arizona before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work under this Contract and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.

All certificates required by this Contract shall be sent directly to the Department. The State of Arizona project/contract number and project description are to be noted on the certificate of insurance. The State of Arizona reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time.

F. **APPROVAL:** Any modification or variation from the *insurance requirements* in this Contract shall be made by the contracting agency in consultation with the Department of Administration, Risk Management Division. Such action will not require a formal Contract amendment, but may be made by administrative action.

G. **EXCEPTIONS:** In the event the Contractor or sub-contractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of Self-Insurance. If the contractor or sub-contractor(s) is/are a State of Arizona agency, board, commission, or university then none of the above shall apply.

24. Compliance Requirements for A.R.S. § 41-4401, Government Procurement: e-Verify Requirement

The Contractor warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with Section A.R.S. § 23-214, Subsection A. (That subsection reads: "After December 31, 2007, every employer, after hiring an employee, shall verify the employment eligibility of the employee through the E-Verify program.)

A breach of a warranty regarding compliance with immigration laws and regulations shall be deemed a material breach of the Contract and the Contractor may be subject to penalties up to and including termination of the Contract.

Failure to comply with a State audit process to randomly verify the employment records of Contractors and subcontractors shall be deemed a material breach of the Contract and the Contractor may be subject to penalties up to and including termination of the Contract.

The State Agency retains the legal right to inspect the papers of any employee who works on the Contract to ensure that the Contractor or subcontractor is complying with the warranty under paragraph One (1).

25. Negotiated Uniform Terms and Conditions

The following terms and conditions have been negotiated, and based on contract order of precedence shall be placed in the Special Terms and Conditions for greater clarity and position.

25.1. **Audit.** Pursuant to ARS § 35-214, at any reasonable time during the term of this Contract and five (5) years thereafter, the Contractor's books and records shall be subject to audit by the State and, where applicable, the Federal Government, only to the extent that the books and records relate to the performance of the Contract or Subcontract.

25.2. **Property of the State.** Any materials, including reports, computer programs and other deliverables, created under this Contract are the sole property of the State. The Contractor shall not use or release these materials without the prior written consent of the State.



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- 25.3 Ownership of Intellectual Property. Any and all intellectual property, including but not limited to copyright, invention, trademark, trade name, service mark, and/or trade secrets created or conceived pursuant to or as a result of this contract and any related subcontract ("Intellectual Property"), shall be work made for hire and the State shall be considered the creator of such Intellectual Property. The agency, department, division, board or commission of the State of Arizona requesting the issuance of this contract shall own (for and on behalf of the State) the entire right, title and interest to the Intellectual Property throughout the world. Contractor shall notify the State, within thirty (30) days, of the creation of any Intellectual Property by it or its subcontractor(s). Contractor, on behalf of itself and any subcontractor(s), agrees to execute any and all document(s) necessary to assure ownership of the Intellectual Property vests in the State and shall take no affirmative actions that might have the effect of vesting all or part of the Intellectual Property in any entity other than the State. The Intellectual Property shall not be disclosed by contractor or its subcontractor(s) to any entity not the State without the express written authorization of the agency, department, division, board or commission of the State of Arizona requesting the issuance of this contract.

Notwithstanding the above, the Purchasing Entity will not own any of the Contract Vendor's pre-existing intellectual property that was created prior to the Master Agreement and which the Purchasing Entity did not pay the Contract Vendor to create. Subject to payment in full for the products, equipment or services, the Contract Vendor grants the Purchasing Entity a perpetual, irrevocable, non-exclusive, royalty free license for Contract Vendor's pre-existing intellectual property that is contained in the products, materials, equipment or services that are purchased through this Master Agreement. Contract Vendor will retain all right, title and interest in and to all Intellectual Property Rights in or related to the services, or tangible components thereof, including but not limited to (a) all know-how, intellectual property, methodologies, processes, technologies, algorithms, software or development tools used in performing the services, and (b) such ideas, concepts, know-how, processes and reusable reports, designs, charts, plans, specifications, documentation, forms, templates or output which are developed, created or otherwise used by or on behalf of Contract Vendor in the course of performing the services or creating the deliverables, other than portions that specifically incorporate proprietary or Confidential Information or data of Ordering Entity (collectively, the "Residual IP"), even if embedded in the deliverable.

- 25.4 Indemnification – Contractor/Vendor Indemnification – Please refer to Master MNWNC-108, Section 2C17
- 25.5 Public Agency Language – Please refer to Master MNWNC-108, Section 2C17
- 25.6 Indemnification Patent and Copyright – See Master MNWNC-108, Section 2C17
- 25.7 Third Party Antitrust Violations - Contract Vendor irrevocably assigns to a Participating Entity any claim for relief or cause of action which the Contract Vendor now has or which may accrue to the Contract Vendor in the future by reason of any violation of state or federal antitrust laws (15 U.S.C. § 1-15 or a Participating Entity's state antitrust provisions), as now in effect and as may be amended from time to time, in connection with any goods or services provided to the Contract Vendor for the purpose of carrying out the Contract Vendor's obligations under this Master Agreement or Participating Addendum, including, at a Participating Entity's option, the right to control any such litigation on such claim for relief or cause of action.
- 25.8 Warranties - The warranty provided must be the manufacturers written warranty tied to the product at the time of purchase and must include the following: (a) the Product performs according to the specifications (b) the Product is suitable for the ordinary purposes for which such Product is used, (c) the Product is designed and manufactured in a commercially reasonable manner, and (d) the Product is free of defects.



Special Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 201
Phoenix, AZ 85007

Contract No: **ADSP015-093839**
Description: **Computer Hardware including Peripherals and Associated Services**

For third party products sold by the Contract Vendor, the Contract Vendor will assign the manufacturer or publisher's warranty and maintenance. The Contract Vendor will provide warranty and maintenance call numbers and assist the customer in engaging the manufacturer on warranty and maintenance issues.

Upon breach of the warranty, the Contract Vendor will repair or replace (at no charge to the Purchasing Entity) the Product whose nonconformance is discovered and made known to the Contract Vendor. If the repaired and/or replaced Product proves to be inadequate, or fails of its essential purpose, the Contract Vendor will refund the full amount of any payments that have been made. The rights and remedies of the parties under this warranty are in addition to any other rights and remedies of the parties provided by law or so ordered by the court.

- 25.9. Nonconforming Tender. Materials or services supplied under this Contract shall fully comply with the Contract. The delivery of materials or services or a portion of the materials or services that do not fully comply constitutes a breach of contract. On delivery of nonconforming materials or services, the State may terminate the Contract for default under applicable termination clauses in the Contract, exercise any of its rights and remedies under the Uniform Commercial Code, or pursue any other right or remedy available to it, specifically to include the provision of a notice to cure any deficiency within thirty (30) days.
- 25.9 Termination for Convenience. Both parties reserves the right to terminate the Contract, in whole or in part at any time In the event of termination under this paragraph, all documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State upon demand. The Contractor shall be entitled to receive just and equitable compensation for work in progress, work completed and materials accepted before the effective date of the termination. The cost principles and procedures provided in A.A.C. R2-7-701 shall apply.



Uniform Terms and Conditions

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1. Definition of Terms

As used in this Solicitation and any resulting Contract, the terms listed below are defined as follows:

- 1.1. "Attachment" means any item the Solicitation requires the Offeror to submit as part of the Offer.
- 1.2. "Contract" means the combination of the Solicitation, including the Uniform and Special Instructions to Offerors, the Uniform and Special Terms and Conditions, and the Specifications and Statement or Scope of Work; the Offer and any Best and Final Offers; and any Solicitation Amendments or Contract Amendments.
- 1.3. "Contract Amendment" means a written document signed by the Procurement Officer that is issued for the purpose of making changes in the Contract.
- 1.4. "Contractor" means any person who has a Contract with the State.
- 1.5. "Days" means calendar days unless otherwise specified.
- 1.6. "Exhibit" means any item labeled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation.
- 1.7. "Gratuity" means a payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is received.
- 1.8. "Materials" means all property, including equipment, supplies, printing, insurance and leases of property but does not include land, a permanent interest in land or real property or leasing space.
- 1.9. "Procurement Officer" means the person, or his or her designee, duly authorized by the State to enter into and administer Contracts and make written determinations with respect to the Contract.
- 1.10. "Services" means the furnishing of labor, time or effort by a contractor or subcontractor which does not involve the delivery of a specific end product other than required reports and performance, but does not include employment agreements or collective bargaining agreements.
- 1.11. "Subcontract" means any Contract, express or implied, between the Contractor and another party or between a subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any material or any service required for the performance of the Contract.
- 1.12. "State" means the State of Arizona and Department or Agency of the State that executes the Contract.
- 1.13. "State Fiscal Year" means the period beginning with July 1 and ending June 30.

2. Contract Interpretation

- 2.1. Arizona Law. The Arizona law applies to this Contract including, where applicable, the Uniform Commercial Code as adopted by the State of Arizona and the Arizona Procurement Code, Arizona Revised Statutes (A.R.S.) Title 41, Chapter 23, and its implementing rules, Arizona Administrative Code (A.A.C.) Title 2, Chapter 7.
- 2.2. Implied Contract Terms. Each provision of law and any terms required by law to be in this Contract are a part of this Contract as if fully stated in it.
- 2.3. Contract Order of Precedence. In the event of a conflict in the provisions of the Contract, as accepted by the State and as they may be amended, the following shall prevail in the order set forth below:
 - 2.3.1. Special Terms and Conditions;
 - 2.3.2. Uniform Terms and Conditions;
 - 2.3.3. Statement or Scope of Work;
 - 2.3.4. Specifications;
 - 2.3.5. Attachments;



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2.3.6. Exhibits;

2.3.7. Documents referenced or included in the Solicitation.

- 2.4. Relationship of Parties. The Contractor under this Contract is an independent Contractor. Neither party to this Contract shall be deemed to be the employee or agent of the other party to the Contract.
- 2.5. Severability. The provisions of this Contract are severable. Any term or condition deemed illegal or invalid shall not affect any other term or condition of the Contract.
- 2.6. No Parole Evidence. This Contract is intended by the parties as a final and complete expression of their agreement. No course of prior dealings between the parties and no usage of the trade shall supplement or explain any terms used in this document and no other understanding either oral or in writing shall be binding.
- 2.7. No Waiver. Either party's failure to insist on strict performance of any term or condition of the Contract shall not be deemed a waiver of that term or condition even if the party accepting or acquiescing in the nonconforming performance knows of the nature of the performance and fails to object to it.

3. Contract Administration and Operation

- 3.1. Records. Under A.R.S. § 35-214 and § 35-215, the Contractor shall retain and shall contractually require each subcontractor to retain all data and other "records" relating to the acquisition and performance of the Contract for a period of five years after the completion of the Contract. All records shall be subject to inspection and audit by the State at reasonable times. Upon request, the Contractor shall produce a legible copy of any or all such records.
- 3.2. Non-Discrimination. The Contractor shall comply with State Executive Order No. 2009-09 and all other applicable Federal and State laws, rules and regulations, including the Americans with Disabilities Act.
- 3.3. Audit. Pursuant to ARS § 35-214, at any time during the term of this Contract and five (5) years thereafter, the Contractor's or any subcontractor's books and records shall be subject to audit by the State and, where applicable, the Federal Government, to the extent that the books and records relate to the performance of the Contract or Subcontract.
- 3.4. Facilities Inspection and Materials Testing. The Contractor agrees to permit access to its facilities, subcontractor facilities and the Contractor's processes or services, at reasonable times for inspection of the facilities or materials covered under this Contract. The State shall also have the right to test, at its own cost, the materials to be supplied under this Contract. Neither inspection of the Contractor's facilities nor materials testing shall constitute final acceptance of the materials or services. If the State determines non-compliance of the materials, the Contractor shall be responsible for the payment of all costs incurred by the State for testing and inspection.
- 3.5. Notices. Notices to the Contractor required by this Contract shall be made by the State to the person indicated on the Offer and Acceptance form submitted by the Contractor unless otherwise stated in the Contract. Notices to the State required by the Contract shall be made by the Contractor to the Solicitation Contact Person indicated on the Solicitation cover sheet, unless otherwise stated in the Contract. An authorized Procurement Officer and an authorized Contractor representative may change their respective person to whom notice shall be given by written notice to the other and an amendment to the Contract shall not be necessary.
- 3.6. Advertising, Publishing and Promotion of Contract. The Contractor shall not use, advertise or promote information for commercial benefit concerning this Contract without the prior written approval of the Procurement Officer.
- 3.7. Property of the State. Any materials, including reports, computer programs and other deliverables, created under this Contract are the sole property of the State. The Contractor is not entitled to a patent or copyright on those materials and may not transfer the patent or copyright to anyone else. The Contractor shall not use or release these materials without the prior written consent of the State.



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- 3.8. Ownership of Intellectual Property. Any and all intellectual property, including but not limited to copyright, invention, trademark, trade name, service mark, and/or trade secrets created or conceived pursuant to or as a result of this contract and any related subcontract ("Intellectual Property"), shall be work made for hire and the State shall be considered the creator of such Intellectual Property. The agency, department, division, board or commission of the State of Arizona requesting the issuance of this contract shall own (for and on behalf of the State) the entire right, title and interest to the Intellectual Property throughout the world. Contractor shall notify the State, within thirty (30) days, of the creation of any Intellectual Property by it or its subcontractor(s). Contractor, on behalf of itself and any subcontractor(s), agrees to execute any and all document(s) necessary to assure ownership of the Intellectual Property vests in the State and shall take no affirmative actions that might have the effect of vesting all or part of the Intellectual Property in any entity other than the State. The Intellectual Property shall not be disclosed by contractor or its subcontractor(s) to any entity not the State without the express written authorization of the agency, department, division, board or commission of the State of Arizona requesting the issuance of this contract.
- 3.9. Federal Immigration and Nationality Act. The contractor shall comply with all federal, state and local immigration laws and regulations relating to the immigration status of their employees during the term of the contract. Further, the contractor shall flow down this requirement to all subcontractors utilized during the term of the contract. The State shall retain the right to perform random audits of contractor and subcontractor records or to inspect papers of any employee thereof to ensure compliance. Should the State determine that the contractor and/or any subcontractors be found noncompliant, the State may pursue all remedies allowed by law, including, but not limited to; suspension of work, termination of the contract for default and suspension and/or debarment of the contractor.
- 3.10 E-Verify Requirements. In accordance with A.R.S. § 41-4401, Contractor warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with Section A.R.S. § 23-214, Subsection A.
- 3.11 Offshore Performance of Work Prohibited. Any services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and involve access to secure or sensitive data or personal client data shall be performed within the defined territories of the United States. Unless specifically stated otherwise in the specifications, this paragraph does not apply to indirect or 'overhead' services, redundant back-up services or services that are incidental to the performance of the contract. This provision applies to work performed by subcontractors at all tiers.

4. Costs and Payments

- 4.1. Payments. Payments shall comply with the requirements of A.R.S. Titles 35 and 41, Net 30 days. Upon receipt and acceptance of goods or services, the Contractor shall submit a complete and accurate invoice for payment from the State within thirty (30) days.
- 4.2. Delivery. Unless stated otherwise in the Contract, all prices shall be F.O.B. Destination and shall include all freight delivery and unloading at the destination.
- 4.3. Applicable Taxes.
- 4.3.1. Payment of Taxes. The Contractor shall be responsible for paying all applicable taxes.
- 4.3.2. State and Local Transaction Privilege Taxes. The State of Arizona is subject to all applicable state and local transaction privilege taxes. Transaction privilege taxes apply to the sale and are the responsibility of the seller to remit. Failure to collect such taxes from the buyer does not relieve the seller from its obligation to remit taxes.



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4.3.3. Tax Indemnification. Contractor and all subcontractors shall pay all Federal, state and local taxes applicable to its operation and any persons employed by the Contractor. Contractor shall, and require all subcontractors to hold the State harmless from any responsibility for taxes, damages and interest, if applicable, contributions required under Federal, and/or state and local laws and regulations and any other costs including transaction privilege taxes, unemployment compensation insurance, Social Security and Worker's Compensation.

4.3.4. IRS W9 Form. In order to receive payment the Contractor shall have a current I.R.S. W9 Form on file with the State of Arizona, unless not required by law.

4.4. Availability of Funds for the Next State fiscal year. Funds may not presently be available for performance under this Contract beyond the current state fiscal year. No legal liability on the part of the State for any payment may arise under this Contract beyond the current state fiscal year until funds are made available for performance of this Contract.

4.5. Availability of Funds for the current State fiscal year. Should the State Legislature enter back into session and reduce the appropriations or for any reason and these goods or services are not funded, the State may take any of the following actions:

4.5.1. Accept a decrease in price offered by the contractor;

4.5.2. Cancel the Contract; or

4.5.3. Cancel the contract and re-solicit the requirements.

5. Contract Changes

5.1. Amendments. This Contract is issued under the authority of the Procurement Officer who signed this Contract. The Contract may be modified only through a Contract Amendment within the scope of the Contract. Changes to the Contract, including the addition of work or materials, the revision of payment terms, or the substitution of work or materials, directed by a person who is not specifically authorized by the procurement officer in writing or made unilaterally by the Contractor are violations of the Contract and of applicable law. Such changes, including unauthorized written Contract Amendments shall be void and without effect, and the Contractor shall not be entitled to any claim under this Contract based on those changes.

5.2. Subcontracts. The Contractor shall not enter into any Subcontract under this Contract for the performance of this contract without the advance written approval of the Procurement Officer. The Contractor shall clearly list any proposed subcontractors and the subcontractor's proposed responsibilities. The Subcontract shall incorporate by reference the terms and conditions of this Contract.

5.3. Assignment and Delegation. The Contractor shall not assign any right nor delegate any duty under this Contract without the prior written approval of the Procurement Officer. The State shall not unreasonably withhold approval.

6. Risk and Liability

6.1. Risk of Loss: The Contractor shall bear all loss of conforming material covered under this Contract until received by authorized personnel at the location designated in the purchase order or Contract. Mere receipt does not constitute final acceptance. The risk of loss for nonconforming materials shall remain with the Contractor regardless of receipt.

6.2. Indemnification

6.2.1. Contractor/Vendor Indemnification (Not Public Agency) The parties to this contract agree that the State of Arizona, its departments, agencies, boards and commissions shall be indemnified and held harmless by the contractor for the vicarious liability of the State as a result of entering into this contract. However, the parties further agree that the State of Arizona, its departments, agencies,



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boards and commissions shall be responsible for its own negligence. Each party to this contract is responsible for its own negligence.

- 6.2.2. Public Agency Language Only Each party (as 'indemnitor') agrees to indemnify, defend, and hold harmless the other party (as 'indemnitee') from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as 'claims') arising out of bodily injury of any person (including death) or property damage but only to the extent that such claims which result in vicarious/derivative liability to the indemnitee, are caused by the act, omission, negligence, misconduct, or other fault of the indemnitor, its officers, officials, agents, employees, or volunteers."
- 6.3. Indemnification - Patent and Copyright. The Contractor shall indemnify and hold harmless the State against any liability, including costs and expenses, for infringement of any patent, trademark or copyright arising out of Contract performance or use by the State of materials furnished or work performed under this Contract. The State shall reasonably notify the Contractor of any claim for which it may be liable under this paragraph. If the contractor is insured pursuant to A.R.S. § 41-621 and § 35-154, this section shall not apply.
- 6.4. Force Majeure.
- 6.4.1 Except for payment of sums due, neither party shall be liable to the other nor deemed in default under this Contract if and to the extent that such party's performance of this Contract is prevented by reason of force majeure. The term "*force majeure*" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Without limiting the foregoing, force majeure includes acts of God; acts of the public enemy; war; riots; strikes; mobilization; labor disputes; civil disorders; fire; flood; lockouts; injunctions-intervention-acts; or failures or refusals to act by government authority; and other similar occurrences beyond the control of the party declaring force majeure which such party is unable to prevent by exercising reasonable diligence.
- 6.4.2. Force Majeure shall not include the following occurrences:
- 6.4.2.1. Late delivery of equipment or materials caused by congestion at a manufacturer's plant or elsewhere, or an oversold condition of the market;
- 6.4.2.2. Late performance by a subcontractor unless the delay arises out of a force majeure occurrence in accordance with this force majeure term and condition; or
- 6.4.2.3. Inability of either the Contractor or any subcontractor to acquire or maintain any required insurance, bonds, licenses or permits.
- 6.4.3. If either party is delayed at any time in the progress of the work by force majeure, the delayed party shall notify the other party in writing of such delay, as soon as is practicable and no later than the following working day, of the commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be delivered or mailed certified-return receipt and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The time of completion shall be extended by Contract Amendment for a period of time equal to the time that results or effects of such delay prevent the delayed party from performing in accordance with this Contract.
- 6.4.4. Any delay or failure in performance by either party hereto shall not constitute default hereunder or give rise to any claim for damages or loss of anticipated profits if, and to the extent that such delay or failure is caused by force majeure.
- 6.5. Third Party Antitrust Violations. The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the Contractor, toward fulfillment of this Contract.



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7. Warranties

- 7.1. Liens. The Contractor warrants that the materials supplied under this Contract are free of liens and shall remain free of liens.
- 7.2. Quality. Unless otherwise modified elsewhere in these terms and conditions, the Contractor warrants that, for one year after acceptance by the State of the materials, they shall be:
 - 7.2.1. Of a quality to pass without objection in the trade under the Contract description;
 - 7.2.2. Fit for the intended purposes for which the materials are used;
 - 7.2.3. Within the variations permitted by the Contract and are of even kind, quantity, and quality within each unit and among all units;
 - 7.2.4. Adequately contained, packaged and marked as the Contract may require; and
 - 7.2.5. Conform to the written promises or affirmations of fact made by the Contractor.
- 7.3. Fitness. The Contractor warrants that any material supplied to the State shall fully conform to all requirements of the Contract and all representations of the Contractor, and shall be fit for all purposes and uses required by the Contract.
- 7.4. Inspection/Testing. The warranties set forth in subparagraphs 7.1 through 7.3 of this paragraph are not affected by inspection or testing of or payment for the materials by the State.
- 7.5. Compliance With Applicable Laws. The materials and services supplied under this Contract shall comply with all applicable Federal, state and local laws, and the Contractor shall maintain all applicable license and permit requirements.
- 7.6. Survival of Rights and Obligations after Contract Expiration or Termination.
 - 7.6.1. Contractor's Representations and Warranties. All representations and warranties made by the Contractor under this Contract shall survive the expiration or termination hereof. In addition, the parties hereto acknowledge that pursuant to A.R.S. § 12-510, except as provided in A.R.S. § 12-529, the State is not subject to or barred by any limitations of actions prescribed in A.R.S., Title 12, Chapter 5.
 - 7.6.2. Purchase Orders. The Contractor shall, in accordance with all terms and conditions of the Contract, fully perform and shall be obligated to comply with all purchase orders received by the Contractor prior to the expiration or termination hereof, unless otherwise directed in writing by the Procurement Officer, including, without limitation, all purchase orders received prior to but not fully performed and satisfied at the expiration or termination of this Contract.

8. State's Contractual Remedies

- 8.1. Right to Assurance. If the State in good faith has reason to believe that the Contractor does not intend to, or is unable to perform or continue performing under this Contract, the Procurement Officer may demand in writing that the Contractor give a written assurance of intent to perform. Failure by the Contractor to provide written assurance within the number of Days specified in the demand may, at the State's option, be the basis for terminating the Contract under the Uniform Terms and Conditions or other rights and remedies available by law or provided by the contract.
- 8.2. Stop Work Order.
 - 8.2.1. The State may, at any time, by written order to the Contractor, require the Contractor to stop all or any part, of the work called for by this Contract for period(s) of days indicated by the State after the order is delivered to the Contractor. The order shall be specifically identified as a stop work order issued under



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this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage.

8.2.2. If a stop work order issued under this clause is canceled or the period of the order or any extension expires, the Contractor shall resume work. The Procurement Officer shall make an equitable adjustment in the delivery schedule or Contract price, or both, and the Contract shall be amended in writing accordingly.

8.3. Non-exclusive Remedies. The rights and the remedies of the State under this Contract are not exclusive.

8.4. Nonconforming Tender. Materials or services supplied under this Contract shall fully comply with the Contract. The delivery of materials or services or a portion of the materials or services that do not fully comply constitutes a breach of contract. On delivery of nonconforming materials or services, the State may terminate the Contract for default under applicable termination clauses in the Contract, exercise any of its rights and remedies under the Uniform Commercial Code, or pursue any other right or remedy available to it.

8.5. Right of Offset. The State shall be entitled to offset against any sums due the Contractor, any expenses or costs incurred by the State, or damages assessed by the State concerning the Contractor's non-conforming performance or failure to perform the Contract, including expenses, costs and damages described in the Uniform Terms and Conditions.

9. Contract Termination

9.1. Cancellation for Conflict of Interest. Pursuant to A.R.S. § 38-511, the State may cancel this Contract within three (3) years after Contract execution without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the Contract on behalf of the State is or becomes at any time while the Contract or an extension of the Contract is in effect an employee of or a consultant to any other party to this Contract with respect to the subject matter of the Contract. The cancellation shall be effective when the Contractor receives written notice of the cancellation unless the notice specifies a later time. If the Contractor is a political subdivision of the State, it may also cancel this Contract as provided in A.R.S. § 38-511.

9.2. Gratuities. The State may, by written notice, terminate this Contract, in whole or in part, if the State determines that employment or a Gratuity was offered or made by the Contractor or a representative of the Contractor to any officer or employee of the State for the purpose of influencing the outcome of the procurement or securing the Contract, an amendment to the Contract, or favorable treatment concerning the Contract, including the making of any determination or decision about contract performance. The State, in addition to any other rights or remedies, shall be entitled to recover exemplary damages in the amount of three times the value of the Gratuity offered by the Contractor.

9.3. Suspension or Debarment. The State may, by written notice to the Contractor, immediately terminate this Contract if the State determines that the Contractor has been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to, being disapproved as a subcontractor of any public procurement unit or other governmental body. Submittal of an offer or execution of a contract shall attest that the contractor is not currently suspended or debarred. If the contractor becomes suspended or debarred, the contractor shall immediately notify the State.

9.4. Termination for Convenience. The State reserves the right to terminate the Contract, in whole or in part at any time when in the best interest of the State, without penalty or recourse. Upon receipt of the written notice, the Contractor shall stop all work, as directed in the notice, notify all subcontractors of the effective date of the termination and minimize all further costs to the State. In the event of termination under this paragraph, all documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State upon demand. The Contractor shall be entitled to receive just and equitable compensation for work in progress, work completed and materials accepted before the effective date of the termination. The cost principles and procedures provided in A.A.C. R2-7-701 shall apply.



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9.5. Termination for Default.

9.5.1. In addition to the rights reserved in the contract, the State may terminate the Contract in whole or in part due to the failure of the Contractor to comply with any term or condition of the Contract, to acquire and maintain all required insurance policies, bonds, licenses and permits, or to make satisfactory progress in performing the Contract. The Procurement Officer shall provide written notice of the termination and the reasons for it to the Contractor.

9.5.2. Upon termination under this paragraph, all goods, materials, documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State on demand.

9.5.3. The State may, upon termination of this Contract, procure, on terms and in the manner that it deems appropriate, materials or services to replace those under this Contract. The Contractor shall be liable to the State for any excess costs incurred by the State in procuring materials or services in substitution for those due from the Contractor.

9.6. Continuation of Performance Through Termination. The Contractor shall continue to perform, in accordance with the requirements of the Contract, up to the date of termination, as directed in the termination notice.

10. **Contract Claims**

All contract claims or controversies under this Contract shall be resolved according to A.R.S. Title 41, Chapter 23, Article 9, and rules adopted thereunder.

11. **Arbitration**

The parties to this Contract agree to resolve all disputes arising out of or relating to this contract through arbitration, after exhausting applicable administrative review, to the extent required by A.R.S. § 12-1518, except as may be required by other applicable statutes (Title 41).

12. **Comments Welcome**

The State Procurement Office periodically reviews the Uniform Terms and Conditions and welcomes any comments you may have. Please submit your comments to: State Procurement Administrator, State Procurement Office, 100 North 15th Avenue, Suite 201, Phoenix, Arizona, 85007.



Contract Amendment

AZ DEPT. OF ADMINISTRATION
STATE PROCUREMENT OFFICE
100 N. 15TH AVE., STE. 201

CONTRACT NO.: ADSPO16-098163
Computer Hardware and Support
NASPO ValuePoint Participating Addendum

PAGE
1

AMENDMENT NO.: One (1)

OF
1

Phoenix, AZ 85007

CONTRACTOR:

Dell Marketing LLP
One Dell Way
Mailstop 8707
Round Rock, TX 78682

CONTACT: Amy Ivy
PHONE: 512-723-6201
EMAIL: amy_ivy@dell.com

STATE AGENCY:

Arizona Department of Administration

State Procurement Office
100 N. 15th Ave. Suite 201
Phoenix, AZ 85007

CONTACT: Terri Johnson
PHONE: 602- 542-9122
EMAIL: terri.johnson@azdoa.gov

1. Pursuant to the Uniform Terms and Conditions, Paragraph Five (5) Contract Changes, Subparagraph 5.1 Amendments, the above referenced Contract shall be amended as follows:
 - 1.1 The initial Contract Number of this Participating Addendum (ADSPO15-093839) has been changed to **ADSPO16-098163** to accommodate a State system modification;
 - 1.2 Therefore, all references to Contract Number ADSPO15-093839, in this Arizona Participating Addendum shall be changed to read: **ADSPO16-098163**.

ALL OTHER PROVISIONS OF THE CONTRACT SHALL REMAIN IN THEIR ENTIRETY.

CONTRACTOR HEREBY ACKNOWLEDGES RECEIPT AND UNDERSTANDING OF THE ABOVE AMENDMENT.

THE ABOVE REFERENCED CONTRACT AMENDMENT IS HEREBY EXECUTED THIS DATE BY THE STATE.

7/31/15
DATE

Amy Ivy, Contracts Manager

PRINTED/TYPED NAME AND TITLE

7/31/15
DATE

Terri Johnson,
Procurement Manager

TYPED NAME AND TITLE



Contract Amendment

AZ DEPT. OF
ADMINISTRATION
STATE PROCUREMENT
OFFICE

CONTRACT NO.: ADSPO16-098163
Computer Hardware and Support

PAGE
1

100 N. 15TH AVE., STE.
201

Phoenix, AZ 85007

AMENDMENT NO.: Three (3)

OF
1

CONTRACTOR:

Dell Marketing
1 Dell Way, Mailstop 8707
Round Rock, TX 78682

CONTACT: Amy Ivy

PHONE: (512)723-6201

EMAIL: amy.ivy@dell.com

STATE AGENCY:

Arizona Department of Administration
State Procurement Office
100 N. 15th Ave. Suite 201
Phoenix, AZ 85007

CONTACT: Reem Prendiville

PHONE: 602-542-9155

EMAIL: reem.prendiville@azdoa.gov

1. Pursuant to the Uniform Terms and Conditions, Paragraph Five (5) Contract Changes, Subparagraph 5.1 Amendments, the above referenced Contract shall be amended as follows:

This contract shall be extended from its current expiry date through to Mar 31, 2020.

2. All other terms, conditions and provisions remain unchanged.

This Contract Amendment is not binding against the State of Arizona unless signed by an authorized representative of the Contractor and then accepted in writing by an authorized representative of the State.

CONTRACTOR HEREBY ACKNOWLEDGES RECEIPT AND UNDERSTANDING OF THE ABOVE AMENDMENT.

THE ABOVE REFERENCED CONTRACT AMENDMENT IS HEREBY EXECUTED THIS DATE BY THE STATE.

Digitally signed by Amy Ivy
DN: cn=Amy Ivy, ou=Dell Marketing, LP,
ou=Legal Department - Contracts
Manager, email=amy_ivy@dell.com, c=US
Date: 2017.03.06 13:21:33-0600

3/6/17

SIGNATURE

DATE

3/6/17

SIGNATURE

DATE

Reem Prendiville
State Procurement Manager

PRINTED/TYPED NAME AND TITLE



Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

To: Board of Directors
From: Chuck Odom, Chief Financial Officer
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: FY19 Capital Budget Adjustment
Date: October 16, 2018

Proposed Motion

To authorize additional \$8,108,463 for FY19 Capital Budget.

Narrative

We are requesting an increase to the FY19 capital budget. It is necessary due to unidentified project carryovers and cost increases.

This requested capital budget adjustment will also cover new urgent projects that were not originally planned in the FY19 capital budget. For example, two million for the land acquisition for north east area development.

We are also requesting an additional \$700,000 for capital contingency for FY19. This equates to 8.75% of the original FY19 capital budget.

Fiscal Impact

The total requested capital adjustment is \$8,108,463, which would bring the total FY19 capital budget to \$34,754,234.

Attachment(s)

FY19 Capital Budget Adjustment



RESOLUTION NO. 18-50

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS the Authority desires to amend its Fiscal Year 2019 CIP budget;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes an increase to the Capital Budget by \$8,108,463 bringing the total FY19 Capital Budget to \$34,754,234.

Passed and adopted by the Authority this 16th day of October, 2018.

Jeff Serdy, Chair

ATTEST:

APPROVED AS TO FORM:

Maria Gonzalez, Clerk of the Board

Attorney



Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

To: Board of Directors
From: Shea Joachim, CEcD, Business Development Director
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: Assignment & Lease Extension – Koon-Boen, Inc.
Date: October 16, 2018

Proposed Motion

Authorizing the Executive Director to execute such contracts and amendments that assign Ground Lease 1998-001 for the property located at 6305 S Sossaman Road, Mesa AZ 85212 to Koon-Boen, Inc., LLC and extend the Ground Lease termination date approximately ten (10) months from February 28, 2048 to December 31, 2048.

Narrative

KMH Holdings, LLC (“KMH”) acquired leasehold control of the property located at 6305 S. Sossaman Road from the Pathcor Design Consultants, Inc. in September 2011. KMH has actively managed the improvements since the effective date of the Assignment. KMH has accepted an offer from Koon-Boen, Inc. (“Buyer”) to purchase the improvements and assume KMH’s obligations under the Ground Lease and all active Subleases. The Buyer has requested an extension of the Ground Lease termination date as a condition of the purchase.

Key Documents

There are two (2) documents that require PMGAA Board consideration associated with this transaction.

Assignment and Assumption of Ground Lease

This document outlines the terms of the assignment between KMH and the Buyer. In addition, the document requests PMGAA’s consent for the assignment of the Ground Lease from KMH to the Buyer. PMGAA’s standard lease template language requires PMGAA consent for any assignment of leasehold interest.

Ground Lease Amendment #4

This document is the fourth amendment to the Ground Lease and will formally amend the termination date of the Ground Lease. By extending the termination date PMGAA will receive an additional ten (10) months of Base Rent. PMGAA will also receive approximately \$16,102.16 on or before the Effective Date of the Amendment as a one-time payment for granting the extension and delaying the reversion of the improvements to PMGAA.

To effectuate the sale of the improvements and the assumption of lease obligations Cimarron must obtain PMGAA’s consent. PMGAA Staff has conducted due diligence on Koon-Boen, Inc. and has reviewed the documents necessary to effectuate the sale of the improvements and the assignment of the Ground Lease. As such, PMGAA Staff recommends approval of Resolution No. 18-51.

Fiscal Impact

The revenue to PMGAA associated with the additional ten (10) months of Base Rent under the Ground Lease is estimated at \$92,000

PMGAA will receive approximately \$16,102.16 at the closing of the transaction as compensation for granting the extension.

Attachment(s)

Assignment and Assumption of Ground Lease

Ground Lease Amendment #4

Ground Lessor's Recognition Agreement



RESOLUTION NO. 18-51

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS the Authority desires to enter into an amendment to extend the term of the Ground Lease with KMH Holdings.; and

WHEREAS the Authority desires to approve the assignment of the Ground Lease to Koon-Boen, Inc., LLC;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes the Executive Director/CEO to execute the amendment and such contracts that assign Ground Lease 1998-001 for the property located at 6305 S. Sossaman Road, Mesa AZ 85212 to Koon-Boen, Inc., LLC and extend the Ground Lease termination date approximately ten (10) months from February 28, 2048 to December 31, 2048. This resolution also authorizes the Chair or Executive Director/CEO to execute such Contract, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 16th day of October, 2018.

Jeff Serdy, Chair

ATTEST:

APPROVED AS TO FORM:

Maria Gonzalez, Clerk of the Board

Attorney



Phoenix-Mesa Gateway Airport Authority

FOURTH AMENDMENT TO SUBLEASE AGREEMENT

This FOURTH AMENDMENT to the Sublease Agreement (“AMENDMENT 4”) is executed to be effective as of the SIXTEENTH (16th) day of OCTOBER 2018 by and between the **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY**, formerly known as Williams Gateway Airport Authority, a joint powers airport authority authorized and existing under the laws of the State of Arizona, its successors and assigns (“Lessor”), and **KMH HOLDINGS, LLC an Arizona Limited Liability Company**, successors in interest to Pathcor Design Consultants, Inc (“Lessee”). This AMENDMENT 4 hereby amends that certain Sublease Agreement between Lessor and Lessee dated effective March 1, 1998, Amendment to Sublease dated effective June 1, 1998, Second Amendment to Sublease dated effective April 30, 1998, Assignment of Interest in Leases and Bill of Sale dated effective as of May 23, 2001, and Third Amendment to Sublease dated effective September 5, 2001 with respect to Lessee’s Sublease for property located at 6305 South Sossaman Road, Mesa, AZ 85212, and described as Lot 38 (the “Premises”). Lessor and Lessee may be referred to jointly as “Parties”, and each separately may be referred to as “Party”.

WITNESSETH:

WHEREAS, Lessor and Lessee desire to enter into this AMENDMENT 4 in order to modify the Sublease; and

WHEREAS, Lessor is the present owner and operator of the Phoenix-Mesa Gateway Airport generally located at the intersection of Ray Road and South Sossaman Road, City of Mesa, Maricopa County, Arizona (the “Airport”); and

WHEREAS, Lessee was originally granted one (1) ten-year extension and has exercised that extension pursuant to the terms of the Sublease on September 16, 2018 thereby extending the termination date of the Sublease to February 28, 2048; and

WHEREAS, Lessee has requested a TEN (10) month extension of the termination date of the Sublease thereby extending the termination date of the Sublease to December 31, 2048; and

WHEREAS, Lessor has agreed to the extension on the terms and conditions set for herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this AMENDMENT 4 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. On or before the Effective Date of this Amendment 4, Lessee shall pay to Lessor an amount equal to SIXTEEN THOUSAND ONE HUNDRED TWO AND 16/100 (\$16,102.16)
2. The provisions of Section 3. are deleted in its entirety and shall be replaced with:
 3. TERM

A. Initial Term. The initial term of this Sublease shall be for a period of fifty (50) years, ten (10) months commencing on the Effective Date and terminating on the 31st day of December 2048

3. Lessee warrants and represents to Lessor that: (i) all necessary actions have been taken to authorize the execution of this AMENDMENT 4 by Lessee; (ii) the persons who have executed this AMENDMENT 4 on behalf of Lessee are duly authorized to do so; and (iii) this AMENDMENT 4 constitutes a legal, valid and binding obligation of Lessee, enforceable against Lessee in accordance with its terms and the terms of the Agreement.
4. In all other respects the Sublease Agreement shall remain unchanged and in full force and effect. The Agreement, as amended by this AMENDMENT 4 shall continue to be binding upon PMGAA and Lessee and their permitted successors and assigns.
5. All of the Recitals set forth above are incorporated into this AMENDMENT 4 by this reference.
6. Lessee recognizes and acknowledges that execution of his AMENDMENT 4 shall in no way constitute a waiver by Lessor or any other sums which may be due and owing to Lessor or which may hereafter accrue.

IN WITNESS WHEREOF, the Parties have entered into this AMENDMENT 4 as of the date first set forth above.

FOR Lessor:

FOR Lessee:

**PHOENIX-MESA GATEWAY AIRPORT
AUTHORITY**, an Arizona joint powers
Authority.

KMH HOLDINGS, LLC
an Arizona Limited Liability Company

By: _____

By: _____

Name: J. Brian O'Neill, A.A.E.
Executive Director/CEO

Name: Ken Halverson
President

Recorded at the request of
and when recorded return to:

Pepple Cantu Schmidt PLLC
1000 Second Avenue, Suite 2950
Seattle, WA 98104
Attn: Daniel P. Pepple

**SPECIAL WARRANTY DEED, ASSIGNMENT AND ASSUMPTION OF GROUND
LEASE, ASSIGNMENT OF LEASES AND BILL OF SALE**

THIS SPECIAL WARRANTY DEED AND ASSIGNMENT AND ASSUMPTION OF GROUND LEASE ("*Deed and Assignment*") is entered into as of _____, 2018 ("*Effective Date*"), by and between KMH HOLDINGS, L.L.C., an Arizona limited liability company ("*Grantor/Assignor*") and KOON-BOEN, INC. a Washington corporation ("*Grantee/Assignee*").

Recitals

Phoenix-Mesa Airport Authority, a Joint Powers Airport Authority under the laws of the State of Arizona ("*Ground Lessor*") (which was previously known as Williams Gateway Airport Authority) is the fee simple owner of the real property ("*Property*") in Maricopa County, Arizona and legally described on the attached Exhibit A, Lessor having acquired its fee simple title to the Property from the United States of America pursuant to a Quitclaim Deed dated April 14, 1998, recorded in the Official Records of Maricopa County, Arizona as document no. 98-0354787 and re-recorded as document no. 98-0364178.

Pursuant to an Assignment of Interest in Leases and Bill of Sale dated May 23, 2001, which was recorded in the Official Records of Maricopa County, Arizona on September 13, 2001, as document no. 19992001-0846207 (the "*Previous Assignment*"), Grantor/ Assignor holds a leasehold interest in the Property under a Sublease Agreement dated as of March 1, 1998, between Lessor and Pathcor Design Consultants, Inc., as amended by First Amendment to Sublease dated June 1, 1998, Second Amendment to Sublease (which identifies the lease as a direct lease and no longer a sublease) dated April 30, 1998, recorded in the Official Records of Maricopa County, Arizona on October 25, 1999, as document no. 1999-981024, Third Amendment to Sublease dated as of September 5, 2001, recorded in the Official Records of Maricopa County, Arizona on September 13, 2001, as document no. 19992001-0846208, and Fourth Amendment to Sublease Agreement dated as of October 16, 2018, recorded in the Official Records of Maricopa County, Arizona on October __, 2018, as document no. _____ (collectively, the "*Ground Lease*").

As the owner and holder of the lessee's interest under the Ground Lease, Grantor/Assignor is the owner of the building improvements constructed on the Property (including all fixtures and appurtenances, the "*Improvements*"). All Grantor/Assignor's right, title and interest in, to and under the Ground Lease and the Improvements is referred to herein as the "*Premises*."

Grantor/Assignor is also the owner and holder of the lessor's interest under the Lease Agreement dated as of May 21, 2001, whereby the Improvements have been leased to Intel Corporation, Inc. ("*Intel*"), such Lease Agreement having been amended by First Amendment to Lease Agreement dated as of July 31, 2008, Second Amendment to Lease Agreement dated as of May 25, 2001, and Third Amendment to Lease Agreement dated as of October 29, 2015 (as so amended, the "*Intel Lease*").

Pursuant to a Real Estate Purchase and Sale Agreement and Joint Escrow Instructions ("*Sale Agreement*") dated July 11, 2018, between Grantor/Assignor and Grantee/Assignee, Grantor/Assignor has agreed to sell, assign, convey and transfer to Grantee/Assignee, and Grantee/Assignee has agreed to accept and assume, all Grantor/Assignor's right title and interest in and to the Ground Lease, the Improvements and the Intel Lease and all other right, title and interest of Grantor/Assignor with respect to the Property.

Agreement

NOW THEREFORE, the parties agree as follows:

1. Assignment and Conveyance. Grantor/Assignor hereby conveys, assigns and transfers to Grantee/Assignee, (a) Grantor/Assignor's leasehold estate under the Ground Lease and all right, title and interest of Grantor/Assignor in, to and under the Ground Lease, (b) the Improvements (subject to the Ground Lease), (c) the Intel Lease and all right, title and interest of Grantor/Assignor as lessor thereunder, (d) any and all rights, privileges, appurtenances, rents, issues, profits, royalties, income and other benefits and interests derived therefrom and pertaining to the Ground Lease, the Premises, or the Intel Lease, (e) any and all right, title, estate, and other interests of Grantor/Assignor in and to any subleases, possessory interests, occupancies and licenses relating to the Property, and (f) all Grantor/Assignor's right, title and interest in and to all representations, warranties and other rights and claims with respect to the Ground Lease, the Premises or the Intel Lease. As of the Effective Date Grantor/Assignor transfers, assigns, conveys and relinquishes possession of the Premises and agrees that Assignee shall have the full right of possession, use and occupancy of the Premises and all of the right, title and interest of the lessor under the Intel Lease, and the right to enforce and derive all benefits from the Premises and the Intel Lease in Grantee/Assignee's own name or in the name of its nominee.
2. Assumption. As of the Effective Date, Grantee/Assignee accepts the assignment of the Ground Lease and the Intel Lease and assumes the obligations and covenants of the lessee under the Ground Lease and the obligations and covenants of the lessor under the Intel Lease.

3. Indemnification.

(a) Grantor/Assignor agrees to hold harmless, protect, indemnify and defend Grantee/Assignee from and against any and all loss, liability, cost or expense due to any failure by Grantor/Assignor to perform its obligations under the Ground Lease or the Intel Lease on or prior to the Effective Date or the inaccuracy in any material respect of any representation or warranty of Grantor/Assignor contained herein.

(b) Grantee/Assignee agrees to hold harmless, protect, indemnify and defend Grantor/Assignor from and against any and all loss, liability, cost or expense due to any failure by Grantee/Assignee to perform its obligations under the Ground Lease or the Intel Lease after the Effective Date or the inaccuracy in any material respect of any representation or warranty of Grantee/Assignee contained herein.

4. Representations and Warranties.

(a) Grantor/Assignor warrants and represents to Grantee/Assignee as follows, which representations and warranties shall survive the execution and delivery of this Deed and Assignment:

(i) The Ground Lease and the Intel Lease are each in full force and effect and there is no default by Grantor/Assignor thereunder nor is there any event, circumstance or condition which with notice or the passage of time, or both, would be a default thereunder.

(ii) Except as described in the Recitals to this Deed and Assignment, there have been no modifications or amendments to the Ground Lease or the Intel Lease.

(iii) To Grantor/Assignor's knowledge, there is no default by the Ground Lessor under the Ground Lease and no default by Intel under the Intel Lease.

(iv) The Ground Lease is the only agreement between Grantor/Assignor and the Ground Lessor with respect to the Premises.

(v) The Intel Lease is the only agreement between Grantor/Assignor and Intel with respect to the Premises.

(vi) No deposits or prepayments of rent have been made in connection with the Ground Lease or the Intel Lease except for the security deposit in the amount of \$1,930.59 under the Ground Lease (and all Grantor/Assignor's rights with respect to the security deposit are hereby assigned to Grantee/Assignee).

(vii) Grantor/Assignor has all necessary right, power and authority to enter into this Deed and Assignment and to perform all of its obligations hereunder. The person signing this Deed and Assignment on behalf of Grantor/Assignor is duly authorized to do so.

(viii) Grantor/Assignor is a limited liability company, duly organized, validly existing and in good standing under the laws of the State of Arizona.

(ix) Subject to the Ground Lease, Grantor/Assignor has good and lawful title to the Improvements and all personal property, fixtures, tangible and intangible personal property relating thereto, other than any belonging to Intel.

(b) Grantee/Assignee warrants and represents to Grantor/Assignor as follows, which representations and warranties shall survive the execution and delivery of this Deed and Assignment:

(i) Grantee/Assignee has all necessary right, power and authority to enter into this Deed and Assignment and to perform all of its obligations hereunder. The person signing this Deed and Assignment on behalf of Grantee/Assignee is duly authorized to do so.

(ii) Grantee/Assignee is a corporation, duly organized, validly existing and in good standing under the laws of the State of Washington.

5. Legal Expenses. In the event of any claim or dispute arising out of this Deed and Assignment, the party that substantially prevails shall be awarded, in addition to all other relief, all legal fees and other costs and expenses incurred in connection with such claim or dispute; including without limitation those fees, costs, and expenses incurred with or without suit, and in any appeal, any proceedings under any present or future bankruptcy act or state receivership, and any post-judgment proceedings.

6. Further Assurances. The parties hereto shall execute and deliver each to the other such documents and instruments and take such further actions as may be reasonably necessary or required to consummate the transactions contemplated by this Deed and Assignment.

7. Binding Effect. This Deed and Assignment shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns.

8. Counterparts. This Deed and Assignment may be signed in counterparts all of which together shall constitute one and the same document.

[SIGNATURE PAGES FOLLOW]

GRANTOR/ASSIGNOR SIGNATURE PAGE

DATED to be effective as of the date first written above.

KMH HOLDINGS, L.L.C., an Arizona
limited liability company

By: _____
Ken Halverson, manager

STATE OF ARIZONA)
)
COUNTY OF MARICOPA) ss

This instrument was acknowledged before me on the _____ day of _____, 2018,
by Ken Halverson, as the Manager of KMH HOLDINGS, L.L.C., an Arizona limited
liability company.

Notary Public, State of Arizona

(Notary Seal)

CONSENT OF GROUND LESSOR

Phoenix-Mesa Airport Authority, a Joint Powers Airport Authority under the laws of the State of Arizona ("*Ground Lessor*"), consents to assignment of the Ground Lease described in the foregoing Deed and Assignment to Grantee/Assignee, but without waiving any of its rights under the Ground Lease against Grantor/Assignor. From and after the Effective Date, Ground Lessor will give all notices under the Ground Lease to Grantee/Assignee at the address set out below Grantee/Assignee's signature above.

DATED _____, 2018.

PHOENIX-MESA AIRPORT AUTHORITY,
a Joint Powers Airport Authority under the
laws of the State of Arizona

By: _____
Name: _____
Title: _____

STATE OF ARIZONA)
) ss
COUNTY OF MARICOPA)

This instrument was acknowledged before me on the ____ day of _____, 2018, by _____, as the _____ of PHOENIX-MESA AIRPORT AUTHORITY, a Joint Powers Airport Authority under the laws of the State of Arizona.

