



## NOTICE AND AGENDA OF MEETING OF THE MESA GATEWAY AIRPORT AUTHORITY BOARD OF DIRECTORS

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Mesa Gateway Airport Authority and to the public that the Mesa Gateway Airport Authority will hold a meeting open to the public on **Tuesday, August 19, 2025 beginning at 9:00 a.m.** in the Board Room (Saguaro A & B) of the Gateway Administration Building, 5835 South Sossaman Road, Mesa, Arizona. Members of the Mesa Gateway Airport Authority may attend either in person or by audioconference. 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** (Lt. Governor Regina Antone, Chair)  
*Members of the Mesa Gateway Airport Authority will attend either in person or via videoconference.*
2. **Pledge of Allegiance**
3. **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.*
4. **Executive Director's Report** - J. Brian O'Neill, A.A.E., Executive Director/CEO
5. **Presentation** –Project Runway
6. **Consent Agenda**
  - a) **Minutes** of the Board Meeting held on **June 17, 2025.**
  - b) **Resolution No. 25-30** – Authorizing a Construction Manager at Risk Construction Services Contract, with **Pulice Construction, Inc.**, for the Runway 12R-30L Reconstruction Phase 2 Project in an amount not to exceed \$27,103,229.20, pending receipt of FAA Grant Funding.
  - c) **Resolution No. 25-31** – Approving an Authorization of Services to provide Construction Administration Services with **Kimley-Horn & Associates** for the Runway 12R-30L Reconstruction Phase 2 Project in an amount not to exceed \$1,180,178.79, pending receipt of FAA Grant Funding.
  - d) **Resolution No. 25-32** – Authorizing the purchase of airfield asphalt repair services with **Hi-Lite Airfield Services, LLC** for an amount not to exceed \$325,000.
  - e) **Resolution No. 25-33** – Authorizing the purchase of two vehicles from **San Tan Auto Partners, LLC, dba San Tan Ford**, in an amount not to exceed \$72,979.60.

**Consideration and Approval of:**

7. **Resolution No. 25-34** – Authorizing an Amendment of the FY26 Capital Budget to provide \$4,152,446.25 in funding, for the Construction of Aviation Way. The Mesa Gateway Airport Authority and the **City of Mesa** entered into an Intergovernmental Agreement on August 10, 2022, for the construction of Aviation Way, which aided the Airport with the eastside development.
8. **Resolution No. 25-35** – Authorizing a Land Lease Agreement with **FlightSafety International Inc.** for approximately 7.944 acres (346,046 SF) located at the intersection of Aviation Way and Gateway Boulevard. The lease term is fifty (50) years with the option to extend the term for three (3) additional periods of five (5) years each. The initial Base Rent is \$197,246.22 annually, payable in equal monthly installments of \$16,437.19 plus applicable taxes.
9. **Board Member Comments/Announcements**
10. **Next Meeting: Tuesday, September 16, 2025 at 9:00 a.m.**
11. **Adjournment**

*Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting Misty Johnson at 480-988-7607 or [mrjohnson@gatewayairport.com](mailto:mrjohnson@gatewayairport.com). Requests should be made as early as possible to allow time to arrange the accommodation.*



- Gateway Airport Reports Record Financial Performance in FY25
- Commercial Passenger and Air Cargo Activity Soar to New Heights
- Gateway East Hotel/Retail/Restaurant Project Plans to Break Ground in 2025
- Airport Installs Speed Bumps to Help Calm Traffic in Front of Terminal
- Hourly Parking Lot Receives Mill & Overlay and Shade Structure for Revenue Control Equipment
- Gateway Commerce Center III Buildings Getting Ready for Tenants
- Councilmember Jeff Brown is Queen Creek's New Representative on MGAA Board of Directors

## Executive Director's Report

### August 2025

#### OPERATIONAL PERFORMANCE METRICS

	FY23	FY24	*FY25	
Total Commercial Passengers	1,917,911	1,839,977	2,006,347	NEW RECORD
Total Aircraft Operations	247,381	300,296	303,643	NEW RECORD
Aircraft Landing Fee Revenue	\$1,449,905	\$1,702,303	\$1,874,015	NEW RECORD
Terminal Tenant Lease Revenue	\$160,449	\$172,634	\$183,929	NEW RECORD
Airline Terminal Use Fee Revenue	\$271,675	\$284,915	\$339,600	NEW RECORD
Operating Revenue	\$29,581,494	\$31,460,511	\$35,784,572	NEW RECORD
Terminal Concession Revenue	\$1,481,006	\$1,424,638	\$1,553,311	NEW RECORD
Facility/Land Lease Revenue	\$4,159,042	\$4,919,597	\$5,627,787	NEW RECORD
Ground Transportation Revenue	\$243,141	\$246,760	\$311,582	NEW RECORD
Car Rental Revenue	\$3,058,465	\$3,024,669	\$3,540,922	NEW RECORD
Vehicle Parking Revenue	\$4,648,800	\$4,841,600	\$5,209,108	NEW RECORD
Fuel Sales	\$7,304,272	\$7,761,831	\$10,109,333	NEW RECORD
Net Operating Income	\$3,891,271	\$4,111,268	\$5,411,348	NEW RECORD

\*(preliminary)

**FY25 was a Very Good Year for Mesa Gateway Airport!**

## Financial Snapshot

OPERATING INCOME	June		Month Variance	FYTD Comparison		FYTD Variance
	2024	2025		FY24	FY25	
Revenues	\$2,860,193	\$3,556,629	<b>\$696,436</b>	\$31,460,511	\$35,784,572	<b>\$4,324,061</b>
Less Expenses	\$2,985,051	\$3,550,542	<b>\$565,491</b>	\$27,349,243	\$30,373,224	<b>\$3,023,981</b>
Operating Income (Before Depreciation)	(\$124,858)	<b>\$6,087</b>	<b>\$130,945</b>	<b>\$4,111,268</b>	<b>\$5,411,348</b>	<b>\$1,300,080</b>

**Investment Fund Balances:** As of June, the Local Governmental Investment Pool (LGIP) 700 = \$3,763,056; Wells Fargo; Collateralized Money Market = \$12,270,240 and Commercial/Paper Brokered CD's = \$55,295,342; Total \$71,328,638. MGAA invests in fixed rate instruments.

## Finance and Accounting

### Gateway Airport Reports Record Financial Performance in FY25

Mesa Gateway Airport Authority (MGAA, Authority) reported a preliminary net operating income of \$6,087 for the month of June 2025. Preliminary fiscal year 2025 (FY25) operating income totaled \$5,411,348, a new all-time financial performance record for the Authority. These monthly and fiscal year totals may change based on final FY25 accounting adjustments and reconciliations.

Preliminary June aeronautical revenues increased by 35% and non-aeronautical revenues increased by 10% on a year-over-year monthly comparison. The aeronautical increase was generated by fuel flowage fees (43%), lease income (34%) and fuel sales (79%). The non-aeronautical increase was generated by parking revenue (12%) and rental car fees (12%), both the result of increased passengers, increased rental car days, and increased vehicle parking days.

Preliminary operating expenditures for June increased by 19% and totaled \$3,550,542. The increase was due to the normal inflationary cost on all expense categories.

FY25 operating expenditures are \$46,955 less than the MGAA Board-Approved FY25 Budget.

### Active/Pending Solicitations

TYPE OF SOLICITATION	Number	Title	Anticipated Contract Award
Request for Proposals	2025-009-RFP	Fire Test, Inspect, Monitor, and Repair Services	September 2025
Request for Qualifications	2025-003-RFQ	South Apron Aeronautical Redevelopment	October 2025