Notary Public, State of Arizona

(Notary Seal)

EXHIBIT A

LEGAL DESCRIPTION

The Land referred to herein below is situated in the County of Maricopa, State of Arizona, and is described as follows:

THAT PORTION OF THE NORTHEAST QUARTER OF SECTION THIRTY-ONE (31), TOWNSHIP ONE (1) SOUTH, RANGE SEVEN (7) EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 31, SAID POINT ALSO LYING ON THE CENTERLINE OF SOSSAMAN ROAD, THE FOLLOWING COURSES WILL FOLLOW SAID CENTERLINE UNTIL OTHERWISE MENTIONED; THENCE NORTH 00 DEGREES 46 MINUTES 11 SECONDS WEST, A DISTANCE OF 1111.17 FEET TO THE BEGINNING OF A CURVE CONCAVE WESTERLY AND HAVING A RADIUS OF 1550.00 FEET; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 43 DEGREES 43 MINUTES 22 SECONDS A DISTANCE OF 1182.81 FEET TO A POINT OF TANGENCY; THENCE NORTH 44 DEGREES 29 MINUTES 34 SECONDS WEST, A DISTANCE OF 676.37 FEET TO THE BEGINNING OF A CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 603.00 FEET; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 17 DEGREES 45 MINUTES 19 SECONDS A DISTANCE OF 186.86 FEET; THENCE DEPARTING SAID CENTERLINE ON A RADIAL LINE OF NORTH 63 DEGREES 15 MINUTES 45 SECONDS EAST A DISTANCE OF 61.00 FEET TO THE TRUE POINT OF BEGINNING, SAID POINT LYING ON A CURVE CONCENTRIC WITH LAST MENTIONED CURVE AND HAVING A RADIUS OF 542.00 FEET; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 71 DEGREES 06 MINUTES 13 SECONDS A DISTANCE OF 672.62 FEET; THENCE DEPARTING SAID CURVE, SOUTH 44 DEGREES 45 MINUTES 53 SECONDS EAST, A DISTANCE OF 423.21 FEET; THENCE SOUTH 45 DEGREES 14 MINUTES 07 SECONDS WEST A DISTANCE OF 275.13 FEET; THENCE SOUTH 68 DEGREES 45 MINUTES 54 SECONDS WEST, A DISTANCE OF 122.75 FEET; THENCE SOUTH 45 DEGREES 14 MINUTES 07 SECONDS WEST, A DISTANCE OF 119.50 FEET TO THE TRUE POINT OF BEGINNING.

ASSIGNMENT AND ASSUMPTION OF GROUND LEASE

The ASSIGNMENT AND ASSUMPTION OF GROUND LEASE (the "Assignment") is made effective as of the 13th day of September 2018 ("Effective Date") by and among KMH HOLDINGS, LLC an Arizona limited liability company ("Assignor") and Koon-Boen, Inc. a Washington corporation ("Assignee").

RECITALS:

- A. Phoenix-Mesa Gateway Airport Authority, a joint powers airport authority authorized by the laws of the state of Arizona (the "Authority") as "Lessor," together with Assignor, as "Lessee" entered into that certain Sublease Agreement dated effective as of March 1, 1998 to PATHCOR DESIGN CONSULTANTS, INC., as amended by First Amendment to Sublease dated June 1, 1998, that certain Second Amendment to Sublease dated April 30, 1998 and that certain Third Amendment to Sublease dated September 13, 2001 whereby PATHCOR assigned its interest under the Sublease to KMH HOLDINGS, LLC for approximately 154,447 square feet of real property located at 6305 S. Sossaman Road also known as Parcel Number 38.
- B. Assignor has improved the Premises to include industrial hangar building that is leased to a private party acting as subtenants under the lease.
- C. Assignor desires to assign the rights and obligations under the Sublease to Assignee and Assignor desires to assume the rights and obligations of Assignor under the Sublease.
- D. Assignor and Assignee desire memorialize the assignment and assumption of the Sublease as set forth below.

AGREEMENTS

NOW, THEREFORE, in consideration of the terms and conditions hereof, and other good and valuable consideration, Assignor and Assignee agree as follows:

1. Assignment of Sublease. Subject to the terms and conditions hereof, upon the Effective Date, Assignor hereby assigns and transfers to Assignee, its right, title and interest as the "Sublessee" under the Sublease. Following the Effective Date, any and all references in the Sublease the "Sublessee" shall refer to the Assignee.
2. Assumption of Sublease. Upon the Effective Date, Assignee hereby agrees to assume the Sublease for the balance of the term thereof, all sums required to be paid thereunder, and to faithfully perform all of the covenants, duties and obligations of the "Sublease" under the Sublease. Assignor shall indemnify, defend and hold Assignee harmless from and against any and all actions, suits, proceedings, liability, loss, cost, damage, or expense the Assignee may suffer by reason of Assignor's failure to perform and of the obligations of the "Sublease" under the Sublease prior to the Effective Date.
3. Assignee Representations. Assignee represents that it is a validly formed and duly organized corporations registered to do business in the State of Arizona, that it has full power and authority into this Assignment, and upon execution of this Assignment, Assignee will be bound by all terms and conditions contained in the Assignment of the Sublease. Assignor represents and warrants to Assignee that the Assignor has provided

Assignee with a complete and accurate copy of the Sublease to Assignee, and Assignee represents and warrants to Assignor that Assignee has reviewed such copy of the Sublease and that it fully understands all of its terms and provisions.

4. Security Deposit. None
5. Notices. For the purposes of Section 26 of the Sublease and this Assignment, all notices must be sent to the following below, in addition to the other notice addresses required under the Lease.

Koon-Boen, Inc.	Pepple Cantu Schmidt PLLC
PO Box 18-2144	1000 Second Avenue – Suite 2950
Coronado, CA 92178	Seattle, WA 98104
Attn: Perry Koon	Attn: Dan Pepple
pk@perrykoon.com	dpepple@pcslegal.com

6. Successors and Assigns. This Assignment shall inure to the benefit of, and shall be binding upon, the parties hereto and their respective heirs, representatives, successors and assigns.
7. Governing Law. This Assignment shall be governed and construed under the laws of the State of Arizona.
8. Broker Commissions. None
9. Counterpart. This Assignment may be executed by the parties in counterparts, each of which is deemed an original but all of which constitutes one and the same instrument.

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment as of the Effective Date:

ASSIGNOR

KMH HOLDINGS, LLC
an Arizona Limited Liability Company



By: Ken Halverson, Manager

Date: 9/17/18

ASSIGNEE

KOON-BOEN, INC.
a Washington Corporation



By: Perry Koon, President

Date: 9/13/18

CONSENT TO ASSIGNMENT AND ASSUMPTION OF GROUND LEASE

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, authorized under the laws of the State of Arizona (“Lessor”), and KMH Holdings, LLC, a Arizona limited liability company (“Lessee” and “Assignor”), are parties to that certain Ground Lease Agreement dated effective as of March 1, 1998, as amended by Amendment to Sublease dated June 1, 1998, Second Amendment to Sublease dated April 30, 1998, and that Third Amendment to Sublease dated September 13, 2001 for approximately 154,447 square feet of real property located at 6305 S. Sossaman Road and describe as Lot 38 in Mesa, Arizona. Lessee desires to assign the Lease to Koon-Boen, Inc, a Washington corporation, pursuant to the Assignment and Assumption of Ground Lease attached hereto (“Assignment”). As required under Section 9.1 of the Lease, Lessor does hereby consent to the Assignment as provided herein.

Notwithstanding anything to the contrary in Section 9.1 of the Lease, Assignor shall be released from the performance of the terms, covenants and conditions of the Lease to be observed or performed on the part of the Lessee thereunder arising on and after the Effective Date of the Assignment.

The execution of this Consent to Assignment and Assumption of Ground Lease is not and shall not be construed to be consent to any future assignment of the Lease or any portion thereof, and any assignment of the Lease and documents related thereto shall require separate approval of Lessor.

Lessor has executed this Consent to Assignment and Assumption of Ground Lease as of October 16, 2018.

Phoenix-Mesa Gateway Airport Authority

By: J. Brian O’Neill, Executive Director

Date:



Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

To: Board of Directors
From: R. J. Draper, P.E., LEED AP, CM Engineering & Facilities Director
Through: Scott Brownlee, Deputy Director/COO
J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: Bag Make-up Expansion Final Construction Services Phase 2, Project – CIP 1047
Date: October 16, 2018

Proposed Motion

To authorize a Contract with DPR Construction to provide Final Construction Services for the Bag Make-up Expansion Phase 2 Project CIP 1047 in an amount not-to-exceed \$608,700.

Narrative

The Phoenix-Mesa Gateway Airport Authority has seen tremendous growth due to a recent increase in commercial passenger flight activity and new air service. The current bag make-up layout, as identified in the West Terminal Optimization Report, is reaching capacity during peak times of operation and is in need of expansion.

This project is part of the West Terminal Optimization Report and will provide additional bag make-up capacity after TSA baggage screening to accommodate the increased passenger activity. In order to reduce congestion, the exterior conveyor will be extended approximately 65 linear feet to the east and a new sort carousel will be installed that will store approximately 120 bags. Additionally, the existing baggage conveyors downstream of the baggage inspection equipment will be refurbished or replaced to increase efficiency and reduce downtime due to maintenance issues. Phase I of the project allowed for advance procurement of long lead items and secure baggage handling systems (BHS) and electrical sub-contractors to finalize drawings in preparation for construction. Phase 2 is the final construction requirements.

The Notice of Request for Qualifications (RFQ), Solicitation 2018-019-RFQ was issued on January 29, 2018 and advertised in the Arizona Business Gazette on 02/01, 02/08, 02/15 and 02/22/18; it was also posted on the AzAA, ACC, ACI-NA and SWAAAE Websites as well as the Phoenix-Mesa Gateway Airport Authority Website. In addition, the RFQ was emailed to a list of 89 prospective firms and included ACDBE/DBE/SBC outreach. PMGAA Staff received seven (7) RFQ's on March 1, 2018 and the Evaluation Panel selected DPR Construction based on the Qualifications of the Firm, Project Team Experience, Project Understanding, and Approach to Performing the Required Services. The PMGAA Executive Team concurred with this selection.

Fiscal Impact

This contract was included in the FY18 Capital Budget and rolled to FY19 using PFC funding under CIP 1047.

Attachment(s)

Contract



RESOLUTION NO. 18-52

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS the Authority desires to obtain Final Construction Services from DPR Construction;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes a Contract with DPR Construction to provide Final Construction Services for the Bag Make-up Expansion Phase 2 Project CIP 1047 in an amount not-to-exceed \$608,700. This resolution also authorizes the Chair or Executive Director/CEO to execute such Contract, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 16th day of October, 2018.

Jeff Serdy, Chair

ATTEST:

APPROVED AS TO FORM:

Maria Gonzalez, Clerk of the Board

Attorney



BAG MAKEUP EXPANSION

CONSTRUCTION MANAGER AT RISK (CMAR) FINAL CONSTRUCTION SERVICES CONTRACT PHASE 2

PROJECT NO. 1047

CONTRACT No. 2018-019-1047B

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Phoenix Mesa Gateway Airport Authority

Construction Manager at Risk Construction Services Phase 2 Project No.: 1047

THIS CONTRACT is made and entered into on the ____ day of _____, 2018, by and between the Phoenix Mesa Gateway Airport Authority, a joint powers airport authority authorized by the state of Arizona, hereinafter called "Owner" and the "Construction Manager at Risk" or "CMAR" designated below. Individually, each is a "Party" and collectively, the "Parties."

NOW, THEREFORE, intending to be legally bound and for valuable consideration, the receipt and sufficiency of which are acknowledged, the Owner and CMAR agree as follows:

ARTICLE 1 – PARTICIPANTS AND PROJECT

Owner Project Manager: **Mike Hanas**
 Telephone: 480-988-7636
 Cell: 480-438-7318
 E-mail: mhanas@gatewayairport.com

CMAR: **DPR Construction**
 222 N. 44th Street
 Phoenix, AZ 85034
 Arizona ROC No.: 271230 B-1
 Federal Tax ID No.: 27-0853429
 CMAR Representative: Jim Lauer
 Telephone: 602-808-0500
 Cell: 602-327-1277
 E-mail: JamesLa@dpr.com

PROJECT DESCRIPTION:

This project is part of West Terminal Optimization Phase IV and will provide additional bag make-up capacity after TSA baggage screening to accommodate increased passenger activity and to reduce congestion by extending the exterior conveyor approximately 65 linear feet to the east and installing a new sort carousel that will store approximately 120 bags. Additionally, the existing baggage conveyors downstream of the baggage inspection equipment will be refurbished or replaced to increase efficiency and reduce downtime due to maintenance issues. Phase I of the project allowed for advance procurement of long lead items and secure baggage handling systems (BHS) and electrical sub-contractors to finalize drawings in preparation for construction. Phase 2, this contract, is for final construction services

ARTICLE 2 – CONTRACT DOCUMENTS

2.1 CONTRACT DOCUMENTS

The Contract between Owner and CMAR shall consist of the following Contract Documents:

1. This Contract and all of its Exhibits, including subsequent Specifications and Plans
2. The SOQ requirements, documents CMAR's submittal (2018-019-RFQ)
3. General Conditions
4. General Provisions
5. Special Provisions
6. Any plans and drawings
7. Any amendments or modifications to the foregoing documents, including (a) a written amendment signed by both parties, (b) a Change Order, (c) a Change Directive, (d) Supplementary Instructions, or (e) a written order for a minor change in the work (collectively the "Contract").
8. Guaranteed Maximum Price (GMP)

2.3 PROJECT SPECIFIC CONDITIONS

If there are any additional conditions that apply to this Project, they are set forth in the attached Exhibit D, and are incorporated herein.

2.4 PROJECT PLANS AND SPECIFICATIONS

A detailed list of the Plans and Specifications for this Project are set forth in the attached Exhibit D.

ARTICLE 3 – PRE-CONSTRUCTION SERVICES

Although CMAR has performed Pre-Construction Services pursuant to a separate Contract between Owner and CMAR, the completion, quality and accuracy of those services and the deliverables provided by Owner thereunder directly impact CMAR's performance of its obligations under this Contract. Therefore, all of CMAR's obligations, duties, and warranties in relation to Pre-Construction Services and deliverables survive completion of the Pre-Construction Services Contract and are incorporated herein. Any breach of any of CMAR's duties, obligations, or warranties under the Pre-Construction Services Contract shall likewise be considered a breach of this Contract.

ARTICLE 4 – CONSTRUCTION SERVICES

4.1 GENERAL

- 4.1.1 CMAR agrees at its own cost and expense, to do all work necessary and required to fully, timely and properly complete the construction of the Project in strict accordance with the Contract Documents in a good and workmanlike manner, free and clear of all claims, liens, and charges whatsoever, in the manner and under the conditions specified, and within the Project Schedule included in Exhibit A of this Contract.
- 4.1.2 CMAR shall provide all of the labor and materials, and perform the Work in accordance with the General Conditions and General Provisions. Some but not all of the major components of the Construction Services and the corresponding subsections of Section 4 of the General Conditions are set forth below.
- 4.1.3 At all times relevant to the Contract and performance of the Work, the CMAR and its subcontractors shall fully comply with all Laws, Regulations, or Legal Requirements applicable to Owner, the Project and the Contract, including, without limitation, those set forth on attached Exhibit C and Article 3 of the General Conditions.
- 4.1.4 CMAR shall perform the Work under this Contract using only those firms, team members and individuals designated by CMAR consistent with the Statement of Qualifications dated March 1, 2018, the GMP Proposal, or otherwise approved by Owner pursuant to the General Conditions. No other entities or individuals may be used without prior approval of the Project Manager.

- 4.1.5 CMAR will comply with all terms and conditions of the General Conditions, General Provisions and Special Provisions, as well as the Owner's published Rules & Regulations and Minimum Standards (Exhibit J).
- 4.1.6 In the event of a conflict between this Contract and the General Conditions, General Provisions, Special Provisions or any exhibit hereto or appendix thereto, the terms of this Contract shall control, but nothing in this contract shall be construed so as to either (i) Violate any term or condition of the Owner's published Rules & Regulations or Minimum Standards; or (ii) Violate Owner's mandatory subordination to its federal obligations, pursuant to Federal Aviation Administration ("FAA") Policies (2009) (including, but not limited to § 1.1, § 1.5, § 12.3, §10, § 14.1, *et. seq.*) and federal statutory authority, including, but not limited to, 49 U.S.C. §40103(a) (establishes the federal government's total dominance over the airspace of the United States, including, U.S. airports).
- 4.1.7 **Ownership of Work Product.** Notwithstanding anything to the contrary in this Contract, all Work Product prepared or otherwise created in connection with the performance of this Contract, including the Work, are to be and remain the property of Owner. For purposes of this provision, "Work Product" shall include all designs, drawings, plans, specifications, ideas, renderings and other information or matter, in whatever form created (e.g., electronic or printed) and in all media now known or hereinafter created. All Work Product shall be considered Work Made for Hire as defined in the United States Copyright Act 17 U.S.C. § 101 (Copyright Act). If for any reason any such Work is found not to be a work for hire, CMAR hereby transfers and assigns ownership of the copyright in such Work to Owner. The rights in this section are exclusive to Owner in perpetuity.
- 4.2 CMAR's PRE-CONTRACT AND PRE-WORK DELIVERABLES**
- The CMAR will provide the insurance and bond(s) requirements in accordance with Article 11 of the General Conditions prior to any work commencing.
- Owner will obtain and pay for all permits necessary for the work.
- 4.3 PRE-CONSTRUCTION CONFERENCE**
- CMAR shall attend the Pre-Construction Conference.
- 4.4 PERFORMANCE OF THE WORK (INCLUDING FIELD MEASUREMENTS, SUBCONTRACTORS, AND SUPPLIERS)**
- CMAR shall perform the Work in accordance with the General Conditions.
- 4.5 CONTROL OF THE PROJECT SITE**
- CMAR shall control and maintain the Project Site in accordance with Article 4 of the General Conditions.
- 4.6 PROJECT SAFETY**
- CMAR shall implement and enforce Project safety in accordance with Article 10 of the General Conditions.
- 4.7 MATERIALS QUALITY, SUBSTITUTIONS AND SHOP DRAWINGS**
- CMAR shall provide materials testing and submit substitute materials and Shop Drawings in accordance with Article 3 of the General Conditions.
- 4.8 PROJECT RECORD DOCUMENTS**
- CMAR shall maintain and make available the Project Record Documents in accordance with Article 3.12 of the General Conditions.
- 4.9 WARRANTY AND CORRECTION OF DEFECTIVE WORK**
- CMAR shall provide warranties and correct defective Work in accordance with Article 3.6 of the General Conditions.

ARTICLE 5 – OWNER RESPONSIBILITIES

5.1 Owner shall have the responsibilities, and provide the information specified in, and subject to the conditions set forth throughout the Contract Documents.

5.2 Additional information to be provided by Owner, if any, is listed below:

Final contract documents, including, but not limited to General Conditions, General Provisions, Special Provisions, applicable as-built drawings, stamped Construction Documents and Technical Specifications.

ARTICLE 6 – CONTRACT TIME

Contract Duration is a fixed date with a Substantial Completion no later than 02/23/2019.

6.1 CONTRACT TIME

6.1.1 The Contract Time shall start with the Notice to Proceed (“NTP”) and end with Final Acceptance, as set forth in Article 6.4 below. The Notice to Proceed cannot be issued prior to the approval and acceptance by Owner of the GMP or Fixed Price.

6.1.2 CMAR agrees that it will commence performance of the Work and complete the Project through both Substantial Completion and Final Completion within the Contract Time.

6.1.3 Time is of the essence of this Contract, for the Project, and for each phase and/or designated Milestone thereof.

6.2 PROJECT SCHEDULE

The Project Schedule approved as part of the GMP Proposal and incorporated herein as part of the attached Exhibit A shall be updated and maintained throughout CMAR’s performance under this Contract in accordance with Article 3 of the General Conditions.

6.2.1 Failure on the part of CMAR to adhere to the approved Project Schedule will be deemed a material breach and sufficient grounds for termination for cause of this Contract by Owner.

6.3 SUBSTANTIAL COMPLETION

Substantial Completion shall be achieved not later than the Substantial Completion Date set forth above. Substantial Completion shall be determined in accordance with Article 9.8 of the General Conditions.

6.4 FINAL COMPLETION AND FINAL ACCEPTANCE

6.4.1 Final Completion will be obtained within 30 days of Substantial completion.

6.4.2 Final Completion will be determined, and a Final Acceptance will be issued, pursuant to Article 9.9 of the General Conditions.

6.5 LIQUIDATED DAMAGES

6.5.1 **Substantial and Final Completion Liquidated Damages.** For the same reason set forth in Article 6.1.3 above, Owner and CMAR further agree that if CMAR fails to achieve Substantial or Final Completion of the Work within the time set forth in Article 6.4.1 above, Owner shall be entitled to retain or recover from CMAR, as liquidated damages and not as a penalty, the following per diem amounts (which the Parties agree is a reasonable approximation of any resulting damages) commencing from the actual date of Substantial Completion or the Final Completion Date as required under the Contract, whichever is later, until the actual date of Final Completion:

\$1,000 per calendar day.

- 6.5.2 Owner may deduct liquidated damages described in this Article 6.5 above from any unpaid amounts then or thereafter due CMAR under this Agreement. Any liquidated damages not so deducted from any unpaid amounts due CMAR shall be payable to Owner at the demand of Owner, together with interest from the date of the demand at the highest lawful rate of interest payable by CMAR.

ARTICLE 7 – CONTRACT PRICE

7.1 CONTRACT PRICE

- 7.1.1 In exchange for CMAR's full, timely, and acceptable performance and construction of the Work under this Contract, and subject to all of the terms of this Contract, Owner will pay CMAR the "Contract Price" which:

The sum of the CMAR's Fee and reimbursable Cost of the Work, which the CMAR guarantees will not exceed the GMP set forth in Exhibit A, in the amount of **\$608,700**. Costs which would cause the GMP to be exceeded shall be paid by CMAR without reimbursement from Owner.

- 7.1.2 The Contract Price is all-inclusive and specifically includes all fees, costs, insurance and bond premiums, and taxes any type necessary to fully, properly and timely perform and construct the Work encompassed in attached Exhibit A.

- 7.1.3 The contract price may only be changed as set forth in the Contract Documents.

- 7.1.4 Only costs specifically designated as reimbursable costs are eligible for payment by Owner or may be charged against the Contract Price. All other costs will not be paid by Owner and shall not be chargeable against the Contract Price.

- 7.1.5 For Contract Amendments, Change Orders, or Job Orders reimbursable costs shall be determined pursuant to MAG Specifications 109.5.

7.2 ALLOWANCES

Contractor shall include in the Contract Price all Allowances stated in the Contract Documents and agreed to in writing by Owner. Items covered by these Allowances shall be supplied for such amounts and by such persons as Owner may direct, provided Contractor will not be required to employ persons against whom Contractor makes a reasonable objection. Materials and equipment under an Allowance shall be selected by Owner in accordance with a schedule to be mutually agreed upon by Owner, Design Professional and Contractor or otherwise in reasonably sufficient time to avoid delay in the Work.

- 7.2.1 Unless otherwise provided in the Contract Documents:

- 7.2.1.1 These Allowances shall cover the cost to Contractor, less any applicable trade discount, of the Materials and equipment required by the Allowances, delivered at the Site, and all applicable taxes;

- 7.2.1.2 Contractor's costs for unloading and handling on the Site, labor, installation costs, overhead, profit and other expenses relating to Materials and Equipment required by the Allowance shall be included in the Contract Sum and not in the Allowance; and

- 7.2.1.3 Whenever the cost is more or less than the Allowance, the Contract Sum shall be adjusted accordingly by Change Order, the amount of which will recognize the difference between actual costs for an Allowance item and the amount of the Allowance item and changes, if any, in handling costs on the Site, labor, installation costs, overhead, profit and other expenses.

7.3 CONTINGENCY

An agreed to amount in the GMP that may only be used in accordance with the terms set forth in these General Conditions and with prior written approval by Owner.

7.4 FINAL PAYMENT

If the Contract Price is based upon a GMP, as a further condition precedent to Final Payment by Owner, Contractor must submit to the Project Manager a complete final accounting of the Actual Reimbursable Cost of the Work, including all such documentation (including, without limitation, invoices, subcontracts, subcontractor change orders, purchase orders, records of payment, etc.) as Owner may require, to establish whether the payments made to Contractor equal, exceed, or are less than the Actual Reimbursable Cost of the Work to date.

Any excess payments by Owner, as determined by the Project Manager, shall be deducted from the one-half retention payment to be made to Contractor, and any additional excess amounts paid to Contractor shall be refunded by Contractor to Owner. Disputes relating to the Final Cost of the Work shall be subject to Owner's audit rights under Article 13.14 of the General Conditions and 7.5 below, and the dispute resolution process under Article 4 of the General Conditions.

7.5 OPEN BOOK

On any GMP-based or Change Order, Owner may attend any and all meetings or discussions pertaining to the Project, including bid openings, and shall have access to all books, invoices, accounts, memoranda, correspondence, and written communications or records of any kind pertaining to the Project, including without limitation, those stored in electronic format.

ARTICLE 8 – PAYMENT

Payments shall be made to CMAR in accordance with Article 9 of the General Conditions and Article 7 above.

ARTICLE 9 – CHANGES TO THE CONTRACT

Changes to the Contract may be made in strict accordance with Article 7 of the General Conditions.

ARTICLE 10 – SUSPENSION AND TERMINATION

This Contract may be suspended and/or terminated in accordance with Article 14 of the General Conditions.

ARTICLE 11 – INSURANCE AND BONDS

- 11.1 CMAR shall provide insurance as provided on the attached Exhibit B, and in accordance with Article 11 of the General Conditions. CMAR shall provide proof of such insurance and all required endorsements in forms acceptable to Owner prior to commencing any Work under this Contract.
- 11.2 CMAR shall provide performance and payment bonds to Owner in accordance with Article 11 of the General Conditions and A.R.S. § 34-610(A).
- 11.3 Failure to provide proof of insurance and the required endorsements, or the required bonds, in forms acceptable to Owner will be material breach and grounds for termination for cause of this Contract by Owner.

ARTICLE 12 – INDEMNIFICATION

CMAR shall have and assume the indemnity obligations set forth in Article 3 of the General Conditions.

ARTICLE 13 – DISPUTE RESOLUTION

Any claims or disputes relating to this Contract shall be resolved according to the dispute resolution process set forth in Article 4 of the General Conditions.

ARTICLE 14 – MISCELLANEOUS PROVISIONS

The miscellaneous provisions set forth in Article 13 of the General Conditions shall apply to this Contract.

IN WITNESS WHEREOF, the parties hereto executed this Contract through their duly authorized representatives and bind their respective entities as of the effective date.

“OWNER”
PHOENIX MESA GATEWAY AIRPORT AUTHORITY,
a joint powers airport authority, authorized by the
State of Arizona

“CMAR”
DPR Construction, a California corporation
authorized to conduct business under the laws of
the State of Arizona

By: _____
J. Brian O’Neill, A.A.E.

By: _____

Title: Executive Director/CEO

Title: _____

Date: _____

Date: _____

ATTEST:

By: _____
Official Record Keeper

By: _____

EXHIBIT A – ACCEPTED GMP/PRICE PROPOSAL AND
PROJECT SCHEDULE (Under Separate Cover)

All terms and conditions are set forth in the Contract. Any terms and conditions and/or exceptions noted in the CMAR's proposal, GMP, or other documents do not apply unless agreed to in this Contract or an approved addendum.

EXHIBIT B – INSURANCE REQUIREMENTS

MINIMUM INSURANCE REQUIREMENTS

The CMAR and its Subcontractors shall purchase from and maintain in a company or companies authorized to do business in Arizona the following insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the CMAR, his agents, representatives, employees, or subcontractors. Such insurance shall be effective for the duration of the contract and for ten (10) years thereafter.

Workers' Compensation. Workers' Compensation insurance with statutory limits as required by the State of Arizona and Employer's Liability insurance with limits of no less than \$1,000,000 per occurrence for bodily injury, \$1,000,000 per employee for bodily injury by disease and a \$1,000,000 policy limit for bodily injury by disease. Such Workers' Compensation insurance will cover obligations imposed by federal and state statutes having jurisdiction of CMAR's or Subcontractors' employees while performing work at locations other than the Site and shall cover CMAR's employees after Substantial Completion of the work and Subcontractor's employees after Subcontractor has substantially performed its Subcontract.

Commercial General Liability. Commercial General Liability insurance, with a combined single limit of \$5,000,000 per occurrence and in the annual aggregate. Such insurance shall include coverage for Bodily Injury, Property Damage, Personal Injury, Broad Form Property Damage (including Completed Operations), Contractual, Contractors Protective, Products and Completed Operations, and the hazards commonly referred to as "XCU." This insurance shall also be required for work performed at locations other than the Site, shall cover CMAR after Substantial Completion of the work, and shall cover Subcontractor after Subcontractor has substantially performed its Subcontract. Further, this insurance shall contain a severability of interest provision.

Business Automobile Liability. Business Automobile Liability insurance, with a combined single limit no less than \$5,000,000 combined single limit per accident for Bodily Injury and Property Damage with respect to all vehicles used in performance of the work on or off the Site, whether owned, non-owned, leased, hired, assigned, or borrowed.

Additional Insured. The policies required for Commercial General Liability and Business Automobile Liability herein shall be endorsed to include Phoenix-Mesa Gateway Airport Authority and the Engineer and their officers employees, successors and assigns as additional insured, shall provide that the insurance shall be primary, and shall stipulate that any insurance carried by the additional insured and their officers or employees, shall not be contributory insurance.

Waiver. CMAR and its Subcontractors waive all rights of recovery against Phoenix-Mesa Gateway Airport Authority and the Engineer, their directors, officers, employees, successors and assigns, and shall require its insurers to waive all rights of subrogation against Phoenix-Mesa Gateway Airport Authority and the Engineer, and all of their respective directors, officers, employees, successors and assigns.

Certificates of Insurance. Before commencing any work under this Contract, CMAR shall furnish Owner with Certificates of Insurance issued by CMAR's and Subcontractors' insurer(s), as necessary, in a form acceptable to Owner, as evidence that the insurance policies, including all applicable endorsements, providing the coverage, conditions, and limits required by this section and those contained in Article 11 of the General Conditions, are in full force and effect. Owner has the right to request and receive promptly from the CMAR certified copies of any or all of such insurance policies and/or endorsements. Owner will not be obligated, however, to review such certificates, policies, and endorsements, or to advise CMAR of any deficiencies in such documents, and such receipts shall not relieve CMAR from, or be deemed a waiver of, Owner's right to insist on strict fulfillment of CMAR's obligations hereunder.

Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to, and approved by, Owner. At the option of Owner, either: the CMAR shall reduce or eliminate such deductibles; or the CMAR shall provide a financial guarantee satisfactory to the Owner guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

Claims Made Policy. No Claims Made policies, other than Professional Liability, Cyber Liability or Pollution Legal Liability (if applicable to this Contract), will be accepted.

Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best rating of no less than “A” unless otherwise acceptable to the Owner.

Subcontractors. CMAR shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and CMAR shall ensure that Owner is an additional insured on insurance from subcontractors.

Special Risks or Circumstances. Owner reserves the right to modify these requirements, including limits, based on the nature of the risk, scope of services, prior experience, insurer, coverage, or other special circumstances

CMAR agrees to additional insurance requirements and conditions as set forth in Article 11 of the General Conditions.

EXHIBIT C – COMPLIANCE WITH SPECIFIC GOVERNMENT PROVISIONS

CIVIL RIGHTS - GENERAL

The contractor agrees to comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance.

This provision binds the contractor and subtier contractors from the bid solicitation period through the completion of the contract. This provision is in addition to that required of Title VI of the Civil Rights Act of 1964.

CIVIL RIGHTS – TITLE VI ASSURANCES

TITLE VI COMPLIANCE WITH NONDISCRIMINATION REQUIREMENTS

During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the “contractor”) agrees as follows:

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

Non-discrimination: The contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.

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

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

Sanctions for Noncompliance: In the event of a contractor’s noncompliance with the Non-discrimination provisions of this contract, the owner will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:

- a. Withholding payments to the contractor under the contract until the contractor complies; and/or
- b. Cancelling, terminating, or suspending a contract, in whole or in part.

Incorporation of Provisions: The contractor will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. The contractor will take action with respect to any subcontract or procurement as the owner or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the contractor may request the owner to enter into any litigation to protect the interests of the owner. In addition, the contractor may request the United States to enter into the litigation to protect the interests of the United States. Title VI Clauses for Construction/Use/Access to Real Property Acquired Under the Activity, Facility or Program

TITLE VI LIST OF PERTINENT NONDISCRIMINATION ACTS AND AUTHORITIES

During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the “contractor”) agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq.*, 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR part 21 (Non-discrimination in Federally-Assisted Programs of The Department of Transportation—Effectuation of Title VI of The Civil Rights Act of 1964);
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 *et seq.*), as amended, (prohibits discrimination on the basis of disability); and 49 CFR part 27;
- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 *et seq.*), (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);

The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms “programs or activities” to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);

- Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 CFR parts 37 and 38;
- The Federal Aviation Administration’s Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures non-discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;

- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq).

FEDERAL FAIR LABOR STANDARDS ACT (FEDERAL MINIMUM WAGE)

This contract and all subcontracts that result from this contract incorporate by reference the provisions of 29 CFR part 201, the Federal Fair Labor Standards Act (FLSA), with the same force and effect as if given in full text. The FLSA sets minimum wage, overtime pay, recordkeeping, and child labor standards for full and part time workers.

The contractor has full responsibility to monitor compliance to the referenced statute or regulation. The contractor must address any claims or disputes that arise from this requirement directly with the U.S. Department of Labor – Wage and Hour Division

OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970

This contract and all subcontracts that result from this contract incorporate by reference the requirements of 29 CFR Part 1910 with the same force and effect as if given in full text. Contractor must provide a work environment that is free from recognized hazards that may cause death or serious physical harm to the employee. The Contractor retains full responsibility to monitor its compliance and their subcontractor's compliance with the applicable requirements of the Occupational Safety and Health Act of 1970 (20 CFR Part 1910). Contractor must address any claims or disputes that pertain to a referenced requirement directly with the U.S. Department of Labor – Occupational Safety and Health Administration.

**EXHIBIT D – PROJECT SPECIFIC CONDITIONS &
PROJECT PLANS AND SPECIFICATIONS (Under Separate Cover)**

1. All Specifications

Specification Title: _____ Date: _____

2. Plans

Drawing Title: _____ Date: _____

Project Number: _____

EXHIBIT E – REQUIRED FORMS**STATUTORY PERFORMANCE BOND**

PURSUANT TO TITLE 34, CHAPTER 2, ARTICLE 2, ARIZONA REVISED STATUTES

KNOW ALL MEN BY THESE PRESENTS:

That, _____, (hereinafter called the Principal), as Principal, and the _____, a corporation duly organized under the laws of the State of _____, with its principal office in the City of _____, (hereinafter called the Surety), as Surety, are held and firmly bound unto Phoenix-Mesa Gateway Airport Authority, Maricopa County, Arizona (hereinafter called the Obligee), in the amount of _____ (\$ _____), for the payment of which the Principal and Surety bind themselves and their heirs, administrators, executors, successors, and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a certain written contract with Obligee, dated the _____ day of _____, 201_ to construct the following projects under the **Authority Solicitation No. 2018-019-RFQ; CMAR for Bag Makeup Expansion Phase 2 (Authority Project No. 1047)**, which contract is hereby referred to and made a part of this bond as fully and to the same extent as if copied at length herein.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that if the Principal faithfully performs and fulfills all of the undertakings, covenants, terms, conditions, and agreements of the contract during the original term of the contract and any extension of the contract, with or without notice to the Surety, and during the life of any guaranty required under the contract, and also performs and fulfills all the undertakings, covenants, terms, conditions, and agreements of all duly authorized modifications of the contract that may hereafter be made, notice of which modifications to the Surety being hereby waived, the above obligation is void. Otherwise it remains in full force and effect.

PROVIDED, HOWEVER, that this bond is executed pursuant to the provisions of Title 34, Chapter 2, Article 2, Arizona Revised Statutes, and all liabilities on this bond shall be determined in accordance with the provisions of Title 34, Chapter 2, Article 2, Arizona Revised Statutes, to the same extent as if they were copied at length in this agreement.

The prevailing party in a suit on this bond shall recover as part of the judgment to reasonable attorney fees that may be fixed by a judge of the court.

Witness our hands this _____ day of _____, 201_.

AGENCY OF RECORD, STATE OF ARIZONA

BY: _____

PRINCIPAL_____
AGENCY ADDRESS_____
TITLE:_____
SURETY

BY: _____

TITLE:

BOND NUMBER: _____

ATTACH SURETY POWER OF ATTORNEY

STATUTORY PAYMENT BOND

PURSUANT TO TITLE 34, CHAPTER 2, ARTICLE 2, ARIZONA REVISED STATUTES

KNOW ALL MEN BY THESE PRESENTS:

That, _____, (hereinafter called the Principal), as Principal and _____, a corporation duly organized under the laws of the State of _____, with its principal office in the City of _____, (hereinafter called the Surety), as Surety, are held and firmly bound unto Phoenix-Mesa Gateway Airport Authority, Maricopa County, Arizona (hereinafter called the Obligee), in the amount of _____ (\$_____), for the payment of which the Principal and Surety bind themselves and their heirs, administrators, executors, successors, and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a certain written Contract with Obligee, dated the ___ day of _____, 201_ to construct the following projects under the **Authority Solicitation No. 2018-019-RFQ: CMAR for Bag Makeup Expansion Phase 2 (Authority Project No. 1047)**, which contract is hereby referred to and made a part of this bond as fully and to the same extent as if copied at length herein.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that if the Principal promptly pays all monies due to all persons supplying labor or materials to the Principal or the Principal's subcontractors in the prosecution of the work provided for in the contract, this obligation is void. Otherwise it remains in full force and effect.

PROVIDED, HOWEVER, that this bond is executed pursuant to the provisions of Title 34, Chapter 2, Article 2, Arizona Revised Statutes, and all liabilities on this bond shall be determined in accordance with the provisions of Title 34, Chapter 2, Article 2, Arizona Revised Statutes, to the same extent as if they were copied at length in this agreement.

The prevailing party in a suit on this bond shall recover as part of the judgment reasonable attorney fees that may be fixed by a judge of the court.

Witness our hands this _____ day of _____, 201_.

AGENCY OF RECORD, STATE OF ARIZONA_____
PRINCIPAL

BY: _____

AGENCY ADDRESS_____
TITLE:_____
SURETY

BY: _____

TITLE: _____

BOND NUMBER: _____ **ATTACH SURETY POWER OF ATTORNEY**

CERTIFICATE OF SUBSTANTIAL COMPLETION

(To be completed by Owner/Architect)

I hereby certify that _____ has substantially completed
(Name of CMAR)

The work under the following project:

BAG MAKEUP EXPANSION Phase 2 Authority Solicitation No. 2018-019-RFQ, Authority Project No. 1047

in accordance with the contract documents and bid specifications, and all activities required by the Contractor under the Contract have been substantially completed as of _____ (date).

Firm Name: _____

By: _____
(Name)

(Title)

(Signature)

(Date)

CERTIFICATE OF FINAL COMPLETION

(To be Completed by CMAR)

I hereby certify that all goods and/or services required by **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY**, have been delivered in accordance with the Contract Documents and Specifications, and all activities required by the CMAR under the Contract have been completed, including all items on the final punch list, including administrative items, as of _____ (date).

Firm Name: _____

Principal: _____
(Name)_____
(Title)_____
(Signature)_____
(Date)

**CMAR'S AFFIDAVIT REGARDING
SETTLEMENT OF CLAIMS**

Gentlemen:

This is to certify that all lawful claims for materials, rental of equipment and labor used in connection with the construction of the above project, whether by subcontractor or claimant in person, have been duly discharged.

The undersigned, for the consideration of \$_____, as set out in the final pay estimate, as full and complete payment under the terms of the contract, hereby waives and relinquishes any and all further claims or right of lien under, in connection with, or as a result of the above described project. The undersigned further agrees to indemnify and save harmless **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, ARCHITECT**, the OWNER's **DESIGNATED CONSTRUCTION ADMINISTRATOR** (if applicable), their employees, agents or representatives, against any and all liens, claims of liens, suits, actions, damages, charges and expenses whatsoever, which said OWNER and Architect may suffer arising out of the failure or the undersigned to pay for all labor performances and materials furnished for the performance of said installation.

Signed and dated at _____, this _____ day of _____, 201__.

CMAR

By:

STATE OF ARIZONA)
) ss
COUNTY OF)

The foregoing instrument was subscribed and sworn to before me this _____ day of _____, 201__.

(Notary Public)_____
(My Commission Expires)

APPLICATION AND CERTIFICATE FOR PAYMENT

PROJECT: _____

CMAR: _____

Application No. _____ Period From _____ To: _____

Application is made for payment, as shown below, and on the attached Construction Progress Estimate Form, in accordance with the Contract Documents:

Original GMP: \$ _____

Approved Change Orders and Dates:

Change Order No.1	Date _____	\$ _____
Change Order No.2	Date _____	\$ _____
Change Order No.3	Date _____	\$ _____

Total Change Orders Approved to Date: \$ _____

Adjusted GMP \$ _____

Total Amount Due to Date
(from attached Construction Progress Estimate) \$ _____

Retainage _____ % \$ _____

Total Earned Less Retainage \$ _____

Less Previous Certificates for Payment \$ _____

Currently Payment Due \$ _____

Notice to Proceed Date _____

Date of Substantial Completion _____

Time Used _____ %

Complete _____ %

NOTICE OF INTENT TO AWARD CMAR CONTRACT

DPR Construction
222 North 44th Street
Phoenix, AZ 85034

Attn: Jim Lauer

Re:
BAG MAKEUP EXPANSION Phase 2
Authority Project No. 1047
Authority Solicitation No. 2018-019-RFQ

Phoenix-Mesa Gateway Airport Authority, a joint powers airport authority authorized by the State of Arizona (Owner), has considered the Statement of Qualifications (SOQ) submitted and interview performed (if applicable) by your firm for the above described WORK in response to the Advertisement for SOQ's dated January 29, 2018. You are hereby notified that you were awarded this CMAR Contract by Phoenix-Mesa Gateway Airport Authority on _____, in the amount of \$ _____. You are required by the Terms and Conditions of this bid to execute the Construction Contract and to furnish Contractor's Performance and Payment Bonds and submit the appropriate Certificate(s) of Insurance within fifteen (15) calendar days from this Notice.

If you fail to execute the Construction Contract, furnish the required bonds, and submit Insurance Certificate(s) within Fifteen (15) calendar days from the date of this Notice, the Owner will consider this as a forfeiture of your consideration to be selected as CMAR. The Owner will be entitled to such other rights as may be granted by law.

A pre-construction meeting is scheduled for _____ **TBD** _____ 201__, at _____ in the Phoenix-Mesa Gateway Airport Authority Board Room, 5835 South Sossaman Road, Mesa.

You are required to return an acknowledged copy of the NOTICE OF AWARD to the Phoenix-Mesa Gateway Airport Authority.

Dated this _____ day of _____, 201__.

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, a joint powers airport authority authorized by the State of Arizona

By: _____

Title: _____

ACCEPTANCE OF NOTICE:

Receipt of the above NOTICE OF AWARD is hereby acknowledged.

By: _____

Title: _____

Subscribed and sworn before me this _____ day of _____, 201__.

NOTARY PUBLIC

My Commission Expires

NOTICE TO PROCEED

DPR Construction
222 North 44th Street
Phoenix, AZ 85034

Attn: Jim Lauer

BAG MAKEUP EXPANSION Phase 2
Authority Project No. 1047
Authority Solicitation No. 2018-019-RFQ

Dear _____:

You are unconditionally authorized to proceed with the above-referenced project effective the date of this letter. The contract time is ____ calendar days. All work shall be performed strictly in accordance with the Contract Documents, including all project schedule requirements.

Your contact for this project is Mike Hanas, phone no. (480) 438-7318 and all project communications should be directed to him. If the preconstruction conference has not already occurred, he will contact you shortly about scheduling it.

Remember, the Owner must approve *in writing* any and all changes in the project scope of work before you start work on the change.

Phoenix-Mesa Gateway Airport Authority looks forward to a successful project with your firm.

Sincerely,

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, a joint powers airport authority authorized by the State of Arizona

Authorized Representative

CHANGE ORDER

PROJECT: BAG MAKEUP EXPANSION Phase 2

CHANGE ORDER NO: _ _

Authority Project No. 1047

Authority Solicitation No. 2018-019-RFQ

TO CMAR: Name,
address

CONTRACT NO: _____

CONTRACT DATE: _____, 201_

The Contract is changed as follows. CMAR shall provide all labor, materials, equipment, services, transportation, utilities, and facilities to perform all of the following changes: *[describe]*.

This Change Order shall constitute a final settlement of all matters relating to the change in the work that is the subject of the Change Order, including but not limited to all direct or indirect costs associated with such change, all delay and disruption costs, any impact such change may have on unchanged work, and any and all adjustments to the Contract Sum or the Contract Time. This Change Order supersedes all prior reservations stated or implied.

Not Valid until signed by the Owner, Architect, and CMAR.

The original **Contract Sum** was..... \$ _____
 Net change by previously authorized Change Orders..... \$ _____
 The **Contract Sum** prior to this Change Order was \$ _____
 The **Contract Sum** will be **increased** [or **decreased**] by this Change Order..... \$ _____
 The new **Contract Sum** including this Change Order is..... \$ _____

The Contract Time will be **unchanged** [or **increased/decreased by** _____ **calendar days.**]

The Substantial Completion date for base contract work is **unchanged** [or **changed to** _____, **201_.**]

[CMAR],

Owner

By _____ Date _____

By _____ Date _____

It's _____

It's _____

Architect Name (if applicable)

By _____ Date _____

It's _____

CONDITIONAL**FULL RELEASE OF ALL CLAIMS AND WAIVER OF LIEN
UPON FINAL PAYMENT
(CMAR)**

WHEREAS, the undersigned, _____ (CMAR) has furnished labor, materials, and services and/or equipment for the construction of the **Bag Makeup Expansion Phase 2, Authority Project No. 1047**, at the Phoenix-Mesa Gateway Airport, Maricopa County, State of Arizona, on the Property of the Phoenix-Mesa Gateway Airport Authority, Mesa, Arizona.

NOW, THEREFORE, the undersigned, on receipt of a check from the Owner payable to the CMAR in the sum of \$ _____, said sum representing full and final payment for the above-mentioned labor, materials, services and/or equipment, does hereby waive and release any and all liens, claims of lien, and demands whatsoever that now exist or may hereafter accrue against the Owner and the Property on account of labor and materials furnished by the undersigned.

The undersigned warrants that all materials and labor placed by the undersigned in the Project are free from any claims, liens, or encumbrances and that all bills and obligations incurred for labor, taxes, withholding taxes based on payroll and payable to the United States of America or State of Arizona, premiums under a voluntary disability insurance policy, if any, carried with a private insurer, and payments to all union health, welfare, pension, apprentice training and vacation funds applicable for workmen employed on the above-described Project, in connection with the work of improvement on the Project, have been paid in full. The undersigned warrants that all subcontractors and material-men that may have delivered materials and performed work upon the Property for the Project have been fully paid or will be paid from monies received from this final payment. The undersigned shall and does hereby indemnify, save, and hold harmless the Owner and CMAR from all claims, damages, liens and losses, including all costs, professional fees, and reasonable attorney's fees, which the Owner may suffer by reason of filing of any claims, notices, liens or encumbrances, or the failure of the undersigned to obtain cancellation and discharge thereof.

DATED this _____ day of _____, 201__.

Company Name

By _____

(Title)

EXHIBIT F – DEFINITIONS

Allowance – A specific amount for a specific item of Work, if any, that Owner agrees has not been sufficiently designed, detailed, or selected (including design changes from 90% to 100% as authorized by and at the discretion of the Owner) at the time the Contract Price is agreed to for Contractor to provide a definitive price. Allowances shall be treated in accordance with Article 7.2 above.

Baseline Cost Model – A breakdown and estimate of the scope of the Project developed by CMAR.

CMAR or Construction Manager at Risk – The person or firm selected by Owner to provide pre-construction and/or construction services as detailed in a Construction Manager at Risk Contract with Owner. In these General Conditions, the term “Contractor” includes CMAR under both Pre-Construction and Construction Services Contracts.

CMAR Fee or Contractor’s Fee – An agreed to percentage in an accepted GMP that represents the Contractor’s fee for performance of the Work.

Contract Documents – Where compensation under the Contract is based upon a GMP accepted by Owner, the term “Contract Documents” also includes the accepted GMP Proposal.

Contract Price – Where compensation under the Contract based upon a GMP accepted by Owner, the term “Contract Price” refers to the GMP.

Cost-Based Contract, Change Order, or Job Order – A Contract, Change Order, or Job Order where the Contract Price is based upon the actual cost of performing the Work, subject to the terms of the Contract Documents. These would include those generally referred to as “Cost of the Work plus a Fee with a GMP,” “Time and Materials,” or “Cost Plus a Fee.”

Cost of the Work – The direct costs necessarily incurred by Contractor in the proper, timely, and complete performance on the Work. The Cost of the Work shall include only those costs set forth in Article 7 above.

Deliverables – The work products prepared by Contractor in performing the scope of work described in the Contract. Some of the major deliverables to be prepared and provided by Contractor during pre-construction may include but are limited to: the Baseline Cost Model and Schedule that validate Owner’s plan and budget, Construction Management Plan, Detailed Project Schedule, Schedule of Values, alternative system evaluations, procurement strategies and plans, Detailed Cost Estimates, construction market surveys, cash flow projections, GMP Proposals, Subcontractor procurement plan, Subcontractor agreements, Subcontractor bid packages, Supplier agreements, Constructability Review, Cost Control Log, Traffic control and phasing plans and others as indicated in this Contract or required by the Project Team.

Pre-Construction Services Contract – The Contract entered into between Owner and the CMAR for Pre-Construction Services to be provided by the CMAR, including, without limitation, the generation of a GMP Proposal. If the GMP Proposal is accepted by Owner and a Construction Contract is entered into between Owner and CMAR, the duties, obligations and warranties of the CMAR under the Pre-Construction Services Contract survive and are incorporated into the resulting Construction Contract.

Pre-Construction Services – The services to be provided under a Pre-Construction Services Contract.

Detailed Project Schedule – The Detailed Project Schedule developed by the CMAR for the review and approval of the Owner.

GMP Plans and Specifications – The plan and specifications upon which the Guaranteed Maximum price Proposal is based.

GMP Proposal – The proposal of Contractor submitted for the entire Work and/or portion (phases) of the Work.

Guaranteed Maximum Price or GMP – The Guaranteed Maximum Price set forth in the Contract.

EXHIBIT G

COMPLIANCE WITH OWNER'S PUBLISHED RULES AND REGULATIONS AND MINIMUM STANDARDS, AS AMENDED FROM TIME TO TIME

1. Rules & Regulations (link)

http://www.gatewayairport.com/documents/documentlibrary/board%20policies/rules%20and%200regulations_16-53.pdf?Uniqueifier=PsRgTkRZsi

2. Minimum Standards (link)

<http://www.gatewayairport.com/Documents/DocumentLibrary/Board%20Policies/Airport%20Minimum%20Standards.pdf?Uniqueifier=5lh2D7nqnG>



Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

To: Board of Directors
From: R. J. Draper, P.E., LEED AP, CM Engineering & Facilities Director
Through: Scott Brownlee, Deputy Director/COO
J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: Baggage Claim Expansion Final Construction Services Phase 2, Project – CIP 1004
Date: October 16, 2018

Proposed Motion

To Authorize a Contract with DPR Construction to provide Final Construction Services for the Baggage Claim Expansion Phase 2 Project CIP 1004 in an amount not-to-exceed \$519,500.

Narrative

The Phoenix-Mesa Gateway Airport Authority has seen tremendous growth due to a recent increase in commercial passenger flight activity and new air service. The current baggage claim area, as identified in the West Terminal Optimization Report, is reaching capacity during peak times of operation and is in need of expansion.

This project is result of the West Terminal Optimization Report and will include improvements to accommodate increasing demands of arriving passengers. The project consists of extending each existing inbound baggage carousel from 100 feet of claim hall frontage to 160 feet. This will result in a total of 320 linear feet of baggage claim frontage. The project will also increase the capacity of inbound flights baggage handled from two flights at a time to four flights at a time by constructing 62 feet additional of new baggage drop conveyor belts that will feed each carousel for a total of 124 feet of drop carousel area. Phase I of the project allowed for advance procurement of long lead items and secure baggage handling systems (BHS) and electrical sub-contractors to finalize drawings in preparation for final construction. Phase 2 is the final construction requirements.

The Notice of Request for Qualifications (RFQ), Solicitation 2018-019-RFQ was issued on January 29, 2018 and advertised in the Arizona Business Gazette on 02/01, 02/08, 02/15 and 02/22/18; it was also posted on the AzAA, ACC, ACI-NA and SWAAAE Websites as well as the Phoenix-Mesa Gateway Airport Authority Website. In addition, the RFQ was emailed to a list of 89 prospective firms and included ACDBE/DBE/SBC outreach. PMGAA Staff received seven (7) RFQ's on March 1, 2018 and the Evaluation Panel selected DPR Construction based on the Qualifications of the Firm, Project Team Experience, Project Understanding, and Approach to Performing the Required Services. The PMGAA Executive Team concurred with this selection.

Fiscal Impact

This contract was included in the FY18 Capital Budget and rolled to FY19 using PFC funding under CIP 1004.

Attachment(s)

Contract



RESOLUTION NO. 18-53

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS the Authority desires to obtain Final Construction Services from DPR Construction;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes a Contract with DPR Construction to provide Final Construction Services for the Baggage Claim Expansion Phase 2 Project CIP 1004 in an amount not-to-exceed \$519,500. This resolution also authorizes the Chair or Executive Director/CEO to execute such Contract, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 16th day of October, 2018.

Jeff Serdy, Chair

ATTEST:

APPROVED AS TO FORM:

Maria Gonzalez, Clerk of the Board

Attorney



BAGGAGE CLAIM EXPANSION

CONSTRUCTION MANAGER AT RISK (CMAR) FINAL CONSTRUCTION SERVICES CONTRACT PHASE 2

PROJECT NO. 1004

CONTRACT No. 2018-019-1004B

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EXHIBITS

- A – ACCEPTED GMP/PRICE PROPOSAL AND PROJECT SCHEDULE (Under Separate Cover)**
- B – INSURANCE REQUIREMENTS**
- C – COMPLIANCE WITH SPECIFIC GOVERNMENT PROVISIONS**
- D – PROJECT SPECIFIC CONDITIONS & PROJECT PLANS AND SPECIFICATIONS (Under Separate Cover)**
- E – REQUIRED FORMS**
- F – DEFINITIONS**
- G – COMPLIANCE WITH PHOENIX MESA GATEWAY AIRPORT’S RULES & REGULATIONS AND MINIMUM STANDARDS**

Phoenix Mesa Gateway Airport Authority

Construction Manager at Risk Construction Services Phase 2 Project No.: 1004

THIS CONTRACT is made and entered into on the ____ day of _____, 2018, by and between the Phoenix Mesa Gateway Airport Authority, a joint powers airport authority authorized by the state of Arizona, hereinafter called "Owner" and the "Construction Manager at Risk" or "CMAR" designated below. Individually, each is a "Party" and collectively, the "Parties."

NOW, THEREFORE, intending to be legally bound and for valuable consideration, the receipt and sufficiency of which are acknowledged, the Owner and CMAR agree as follows:

ARTICLE 1 – PARTICIPANTS AND PROJECT

Owner Project Manager: **Mike Hanas**
Telephone: 480-988-7636
Cell: 480-438-7318
E-mail: mhanas@gatewayairport.com

CMAR: **DPR Construction**
222 N. 44th Street
Phoenix, AZ 85034
Arizona ROC No.: 271230 B-1
Federal Tax ID No.: 27-0853429
CMAR Representative: Jim Lauer
Telephone: 602-808-0500
Cell: 602-327-1277
E-mail: JamesLa@dpr.com

PROJECT DESCRIPTION:

This project is part of West Terminal Optimization Report and will include improvements to accommodate increasing demands of arriving passengers per hour. The project consists of extending each existing inbound baggage carousel from 100 feet of claim hall frontage to 160 feet. This will result in total of 320 linear feet of baggage claim frontage. The project will also increase the amount of inbound flights handled from two flights at a time to four flights at a time by constructing 62 feet each of new baggage drop conveyor belts that will feed each carousel for a total of 124 feet of drop carousel area. Phase I of the project will allow for advance procurement of long lead items and secure baggage handling systems (BHS) and electrical sub-contractors to finalize drawings in preparation for construction. This Phase 2 is for final construction.

ARTICLE 2 – CONTRACT DOCUMENTS

2.1 CONTRACT DOCUMENTS

The Contract between Owner and CMAR shall consist of the following Contract Documents:

1. This Contract and all of its Exhibits, including subsequent Specifications and Plans
2. The SOQ requirements, documents CMAR's submittal (2018-019-RFQ)
3. General Conditions
4. General Provisions
5. Special Provisions
6. Any plans and drawings
7. Any amendments or modifications to the foregoing documents, including (a) a written amendment signed by both parties, (b) a Change Order, (c) a Change Directive, (d) Supplementary Instructions, or (e) a written order for a minor change in the work (collectively the "Contract").
8. Guaranteed Maximum Price (GMP)

2.3 PROJECT SPECIFIC CONDITIONS

If there are any additional conditions that apply to this Project, they are set forth in the attached Exhibit D, and are incorporated herein.

2.4 PROJECT PLANS AND SPECIFICATIONS

A detailed list of the Plans and Specifications for this Project are set forth in the attached Exhibit D.

ARTICLE 3 – PRE-CONSTRUCTION SERVICES

Although CMAR has performed Pre-Construction Services pursuant to a separate Contract between Owner and CMAR, the completion, quality and accuracy of those services and the deliverables provided by Owner thereunder directly impact CMAR's performance of its obligations under this Contract. Therefore, all of CMAR's obligations, duties, and warranties in relation to Pre-Construction Services and deliverables survive completion of the Pre-Construction Services Contract and are incorporated herein. Any breach of any of CMAR's duties, obligations, or warranties under the Pre-Construction Services Contract shall likewise be considered a breach of this Contract.

ARTICLE 4 – CONSTRUCTION SERVICES

4.1 GENERAL

- 4.1.1 CMAR agrees at its own cost and expense, to do all work necessary and required to fully, timely and properly complete the construction of the Project in strict accordance with the Contract Documents in a good and workmanlike manner, free and clear of all claims, liens, and charges whatsoever, in the manner and under the conditions specified, and within the Project Schedule included in Exhibit A of this Contract.
- 4.1.2 CMAR shall provide all of the labor and materials, and perform the Work in accordance with the General Conditions and General Provisions. Some but not all of the major components of the Construction Services and the corresponding subsections of Section 4 of the General Conditions are set forth below.
- 4.1.3 At all times relevant to the Contract and performance of the Work, the CMAR and its subcontractors shall fully comply with all Laws, Regulations, or Legal Requirements applicable to Owner, the Project and the Contract, including, without limitation, those set forth on attached Exhibit C and Article 3 of the General Conditions.
- 4.1.4 CMAR shall perform the Work under this Contract using only those firms, team members and individuals designated by CMAR consistent with the Statement of Qualifications dated March 1, 2018, the GMP Proposal, or otherwise approved by Owner pursuant to the General Conditions. No other entities or individuals may be used without prior approval of the Project Manager.

- 4.1.5 CMAR will comply with all terms and conditions of the General Conditions, General Provisions and Special Provisions, as well as the Owner's published Rules & Regulations and Minimum Standards (Exhibit J).
- 4.1.6 In the event of a conflict between this Contract and the General Conditions, General Provisions, Special Provisions or any exhibit hereto or appendix thereto, the terms of this Contract shall control, but nothing in this contract shall be construed so as to either (i) Violate any term or condition of the Owner's published Rules & Regulations or Minimum Standards; or (ii) Violate Owner's mandatory subordination to its federal obligations, pursuant to Federal Aviation Administration ("FAA") Policies (2009) (including, but not limited to § 1.1, § 1.5, § 12.3, §10, § 14.1, *et. seq.*) and federal statutory authority, including, but not limited to, 49 U.S.C. §40103(a) (establishes the federal government's total dominance over the airspace of the United States, including, U.S. airports).
- 4.1.7 **Ownership of Work Product.** Notwithstanding anything to the contrary in this Contract, all Work Product prepared or otherwise created in connection with the performance of this Contract, including the Work, are to be and remain the property of Owner. For purposes of this provision, "Work Product" shall include all designs, drawings, plans, specifications, ideas, renderings and other information or matter, in whatever form created (e.g., electronic or printed) and in all media now known or hereinafter created. All Work Product shall be considered Work Made for Hire as defined in the United States Copyright Act 17 U.S.C. § 101 (Copyright Act). If for any reason any such Work is found not to be a work for hire, CMAR hereby transfers and assigns ownership of the copyright in such Work to Owner. The rights in this section are exclusive to Owner in perpetuity.
- 4.2 CMAR's PRE-CONTRACT AND PRE-WORK DELIVERABLES**
- The CMAR will provide the insurance and bond(s) requirements in accordance with Article 11 of the General Conditions prior to any work commencing.
- Owner will obtain and pay for all permits necessary for the work.
- 4.3 PRE-CONSTRUCTION CONFERENCE**
- CMAR shall attend the Pre-Construction Conference.
- 4.4 PERFORMANCE OF THE WORK (INCLUDING FIELD MEASUREMENTS, SUBCONTRACTORS, AND SUPPLIERS)**
- CMAR shall perform the Work in accordance with the General Conditions.
- 4.5 CONTROL OF THE PROJECT SITE**
- CMAR shall control and maintain the Project Site in accordance with Article 4 of the General Conditions.
- 4.6 PROJECT SAFETY**
- CMAR shall implement and enforce Project safety in accordance with Article 10 of the General Conditions.
- 4.7 MATERIALS QUALITY, SUBSTITUTIONS AND SHOP DRAWINGS**
- CMAR shall provide materials testing and submit substitute materials and Shop Drawings in accordance with Article 3 of the General Conditions.
- 4.8 PROJECT RECORD DOCUMENTS**
- CMAR shall maintain and make available the Project Record Documents in accordance with Article 3.12 of the General Conditions.
- 4.9 WARRANTY AND CORRECTION OF DEFECTIVE WORK**
- CMAR shall provide warranties and correct defective Work in accordance with Article 3.6 of the General Conditions.

ARTICLE 5 – OWNER RESPONSIBILITIES

5.1 Owner shall have the responsibilities, and provide the information specified in, and subject to the conditions set forth throughout the Contract Documents.

5.2 Additional information to be provided by Owner, if any, is listed below:

Final contract documents, including, but not limited to General Conditions, General Provisions, Special Provisions, applicable as-built drawings, stamped Construction Documents and Technical Specifications.

ARTICLE 6 – CONTRACT TIME

Contract Duration is a fixed date with a Substantial Completion no later than 02/16/2019.

6.1 CONTRACT TIME

6.1.1 The Contract Time shall start with the Notice to Proceed (“NTP”) and end with Final Acceptance, as set forth in Article 6.4 below. The Notice to Proceed cannot be issued prior to the approval and acceptance by Owner of the GMP or Fixed Price.

6.1.2 CMAR agrees that it will commence performance of the Work and complete the Project through both Substantial Completion and Final Completion within the Contract Time.

6.1.3 Time is of the essence of this Contract, for the Project, and for each phase and/or designated Milestone thereof.

6.2 PROJECT SCHEDULE

The Project Schedule approved as part of the GMP Proposal and incorporated herein as part of the attached Exhibit A shall be updated and maintained throughout CMAR’s performance under this Contract in accordance with Article 3 of the General Conditions.

6.2.1 Failure on the part of CMAR to adhere to the approved Project Schedule will be deemed a material breach and sufficient grounds for termination for cause of this Contract by Owner.

6.3 SUBSTANTIAL COMPLETION

Substantial Completion shall be achieved not later than the Substantial Completion Date set forth above. Substantial Completion shall be determined in accordance with Article 9.8 of the General Conditions.

6.4 FINAL COMPLETION AND FINAL ACCEPTANCE

6.4.1 Final Completion will be obtained within 30 days of Substantial completion.

6.4.2 Final Completion will be determined, and a Final Acceptance will be issued, pursuant to Article 9.9 of the General Conditions.

6.5 LIQUIDATED DAMAGES

6.5.1 **Substantial and Final Completion Liquidated Damages.** For the same reason set forth in Article 6.1.3 above, Owner and CMAR further agree that if CMAR fails to achieve Substantial or Final Completion of the Work within the time set forth in Article 6.4.1 above, Owner shall be entitled to retain or recover from CMAR, as liquidated damages and not as a penalty, the following per diem amounts (which the Parties agree is a reasonable approximation of any resulting damages) commencing from the actual date of Substantial Completion or the Final Completion Date as required under the Contract, whichever is later, until the actual date of Final Completion:

\$1,000 per calendar day.

- 6.5.2 Owner may deduct liquidated damages described in this Article 6.5 above from any unpaid amounts then or thereafter due CMAR under this Agreement. Any liquidated damages not so deducted from any unpaid amounts due CMAR shall be payable to Owner at the demand of Owner, together with interest from the date of the demand at the highest lawful rate of interest payable by CMAR.

ARTICLE 7 – CONTRACT PRICE

7.1 CONTRACT PRICE

- 7.1.1 In exchange for CMAR's full, timely, and acceptable performance and construction of the Work under this Contract, and subject to all of the terms of this Contract, Owner will pay CMAR the "Contract Price" which:

The sum of the CMAR's Fee and reimbursable Cost of the Work, which the CMAR guarantees will not exceed the GMP set forth in Exhibit A, in the amount of **\$519,500**. Costs which would cause the GMP to be exceeded shall be paid by CMAR without reimbursement from Owner.

- 7.1.2 The Contract Price is all-inclusive and specifically includes all fees, costs, insurance and bond premiums, and taxes any type necessary to fully, properly and timely perform and construct the Work encompassed in attached Exhibit A.

- 7.1.3 The contract price may only be changed as set forth in the Contract Documents.

- 7.1.4 Only costs specifically designated as reimbursable costs are eligible for payment by Owner or may be charged against the Contract Price. All other costs will not be paid by Owner and shall not be chargeable against the Contract Price.

- 7.1.5 For Contract Amendments, Change Orders, or Job Orders reimbursable costs shall be determined pursuant to MAG Specifications 109.5.

7.2 ALLOWANCES

Contractor shall include in the Contract Price all Allowances stated in the Contract Documents and agreed to in writing by Owner. Items covered by these Allowances shall be supplied for such amounts and by such persons as Owner may direct, provided Contractor will not be required to employ persons against whom Contractor makes a reasonable objection. Materials and equipment under an Allowance shall be selected by Owner in accordance with a schedule to be mutually agreed upon by Owner, Design Professional and Contractor or otherwise in reasonably sufficient time to avoid delay in the Work.

- 7.2.1 Unless otherwise provided in the Contract Documents:

- 7.2.1.1 These Allowances shall cover the cost to Contractor, less any applicable trade discount, of the Materials and equipment required by the Allowances, delivered at the Site, and all applicable taxes;

- 7.2.1.2 Contractor's costs for unloading and handling on the Site, labor, installation costs, overhead, profit and other expenses relating to Materials and Equipment required by the Allowance shall be included in the Contract Sum and not in the Allowance; and

- 7.2.1.3 Whenever the cost is more or less than the Allowance, the Contract Sum shall be adjusted accordingly by Change Order, the amount of which will recognize the difference between actual costs for an Allowance item and the amount of the Allowance item and changes, if any, in handling costs on the Site, labor, installation costs, overhead, profit and other expenses.

7.3 CONTINGENCY

An agreed to amount in the GMP that may only be used in accordance with the terms set forth in these General Conditions and with prior written approval by Owner.

7.4 FINAL PAYMENT

If the Contract Price is based upon a GMP, as a further condition precedent to Final Payment by Owner, Contractor must submit to the Project Manager a complete final accounting of the Actual Reimbursable Cost of the Work, including all such documentation (including, without limitation, invoices, subcontracts, subcontractor change orders, purchase orders, records of payment, etc.) as Owner may require, to establish whether the payments made to Contractor equal, exceed, or are less than the Actual Reimbursable Cost of the Work to date.

Any excess payments by Owner, as determined by the Project Manager, shall be deducted from the one-half retention payment to be made to Contractor, and any additional excess amounts paid to Contractor shall be refunded by Contractor to Owner. Disputes relating to the Final Cost of the Work shall be subject to Owner's audit rights under Article 13.14 of the General Conditions and 7.5 below, and the dispute resolution process under Article 4 of the General Conditions.

7.5 OPEN BOOK

On any GMP-based or Change Order, Owner may attend any and all meetings or discussions pertaining to the Project, including bid openings, and shall have access to all books, invoices, accounts, memoranda, correspondence, and written communications or records of any kind pertaining to the Project, including without limitation, those stored in electronic format.

ARTICLE 8 – PAYMENT

Payments shall be made to CMAR in accordance with Article 9 of the General Conditions and Article 7 above.

ARTICLE 9 – CHANGES TO THE CONTRACT

Changes to the Contract may be made in strict accordance with Article 7 of the General Conditions.

ARTICLE 10 – SUSPENSION AND TERMINATION

This Contract may be suspended and/or terminated in accordance with Article 14 of the General Conditions.

ARTICLE 11 – INSURANCE AND BONDS

- 11.1 CMAR shall provide insurance as provided on the attached Exhibit B, and in accordance with Article 11 of the General Conditions. CMAR shall provide proof of such insurance and all required endorsements in forms acceptable to Owner prior to commencing any Work under this Contract.
- 11.2 CMAR shall provide performance and payment bonds to Owner in accordance with Article 11 of the General Conditions and A.R.S. § 34-610(A).
- 11.3 Failure to provide proof of insurance and the required endorsements, or the required bonds, in forms acceptable to Owner will be material breach and grounds for termination for cause of this Contract by Owner.

ARTICLE 12 – INDEMNIFICATION

CMAR shall have and assume the indemnity obligations set forth in Article 3 of the General Conditions.

ARTICLE 13 – DISPUTE RESOLUTION

Any claims or disputes relating to this Contract shall be resolved according to the dispute resolution process set forth in Article 4 of the General Conditions.

ARTICLE 14 – MISCELLANEOUS PROVISIONS

The miscellaneous provisions set forth in Article 13 of the General Conditions shall apply to this Contract.

IN WITNESS WHEREOF, the parties hereto executed this Contract through their duly authorized representatives and bind their respective entities as of the effective date.

“OWNER”
PHOENIX MESA GATEWAY AIRPORT AUTHORITY,
a joint powers airport authority, authorized by the
State of Arizona

“CMAR”
DPR Construction, a California corporation
authorized to conduct business under the laws of
the State of Arizona

By: _____
J. Brian O’Neill, A.A.E.

By: _____

Title: Executive Director/CEO

Title: _____

Date: _____

Date: _____

ATTEST:

By: _____
Official Record Keeper

By: _____

EXHIBIT A – ACCEPTED GMP/PRICE PROPOSAL AND
PROJECT SCHEDULE (Under Separate Cover)

All terms and conditions are set forth in the Contract. Any terms and conditions and/or exceptions noted in the CMAR's proposal, GMP, or other documents do not apply unless agreed to in this Contract or an approved addendum.

EXHIBIT B – INSURANCE REQUIREMENTS

MINIMUM INSURANCE REQUIREMENTS

The CMAR and its Subcontractors shall purchase from and maintain in a company or companies authorized to do business in Arizona the following insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the CMAR, his agents, representatives, employees, or subcontractors. Such insurance shall be effective for the duration of the contract and for ten (10) years thereafter.

Workers' Compensation. Workers' Compensation insurance with statutory limits as required by the State of Arizona and Employer's Liability insurance with limits of no less than \$1,000,000 per occurrence for bodily injury, \$1,000,000 per employee for bodily injury by disease and a \$1,000,000 policy limit for bodily injury by disease. Such Workers' Compensation insurance will cover obligations imposed by federal and state statutes having jurisdiction of CMAR's or Subcontractors' employees while performing work at locations other than the Site and shall cover CMAR's employees after Substantial Completion of the work and Subcontractor's employees after Subcontractor has substantially performed its Subcontract.

Commercial General Liability. Commercial General Liability insurance, with a combined single limit of \$5,000,000 per occurrence and in the annual aggregate. Such insurance shall include coverage for Bodily Injury, Property Damage, Personal Injury, Broad Form Property Damage (including Completed Operations), Contractual, Contractors Protective, Products and Completed Operations, and the hazards commonly referred to as "XCU." This insurance shall also be required for work performed at locations other than the Site, shall cover CMAR after Substantial Completion of the work, and shall cover Subcontractor after Subcontractor has substantially performed its Subcontract. Further, this insurance shall contain a severability of interest provision.

Business Automobile Liability. Business Automobile Liability insurance, with a combined single limit no less than \$5,000,000 combined single limit per accident for Bodily Injury and Property Damage with respect to all vehicles used in performance of the work on or off the Site, whether owned, non-owned, leased, hired, assigned, or borrowed.

Additional Insured. The policies required for Commercial General Liability and Business Automobile Liability herein shall be endorsed to include Phoenix-Mesa Gateway Airport Authority and the Engineer and their officers employees, successors and assigns as additional insured, shall provide that the insurance shall be primary, and shall stipulate that any insurance carried by the additional insured and their officers or employees, shall not be contributory insurance.

Waiver. CMAR and its Subcontractors waive all rights of recovery against Phoenix-Mesa Gateway Airport Authority and the Engineer, their directors, officers, employees, successors and assigns, and shall require its insurers to waive all rights of subrogation against Phoenix-Mesa Gateway Airport Authority and the Engineer, and all of their respective directors, officers, employees, successors and assigns.

Certificates of Insurance. Before commencing any work under this Contract, CMAR shall furnish Owner with Certificates of Insurance issued by CMAR's and Subcontractors' insurer(s), as necessary, in a form acceptable to Owner, as evidence that the insurance policies, including all applicable endorsements, providing the coverage, conditions, and limits required by this section and those contained in Article 11 of the General Conditions, are in full force and effect. Owner has the right to request and receive promptly from the CMAR certified copies of any or all of such insurance policies and/or endorsements. Owner will not be obligated, however, to review such certificates, policies, and endorsements, or to advise CMAR of any deficiencies in such documents, and such receipts shall not relieve CMAR from, or be deemed a waiver of, Owner's right to insist on strict fulfillment of CMAR's obligations hereunder.

Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to, and approved by, Owner. At the option of Owner, either: the CMAR shall reduce or eliminate such deductibles; or the CMAR shall provide a financial guarantee satisfactory to the Owner guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

Claims Made Policy. No Claims Made policies, other than Professional Liability, Cyber Liability or Pollution Legal Liability (if applicable to this Contract), will be accepted.

Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best rating of no less than “A” unless otherwise acceptable to the Owner.

Subcontractors. CMAR shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and CMAR shall ensure that Owner is an additional insured on insurance from subcontractors.

Special Risks or Circumstances. Owner reserves the right to modify these requirements, including limits, based on the nature of the risk, scope of services, prior experience, insurer, coverage, or other special circumstances

CMAR agrees to additional insurance requirements and conditions as set forth in Article 11 of the General Conditions.

EXHIBIT C – COMPLIANCE WITH SPECIFIC GOVERNMENT PROVISIONS

CIVIL RIGHTS - GENERAL

The contractor agrees to comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance.

This provision binds the contractor and subtier contractors from the bid solicitation period through the completion of the contract. This provision is in addition to that required of Title VI of the Civil Rights Act of 1964.

CIVIL RIGHTS – TITLE VI ASSURANCES

TITLE VI COMPLIANCE WITH NONDISCRIMINATION REQUIREMENTS

During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the “contractor”) agrees as follows:

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

Non-discrimination: The contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.

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

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

Sanctions for Noncompliance: In the event of a contractor’s noncompliance with the Non-discrimination provisions of this contract, the owner will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:

- a. Withholding payments to the contractor under the contract until the contractor complies; and/or
- b. Cancelling, terminating, or suspending a contract, in whole or in part.

Incorporation of Provisions: The contractor will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. The contractor will take action with respect to any subcontract or procurement as the owner or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the contractor may request the owner to enter into any litigation to protect the interests of the owner. In addition, the contractor may request the United States to enter into the litigation to protect the interests of the United States. Title VI Clauses for Construction/Use/Access to Real Property Acquired Under the Activity, Facility or Program

TITLE VI LIST OF PERTINENT NONDISCRIMINATION ACTS AND AUTHORITIES

During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the “contractor”) agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq.*, 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR part 21 (Non-discrimination in Federally-Assisted Programs of The Department of Transportation—Effectuation of Title VI of The Civil Rights Act of 1964);
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 *et seq.*), as amended, (prohibits discrimination on the basis of disability); and 49 CFR part 27;
- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 *et seq.*), (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);

The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms “programs or activities” to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);

- Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 CFR parts 37 and 38;
- The Federal Aviation Administration’s Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures non-discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;

- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq).

FEDERAL FAIR LABOR STANDARDS ACT (FEDERAL MINIMUM WAGE)

This contract and all subcontracts that result from this contract incorporate by reference the provisions of 29 CFR part 201, the Federal Fair Labor Standards Act (FLSA), with the same force and effect as if given in full text. The FLSA sets minimum wage, overtime pay, recordkeeping, and child labor standards for full and part time workers.

The contractor has full responsibility to monitor compliance to the referenced statute or regulation. The contractor must address any claims or disputes that arise from this requirement directly with the U.S. Department of Labor – Wage and Hour Division

OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970

This contract and all subcontracts that result from this contract incorporate by reference the requirements of 29 CFR Part 1910 with the same force and effect as if given in full text. Contractor must provide a work environment that is free from recognized hazards that may cause death or serious physical harm to the employee. The Contractor retains full responsibility to monitor its compliance and their subcontractor's compliance with the applicable requirements of the Occupational Safety and Health Act of 1970 (20 CFR Part 1910). Contractor must address any claims or disputes that pertain to a referenced requirement directly with the U.S. Department of Labor – Occupational Safety and Health Administration.

**EXHIBIT D – PROJECT SPECIFIC CONDITIONS &
PROJECT PLANS AND SPECIFICATIONS (Under Separate Cover)**

1. All Specifications

Specification Title: _____ Date: _____

2. Plans

Drawing Title: _____ Date: _____

Project Number: _____

EXHIBIT E – REQUIRED FORMS

STATUTORY PERFORMANCE BOND

PURSUANT TO TITLE 34, CHAPTER 2, ARTICLE 2, ARIZONA REVISED STATUTES

KNOW ALL MEN BY THESE PRESENTS:

That, _____, (hereinafter called the Principal), as Principal, and the _____, a corporation duly organized under the laws of the State of _____, with its principal office in the City of _____, (hereinafter called the Surety), as Surety, are held and firmly bound unto Phoenix-Mesa Gateway Airport Authority, Maricopa County, Arizona (hereinafter called the Obligee), in the amount of _____ (\$ _____), for the payment of which the Principal and Surety bind themselves and their heirs, administrators, executors, successors, and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a certain written contract with Obligee, dated the _____ day of _____, 201_ to construct the following projects under the **Authority Solicitation No. 2018-019-RFQ; CMAR for Baggage Claim Expansion Phase 2 (Authority Project No. 1004)**, which contract is hereby referred to and made a part of this bond as fully and to the same extent as if copied at length herein.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that if the Principal faithfully performs and fulfills all of the undertakings, covenants, terms, conditions, and agreements of the contract during the original term of the contract and any extension of the contract, with or without notice to the Surety, and during the life of any guaranty required under the contract, and also performs and fulfills all the undertakings, covenants, terms, conditions, and agreements of all duly authorized modifications of the contract that may hereafter be made, notice of which modifications to the Surety being hereby waived, the above obligation is void. Otherwise it remains in full force and effect.

PROVIDED, HOWEVER, that this bond is executed pursuant to the provisions of Title 34, Chapter 2, Article 2, Arizona Revised Statues, and all liabilities on this bond shall be determined in accordance with the provisions of Title 34, Chapter 2, Article 2, Arizona Revised Statues, to the same extent as if they were copied at length in this agreement.

The prevailing party in a suit on this bond shall recover as part of the judgment to reasonable attorney fees that may be fixed by a judge of the court.

Witness our hands this _____ day of _____, 201_.

AGENCY OF RECORD, STATE OF ARIZONA

PRINCIPAL

BY: _____

AGENCY ADDRESS

TITLE:

SURETY

BY: _____

TITLE: _____

BOND NUMBER: _____

ATTACH SURETY POWER OF ATTORNEY

STATUTORY PAYMENT BOND

PURSUANT TO TITLE 34, CHAPTER 2, ARTICLE 2, ARIZONA REVISED STATUTES

KNOW ALL MEN BY THESE PRESENTS:

That, _____, (hereinafter called the Principal), as Principal and _____, a corporation duly organized under the laws of the State of _____, with its principal office in the City of _____, (hereinafter called the Surety), as Surety, are held and firmly bound unto Phoenix-Mesa Gateway Airport Authority, Maricopa County, Arizona (hereinafter called the Obligee), in the amount of _____ (\$ _____), for the payment of which the Principal and Surety bind themselves and their heirs, administrators, executors, successors, and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a certain written Contract with Obligee, dated the ___ day of _____, 201_ to construct the following projects under the **Authority Solicitation No. 2018-019-RFQ: CMAR for Baggage Claim Expansion Phase 2 (Authority Project No. 1004)**, which contract is hereby referred to and made a part of this bond as fully and to the same extent as if copied at length herein.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that if the Principal promptly pays all monies due to all persons supplying labor or materials to the Principal or the Principal’s subcontractors in the prosecution of the work provided for in the contract, this obligation is void. Otherwise it remains in full force and effect.

PROVIDED, HOWEVER, that this bond is executed pursuant to the provisions of Title 34, Chapter 2, Article 2, Arizona Revised Statutes, and all liabilities on this bond shall be determined in accordance with the provisions of Title 34, Chapter 2, Article 2, Arizona Revised Statutes, to the same extent as if they were copied at length in this agreement.

The prevailing party in a suit on this bond shall recover as part of the judgment reasonable attorney fees that may be fixed by a judge of the court.

Witness our hands this _____ day of _____, 201_.

AGENCY OF RECORD, STATE OF ARIZONA

PRINCIPAL

BY: _____

AGENCY ADDRESS

TITLE:

SURETY

BY: _____

TITLE: _____

BOND NUMBER: _____ **ATTACH SURETY POWER OF ATTORNEY**

CERTIFICATE OF SUBSTANTIAL COMPLETION

(To be completed by Owner/Architect)

I hereby certify that _____ has substantially completed
(Name of CMAR)

The work under the following project:

BAGGAGE CLAIM EXPANSION Phase 2 Authority Solicitation No. 2018-019-RFQ, Authority Project No. 1004

in accordance with the contract documents and bid specifications, and all activities required by the Contractor under the Contract have been substantially completed as of _____ (date).

Firm Name: _____

By: _____
(Name)

(Title)

(Signature)

(Date)

CERTIFICATE OF FINAL COMPLETION

(To be Completed by CMAR)

I hereby certify that all goods and/or services required by **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY**, have been delivered in accordance with the Contract Documents and Specifications, and all activities required by the CMAR under the Contract have been completed, including all items on the final punch list, including administrative items, as of _____ (date).

Firm Name: _____

Principal: _____
(Name)

(Title)

(Signature)

(Date)

**CMAR'S AFFIDAVIT REGARDING
SETTLEMENT OF CLAIMS**

Gentlemen:

This is to certify that all lawful claims for materials, rental of equipment and labor used in connection with the construction of the above project, whether by subcontractor or claimant in person, have been duly discharged.

The undersigned, for the consideration of \$_____, as set out in the final pay estimate, as full and complete payment under the terms of the contract, hereby waives and relinquishes any and all further claims or right of lien under, in connection with, or as a result of the above described project. The undersigned further agrees to indemnify and save harmless **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, ARCHITECT**, the OWNER's **DESIGNATED CONSTRUCTION ADMINISTRATOR** (if applicable), their employees, agents or representatives, against any and all liens, claims of liens, suits, actions, damages, charges and expenses whatsoever, which said OWNER and Architect may suffer arising out of the failure or the undersigned to pay for all labor performances and materials furnished for the performance of said installation.

Signed and dated at _____, this _____ day of _____, 201__.

CMAR

By:

STATE OF ARIZONA)
) ss
COUNTY OF)

The foregoing instrument was subscribed and sworn to before me this _____ day of _____, 201__.

(Notary Public)_____
(My Commission Expires)

APPLICATION AND CERTIFICATE FOR PAYMENT

PROJECT: _____

CMAR: _____

Application No. _____ Period From _____ To: _____

Application is made for payment, as shown below, and on the attached Construction Progress Estimate Form, in accordance with the Contract Documents:

Original GMP: \$ _____

Approved Change Orders and Dates:

Change Order No.1	Date _____	\$ _____
-------------------	------------	----------

Change Order No.2	Date _____	\$ _____
-------------------	------------	----------

Change Order No.3	Date _____	\$ _____
-------------------	------------	----------

Total Change Orders Approved to Date: \$ _____

Adjusted GMP \$ _____

Total Amount Due to Date
(from attached Construction Progress Estimate) \$ _____

Retainage _____% \$ _____

Total Earned Less Retainage \$ _____

Less Previous Certificates for Payment \$ _____

Currently Payment Due \$ _____

Notice to Proceed Date _____ Date of Substantial Completion _____

Time Used _____% Complete _____%

NOTICE OF INTENT TO AWARD CMAR CONTRACT

DPR Construction
222 North 44th Street
Phoenix, AZ 85034

Attn: Jim Lauer

Re:
BAGGAGE CLAIM EXPANSION Phase 2
Authority Project No. 1004
Authority Solicitation No. 2018-019-RFQ

Phoenix-Mesa Gateway Airport Authority, a joint powers airport authority authorized by the State of Arizona (Owner), has considered the Statement of Qualifications (SOQ) submitted and interview performed (if applicable) by your firm for the above described WORK in response to the Advertisement for SOQ's dated January 29, 2018. You are hereby notified that you were awarded this CMAR Contract by Phoenix-Mesa Gateway Airport Authority on _____, in the amount of \$_____. You are required by the Terms and Conditions of this bid to execute the Construction Contract and to furnish Contractor's Performance and Payment Bonds and submit the appropriate Certificate(s) of Insurance within fifteen (15) calendar days from this Notice.

If you fail to execute the Construction Contract, furnish the required bonds, and submit Insurance Certificate(s) within Fifteen (15) calendar days from the date of this Notice, the Owner will consider this as a forfeiture of your consideration to be selected as CMAR. The Owner will be entitled to such other rights as may be granted by law.

A pre-construction meeting is scheduled for _____ **TBD** _____ 201__, at _____ in the Phoenix-Mesa Gateway Airport Authority Board Room, 5835 South Sossaman Road, Mesa.

You are required to return an acknowledged copy of the NOTICE OF AWARD to the Phoenix-Mesa Gateway Airport Authority.

Dated this _____ day of _____, 201__.

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, a joint powers airport authority authorized by the State of Arizona

By: _____

Title: _____

ACCEPTANCE OF NOTICE:

Receipt of the above NOTICE OF AWARD is hereby acknowledged.

By: _____

Title: _____

Subscribed and sworn before me this _____ day of _____, 201__.

NOTARY PUBLIC

My Commission Expires

NOTICE TO PROCEED

DPR Construction
222 North 44th Street
Phoenix, AZ 85034

Attn: Jim Lauer

BAGGAGE CLAIM EXPANSION Phase 2
Authority Project No. 1004
Authority Solicitation No. 2018-019-RFQ

Dear _____:

You are unconditionally authorized to proceed with the above-referenced project effective the date of this letter. The contract time is ____ calendar days. All work shall be performed strictly in accordance with the Contract Documents, including all project schedule requirements.

Your contact for this project is Mike Hanas, phone no. (480) 438-7318 and all project communications should be directed to him. If the preconstruction conference has not already occurred, he will contact you shortly about scheduling it.

Remember, the Owner must approve *in writing* any and all changes in the project scope of work before you start work on the change.

Phoenix-Mesa Gateway Airport Authority looks forward to a successful project with your firm.

Sincerely,

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, a joint powers airport authority authorized by the State of Arizona

Authorized Representative

CHANGE ORDER

PROJECT: BAGGAGE CLAIM EXPANSION Phase 2

CHANGE ORDER NO: _ _

Authority Project No. 1004
Authority Solicitation No. 2018-019-RFQ

TO CMAR: Name,
address

CONTRACT NO: _____

CONTRACT DATE: _____, 201_

The Contract is changed as follows. CMAR shall provide all labor, materials, equipment, services, transportation, utilities, and facilities to perform all of the following changes: *[describe]*.

This Change Order shall constitute a final settlement of all matters relating to the change in the work that is the subject of the Change Order, including but not limited to all direct or indirect costs associated with such change, all delay and disruption costs, any impact such change may have on unchanged work, and any and all adjustments to the Contract Sum or the Contract Time. This Change Order supersedes all prior reservations stated or implied.

Not Valid until signed by the Owner, Architect, and CMAR.

The original **Contract Sum** was..... \$ _____
 Net change by previously authorized Change Orders..... \$ _____
 The **Contract Sum** prior to this Change Order was \$ _____
 The **Contract Sum** will be **increased** [or **decreased**] by this Change Order..... \$ _____
 The new **Contract Sum** including this Change Order is..... \$ _____

The Contract Time will be **unchanged** [or **increased/decreased by** _____ **calendar days.**]

The Substantial Completion date for base contract work is **unchanged** [or **changed to** _____, **201_.**]

[CMAR],

Owner

By _____ Date _____

By _____ Date _____

It's _____

It's _____

Architect Name (if applicable)

By _____ Date _____

It's _____

CONDITIONAL**FULL RELEASE OF ALL CLAIMS AND WAIVER OF LIEN
UPON FINAL PAYMENT
(CMAR)**

WHEREAS, the undersigned, _____ (CMAR) has furnished labor, materials, and services and/or equipment for the construction of the **Baggage Claim Expansion Phase 2, Authority Project No. 1004**, at the Phoenix-Mesa Gateway Airport, Maricopa County, State of Arizona, on the Property of the Phoenix-Mesa Gateway Airport Authority, Mesa, Arizona.

NOW, THEREFORE, the undersigned, on receipt of a check from the Owner payable to the CMAR in the sum of \$ _____, said sum representing full and final payment for the above-mentioned labor, materials, services and/or equipment, does hereby waive and release any and all liens, claims of lien, and demands whatsoever that now exist or may hereafter accrue against the Owner and the Property on account of labor and materials furnished by the undersigned.

The undersigned warrants that all materials and labor placed by the undersigned in the Project are free from any claims, liens, or encumbrances and that all bills and obligations incurred for labor, taxes, withholding taxes based on payroll and payable to the United States of America or State of Arizona, premiums under a voluntary disability insurance policy, if any, carried with a private insurer, and payments to all union health, welfare, pension, apprentice training and vacation funds applicable for workmen employed on the above-described Project, in connection with the work of improvement on the Project, have been paid in full. The undersigned warrants that all subcontractors and material-men that may have delivered materials and performed work upon the Property for the Project have been fully paid or will be paid from monies received from this final payment. The undersigned shall and does hereby indemnify, save, and hold harmless the Owner and CMAR from all claims, damages, liens and losses, including all costs, professional fees, and reasonable attorney's fees, which the Owner may suffer by reason of filing of any claims, notices, liens or encumbrances, or the failure of the undersigned to obtain cancellation and discharge thereof.

DATED this _____ day of _____, 201__.

Company Name

By _____

(Title)

EXHIBIT F – DEFINITIONS

Allowance – A specific amount for a specific item of Work, if any, that Owner agrees has not been sufficiently designed, detailed, or selected (including design changes from 90% to 100% as authorized by and at the discretion of the Owner) at the time the Contract Price is agreed to for Contractor to provide a definitive price. Allowances shall be treated in accordance with Article 7.2 above.

Baseline Cost Model – A breakdown and estimate of the scope of the Project developed by CMAR.

CMAR or Construction Manager at Risk – The person or firm selected by Owner to provide pre-construction and/or construction services as detailed in a Construction Manager at Risk Contract with Owner. In these General Conditions, the term “Contractor” includes CMAR under both Pre-Construction and Construction Services Contracts.

CMAR Fee or Contractor’s Fee – An agreed to percentage in an accepted GMP that represents the Contractor’s fee for performance of the Work.

Contract Documents – Where compensation under the Contract is based upon a GMP accepted by Owner, the term “Contract Documents” also includes the accepted GMP Proposal.

Contract Price – Where compensation under the Contract based upon a GMP accepted by Owner, the term “Contract Price” refers to the GMP.

Cost-Based Contract, Change Order, or Job Order – A Contract, Change Order, or Job Order where the Contract Price is based upon the actual cost of performing the Work, subject to the terms of the Contract Documents. These would include those generally referred to as “Cost of the Work plus a Fee with a GMP,” “Time and Materials,” or “Cost Plus a Fee.”

Cost of the Work – The direct costs necessarily incurred by Contractor in the proper, timely, and complete performance on the Work. The Cost of the Work shall include only those costs set forth in Article 7 above.

Deliverables – The work products prepared by Contractor in performing the scope of work described in the Contract. Some of the major deliverables to be prepared and provided by Contractor during pre-construction may include but are limited to: the Baseline Cost Model and Schedule that validate Owner’s plan and budget, Construction Management Plan, Detailed Project Schedule, Schedule of Values, alternative system evaluations, procurement strategies and plans, Detailed Cost Estimates, construction market surveys, cash flow projections, GMP Proposals, Subcontractor procurement plan, Subcontractor agreements, Subcontractor bid packages, Supplier agreements, Constructability Review, Cost Control Log, Traffic control and phasing plans and others as indicated in this Contract or required by the Project Team.

Pre-Construction Services Contract – The Contract entered into between Owner and the CMAR for Pre-Construction Services to be provided by the CMAR, including, without limitation, the generation of a GMP Proposal. If the GMP Proposal is accepted by Owner and a Construction Contract is entered into between Owner and CMAR, the duties, obligations and warranties of the CMAR under the Pre-Construction Services Contract survive and are incorporated into the resulting Construction Contract.

Pre-Construction Services – The services to be provided under a Pre-Construction Services Contract.

Detailed Project Schedule – The Detailed Project Schedule developed by the CMAR for the review and approval of the Owner.

GMP Plans and Specifications – The plan and specifications upon which the Guaranteed Maximum price Proposal is based.

GMP Proposal – The proposal of Contractor submitted for the entire Work and/or portion (phases) of the Work.

Guaranteed Maximum Price or GMP – The Guaranteed Maximum Price set forth in the Contract.

EXHIBIT G

COMPLIANCE WITH OWNER'S PUBLISHED RULES AND REGULATIONS AND MINIMUM STANDARDS, AS AMENDED FROM TIME TO TIME

1. Rules & Regulations (link)

http://www.gatewayairport.com/documents/documentlibrary/board%20policies/rules%20and%20regulations_16-53.pdf?Uniqueifier=PsRgTkRZsi

2. Minimum Standards (link)

<http://www.gatewayairport.com/Documents/DocumentLibrary/Board%20Policies/Airport%20Minimum%20Standards.pdf?Uniqueifier=5lh2D7nqnG>



Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Management Information Report

To: Board of Directors
From: Chuck Odom
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Re: Update on Emergency Expenditures Related to Contractor Damage to the Air Traffic Control Tower
Date: October 16, 2018

On July 18, 2017 PMGAA staff notified the Board of emergency expenditures that were required due to an employee of ABM Janitorial flooding the Air Traffic Control Tower overnight. Estimates at that time were in excess of \$700,000. On June 19, 2018 PMGAA staff further updated the Board on the final project costs that totaled \$1,410,191.81. PMGAA's hired contractor, Harbro, submitted one additional invoice after June 19th totaling \$32,199.94, bringing the total remediation and reconstruction cost to \$1,442,391.75. All invoices were submitted to ABM Janitorial for reimbursement. This report is to provide the Board with ABM Janitorial's proposed resolution in the matter.

ABM has proposed to reimburse PMGAA in the amount of \$1,430,680.55.



Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Management Information Report

To: Board of Directors
From: Chuck Odom, Chief Financial Officer
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Re: Solicitation Notification
Date: September 18, 2018

This report is to provide notification of the active and upcoming solicitations to help ensure compliance with the Phoenix-Mesa Gateway Airport Authority procurement transparency clause. The active activities include the following:

Active/Pending Solicitations

Type Solicitation	Number	Title	Anticipated Contract Award (Board Action)
Request for Qualifications	2018-024-RFQ	CMAR for Gateway Aviation Services Building Remodel	November 2018

Future Solicitations

Type Solicitation	Number	Title	Scheduled for Release	Anticipated Contract Award (Board Action)
Request for Proposals	2019-005-RFP	Aviation Fuel Supplier	October 2018	January 2019
Request for Proposals	2019-009-RFP	Terminal Concessionaire(s)	November 2018	May 2019
Request for Proposals	TBD	Legal Services	TBD	TBD
Request for Qualifications	TBD	Design of New Air Traffic Control Tower	TBD	TBD

Equipment Disposals

Fiscal year total from sales of decommissioned equipment total **\$3,571** consisting of 2 pieces.

If you have any questions about the solicitations or the procurement process, please feel free to contact me at 480-988-7613.



**NOTICE AND AGENDA OF MEETING OF THE
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
BOARD OF DIRECTORS**

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Phoenix-Mesa Gateway Airport Authority and to the public that the Phoenix-Mesa Gateway Airport Authority will hold a meeting open to the public on **Tuesday, November 20, 2018 beginning at 9:00 a.m.** in the Board Room (Saguaro A & B) of the Gateway Administration Building, 5835 South Sossaman Road, Mesa, Arizona. The Board may vote to hold an executive session for the purpose of obtaining legal advice from the Board's attorney on any matter listed on the agenda pursuant to A.R.S. § 38-431.03 (A)(3)&(4).

The agenda for the meeting is as follows:

1. Call to Order. (Mayor Jeff Serdy, Chair)

Members of the Phoenix-Mesa Gateway Airport Authority will attend either in person or by telephone conference call.

2. Motion to Convene into Executive Session.

Pursuant to A.R.S. § 38-431-03(A)(1), the Board of Directors may convene into executive session for the purpose of discussion or consideration regarding the Executive Director/CEO's annual review.

3. Motion to Reconvene into Regular Session.

4. Call to the Public.

Members of the Board may not discuss items that are not on the agenda. Therefore, action taken as a result of public comment will be limited to directing staff to study the matter or scheduling the matter for further consideration and decision at a later date. Maximum of three minutes per speaker.

5. Executive Director's Report. - J. Brian O'Neill, A.A.E., Executive Director/CEO

6. Presentation: Audited Financials - Dennis Osuch, Principal-CliftonLarsonAllen LLP

7. Consent Agenda.

a) **Minutes** of the Board Meeting held on October 16, 2018.

b) **Resolution No. 18-54** - Authorizing a facility lease with **Crown Castle Solutions, LLC** for a portion of Building 1080, located at 6263 S. Taxiway Circle, and consisting of approximately 1,000 sq ft. The least term is for 10 years, commencing on the earlier of November 1, 2019, or the effective date of the first wireless carrier agreement.

c) **Resolution No. 18-55** - Authorizing the Executive Director/CEO, or delegate, to **purchase unleaded and diesel fuel** from the lowest priced **State contract vendor** at market prices for Airport Authority use and resale in the amount of \$332,200.

d) **Resolution No. 18-56** - Authorizing an amendment to the **Executive Director/CEO employment contract**.

Consideration and Possible Approval of:

8. Resolution No. 18-57 - Authorizing a CMAR Construction Services Contract with **Willmeng Construction Inc.** to provide Construction Services for the Gateway Aviation Services Improvements Project under CIP 1006 in an amount not-to-exceed \$727,124.