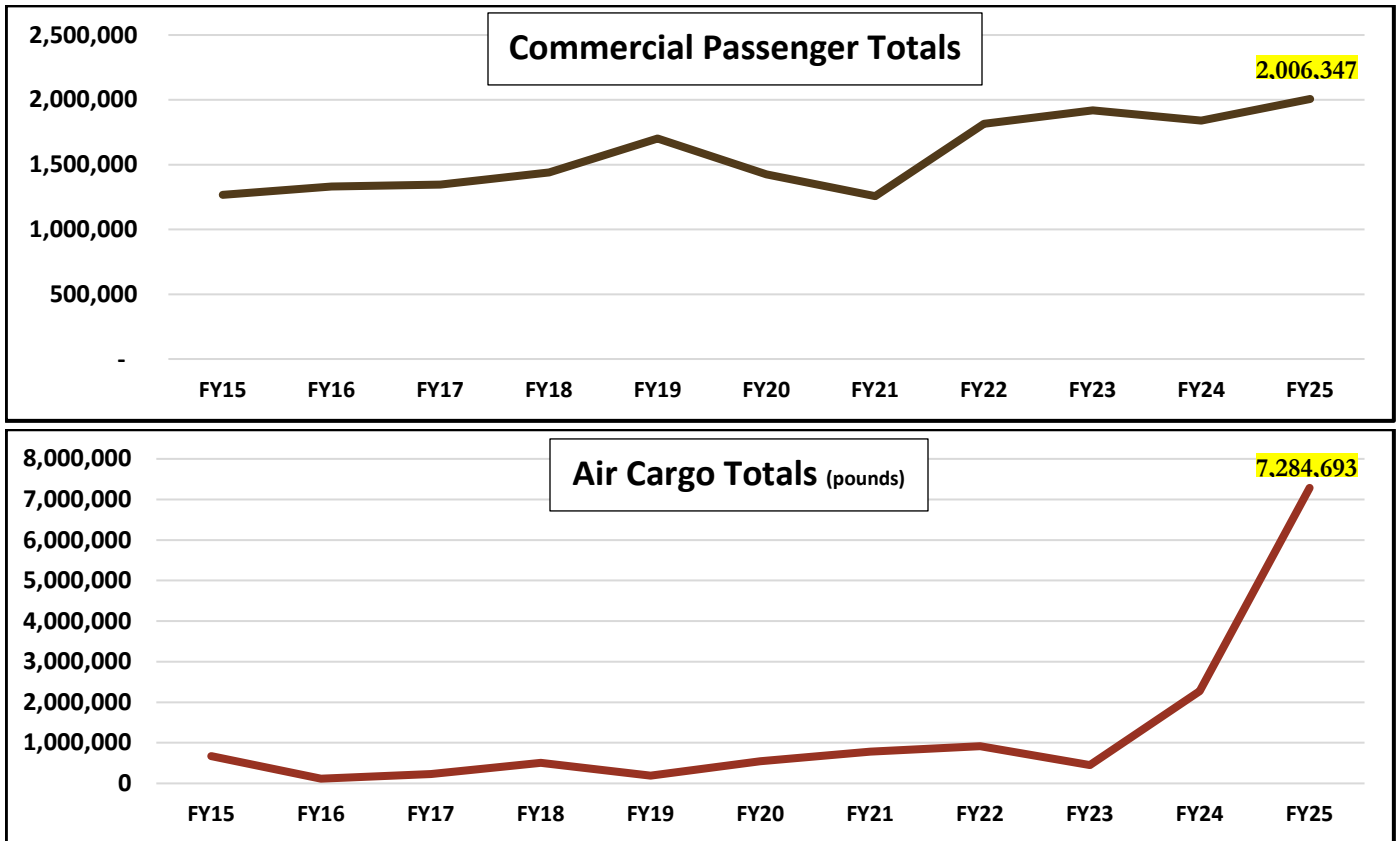
### Future Solicitations

TYPE OF SOLICITATION	Number	Title	Anticipated Contract Award
Invitation for Bid	2026-001-IFB	Power Washing Services	September 2025
Invitation for Bid	2026-002-IFB	Passenger Boarding Ramps	October 2025



## Airport Operations

### Commercial Passenger and Air Cargo Activity Soar to New Heights



The exciting evolution of Gateway Airport continues, with new records being set for commercial passengers and air cargo during the twelve months of FY25. Allegiant and Sun Country combined to carry more than two million total passengers (2,006,347) for the first time in any fiscal or calendar year, surpassing FY24 passenger activity numbers by more than 9%.

Passengers are not the only operational metric posting impressive gains in FY25. More and more Arizona-based companies are choosing the ease, convenience, and cost-effectiveness of Gateway Airport when transporting goods across the global marketplace. Air cargo totals surpassed seven million pounds (7,284,693 lbs.) during this past fiscal year.