9. Board Member Comments/Announcements.

10. Next Meeting: Tuesday, December 18, 2018 at 9:00 a.m.

11. Adjournment.

Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting Maria Gonzalez at 480-988-7603 or mgonzalez@gatewayairport.com. Requests should be made as early as possible to allow time to arrange the accommodation.



Executive Director's Report

November 2018

Financial Snapshot

OPERATING INCOME	September		Month Variance	FYTD Comparison		FYTD Variance
	FY18	FY19		FY18	FY19	
Revenues	\$1,576,451	\$1,685,216	\$108,765	\$5,004,938	\$5,492,465	\$487,527
Less Expenses	\$1,573,932	\$1,662,055	\$88,123	\$4,485,534	\$5,040,070	\$554,536
Operating Income <i>(before depreciation)</i>	\$2,519	\$23,161	\$20,642	\$519,404	\$452,395	(\$67,009)

Investment Fund Balances: As of September: Local Governmental Investment Pool (LGIP) 700 = \$17,986,380; Wells Fargo Collateralized Savings Account = \$19,559,972; Total \$37,546,352. This is an increase of \$3,033,980 from the August balance and consists of a combination of a transfer from the operating fund and interest income.

Finance and Accounting

September and FY19 FYTD net operating results are a gain of \$23,161 and \$452,395, respectively. The FYTD19 net operating results are \$67,009 less than FYTD18. This is largely due to the timing of contractual payments for services. Aeronautic revenues for the fiscal year have improved by 13%. Non-aeronautic revenues have improved by 4%.

Grants, PFCs & Procurements

Active/Pending Solicitations

TYPE OF SOLICITATION	Number	Title	Anticipated Contract Award
Request for Qualifications	2018-024-RFQ	CMAR for Gateway Aviation Services Building Remodel	November 2018

Future Solicitations

TYPE OF SOLICITATION	Number	Title	Schedule for Release	Anticipated Contract Award
Request for Proposals	2019-005-RFP	Aviation Fuel Supplier	October 2018	January 2019
Request for Proposals	2019-009-RFP	Terminal Concessionaire(s)	November 2018	May 2019
Request for Proposals	TBD	Legal Services	TBD	TBD
Request for Qualifications	TBD	Design of New Air Traffic Control Tower	TBD	TBD

Information Technology

PMGAA staff successfully launched Phase I of the new Enterprise Resource Planning (ERP) System which included Financial modules on July 1, 2018. Staff began implementation of Phase II which covers both Human Resources & Payroll System modules. The anticipated launch date for Phase II is January 1, 2019.

Airport Operations

Hourly Parking Lot improvements underway!

As part of the Terminal Roadway Improvement Project, PMGAA is constructing new entrance and exit lanes directly from So. Sossaman Road to the Hourly Parking Lot. When the project is completed in mid-November, it will allow people picking up or dropping off family and friends at the Airport to access the Hourly Parking Lot without needing to drive in front of the busy terminal curb. New directional signage will soon be in place to guide visitors to the parking lot's new entrance.



New Hourly Parking Lot Entry Under Construction

Welcome *Swoop*!

Swoop, an ultra-low-cost Canadian airline, made its inaugural flight from Edmonton to the Phoenix East Valley with a plane full of excited Canadian visitors on Saturday October 27th. Swoop's arrival marks the first of three new airlines beginning service at Gateway Airport this winter. Swoop offers nonstop service to Edmonton on Wednesdays and Saturdays this winter season.



Operations Statistics

PASSENGER COUNTS		September		% Change	FYTD		% Change
		FY18	FY19		FY18	FY19	
Passengers	TOTAL	77,899	90,319	16%	292,401	334,600	14%
	Deplaned	39,500	45,684	16%	147,838	170,508	15%
	Enplaned	38,399	44,635	16%	144,563	164,092	14%
Allegiant	Scheduled	77,829	90,182	16%	292,035	334,203	14%
	Charter	142	0	-100%	398	0	-100%
WestJet	Scheduled	0	0	NA	0	0	NA
Elite	Charter	70	137	96%	366	397	8%

OPERATIONS	September		% Change	FYTD		% Change
	FY18	FY19		FY18	FY19	
Air Carrier	709	733	3%	2,469	2,664	8%
Military	309	522	41%	1,567	1,378	-12%
General Aviation	24,776	22,849	-8%	65,341	63,767	-2%
TOTAL	25,794	24,104	-7%	69,377	67,809	-2%

Noise Report

PMGAA received aircraft noise calls from 4 area residents in September 2018, compared to 3 callers last September. There have been 11 callers this FYTD compared to 31 at this point in FY 2018.

CALLERS	September		FYTD	
	FY18	FY19	FY18	FY19
Total	3	4	31	11

TYPE OF AIRCRAFT	August		FYTD	
	FY18	FY19	FY18	FY19
	Callers	Callers	Callers	Callers
Unknown Jet	1	1	4	2
A-319	1	1	5	5
Commercial	1	0	14	0
GA Total	0	1	2	1
Helicopter	0	0	0	0
Military	0	1	6	3
Total	3	4	31	11

LOCATION	September		FYTD	
	FY18	FY19	FY18	FY19
Mesa	0	3	1	6
Gilbert	3	0	25	1
Gold Canyon	0	0	2	1
Queen Creek	0	1	1	3
Queen Valley	0	0	1	0
San Tan Valley	0	0	1	0
Florence	0	0	0	0
Apache Junction	0	0	0	0
Unknown	0	0	0	0
TOTAL	3	4	31	11

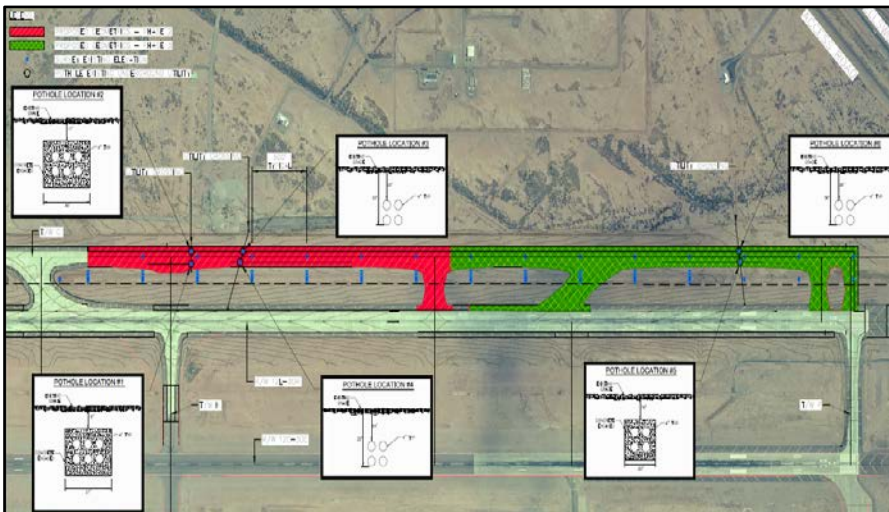
Engineering & Facilities

October 2018 was officially the wettest October in Arizona history, which is great for the lakes and the Valley, but not helpful for the timely completion of large infrastructure construction projects. Despite all the rainy weather, PMGAA continues to make progress on both the Terminal Roadway Improvement Project and the Taxiway Charlie Completion Project on the east side of the airfield.

The final phase of the Terminal Roadway Improvement Project is expected to be completed by mid-November, just in time for an expected record number of holiday air travelers.



Terminal Roadway Improvement Project



Taxiway Charlie Project

Construction of the final section of Taxiway Charlie represents the latest major infrastructure project Gateway Airport is completing to improve safety, capacity and operational efficiency of the Airport's expansive airfield. This project will facilitate and stimulate the future development of 700 acres located adjacent to SR202, SR24, and Ellsworth Road.

Planning and Zoning

Airport Master Plans are roadmaps for growth and development during 10 and 20 year planning horizons. PMGAA is currently updating its 2008 Airport Master Plan to better reflect the current environment at Gateway Airport and identify the Airport's future facility and infrastructure needs to meet increasing passenger demand. At the October PMGAA Board of Directors meeting, PMGAA Planning Manager Tony

Bianchi gave a presentation on the 10 and 20 year passenger activity forecasts being submitted to the FAA for review and approval. Once the passenger forecasts are approved by the FAA, future facility requirements and development alternatives will be completed as part of the Airport Master Plan Project.

Gateway Aviation Services

PMGAA pumped more than 1.02 million gallons of fuel during the month of September, a 5.7% increase over September 2017. Fuel usage is up year-over-year due to increased activity by our commercial air carriers, military exercises, pilot flight training schools, and corporate aircraft at the Airport.

FUEL (Gallons)	September			FYTD		
	FY18	FY19	% Change	FY18	FY19	% Change
Retail (Jet)	41,371	54,946	33%	110,155	157,320	43%
AvGas	48,979	52,884	8%	133,980	151,296	13%
Contract	264,863	245,513	-7.3%	885,796	813,300	-8%
Commercial	614,370	671,243	9%	2,101,861	2,301,656	10%
TOTAL	969,583	1,024,586	5.7%	3,231,792	3,423,572	6%

Business Development

In October, PMGAA Business Development and Gateway Aviation Services staff had a booth at the National Business Aviation Association (NBAA) Conference and Exhibition in Orlando, FL. This annual aviation industry conference provides an excellent opportunity to highlight Gateway Airport to approximately 30,000 attendees and meet with prospective businesses looking to locate in the Southwest. This year, the PMGAA team partnered with SkyBridge Arizona representatives to discuss development opportunities available at the Airport.

Communications and Government Relations

Gateway Airport's Air Traffic Control Tower (ATCT, Tower) was built by the military in 1970 and was not constructed for commercial use. The Tower is too short and its cab too small to safely and efficiently handle the Airport's growing commercial operation. Replacing the Tower is a high priority for PMGAA.

Earlier this year, Congress passed and the President signed the 2018 Federal Aviation Administration (FAA) Reauthorization Bill. The legislation contained a key provision that PMGAA and others have been working to advance for several years. The provision removes a \$2 MM Airport Improvement Program (AIP) eligibility cap on the construction of contract ATCTs. Now that the cap has been removed, PMGAA has submitted a grant application to the FAA requesting funding for the construction of a new ATCT. PMGAA hopes to begin construction of a new Tower in 2020.



**MINUTES OF PUBLIC MEETING OF THE
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
BOARD OF DIRECTORS | October 16, 2018**

A public meeting of the Phoenix-Mesa Gateway Airport Authority was convened on Tuesday, October 16, 2018, beginning at 8:00 a.m. in the Board Room (Saguaro A & B) of the Gateway Administration Building, 5835 S Sossaman Road, Mesa, Arizona.

Members Present

Mayor Jeff Serdy, Apache Junction
Lt. Governor Robert Stone, Gila River
Indian Community
Mayor Gail Barney, Queen Creek
Mayor Thelda Williams, Phoenix
Mayor John Giles, Mesa
Mayor Jenn Daniels, Gilbert

Airport Staff Present

J. Brian O'Neill, Executive Director/CEO
Scott Brownlee, Deputy Director/COO
Chuck Odom, CFO
Maria Gonzalez, Clerk of the Board
Jill Casson Owen, Attorney

Guests Present

Keith Belden, Morrison-Maierle
Jamie Bennett, Town of Queen Creek
Aric Bopp, City of Mesa
Matt Busby, City of Apache Junction
Scott Butler, City of Mesa
René Guillen, Town of Gilbert
Chris Hacker, Mead & Hunt
Ken Halverson, Jetstrip/KMH

Fred Himovitz, HPI
Brian Howard, CEI
Jim McCauley, USI
Pearl Meza, City of Phoenix
Warde Nichols, Arizona State University
Bryant Powell, City of Apache Junction
Steve Reeder, Kimley-Horn
Tim Reifeiss, Paradies Lagardère

1. Call to Order at 9:02 a.m. (Mayor Jeff Serdy)

2. Call to the Public.

There were no public comments.

3. Executive Director's Report

Executive Director O'Neill provided a briefing on PMGAA financial performance, passenger activity, the community noise report, and an update on various Airport projects. Fiscal Year-to-Date (FYTD) Net Operating Income is \$378,406, a 26% decrease compared to FYTD18 due to early service contract payments. PMGAA continues to exceed revenue expectations and control operational expenditures.

PMGAA Update:

- PMGAA will have a VIP visit on Friday. President Trump is expected to arrive between 6-7 p.m. at the International Air Response hangar located at the south end of the Airport. This event is not sponsored by PMGAA. Staff has been actively involved with the Trump campaign, the Secret Service and Mesa Police to develop necessary plans to ensure safety and security at the Airport.

- U.S. Congress passed the FAA Reauthorization Bill which is great news. The Bill does not include the \$2M cap for Airport Improvement Program (AIP) Entitlement Discretionary Funding for the construction of contract Air Traffic Control Towers. PMGAA staff and Board members, as well as the City of Mesa have been working on this effort for several years. Executive Director O’Neill extended his appreciation to Mayor Giles and Scott Butler of Mesa for their efforts on this initiative.
- Taxiway Charlie Construction Project has been underway for a month. The project is adjacent to the 700 acres on the eastside of the Airport and will provide increased airfield efficiency and new aeronautical development opportunities.
- South Sossaman Road and Hourly Parking Lot Improvements are important infrastructure projects designed to enhance roadway capacity and improve vehicle flow on South Sossaman Road and around the passenger terminal. A new entrance into the Hourly Parking Lot will greatly reduce congestion along the terminal’s arrival and departure curb. The project was strategically phased to avoid traffic impacts during construction and will be completed prior to the busy Thanksgiving Holiday travel period.
- Air Service Development - Executive Director O’Neill has been invited to United Airlines Headquarters in Chicago on October 31st to meet with Schedule Planners and Network Route Developers. PMGAA has an impressive story to tell and a competitive incentives package to help attract additional airlines to the Airport. Gateway Airport is an emerging market that can support additional air service without impacting operations at Sky Harbor.

4. **Presentation: Airport Master Plan Update.**

PMGAA Airport Planner Anthony Bianchi provided a brief update to the Board on the Airport Master Plan Update aviation forecasts. A project website (www.pmgaa.com/masterplan) has been established and materials and information will be added as the project progresses. The consultant is now working on future facility requirements and development alternatives. Committee Meetings and Public Information Meetings will occur in November 2018.

5. **Consent Agenda**

Mayor Thelda Williams requested that Item 5-b be removed from the Consent Agenda for a separate discussion and action.

- a) **Minutes** of the Board Meeting held on **September 18, 2018.**
- c) **Resolution No. 18-45** - Authorizing an operating agreement with **WestJet** for commercial air service at the Airport.
- d) **Resolution No. 18-46** - Authorizing the Executive Director/CEO to execute an operating agreement with **Flair Airlines, Ltd.** for commercial air service at the Airport.
- e) **Resolution No. 18-47** - Authorizing the Executive Director/CEO to execute an operating agreement with **California Pacific Airlines** for commercial air service at the Airport.

- f) **Resolution No. 18-48** - Authorizing the purchase of airfield pavement maintenance with **Regional Pavement Maintenance of Arizona, Inc.** in an amount not to exceed \$254,248.22.
- g) **Resolution No. 18-49** - Authorizing the procurement of computer equipment from **Dell** not-to-exceed \$61,835.91.

Mayor Thelda Williams moved to approve the Consent Agenda, excluding Item 5-b. Mayor Gail Barney seconded the motion. The motion was carried unanimously.

Consideration and Possible Approval of:

- 5b. **Resolution No. 18-41** - Authorizing an amendment to the **PMGAA Procurement Policy**.

Mayor Williams directed staff to include a limit of \$50 to § (I)(b)(3) of the Procurement Policy to help define the term “minor”, and in § (8)(b) to add language indicating Board Members are to be notified by staff prior to issuing an RFP, to avoid contact with bidders. Chief Financial Officer added that a procedural adjustment would be made to include the \$50 limit.

Mayor Thelda Williams moved to approve Resolution No. 18-41. Mayor John Giles seconded the motion. The motion was carried unanimously.

- 6. **Resolution No. 18-50** - Authorizing an additional \$8,108,463 for the **FY19 Capital Budget**.

Mayor Gail Barney moved to approve Resolution No. 18-50. Mayor John Giles seconded the motion. The motion was carried unanimously.

- 7. **Resolution No. 18-51** - **Authorizing the Executive Director/CEO to execute such contracts and amendments that assign Ground Lease 1998-001 for the property located at 6305 S. Sossaman Road, Mesa 85212 to Koon-Boen, Inc., LLC and extend the Ground Lease termination date approximately 10-months from February 28, 2048 to December 31, 2048.**

Mayor John Giles moved to approve Resolution No. 18-51. Mayor Gail Barney seconded the motion. The motion was carried unanimously.

- 8. **Resolution No. 18-52** - Authorizing a contract with **DPR Construction** to provide Final Construction Services for the Bag Make-up Expansion Phase 2 Project CIP 1047 in an amount not-to-exceed \$608,700.

Mayor Jenn Daniels moved to approve Resolution No. 18-52. Mayor Thelda Williams seconded the motion. The motion was carried unanimously.

- 9. **Resolution No. 18-53** - Authorizing a contract with **DPR Construction** to provide Final Construction services for the Baggage Claim Expansion Phase 2 Project CIP 1004 in an amount not-to-exceed \$519,500.

Mayor Thelda Williams moved to approve Resolution No. 18-53. Mayor John Giles seconded the motion. The motion was carried unanimously.

10. Discussion on Recovery of Water Damage to Air Traffic Control Tower.

Executive Director O'Neill reminded the Board of an unfortunate incident that occurred in the Air Traffic Control Tower causing significant water damage to several floors of the facility. PMGAA staff requested an emergency expenditure allowance of \$700,000 from the Board to initiate cleaning and restoration of the facility and committed that PMGAA would seek full restitution from the responsible company upon completion of the project. Chief Financial Officer Odom reported that all expenditures for this project (minus ineligible legal fees) were reimbursed completely.

11. Board Member Comments/Announcements.

There were no comments/announcements.

12. Next Meeting: Tuesday, November 20, 2018 at 9:00 a.m.

13. Adjournment.

The meeting adjourned at 9:46 a.m.

Dated this _____ of _____, 2018.

Maria E. Gonzalez, Clerk of the Board



Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

To: Board of Directors
From: Shea Joachim, CEcD, Business Development Director
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: Facility Lease – Building 1080 / 6252 S. Sossaman Rd.
Date: November 20, 2018

Proposed Motion

To authorize a facility lease with Crown Castle Solutions, LLC for a portion of Building 1080, located at 6263 S. Taxiway Circle, and consisting of approximately 1,000 square feet. The lease term is for ten (10) years, commencing on the earlier of November 1, 2019, or the effective date of the first wireless carrier agreement.

Narrative

Phoenix-Mesa Gateway Airport (“Airport”) has experienced significant growth in recent years. As this growth continues, the need for enhanced cellular coverage and capacity increases. Crown Castle Solutions, LLC (“Crown Castle”) has worked to identify a solution to the increase in cellular demand through the use of a neutral host Distributed Antenna System (“DAS”).

Under the neutral host DAS model, an independent third-party system provider assumes all financial, regulatory, legal, and technical responsibility for deploying, installing, and maintaining the DAS. The neutral host then leases space or access to the DAS to one or more wireless Carriers.

If this lease is approved, Crown Castle will lease a portion of Building 1080, located at 6253 S. Taxiway Circle, and consisting of 1,000 sq. ft. (the “Premises”). Crown Castle will also install, maintain, and operate a neutral host DAS at the Airport at no cost to PMGAA.

Agreement Term and Rate

For the use of the Premises, Lessee will pay to PMGAA monthly, the greater of either \$1,416.67 or 20 percent of the gross revenue realized by Lessee from the Wireless Carriers for the use of the DAS.

The term of this lease is ten (10) years.

To facilitate site preparation and DAS installation, the term of the lease will commence on the earlier of either (i) November 1, 2019, or (ii) the effective date of the first fully executed Wireless Carrier agreement.

Attachment(s)

Facility Lease Agreement



RESOLUTION NO. 18-54

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority formed pursuant to Arizona Revised Statute § 28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS, the Authority desires to enter into a facility lease with Crown Castle Solutions, LLC;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorize a facility lease with Crown Castle Solutions, LLC for a portion of Building 1080, located at 6263 S. Taxiway Circle, and consisting of approximately 1,000 square feet. The lease term is for ten (10) years, commencing on the earlier of November 1, 2019, or the effective date of the first wireless carrier agreement. This resolution also authorizes the Chair or Executive Director/CEO to execute such Agreement, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 20th day of November, 2018.

Jeff Serdy, Chair

ATTEST:

APPROVED AS TO FORM:

Maria Gonzalez, Clerk of the Board

Attorney



Phoenix-Mesa Gateway Airport Authority

FACILITY LEASE

with

CROWN CASTLE SOLUTIONS LLC

Effective Date: December 1st, 2018

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Phoenix-Mesa Gateway Airport Authority FACILITY LEASE

This Facility Lease (“Lease”) is executed to be effective the FIRST (1st) day of December, 2018 (“Effective Date”) between the PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, a joint powers authority authorized by the State of Arizona (“Lessor”), and CROWN CASTLE SOLUTIONS LLC, a Delaware limited liability company authorized to do business in the State of Arizona (“Lessee”). Lessor and Lessee may be referred to jointly as “Parties,” and each separately may be referred to as a “Party.”

RECITALS:

WHEREAS, Lessor is the owner and operator of the Phoenix-Mesa Gateway Airport generally located at the intersection of Ray Road and Sossaman Road, City of Mesa, Maricopa County, Arizona (the “Airport”) including certain buildings and grounds, utility infrastructure, signage, light standards, and other improvements (herein “Structures”); and

WHEREAS, Lessor desires to enhance the wireless communications services available at the Airport through a more comprehensive solution on the conditions agreed to herein; and

WHEREAS, Lessor has the right to lease, license and grant the use of property and facilities at the Airport and has full power and authority to enter into this Lease in respect thereof; and

WHEREAS, Lessor desires to lease to Lessee, and Lessee desires to lease from Lessor, that certain real property at the Airport located at 6263 South Taxiway Circle, Mesa, Arizona 85212, and described as a portion of Building 1080, consisting of approximately ONE THOUSAND (1,000) square feet, part of a larger Twenty-Three Thousand, Four Hundred and Fifty-Six (23,456) square foot building, as set forth in **Exhibit A** attached hereto (the “Premises”); and

WHEREAS, Lessor desires to lease the Premises and Radio Space (as defined herein) to Lessee on the terms and conditions set forth herein;

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

1. DEFINITIONS

For all purposes of this Lease, the following terms shall be defined as follows:

1.1 **Additional Services** shall have the meaning set forth in Section 2.4.

- 1.2 **Affiliate** shall have the meaning set forth in Section 10.2.
- 1.3 **AHJ** shall have the meaning set forth in Section 15.3.3.
- 1.4 **AST** shall have the meaning set forth in Section 15.3.3.
- 1.5 **Attach** shall mean to install, connect, or construct Attachments on, at or in a Structure pursuant to a DAS Order.
- 1.6 **Attachments** as used herein shall include antenna, wire, fiber optic, telecommunications and/or coaxial cable, Nodes and other wireless communications equipment attached and maintained upon a Structure pursuant to a DAS Order.
- 1.7 **Base Rent** shall have the meaning set forth in Section 5.1.
- 1.8 **Base Rent Commencement** shall have the meaning set forth in Section 5.1.1.
- 1.9 **Base Rent Due Date** shall have the meaning set forth in Section 5.6.1.
- 1.10 **Carrier Agreement** shall mean a binding contractual commitment between Lessee and a Wireless Carrier to utilize the System.
- 1.11 **City** shall have the meaning set forth in Section 8.2.2.
- 1.12 **Comparable Areas** shall have the meaning set forth in Section 2.6.
- 1.13 **Construction Milestone** shall have the meaning set forth in Section 8.2.
- 1.14 **DAS Order** shall have the meaning set forth in Section 2.2. "DAS Order" shall also refer to amended DAS Orders.
- 1.15 **Deficiency** shall have the meaning set forth in Section 12.4.
- 1.16 **Effective Date** shall mean the date set forth in the Preamble.
- 1.17 **Environmental Laws** shall have the meaning set forth in Section 15.1.1.
- 1.18 **Event of Default** shall have the meaning set forth in Section 12.1.
- 1.19 **Fiber Infrastructure Improvements** shall have the meaning set forth in Section 8.1.1.
- 1.20 **Government** shall have the meaning set forth in Section 15.6.
- 1.21 **Government Permits** shall mean all certificates, permits or other approvals which may be required from any Government necessary for the construction and operation of the System.
- 1.22 **Gross Revenues** shall have the meaning set forth in Section 5.1.2.
- 1.23 **Hazardous Materials** shall have the meaning set forth in Section 15.1.2.
- 1.24 **Holdover Fee** shall have the meaning set forth in Section 19.2.1.

1.25 **Hub Site** shall mean the exterior and/or the interior space leased by Lessor to Lessee and identified in a DAS Order: (i) for the installation of Lessee's equipment for the operation and control of the System; and (ii) to be licensed to Wireless Carriers for the placement and operations of their equipment required for the use of the System.

1.26 **Improvements** shall have the meaning set forth in Section 8.1.3.

1.27 **Lease** shall mean this Facility Lease and all DAS Orders executed hereunder, each as amended.

1.28 **Leased Structure(s)** shall mean a structure upon which an Attachment has been made pursuant to a DAS Order and is maintained thereupon by Lessee pursuant to this Lease.

1.29 **Lessee** shall have the meaning set forth in the Preamble.

1.30 **Lessor** shall have the meaning set forth in the Preamble.

1.31 **MAG Rent** shall have the meaning set forth in Section 5.1.

1.32 **Node** shall mean a radio access node of the System, generally consisting of an antenna, equipment box, cabling connecting the antenna, and related attachments.

1.33 **Objectives** shall have the meaning set forth in Section 2.4.

1.34 **Percentage Rent** shall have the meaning set forth in Section 5.1.

1.35 **Premises** shall have the meaning set forth in the Recitals and shall be used by Lessee as its Hub Site.

1.36 **Premises Improvements** shall have the meaning set forth in Section 8.1.2.

1.37 **Primary Purpose** shall mean to develop, operate and maintain the Airport for aeronautical uses in a safe, secure and efficient manner.

1.38 **Proposal** shall have the meaning set forth in Section 2.4.

1.39 **Radio Space** shall be the locations on, in or at a Structure to be occupied by any Attachments for operation of the System, as approved by Lessor in its sole and absolute discretion and agreed to by the Parties upon their full execution of a DAS Order.

1.40 **Release** shall have the meaning set forth in Section 15.5.

1.41 **Report** shall have the meaning set forth in Section 5.4.

1.42 **RF** shall mean radio frequency energy, whether or not associated with operation of the System.

1.43 **Security Deposit** shall have the meaning set forth in Section 6.1.1.

1.44 **Structures** shall have the meaning set forth in the Recitals.

1.45 **Suspected Release** shall have the meaning set forth in Section 15.7.2.

1.46 **System** shall mean collectively the small cell network, including distributed antenna system (DAS), constructed by Lessee under a DAS Order for the purpose of providing RF coverage in and about the Airport, including Lessee's System equipment at the Radio Space and all Attachments, power lines, coaxial, fiber optic and telecommunications cables and other associated equipment, including equipment owned and operated by Wireless Carriers, located throughout the Airport and at the Hub Site and operated by Lessee on a commercial, for-profit basis to provide services to Wireless Carriers.

1.47 **Term** shall have the meaning set forth in Section 3.

1.48 **Threshold Wireless Carrier** shall mean the first (1st) Wireless Carrier to use the System pursuant to a Carrier Agreement.

1.49 **Transfer** shall have the meaning set forth in Section 10.1.

1.50 **Wireless Carrier** shall mean a wireless services provider offering communications services to the public, including commercial mobile radio service (CMRS), cellular, personal communications service (PCS), wireless broadband, telematics and wireless data carriers. Lessor shall not be considered a Wireless Carrier to the extent it provides any such services for its own internal use.

1.51 **Wireless Carrier Fee** shall have the meaning set forth in Section 5.3.

2. LEASE

Lessor hereby leases the Premises and Radio Space to Lessee, subject to all easements and rights of way that may encumber the Premises, and further subject to all operational and use restrictions and other terms and conditions set forth in this Lease all of which Lessor covenants will be provided to Lessee prior to the Effective Date.

2.1 **Right to Use Premises and Radio Space.** Lessor agrees that so long as Lessee shall timely pay the Base Rent and other charges required to be paid hereunder, and perform all its other obligations under this Lease, Lessee shall peaceably have and enjoy the use of the Premises and Radio Space without hindrance from Lessor. Lessee specifically acknowledges that Lessee has inspected the Premises and Radio Space prior to entering into this Lease and agrees to accept the Premises and Radio Space in an "as is, where is" condition without any warranty or representation from Lessor, either express or implied, of any kind or nature whatsoever with respect to the Premises and Radio Space, including, but not limited to, any warranty of merchantability, habitability, or fitness for any particular or specific purpose, and all such warranties are hereby disclaimed. Should Lessee desire any inspection report, environmental assessment, survey, creation of a legal description, drainage report or any similar study, Lessee shall be responsible for the same at Lessee's sole expense.

2.2 **DAS Order.** On the terms set forth in this Lease and from time to time upon the Parties' mutual execution and delivery of a DAS Order substantially in the form attached to this Lease as **Exhibit F** (a "DAS Order"), Lessor will lease to Lessee, and Lessee will lease from Lessor (a) the Premises and Radio Space described therein and (b) if applicable and deemed available by Lessor, the fiber and conduit identified in such DAS Order. Lessor agrees, subject to the conditions in this Lease, that, by way of the DAS Order, it will permit Lessee to place, operate and maintain Attachments within the Premises and Radio Space on Leased Structures in order to operate its System. Lessee agrees that its Attachments will be used only in connection with Lessee's construction, operation and maintenance of the System. Lessee expressly recognizes that the Structures are used and are to continue to be used by Lessor, and that Attachments are and will continue to be secondary and subordinate to Lessor's use of its Structures for its Primary Purpose.

2.3 **System Additions.** Subject to Lessor's approval in its sole and absolute discretion, Lessee shall have the right to (i) attach to any additional Structure; or (ii) add additional Attachments to any Structure; and,

if applicable, use additional portions of the fiber and conduit, upon the Parties' execution of an amended DAS Order.

2.4 Reserved.

2.5 Limitations. Regardless of its duration, Lessee's use of a Structure shall not vest in Lessee any ownership rights in the Structure. The right to Attach herein granted shall at all times be subject to any pre-existing contracts and agreements, as they may be amended from time to time, written notice of which Lessor provides to Lessee in advance of the Parties' executing a DAS Order.

2.6 Substitution of Premises. In addition to Lessor's other rights set forth in this Lease, Lessor reserves the right, upon no less than ninety (90) calendar days prior written notice to Lessee, to substitute Comparable Areas (as defined herein) for all or any portion of the Premises, including any additions, alterations or Improvements thereon, should Lessor, in its reasonable discretion, determine that taking of the Premises, any portion thereof or any Improvement thereon, is required in support of the Airport's Primary Purpose, and there exists no appropriate alternative. In the event Lessor makes the determination to exercise its rights to substitute, all title, right and interest to the portion of the Premises taken shall immediately vest in Lessor on the date that is ninety (90) calendar days following receipt of Lessor's notice, or such later date as specified therein. Furthermore, Lessor may require Lessee and the Wireless Carriers to vacate any portion or all of the Premises taken. For the purposes of this Section 2.6, the term "Comparable Areas" is defined to mean other facilities at the Airport, or any additions or extensions thereof, similar in size to the Premises, brought to the same level of improvement as the Premises and having the same or similar usefulness to Lessee and the Wireless Carriers as the portion taken. Lessor shall bear all expenses of bringing the substituted area to the same level of improvement as the Premises, and of moving Lessee's Improvements, equipment, furniture and fixtures to the Comparable Area. If any of Lessee's Improvements, equipment, furniture or fixtures cannot be relocated, Lessor shall replace, at Lessor's expense, such non-relocatable Improvements and other property with comparable property in the Comparable Area, and Lessor shall be deemed the owner of the non-relocated Improvements and other property, free and clear of all claims of any interest or title therein by Lessee, or the Wireless Carriers. It is the specific intent of this Section 2.6 that Lessee be placed, to the extent possible, in the same position it would have been, had Lessor not substituted the Comparable Area for the Premises; provided, however, that Lessor shall not be obligated to reimburse Lessee for any damages, including lost profits or revenues, due to such substitution and further provided that Lessee shall not be obligated to pay Base Rent to Lessor beginning on the date the Premises are taken and continuing until such time as Lessee and the Wireless Carriers are able to reinstate operations in the Comparable Area substituted therefore. Notwithstanding the foregoing, Lessor shall use reasonable efforts to avoid disruption to Lessee's and the Wireless Carriers' business. Following such substitution, the Comparable Area shall thereafter become the Premises and, to the extent necessary, the Parties agree to execute a mutually acceptable amended DAS Order showing such substitution.

2.7 Access. Lessee is granted the right of reasonable access to and from the Premises and Radio Space via such portions of the Airport as are or may be necessary to allow Lessee to conduct its business operations permitted herein at and on the Premises, Radio Space and the Airport. Lessor reserves the right to designate the location of such access and to change its location from time to time, as Lessor deems reasonably necessary and appropriate; provided such changes do not materially interfere with Lessee's use of or access to the Premises and Radio Space.

2.8 Applicable Laws. Lessee's use of the Premises, Radio Space and operation of its business at and on the Airport, the Premises and Radio Space is subject to all applicable laws, rules and regulations of any governmental authority, including Lessor, and to Lessee's compliance with applicable provisions of the Airport Rules and Regulations and Minimum Standards.

2.9 Prohibited Activities. Lessee shall not use or permit its agents, employees, contractors, invitees, licensees or customers to use the Radio Space, Premises or the Airport for any use that is in violation

of the Airport Rules and Regulations, the Airport Minimum Standards or applicable laws, rules, regulations and operating policies of any governmental authority with jurisdiction over the Premises and Radio Space, including Lessor, that does not have advance, written approval of Lessor.

2.10 Continuous Operation. Upon commencement of business operations at and on the Premises and the Airport, Lessee shall designate a manager for the term of this Lease who shall be available to Lessor and Lessee's customers, if any, during normal business hours, and otherwise as required by the Airport Minimum Standards, as applicable.

2.11 Lessee Acknowledgement. Lessee acknowledges and agrees that its obligations to pay Base Rent and all other charges due and owing under the terms hereof shall be absolute and unconditional, and shall not be affected by any circumstances whatsoever, including, without limitation: (i) any set-off, counterclaim, recoupment, defense or other right which Lessee may have against Lessor or the United States of America or anyone else for any reason whatsoever; (ii) any liens, encumbrances or rights of others with respect to the Premises and Radio Space; (iii) the invalidity or unenforceability or lack of due authorization or other infirmity of this Lease or any lack of right, power or authority of Lessor or Lessee to enter into this Lease; (iv) any insolvency, bankruptcy, reorganization or similar proceedings by or against Lessor, Lessee or any other person; or (v) any other cause, whether similar or dissimilar to the foregoing, any future or present law notwithstanding, it being the intention of the Parties hereto that all Base Rent being payable by Lessee hereunder shall continue to be payable in all events and in the manner and at the times provided herein except as otherwise required by Section 2.6.

3. TERM

The term of this Lease shall be for a period of ten (10) years, commencing on the earlier of (a) the effective date of the first (1st) Carrier Agreement or (b) November 1, 2019 ("Term").

4. NON-EXCLUSIVE RIGHTS

Lessee shall have the exclusive right to occupy and use the Premises and Radio Space while in compliance with the terms and conditions of this Lease. All other rights granted to Lessee under this Lease are nonexclusive. Lessor may, in its sole discretion and at any time, permit third parties to conduct any and all business activities at the Airport that Lessor deems appropriate, or conduct such activities itself, provided that such activities do not require or materially interfere with Lessee's use of the Premises and Radio Space.

5. RENT & FEES

5.1 Base Rent. For and in consideration of the privilege and authorization herein granted, Lessee shall pay to Lessor monthly rental for the Premises and Radio Space equal to the greater of the minimum annual guarantee ("MAG Rent") or percent of gross revenue ("Percentage Rent") specified below (collectively the "Base Rent):

5.1.1 Beginning on the First (1st) day of the Term and continuing every month thereafter, Lessee shall pay monthly, on the Base Rent Due Date (as defined in Section 5.6.1 herein), to Lessor the greater of the MAG Rent amount of ONE THOUSAND FOUR HUNDRED SIXTEEN AND 67/100 Dollars (\$1,416.67) or Percentage Rent equal to TWENTY Percent (20%) of Gross Revenues (as defined in Section 5.1.2 herein).

5.1.2 For the purposes of this Section 5, the term "Gross Revenues" shall mean all monetary amounts collected by Lessee, without deduction or offset (except as the parties may otherwise agree or as prescribed herein), whether by cash, credit or otherwise, from Lessee's executed Carrier Agreements for the use of the System at/on the Airport as permitted by this Lease. For the avoidance of doubt, Gross Revenues

shall exclude reimbursements for taxes, utilities, construction or installation costs, or other expenses incurred by Lessee (including revenue share reimbursements).

5.2 Reserved.

5.3 Wireless Carrier Fee. Lessee agrees to pay Lessor a one-time fee of TEN THOUSAND 00/100 Dollars (USD \$10,000.00) for each fully executed Carrier Agreement during the Term of this Lease (“Wireless Carrier Fee”). The Wireless Carrier Fee shall be paid by Lessee to Lessor within THIRTY (30) calendar days of the effective date of a Carrier Agreement. Lessor acknowledges and agrees that Lessee shall not pay a Wireless Carrier Fee when Carrier Agreements are amended during the Term.

5.4 Reporting. Lessee shall provide Lessor with an opportunity to review unredacted copies of all Carrier Agreements within thirty (30) calendar days of entering such agreements during normal business hours at Lessee’s Phoenix, Arizona office. In addition, Lessee shall permit Lessor, its agents and employees at all times during normal business hours to review, for any and all purposes, complete and unredacted copies of the Carrier Agreements in the Phoenix, Arizona office of Lessee and shall make unredacted copies available to Lessor and its auditors for audits under this Lease. No later than January 31 and July 31 of each year, Lessee shall provide to Lessor semi-annual reports showing all Gross Revenues received from Wireless Carriers and the calculation of the Base Rent for the preceding six (6) months, or portion thereof (“Report”). No more than two (2) times during each calendar year, Lessee shall afford Lessor, upon reasonable prior notice during regular business hours, the right to review or audit Lessee’s books and records regarding operation of the System and performance of its obligations under this Lease. The Parties will cooperate in good faith to (i) resolve any discrepancies between the Base Rent paid to Lessor and those calculated by the Report or audit to be due to Lessor and (ii) determine the method that (A) any overpayment of Base Rent will be refunded to Lessee or (B) any underpayment of Base Rent will be made to Lessor.

5.5 Airport Rates and Charges Schedule. Lessee or its subtenants, as applicable and including its contractors, agents, etc., shall pay all fees identified in the most current Airport Rates and Charges Schedule at the time of receipt of any covered service or use of any covered facilities, unless specifically outlined in this Lease. The current Airport Rates and Charges Schedule is included as **Exhibit B** and incorporated herein by reference and is subject to change without prior notice or approval of Lessee. Lessee acknowledges and agrees that Lessor may amend the Airport Rates and Charges Schedule at any time at Lessor’s sole discretion, and that no fee [referenced in the Airport Rates and Charges Schedule] shall apply to the use of the Premises and Radio Space or access to the Premises and Radio Space.

5.6 Payments.

5.6.1 All Base Rent payments shall be payable no later than the twentieth (20th) day of each calendar month for the preceding calendar month (“Base Rent Due Date”). On or before each such date, Lessee shall pay the full Base Rent payment.

5.6.2 No payment to or receipt by Lessor of a lesser amount than that which is due and payable under the provisions of this Lease at the time of such payment shall be deemed to be other than a payment on account of the earliest payment due, nor shall any endorsement or statement on any check or payment prejudice in any way Lessor’s right to recover the balance of such payment or pursue any other remedy provided in this Lease or by law.

5.6.3 All payments and Reports required by this Section 5 shall be remitted to the following address by the due date(s) specified hereinabove:

Phoenix-Mesa Gateway Airport Authority
Attn.: Department of Finance (Accounts Receivable)

5835 S. Sossaman Road
Mesa, Arizona 85212-6014
or such other address specified in writing by Lessor to Lessee.

5.7 Finance Charges and Late Fees. If Lessee fails to pay any installment of Base Rent or any other charge due and owing to Lessor in full on or before the applicable due date, Lessee shall be responsible for interest on the unpaid installment at the rate of Eighteen Percent (18%) per annum from the due date until payment in full is made. In addition, in the event any installment of Base Rent or other charge owing to Lessor is paid more than Ten (10) days after the due date, a late penalty of Ten Percent (10%) of the amount of such delinquent Base Rent installment or other charge shall be due and payable in addition thereto.

5.8 Taxes. In the event any governmental authority shall impose a tax or imposition based upon any Base Rent payments or any other sums paid or owing hereunder, or the receipt of such payments by Lessor, Lessee shall pay such amounts to Lessor at the same time and in addition to payments hereunder, which amounts may include, but are not limited to, any or all rental, transaction privilege, sales, excise or other similar tax except income taxes.

5.9 Survival. Lessee's obligation to pay all amounts stated herein, together with any interest thereon and/or penalties therefor, shall survive the termination of this Lease.

6. PERFORMANCE GUARANTEE

6.1 Security Deposit.

6.1.1 On or before the Effective Date, Lessee shall pay to Lessor TWO THOUSAND 00/100 DOLLARS (USD\$2,000.00), as a security deposit ("Security Deposit") to insure the faithful performance of all of Lessee's obligations hereunder.

6.1.2 The Security Deposit, at the election of Lessor, may be applied in reduction of any loss and/or damage sustained by Lessor by reason of the occurrence of any breach, nonperformance or default by Lessee under this Lease without the waiver of any other right or remedy available to Lessor at law, in equity or under the terms of this Lease. If any portion of the Security Deposit is so used or applied, Lessee shall, within five (5) business days after written notice from Lessor, deposit with Lessor immediately available funds in an amount sufficient to restore the Security Deposit to its original amount. In the event of a sale or other transfer of the Premises by Lessor, Lessor shall transfer the remaining balance (if any) of the Security Deposit to Lessor's successor in interest, whereupon the transferor Lessor shall be released from liability to Lessee for the return of such Security Deposit. Unless this Lease is terminated as a result of Lessee's default whereupon Lessee shall immediately forfeit its Security Deposit to Lessor, upon termination, Lessor shall return to Lessee all portions of the Security Deposit which were not otherwise applied by Lessor as permitted above. Lessor shall have no obligation to maintain a separate account for such security deposit and shall have no obligation to pay interest thereon.

6.2 Reserved.

7. AIRCRAFT OPERATIONS GUIDELINES

If and to the extent that Lessee, including the Wireless Carriers, contractors, agents, etc., operates aircraft at or on the Airport, Lessee shall be subject to the provisions of **Exhibit C**. If any Wireless Carrier, contractor or agent of Lessee conducting activities on or at the Premises operates aircraft at the Airport, all shall be subject to the provisions of **Exhibit C**, which Lessor may enforce directly against such Wireless Carrier, contractor or agent, but Lessee shall have no direct liability or responsibility with respect to such matters; except, however, Lessee shall be responsible for compliance by its Wireless Carriers, contractors and/or agents with the Airport Rules and Regulations and Minimum Standards, as appropriate.

8. IMPROVEMENTS AND SYSTEM OPERATION

8.1 Construction by Lessee.

8.1.1 Fiber Infrastructure Construction. Lessee shall, at its sole cost and expense, construct Improvements that generally shall consist of the installation of fiber infrastructure, as set forth in **Exhibit G** attached hereto (the “Fiber Infrastructure Improvements”) and in accordance with a fiber route plan to be prepared by Lessee and included as an Exhibit to a DAS Order subject to approval by Lessor’s Design Review Committee, as required. Such approval not to be unreasonably withheld, conditioned or delayed, and in compliance with all applicable governmental regulations, restrictions and building codes.

8.1.2 Premises Construction. Lessee shall, at its sole cost and expense, construct Improvements at the Premises that generally shall consist of installation of a separate electric meter to the Premises, the build out of a communications room to BICSI standards, and a separate exterior entry door (collectively the “Premises Improvements”) in accordance with a site plan prepared by Lessee as a DAS Order and subject to approval by Lessor’s Design Review Committee, as required, such approval not to be unreasonably withheld or delayed, and in compliance with all applicable governmental regulations, restrictions and building codes.

8.1.3 Improvements. The Premises Improvements and Fiber Infrastructure Improvements, when referred to collectively, are defined within this Lease as the Improvements (“Improvements”).

8.2 Construction Milestones. Lessee shall construct its Improvements pursuant to the following schedule (each of which events are herein called a “Construction Milestone”) it being understood and acknowledged by Lessor that Lessee shall not be obligated to commence construction of the Improvements and System until it receives a binding contractual commitments from the Threshold Wireless Carrier:

8.2.1 Lessee shall submit its Improvements design plans, by way of a DAS Order, to Lessor for review and approval no later than _____ (___) calendar days following execution of a Carrier Agreement; and

8.2.2 Lessee shall submit its Improvements construction plans, where applicable, to the City of Mesa (the “City”) for a construction permit not later than _____ (___) calendar days following execution of a DAS Order; and

8.2.3 Lessee shall commence construction of the Improvements and provide written notice to Lessor of such within Forty-Five (45) calendar days after the issuance of all necessary construction permits and receipt of all necessary approvals required for such, including any approvals required from the FAA, as applicable; and

8.2.4 Lessee shall complete construction of all Improvements to be constructed by Lessee pursuant to a DAS Order in a commercially reasonable timeframe.

8.3 No Alterations. Lessee shall make no material Improvements or alterations to the Premises during the Term of this Lease without the Parties executing a DAS Order or amended DAS Order, as the case may be. Lessee shall provide Lessor with electronic as-built drawings (or their equivalent) when any Improvement or alteration is completed for which such drawings are reasonably required.

8.4 Title to Alterations and Improvements. Title to all Improvements and alterations on the Premises and in the Radio Space (but not personal property or trade fixtures of Lessee and the Wireless Carriers) shall vest in Lessor automatically upon the expiration of this Lease unless Lessee is holding over in accordance

with Section 19 in which case, title to all Improvements and alterations on the Premises shall be and remain vested in Lessee until Lessee's holding over ceases. The Parties agree no further written instruments are required to effectuate this Section's intent.

8.5 Mechanics' Liens. Lessee shall keep the Premises and all Improvements constructed by Lessee thereon free of any mechanic or materialmen's liens. In the event that any such lien is filed, Lessee shall, at its sole cost, cause such lien to be removed from the Premises by bonding or otherwise within Thirty (30) calendar days of notice thereof.

8.6 Permit Required. Lessee shall be responsible for determining whether it is subject to local building/construction codes or permit requirements, and for compliance with them to the extent they are applicable. All structural, electrical, plumbing or mechanical construction or reconstruction shall conform to City construction and technical codes, as applicable. No such work shall commence without first submitting required plans and obtaining required permits from the City. All such work shall be permitted, inspected and approved by the City prior to concealment or use. Lessee shall provide copies of Lessee's permit applications and the associated plans and specifications on request.

8.7 Damage or Destruction. Lessee shall maintain insurance on all of Lessee's Improvements to the Premises. In the event that all or any portion Lessee's Improvements are destroyed or rendered unusable due to fire or other casualty, Lessee shall replace, repair, restore, modify or improve said Improvements using available insurance proceeds together with any additional funds from other available sources, or, alternatively, Lessee shall pay the replacement cost of the Improvements to Lessor.

8.8 Standard of Care. Lessee shall construct and maintain all Attachments in a safe condition in accordance with applicable laws, industry standards and Lessor's then-current design and construction standards. From time to time upon request from Lessee, Lessor shall provide Lessor's then-current design and construction standards. As of the Effective Date, Lessor's design and construction standards are found at

<http://www.gatewayairport.com/Documents/DocumentLibrary/Design%20Review%20Documents/Design%20Guidelines%20-%20Revised%202007.pdf?Uniqueifier=hRedZrnvE0>.

8.9 Removal and Relocation of Attachments.

8.9.1 Amendment by Lessee. Lessee may request an amendment to a DAS Order as to any Structure to remove its Attachments therefrom if, in its reasonable business judgment such removal will not materially degrade the RF coverage of the System at the Airport. At least ONE HUNDRED TWENTY (120) days prior to removal, Lessee shall deliver Lessor written request for such removal and if approved, the Parties shall execute an amended DAS Order.

8.9.2 Relocation by Lessor. Lessor may require that Lessee remove and relocate any Attachment at Lessor's sole and absolute discretion. In order to require such removal and relocation, Lessor shall: (i) provide at least sixty (60) days' written notice prior to the date of the proposed removal and relocation of any Attachment; and (ii) grant Lessee at least ONE HUNDRED TWENTY (120) days following receipt of all necessary Government Permits to complete the removal and relocation. Lessor and Lessee shall execute an amended DAS Order before the Attachment removal and relocation commences. Lessee shall be responsible for the costs of removing and relocating the Attachment.

8.9.3 Relocation by Lessee. Lessee shall not change the location of its Attachments without the written consent of Lessor, except in cases of emergency. In cases of emergency, Lessee shall procure Lessor's consent orally and consent may be confirmed in writing by the Parties once the emergency has been resolved. Lessee shall be responsible for its cost of relocating any Attachment pursuant to this Section 8.9.3.

9. MAINTENANCE

9.1 Responsibilities.

9.1.1 *Lessor.* Lessor shall, at its sole cost and expense, maintain the structural integrity of the Premises, including the exterior roof. Lessor's maintenance of the Premises shall consist of servicing and repairing of all systems, interior roof and structures, electrical upstream of Lessee's sub-metering equipment, plumbing, fire detection and suppression systems, pavements, pest control, landscaping and grounds maintenance.

9.1.2 *Lessee.* Lessee shall, at its sole cost and expense, keep the Premises and Improvements therein, all Attachments, the System and all other components thereof, in a neat and clean condition and in good order, condition and repair throughout the Term. Lessee is responsible to maintain and repair all of Lessee's Improvements, Attachments and the System throughout the Term. Lessee is responsible for electrical downstream of Lessee's sub-metering equipment.

9.2 Liability.

9.2.1 *Lessor.* Except as expressly set forth in this Lease, Lessor shall not be liable to Lessee for any interruption of service for the System. Lessee specifically waives any claim for indirect, special, consequential or punitive damages against Lessor in connection with this Lease including any claims for loss or interruption of service.

9.2.2 *Lessee.* Any real or personal property of Lessor damaged or destroyed by Lessee as a result of Lessee's use or occupancy of the Premises and Radio Space shall be promptly repaired or replaced by Lessee to the commercially reasonable satisfaction of Lessor. In lieu of such repair or replacement, where required by Lessor, Lessee shall pay to Lessor an amount sufficient to compensate for the loss sustained by Lessor (written evidence substantiating the loss to be provided by Lessor upon Lessee's request). Lessor specifically waives any claim for indirect, special, consequential or punitive damages against Lessee in connection with this Lease, including claims for loss or interruption of service.

9.3 *Trash Removal.* Lessee shall at all times keep the Premises in a neat, clean, safe, sanitary and orderly condition and shall keep such area free of all trash and debris. Lessee shall, at Lessee's expense, be responsible for all trash removal from the Premises. Such trash removal shall be performed as needed, and all trash shall be deposited by Lessee only at collection stations located on the Premises, in accordance with City code.

9.4 *Contact.* Lessee shall respond on a 24/7 basis to any reasonable problems or emergencies reported by Lessor by contact to Lessee's network operations center at (888) 632-0931.

10. ASSIGNMENT, SUBLETTING AND OTHER TRANSFERS

10.1 Any Transfer of Lease Interest Requires Lessor Advance Written Approval. In the event Lessee desires to transfer, assign, encumber, pledge or hypothecate any portion of its interest in this Lease or any right or interest hereunder (including, but not limited to as part of a mortgagor deed of trust or an assignment by means of a foreclosure or trustee's sale thereunder) (individually and collectively, "Transfer"), or sublet the Premises or any part thereof. Lessee must obtain the prior written consent of Lessor, with such consent to be in sole and absolute discretion of Lessor without exception. Where Lessor approves in writing of such Transfer, Lessor shall be entitled to request and acquire written financial assurances, including, but not limited to financial statements, business plans and other information related to the financial condition

and plans of any proposed transferee. Further, Lessor, may in its sole and absolute discretion require that Lessee still be liable at law and at equity, as well as financially liable, under the Lease, regardless of whether the assignee expressly assumes in writing all of Lessee's obligations under this Lease or in the case of a sublease. Lessee understands and agrees to these terms and conditions regarding any proposed Transfer, and that any violation of this Section 10, may irreparably harm Lessor as the requirements set forth herein are directly related to PMGAA's (and any Lessee's) legal and financial obligations to the Federal Aviation Administration. This section 10 shall remain valid and enforceable even in the event of amendment to or repeal of FAA regulations, so long as this section 9 does not directly conflict therewith.

10.2 Lessee's Required Advance Notice to Lessor of Proposed Transfer. In order for Lessor to consider a Transfer, Lessee must: (i) notify Lessor in writing at least Forty-five (45) days prior to such proposed transfer; (ii) deliver to Lessor, at the time of Lessee's notice, current financial statements of Lessee and the proposed transferee (along with transferee's business plans) that are reasonably acceptable to Lessor; and (iii) the transferee assumes and agrees in writing to perform Lessee's obligations under this Lease. However, nothing herein shall be construed as Lessor providing its consent to any Transfer or relieving Lessee of any legal, financial or other obligation under the Lease, regardless of Lessor's acceptance or refusal to accept such proposed transfer of Lease. For purposes of this Section 10.2, "Affiliate" means any person or entity that, directly or indirectly, controls, is controlled by or is under common control with Lessee. For purposes of this definition, "control" shall mean possessing the power to direct or cause the direction of the management and policies of the entity by the ownership of a majority of the voting securities of the entity.

10.3 Deemed Transfers. For the purposes of this Lease, a Transfer shall be deemed to include, but not be limited to, the following: (i) if Lessee is a corporation, partnership, limited liability company or other legal entity, the transfer of any ownership interest in such entity resulting in a change in the present control of such entity by the person or persons owning a majority of the ownership interest thereof as of the date of this Lease; provided, however, if Lessee is a corporation whose stock is traded on a nationally recognized stock exchange, the transfer of Lessee's stock shall not constitute a Transfer requiring Lessor's consent; or (ii) the sale of TWENTY-FIVE PERCENT (25%) or more in value of the assets of Lessee.

10.4 Subletting.

10.4.1 Lessee may sublease the Premises and Radio Space and use of the System to any Wireless Carrier by the use of a Carrier Agreement so long as the following conditions are met:

- a. The Carrier Agreements shall at all times be subordinate to the terms and conditions of this Lease.
- b. The permitted uses of the Carrier Agreements shall be the same as that permitted under this Lease.
- c. The term of any Carrier Agreement shall not extend beyond the stated Term of this Lease.
- d. Lessee shall still be financially and legally responsible pursuant to the terms of the Lease.
- e. The Carrier Agreements shall be in a form approved by Lessor, which approval shall not be unreasonably withheld, conditioned or delayed.

10.4.2 Reserved.

10.4.3 Lessor shall permit all Wireless Carriers unescorted access to the Premises and Radio Space if each has obtained its own valid Airport security clearance and media from Lessor. Lessee acknowledges that it may take Thirty (30) calendar days or more to process sub-lessee for security clearance and media.

10.4.4 Reserved.

10.5 Reserved.

10.6 Assignment by Lessor. Lessor may Transfer its interest in this Lease, provided that the transferee shall be bound by all provisions herein. Any sale or Transfer (including by foreclosure) of Lessor's real property interest in any portion of the Airport, Premises or Radio Space containing an Attachment shall be subject to this Lease, and any successor property owner shall be bound by the terms and conditions herein.

10.7 This Lease and all provisions hereof are subject and subordinate to the terms and conditions of the instruments and documents under which PMGAA acquired the subject property from the United States of America and shall be given only such effect as will not conflict or be inconsistent with the terms and conditions contained in the lease of said lands from PMGAA and any existing or subsequent amendments thereto, and are subject to any ordinances, rules or regulations which have been, or may hereafter be adopted by PMGAA pertaining to the Airport.

11. IDENTIFICATION SIGNS

Lessee may install on the Premises, a sign or signs identifying its business on the exterior of the Premises; provided, however, that the general type, size, and location of such sign(s) shall conform to Lessor's Comprehensive Sign Plan, be approved in writing by Lessor in advance of installation and be subject to any signage rules, codes and/or regulations of any governmental authority.

12. DEFAULT; TERMINATION BY LESSOR

12.1 Events of Default. Each of the following shall constitute a material default of this Lease by Lessee ("Event of Default"):

12.1.1 Failure to pay any installment of Base Rent or other amount due from Lessee hereunder provided that Lessee does not cure such failure within fifteen (15) calendar days after delivery by Lessor of a written notice of such failure.

12.1.2 Failure to perform any of its other obligations under this Lease, provided that Lessee does not cure such failure within THIRTY (30) calendar days after delivery by Lessor of a written notice of such default; provided, however, if a cure of the default reasonably requires more than THIRTY (30) calendar days to complete, then the time to cure shall be extended so long as the cure is being diligently pursued.

12.1.3 The filing of any mechanic's, materialmen's or other lien of any kind against the Premises because of any act or omission of Lessee which lien is not discharged, by bonding or otherwise, within THIRTY (30) calendar days of receipt of actual notice thereof by Lessee.

12.1.4 The Transfer or attempted transfer of any interest in the Lease to any transferee without Lessor's advance written authorization, which Lessor may withhold in its sole and absolute discretion.

12.2 Lessor's Remedies. Upon the occurrence of an Event of Default under this Lease, Lessor may, without prejudice to any other rights and remedies available to a Lessor at law, in equity or by statute, exercise one or more of the following remedies, all of which shall be construed and held to be cumulative and non-exclusive:

12.2.1 Terminate this Lease and re-enter and take possession of the Premises; or

12.2.2 Without terminating this Lease, re-enter and take possession of the Premises; or

12.2.3 Without such re-entry, recover possession of the Premises in the manner prescribed by any statute relating to summary process, and any demand for Base Rent, re-entry for condition broken, and any and all notices to quit, or other formalities of any nature to which Lessee may be entitled, are hereby specifically waived to the extent permitted by law; or

12.2.4 With or without terminating this Lease, Lessor may re-let the Premises or any portion thereof.

12.3 No Implied Termination. Lessor shall not be deemed to have terminated this Lease unless Lessor shall have notified Lessee in writing that it has so elected to terminate this Lease and such notice shall set the date Lessor intends to re-enter and take possession of the Premises. Lessee hereby waives all claims based on Lessor's reentering and taking possession of the Premises, or removing and storing the property of Lessee, and shall save Lessor harmless from all losses, costs or damages occasioned thereby. No such reentry shall be considered or construed to be a forcible entry by Lessor.

12.4 Lessor's Current Damages. Lessor is authorized to make such repairs, refurbishments or improvements to the Premises as may be necessary for the purpose of attempting to re-let the Premises, and the costs and expenses incurred in respect of such repairs, redecorating, refurbishments and improvements shall be paid by Lessee to Lessor within FIVE (5) business days after receipt of Lessor's statement. If Lessor exercises any of the remedies stated above, Lessor shall be entitled to recover from Lessee all damages incurred by Lessor by reason of the Event of Default, which shall include, without limitation, (i) the equivalent of the amount of the Base Rent and all other payments which would be payable under this Lease by Lessee for the remainder of the Term as if this Lease were still in effect, less (ii) the net proceeds of any re-letting by Lessor after deducting all of Lessor's expenses in connection with such re-letting, which shall include, without limitation, repossession costs, repairs, redecorating, refurbishments or improvements to the Premises, brokerage commissions, attorneys' fees, and legal expenses. Lessee shall pay such current damages to Lessor, in the amount set forth in the preceding sentence (hereinafter called "Deficiency"), in monthly installments on the days on which the Base Rent would have been payable under this Lease as if this Lease were still in effect. All amounts collected by Lessor from subtenants shall be credited against Lessor's damages.

12.5 Lessor's Final Damages. At any time after an Event of Default, whether or not Lessor shall have collected any monthly Deficiency as set forth above, Lessor shall be entitled to recover from Lessee, and Lessee shall pay to Lessor, on demand, as final damages for the applicable Event of Default, the sum of (a) the then present worth (at a discount at the rate of Six Percent (6%) per annum) of (i) the aggregate of the Base Rent and all other amounts to be paid by Lessee hereunder for the unexpired portion of the term of this Lease (assuming this Lease had not been terminated), less (ii) the amount of such loss that could have been reasonably avoided, plus (b) repossession costs, Lessor's expenses in connection with any attempts it may have made to re-let the Premises (which shall include, without limitation, repairs, refurbishments or improvements to the Premises and brokerage commissions), attorneys' fees, legal expenses, and all other damages incurred by Lessor as a result of such Event of Default. In determining the amount of loss that could reasonably be provided, rents to be paid by subtenants pursuant to Section 10.4, if applicable, and other reasonably projected rental income from leasing the Premises shall be taken into account.

12.6 No Waiver. No waiver by a Party of any breach or default by the other Party in the performance of its obligations under this Lease shall be deemed to be a waiver of any subsequent default in the performance of any of such obligations, and no express waiver shall affect an Event of Default in a manner other than as specified in said waiver. The consent or approval by a Party to or of any act by the other Party requiring consent or approval shall not be deemed to waive or render unnecessary consent or approval to or of any subsequent similar acts by a Party.

12.7 Content of Default Notice. Any default notice tendered from one Party to the other Party hereunder shall be deemed to be sufficient if it is reasonably calculated to put a Party on notice as to the nature and extent of such alleged default, and is made in accordance with Section 20 herein.

12.8 Limitation on Exercise of Termination Remedy by Lessor. Notwithstanding anything to the contrary hereinabove, if an Event of Default occurs, Lessor shall not have the remedy of terminating this Lease or of taking possession of the Premises unless: (i) the Event of Default consists of a failure to pay off Base Rent or other amounts owed to Lessor; or (ii) Lessor has no other remedy that is adequate to protect Lessor's interests. Nothing contained herein shall limit Lessor's right to self-help and recovery of damages and nothing in this Section 12 shall limit the exercise of either such remedy.

12.9 Reserved.

13. RESERVED

14. INDEMNIFICATION

To the fullest extent permitted by law, each Party hereby agrees to defend, indemnify and hold harmless the other Party and its members, elected or appointed officials, agents, boards, commissions and employees (hereinafter referred to collectively as "Indemnitees" for purposes of this Section 14) for, from and against any and all claims, causes of action, liability, suits, litigation (including reasonable attorney's fees and other costs of investigation and litigation), actions, losses, damages or claims of any nature whatsoever which arise out of or in connection with this Lease, including (i) any accident, injury or damages occurring within the Premises, or (ii) any negligent act or omission of the other Party or its agents, employees, contractors, or subcontractors in connection with each Parties' operations hereunder and which result directly or indirectly in the injury to or death of any persons or the damage to or loss of any property, or (iii) the failure of either Party to comply with any provisions of this Lease.

15. ENVIRONMENTAL PROTECTION

15.1 Definitions. Unless the context shall clearly require otherwise, the terms defined in this Section 15 shall, for all purposes of this Lease and of any agreement amendatory hereof or supplemental hereto, have the meanings herein specified, with the following definitions to be equally applicable to both the single and plural forms of any of the following:

15.1.1 Environmental Laws. The term "Environmental Laws" shall mean any one or all of the following, as the same are amended from time to time: the Comprehensive Environmental Response, Compensation, and Liability Act, 42 USC Section 9601 et seq.; the Resource Conservation and Recovery Act, 42 USC Section 6901, et seq.; the Toxic Substances Control Act, 15 USC Section 2601 et seq.; the Safe Drinking Water Act, 42 USC Section 300f et seq.; the Clean Water Act, 33 USC Section 1251 et seq.; the Clean Air Act, 42 USC Section 7401 et seq.; the Arizona Hazardous Waste Management Act, A.R.S. Section 49-921 et seq. the Arizona Environmental Quality Act, A.R.S. Title 49, as amended; and all regulations thereunder and any other laws, regulations and ordinances (whether enacted by the local, state or federal government) now in effect or hereafter enacted that deal with the regulation or protection of the environment, including the ambient air,

ground water, surface water, and land use, including substrata land, or that govern the use of hazardous materials, solid and hazardous waste, hazardous substances and petroleum products.

15.1.2 Hazardous Material. The term “Hazardous Material” shall mean any toxic or hazardous material, substance or waste, or any pollutant or contaminant as defined or regulated pursuant to any Environmental Law and petroleum products. For purposes of this definition, petroleum includes petroleum-based substances comprised of a complex blend of hydrocarbons derived from crude oil through processes of separation, conversion, upgrading and finishing (e.g., distillate fuel oils, petroleum solvents and used oils).

15.2 Release by Lessor. Lessor shall indemnify Lessee to the fullest extent permitted by law for any and all environmental damage of any kind, or for the effects of Hazardous Material on the environment, or on any person or property, if any, which have been caused by the use of, or Releases from, the Premises and the Airport prior to Lessee’s occupancy of any part thereof. Lessee is not liable for any claims or damages arising from environmental damage resulting from or that are the result of contamination of any kind existing on the Premises or surrounding sites prior to Lessee’s occupancy of thereof.

15.3 Lessee Compliance.

15.3.1 Lessee shall, at the Lessee’s own expense, comply with all present and hereafter enacted Environmental Laws, including any amendments thereto, affecting Lessee’s activities on and property interest in the Premises during the period of Lessee’s occupancy thereof under this Lease.

15.3.2 Lessee shall not cause or permit any Hazardous Material to be brought upon, kept or used in or about the Premises or the Airport by Lessee’s agents, employees, contractors or invitees in violation or threatened or suspected violation of any Environmental Law. The Parties recognize and agree that Lessee may bring on the Premises and Airport and use Hazardous Materials that are ordinarily and customarily used in the conduct of Lessee’s permitted activities under this Lease, provided that such use shall comply fully with all applicable Environmental Laws.

15.3.3 If Lessee desires and receives written authorization from Lessor to install any above ground storage tank (“AST”) on the Premises or elsewhere on the Airport, Lessee shall submit the plans for such ASTs to Lessor for prior written approval and shall comply with all applicable Environmental Laws related thereto, including Title 40, Code of Federal Regulations, Part 112, as applicable. Lessee shall be the owner of such ASTs for statutory purposes and shall be solely responsible for the design, construction, installation, operation, monitoring, inspection, repair and maintenance of any and all ASTs, including any connected piping and/or dispensing apparatus. All ASTs shall comply with the Office of the State Fire Marshall as well as the Authority Having Jurisdiction (“AHJ”). Any AST that stores flammable and combustible liquids shall meet the provisions of NFPA 30, Flammable and Combustible Liquids Code. Records demonstrating compliance with Release detection requirements, including product inventories, calibration and maintenance, sampling, tightness testing and any other records, fees and taxes required by the state or federal governments shall be the responsibility of Lessee. Upon the expiration of this Lease, Lessee shall remove all ASTs in compliance with all applicable Environmental Laws in effect at that time unless otherwise allowed by Lessor.

15.4 Indemnification. To the fullest extent permitted by law, each Party shall indemnify, defend (with counsel reasonably acceptable to the other Party), protect and hold harmless the other Party and its employees and agents for, from and against any and all liability, loss, damage, expense, penalties and legal and investigation fees or costs, arising from or related to any claim or action for injury, liability, or damage to persons or property and any and all claims or actions brought by any person, entity or governmental body, alleging or arising in connection with contamination of the environment or violation of any Environmental Law or other statute, ordinance, rule, regulation, judgment or order of any government or judicial entity which are incurred or assessed as a result of any of each Party’s activities or operations on the Premises or Airport. This obligation

includes, but is not limited to, all costs and expenses related to cleaning up the property, land, soil and underground or surface water as required under the law. The Parties' obligations and liabilities under this Section 15 shall survive the termination of this Lease for a period of twelve (12) months. The indemnification described above includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision. Lessor reserves the right to seek injunctive relief as may be permitted under law and equity.

15.5 Remediation. Without limiting the foregoing, if the presence of any Hazardous Material during the Term of this Lease caused or permitted by Lessee results in any Release on the Airport in violation or potential violation of any Environmental Law, Lessee shall promptly take action to remediate the affected property at its sole expense as necessary to return the Airport to the condition existing prior to the introduction of any such Hazardous Material to the Airport; provided that Lessor's approval of such actions shall first be obtained, which approval shall not, except in an emergency, be unreasonably withheld, conditioned or delayed so long as such actions would not potentially have any material adverse long-term effect on the Airport and Lessee is not under administrative or court order related to such remediation action. Notwithstanding Lessor's approval pursuant to this Section 15.5, Lessor is not responsible for directing or managing any remediation action. For purposes of this Section 15.5, the term "Release" means any releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, disposing or dumping.

15.6 Governmental Submittals. Lessee shall, at Lessee's own expense, make all submissions to, provide all information to and comply with all requirements of the appropriate governmental authority ("Government") under the Environmental Laws. Should the Government determine that a site characterization, site assessment and/or cleanup plan should be prepared and/or that a cleanup should be undertaken because of any spills or discharges of Hazardous Materials by reasons of Lessee's activities or actions at the Airport which occur during the Term of this Lease, then Lessee shall, at the Lessee's own expense, prepare and submit the required plans and financial assurances and carry out the approved plans. Lessee shall provide a copy of said plans to Lessor within thirty (30) days of approval by the Government.

15.7 Information Sharing.

15.7.1 Lessee shall immediately notify Lessor of any of the following: (i) Lessee's receipt of any notification from the Government either charging or informing Lessee that it will be charged with a significant (as defined below) violation of Environmental Laws, and (ii) any change in Lessee's activities on the Premises or Airport that is reasonably likely to adversely change Lessee's or Lessor's obligations or liabilities under the Environmental Laws. In addition, Lessee agrees to provide Lessor with copies of documents reflecting the physical condition of the Premises, including but not limited to, environmental testing of soils and groundwater, and information reasonably requested by Lessor to determine the applicability of the Environmental Laws to the Premises, or to respond to any investigation by the Government or claim of liability by third parties which is related to environmental contamination of the Premises or Airport, including Lessee's activities thereon. A "significant violation of Environmental Law" shall be any violation that requires more than thirty (30) calendar days to resolve.

15.7.2 Lessee shall immediately notify Lessor's Operations and Maintenance Department upon discovering a Release or Suspected Release of any amount of material that is stored inside an AST, approved pursuant to Section 15.3.3. For purposes of this Section, a "Suspected Release" is any discovery of released Hazardous Material at the AST or surrounding area, erratic behavior of Hazardous Material dispensing equipment, the sudden loss of a Hazardous Material or when monitoring indicates that a Release has occurred.

15.8 Sublease. Lessee shall insert provisions substantially identical to the provisions of this Section 15 in each Carrier Agreement.

15.9 Actions of Lessee. The activities or actions of Lessee under this Section 15 shall include the activities or actions of Lessee's officers, directors, employees, agents, contractors, invitees and successors.

15.10 Clean Water Act; NPDES Permits and SWPPPs. Without in any way limiting the foregoing, Lessee shall comply with all Environmental Laws regarding discharges to water and land, including, without limitation, obtaining and complying with an individual National Pollutant Discharge Elimination System ("NPDES") permit, or requesting coverage under and complying with any applicable Multi-Sector General Permit (MSGP) obtained by Lessor. If applicable, Lessee shall also prepare and comply with a site-specific MSGP with an individual Storm Water Pollution Prevention Plan ("SWPPP") or any revisions to a SWPPP, with respect to Lessee's operations or activities on the Premises or Airport. At Lessee's discretion and if applicable, Lessee may choose to be added to Lessor's Storm Water Permit. Proof of individual compliance or compliance by being added to the Lessor's permit shall be provided in the form of both the Lessee's Notice of Intent (NOI) that has been received by the Arizona Department of Environmental Quality (ADEQ) and the individual Arizona Multi-Sector General Permit (AZMSGP) number associated with the NOI, within 30 days.

15.11 Protective Devices and Plans. If Lessee is required by the City to estimate the possible constituents of sanitary sewer discharges in order that the City may define certain discharge limitations for the Premises, Lessee shall complete and return an Industrial Wastewater Discharge Questionnaire ("Questionnaire") to the City and promptly provide Lessor with a copy and updates to the Questionnaire as they arise. Also, if the City so requires, Lessee shall install and maintain appropriate protective devices to prevent accidental discharge of any Hazardous Materials into domestic or industrial drains on or near the Premises, as appropriate, and for any other material for which a slug load discharge could pollute the Airport's storm water discharge or disrupt operations at the sewage treatment plant serving the Premises. Lessee shall post a notice in a prominent place on the Premises advising employees on what actions to take and whom to call in the event of said discharge, and shall ensure that all employees of Lessee are trained with regard to the spill protection plan hereinafter referenced. Lessee also shall provide Lessor with immediate notice of any spill.

15.12 Right to Enter Premises. Lessor's rights under this Lease specifically include the right of Lessor, the United States Government, the Environmental Protection Agency (the EPA), the Arizona Department of Environmental Quality (ADEQ) and the Arizona Department of Occupational Safety and Health (ADOSH) to enter the Premises upon reasonable notice to Lessee by calling Lessee's network operations center and so long as such entry is made under escort by Lessee for purposes of: (i) inspecting Lessee's compliance with environmental, occupational safety and health laws and regulations, whether or not such party is responsible for enforcing such laws; (ii) conducting environmental investigation or remediation, including, without limitation, performing tests and surveys, drillings, test-pitting, borings, compiling data and/or records, and other activities related to environmental investigation; and (iii) carrying out remedial or removal actions as required or necessary under applicable laws, including, without limitation, installing monitoring wells, pumping wells and/or treatment facilities. Lessor shall give Lessee Twenty-Four (24) hour's prior notice of its intention to enter the Premises by calling Lessee's network operations center unless it determines the entry is required to address an emergency. Lessee shall have no claim against Lessor for any entries by the United States, EPA, ADEQ, ADOSH, or any officer, agent, employee or contractor thereof.

15.13 U.S. Air Force Use and Remedial Action.

15.13.1 The Parties assume no liability or responsibility for environmental impacts and damage caused by the U.S. Air Force's use of Hazardous Materials on any portion of the Airport, including the Premises and Radio Space, prior to the Effective Date, and have no obligation under this Lease to undertake the defense of any claim or action, whether in existence now or brought in the future, solely arising out of the use of or Release of any Hazardous Materials or deposits of solid waste on or from any part of the Airport, including, but not limited to, the Premises and Radio Space. Further, the Parties have no obligation under this Lease to undertake environmental response, remediation or cleanup relating to such use or Release. For

purposes of this SECTION 15.13, “defense” or “environmental response, remediation, or cleanup” shall include liability and responsibility for the costs of damage, penalties, legal and investigative services relating to such use or Release. The terms, “Occupation” or “Use” shall mean any activity or presence (in or upon) such portion of, or such building, facility or other improvement on the Premises.

15.13.2 Pursuant to Section VII.E.3 of the Deed (as defined herein), the U.S. Air Force warrants and covenants that all remedial action necessary to protect human health and the environment with respect to Hazardous Materials remaining on the Airport has been completed prior to the date of the Deed and, further, any remedial action found to be necessary after the date of the Deed shall be conducted by the U.S. Air Force; provided, however, that the foregoing covenant does not apply where Lessor or Lessee is a potentially responsible party with respect to any portion of the Premises or the Airport.

15.14 Cleanup Requirements. Lessee agrees that Lessor assumes no liability to Lessee should Hazardous Materials cleanup or related requirements, whether imposed by law, regulatory agencies, the U.S. Air Force or Department of Defense interfere with Lessee’s use of the Premises. Lessee shall have no claim against Lessor or the United States or any officer, agent, employee or contractor thereof on account of any such interference whether due to entry, performance of remedial or removal investigations, or exercise of any right with respect to the Federal Facilities Agreement (FFA) or the Installation Restoration Program (IRP) or under this Lease or otherwise. Lessee agrees to comply with the provisions of any health or safety plan in effect under the IRP or any hazardous substance remediation or response agreement with environmental regulatory authorities during the course of any of the above described response or remedial actions. The Parties hereto acknowledge that there is no such health or safety plan in effect as of the Effective Date. Any inspection, survey, investigation, or other response or remedial action shall, to the extent practicable, be coordinated with representatives designated by Lessee. Lessee shall have no claim on account of such entries against the United States or any officer, agent, employee, contractor, or subcontractor thereof.

15.15 Spill Protection Plan. In the event Lessee undertakes any type of manufacturing, maintenance or other activities on the Premises involving the use or generation of any Hazardous Materials regulated by Environmental Laws, Lessee shall have an approved plan for responding to Hazardous Materials, fuel, and other chemical spills prior to commencement of activities on the Premises and other approved Airport locations. Such plan shall comply with all applicable requirements of said plan which shall be updated from time to time or as may be required to comply with changes in site conditions or applicable requirements, and shall be approved by all agencies having regulatory jurisdiction over such plan. Such plan shall be independent of Lessor’s spill prevention and response plans, if any. Lessee shall not rely on use of Lessor or Lessor personnel or equipment in execution of its plan. Lessee shall file a copy of the approved plan and approved amendments thereto with Lessor’s Environmental and Archeological Coordinator within THIRTY (30) calendar days of receipt of a Certificate of Occupancy from the City. Notwithstanding the foregoing, should Lessor provide any personnel or equipment, whether for initial fire response and/or spill containment, on the request of Lessee, or because Lessee was not, in the reasonable opinion of Lessor, conducting fire-fighting, containment or timely cleanup actions, Lessee agrees to reimburse Lessor for its actual costs in accordance with all applicable laws and regulations; provided that Lessor provides documentation evidencing the costs claimed by Lessor.

15.16 Wells. Lessee shall not install any drinking water or other wells in any location on the Premises without the prior written approval of Lessor.

15.17 Construction Activities and Surface Disturbances.

15.17.1 When Lessee constructs Improvements on the Premises, Lessee agrees that in the event any Hazardous Materials are discovered, Lessee shall promptly notify Lessor of such discovery and shall immediately cease said construction pending investigation and remedial action, if necessary, by Lessor or the appropriate regulatory agency.

15.17.2 After construction of Lessee's Improvements on the Premises, if any, either in the future or as otherwise provided herein, Lessee shall not conduct any subsurface excavation, digging, drilling or other disturbance of the surface without the prior written approval of Lessor, which shall not be unreasonably withheld, conditioned or delayed.

16. PROTECTION OF WETLANDS

Lessee shall minimize the destruction, loss or degradation of any wetlands located on the Premises. Lessor believes there are no wetlands existing on the Premises as of the Effective Date. However, before locating new construction in wetlands, if any exist, Lessee shall contact Lessor and the United States Army Corps of Engineers and obtain a permit or waivers under Section 404 of the *Clean Water Act*. For purposes of this SECTION 16, the term, "new construction," includes structures, facilities, draining, dredging, channeling, filling, diking, impounding, and related activities.

17. SPECIAL PROVISIONS

17.1 Lessee shall comply with all applicable federal, state and local occupational safety and health regulations.

17.2 Lessee shall be responsible for determining whether it is subject to state and local sanitation, licensing, building code or building permit requirements and whether or not it requires a permit to do business and for compliance with them to the extent they are applicable.

17.3 Lessee agrees to and shall at all times comply with Lessor's *Standard Terms and Conditions*, as attached hereto as **EXHIBIT E**.

18. INSURANCE

18.1 Coverage Required. Lessee shall procure and maintain, or cause to be procured and maintained, on or before the Effective Date of this Lease, the following types and amounts of insurance with respect to the Premises:

18.1.1 *Commercial General Liability* (\$2,000,000.00 per occurrence) insurance covering third party bodily injury and property damage, including coverage for "premises/operations," "products and completed operations," "professional," "host liquor" and "contractual liabilities."

18.1.2 *Property* insurance covering all essential personal property (property essential to continued business operations) and all Lessee Improvements made to buildings or facilities on the Airport, including all replacements and/or additions thereto, for their full insurable value (All Risks) on a replacement cost basis, and requiring a form as broad as the ISO Special Causes of Loss form.

18.1.3 *Worker's Compensation* insurance, as required by law, and *Employer's Liability* insurance in the amount of \$1,000,000.00 covering work-related injuries to Lessee's employees.

18.2 Form. Each insurance policy obtained pursuant to this SECTION, except for *Worker's Compensation* and *Employer's Liability and Property* policies, shall: (i) name Lessor as an additional insured via endorsement; (ii) contain a provision that written notice of cancellation thereof shall be given to Lessor not less than THIRTY (30) calendar days before such cancellation takes effect except for nonpayment of premium); and (iii) contain a waiver of subrogation in favor of Lessor. Lessee shall not permit any insurance policy to be

canceled or modified (with respect to coverage required hereunder) without Lessor's written consent unless equivalent replacement policies are issued with no lapse in coverage. All policies shall be obtained from insurance companies authorized to do business in the State of Arizona and possessing a rating of at least A – VII or higher from the A.M. Best Company, or an equivalent rating and approved by Lessor.

18.3 Certificates of Insurance. Lessee shall deliver a certificate of insurance for each policy required herein to Lessor, in standard Acord or equivalent form, prior to the Effective Date and shall continue to provide such certificates throughout the term of this Lease.

18.4 Additional Insurance. At any time during the term of this Lease, Lessor may, if in its reasonable determination the insurance coverage required by this SECTION 18 is no longer adequate, require Lessee to increase its coverage to commercially reasonable amounts.

18.5 Blanket Insurance. Lessee's insurance obligations under this Lease may be satisfied by means of "blanket" or excess or umbrella policies.

18.6 Insurance by Lessor. In the event Lessee shall fail to procure any insurance required hereunder, Lessor may, upon written notice to Lessee, procure and maintain any or all of the insurance required of Lessee under this SECTION. In such event, all costs of such insurance procured and maintained by Lessor on behalf of Lessee shall be the responsibility of Lessee and shall be fully reimbursed to Lessor within TEN (10) business days after Lessor advises Lessee of the cost thereof.

19. SURRENDER OF POSSESSION.

19.1 Condition of Property.

19.1.1 Upon the expiration or earlier termination of this Lease, Lessee's right to occupy the Premises and Radio Space, use the Airport for the DAS, and exercise the privileges and rights granted under this Lease shall cease, and Lessee shall peaceably surrender the same and leave the Premises and Radio Space broom clean and in good condition except for normal wear and tear. Lessee shall remove all components of the System, including without limitation, all Attachments from Structures, and restore any damage caused by such removal and restore the surfaces of the Structures and real property to the condition prior to installation of the System components. All trade fixtures, equipment and other personal property, to include all Hazardous Materials, installed or placed by Lessee on the Premises which are not permanently affixed thereto shall remain the property of Lessee, and Lessee shall have the right at any time during the Term of this Lease, to remove the same from the Airport and Lessee shall repair, at its sole cost, any damage caused by such removal. Any property not removed by Lessee within FIFTEEN (15) calendar days of the expiration or earlier termination of this Lease, or revocation of Lessee's right to occupy the Premises, shall become the personal property of Lessor and ownership thereof shall vest in Lessor. Lessee shall, however, remain financially liable to Lessor for removal and disposal of any Hazardous Materials left at the Premises beyond the sixtieth (60th) day and the cost of repairs to the Premises incurred as a result of Lessor's removal and/or relocation of property formerly belonging to Lessee and not otherwise removed from the Premises, as provided herein, and shall remit to Lessor payment for such costs within THIRTY (30) calendar days of Lessee's receipt of Lessor's invoice therefor.

19.1.2 Any trade fixtures, equipment or other property affixed to the Premises by Lessee shall, if required by Lessor, be permanently removed from the Premises by Lessee, at Lessee's expense, within FIFTEEN (15) business days of Lease termination. Should Lessee fail to remove such trade fixtures, equipment or other property within said time, Lessor may remove and dispose of such trade fixtures, equipment or other property at Lessee's expense, and Lessee shall reimburse Lessor for the costs thereof within TWENTY (20) business days of receipt of Lessor's invoice therefor.

19.2 Holding Over. Lessee shall not remain in possession of the Premises and Radio Space after the expiration or earlier termination of the Term without the express written consent of Lessor.

19.2.1 *Without Consent.* Should Lessee hold over without the express written consent of Lessor, such tenancy shall be at the sufferance of Lessor and not a renewal of the Term. In such case, Lessee agrees to remit monthly to Lessor an amount equal to TWO THOUSAND, FIVE HUNDRED DOLLARS (USD\$2,500.00) (the "Holdover Fee") and such tenancy at sufferance shall be subject to every other term, covenant and provision of this Lease. In the event Lessee holds over, Lessee shall be liable for all of Lessor's direct damages including, without limitation, costs, fees, expenses, damages and attorneys' fees incurred by Lessor as a result of Lessee's holding over, and damages and expenses incurred by Lessor for its inability to deliver possession of the Premises to a new lessee.

20. INSPECTION BY LESSOR

Lessor may enter upon the Premises at reasonable times and upon reasonable notice (by calling Lessee's network operations center) for any reasonable purpose and so long as such entry is made under escort by Lessee, including, but not limited to, compliance with the terms and conditions of this Lease and the exercise of its governmental functions for such activities as fire protection or security.

21. NOTICES

21.1 All notices required or permitted under this Lease shall not be effective unless personally delivered or mailed by certified mail, return receipt requested, postage prepaid, or by reputable commercial overnight courier service, to the following addresses:

TO LESSOR: Phoenix-Mesa Gateway Airport Authority
Attn: Business Development Department
5835 South Sossaman Road
Mesa, Arizona 85212

TO LESSEE: Crown Castle Solutions LLC
c/o Crown Castle USA Inc.
General Counsel
Attn.: Legal - SCFS
2000 Corporate Drive
Canonsburg, PA 15317
(866) 482-8890

WITH A COPY TO: Crown Castle Solutions LLC
Attn: SCFS Contract Management
2000 Corporate Drive
Canonsburg, PA 15317

21.2 Any notice shall be deemed to have been received TWO (2) business days after the date of mailing, if given by certified mail, or upon actual receipt if personally delivered or if given by reputable commercial overnight courier service. Any Party may designate in writing a different address for notice purposes pursuant to this SECTION.

22. SEVERABILITY

The provisions of this Lease are severable to the extent that any provision or application held to be invalid shall not affect any other provision or application of the Lease, which may remain in effect without the valid provision or application.

23. SALES AND PROPERTY TAXES

Lessee shall pay any leasehold tax, sales tax, personal property tax, transaction privilege tax, license or permit fee, or any other tax assessed as the result of its occupancy of Premises or conduct of any activity at the Airport under authority of this Lease, including any such tax assessable on Lessor. In the event that laws or judicial decisions result in the imposition of a real property tax or any other form of tax or imposition on the interest of Lessor, such tax shall also be paid by Lessee for the period this Lease is in effect, to the extent such taxes are reasonably attributable to the Premises or a portion thereof or the operation of Lessee's business.

24. APPROVALS, CONSENTS AND NOTICES

All approvals, consents and notices called for in this Lease shall be in writing, signed by the appropriate Party, and may not be established solely by oral testimony.

25. RESERVED

26. GOVERNING LAW

The laws of the State of Arizona shall govern the matters set forth in this Lease. Venue of any action brought under this Lease shall lie in Maricopa County, Arizona.

27. RULES AND REGULATIONS

Lessee shall at all times comply with all federal, state and local laws, ordinances, rules, and regulations which are applicable to its activities at the Airport, the Premises and Radio Space (including but not limited to the *Americans with Disabilities Act, Public Law 101-336, 42 U.S.C. 12101-12213*), or the operation, management, maintenance or administration of the Airport, including all laws, ordinances, rules and regulations adopted after the Effective Date. Lessee shall at all times comply with the Airport *Minimum Standards* and *Airport Rules and Regulations*, as the same may be amended from time to time. Copies of the current Airport *Minimum Standards* and *Airport Rules and Regulations* are attached hereto as **EXHIBIT D**. Lessee acknowledges and agrees that Lessor may amend the Airport *Minimum Standards* and *Airport Rules and Regulations* at any time in Lessor's sole discretion. Lessee shall be responsible for controlling and preventing disruptive pedestrian and vehicle traffic associated with its activities on the Premises and at the Airport. Lessee also shall display to Lessor any permits, licenses, or other evidence of compliance with laws upon Lessor's reasonable request.

28. RESERVED

29. UTILITY LINES AND SERVICE CHARGES

29.1 Lessee.

29.1.1 Lessor shall, if requested in advance to do so by Lessee, grant reasonable rights-of-way on or across the Airport to suppliers of public utility services for the purpose of supplying Lessee with utility services. Lessor reserves the right to designate the lands along which such rights-of-way shall be granted so as to cause the least inconvenience in the operation of the Airport and other Airport tenants.

29.1.2 Electric Utility Usage Meter. Lessee shall, at no cost to Lessor, provide and arrange for and install a separate electric utility usage meter at Lessee's Premises. The installed sub-metering equipment shall be capable of electronically reporting usage to an online platform for remote reading. Lessor and Lessee shall retain access to remote meter reading throughout the Term of this Lease.

29.1.3 Electric Utility. Lessee agrees to pay for electric utilities based on (i) sub-metering equipment at the Premises. Such electric utility costs shall be billed monthly by Lessor to Lessee, with reasonable supporting documentation of such utility consumption and shall be paid by Lessee upon receipt of such invoice; and (ii) estimated usage for each Node, based on equipment specification and spot measurements; or (iii) as otherwise agreed between the Parties in writing.

29.1.4 Telecommunications Utility. Lessee shall, at no cost to Lessor, provide and pay for telecommunications to and at the Premises. The charges and method of payment for the utility or service shall be determined by the appropriate supplier of the utility or service in accordance with applicable laws and regulations, on such basis as the appropriate supplier of the utility or service may establish. Lessee understands that there are no telecommunications to the Premises. Lessor is not obligated to provide telecommunications to the Premises.

29.2 Notwithstanding the execution of this Lease, Lessor retains the right to the continued use of such utility lines and services as are presently on the Premises and the right to repair the same when necessary in Lessor's sole discretion, including but not limited to, any utility easements on the Premises. Lessor shall conduct such repairs in such a manner and at such times as to not unreasonably interfere with Lessee's activities thereon.

30. RESERVATIONS TO LESSOR

The Premises are accepted "as is, where is" by Lessee, subject to any and all existing easements or other encumbrances, and Lessor shall have the right to install, lay, construct, maintain, repair and operate such sanitary sewers, drains, storm water sewers, pipelines, manholes, connections; water, oil and gas pipelines; telephone and telegraph power lines; and such other appliances and appurtenances necessary or convenient to use in connection therewith, over, on, across or in proximity to the Premises, or any part thereof, as will not unreasonably interfere with Lessee's or any Wireless Carriers' operations hereunder, and to enter upon the Premises for such purposes. Lessor also reserves the right to grant franchises, easements, rights-of-way, and permits, over, on, across or in proximity to any portions of the Premises for the same purposes; provided, that Lessor or the grantee, as applicable, shall not exercise such rights so as to interfere unreasonably with Lessee's or any Wireless Carriers' activities on the Premises and all such interference shall be minimized. Lessor agrees that any rights granted to any parties by reason of this clause shall contain provisions that the surface of the Premises shall be restored to its original condition, at no cost to Lessee, upon the completion of any construction.

31. FEDERAL AVIATION ADMINISTRATION (FAA) PROVISIONS

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

31.2 Lessor reserves the right, but shall not be obligated to Lessee, to maintain and keep in repair the landing area of the Airport and all publicly owned facilities of the Airport, together with the right to direct and control all activities of Lessee in this regard. Lessor and Lessee agree that Lessee has no responsibility whatsoever with respect to maintenance and repair of the landing area of the Airport, or any publicly owned facilities of the Airport.

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

31.4 There is reserved unto Lessor, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Premises, which shall include the right to cause in the airspace any noise inherent in the operation of aircraft, now known or hereafter used for navigation of or flight in or through the airspace, and for the use of such airspace for landing on, taking off from, or operation on the Airport.

31.5 Lessee agrees to comply with the notification and review requirements covered in 14 CFR Part 77 in the event future construction of a building is planned for the Premises or in the event of any planned modification or alteration of any present or future building or structure situated on the Premises.

31.6 Lessee shall not erect or permit the erection of any structure or building, nor permit the growth of any tree on the Premises, or any other obstruction that exceeds height requirements contained in 14 CFR Part 77 or amendments thereto, or interferes with the runway and/or taxiway "line of sight" of the control tower. In the event these covenants are breached, Lessor reserves the right to enter upon the Premises and to remove the offending structure or object at the expense of Lessee.

31.7 Lessee shall not make use of the Premises in any manner that might interfere with the landing and taking off of aircraft from the Airport or otherwise constitute a hazard. In the event this covenant is breached, Lessor reserves the right to enter upon the Premises and cause the abatement of such interference at the expense of Lessee.

31.8 Nothing contained in this Lease shall be construed to grant or authorize the granting of an exclusive right within the meaning 49 U.S.C. §40103(e) and 47107 (a)(4).

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

31.10 To the extent that Lessee conducts or engages in any aeronautical activity for furnishing services to the public at the Airport, Lessee shall furnish its services on a reasonable and not unjustly discriminatory basis to all users and charge reasonable and not unjustly discriminatory prices for each unit or service; except, however, that Lessee may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar type of price reductions to volume purchasers.

31.11 Lessee shall conform to Lessor and FAA safety and security rules and regulations regarding use of the Airport air operations area including runways, taxiways, taxilanes and aircraft aprons by vehicles, employees, customers, visitors, etc., in order to prevent security breaches and avoid aircraft incursions and vehicle/pedestrian deviations; complete and pass an airfield safe driving instruction program when offered or required by Lessor; and be subject to penalties as prescribed by Lessor for violations of Airport safety and security requirements.

32. TITLE VI

32.1 Lessee agrees to comply with pertinent statutes, executive orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color or national origin, sex, age or disability be excluded from participating in any activity conducted with or benefiting from federal assistance.

Lessee understands and acknowledges that the FAA requires inclusion of and adherence to the terms and conditions of Title VI in all airport/aviation lease agreements where Lessor receives federal funding, including, Lessor in this instance.

32.2 During the performance of this Lease, Lessee, for itself, its assignees, and successors in interest agrees as follows:

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

2. Non-discrimination: Lessee, with regard to the work performed by it during the Lease, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. Lessee will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR Part 21.

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

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

5. Sanctions for Noncompliance: In the event of Lessee's noncompliance with the Nondiscrimination provisions of this Lease, Lessor will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:

- a. withholding payments to Lessee under the Lease until Lessee complies; and/or
- b. cancelling, terminating, or suspending the Lease, in whole or in part.

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

32.3 Lessee for itself, its heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree that (1) no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any Improvements on,

over, or under such land, and the furnishing of services thereon, no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that Lessee will use the Premises in compliance with all other requirements imposed by or pursuant to the list of discrimination acts and authorities.

32.4 During the performance of this Lease, Lessee, for itself, its assignees, and successors in interest agrees to comply with the following non-discrimination statutes and authorities; including but not limited to the following (which Lessor is required to disclose and include in such Lease and other agreements, pursuant to FAA regulation):

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

- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq).

32.5 Lessee agrees that in the event Improvements are constructed, maintained or otherwise operated on the Premises for a purpose for which a Department of Transportation (DOT) program or activity is intended, or for another purpose involving the providing of similar services or benefits, Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, *Nondiscrimination in Federally Assisted Programs of the Department of Transportation*, as it may be amended.

33. FEDERAL FAIR LABOR STANDARDS ACT

This Lease and all subcontracts that result from this Lease incorporate by reference the provisions of 29 CFR part 201, the Federal Fair Labor Standards Act (FLSA), with the same force and effect as if given in full text. Lessee has full responsibility to monitor compliance to the referenced statute or regulation. Lessee must address any claims or disputes that arise from this requirement directly with the U.S. Department of Labor – Wage and Hour Division.

34. OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970

This Lease and all subcontracts that result from this Lease incorporate by reference the provisions of 29 CFR part 1910 with the same force and effect as if given in full text. Lessee must provide a work environment that is free from recognized hazards that may cause death or serious physical harm to the employee. Lessee retains full responsibility to monitor its compliance and their subcontractor's compliance with the applicable requirements of the Occupational Safety and Health Act of 1970 (20CFR Part 1910). Lessee must address any claims or disputes that pertain to a referenced requirement directly with the U.S. Department of Labor – Occupational Safety and Health Administration.

35. INCORPORATION OF QUITCLAIM DEED

Lessor owns the Airport pursuant to a Quitclaim Deed from the United States Government (“Deed”), a copy of which is available to Lessee upon request and is hereby incorporated in its entirety. To the extent the Deed has terms, conditions, obligations, requirements or restrictions that apply to this Lease, Lessor, Lessee or any matter in connection herewith, Lessee agrees to be bound by all the terms, covenants and conditions of the Deed, including the following:

- 35.1 That this Lease is subject to all terms and conditions of the Deed; and
- 35.2 That in case of any conflict between the Deed and this Lease, the Deed shall control.

36. REQUIRED PROVISIONS OF QUITCLAIM DEED

- 36.1 Section VI (A)(5)(c) of the Deed requires that the following provisions be included in this Lease:

36.1.1 In furnishing services to the public, Lessee shall not discriminate against any person or class of persons by reason of race, color, creed, or national origin, and Lessee shall otherwise provide such services on a fair, equal, and not unjustly discriminatory basis to all users thereof.

36.1.2 Lessee shall charge fair, reasonable, and not unjustly discriminatory prices for each unit for service; except, however, that the Lessee may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

36.2 If the Premises are within any of the archaeological sites identified in Section VIII.A of the Deed, then, the provisions of Section VIII of the Deed shall be deemed incorporated in this Lease by this express reference to Section VIII of the Deed.

36.3 To the extent the Deed requires that other specific provisions thereof be inserted in this Lease by express reference to the Deed, this sentence shall constitute an express reference to all such applicable provisions of the Deed.

37. ARCHEOLOGICAL OR CULTURAL RESOURCES

In the event any archeological or cultural resources are discovered during any construction contemplated or permitted by this Lease, Lessor shall use its best efforts to expedite any necessary actions with respect thereto, at Lessor's sole cost and expense; provided, however, that in the event the necessary actions with respect to any archeological or cultural resources exceeds or is estimated to exceed \$10,000.00, Lessee shall be entitled to terminate this Lease upon TEN (10) business days' prior written notice to Lessor.

38. AIRPORT SECURITY

38.1 PMGAA Operations Department maintains an approved Airport Security Plan (the "Security Plan") pursuant to 49 CFR Parts 1540 and 1542, and 14 CFR Part 139. Lessee shall at all times comply with PMGAA Operations Department security directives, security bulletins, or verbal notifications existing now or in the future.

38.1.1 Lessee is responsible for maintaining security practices, facilities, and perimeter boundaries at the Premises that meet the security standards set forth by PMGAA Operations Department.

38.1.2 Lessee shall immediately correct physical or procedural deficiencies which are contrary to PMGAA Operations Department, security directives, security bulletins, or verbal notifications existing now or in the future.

38.1.3 Lessee shall, to the fullest extent permitted by law, indemnify, defend and hold PMGAA harmless for, from and against any security violation committed by any agents, employees, invitees, subcontractors, sub-lessees or independent contractors of Lessee.

38.1.4 Lessee shall conduct and document all self-audits and self-inspections as required by TSA or Airport Operations and make such audits available for inspection.

38.1.5 Lessee shall designate a primary security coordinator to receive security related briefings, bulletins and sensitive security information.

38.1.6 PMGAA reserves the right to modify the Security Plan from time to time, as necessary or as directed by TSA. PMGAA Airport Operations shall notify the Lessee security coordinator regarding modifications that effect Lessee.

38.2 Airport Security Badge.

38.2.1 Lessee employees/contractors that require a badge shall be obligated to complete all training and comply with all security requirements and directives issued by PMGAA Airport Operations, Transportation Security Administration or other entity having security jurisdiction at PMGAA. Lessee, employees, and contractors will surrender security badges upon request by Airport Operations; physical security media (badges and keys) remain the property of PMGAA.