PASSENGERS AND AIR CARGO		June		% Change	FYTD		% Change
		2024	2025		FY24	FY25	
Passengers	TOTAL	158,512	164,741	4%	1,839,977	2,006,347	9%
	Deplaned	75,146	78,090	4%	917,822	1,001,394	9%
	Enplaned	83,366	86,651	4%	922,155	1,004,953	9%
Allegiant		158,377	164,266	4%	1,802,251	1,965,322	9%
Sun Country		135	475	252%	37,726	41,025	9%
Air Cargo (lbs.)		6,680	1,662,585	24,789%	2,274,820	7,284,693	220%

OPERATIONS	June		% Change	FYTD		% Change
	2024	2025		FY24	FY25	
Air Carrier	1,349	1,278	-5%	13,098	15,043	15%
Military	167	190	14%	2,976	2,321	-22%
General Aviation	25,061	24,449	-2%	284,222	286,279	1%
<b>TOTAL</b>	<b>26,577</b>	<b>25,917</b>	<b>-2%</b>	<b>300,296</b>	<b>303,643</b>	<b>1%</b>

## Engineering, Planning, and Facilities

### Airport Installs Speed Bumps to Help Calm Traffic in Front of Terminal



*Recently Installed Speed Bump at Gateway Airport*

Gateway Airport recently announced record-setting passenger activity, surpassing two million annual passengers for the very first time. More passengers using the Airport, means more passenger pick-ups and drop-offs.

MGAA Landside Operations personnel, often stationed at the terminal curb, noticed an increase in the speed of vehicles traversing the four lanes along the arrival and departure areas. Concerned about the safety of Airport passengers and the general public, they suggested installing several strategically-placed

speed bumps along the terminal curb to help slow vehicles down.

Three four-lane speed bumps with enhanced pavement markings were installed in July and early reports are very positive. Drivers are respecting the speed bumps and have dramatically reduced the speed of traffic along the terminal curb.

### Hourly Parking Lot Receives Mill & Overlay and Shade Structure for Revenue Control Equipment

Family and friends dropping off or picking up passengers at Gateway Airport appreciate the value, ease, and convenience of the Hourly Parking Lot located directly in front of the terminal. This popular parking option recently received a full mill & overlay of its pavement and a new shade structure designed to protect customers and its revenue control equipment from the intense Arizona sun.

This project is one of several infrastructure improvement projects approved by the MGAA Board of Directors to enhance the passenger experience at Gateway Airport.



*New Shade Structure in Hourly Parking Lot*

## Business Development

### Gateway East Hotel/Retail/Restaurant Project Plans to Break Ground in 2025



*New Springhill Suites Hotel by Marriott Rendering*

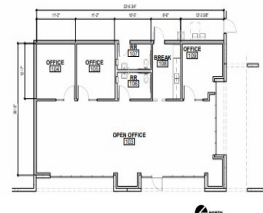
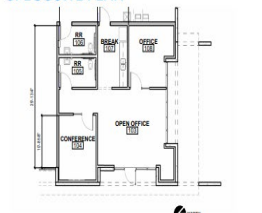
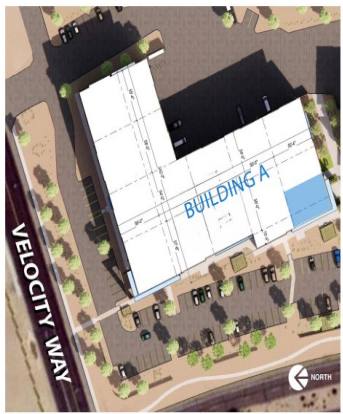



*Gateway East Retail Shops Rendering*

There are lots of exciting changes occurring at Gateway Airport as important Airport facility and infrastructure construction projects and hundreds of thousands of square feet of private development continues to transform the 3,000-acre commercial service airport/economic growth initiative and job creator.

One such exciting project is a new five-story, 125-room Springhill Suites by Marriott Hotel and associated retail and restaurant space being developed in the Gateway East Master Development on the east side of the Airport. The Boyer Company, master developer for Gateway East, is finalizing design plans and securing permits for the project and plans to break ground on the hotel in 2025. Area businesses including Arizona Athletic Grounds (AAG), Gulfstream Aerospace Corp., and XNRGY Climate Systems, and local residents in Eastmark and Cadence at Gateway, are looking forward to the new hotel, retail shops, and restaurants.

### Gateway Commerce Center III Buildings Getting Ready for Tenants

BUILDING A: 6459 S SOSSAMAN ROAD	BUILDING B: 6531 S SOSSAMAN ROAD
<ul style="list-style-type: none"><li>• 44,244 SF</li><li>• 2,000 AMP 277/480v</li><li>• 100% Air-Conditioned</li><li>• 28' Clear Height</li><li>• (10) Grade Doors [12' x 14']</li><li>• Building Depth 125'</li><li>• Common Truckwell</li><li>• Divisible</li></ul>	<ul style="list-style-type: none"><li>• 52,971 SF</li><li>• 2,000 AMP 277/480v</li><li>• 100% Air-Conditioned</li><li>• 28' Clear Height</li><li>• Common Truckwell</li><li>• (16) Grade Doors [12' x 14']</li><li>• Building Depth 123'</li><li>• Divisible</li></ul>
<p><b>SPEC SUITE PLAN</b></p> 	<p><b>SPEC SUITE PLAN</b></p> 
	

An impressive new industrial complex is under construction at the corner of Sossaman Road and Velocity Way. The two building project totals approximately 100,000 SF and is scheduled to be fully complete by late August. The developer is already constructing speculative office suites in each building to make spaces as “move-in ready as possible” for potential users.



One of the two buildings will have permit-ready plans for suites ranging between 6,700± SF and 18,700± SF that can be completed in 90 days from a signed lease.

## Gateway Aviation Services

FUEL (Gallons)	June			FYTD		
	2024	2025	% Change	FY24	FY25	% Change
AvGas	45,135	50,150	11%	467,099	595,372	27%
Retail Jet A	66,936	236,423	253%	789,207	1,509,457	91%
Contract	385,544	330,590	-14%	3,561,898	3,096,619	-13%
Commercial	1,114,940	1,186,303	6%	12,623,179	14,741,179	17%
Cargo	2,415	133,687	5,436%	265,610	606,584	128%
<b>TOTAL</b>	<b>1,614,970</b>	<b>1,937,153</b>	<b>20%</b>	<b>17,706,993</b>	<b>20,549,211</b>	<b>16%</b>

Gateway Aviation Services, the Airport Authority owned and operated FBO, pumped 1,937,153 gallons of aviation fuel during the month of June 2025, a 20% increase compared to last June. FY25, the FBO pumped a total of 20,549,211 gallons of aviation fuel, a new record for aviation fuel pumped in one year.

Congratulations to the hard-working and dedicated men and women on the Gateway Aviation Services Team. Great job this past year.

## Community Noise Report

CALLERS	June		FYTD	
	2024	2025	FY24	FY25
Total	8	14	194	145

AIRCRAFT TYPE	June		FYTD	
	2024	2025	FY24	FY25
	Callers	Callers	Callers	Callers
Commercial	3	5	84	86
GA Total	5	4	52	42
Helicopter	0	0	25	6
Military	0	5	33	11
<b>Total</b>	<b>8</b>	<b>14</b>	<b>194</b>	<b>145</b>

MGAA received communications from a total of 14 individuals regarding aircraft noise issues during the month of June 2025, compared to eight individuals last June.

LOCATION	June		FYTD	
	2024	2025	FY24	FY25
Mesa	4	5	72	58
Gilbert	3	4	60	60
Gold Canyon	0	0	1	1
Queen Creek	0	3	41	11
Queen Valley	0	1	8	7
Apache Junction	0	1	0	3
San Tan Valley	0	0	1	4
Chandler	0	0	1	0
Florence	1	0	3	1
Goodyear	0	0	2	0
Phoenix	0	0	2	0
Tempe	0	0	3	0
<b>TOTAL</b>	<b>8</b>	<b>14</b>	<b>194</b>	<b>145</b>

Gateway Airport's Community Relations Team has less communication with neighbors in adjacent communities during the summer months due to windows being closed and air conditioning units working hard to keep homes cool in the Arizona heat.

## Community and Government Relations

### Councilmember Jeff Brown is Queen Creek's New Representative on MGAA Board of Directors



MGAA would like to thank Queen Creek Mayor Julia Wheatley for her outstanding leadership as FY25 Chairwoman of the MGAA Board of Directors. Under her direction, the Authority continued to thrive and grow, setting new operational performance records during the year. Thank you, Mayor Wheatley, for a job very well done.

The Town of Queen Creek has informed MGAA that beginning in FY26, Councilmember Jeff Brown will serve as the Town's representative on the MGAA Board of Directors.

Jeff Brown was first elected to the Town Council in 2008, and was re-elected in 2012, 2016, 2020, and 2024. He serves on the Town's Economic Development Commission and the Public Safety Retirement Boards. He also represents Queen Creek on the League of Arizona Cities and Towns General Administration, Human Resources and Elections Committee and the organization's Transportation, Infrastructure and Public Works Committee.

Welcome Councilmember Brown to the MGAA Board of Directors. MGAA staff looks forward to working with you to keep the Airport moving forward.!