38.2.2 Lessee, employees and contractors shall comply with all security related audits, inspections, and screenings conducted by the PMGAA Airport Operations Department

38.2.3 Lessee will immediately return badges to the Airport Badging office when badge holders employment is terminated, the badge is no longer needed or the employee/contractor is on extended leave.

38.2.4 Misuse of a badge or security procedures will bring about punitive action including suspension or revocation of one or all badges.

39. DEFAULT BY LESSOR

In the event of any alleged breach by Lessor of its covenants contained in this Lease, Lessee shall have available all rights and remedies provided at law or in equity, subject to the terms and conditions of this Lease; provided, however, Lessee may not exercise any such right or remedy unless Lessee has notified Lessor by written notice of such alleged default, and Lessor has not cured such default within the THIRTY (30) calendar day period subsequent to receipt of such notice or, in the event such alleged default is of such a nature that it cannot reasonably be cured within such THIRTY (30) calendar day period, Lessor has failed to cure such alleged default with all due diligence. Notwithstanding anything to the contrary contained in this Lease, in no event shall Lessee be entitled to abate or offset any installment of Base Rent, or any other payments to be made by Lessee hereunder except as expressly set forth herein.

40. BROKERS

Lessee represents and warrants that it has not had any dealings with any real estate brokers, finders or agents in connection with this Lease. Lessee further agrees to indemnify, defend and hold Lessor and Lessor's nominees, successors and assigns harmless from any and all claims, costs, commissions, fees or damages by any person or firm whom Lessee authorized or employed, or acted by implication to authorize or employ, to act for Lessee in connection with this Lease.

41. SALE BY LESSOR

Lessee agrees to look solely to Lessor's interest in the Premises for the recovery of any judgment from Lessor, it being agreed that neither Lessor nor the holders of the equity interests of Lessor, nor the members, partners, officers, directors or shareholders of Lessor shall be personally liable for any such judgment. In the event of any sale or other conveyance by Lessor of its interest in the Premises, Lessor shall be automatically freed and released from all personal liability accruing from and after the date of such sale or conveyance as respects the performance of any covenant or obligation on the part of Lessor contained in this Lease to be performed, it being intended hereby that the covenants and obligations contained in this Lease on the part of Lessor shall be binding on the Lessor and its successors and assigns only during and in respect to the respective successive periods of ownership of the Premises.

42. ESTOPPEL CERTIFICATE

Lessee shall, without charge, at any time and from time to time hereafter, within TEN (10) business days after written request of Lessor to do so, certify, by written instrument duly executed and acknowledged by Lessee and certified to Lessor and to any prospective lender or purchaser: (i) as to whether this Lease has been supplemented or amended, and if so, the substance and manner of such supplement or amendment; (ii) as to the existence of any default hereunder to the best of Lessee's knowledge; (iii) as to the date on which Lessee was obligated to commence paying Base Rent and all other charges hereunder and the expiration date of the Term; (iv) as to whether the Lessee has assigned or transferred its interests or any portion thereof in this Lease; and (v) as to any other matters as may be reasonably requested. Lessor and any prospective purchaser or lender to whom the same was certified may rely upon any such certificate.

43. MISCELLANEOUS

43.1 Personal Liability. No member of or employee of either Party shall be charged personally or held contractually liable by or to the other Party under any term or provision of this Lease because of any breach thereof, or because of its execution or attempted execution.

43.2 No Waiver. No provision of this Lease may be waived or modified except by a writing signed by the Party against whom such waiver or modification is sought.

43.3 Reserved.

43.4 Amendment. This Lease shall be modified only by a written amendment mutually agreed to and signed by both Parties, by persons duly authorized to enter into contracts on behalf of each Party.

43.5 Invalid Provisions. Should any provision of this Lease or any application thereof be held invalid by a court of competent jurisdiction, the remainder of this Lease shall not be affected thereby, unless one or both Parties would be substantially and materially prejudiced.

43.6 Litigation Expenses. In the event of litigation between Lessor and Lessee, each Party shall bear its attorneys' fees and all costs and expenses of litigation, including witness fees, expert witness fees and court costs.

43.7 Headings. The headings contained herein are for convenience in reference only and are not intended to define or limit the scope of this Lease or any term thereof.

43.8 Entire Agreement. This Lease, including exhibits attached hereto at the time of its execution, constitutes the entire agreement between the Parties hereto and supersedes all prior negotiations, understandings and agreements between the Parties concerning such matters.

44. INCORPORATION OF RECITALS

The recitals set forth herein are acknowledged by the Parties to be true and correct and are incorporated herein by this reference.

IN WITNESS WHEREOF, the Parties have executed this Lease the day and year first above written.

EXECUTED to be effective on the Effective Date.

LESSOR:

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, a joint powers authority authorized by the State of Arizona

By: _____
J. Brian O’Neill, A.A.E.
Executive Director/CEO

STATE OF ARIZONA)
) ss.
County of Maricopa)

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me this ___ day of _____, 2018, by J. Brian O’Neill, A.A.E., in his capacity as the Executive Director/CEO of the Phoenix-Mesa Gateway Airport Authority, a joint powers authority authorized by the State of Arizona.

Notary Public

LESSEE:

**CROWN CASTLE SOLUTIONS LLC, a
Delaware limited liability company**

By: _____

COMMONWEALTH OF PENNSYLVANIA)
) ss.
County of Washington)

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me this ___ day of _____,
2018, by _____, in his/her capacity as _____, Crown
Castle Solutions LLC, a Delaware limited liability company, for and on behalf of said limited liability company.

Notary Public

Exhibit A
DEPICTION OF THE PREMISES



BUILDING 1080

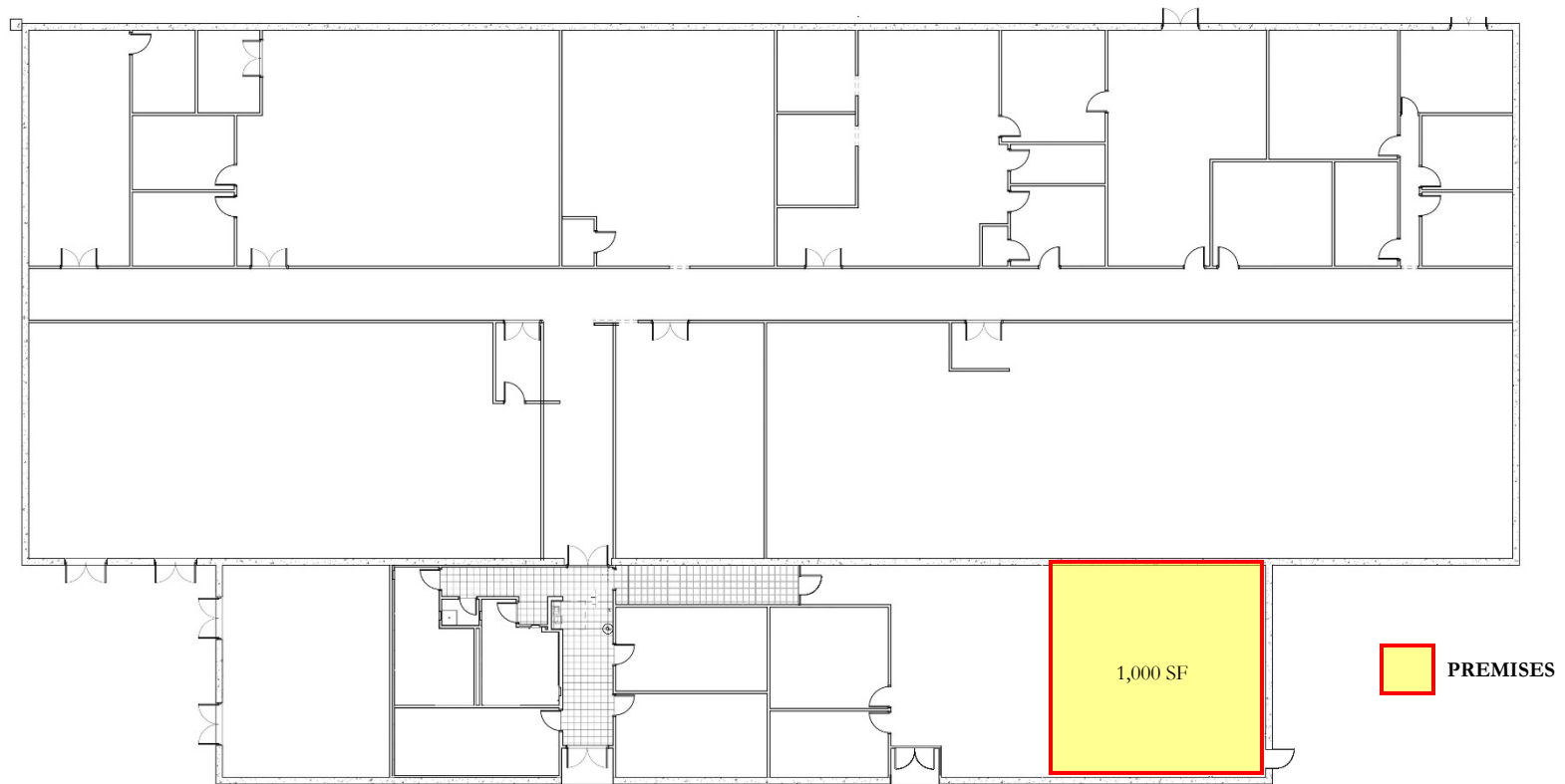


Exhibit B

AIRPORT RATES & CHARGES SCHEDULE

(SEE LINK)

http://www.gatewayairport.com/Documents/DocumentLibrary/Board%20Policies/Rates%20&%20Charges_20160701.pdf

Exhibit C

AIRCRAFT OPERATIONS GUIDELINES

C1. Use of Airport. Lessee, Lessee's assigns, sub-lessees, or transferees who operate aircraft at the Airport and are engaged in a private, government, or commercial aeronautical business or service and desire to use the Airport landing facilities for certain types of operations including, but not limited to: 1) taxiing and maneuvering on Airport runways, taxiways, ramps and aprons; 2) landings and approaches (“touch and go”, “stop and go”); and 3) low approaches shall be subject to the provisions of this **EXHIBIT C**.

C2. Fees. As appropriate, Lessee shall pay Lessor fees as outlined below:

C2.1 *Landing Fee.* Lessee shall pay a landing fee at a rate equal to the amount reflected on the most current *Airport Rates and Charges Schedule* at the time of the aircraft operation, for each flight subject to a landing fee operated by or in conjunction with Lessee. The weight of any particular aircraft shall be its maximum certificated gross landing weight (MGLW). The amount owed to Lessor for each chargeable aircraft landing for each preceding calendar month shall be due and payable no later than the TWENTIETH (20th) day of the month succeeding the calendar month in which said aircraft landings took place. Lessee’s written listing of all aircraft landings subject to such fee shall accompany said payment. Each entry in such listing shall include the date of the landing, the aircraft registration number, the type and model aircraft, the aircraft MGLW and the amount of the fee due.

C2.2 *Aircraft Ramp Space.* Lessee shall pay Lessor monthly, an aircraft-parking fee in an amount equal to that specified in the most current *Airport Rates and Charges Schedule* at the time of use, for each overnight aircraft parking position used by Lessee that is situated on Airport ramp outside Lessee’s Premises. Such fees, if any, shall be payable to Lessor no later than the TWENTIETH (20th) day of the month following that in which Lessee occupied or used such space, and such payment shall be accompanied by a written listing of the aircraft (including registration number, make and model), dates and times of usage.

C2.3 *Other Space.* When available and specifically assigned to Lessee, Lessee shall pay Lessor monthly, in advance, a fee for Lessee’s non-exclusive use of other space not situated on or part of the Premises. The location and cost of such other space shall be determined by Lessor at its sole discretion, and both may be subject to change from time to time by Lessor, as necessary.

C2.4 *Additional Space/Services.* In the event that Lessee requires space or special services such as, but not limited to, aircraft line services, out-of-station ARFF standby, operations safety officers, ground service equipment, or fuel spills response teams, Lessee shall pay Lessor’s standard fees for such services at the time the service is rendered, unless a secured account or agreement is established prior to requesting additional services.

C3. Books and Records. Lessee shall maintain permanent books, records and ledgers accurately reflecting the total number of monthly Aircraft landings for each aircraft subject to a landing fee and any other aforementioned fee indicating the make, type (including model designation), registration, maximum certificated gross landing weight, and arrival and departure time of each aircraft involved. These records shall be made available to Lessor upon request. In addition to monthly payment as set forth in SECTION C2 herein and together therewith, Lessee shall provide Lessor with a written report, indicating all aircraft operations and related information for the preceding calendar month.

C4. Disabled or Abandoned Aircraft. Should any aircraft owned or operated by Lessee through accident or for any other reason, become disabled or be abandoned in any area which could interfere with the continuous, normal operations of any of the runways, taxiways and airfield facilities at the Airport, Lessee shall:

C4.1 Immediately remove said aircraft to such location as may be designated by Lessor, unless such aircraft is required to remain in place pending investigation by the appropriate regulatory agency or agencies of the federal government; and

C4.2 In the event of any accident where federal investigation in place is required, immediately upon receiving clearance to do so from the appropriate federal agency, remove said aircraft and any wreckage or debris resulting therefrom to the area(s) designated by said federal agency authorizing such removal; otherwise, such aircraft wreckage and debris shall be immediately removed from the Airport or stored at a location approved by Lessor.

C4.3 Should Lessee fail to proceed immediately to remove disabled aircraft, or should aircraft owned or operated by Lessee be abandoned on the Airport, Lessor shall have the right to remove such aircraft by any means Lessor deems necessary under the circumstances, and Lessee shall indemnify, defend, keep and hold Lessor, its members, board of directors, officers, agents, officials, servants, employees and contractors harmless from and against any and all claims, costs, loss, liability, actions, suits, proceedings, damage or expense (including costs of suit and attorneys' fees and expenses) incurred by Lessor or claimed by anyone by reason of removal of said aircraft, injury to persons or property or damages to such aircraft caused by such removal, as well as storage costs therefor. Lessee shall reimburse Lessor for any costs incurred by Lessor in removing and storing any aircraft, any property damage to the airport caused by such aircraft or removal within TEN (10) business days of demand therefor.

C5. Aviation Fuel. Lessee, at Lessee's sole cost and expense, shall procure aviation fuel delivered to its aircraft on the Airport. If fueling or defueling aircraft owned or operated by Lessee, or under Lessee's direct control, Lessee shall comply fully with Lessor's *Aviation Fuel Storage, Dispensing and Handling Guidelines* and applicable federal regulations.

C6. Fly Friendly Procedures. Lessee acknowledges that Lessor maintains *Fly Friendly* noise abatement procedures, and shall provide such information to flight crews, post the information in the Lessee's flight planning area, and use the procedures to the extent possible, when consistent with safety and Air Traffic Control directives.

Exhibit D

(SEE LINKS)

AIRPORT MINIMUM STANDARDS

<http://www.gatewayairport.com/Documents/DocumentLibrary/Board%20Policies/Airport%20Minimum%20Standards.pdf>

&

AIRPORT RULES AND REGULATIONS

http://www.gatewayairport.com/Documents/DocumentLibrary/Board%20Policies/Rules%20&%20Regulations_16-53.pdf

Exhibit E
STANDARD TERMS AND CONDITIONS

1. **Certification.** By executing this Lease, Lessee certifies:
 - a. The award of this Lease did not involve collusion or other anti-competitive practices.
 - b. It shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11246, or A.R.S. Section 31-1461, et. seq.
 - c. It has not given, offered to give, nor intends to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with this Lease; and Lessee hereby certifies that the individual signing this Lease is an authorized agent for Lessee and has the authority to bind Lessee to the Lease.
2. Reserved.
3. **Affirmative Action.** Lessee shall abide by all of the applicable federal and State of Arizona provisions for equal opportunity in the work place.
4. **Human Relations.** Lessee shall abide by all of the applicable federal and State of Arizona provisions against discrimination of disadvantaged business enterprises applicable to Lessee.
5. **Gratuities.** Lessor may, by written notice to Lessee, cancel this Lease if it is found that gratuities, in the form of entertainment, gifts or otherwise, were offered or given by Lessee or any agent or representative of Lessee, to any officer or employee of Lessor amending, or the making of any determinations with respect to the performing of such Lease. If this Lease is canceled by Lessor under this provision, Lessor shall be entitled, in addition to any other rights and remedies, to recover or withhold from Lessee the amount of the gratuity.
6. **Provisions Required by Law.** Each and every provision of law and any clause required by law to be in the Lease shall be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party the Lease shall forthwith be physically amended to make such insertion or correction.
7. **Rights and Remedies.** No provision in this Lease shall be construed, expressly or by implication, to waive either Party's existing or future claim, right, or remedy available by law for breach of contract. The failure of either Party to insist on strict performance of any Lease term or condition; to exercise or delay exercising any right or remedy provided in the Lease or by law; or to accept materials or services under this Lease or imposed by law, shall not be deemed a waiver of any right of either Party to insist upon strict performance of the Lease.
8. **Right to Assurance.** Whenever one Party to this Lease in good faith has reason to question the other Party's intent to perform, the former Party may demand that the other Party give a written assurance of this intent to perform. If a demand is made and no written assurance is given within five (5) business days, the demanding Party may treat this failure as an anticipatory repudiation of this Lease.
9. **Advertising.** Neither Party shall advertise or publish information concerning this Lease without the prior written consent of the other Party.
10. **Force Majeure**
 - a. Neither Party is liable to the other, and neither Party may be deemed in default under this Lease, if and to the extent that such Party's performance of this Lease is prevented by reason of Force Majeure. The term "Force Majeure" means an occurrence that is beyond the control of the Party affected and occurs without its fault or negligence. Force Majeure does not include late performance by a Wireless Carrier unless the delay arises out of a specific Force Majeure in accordance with this Force Majeure term and condition.

- b. If either Party is delayed at any time in the progress of the work by Force Majeure, the delayed Party shall notify the other Party in writing, as soon as practical, of the delay and shall specify the causes of delay in the notice. The notice must conform in all respects to the notice requirements of the Lease and must specifically refer to this section. The delayed Party shall cause the delay to cease as soon as practicable and shall notify the other Party in writing when it has done so. The date of completion will be extended by Lease modification or amendment for the period of time that the completion date is necessarily delayed.
11. **Reserved.**
 12. **Licenses.** Lessee shall maintain in current status all applicable federal, state and local licenses and permits required for the operation of the business conducted by Lessee as applicable to this Lease.
 13. **Subsequent Employment.** Lessor may cancel this Lease without penalty or further obligation in accordance with A.R.S. Section 38-511 if any person significantly involved in initiating, negotiating, securing, drafting or creating the Lease, on behalf of Lessor is or becomes, at any time during the Term of the Lease or any extension thereof, an employee of Lessee. Such cancellation shall be effective when Lessee receives written notice from Lessor, unless the notice specifies a later time.
 14. **Patents.** Each Party shall defend, indemnify, and hold harmless the other Party, its officers and employees from all liabilities, claims, damages, costs, or expenses, including, but not limited to attorneys' fees, for any alleged infringement of any person's patent rights or copyrights in consequence of the use by each Party, its officers, employees, agents, and other duly authorized representatives of tangible or intellectual property supplied by one Party to the other Party under this Lease.
 15. **E-Verify Requirements.** To the extent applicable under A.R.S. § 41-4401, Lessee warrants compliance with all federal immigration laws and regulations that relate to their employees, and compliance with the E-Verify requirements under A.R.S. §23-214(A). Lessee's failure to comply with such warranty shall be deemed a material breach of this Lease and may result in the termination of this Lease by Lessor.

Exhibit F
DAS ORDER AGREEMENT TEMPLATE

DAS Order: _____ **[Description]**

1. **Introduction.** This DAS Order (this "**DAS Order**"), dated effective as of the date of the last signature below (the "**DAS Order Effective Date**"), is an agreement entered into by and between _____ ("**Lessor**") and **Crown Castle Solutions LLC** ("**Lessee**") pursuant to the Parties' Facility Lease dated _____ (the "**Agreement**").

2. **General Framework.** All of the Agreement's terms and conditions, including any Agreement attachments, as amended before the DAS Order Effective Date (if applicable), are incorporated by reference into this DAS Order. Capitalized terms used but not defined in this DAS Order have the meanings designated in the Agreement; capitalized terms used and defined in this DAS Order will have the meanings designated. If there is a conflict between the Agreement's terms and conditions and this DAS Order's terms and conditions, or this DAS Order contains terms and conditions not contained in the Agreement, then this DAS Order will control over the Agreement, but only to the extent of the actual conflict or supplemental terms.

3. **DAS Order.** For good, valuable and adequate consideration, which the Parties acknowledge receiving, in accordance with the Agreement's terms and conditions, as supplemented or amended by this DAS Order, Lessee leases from Lessor, and Lessor leases to Lessee: (a) the Node and other Attachment locations described on **Exhibits 1 and 2** to this DAS Order; (b) the Hub Site location as more particularly described on **Exhibits 1 and 3** to this DAS Order; and (c) the Fiber Network described on **Exhibits 1 and 4** to this DAS Order. The Node equipment to be installed at the Leased Structures is described on **Exhibit 2** to this DAS Order.

4. **Applicable Exhibits.** The following exhibits are an integral part of this DAS Order and are incorporated by this reference:

- Exhibit 1 – System Description
- Exhibit 2 – Node Equipment and Locations
- Exhibit 3 – Hub Site
- Exhibit 4 – Fiber Network

5. **Preliminary Drawings.** The Radio Space, Node, Hub Site, other Attachment and Fiber Network locations are generally identified in the attached preliminary drawings. During the design and installation process, the actual locations thereof will be specifically identified and may be changed by mutual agreement of the Parties. Pursuant to **Section 8.3** of the Agreement, at the completion of installation, Lessee shall provide to Lessor updated as-built drawings for review and confirmation that the as-builts are substantially the same as the preliminary drawings, in which case the Parties agree to amend this DAS Order to replace the preliminary drawings with the as-built drawings. In the event the as-built drawings are not substantially the same as the preliminary drawings, the Parties shall work together in good faith to resolve any issues created as a result of the nonconformance.

6. **Authorized Signatures.** This DAS Order, together with the Agreement, contains the Parties' entire agreement regarding this DAS Order's subject matter. Upon this DAS Order's execution and delivery by the Parties' authorized representatives, this DAS Order will be binding on the Parties and is incorporated by this reference into the Agreement. This DAS Order is effective on the DAS Order Effective Date.

LESSOR
Phoenix-Mesa Gateway Airport

LESSEE
Crown Castle Solutions LLC

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Exhibit F (Continued)
DAS ORDER AGREEMENT TEMPLATE

Date: _____

Date: _____

APPROVED AS TO FORM:

CC S & E LLC

By: _____

Name: _____

Title: _____

Date: _____

Exhibit F (Continued)
DAS ORDER AGREEMENT TEMPLATE

Exhibit 1

System Description

Preliminary System Description.

- (a) **Node Locations.** (described in more detail in **Exhibit 2** to this DAS Order)

System Name	SCU#	Address

- (b) **Hub Site Description.** The Hub Site being leased to Lessee will be located at _____
 (described in more detail in **Exhibit 3** to this DAS Order).
- (c) **Fiber Network Description.** The Fiber Network will consist of _____ fiber strands, on a point-to-point basis, originating from the Hub Site and ending at the Node locations. A schematic drawing of the Fiber Network is attached as **Exhibit 4** to this DAS Order.

Exhibit F (Continued)
DAS ORDER AGREEMENT TEMPLATE

Exhibit 2

Node Equipment and Locations

Exhibit F (Continued)
DAS ORDER AGREEMENT TEMPLATE

Exhibit 3

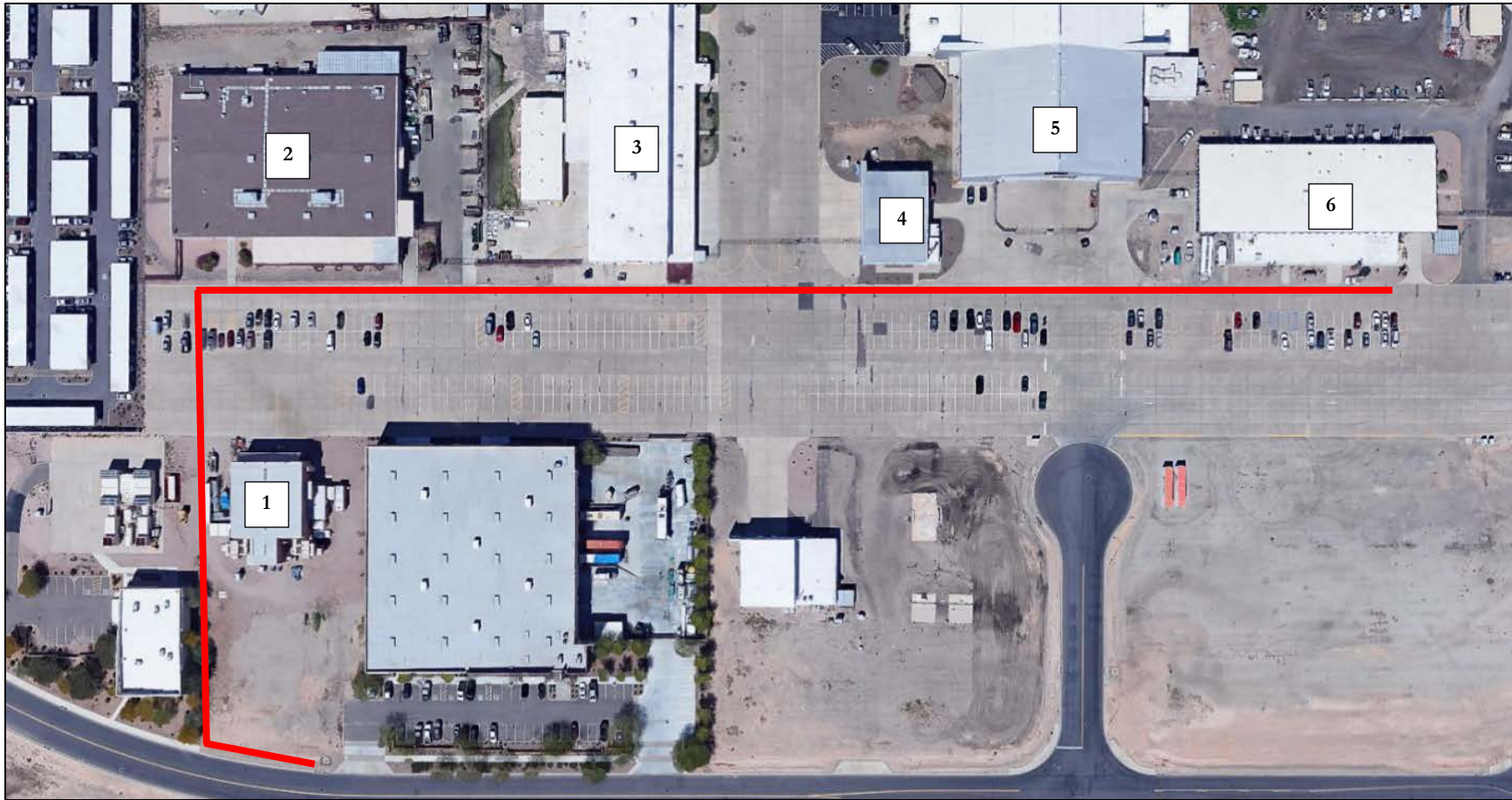
Hub Site

Exhibit F (Continued)
DAS ORDER AGREEMENT TEMPLATE

Exhibit 4

Fiber Network

Exhibit G
FIBER INFRASTRUCTURE IMPROVEMENTS



- 1. 7744 Velocity Way
- 2. 6316 South Taxiway Circle
- 3. 6304 South Taxiway Circle
- 4. 6162 South Taxiway Circle
- 5. 6250 South Taxiway Circle
- 6. 6263 South Taxiway Circle

Key

Improvements: 



Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

To: Board of Directors
From: Matt Nebgen, Gateway Aviation Services Director
Through: Scott Brownlee, Deputy Director/COO
J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: Purchase of Unleaded and Diesel Fuel – State Contract Vendor
Date: November 20, 2018

Proposed Motion

To authorize the Executive Director, or their delegate, to purchase unleaded and diesel fuel from the lowest priced State contract vendor at market prices for Airport Authority use and resale in the amount of \$332,200.

Narrative

Gateway Aviation Services provides aircraft fuel and ground handling services to tenants and users, including fuel for ground vehicles. Gateway Aviation Services' required fuel types are unleaded and diesel #2 clear.

As a qualified participant of the Arizona Department of Administration State Procurement Office (ADSPO), Phoenix-Mesa Gateway Airport Authority (PMGAA) can procure goods and services under the state contracts. The state has currently contracted with Senergy Petroleum, LLC for bulk fuel.

Due to continuing increase in fuel prices and an overall increase in fuel sales by Gateway Aviation Services, the Airport needs to increase the budgeted amount for FY19 and therefore is requesting contingency funding to meet the demand for the remainder of FY 19.

Fiscal Impact

This purchase was included in the FY19 budget and is funded under Cost of Goods Sold however we are close to exhausting the existing budget and are requesting funds from the contingency budget. This budget expenditure increase will be offset by a corresponding revenue from fuel sales.

Attachment(s)

N/A



RESOLUTION NO. 18-55

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS the Authority desires to purchase unleaded and diesel fuel;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorize the Executive Director/CEO, or their delegate, to purchase unleaded and diesel fuel from the lowest priced State contract vendor at market prices for Authority use and resale in the amount of \$332,200. This resolution also authorizes the Chair or Executive Director/CEO to execute such Contract, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 20th day of November, 2018.

Jeff Serdy, Chair

ATTEST:

APPROVED AS TO FORM:

Maria Gonzalez, Clerk of the Board

Attorney



Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

To: Board of Directors
From: Chris Brady, Mesa City Manager
Through: Jill Casson Owen, Snell & Wilmer
Subject: Employment Contract Amendment – Executive Director
Date: November 20, 2018

Proposed Motion

To approve a second amendment to the Executive Director's employment agreement effective October 1, 2018.

Narrative

The Board of Directors approved an employment agreement with Mr. J. Brian O'Neill on September 21, 2016, amended as of October 1, 2017. The second amendment to Employment Agreement provides for a five percent increase in Mr. O'Neill's base salary, effective October 1, 2018. There are no other changes to the agreement.



RESOLUTION NO. 18-56

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS the Authority desires to amend the employment agreement with Mr. J. Brian O’Neill;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby approves the second amendment to employment agreement with Mr. J. Brian O’Neill, effective October 1, 2018. This resolution also authorizes the Chair to execute such agreement, with such insertions, deletions, and changes as may be approved by the Chair necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 20th day of November, 2018.

Jeff Serdy, Chair

ATTEST:

APPROVED AS TO FORM:

Maria Gonzalez, Clerk of the Board

Attorney

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
5835 SOUTH SOSSAMAN ROAD
MESA, ARIZONA 85212-6014



EXECUTIVE DIRECTOR'S OFFICE
PHONE (480) 988 7600
FAX (480) 988 2315

J. Brian O'Neill 2018 Annual Performance Review

My primary goal as the Executive Director/CEO of the Phoenix-Mesa Gateway Airport Authority (PMGAA) is to ensure that Phoenix-Mesa Gateway Airport (Gateway Airport, Airport) is operated in a safe, secure, customer focused, efficient, environmentally-cognizant, and financially-sustainable manner. Another important goal is to continue to work cooperatively with Member Communities; federal, State, and local partners; and other key stakeholder groups to grow the Airport responsibly and to maximize its economic benefit to the entire region.

PMGAA Achievements During Past Twelve Months

Airport Operations – It is critically important that the Airport operate in compliance with all Federal Aviation Administration (FAA), State, local, and Phoenix-Mesa Gateway Airport Authority (PMGAA)-approved Rules and Regulations. Maintaining and improving Airport facilities and infrastructure is foundational to the Airport's ability to provide an efficient and cost-effective operating environment for airlines and other airport tenants.

- For the second consecutive year, PMGAA completed its annual FAA FAR Part 139 Certification Inspection without any discrepancies or reportable conditions
- Completed removal and replacement of one-million square feet of North Ramp Area
- Completed the reconstruction of a portion of Taxiway Alpha
- Completed TSA Security Screening Checkpoint capacity expansion project
- Completed installation of fully-automated security exit lane system
- Finalized new Air Traffic Control Tower (ATCT) Environmental Assessment (EA), received Finding of No Significant Impact (FONSI), and developed parallel project funding plans dependent on FAA Airport Improvement Program (AIP) eligibility
- Successfully lobbied U.S. Congress to remove FAA AIP cap on contract ATCT funding
- Completed numerous safety improvements to PMGAA Fuel Farm
- Completed renovations to Hangar 32 and leased it to SkyBridge Arizona
- Initiated Passenger Facility Charge (PFC) Application #7 to address five-year FAA Airport Capital Improvement Program (ACIP) projects
- For the second consecutive year, PMGAA achieved higher ratings in all eight categories in the annual Customer Satisfaction Survey

**Phoenix-Mesa Gateway Airport
FY2017 and FY2018 Performance Metric Comparisons**

<u>PERFORMANCE METRIC</u>	<u>FY2017</u>	<u>FY2018</u>	<u>% CHANGE</u>
Commercial Passengers	1,346,895	1,439,057	7%
Aircraft Operations	273,261	294,873	8%
Operating Revenue	\$19,733,922	\$22,364,193	13%
Concession Revenue	\$593,461	\$751,961	27%
Facility/Land Lease Revenue	\$4,743,962	\$5,389,538	14%
Car Rental Revenue	\$1,905,319	\$2,022,022	6%
Vehicle Parking Revenue	\$2,857,818	\$2,928,213	3%
Net Operating Income	\$1,922,273	\$3,250,001	69%
PMGAA Noise Program (# callers)	134	134	0%

Financial Accountability – Enhancing financial sustainability is one of the seven strategic goals identified by the PMGAA Board of Directors. For the past five years, PMGAA is proud to generate sufficient revenue to cover operating costs and greatly appreciates the continued financial investment by its Member Communities. Moving forward, PMGAA staff is focused on identifying new aeronautical and non-aeronautical revenue opportunities that will diversify and improve PMGAA’s financial position for the future.

- Increased PMGAA Net Operating Income by approximately 69% in FY2018
 - o Increased airline-related revenue
 - o Increased food/beverage/retail concession and vehicle parking revenue
 - o Increased facility lease revenue
 - o Increased terminal advertising revenue
- Controlled operational expenditures below FY2018 Budget
- Received a clean FY2018 Independent Financial Audit
- Successfully Implemented Phase I and Phase II of new Enterprise Resource Planning (ERP) System
- Updated PMGAA Board-approved Airport Rates and Charges & Procurement Policy
- Achieved cost savings through negotiation of new comprehensive insurance policies

Human Resources – Talented and dedicated employees are key to any successful organization. PMGAA is fortunate to have a great team and has worked hard to create a healthy workplace environment.

- Retained PMGAA executive team, department directors, and managers in FY2018
- Implemented several new programs benefiting employees

- Employee Engagement Study
- Employee Wellness Program
- Reduced PMGAA staff turnover and controlled overtime costs
- Achieved cost saving and efficiency through the negotiation of a new employee benefits package

Air Service Development – The development of additional commercial passenger air service and cargo at the Airport is vitally important for the continued growth and success of the Airport and the region.

- Recruitment of additional airlines
 - Continuous communication with prospective airline partners
 - Attended Allegiant Airports Conference, Airport Roundtable Series, and ACI-NA Routes Americas Conferences
 - Participated in numerous one-on-one airline meetings and airline headquarter visits
- Expanded Allegiant service by adding nine new nonstop destinations and converted Gateway Airport fleet to newer, quieter, and more reliable aircraft
- WestJet Airlines increased FY2018 winter season operation from three to six months and committed to return in winter season FY2019
- Swoop announced plans to serve Gateway Airport in winter season FY2019
- Flair Air announced plans to serve Gateway Airport in winter season FY2019
- California Pacific Airlines announced plans to serve Gateway Airport beginning on November 15, 2018
- Increased total passenger activity in FY2018 by 7%
- Continued to improve relationship between PMGAA and Allegiant
- Expanded ***Allegiant Alliance*** Marketing Collaborative and other airline marketing efforts

Community Relations and Promotion of Regional Tourism – The Airport works hard to be a good neighbor, an active community member, and a regional tourism partner.

- 2018 Gilbert Chamber of Commerce Large Business of the Year
- Executive Director was an active civic and business organization Board member including East Valley Partnership, Mesa Chamber of Commerce, Visit Mesa, Tempe Tourism Office, Mountain Vista Medical Center, and Chandler-Gilbert Community College Advisory Board
- Executive Director was confirmed as an Honorary Commander of 161 Air Refueling Wing of Goldwater Air National Guard Base
- PMGAA staff were active Board and Committee members of various regional Chambers of Commerce, economic development organizations, and tourism groups
- Significantly increased number of civic, business, and community presentations
- Enhanced Community Outreach Program, social media, and launched new websites

- Facilitated Salt River Project (SRP) efforts to develop a 230 kV Southeast Power Link
- Sponsored various Member Community initiatives and events

Business Development – During FY2018, PMGAA staff were involved in several development projects that represent long-term lease revenue and financial sustainability.

- Finalized Mesa SkyBridge, LLC Master Development Agreement (MDA), Master Lease Agreement, and Development Lease Agreement Template
- Launched Unified Cargo Processing Program
- Facilitated introduction and promotion of SkyBridge Arizona among federal, State, and local elected officials and various economic development and civic organizations
- Increased amount of Airport facilities under lease agreement by 14%
- Updated Ground Transportation Rules and Regulations to include TNC operators
- Leased Lots 18 and 37 for the development of private hangar complexes
- Facilitated development of a 40,000 square foot expansion to the Able Aerospace Services facility

PMGAA Goals Established for FY2019

1. Operate the Airport in a safe, secure, customer focused, efficient, environmentally cognizant, and financially sustainable manner
2. Retain current management team and maintain a healthy workplace environment
3. Increase monthly interaction and communication with PMGAA Board and Sr. Staff
4. Foster stronger working relationship between PMGAA Board and Primary Legal Counsel
5. Complete Airport Master Plan Update
6. Complete Taxiway Charlie construction
7. Continue marketing and promotion of SkyBridge Arizona and the expansion of the Unified Cargo Processing Program
8. Pursue all available FAA AIP Discretionary Grants to retain federal money in Arizona
9. Complete Request for Proposals (RFP) for new Master Concessionaire Agreement
10. Complete baggage handling system capacity enhancement projects
11. Negotiate an operating agreement with Uber
12. Implement Phase III of ERP System
13. Work with Member Communities on Land Use Compatibility Plan adoption
14. Lease land for at least one new vertical development project
15. Recruit new airlines, attract additional air service, and increase passenger activity
16. Achieve an exceptional FAR Part 139 Certification Inspection
17. Achieve a clean Independent Financial Audit
18. Finalize ATCT design and funding plan
19. Increase net operating income by more than fifteen percent
20. Expand Community Outreach Program
21. Finalize land use and core infrastructure plan for Northeast Development Area



Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

To: Board of Directors
From: R. J. Draper, P.E., LEED AP, CM Engineering & Facilities Director
Through: Scott Brownlee, Deputy Director/COO
J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: CMAR Construction Contract – Willmeng Construction – GAS Improvements
Date: November 20, 2018

Proposed Motion

To authorize a CMAR Construction Services Contract with Willmeng Construction Inc. to provide Construction Services for the Gateway Aviation Services Improvements Project under CIP 1006 in an amount not-to-exceed \$727,124.

Narrative

Due to the age of the Gateway Aviation Services Facility (Building 45), there is a renewed focus on implementing needed improvements that will create a more customer service and hospitality-oriented facility.

The Gateway Aviation Services Improvements will include a redesign of the customer service desk area to create a better customer experience and improve operational efficiency for the staff. The refresh will also incorporate updated flooring, lighting, ceiling tiles and paint as well as enhancements to the Airside and Landside Exterior Entries.

A notice of Request for Qualifications (RFQ), Solicitation 2018-024-RFQ was issued on April 5, 2018 and advertised in the Arizona Business Gazette on 4/5, 4/12, 4/19 and 4/26/18; it was also posted on the AzAA, ACC, ACI-NA and SWAAAE Websites as well as the Phoenix-Mesa Gateway Airport Authority Website. In addition, the RFQ was emailed to a list of 83 prospective firms and included ACDBE/DBE/SBC Outreach. PMGAA Staff received nine (9) RFQ's on May 3, 2018 and the Evaluation Panel selected Willmeng Construction Inc. based on the Qualifications of the Firm, Project Team Experience, Project Understanding, and Approach to Performing the Required Services. The PMGAA Executive Team concurred with this selection. The CMAR contractor participated with the design consultant to provide costs throughout the design process to provide the construction services to meet the intent and goal of the project at the not to exceed costs noted above.

Fiscal Impact

This CMAR Construction Services Contract funding is included in the FY19 Capital Budget with non-grant funding under CIP 1006.

Attachment(s)

Construction Contract



RESOLUTION NO. 18-57

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS the Authority desires to enter into a contract with Willmeng Construction Inc.;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorize a CMAR Construction Services Contract with Willmeng Construction Inc. to provide Construction Services for the Gateway Aviation Services Improvements Project under CIP 1006 in an amount not-to-exceed \$727,124. This resolution also authorizes the Chair or Executive Director/CEO to execute such Contract, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 20th day of November, 2018.

Jeff Serdy, Chair

ATTEST:

APPROVED AS TO FORM:

Maria Gonzalez, Clerk of the Board

Attorney



**Gateway Aviation Services
Building Remodel**

**CONSTRUCTION MANAGER AT RISK
(CMAR) CONSTRUCTION
SERVICES CONTRACT**

PROJECT NO. 1006

CONTRACT NO. C-2018024

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EXHIBITS

- A – ACCEPTED GMP/PRICE PROPOSAL AND PROJECT SCHEDULE (Under Separate Cover)**
- B – INSURANCE REQUIREMENTS**
- C – COMPLIANCE WITH SPECIFIC GOVERNMENT PROVISIONS**
- D – PROJECT SPECIFIC CONDITIONS & PROJECT PLANS AND SPECIFICATIONS (Under Separate Cover)**
- E – REQUIRED FORMS**
- F – DEFINITIONS**
- G – COMPLIANCE WITH PHOENIX MESA GATEWAY AIRPORT’S RULES & REGULATIONS AND MINIMUM STANDARDS**

Phoenix Mesa Gateway Airport Authority

Construction Manager at Risk

Construction Services

Project No.: 1006

THIS CONTRACT is made and entered into on the ____ day of _____, 2018, by and between the Phoenix Mesa Gateway Airport Authority, a joint powers airport authority authorized by the state of Arizona, hereinafter called "Owner" and the "Construction Manager at Risk" or "CMAR" designated below. Individually, each is a "Party" and collectively, the "Parties."

NOW, THEREFORE, intending to be legally bound and for valuable consideration, the receipt and sufficiency of which are acknowledged, the Owner and CMAR agree as follows:

ARTICLE 1 – PARTICIPANTS AND PROJECT

Owner: Phoenix-Mesa Gateway Airport Authority
Project Manager: Tony Steeneck
Telephone: 480-988-7611
Fax: 480-988-2315
E-mail: tsteeneck@gatewayairport.com

CMAR: Willmeng Construction Incorporated an Arizona Corporation
2048 N. 44th Street, Suite 200
Phoenix, AZ 85008
Arizona ROC No.: B-01 082904 / A-246341
Federal Tax ID No.: 86-0410806
CMAR Representative: Keith Sabia
Telephone: 480-968-4755
Fax: 480-557-6788
E-mail: ksabia@willmeng.com

DESIGN PROFESSIONAL: Name: DWL Architects + Planners, Inc.
Address: 2333 North Central Avenue
Phoenix, AZ 85004
Design Professional: Sandra Kukla
Telephone: 602-264-9731
Fax: 602-264-1928
E-mail: kukla@dwlarchitects.com

PROJECT DESCRIPTION:

Gateway Aviation Center/Building Remodel (CMAR). The Gateway Aviation Center Improvements will include a redesign of the customer service desk area to create a better customer experience and improve operational efficiency for the staff. The refresh will also incorporate updated flooring, lighting, ceiling tiles and paint as well as enhancements to the Airside and Landside Exterior Entries

ARTICLE 2 – CONTRACT DOCUMENTS

2.1 CONTRACT DOCUMENTS

The Contract between Owner and CMAR shall consist of the following Contract Documents:

1. This Contract and all of its Exhibits, including subsequent Specifications and Plans
2. The SOQ requirements, documents CMAR's submittal (2018-024-RFQ)
3. General Conditions
4. General Provisions
5. Special Provisions
6. Any plans and drawings
7. Any amendments or modifications to the foregoing documents, including (a) a written amendment signed by both parties, (b) a Change Order, (c) a Change Directive, (d) Supplementary Instructions, or (e) a written order for a minor change in the work (collectively the "Contract").
8. Guaranteed Maximum Price (GMP)

2.3 PROJECT SPECIFIC CONDITIONS

If there are any additional conditions that apply to this Project, they are set forth in the attached Exhibit D, and are incorporated herein.

2.4 PROJECT PLANS AND SPECIFICATIONS

A detailed list of the Plans and Specifications for this Project are set forth in the attached Exhibit D.

ARTICLE 3 – PRE-CONSTRUCTION SERVICES

Although CMAR has performed Pre-Construction Services pursuant to a separate Contract between Owner and CMAR, the completion, quality and accuracy of those services and the deliverables provided by Owner thereunder directly impact CMAR's performance of its obligations under this Contract. Therefore, all of CMAR's obligations, duties, and warranties in relation to Pre-Construction Services and deliverables survive completion of the Pre-Construction Services Contract and are incorporated herein. Any breach of any of CMAR's duties, obligations, or warranties under the Pre-Construction Services Contract shall likewise be considered a breach of this Contract.

ARTICLE 4 – CONSTRUCTION SERVICES

4.1 GENERAL

- 4.1.1 CMAR agrees at its own cost and expense, to do all work necessary and required to fully, timely and properly complete the construction of the Project in strict accordance with the Contract Documents in a good and workmanlike manner, free and clear of all claims, liens, and charges whatsoever, in the manner and under the conditions specified, and within the Project Schedule included in Exhibit A of this Contract.

- 4.1.2 CMAR shall provide all of the labor and materials, and perform the Work in accordance with the General Conditions and General Provisions. Some but not all of the major components of the Construction Services and the corresponding subsections of Section 4 of the General Conditions are set forth below.
- 4.1.3 At all times relevant to the Contract and performance of the Work, the CMAR and its subcontractors shall fully comply with all Laws, Regulations, or Legal Requirements applicable to Owner, the Project and the Contract, including, without limitation, those set forth on attached Exhibit C and Article 3 of the General Conditions.
- 4.1.4 CMAR shall perform the Work under this Contract using only those firms, team members and individuals designated by CMAR consistent with the Statement of Qualifications dated May 3, 2018, the GMP Proposal, or otherwise approved by Owner pursuant to the General Conditions. No other entities or individuals may be used without prior approval of the Project Manager.
- 4.1.5 CMAR will comply with all terms and conditions of the General Conditions, General Provisions and Special Provisions, as well as the Owner's published Rules & Regulations and Minimum Standards (Exhibit J).
- 4.1.6 In the event of a conflict between this Contract and the General Conditions, General Provisions, Special Provisions or any exhibit hereto or appendix thereto, the terms of this Contract shall control, but nothing in this contract shall be construed so as to either (i) Violate any term or condition of the Owner's published Rules & Regulations or Minimum Standards; or (ii) Violate Owner's mandatory subordination to its federal obligations, pursuant to Federal Aviation Administration ("FAA") Policies (2009) (including, but not limited to § 1.1, § 1.5, § 12.3, §10, § 14.1, *et. seq.*) and federal statutory authority, including, but not limited to, 49 U.S.C. §40103(a) (establishes the federal government's total dominance over the airspace of the United States, including, U.S. airports).
- 4.1.7 **Ownership of Work Product.** Notwithstanding anything to the contrary in this Contract, all Work Product prepared or otherwise created in connection with the performance of this Contract, including the Work, are to be and remain the property of Owner. For purposes of this provision, "Work Product" shall include all designs, drawings, plans, specifications, ideas, renderings and other information or matter, in whatever form created (e.g., electronic or printed) and in all media now known or hereinafter created. All Work Product shall be considered Work Made for Hire as defined in the United States Copyright Act 17 U.S.C. § 101 (Copyright Act). If for any reason any such Work is found not to be a work for hire, CMAR hereby transfers and assigns ownership of the copyright in such Work to Owner. The rights in this section are exclusive to Owner in perpetuity.

4.2 CMAR's PRE-CONTRACT AND PRE-WORK DELIVERABLES

The CMAR will provide the insurance and bond(s) requirements in accordance with Article 11 of the General Conditions prior to any work commencing.

Owner will obtain and pay for all permits necessary for the work.

4.3 PRE-CONSTRUCTION CONFERENCE

CMAR shall attend the Pre-Construction Conference.

4.4 PERFORMANCE OF THE WORK (INCLUDING FIELD MEASUREMENTS, SUBCONTRACTORS, AND SUPPLIERS)

CMAR shall perform the Work in accordance with the General Conditions.

4.5 CONTROL OF THE PROJECT SITE

CMAR shall control and maintain the Project Site in accordance with Article 4 of the General Conditions.

4.6 PROJECT SAFETY

CMAR shall implement and enforce Project safety in accordance with Article 10 of the General Conditions.

4.7 MATERIALS QUALITY, SUBSTITUTIONS AND SHOP DRAWINGS

CMAR shall provide materials testing and submit substitute materials and Shop Drawings in accordance with Article 3 of the General Conditions.

4.8 PROJECT RECORD DOCUMENTS

CMAR shall maintain and make available the Project Record Documents in accordance with Article 3.12 of the General Conditions.

4.9 WARRANTY AND CORRECTION OF DEFECTIVE WORK

CMAR shall provide warranties and correct defective Work in accordance with Article 3.6 of the General Conditions.

ARTICLE 5 – OWNER RESPONSIBILITIES

5.1 Owner shall have the responsibilities, and provide the information specified in, and subject to the conditions set forth throughout the Contract Documents.

5.2 Additional information to be provided by Owner, if any, is listed below:

Final contract documents, including, but not limited to General Conditions, General Provisions, Special Provisions, applicable as-built drawings, stamped Construction Documents and Technical Specifications.

ARTICLE 6 – CONTRACT TIME

Contract Duration is 120 calendar days for Substantial Completion and 30 calendar days for Final Completion.

6.1 CONTRACT TIME

6.1.1 The Contract Time shall start with the Notice to Proceed (“NTP”) and end with Final Acceptance, as set forth in Article 6.4 below. The Notice to Proceed cannot be issued prior to the approval and acceptance by Owner of the GMP and MRZ approval.

6.1.2 CMAR agrees that it will commence performance of the Work and complete the Project through both Substantial Completion and Final Completion within the Contract Time.

6.1.3 Time is of the essence of this Contract, for the Project, and for each phase and/or designated Milestone thereof.

6.2 PROJECT SCHEDULE

The Project Schedule approved as part of the GMP Proposal and incorporated herein as part of the attached Exhibit A shall be updated and maintained throughout CMAR’s performance under this Contract in accordance with Article 3 of the General Conditions.

6.2.1 Failure on the part of CMAR to adhere to the approved Project Schedule will be deemed a material breach and sufficient grounds for termination for cause of this Contract by Owner.

6.3 SUBSTANTIAL COMPLETION

Substantial Completion shall be achieved not later than the Substantial Completion Date set forth in this Contract. Substantial Completion shall be determined in accordance with Article 9.8 of the General Conditions.

6.4 FINAL COMPLETION AND FINAL ACCEPTANCE

6.4.1 Final Completion will be obtained within the time period set forth in this Contract.

6.4.2 Final Completion will be determined, and a Final Acceptance will be issued, pursuant to Article 9.9 of the General Conditions.

6.5 LIQUIDATED DAMAGES

6.5.1 **Final Completion Liquidated Damages.** For the same reason set forth in Article 6.1.3 above, Owner and CMAR further agree that if CMAR fails to achieve Substantial and Final Completion of the Work within the time set forth in Article 6.4.1 above, Owner shall be entitled to retain or recover from CMAR, as liquidated damages and not as a penalty, the following per diem amounts (which the Parties agree is a reasonable approximation of any resulting

damages) commencing from the actual date of Substantial Completion or the Final Completion Date as required under the Contract, whichever is later, until the actual date of Final Completion:

\$1,000 per calendar day.

6.5.2 Owner may deduct liquidated damages described in this Article 6.5 above from any unpaid amounts then or thereafter due CMAR under this Agreement. Any liquidated damages not so deducted from any unpaid amounts due CMAR shall be payable to Owner at the demand of Owner, together with interest from the date of the demand at the highest lawful rate of interest payable by CMAR.

ARTICLE 7 – CONTRACT PRICE

7.1 CONTRACT PRICE

7.1.1 In exchange for CMAR's full, timely, and acceptable performance and construction of the Work under this Contract, and subject to all of the terms of this Contract, Owner will pay CMAR the "Contract Price" which:

The sum of the CMAR's Fee and reimbursable Cost of the Work, which the CMAR guarantees will not exceed the GMP set forth in Exhibit A, in the not to exceed amount of **\$727,124**. Costs which would cause the GMP to be exceeded shall be paid by CMAR without reimbursement from Owner.

7.1.2 The Contract Price is all-inclusive and specifically includes all fees, costs, insurance and bond premiums, and taxes any type necessary to fully, properly and timely perform and construct the Work encompassed in attached Exhibit A.

7.1.3 The contract price may only be changed as set forth in the Contract Documents.

7.1.4 Only costs specifically designated as reimbursable costs are eligible for payment by Owner or may be charged against the Contract Price. All other costs will not be paid by Owner and shall not be chargeable against the Contract Price.

7.1.5 For Contract Amendments, Change Orders, or Job Orders reimbursable costs shall be determined pursuant to MAG Specifications 109.5.

7.2 ALLOWANCES

Contractor shall include in the Contract Price all Allowances stated in the Contract Documents and agreed to in writing by Owner. Items covered by these Allowances shall be supplied for such amounts and by such persons as Owner may direct, provided Contractor will not be required to employ persons against whom Contractor makes a reasonable objection. Materials and equipment under an Allowance shall be selected by Owner in accordance with a schedule to be mutually agreed upon by Owner, Design Professional and Contractor or otherwise in reasonably sufficient time to avoid delay in the Work.

7.2.1 Unless otherwise provided in the Contract Documents:

7.2.1.1 These Allowances shall cover the cost to Contractor, less any applicable trade discount, of the Materials and equipment required by the Allowances, delivered at the Site, and all applicable taxes;

7.2.1.2 Contractor's costs for unloading and handling on the Site, labor, installation costs, overhead, profit and other expenses relating to Materials and Equipment required by the Allowance shall be included in the Contract Sum and not in the Allowance; and

7.2.1.3 Whenever the cost is more or less than the Allowance, the Contract Sum shall be adjusted accordingly by Change Order, the amount of which will recognize the difference between actual costs for an Allowance item and the amount of the Allowance item and changes, if any, in handling costs on the Site, labor, installation costs, overhead, profit and other expenses.

7.3 CONTINGENCY

An agreed to amount in the GMP that may only be used in accordance with the terms set forth in these General Conditions and with prior written approval by Owner.

7.4 FINAL PAYMENT

If the Contract Price is based upon a GMP, as a further condition precedent to Final Payment by Owner, Contractor must submit to the Project Manager a complete final accounting of the Actual Reimbursable Cost of the Work, including all such documentation (including, without limitation, invoices, subcontracts, subcontractor change orders, purchase orders, records of payment, etc.) as Owner may require, to establish whether the payments made to Contractor equal, exceed, or are less than the Actual Reimbursable Cost of the Work to date.

Any excess payments by Owner, as determined by the Project Manager, shall be deducted from the one-half retention payment to be made to Contractor, and any additional excess amounts paid to Contractor shall be refunded by Contractor to Owner. Disputes relating to the Final Cost of the Work shall be subject to Owner's audit rights under Article 13.14 of the General Conditions and 7.5 below, and the dispute resolution process under Article 4 of the General Conditions.

7.5 OPEN BOOK

On any GMP-based or Change Order, Owner may attend any and all meetings or discussions pertaining to the Project, including bid openings, and shall have access to all books, invoices, accounts, memoranda, correspondence, and written communications or records of any kind pertaining to the Project, including without limitation, those stored in electronic format.

ARTICLE 8 – PAYMENT

Payments shall be made to CMAR in accordance with Article 9 of the General Conditions and Article 7 above.

ARTICLE 9 – CHANGES TO THE CONTRACT

Changes to the Contract may be made in strict accordance with Article 7 of the General Conditions.

ARTICLE 10 – SUSPENSION AND TERMINATION

This Contract may be suspended and/or terminated in accordance with Article 14 of the General Conditions.

ARTICLE 11 – INSURANCE AND BONDS

11.1 CMAR shall provide insurance as provided on the attached Exhibit B, and in accordance with Article 11 of the General Conditions. CMAR shall provide proof of such insurance and all required endorsements in forms acceptable to Owner prior to commencing any Work under this Contract.

11.2 CMAR shall provide performance and payment bonds to Owner in accordance with Article 11 of the General Conditions and A.R.S. § 34-610(A).

- 11.3 Failure to provide proof of insurance and the required endorsements, or the required bonds, in forms acceptable to Owner will be material breach and grounds for termination for cause of this Contract by Owner.

ARTICLE 12 – INDEMNIFICATION

CMAR shall have and assume the indemnity obligations set forth in Article 3 of the General Conditions.

ARTICLE 13 – DISPUTE RESOLUTION

Any claims or disputes relating to this Contract shall be resolved according to the dispute resolution process set forth in Article 4 of the General Conditions.

ARTICLE 14 – MISCELLANEOUS PROVISIONS

The miscellaneous provisions set forth in Article 13 of the General Conditions shall apply to this Contract.

WITNESS WHERE OF, the parties hereto executed this Contract through their duly authorized representatives and bind their respective entities as of the effective date.

“PMGAA”

Phoenix-Mesa Gateway Airport Authority, a joint powers airport authority authorized by the State of Arizona

J. Brian O’Neill, A.A.E., Executive Director / CEO

Date

ATTEST:

Signature _____

Name _____

Title _____

“CMAR”

Willmeng Construction Inc. an Arizona Corporation

Signature _____

Name _____

Title _____

STATE OF ARIZONA)
)ss.
County of Maricopa)

SUBSCRIBED AND SWORN TO before me, the undersigned notary public, by
_____, who was identified as the
_____ of the Phoenix-Mesa Gateway Airport
Authority, on this ____ day of _____, 2018.

_____ Notary Public

My Commission expires:

EXHIBIT A – ACCEPTED GMP/PRICE PROPOSAL AND
PROJECT SCHEDULE (Under Separate Cover)

All terms and conditions are set forth in the Contract. Any terms and conditions and/or exceptions noted in the CMAR's proposal, GMP, or other documents do not apply unless agreed to in this Contract or an approved addendum.

EXHIBIT B – INSURANCE REQUIREMENTS

MINIMUM INSURANCE REQUIREMENTS

The CMAR and its Subcontractors shall purchase from and maintain in a company or companies authorized to do business in Arizona the following insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the CMAR, his agents, representatives, employees, or subcontractors. Such insurance shall be effective for the duration of the contract and for ten (10) years thereafter.

Workers' Compensation. Workers' Compensation insurance with statutory limits as required by the State of Arizona and Employer's Liability insurance with limits of no less than \$1,000,000 per occurrence for bodily injury, \$1,000,000 per employee for bodily injury by disease and a \$1,000,000 policy limit for bodily injury by disease. Such Workers' Compensation insurance will cover obligations imposed by federal and state statutes having jurisdiction of CMAR's or Subcontractors' employees while performing work at locations other than the Site and shall cover CMAR's employees after Substantial Completion of the work and Subcontractor's employees after Subcontractor has substantially performed its Subcontract.

Commercial General Liability. Commercial General Liability insurance, with a combined single limit of \$5,000,000 per occurrence and in the annual aggregate. Such insurance shall include coverage for Bodily Injury, Property Damage, Personal Injury, Broad Form Property Damage (including Completed Operations), Contractual, Contractors Protective, Products and Completed Operations, and the hazards commonly referred to as "XCU." This insurance shall also be required for work performed at locations other than the Site, shall cover CMAR after Substantial Completion of the work, and shall cover Subcontractor after Subcontractor has substantially performed its Subcontract. Further, this insurance shall contain a severability of interest provision.

Business Automobile Liability. Business Automobile Liability insurance, with a combined single limit no less than \$5,000,000 combined single limit per accident for Bodily Injury and Property Damage with respect to all vehicles used in performance of the work on or off the Site, whether owned, non-owned, leased, hired, assigned, or borrowed.

Builder's Risk. Builder's Risk Insurance in the amount of the Contract Sum and subsequent modifications to insure against loss or damage to the entire work on a replacement cost basis without voluntary deductibles and no coinsurance penalty provisions. The CMAR shall maintain this Builder's Risk insurance, unless otherwise provided in the Contract Documents or otherwise agreed in writing by all persons and entities who are beneficiaries of the insurance, until Final Payment has been made under Section 9.9.2 of the General Conditions or until no person or entity other than PMGAA has an insurable interest in the work, whichever is earlier.

All-Risk Insurance. The Builder's Risk insurance shall be on an "all-risk" policy and shall insure against the perils of fire (with extended coverage) and physical loss or damage including, without duplication of coverage, theft, vandalism, malicious mischief, collapse, earthquake, flood, windstorm, falsework, testing and startup, temporary buildings and debris removal including demolition related to enforcement of any applicable legal requirements. Coverage shall also cover the interests of CMAR and CMAR's subcontractors of all tiers with respect to the the Project and shall cover reasonable compensation for Engineer's services and expenses required as a result of an insured loss, but it will not cover CMAR's or CMAR's subcontractors' tools or equipment that will not become part of the work to be accepted by PMGAA.

Additional Insured. The policies required for Commercial General Liability and Business Automobile Liability herein shall be endorsed to include Phoenix-Mesa Gateway Airport Authority and the Engineer and their officer's employees, successors and assigns as additional insured, shall provide that the insurance shall be primary, and shall stipulate that any insurance carried by the additional insured and their officers or employees, shall not be contributory insurance.

Waiver. CMAR and its Subcontractors waive all rights of recovery against Phoenix-Mesa Gateway Airport Authority and the Engineer, their directors, officers, employees, successors and assigns, and shall require its insurers to waive

all rights of subrogation against Phoenix-Mesa Gateway Airport Authority and the Engineer, and all of their respective directors, officers, employees, successors and assigns.

Certificates of Insurance. Before commencing any work under this Contract, CMAR shall furnish Owner with Certificates of Insurance issued by CMAR's and Subcontractors' insurer(s), as necessary, in a form acceptable to Owner, as evidence that the insurance policies, including all applicable endorsements, providing the coverage, conditions, and limits required by this section and those contained in Article 11 of the General Conditions, are in full force and effect. Owner has the right to request and receive promptly from the CMAR certified copies of any or all of such insurance policies and/or endorsements. Owner will not be obligated, however, to review such certificates, policies, and endorsements, or to advise CMAR of any deficiencies in such documents, and such receipts shall not relieve CMAR from, or be deemed a waiver of, Owner's right to insist on strict fulfillment of CMAR's obligations hereunder.

Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to, and approved by, Owner. At the option of Owner, either: the CMAR shall reduce or eliminate such deductibles; or the CMAR shall provide a financial guarantee satisfactory to the Owner guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

Claims Made Policy. No Claims Made policies, other than Professional Liability, Cyber Liability or Pollution Legal Liability (if applicable to this Contract), will be accepted.

Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best rating of no less than "A" unless otherwise acceptable to the Owner.

Subcontractors. CMAR shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and CMAR shall ensure that Owner is an additional insured on insurance from subcontractors.

Special Risks or Circumstances. Owner reserves the right to modify these requirements, including limits, based on the nature of the risk, scope of services, prior experience, insurer, coverage, or other special circumstances

CMAR agrees to additional insurance requirements and conditions as set forth in Article 11 of the General Conditions.

EXHIBIT C – COMPLIANCE WITH SPECIFIC GOVERNMENT PROVISIONS

CIVIL RIGHTS - GENERAL

The contractor agrees to comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance.

This provision binds the contractor and subtier contractors from the bid solicitation period through the completion of the contract. This provision is in addition to that required of Title VI of the Civil Rights Act of 1964.

CIVIL RIGHTS – TITLE VI ASSURANCES

TITLE VI COMPLIANCE WITH NONDISCRIMINATION REQUIREMENTS

During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the “contractor”) agrees as follows:

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

Non-discrimination: The contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.

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

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

Sanctions for Noncompliance: In the event of a contractor’s noncompliance with the Non-discrimination provisions of this contract, the owner will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:

- a. Withholding payments to the contractor under the contract until the contractor complies; and/or
- b. Cancelling, terminating, or suspending a contract, in whole or in part.

Incorporation of Provisions: The contractor will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the

Acts, the Regulations and directives issued pursuant thereto. The contractor will take action with respect to any subcontract or procurement as the owner or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the contractor may request the owner to enter into any litigation to protect the interests of the owner. In addition, the contractor may request the United States to enter into the litigation to protect the interests of the United States. Title VI Clauses for Construction/Use/Access to Real Property Acquired Under the Activity, Facility or Program

TITLE VI LIST OF PERTINENT NONDISCRIMINATION ACTS AND AUTHORITIES

During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the “contractor”) agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq.*, 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR part 21 (Non-discrimination in Federally-Assisted Programs of The Department of Transportation—Effectuation of Title VI of The Civil Rights Act of 1964);
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 *et seq.*), as amended, (prohibits discrimination on the basis of disability); and 49 CFR part 27;
- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 *et seq.*), (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);

The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms “programs or activities” to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);

- Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 CFR parts 37 and 38;
- The Federal Aviation Administration’s Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures non-discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);

- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq).

FEDERAL FAIR LABOR STANDARDS ACT (FEDERAL MINIMUM WAGE)

This contract and all subcontracts that result from this contract incorporate by reference the provisions of 29 CFR part 201, the Federal Fair Labor Standards Act (FLSA), with the same force and effect as if given in full text. The FLSA sets minimum wage, overtime pay, recordkeeping, and child labor standards for full and part time workers.

The contractor has full responsibility to monitor compliance to the referenced statute or regulation. The contractor must address any claims or disputes that arise from this requirement directly with the U.S. Department of Labor – Wage and Hour Division

OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970

This contract and all subcontracts that result from this contract incorporate by reference the requirements of 29 CFR Part 1910 with the same force and effect as if given in full text. Contractor must provide a work environment that is free from recognized hazards that may cause death or serious physical harm to the employee. The Contractor retains full responsibility to monitor its compliance and their subcontractor's compliance with the applicable requirements of the Occupational Safety and Health Act of 1970 (20 CFR Part 1910). Contractor must address any claims or disputes that pertain to a referenced requirement directly with the U.S. Department of Labor – Occupational Safety and Health Administration.

**EXHIBIT D – PROJECT SPECIFIC CONDITIONS &
PROJECT PLANS AND SPECIFICATIONS (Under Separate Cover)**

1. All Specifications

Specification Title: Contract Documents for Gateway Aviation Center, Building 45

Date: _____

2. Plans

Drawing Title: Gateway Aviation Center - Building 45, Construction Documents

Date: _____

Project Number: DWL Project No. 170.01

EXHIBIT E – REQUIRED FORMS
STATUTORY PERFORMANCE BOND

PURSUANT TO TITLE 34, CHAPTER 2, ARTICLE 2, ARIZONA REVISED STATUTES

KNOW ALL MEN BY THESE PRESENTS:

That, _____, (hereinafter called the Principal), as Principal, and the _____, a corporation duly organized under the laws of the State of _____, with its principal office in the City of _____, (hereinafter called the Surety), as Surety, are held and firmly bound unto Phoenix-Mesa Gateway Airport Authority, Maricopa County, Arizona (hereinafter called the Obligee), in the amount of _____ (\$_____), for the payment of which the Principal and Surety bind themselves and their heirs, administrators, executors, successors, and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a certain written contract with Obligee, dated the _____ day of _____, 201_ to construct the following projects under the **Authority Solicitation No. 2018-024-RFQ; CMAR for Project Name (Authority Project No. 1006)**, which contract is hereby referred to and made a part of this bond as fully and to the same extent as if copied at length herein.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that if the Principal faithfully performs and fulfills all of the undertakings, covenants, terms, conditions, and agreements of the contract during the original term of the contract and any extension of the contract, with or without notice to the Surety, and during the life of any guaranty required under the contract, and also performs and fulfills all the undertakings, covenants, terms, conditions, and agreements of all duly authorized modifications of the contract that may hereafter be made, notice of which modifications to the Surety being hereby waived, the above obligation is void. Otherwise it remains in full force and effect.

PROVIDED, HOWEVER, that this bond is executed pursuant to the provisions of Title 34, Chapter 2, Article 2, Arizona Revised Statues, and all liabilities on this bond shall be determined in accordance with the provisions of Title 34, Chapter 2, Article 2, Arizona Revised Statues, to the same extent as if they were copied at length in this agreement.

The prevailing party in a suit on this bond shall recover as part of the judgment to reasonable attorney fees that may be fixed by a judge of the court.

Witness our hands this _____ day of _____, 201_.

AGENCY OF RECORD, STATE OF ARIZONA

PRINCIPAL

BY: _____

AGENCY ADDRESS

TITLE:

SURETY

BY: _____

TITLE: _____

BOND NUMBER: _____

ATTACH SURETY POWER OF ATTORNEY

STATUTORY PAYMENT BOND

PURSUANT TO TITLE 34, CHAPTER 2, ARTICLE 2, ARIZONA REVISED STATUTES

KNOW ALL MEN BY THESE PRESENTS:

That, _____, (hereinafter called the Principal), as Principal and _____, a corporation duly organized under the laws of the State of _____, with its principal office in the City of _____, (hereinafter called the Surety), as Surety, are held and firmly bound unto Phoenix-Mesa Gateway Airport Authority, Maricopa County, Arizona (hereinafter called the Obligee), in the amount of _____ (\$_____), for the payment of which the Principal and Surety bind themselves and their heirs, administrators, executors, successors, and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a certain written Contract with Obligee, dated the ___ day of _____, 201_ to construct the following projects under the **Authority Solicitation No. 2018-024-RFQ: CMAR for Project Name (Authority Project No. 1006)**, which contract is hereby referred to and made a part of this bond as fully and to the same extent as if copied at length herein.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that if the Principal promptly pays all monies due to all persons supplying labor or materials to the Principal or the Principal's subcontractors in the prosecution of the work provided for in the contract, this obligation is void. Otherwise it remains in full force and effect.

PROVIDED, HOWEVER, that this bond is executed pursuant to the provisions of Title 34, Chapter 2, Article 2, Arizona Revised Statutes, and all liabilities on this bond shall be determined in accordance with the provisions of Title 34, Chapter 2, Article 2, Arizona Revised Statutes, to the same extent as if they were copied at length in this agreement.

The prevailing party in a suit on this bond shall recover as part of the judgment reasonable attorney fees that may be fixed by a judge of the court.

Witness our hands this _____ day of _____, 201__.

AGENCY OF RECORD, STATE OF ARIZONA

PRINCIPAL

BY: _____

 AGENCY ADDRESS

 TITLE:

SURETY

BY: _____

TITLE: _____

BOND NUMBER: _____

ATTACH SURETY POWER OF ATTORNEY

CERTIFICATE OF SUBSTANTIAL COMPLETION

(To be completed by Owner/Architect)

I hereby certify that _____ has substantially completed
(Name of CMAR)

The work under the following project:

PROJECT NAME Authority Solicitation No. 2018-024-RFQ, Authority Project No. 1006

in accordance with the contract documents and bid specifications, and all activities required by the Contractor under the Contract have been substantially completed as of _____ (date).

Firm Name: _____

By: _____
(Name)

(Title)

(Signature)

(Date)

CERTIFICATE OF FINAL COMPLETION

(To be Completed by CMAR)

I hereby certify that all goods and/or services required by **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY**, have been delivered in accordance with the Contract Documents and Specifications, and all activities required by the CMAR under the Contract have been completed, including all items on the final punch list, including administrative items, as of _____ (date).

Firm Name: _____

Principal: _____
(Name)

(Title)

(Signature)

(Date)

CMAR'S AFFIDAVIT REGARDING SETTLEMENT OF CLAIMS

Gentlemen:

This is to certify that all lawful claims for materials, rental of equipment and labor used in connection with the construction of the above project, whether by subcontractor or claimant in person, have been duly discharged.

The undersigned, for the consideration of \$_____, as set out in the final pay estimate, as full and complete payment under the terms of the contract, hereby waives and relinquishes any and all further claims or right of lien under, in connection with, or as a result of the above described project. The undersigned further agrees to indemnify and save harmless **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, ARCHITECT,** the OWNER's **DESIGNATED CONSTRUCTION ADMINISTRATOR,** their employees, agents or representatives, against any and all liens, claims of liens, suits, actions, damages, charges and expenses whatsoever, which said OWNER and Architect may suffer arising out of the failure or the undersigned to pay for all labor performances and materials furnished for the performance of said installation.

Signed and dated at _____, this _____ day of _____, 201__.

CMAR

By:

STATE OF ARIZONA)
) ss
COUNTY OF)

The foregoing instrument was subscribed and sworn to before me this _____ day of _____, 201__.

(Notary Public)

(My Commission Expires)

APPLICATION AND CERTIFICATE FOR PAYMENT

Date: _____

CONSULTANT: _____

CMAR: _____

Application No. _____ Period From _____ To: _____

Application is made for payment, as shown below, and on the attached Construction Progress Estimate Form, in accordance with the Contract Documents:

Original GMP: \$ _____

Approved Change Orders and Dates:

Change Order No.1	Date _____	\$ _____
-------------------	------------	----------

Change Order No.2	Date _____	\$ _____
-------------------	------------	----------

Change Order No.3	Date _____	\$ _____
-------------------	------------	----------

Total Change Orders Approved to Date: \$ _____

Adjusted GMP \$ _____

Total Amount Due to Date
 (from attached Construction Progress Estimate) \$ _____

Retainage _____ % \$ _____

Total Earned Less Retainage \$ _____

Less Previous Certificates for Payment \$ _____

Currently Payment Due \$ _____

Notice to Proceed Date _____

Date of Substantial Completion _____

Time Used _____ %

Complete _____ %

NOTICE OF INTENT TO AWARD CMAR CONTRACT

CMAR Name
CMAR Address

Attn: *CMAR Project Manager*

Re:

PROJECT NAME

Authority Project No. 1006

Authority Solicitation No. 2018-024-RFQ

Phoenix-Mesa Gateway Airport Authority, a joint powers airport authority authorized by the State of Arizona (Owner), has considered the Statement of Qualifications (SOQ) submitted and interview performed (if applicable) by your firm for the above described WORK in response to the Advertisement for SOQ's dated January 29, 2018. You are hereby notified that you were awarded this CMAR Contract by Phoenix-Mesa Gateway Airport Authority on _____, in the amount of \$_____. You are required by the Terms and Conditions of this bid to execute the Construction Contract and to furnish Contractor's Performance and Payment Bonds

and submit the appropriate Certificate(s) of Insurance within fifteen (15) calendar days from this Notice.

If you fail to execute the Construction Contract, furnish the required bonds, and submit Insurance Certificate(s) within

Fifteen (15) calendar days from the date of this Notice, the Owner will consider this as a forfeiture of your consideration

to be selected as CMAR. The Owner will be entitled to such other rights as may be granted by law.

A pre-construction meeting is scheduled for _____ 201__, at _____ in the Phoenix-Mesa Gateway Airport Authority Board Room, 5835 South Sossaman Road, Mesa.

You are required to return an acknowledged copy of the NOTICE OF AWARD to the Phoenix-Mesa Gateway Airport Authority.

Dated this _____ day of _____, 201__.

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, a joint powers airport authority authorized by the State of Arizona

By: _____

Title: _____

ACCEPTANCE OF NOTICE:

Receipt of the above NOTICE OF AWARD is hereby acknowledged.

By: _____

Title: _____

Subscribed and sworn before me this _____ day of _____, 201__.

NOTARY PUBLIC

My Commission Expires

NOTICE TO PROCEED

Date

CMAR Name
CMAR Address

Attn:

PROJECT NAME

Authority Project No. 1006

Authority Solicitation No. 2018-024-RFQ

Dear _____:

You are unconditionally authorized to proceed with the above-referenced project effective the date of this letter. The contract time is ____ calendar days. All work shall be performed strictly in accordance with the Contract Documents, including all project schedule requirements.

Your contact for this project is [name], phone no. (xxx) xxx-xxxx and all project communications should be directed to him. If the preconstruction conference has not already occurred, he will contact you shortly about scheduling it.

Remember, the Owner must approve *in writing* any and all changes in the project scope of work before you start work on the change.

Phoenix-Mesa Gateway Airport Authority looks forward to a successful project with your firm.

Sincerely,

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, a joint powers airport authority authorized by the State of Arizona

Authorized Representative

CHANGE ORDER

PROJECT: PROJECT NAME

CHANGE ORDER NO: _ _

Authority Project No. 1006
 Authority Solicitation No. 2018-024-RFQ

TO CMAR: Name,
 address

CONTRACT NO: _____

CONTRACT DATE: _____, 201_

The Contract is changed as follows. CMAR shall provide all labor, materials, equipment, services, transportation, utilities, and facilities to perform all of the following changes: *[describe]*.

This Change Order shall constitute a final settlement of all matters relating to the change in the work that is the subject of the Change Order, including but not limited to all direct or indirect costs associated with such change, all delay and disruption costs, any impact such change may have on unchanged work, and any and all adjustments to the Contract Sum or the Contract Time. This Change Order supersedes all prior reservations stated or implied.

Not Valid until signed by the Owner, Architect, and CMAR.

The original **Contract Sum** was\$ _____
 Net change by previously authorized Change Orders\$ _____
 The **Contract Sum** prior to this Change Order was.....\$ _____
 The **Contract Sum** will be **increased** [or **decreased**] by this Change Order\$ _____
 The new **Contract Sum** including this Change Order is\$ _____

The Contract Time will be **unchanged** [or **increased/decreased by** _____ **calendar days.**]

The Substantial Completion date for base contract work is **unchanged** [or **changed to** _____, **201_.**]

[CMAR],

Owner

By _____ Date _____

By _____ Date _____

It's _____

It's _____

Architect Name

By _____ Date _____

It's _____

**CONDITIONAL
FULL RELEASE OF ALL CLAIMS AND WAIVER OF LIEN
UPON FINAL PAYMENT
(CMAR)**

WHEREAS, the undersigned, _____ (CMAR) has furnished labor, materials, and services and/or equipment for the construction of the **Project Name, Authority Project No. 1006**, at the Phoenix-Mesa Gateway Airport, Maricopa County, State of Arizona, on the Property of the Phoenix-Mesa Gateway Airport Authority, Mesa, Arizona.

NOW, THEREFORE, the undersigned, on receipt of a check from the Owner payable to the CMAR in the sum of \$ _____, said sum representing full and final payment for the above-mentioned labor, materials, services and/or equipment, does hereby waive and release any and all liens, claims of lien, and demands whatsoever that now exist or may hereafter accrue against the Owner and the Property on account of labor and materials furnished by the undersigned.

The undersigned warrants that all materials and labor placed by the undersigned in the Project are free from any claims, liens, or encumbrances and that all bills and obligations incurred for labor, taxes, withholding taxes based on payroll and payable to the United States of America or State of Arizona, premiums under a voluntary disability insurance policy, if any, carried with a private insurer, and payments to all union health, welfare, pension, apprentice training and vacation funds applicable for workmen employed on the above-described Project, in connection with the work of improvement on the Project, have been paid in full. The undersigned warrants that all subcontractors and material-men that may have delivered materials and performed work upon the Property for the Project have been fully paid or will be paid from monies received from this final payment. The undersigned shall and does hereby indemnify, save, and hold harmless the Owner and CMAR from all claims, damages, liens and losses, including all costs, professional fees, and reasonable attorney's fees, which the Owner may suffer by reason of filing of any claims, notices, liens or encumbrances, or the failure of the undersigned to obtain cancellation and discharge thereof.

DATED this _____ day of _____, 201__.

Company Name

By _____

(Title)

EXHIBIT F – DEFINITIONS

Allowance – A specific amount for a specific item of Work, if any, that Owner agrees has not been sufficiently designed, detailed, or selected (including design changes from 90% to 100% as authorized by and at the discretion of the Owner) at the time the Contract Price is agreed to for Contractor to provide a definitive price. Allowances shall be treated in accordance with Article 7.2 above.

Baseline Cost Model – A breakdown and estimate of the scope of the Project developed by CMAR.

CMAR or Construction Manager at Risk – The person or firm selected by Owner to provide pre-construction and/or construction services as detailed in a Construction Manager at Risk Contract with Owner. In these General Conditions, the term “Contractor” includes CMAR under both Pre-Construction and Construction Services Contracts.

CMAR Fee or Contractor’s Fee – An agreed to percentage in an accepted GMP that represents the Contractor’s fee for performance of the Work.

Contract Documents – Where compensation under the Contract is based upon a GMP accepted by Owner, the term “Contract Documents” also includes the accepted GMP Proposal.

Contract Price – Where compensation under the Contract based upon a GMP accepted by Owner, the term “Contract Price” refers to the GMP.

Cost-Based Contract, Change Order, or Job Order – A Contract, Change Order, or Job Order where the Contract Price is based upon the actual cost of performing the Work, subject to the terms of the Contract Documents. These would include those generally referred to as “Cost of the Work plus a Fee with a GMP,” “Time and Materials,” or “Cost Plus a Fee.”

Cost of the Work – The direct costs necessarily incurred by Contractor in the proper, timely, and complete performance on the Work. The Cost of the Work shall include only those costs set forth in Article 7 above.

Deliverables – The work products prepared by Contractor in performing the scope of work described in the Contract. Some of the major deliverables to be prepared and provided by Contractor during pre-construction may include but are limited to: the Baseline Cost Model and Schedule that validate Owner’s plan and budget, Construction Management Plan, Detailed Project Schedule, Schedule of Values, alternative system evaluations, procurement strategies and plans, Detailed Cost Estimates, construction market surveys, cash flow projections, GMP Proposals, Subcontractor procurement plan, Subcontractor agreements, Subcontractor bid packages, Supplier agreements, Constructability Review, Cost Control Log, Traffic control and phasing plans and others as indicated in this Contract or required by the Project Team.

Pre-Construction Services Contract – The Contract entered into between Owner and the CMAR for Pre-Construction Services to be provided by the CMAR, including, without limitation, the generation of a GMP Proposal. If the GMP Proposal is accepted by Owner and a Construction Contract is entered into between Owner and CMAR, the duties, obligations and warranties of the CMAR under the Pre-Construction Services Contract survive and are incorporated into the resulting Construction Contract.

Pre-Construction Services – The services to be provided under a Pre-Construction Services Contract.

Detailed Project Schedule – The Detailed Project Schedule developed by the CMAR for the review and approval of the Owner.

GMP Plans and Specifications – The plan and specifications upon which the Guaranteed Maximum price Proposal is based.

GMP Proposal – The proposal of Contractor submitted for the entire Work and/or portion (phases) of the Work.

Guaranteed Maximum Price or GMP – The Guaranteed Maximum Price set forth in the Contract.

EXHIBIT G

COMPLIANCE WITH OWNER'S PUBLISHED RULES AND REGULATIONS AND MINIMUM STANDARDS, AS AMENDED FROM TIME TO TIME

1. Rules & Regulations (link)

http://www.gatewayairport.com/Documents/DocumentLibrary/Board%20Policies/Rules%20&%20Regulations_16-53.pdf?Uniqueifier=5lh2D7nqnG

2. Minimum Standards (link)

<http://www.gatewayairport.com/Documents/DocumentLibrary/Board%20Policies/Airport%20Minimum%20Standards.pdf?Uniqueifier=5lh2D7nqnG>



Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Management Information Report

To: Board of Directors
From: Teresa McGaughey, Accounting Director
Through: Chuck Odom, Chief Financial Officer
J. Brian O'Neill, A.A.E., Executive Director/CEO
Re: Impractical Procurements – Auditing Services
Date: November 20, 2018

Phoenix-Mesa Gateway Airport Authority (PMGAA) implemented a new financial system on July 1, 2018. As part of PMGAA's due diligence related to internal controls setup for the prevention of fraud and financial loss, staff is recommending an external party review of internal controls. The review will include evaluating and testing the system for potential setup flaws in user access, approval authority, and workflow.

CliftonLarsonAllen LLP has been PMGAA's auditor for the previous five years. Their services under the Airport's current contract ended with the completion of the FY18 financial audit. Given the completion of their services, PMGAA's Procurement Policy requires staff to issue a formal solicitation for financial audit services. However, staff is concerned with changing audit firms during the first year of implementation of the financial system.

Hiring a new third-party firm to perform the review and potentially a new firm for the financial audit would require an extensive amount of staff time to support and educate these firms. These duties would be in addition to supporting the continued implementation of additional system modules and maintaining the normal financial operations of the organization.

CliftonLarsonAllen LLP is familiar with PMGAA's financial and operational processes. They have offered to provide the internal control review services for approximately \$7,500. The final year of audit services were provided for approximately \$30,000.

To efficiently utilize staff time during the first year of the financial system, staff is recommending that CliftonLarsonAllen LLP be retained for the internal control review and for the FY19 annual audit as provided under Impractical Procurements, defined in PMGAA's Procurement Policy. A formal solicitation process will be used to obtain audit services beginning with the FY20 financial statements.

Thank you for your consideration.



Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Management Information Report

To: Board of Directors
From: Chuck Odom
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Re: Emergency Expenditures for Fuel
Date: November 13, 2018

Due to tenant caused damage to the fire suppression system at an operational Hangar, Phoenix-Mesa Gateway Airport Authority (PMGAA) staff conducted an Emergency Expenditure. PMGAA has already been reimbursed by the tenant for the full amount of the repairs needed.

On November 13, 2018 PMGAA staff authorized the purchase for a new fire panel, AFFF Foam replacement and associated parts in the amount of \$29,323.27 under an Emergency Expenditure according to the Airport's Procurement Policy.

In accordance with PMGAA's Procurement Policy, this report is to notify the Board of the Emergency Expenditure. Staff could not obtain the required 3 quotes in this case due to the urgency of the needed repairs and proceeded with authorizing the purchase with one quote from a vendor PMGAA has used in the past. Staff reviewed the quote to ensure pricing was in line with the expected material and services.



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Management Information Report

To: Board of Directors
From: Chuck Odom, Chief Financial Officer
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Re: Solicitation Notification
Date: October 22, 2018

This report is to provide notification of the active and upcoming solicitations to help ensure compliance with the Phoenix-Mesa Gateway Airport Authority procurement transparency clause. The active activities include the following:

Active/Pending Solicitations

Type Solicitation	Number	Title	Anticipated Contract Award (Board Action)
Request for Qualifications	2018-024-RFQ	CMAR for Gateway Aviation Services Building Remodel	November 2018
Request for Proposals	2019-005-RFP	Aviation Fuel Supplier	January 2019
Request for Qualifications	2019-011-RFQ	Design of New Air Traffic Control Tower	January 2019

Future Solicitations

Type Solicitation	Number	Title	Scheduled for Release	Anticipated Contract Award (Board Action)
Request for Proposals	2019-009-RFP	Terminal Concessionaire(s)	January 2019	May 2019
Request for Qualifications	TBD	Legal Services	TBD	TBD

Equipment Disposals

Fiscal year total from sales of decommissioned equipment total **\$3,571** consisting of 2 pieces.

If you have any questions about the solicitations or the procurement process, please feel free to contact me at 480-988-7613.



**NOTICE AND AGENDA OF MEETING OF THE
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
BOARD OF DIRECTORS**

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Phoenix-Mesa Gateway Airport Authority and to the public that the Phoenix-Mesa Gateway Airport Authority will hold a meeting open to the public on **Tuesday, December 18, 2018 beginning at 9:00 a.m.** in the Board Room (Saguaro A & B) of the Gateway Administration Building, 5835 South Sossaman Road, Mesa, Arizona. The Board may vote to hold an executive session for the purpose of obtaining legal advice from the Board's attorney on any matter listed on the agenda pursuant to A.R.S. § 38-431.03 (A)(3)&(4).

The agenda for the meeting is as follows:

1. **Call to Order.** (Mayor Jeff Serdy), Chair
Members of the Phoenix-Mesa Gateway Airport Authority will attend either in person or by telephone conference call.
2. **Call to the Public.**
Members of the Board may not discuss items that are not on the agenda. Therefore, action taken as a result of public comment will be limited to directing staff to study the matter or scheduling the matter for further consideration and decision at a later date. Maximum of three minutes per speaker.
3. **Executive Director's Report.** - J. Brian O'Neill, A.A.E., Executive Director/CEO
4. **Presentation: SkyBridge Development Plan - Draft** - Shea Joachim, CEcD, Business Development Director
5. **Consent Agenda.**
 - a) **Minutes** of the Board Meeting held on **November 20, 2018.**
 - b) **Resolution No. 18-58** - To authorize the procurement of General Construction Services with **Caliente Construction, Inc.** for the North Economy Parking Lot Shuttle Bus Shelter Rehabilitation Project (CIP 1005) in an amount not-to-exceed \$76,162.

Consideration and Possible Approval of:

6. **Resolution No. 18-59** - To adopt the revised **Airport Rates and Charges** schedule with an effective date of January 1, 2019.
7. **Resolution No. 18-60** - Authorizing an increase of \$2,000,000 from Unrestricted Reserves to the **FY19 Capital Budget** to fund Passenger Terminal improvements to support the concession program and the overall passenger experience.
8. **Board Member Comments/Announcements.**
9. **Next Meeting: Tuesday, January 15, 2019** at 9:00 a.m.
10. **Adjournment.**

Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting Maria Gonzalez at 480-988-7603 or mgonzalez@gatewayairport.com. Requests should be made as early as possible to allow time to arrange the accommodation.



Executive Director's Report

December 2018

Financial Snapshot

OPERATING INCOME	October		Month Variance	FYTD Comparison		FYTD Variance
	FY18	FY19		FY18	FY19	
Revenues	\$1,765,439	\$1,9829,747	\$64,308	\$6,770,377	\$7,306,481	\$536,104
Less Expenses	\$1,736,431	\$1,738,388	\$1,957	\$6,221,965	\$6,778,458	\$556,493
Operating Income <i>(before depreciation)</i>	\$29,008	\$91,359	\$62,351	\$548,412	\$528,023	(\$20,389)

Investment Fund Balances: As of October: Local Governmental Investment Pool (LGIP) 700 = \$18,017,534; Wells Fargo Collateralized Savings Account = \$16,564,668; Total \$34,582,202. This is an increase of \$35,850 from the September balance and represents interest income.

Finance and Accounting

October and FYTD net operating results are a gain of \$91,359 and \$528,023, respectively. Aeronautical revenues for the fiscal year have improved by 10%, lease income is up 28% and fuel revenue is up 30%. Non-aeronautical revenues have improved by 4%, concessions are up 23% and parking is up 14%.

Actual expenditures are within 1% of FYTD budget. The cost of goods sold for fuel has exceeded the expected FYTD budget amounts by \$308,000, 64% due to increased costs and 34% due to increased volumes. These costs will be recovered through fuel sales.

Grants, PFCs & Procurements

Active/Pending Solicitations

TYPE OF SOLICITATION	Number	Title	Anticipated Contract Award
Request for Proposals	2019-005-RFP	Aviation Fuel Supplier	January 2019
Request for Qualifications	2019-011-RFQ	Design of New Air Traffic Control Tower	January 2019

Future Solicitations

TYPE OF SOLICITATION	Number	Title	Schedule for Release	Anticipated Contract Award
Request for Proposals	2019-009-RFP	Terminal Concessionaire(s)	January 2019	May 2019
Request for Qualifications	2019-013-RFQ	Primary Legal Counsel Services	January 2019	May 2019

Information Technology

Phoenix-Mesa Gateway Airport Authority (PMGAA) has integrated all five domestic and international airlines onto the Phoenix-Mesa Gateway Airport (Gateway Airport, Airport) Common Use Terminal Equipment (CUTE) System. This allows the airlines the flexibility to utilize any check-in counter or terminal gate available for their daily flight activity. Each airline can use their respective computer program and it is automatically networked with the various Airport equipment. The Airport provides 50-inch high resolution monitors in the terminal's ticket counter area and at each of its ten gate area passenger hold rooms.



Five airlines now serve Gateway Airport

Airport Operations



Holiday decorations greet Gateway Airport visitors

November marked the beginning of the busy holiday travel season, and this year Gateway Airport expects to welcome a record number of passengers. PMGAA staff has been busy assisting customers as they navigate the newly-expanded terminal roadways, parking lots, and baggage claim area.

Holiday travel can be a stressful event, so our team members and volunteers go above and beyond to ensure a **Just Plane Easy** experience when traveling through Gateway Airport.

California Pacific Airlines made their Gateway Airport debut on November 15th with nonstop jet service six times a week between Mesa and Carlsbad, California. The San Diego area consistently ranks as one of the most requested destinations from Gateway Airport. Make sure to tell your family and friends!



Mesa Fire Department performs inaugural flight water cannon salute

Operations Statistics

PASSENGER COUNTS		October		% Change	FYTD		% Change
		FY18	FY19		FY18	FY19	
Passengers	TOTAL	107,636	121,758	13%	400,037	456,358	14%
	Deplaned	55,507	63,182	14%	203,345	233,690	15%
	Enplaned	52,129	58,576	12%	196,692	222,668	13%
Allegiant	Scheduled	106,854	121,050	13%	398,889	455,253	14%
WestJet	Scheduled	704	344	-51%	704	344	-51%
Swoop	Scheduled	0	246	NA	0	246	NA
Elite	Charter	78	118	51%	444	515	16%

OPERATIONS	October		% Change	FYTD		% Change
	FY18	FY19		FY18	FY19	
Air Carrier	904	958	6%	3,373	3,622	7%
Military	497	356	-40%	2,064	1,734	-16%
General Aviation	28,857	22,644	-27%	94,198	86,411	-8%
TOTAL	30,258	23,958	-26%	99,635	91,767	-8%

Noise Report

PMGAA received aircraft noise calls from 10 area residents in October 2018, compared to 15 callers last October. There have been 21 callers FYTD compared to 46 at this same point in FY2018.

CALLERS	October		FYTD	
	FY18	FY19	FY18	FY19
Total	15	10	46	21

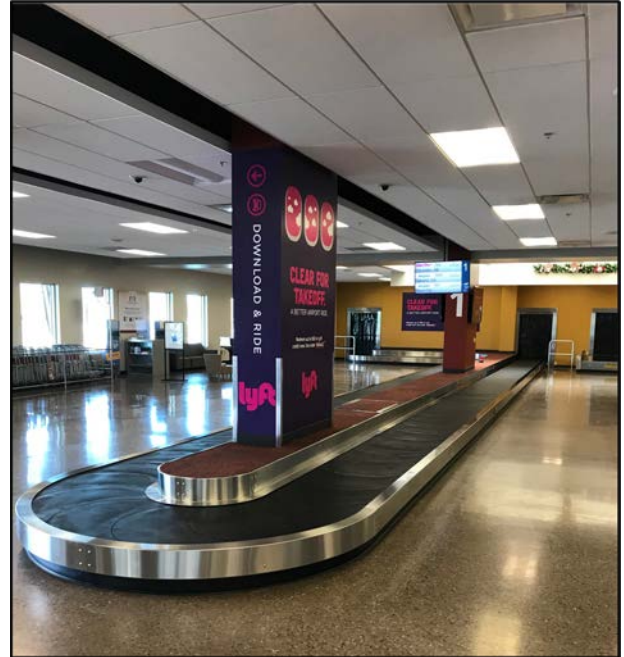
TYPE OF AIRCRAFT	October		FYTD	
	FY18 Callers	FY19 Callers	FY18 Callers	FY19 Callers
Unknown	1	1	5	3
A-319	2	4	7	9
Commercial	0	2	14	2
GA Total	0	2	2	3
Helicopter	6	0	6	0
Military	6	1	12	4
Total	15	10	46	21

LOCATION	October		FYTD	
	FY18	FY19	FY18	FY19
Mesa	4	3	5	9
Gilbert	10	7	35	8
Gold Canyon	0	0	2	1
Queen Creek	1	0	2	3
Queen Valley	0	0	1	0
San Tan Valley	0	0	1	0
Florence	0	0	0	0
Apache Junction	0	0	0	0
TOTAL	15	10	46	21

Engineering & Facilities

This Fall, PMGAA completed several airport facility and infrastructure projects that greatly enhanced operational capacity, and improved the customer experience at Gateway Airport. Projects included terminal roadway widening, Taxiway Charlie expansion, a new entrance and exit access of the Hourly Parking Lot, So. Sossaman Road improvements, CUTE System installation, and expansion to the Baggage Claim and Baggage Make-Up Areas.

PMGAA would like to recognize Engineering and Facilities Director Bob Draper and his team, and IT Director Doug Wirthgen and his team for managing these important projects efficiently and minimizing the impact to air travelers during construction. Thank you!



New extended Baggage Claim Belt

Planning and Zoning

PMGAA staff continues to provide airport compatibility feedback on development proposals in proximity to Gateway Airport. Some recent projects include several light industrial developments along Ray Road north of the Airport, the Vivo Development Group proposal at the northeast corner of Power & Ray Roads, and Inner Loop development proposals near State Route 202, Warner, and Elliot Roads. PMGAA works closely with the adjacent communities to encourage compatible land uses near Gateway Airport.

Gateway Aviation Services

PMGAA pumped more than 1.2 million gallons of fuel during the month of October, a 2% decrease compared to October 2017. FYTD, total gallons are up 4% and Retail fuel remains strong at 24% above the same time period last year.

FUEL (Gallons)	October			FYTD		
	FY18	FY19	% Change	FY18	FY19	% Change
Retail (Jet)	53,516	46,223	-14%	163,671	203,543	24%
AvGas	55,615	53,005	-5%	189,595	204,301	8%
Contract	327,578	309,641	-5%	1,213,374	1,122,941	-7%
Commercial	826,390	827,485	0%	2,928,251	3,129,141	7%
TOTAL	1,263,099	1,236,354	-2%	4,494,891	4,659,926	4%

Business Development

At their November meeting, the PMGAA Board of Directors recognized local developer and Gateway Airport celebrity Fred Himovitz for his longtime investment in and support of Gateway Airport. Over the last 20 years, Fred has put a tremendous amount of time, energy, and money into increasing private development on and around the Airport. Fred saw potential in Gateway Airport when other area developers showed little interest in redeveloping the former Air Force Base. Fred has been an integral part of the Airport's success.



PMGAA Board of Directors and developer Fred Himovitz



PMGAA Tenant Mixer and Cornhole Tournament

On November 8th, the PMGAA Business Development Department hosted the Second Annual PMGAA Tenant Mixer and Cornhole Tournament at Barrio Brewing Company. This year's tournament was extremely competitive, with the Textron team edging out a very talented PMGAA team in the finals to take home the trophy.

PMGAA appreciates all of the tenants who participated in this year's event and looks forward to the much-anticipated rematch next year.

Communications and Government Relations

The Allegiant Alliance is a cooperative marketing collaborative between PMGAA and other airports served by Allegiant Air. In November alone, Allegiant Alliance posts reached over 10,000 people across the United States. These posts highlight activities and events occurring in the Greater Phoenix area, as well as other Allegiant markets across the country. We appreciate our Allegiant Alliance Partners and the positive impact the program is having on national tourism.



**MINUTES OF PUBLIC MEETING OF THE
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
BOARD OF DIRECTORS | November 20, 2018**

A public meeting of the Phoenix-Mesa Gateway Airport Authority was convened on Tuesday, November 20, 2018, beginning at 9:00 a.m. in the Board Room (Saguaro A & B) of the Gateway Administration Building, 5835 S Sossaman Road, Mesa, Arizona.

Members Present

Mayor Jeff Serdy, Apache Junction
Lt. Governor Robert Stone, Gila River
Indian Community
Mayor Gail Barney, Queen Creek
Mayor Thelda Williams, Phoenix
Mayor John Giles, Mesa
Mayor Jenn Daniels, Gilbert

Airport Staff Present

J. Brian O'Neill, Executive Director/CEO
Scott Brownlee, Deputy Director/COO
Chuck Odom, CFO
Maria Gonzalez, Clerk of the Board
Jill Casson Owen, Attorney

Guests Present

Kyle Barrett
Eric Bashaw, Gebesa
Aric Bopp, City of Mesa
Matt Busby, City of Apache Junction
Scott Butler, City of Mesa
Kent Dibble, Dibble Engineering
Rene Guillen, Town of Gilbert
Fred Himovitz, HPI
Briant Howard, CEI
Leo Huppert
Lynn Kusy

Pearl Meza, City of Phoenix
Warde Nichols, ASU
Marc Pierce, Lee & Associates,
Wayne Rockwoon
Valerie Shaffer, Town of Gilbert
Nicole Snyder, Johnson Carlier
Councilmember Kevin Thompson, City of Mesa
Brian Vandenberg, Structures Group
Heather Wilkey, Town of Queen Creek
Melissa Yeager, AZ Republic

1. Call to Order at 9:00 a.m. (Mayor Jeff Serdy)

2. Call to the Public

There were no public comments.

3. Motion to Convene into Executive Session.

Pursuant to A.R.S. § 38-431-03(A)(1), the Board of Directors may convene into executive session for the purpose of discussion or consideration regarding the Executive Director/CEO's annual review.

Mayor Thelda Williams moved to convene into Executive Session. Mayor Gail Barney seconded the motion. The motion was carried unanimously.

4. Motion to Reconvene from Executive Session to Regular Session (9:30 a.m.).

Mayor Jenn Daniels moved to reconvene into Regular Session. Mayor Gail Barney seconded the motion. The motion was carried unanimously.

5. Executive Director's Report - J. Brian O'Neill, Executive Director/CEO

Executive Director O'Neill provided a briefing on PMGAA financial performance, passenger activity, the community noise report, and an update on various Airport projects. Fiscal Year-to-Date (FYTD) Net Operating Income is \$452,395. PMGAA celebrates its sixth consecutive record month for passenger activity.

- Air Service Development update: Executive Director O'Neill met with United Airlines at their headquarters in Chicago. Met with three network planners to share Gateway's story. Feedback was positive, and they understand the dynamics and economic growth of the East Valley. United has between 25-30 existing stations across the country that have over 90% load factor. It's more cost effective to add flights to existing operations than starting service at a new airport. United stated they'd talk with their partner SkyWest. By 2020, the congestion and capacity issues in Denver would loosen up and they'd like to discuss potential opportunities in the future.
- Allegiant committed to reposition 10 aircraft to Gateway for March 2019. Additional flights would occur on Saturdays only. The flight schedule indicates over 40 departures daily; a significant increase from regular activity of 23-28 departures. This will test our capacity in infrastructure and facilities. Improvements to the TSA Security Screening Checkpoint, Sossaman Road, and the Hourly Parking Lot have enhanced capacity at the Airport. PMGAA staff is meeting with the concessionaires, car rental companies, its parking contractor, and ground transportation providers to inform them of the upcoming activity and encourage them all to plan accordingly to maintain a convenient operation.
- As we continue to add capacity and complete projects to remain the "Just Plane Easy" Airport, we have been working with a concession consultant that is assisting us with terminal concession offerings. The consultant identified that Gateway Airport has less than half of the food & beverage and news & gift space in the terminal that an airport handling 1.5M passengers should allocate to such services. The Airport is developing plans to double the square footage available for concession space. An RFP is out for companies to propose their vision for providing concessions inside the passenger terminal. Additional information is forthcoming.
- Taxiway Charlie is underway; soil testing has commenced. Once the project is complete, it will facilitate and stimulate the future development of the 700 acres adjacent to Ellsworth Road, SR24 and SR202.
- Credit to Director of Engineering and Facilities Bob Draper and his crew on completing the improvements to South Sossaman Road and the new entrance into the Hourly Parking Lot. This project will greatly reduce congestion on Sossaman Road and near the terminal curb. In addition, to the roadway projects, the checked baggage make-up and baggage claim expansion projects are underway to increase checked baggage capacity by 60%.
- PMGAA is working closely with SRP on the 230kV transmission line project from Elliott Road south to Queen Creek. PMGAA is working on the placement of the line and ensuring no penetrations to PMGAA's Part 77 surfaces. In addition, SRP is looking to site a substation at Gateway Airport to meet the increasing energy needs of the East Valley.

- PMGAA is in the process of purchasing remnant land from the construction of SR24 from ADOT to relocate the Ellsworth Channel to the perimeter of the Airport's property.
- The Air Traffic Control Tower Funding and Design Procurement is underway. Earlier this year, Congress passed, and the President signed the 2018 Federal Aviation Administration (FAA) Reauthorization Bill. The legislation contained a key provision that PMGAA and others have been working to advance for several years. The provision removes a \$2 MM Airport Improvement Program (AIP) eligibility cap on the construction of contract ATCTs. Now that the cap has been removed, PMGAA has submitted a grant application to the FAA requesting funding for the construction of a new ATCT. PMGAA hopes to begin construction of a new Tower in 2020.
- The Trump campaign rally took place following October's Board Meeting. PMGAA had approximately \$13,000 in unexpected expenditures to provide adequate lighting and traffic control for event parking. PMGAA will attempt to seek reimbursement from the campaign. Executive Director O'Neill recognized Alex Smith, Ryan Smith and Doug Wirthgen for their extraordinary efforts in making the event a success relating to safety and security, technology, and media coordination. The goal of keeping the Airport operating in a safe and secure manner during the rally was achieved. Mayor Serdy commended PMGAA staff for their coordination of events as well as Mesa Police Department for the control of the event.
- A November military exercise at Gateway Airport consisted of a joint exercise between Cherry Point, North Carolina and Yuma, Arizona bringing 40 military personnel, \$80k in fuel and PMGAA services, 20 rental cars for the week, 40 hotel rooms, and various restaurant visits during the week. PMGAA encourages this type of activity as it promotes to the economic growth in the area.
- In closing and on behalf of the Board of Directors, Executive Director O'Neill recognized local developer Fred Himovitz for 20 years of believing in, and investing in, Phoenix-Mesa Gateway Airport. Mayor Serdy presented Mr. Himovitz with a framed letter of appreciation.

6. Presentation: Audited Financials - Dennis Osuch, Principal-CliftonLarsonAllen LLP

Mr. Chuck Odom, Chief Executive Officer introduced Mr. Osuch and the Management Information Report for a practical, but impractical procurement to extend CliftonLarsonAllen LLP's contract for another year. Mr. Osuch provided a brief overview of the Fiscal Year 2018 audit, resulting in an issuance of an unmodified (clean) opinion for the Phoenix-Mesa Gateway Airport Authority. No material audit adjustments made.

The Passenger Facility Charges (PFC) are subject to audit through the Federal Aviation Administration, and a "clean" opinion was provided with no deficiencies. The Airport implemented a new financial management software and was not reviewed during this audit, but if selected in the future, it would be. Mr. Osuch thanked management.

Mayor Daniels asked how often PMGAA utilized this firm, and Mr. Odom stated it was the fifth occurrence. Mayor Daniels raised awareness regarding best practice to have a different principal to oversee an audit. Mr. Odom stated that Mr. Osuch and his team's stability, experience and familiarity

with PMGAA provides the most efficient and cost-effective process. The alternative of educating a new firm, new person to spend additional time acclimating to PMGAA at our expense was not the most efficient outcome for the Board and the Authority. Mayor Daniels asked when a switch would be made. Mr. Odom replied an RFQ would go out the year after.

7. Consent Agenda

- a) **Minutes** of the Board Meeting held on October 16, 2018.
- b) **Resolution No. 18-54** - Authorizing a facility lease with **Crown Castle Solutions, LLC** for a portion of Building 1080, located at 6263 S. Taxiway Circle, and consisting of approximately 1,000 sq ft. The least term is for 10 years, commencing on the earlier of November 1, 2019, or the effective date of the first wireless carrier agreement.
- c) **Resolution No. 18-55** - Authorizing the Executive Director/CEO, or delegate, to **purchase unleaded and diesel fuel** from the lowest priced **State contract vendor** at market prices for Airport Authority use and resale in the amount of \$332,200.
- d) **Resolution No. 18-56** - Authorizing an amendment to the **Executive Director/CEO employment contract**.

Mayor Gail Barney moved to approve the Consent Agenda. Mayor Thelda Williams seconded the motion. The motion was carried unanimously.

Consideration and Possible Approval of:

- 8. **Resolution No. 18-57** - Authorizing a CMAR Construction Services Contract with **Willmeng Construction Inc.** to provide Construction Services for the Gateway Aviation Services Improvements Project under CIP 1006 in an amount not-to-exceed \$727,124.

Mayor Williams moved to approve Resolution No. 18.57. Mayor John Giles seconded the motion. The motion was carried unanimously.

9. Board Member Comments/Announcements.

Mayor Serdy announced that during a recent festival in Apache Junction, he was pleased to see Barrio Brewing Company was present with a booth.

10. Next Meeting: Tuesday, December 18, 2018 at 10:12 a.m.

11. Adjournment.

The meeting adjourned at 10:08 a.m.

Dated this ____ day of _____, 20____.

Maria E. Gonzalez, Clerk of the Board



Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

To: Board of Directors
From: R.J. Draper, P.E., LEED AP, CM Engineering & Facilities Director
Through: Scott Brownlee, Deputy Director/COO
J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: No. Economy Parking Lot Shuttle Bus Shelter Rehabilitation – Caliente Const.
Date: December 18, 2018

Proposed Motion

To authorize the procurement of General Construction Services with Caliente Construction Inc. for the North Economy Parking Lot Shuttle Bus Shelter Rehabilitation Project under CIP 1005 in an amount not-to-exceed \$76,162.

Narrative

The purpose of this project is to rehabilitate the bus shelters in the North Economy Parking Lot. Phoenix-Mesa Gateway Airport Authority (PMGAA) has five shuttle bus stops in our North Economy Lot and all five shelter foundations are cracking and crumbling, which has created potential safety hazards.

Considering the safety and convenience of our customers, the work will be phased so that our customers will always have access to more than one of the shuttle bus shelters throughout the construction. Work will include removal of fixtures, concrete, subgrade removal and preparation, conduit and pull box protection, aggregate base course installation, concrete placement, ramps and truncated domes at the ADA access points.

PMGAA is a member of the Government Procurement Alliance (1GPA). Under 1GPA's 18-15PV-RFQ, Caliente Construction Inc. was awarded Job Order Contracting (JOC) General Contractors Contract #18-15PV-02, and it is through this competitive selection that PMGAA will utilize Caliente Construction Inc. for construction services.

Fiscal Impact

This project was included in the FY19 capital budget and is funded under CIP 1005 with PMGAA Non Grant funds.

Attachment(s)

Agreement



RESOLUTION NO. 18-58

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS the Authority desires to enter into an agreement with Caliente Construction Inc.;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes the procurement of General Construction Services with Caliente Construction Inc. for the North Economy Parking Lot Shuttle Bus Shelter Rehabilitation Project (CIP 1005) in an amount not-to-exceed \$76,162. This resolution also authorizes the Chair or Executive Director/CEO to execute such Contract, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 18th day of December, 2018.

Jeff Serdy, Chair

ATTEST:

APPROVED AS TO FORM:

Maria Gonzalez, Clerk of the Board

Attorney



**Agreement to Use
Paradise Valley Unified School District Contract #18-15PV-02
via Cooperative Purchasing Agreement**

Whereas, the Phoenix-Mesa Gateway Airport Authority (PMGAA) is a member of the 1Government Procurement Alliance (1GPA), allowing it to utilize existing contracts by other 1GPA members; and

Whereas, Paradise Valley Unified School District (PVUSD) is also a member of 1GPA and has executed contract #18-15PV-02 with Caliente Construction, Inc. for Job Order Contracting – General Contractors; and

Whereas, PMGAA and Caliente Construction, Inc. desire to utilize the terms and conditions of PVUSD contract #18-15PV-02, including pricing that was competitively bid.

NOW THEREFORE, in consideration of the payment of fees and the performance by the parties of the mutual covenants and conditions set forth herein, the parties hereby agree as follows:

- A. CONTRACT:** This Agreement incorporates by reference and attachment all the terms and conditions of that certain cooperative purchasing contract #18-15PV-02, between PVUSD and Caliente Construction, Inc., except:
1. All references to PVUSD shall be replaced with Phoenix-Mesa Gateway Airport Authority;
 2. The contract between Caliente Construction, Inc. and Phoenix-Mesa Gateway Airport Authority is independent of the PVUSD contract #18-15PV-02.
 3. Billing information shall be stated on PMGAA's purchase order.
 4. The scope of work to be performed by Caliente Construction, Inc. is hereby detailed in Attachment A
 5. Liquidated Damages are hereby modified to \$300 per calendar day for every day exceeding the established Substantial Completion date and \$300 per calendar day for every day exceeding the established Final Completion date.
 6. Insurance Requirements for Caliente Construction, Inc. are hereby detailed in Attachment C; and
 7. Project length will be 35 days from Notice to Proceed until Substantial Completion and 14 days from Substantial Completion until Final Completion.

To the extent applicable under Arizona Revised Statutes § 41-4401, the Contractor and its Subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees and compliance with the E-verify requirements under A.R.S. § 23-214(A). Contractor's or its Subcontractor's failure to comply with such warranty shall be deemed a material breach of this Contract and may result in the termination of this Contract by the Authority.

- B. FEE FOR SERVICES:** The fees to be utilized for this contract shall be as per original bid with PVUSD. The pricing method is established using Open Book Pricing. Caliente Construction, Inc. will perform the Scope of Work for the Not to Exceed price of \$76,162.00 as provided for in Attachment B.

C. CONTRACT TERM

This Agreement is effective as of _____ and shall terminate on _____, unless terminated, cancelled, or extended as provided in the original contract between PVUSD and Caliente Construction, Inc.

The approval and continuation of this contract is subject to the availability of funds either provided to, made available to, or appropriated by the Phoenix-Mesa Gateway Airport Authority for this purpose. In the event



PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
5835 SOUTH SOSSAMAN ROAD
MESA, ARIZONA 85212-6014

PHONE (480) 988 7600
FAX (480) 988 2315

that funds are not available or appropriated for Phoenix-Mesa Gateway Airport Authority's payment requirements under this contract for the goods and/or services to be provided hereunder the Phoenix-Mesa Gateway Airport Authority may terminate this contract by providing notice to the contractor of the lack of the availability of funds.

The contractor acknowledges and agrees that one source of funding for this contract may be funds made available from the Federal Aviation Administration, and that this contract, its approval and continuation is contingent on the availability of those funds being made to the Phoenix-Mesa Gateway Airport Authority.

Approved for PMGAA:

Accepted for Caliente Construction, Inc.

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____



Attachment A
Scope of Work



PMGAA CIP# 1005

North Economy Parking Lot
Bus Shelter Rehabilitation

Scope of Work

This purpose of this project is to rehabilitate the bus shelters in the North Economy parking lot. The concrete is broken and needs to be replaced. The work will be phased so that customers will still have access to the nearest bus shelter to the one under construction. The work will include removal of fixtures, removal of concrete, subgrade removal and preparation, conduit and pull box protection, aggregate base course installation, concrete placement, ramps and truncated domes at the ADA access points, and replacement of fixtures. One of the fixtures, the Pay on Foot revenue control devices, will be removed and reinstalled by Scheidt & Bachmann. There are 5 bus stops to be rehabilitated, a maximum of 3 will be under construction at one time with the adjacent bus stops left open. It is intended that the Contractor shall furnish all labor, materials, equipment, tools, transportation, and supplies required to complete the work in accordance with the plans, specifications, and terms of the Contract.

Estimation of Items and Quantities

No.	Description	Per	Total
1	Remove and Reinstall Existing Garbage Can	EA	5
2	Remove and Reinstall Existing Concrete Bench	EA	10
3	Remove and Reinstall Existing Revenue Machines	EA	5
4	Removal of Existing Concrete Sidewalk and Domes	SF	3,500
5	Subgrade Excavation and Preparation	SF	3,500
6	Crushed Aggregate Base Coarse 6" Depth Installation	SY	400
7	Concrete Sidewalk Installation MAG Std Det 230 (4" thick)	SF	3500
8	Concrete Sidewalk Ramps COM Std Det M-44.5	EA	10
9	Truncated Domes	SF	60

Items and Descriptions

- 1. Remove and Reinstall Existing Garbage Can** – Existing garbage can will be removed prior to the removal of the concrete. The fixture will be inspected prior to the removal and any defect or damage will be noted and brought to the attention of the owner. The garbage can will be stored in a secure



PMGAA CIP# 1005

location to be kept free from damage during the reconstruction of the bus shelter. The garbage can will be reinstalled and affixed in the same manner as it was prior to removal.

2. **Remove and Reinstall Concrete Bench** – Existing concrete bench will be removed prior to the removal of the concrete. The fixture will be inspected prior to the removal and any defect or damage will be noted and brought to the attention of the owner. The concrete bench will be stored in a secure location to be kept free from damage during the reconstruction of the bus shelter. The concrete bench will be reinstalled and affixed in the same manner as it was prior to removal.
3. **Remove and Reinstall POF Revenue Machine** – Existing Pay on Foot (POF) Revenue Machines will be removed and reinstalled by Scheidt & Bachmann (S&B). S&B will remove the machines prior to the removal of existing sidewalk. The machines will be stored in a secure location to be kept free of damage during the reconstruction of the bus shelter. S&B will reinstall the POF machines once the reconstruction of the bus shelters has been completed. The shelter will not be considered open until the POF machine is installed and operating properly.
4. **Removal of Existing Concrete Sidewalk and Domes** – Existing concrete will be removed and disposed of offsite. The following items will be protected in place; the H columns that support the bus shelter, the junction boxes for both electrical and communications, the conduits under the revenue machines and any other conduit or raceways adjacent to the work. Any damage or defect of any of the protected or surrounding work or fixtures will be noted and brought to the attention of the owner.
5. **Subgrade Excavation and Preparation** – Remove subgrade material to a depth of 10 inches below the finished grade elevation. Compact the subgrade material to 95% of the maximum dry density of the material as determined by ASTM D698.
6. **Aggregate Base Coarse 6" depth Installation** – Place and compact approved aggregate base coarse to a compacted depth of 4 inches below finished grade elevation. Compact the material to 95% of the maximum dry density of the material as determined by ASTM D698.
7. **Concrete Sidewalk Installation MAG Std Det 230 (4" thick)** – Place an approved concrete mix for the concrete sidewalk. This will include placing expansion material around the H columns and at the appropriate intervals, proper joint placement, finishing, and curing of the concrete.
8. **Concrete Sidewalk Ramps COM Std Det M-44.5** – Place an approved concrete mix for the concrete sidewalk ramps at the locations indicated on the plans and details. This will include ensuring the ramps meet the detail specifications, finishing, and curing of the concrete.
9. **Truncated Domes** – Install the truncated domes as indicated on the plans and in the details. This will include proper placement and installation per the manufacturers recommendations.



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5835 SOUTH SOSSAMAN ROAD
MESA, ARIZONA 85212-6014

PHONE (480) 988 7600
FAX (480) 988 2315

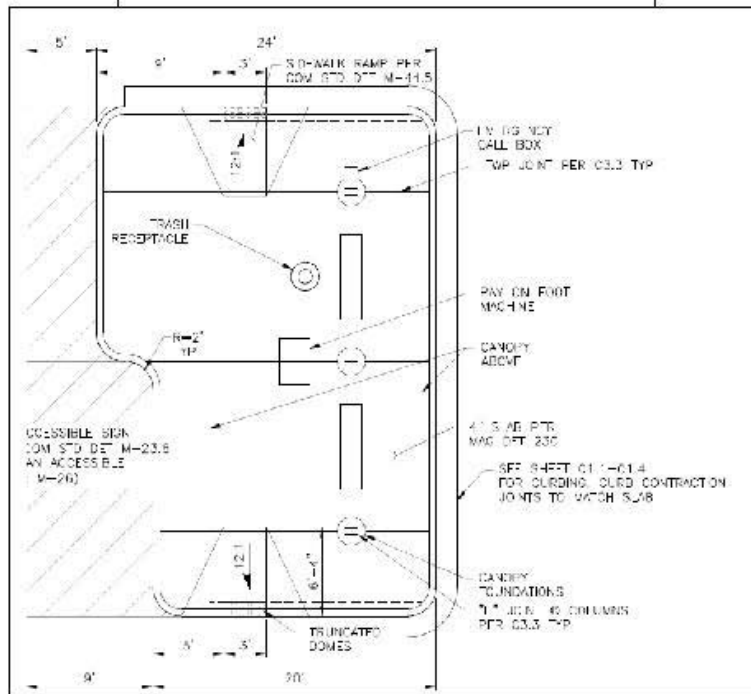


PMGAA CIP# 1005

Current Bus Shelter Conditions



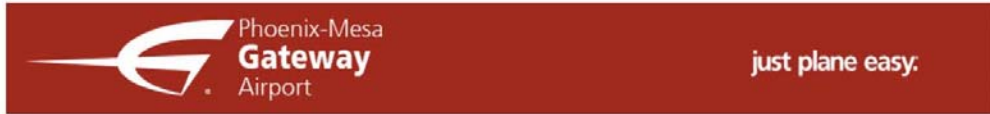
Original Detail for the Bus Shelter





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NORTH ECONOMY PARKING LOT
BUS SHELTER REHABILITATION
PMGAA CIP# 1005

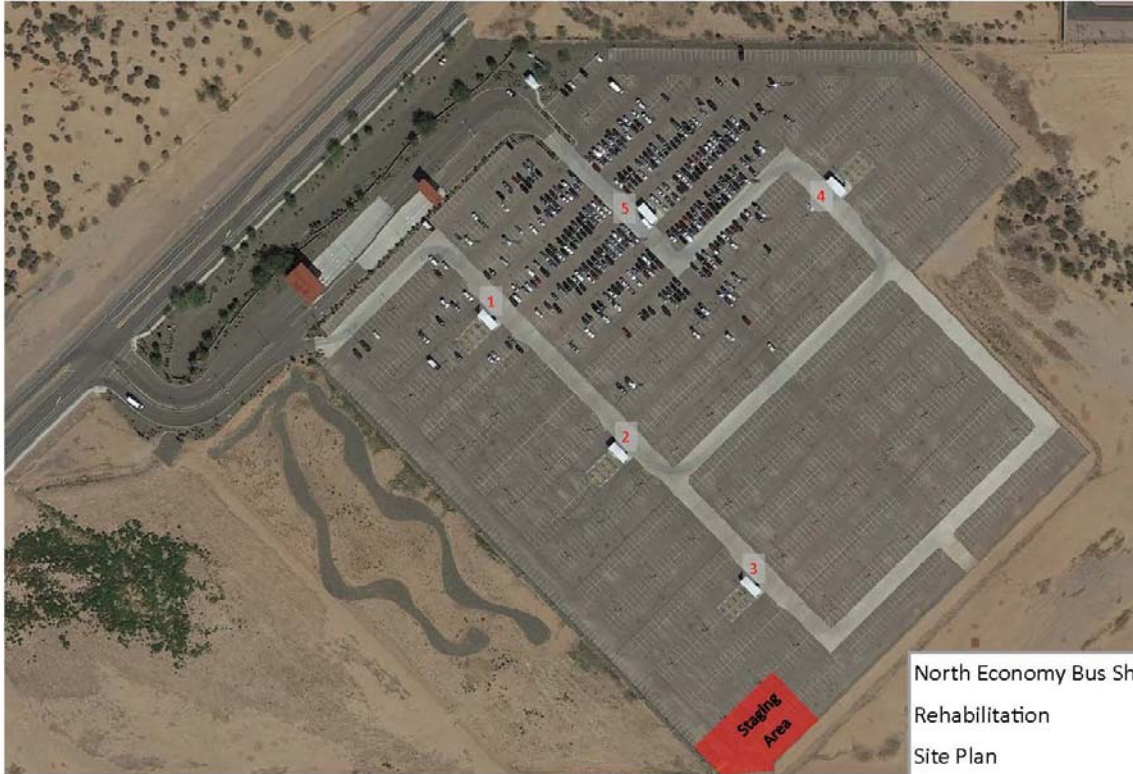
THESE PLANS AND DETAILS ARE TO BE USED FOR ESTIMATING PURPOSES ONLY
THESE PLANS HAVE NOT BEEN APPROVED OR ISSUED FOR CONSTRUCTION
ANY QUESTIONS OR COMMENTS REGARDING THE PROJECT, PLANS OR DETAILS
CONTACT
RICH ADAMS, PROJECT MANAGER
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
RADAMS@GATEWAYAIRPORT.COM





PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
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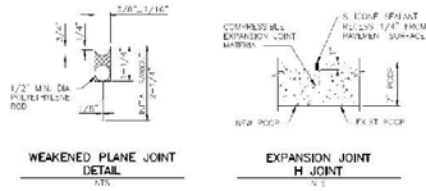
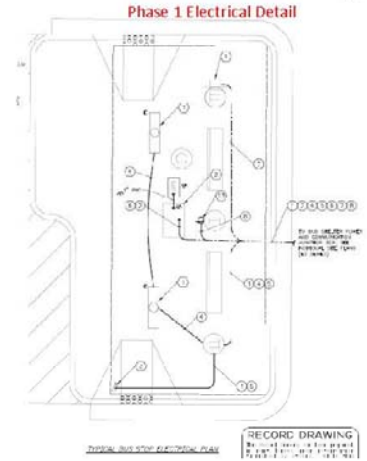
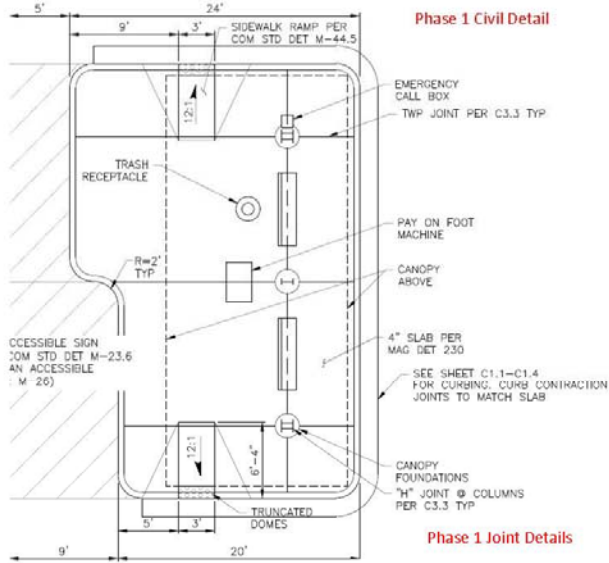
PHONE (480) 988 7600
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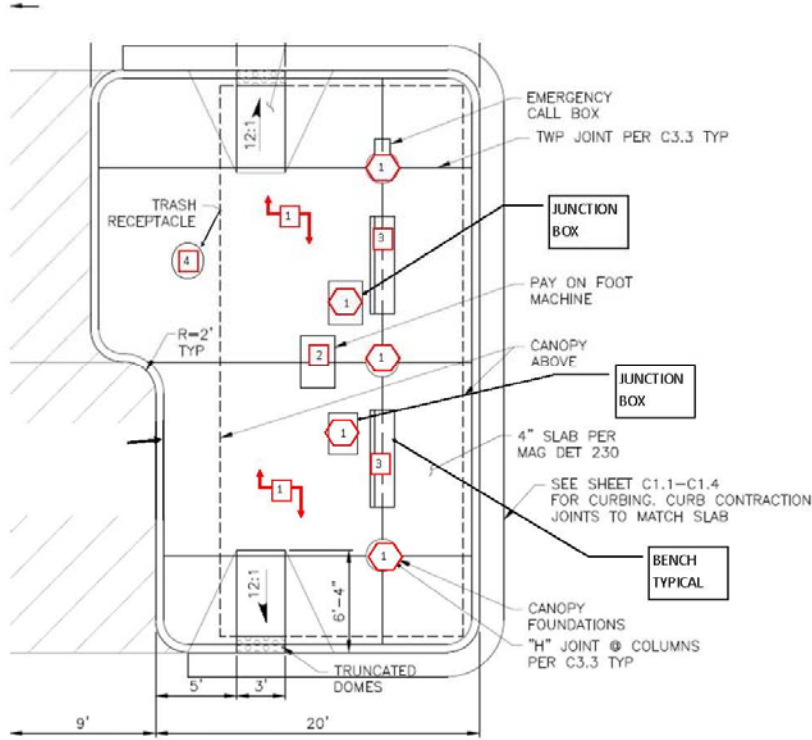
North Economy Bus Shelter Rehabilitation



PMGAA_CIP# 1005



North Economy Bus Shelter
Rehabilitation
Details



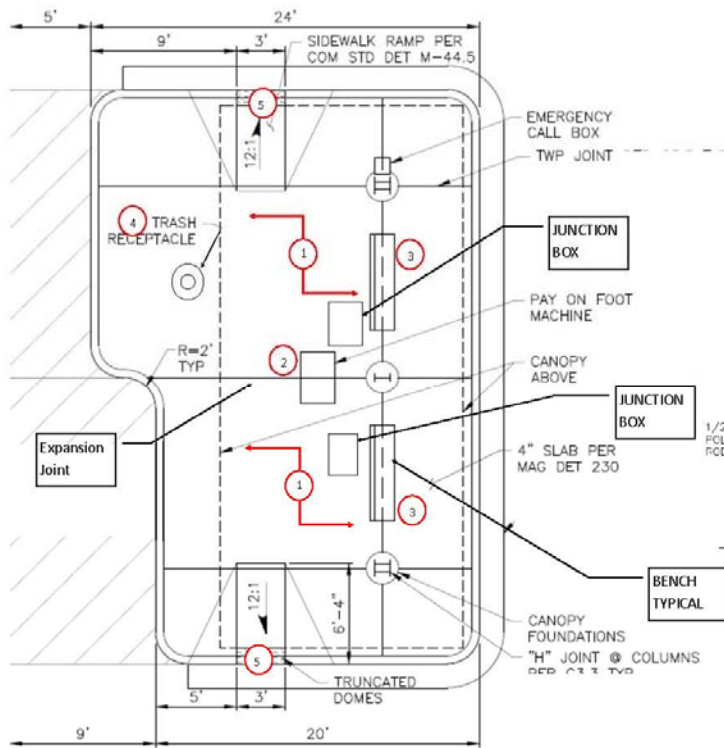
- 1 Remove Concrete, curb and gutter
- 2 Remove, Salvage, Replace Revenue Machine By Others
- 3 Remove, Salvage, Replace Concrete Bench
- 4 Remove, Salvage, Replace Trash Receptacle
- 1 Protect In Place

North Economy Bus Shelter
 Rehabilitation
 Demolition Plan

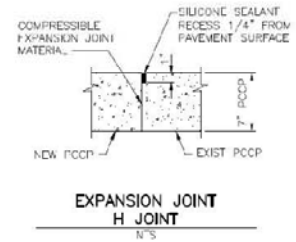
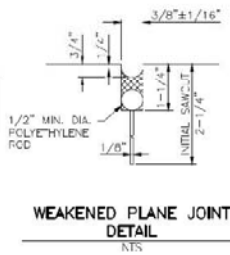
North Economy Bus Shelter Rehabilitation



PMGAA CIP# 1005



- 1 Install Concrete 4" Thick
- 2 Replace Revenue Machine
- 3 Replace Concrete Bench
- 4 Replace Trash Receptacle
- 5 Install Ramps and Truncated Domes



North Economy Bus Shelter
 Rehabilitation
 Construction Plan

North Economy Bus Shelter Rehabilitation



PMGAA_CIP# 1005



Attachment B Pricing

Caliente Construction agrees to perform the Scope of Work, as detailed in Attachment A of this Agreement, for the Not to Exceed amount of \$76,162.00 This amount includes all applicable taxes.

Caliente Construction Inc.

General Construction - Construction Management - Design/Build - Facilities Management

Project:	North Economy Parking Lot Bus Shelter Rehabilitation (3-2 Phasing)		- Building Sq. Ft.
Owner:	Phoenix-Mesa Gateway Airport		3,960 Site Sq. Ft.
Architect:	-		0.09 Site Acres
Bid Date:	9/28/2018	RFI(s):	
Taxing Jurisdiction:	Mesa	Addendum(s):	
MRRA or TPT:	MRRA		
DESCRIPTION			TOTALS
DIVISION 1	GENERAL CONDITIONS		11,754
DIVISION 1	GENERAL REQUIREMENTS		0
DIVISION 2	EXISTING CONDITIONS		4,638
DIVISION 3	CONCRETE		52,358
DIVISION 4	MASONRY		0
DIVISION 5	METALS		0
DIVISION 6	WOOD, PLASTICS, AND COMPOSITES		0
DIVISION 7	THERMAL & MOISTURE PROTECTION		0
DIVISION 8	OPENINGS		0
DIVISION 9	FINISHES		0
DIVISION 10	SPECIALTIES		0
DIVISION 11	EQUIPMENT		0
DIVISION 12	FURNISHINGS		0
DIVISION 13	SPECIAL CONSTRUCTION		0
DIVISION 14	CONVEYING EQUIPMENT		0
DIVISION 21	FIRE SUPPRESSION		0
DIVISION 22	PLUMBING		0
DIVISION 23	HEATING, VENTILATING, AND AIR CONDITIONING		0
DIVISION 26	ELECTRICAL		0
DIVISION 27	COMMUNICATIONS		0
DIVISION 28	FIRE ALARM AND DETECTION		0
DIVISION 31	EARTHWORK		0
DIVISION 32	EXTERIOR IMPROVEMENTS		0
DIVISION 33	UTILITIES		0
Subtotal of Cost Of Work			\$68,750
Subtotal Adjusted Direct Costs			\$68,750
LIABILITY INSURANCE / BUILDERS RISK INSURANCE	1.50%		1,031
BONDING FEES	1.00%		688
CONTINGENCY	0.00%		0
OVERHEAD	0.00%		0
PROFIT	8.00%		5,693
PERMIT FEES BY OWNER			
SUBTOTAL			\$76,162
TAX (LIST THE CITY WITH PERCENTAGE)	0.00%		0
TOTAL COST			\$76,162



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 #1 Tenant Satisfaction Contractor & #1 General Contractor in Arizona
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 © RICE-29529 WA 95371 CO 233589 MT 159637



"We build more than structures; we build confidence and relationships that last."



Attachment C
Insurance Coverage Requirements, Project CIP1005

During the term of this Project, Caliente Construction, Inc. shall maintain in full force at its own expense, each insurance noted below normally associated with the services covered by this Project:

GENERAL LIABILITY Required by PMGAA Not required by PMGAA

General liability insurance with limits no less than **\$1,000,000** per occurrence and **\$2,000,000** general aggregate for Bodily Injury and Property Damage. It shall include Contractual liability coverage for the indemnity provided under this Project. Any supplementary payments, including defense costs, shall be in addition to the policy limits. It shall provide that the Phoenix-Mesa Gateway Airport Authority, its agents, officials, officers and employees are Additional Insureds but only with respect to the Caliente Construction, Inc.'s services to be provided under this Project.

AUTOMOBILE LIABILITY Required by PMGAA Not required by PMGAA

Automobile liability insurance with a combined single limit, or the equivalent, of not less than
 \$200,000 \$500,000 \$1,000,000 \$5,000,000
for each accident for Bodily Injury and Property Damage, including coverage for owned, hired or non-owned vehicles, as applicable. Proof of coverage is required. All vehicles used by Caliente Construction, Inc. on PMGAA property shall carry appropriate proof of insurance.

PROFESSIONAL LIABILITY Required by PMGAA Not required by PMGAA

Professional liability insurance with limits no less than **\$1,000,000** for each claim, incident or occurrence and **\$2,000,000** general aggregate. This is to cover damages caused by error, omission or negligent acts related to the professional services to be provided under this Project. Only a certificate is required.

WORKERS' COMPENSATION. Required by PMGAA

Caliente Construction, Inc. shall maintain Workers' Compensation insurance with statutory limits as required by the State of Arizona and Employer's Liability insurance in the amount of *One Million Dollars (\$1,000,000)*. The policy shall contain a waiver of subrogation in favor of PMGAA.

EXCESS LIABILITY (Umbrella). Required by PMGAA Not required by PMGAA

No less than \$5,000,000 per occurrence / \$5,000,000 policy aggregate extending coverage over the General Liability, Auto Liability and Employer's Liability policies.

CERTIFICATES OF INSURANCE AND ENDORSEMENTS.

Check one or both if insurance is required: Certificate Required
 Endorsement Required

As evidence of the insurance coverages required by this Project, Caliente Construction, Inc. shall furnish acceptable insurance certificates and endorsements to PMGAA prior to commencement of any work under this Project. For work performed under this Project, the insuring company's certificates and endorsements shall be endorsed to include the following additional insured language: "The Phoenix-Mesa Gateway Airport Authority shall be named as an additional insured with respect to liability arising out of the activities performed by, or on behalf of Caliente Construction, Inc." If requested, complete copies of insurance policies, trust agreements, etc. shall be provided to the PMGAA. Caliente Construction, Inc. shall be financially responsible for all pertinent deductibles, self-insured retentions and/or self-insurance.

NOTICE OF CANCELLATION OR CHANGE.

There shall be no cancellation, material change, reduction of limits or intent not to renew the insurance coverage(s) without thirty (30) days' written notice from Caliente Construction, Inc. or its insurer(s) to PMGAA.



Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

To: Board of Directors
From: Chuck Odom, Chief Financial Officer
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: Airport Rates and Charges – Recommended Revision Effective January 1, 2019
Date: December 18, 2018

Proposed Motion

An adoption of revision to the Airport Rates and Charges schedule with an effective date of January 1, 2019.

Narrative

Airport staff is recommending two changes to the current Rates & Charges schedule. The update has an effective date of January 1, 2019 and is attached for review.

- 1) The definition of Signatory and Non-Signatory Commercial Carrier was slightly reworded for clarification purposes.
- 2) Aviation Fuel Flowage Fee was established for Non-Signatory Carriers at \$.05 per gallon, Signatory Commercial Carriers by agreement, and All Others - \$0.12 per gallon.

Previously the Rates and Charges listed one fuel flowage rate of \$0.12 per gallon for dispensing fuel on the Airport property.

Fiscal Impact

The Fuel Flowage fee change effective January 1, 2019 is expected to generate approximately \$20,000 in revenue for FY19 based on the forecasted non-signatory commercial flights through the end of the fiscal year.

Attachment(s)

Airport Rates & Charges Effective January 1, 2019



RESOLUTION NO. 18-59

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS the Authority desires to revise the posted schedule of Airport Rates and Charges;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby adopts the revised Airport Rates and Charges schedule with an effective date of January 1, 2019.

Passed and adopted by the Authority this 18th day of December, 2018.

Jeff Serdy, Chair

ATTEST:

APPROVED AS TO FORM:

Maria Gonzalez, Clerk of the Board

Attorney

This schedule of Airport Rates and Charges is subject to updates. For the latest schedule, please visit the Phoenix-Mesa Gateway Airport website at: <http://www.gatewayairport.com/PoliciesDocumentsandForms#BoardPolicies>

Signatory Commercial Carriers	Scheduled Commercial Carriers , FAR Part 121 and 129 and 135 operators, with a 90-day rolling average of 90 or more departures per month.		
Non-Signatory Commercial Carriers	Scheduled Commercial Carriers , FAR Part 121 and 129 and 135 operators, with a 90-day rolling average of less than 90 departures per month.		
Aircraft Landing Fee	Signatory Commercial Carriers, General Aviation and Others - \$1.20 per 1,000 lbs. maximum gross landing weight (MGLW). Non-Signatory Commercial Carriers - \$1.80 per 1,000 lbs. MGLW. <i>Exemptions:</i> <ol style="list-style-type: none"> 1. U.S. Government owned aircraft 2. Non-revenue and flight training aircraft up to 12,500 MGLW 3. All based flight training school aircraft 		
Aircraft Terminal Use Fee	Signatory Commercial Carriers - \$50 per Turn* Non-Signatory Commercial Carriers - \$75 per Turn* *Refer to page 2 for "Non-Operating Agreement Passenger Terminal – Exclusive Use Areas - Full Service" description and equipment specification.		
Aircraft Parking Fee	Aircraft Passenger Capacity	Signatory	Non-Signatory
	1-69	\$ 35	\$ 53
	70-250	\$ 70	\$105
	251 or greater	\$100	\$150
	Will be assessed for the occupancy of an aircraft parking position for more than 3 hours, including terminal gates and remote parking positions, and for each additional 24 hour period.		
Airport Car Rental Customer Facility Charge (CFC)	\$2.50 per vehicle rental day		
Aviation Fuel Flowage Fees	\$0.12 per gallon – Fuel Flowage Fees are paid to PMGAA by any entity or person dispensing or receiving fuel on the Airport in accordance with PMGAA Aviation Fuel Storage, Dispensing & Handling Guidelines. Signatory Commercial Carriers by agreement Non-Signatory Commercial Carriers - \$.05 per gallon All Others - \$0.12 per gallon		
Fire Suppression Services	\$.50 per year per square foot of floor space + \$250.00 set-up charge, billed in monthly installments. 15% of annual fees required as security deposit. South ramp connection fee = \$209,746.00		
Parking Rates	Fee by Location	Rate	Daily Maximum Charge
	Hourly Parking Lot	\$1.00 / 30 minutes*	\$18.00
	Daily Parking Lot	\$1.00 / 30 minutes*	\$11.00
	Ray Road Economy Parking Lot	\$1.00 / 30 minutes*	\$ 7.00
	Lost Ticket Fee (all locations)		\$42.00
	* Grace period for first 10 minutes		
Passenger Facility Charge (PFC)	\$4.50 per enplaned commercial passenger, Per FAA Approved PFC Application; reference Federal Register: (Vol. 79, Number 3)		
Airport Licenses & Permits	Fuel Dispensing Permit	\$100.00 per organization, permit valid for 2 years	
	Fuel Handling Permit (includes exam)	\$15.50 per individual, permit valid for 2 years	

Airport Rates and Charges*

Effective **January 1, 2019**

	Fuel Storage & Service Equipment Permit	\$38.00 per filtration vessel, permit valid for 2 years		
Common Use Terminal Equipment	Signatory Commercial Carriers	\$1,250 per month		
	Non-Signatory Commercial Carriers	\$ 500 per month		
Passenger Terminal/Airfield – Exclusive Use Areas				
Item	Description	Amount		
Terminal Office Space	Exclusive use of airline ticketing and other offices: includes electric, water and maintenance; excludes janitorial services, internet and telephone services	\$32.00 per sq. ft. per year		
Paved Equipment Staging/Storage Area	Paved staging area in the vicinity of the SIDA in excess of that used during normal aircraft servicing operations	\$ 2.00 per sq. ft. per year		
Non-Operating Agreement Passenger Terminal – Common Use Areas and Equipment Rates				
Item	Description	Aircraft Passenger Capacity	Resources Included	Rate
Full Service	Includes ticket counter(s) and lobby area, secure hold room and boarding area podium, aircraft parking position (2 hours), baggage claim area, and common use computer equipment per flight, as scheduled by Airport Operations. 1 ticket counter = 2 positions	1-69	1 ticket counter, 1 gate podium, 1 shared use hold room, 1 baggage belt, 1 aircraft parking spot	\$ 260 per flight
		70-250	2 ticket counters, 1 gate podium, 1 shared use hold room, 1 baggage belt, 1 aircraft parking spot	\$ 495 per flight
		251 or greater	3 ticket counters, 2 gate podiums, 2 shared use hold rooms, 1 baggage belt, 1 aircraft parking spot	\$ 915 per flight
Ticket Counter and Lobby	Use of 1 ticket counter and shared use of the lobby area for up to 2.5 hours. Includes common use equipment.	1-69	1 ticket counter and lobby	\$ 75 per flight
		70-250	2 ticket counters and lobby	\$150 per flight
		251 or greater	3 ticket counters and lobby	\$ 225 per flight
Boarding Gates – Secured Hold Room	Shared use of secured boarding gate area for up to 2 hours and one aircraft parking position. Includes use of gate podium, common use equipment, and one set of aircraft stairs.	1-69	1 gate podium and 1 hold room	\$110 per flight
		70-250	1 gate podium and 1 hold room	\$220 per flight
		251 or greater	2 gate podiums and 2 hold rooms	\$ 440 per flight
Baggage Claim	Use of baggage claim area and baggage delivery belt/slide. Includes aircraft parking position*. * if associated with a live departure within 3 hours of arrival. Otherwise standard aircraft parking fee applies.	1-69	1 belt, oversize slide, aircraft parking*	\$ 75 per flight
		70-250	1 belt, oversize slide, aircraft parking*	\$125 per flight
		251 or greater	2 belts, oversize slide, aircraft parking*	\$ 250 per flight

Airport Rates and Charges*

Effective **January 1, 2019**

Operational Surcharges	Charges for exceeding allocated time slots on common use areas	Ticket counter or gate	Occupying a gate after the scheduled allocation time, resulting in aircraft holding or gate change.	\$200 per hour
		Use of ticket counter or gate without prior permission.		\$200 plus regular fees
		Failure to use allocated time slot without 48 hour cancellation notice	Negatively impacting another scheduled carrier or causing Airport to shift resources to accommodate.	\$200 plus regular fees
U.S. Customs and Border Protection (CBP) Service User Fees		Category (based on MGLW)	Inspection Fee (per aircraft arrival)	
		<5,000	\$73.16	
		5,001 – 12,500.	\$225.10	
		12,501 – 35,000	\$315.14	
		35,001 – 100,000	\$432.20	
		100,001 – 255,000	\$607.77	
		> 255,000	\$754.09	
Regular service hours are Monday – Friday, 0830 – 1630 hrs. (MST). After-hours by appointment only. For after-hours appointments, there will be a minimum two-hour fee of \$377.05 per inspector in addition to the standard user fee shown above. Two hours after the aircraft's scheduled arrival time, each additional 30 minutes required of the U.S. Customs Inspector will incur a \$55.71 fee above the \$377.05 minimum each.				
Gateway Aviation Services (Fixed Based Operator) Rates and Charges				
Aircraft Open Ramp Tie-Down Fees (Space subject to availability)		Category (based on MGLW)	Monthly Tie-Down Fee (2-month minimum)	
		<5,000 lbs.	\$44.00	
		5,001 – 12,500 lbs.	\$98.00	
		12,501 – 35,000 lbs.	\$201.00	
		35,001 – 100,000 lbs.	\$316.00	
		100,001 – 255,000 lbs.	\$672.00	
		> 255,000 lbs.	\$1,321.00	
Daily Ramp Fee	Max Gross Landing Weight	Rate	A purchase of the following fuel gallon minimums will waive the first Daily Ramp Fee per visit. A purchase of a meal from the restaurant located in the Gateway Aviation Center will equate to a \$20.00 credit applicable to the first Daily Ramp Fee per visit.	
	<5000	\$20.00	10	
	5,001-12,500	\$30.00	75	
	12,501-35,000	\$90.00	150	
	35,001-100,000	\$200.00	200	
	100,001-255,000	\$300.00	500	
>255,001	\$500.00	1,000		



Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

To: Board of Directors
From: Shea Joachim, Director Business Development
Through: Chuck Odom, Chief Financial Officer
Scott Brownlee, Deputy Director/COO
J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: FY19 Additional Capital Budget Request for New Concessions Project
Date: December 18, 2018

Proposed Motion

To authorize additional \$2,000,000 to the FY19 Capital Budget to fund Passenger Terminal improvements to support the concession program and the overall passenger experience.

Narrative

PMGAA Staff is requesting a \$2,000,000 increase to the FY19 capital budget to fund Passenger Terminal improvements to support the concession program and the overall passenger experience. Specifically, the proposed improvements will add approximately 3,000 SF of additional concession designated space, improve the connection between Phase II and Phase III of the Passenger Terminal, and maintain current passenger seating levels. The additional concession space will be built to a “vanilla shell” and the selected concessionaires will be responsible for finishing out the space.

The recommended improvements are the result of a comparative analysis of the Airport’s current concession program against comparable airports. The additional 3,000 SF of concession space will be included in the upcoming competitive solicitations for the Food & Beverage and News & Gift concession opportunities.

The \$2,000,000 adjustment request includes design and construction costs.

Fiscal Impact

Financial projections indicate the updated concession program, which will include the additional 3,000 SF of concession space, will generate an additional \$1.5 million in revenue to the Airport over the next ten (10) years.

Attachment(s)

None



RESOLUTION NO. 18-60

WHEREAS, the Phoenix-Mesa Gateway Airport Authority (“Authority”), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport (“Airport”); and

WHEREAS the Authority desires to amend the FY19 Capital Budget;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes an increase of \$2,000,000 from Unrestricted Reserves to the FY19 Capital Budget to fund Passenger Terminal improvements to support the concession program and the overall passenger experience. This resolution also authorizes the Chair or Executive Director/CEO to make such amendment to the FY19 Capital Budget as necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 18th day of December, 2018.

Jeff Serdy, Chair

ATTEST:

APPROVED AS TO FORM:

Maria Gonzalez, Clerk of the Board

Attorney



Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Management Information Report

To: Board of Directors
From: Chuck Odom, Chief Financial Officer
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Re: Solicitation Notification
Date: November 19, 2018

This report is to provide notification of the active and upcoming solicitations to help ensure compliance with the Phoenix-Mesa Gateway Airport Authority procurement transparency clause. The active activities include the following:

Active/Pending Solicitations

Type Solicitation	Number	Title	Anticipated Contract Award (Board Action)
Request for Proposals	2019-005-RFP	Aviation Fuel Supplier	January 2019
Request for Qualifications	2019-011-RFQ	Design of New Air Traffic Control Tower	January 2019

Future Solicitations

Type Solicitation	Number	Title	Scheduled for Release	Anticipated Contract Award (Board Action)
Request for Proposals	2019-009-RFP	Terminal Concessionaire(s)	January 2019	May 2019
Request for Qualifications	2019-013-RFQ	Primary Legal Counsel Services	January 2019	May 2019

Equipment Disposals

Fiscal year total from sales of decommissioned equipment total **\$4,341** consisting of 3 pieces.

If you have any questions about the solicitations or the procurement process, please feel free to contact me at 480-988-7613.