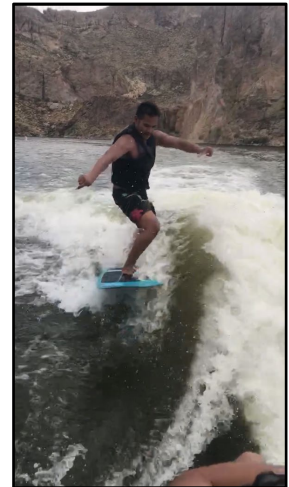
### MGAA TEAM MEMBER SPOTLIGHT

**Employee Name:** Efren Nerona  
**Employee Title:** Facilities Maintenance Worker  
**MGAA Department:** Engineering and Facilities  
**Years with MGAA:** 1+

**What are your job responsibilities for MGAA?** My job is to maintain all Airport facilities - from restrooms, floors, walls, doors, lights, bag belts, plumbing, hanging maps, pictures, white boards – as well as escort contractors and to help with new construction projects.

**What is your most memorable Gateway Airport moment?** My most memorable moment was my first white elephant Christmas party when it felt like everyone was stealing my gift that I kept choosing from the table.

**What is something people may not know about you?** People may not know that I like sketching and wake surfing at the lake.





**MINUTES OF THE PUBLIC MEETING OF THE  
MESA GATEWAY AIRPORT AUTHORITY  
BOARD OF DIRECTORS | June 17, 2025**

A public meeting of the Mesa Gateway Airport Authority (MGAA, Authority) was convened on Tuesday, June 17, 2025, 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 Julia Wheatley, Queen Creek  
Lt. Governor Regina Antone, Gila River Indian  
Community  
Mayor Mark Freeman, Mesa  
Mayor Scott Anderson, Gilbert  
Mayor Chip Wilson, Apache Junction  
*\* Neither present nor represented*

**Airport Staff Present**

J. Brian O'Neill, Executive Director/CEO  
Scott Brownlee, Deputy Director/COO  
Chuck Odom, CFO  
Misty Johnson, Clerk of the Board  
Jill Casson Owen, Attorney

**1. Call to Order** at 9:00 a.m. (Mayor Wheatley, Chairwoman)

**2. Pledge of Allegiance**

**3. Call to the Public**

There were no public comments.

**4. Executive Director's Report** – J. Brian O'Neill, A.A.E., Executive Director/CEO

Executive Director O'Neill provided a briefing on MGAA financial performance, passenger activity, the community noise report, and various Airport projects.

- Fiscal Year-to-Date 2025 (FYTD) Net Operating Income is \$4,879,857 compared to \$3,789,692 FYTD24.
- Mesa Gateway Airport (Airport, Gateway Airport) welcomed 184,995 commercial passengers in April 2025. This is up from the 150,785 passengers during April of last year. This marks the best May ever, the sixth consecutive monthly increase, and monthly increases for 11 out of the last 13 months.
- Cargo activity soars in FY25. In May alone, the Airport saw as much cargo activity as in all of FY24.
- FY25 is the highest financial performance year in the history of the Airport, and there are still two months of reporting left in the fiscal year! The record financial results can be attributed to new land leases and increased passenger activity.
- The five-year Federal Aviation Administration (FAA) Airport Capital Improvement Plan (ACIP), highlights airfield infrastructure projects identified by the Airport, FAA and Arizona Department of Transportation (ADOT) as safety and operational efficiency priorities. These identified projects total approximately \$80MM.
- A critical component of the funding plan for a future commercial passenger terminal complex to be located on the east side of the Airport are long-term land leases. The land lease revenue combined with the Airport's expanding commercial air service will enable the Authority to establish a favorable bond rating and secure tens of millions of dollars in General Airport Revenue Bonds as part of a much broader project funding plan. Land lease revenue will be pledged to pay the debt service on these bonds.

- XNRGY Climate Systems, a Canadian-based high-end climate control system manufacturer has hired more than 100 local employees and begun assembling and fabricating HVAC systems for clients at their new 275,000 SF facility/U.S. Headquarters located on the east side of the Airport.
- Gateway Airport provides a Common Use Passenger Processing System to support airline operations at 11 passenger boarding gates and 32 ticket counters. Replacement of all computer hardware and software upgrades will not exceed \$1.4MM. This project is scheduled for completion by July 31, 2025.
- The reconstruction of Runway 12R-30L is halfway through the completion process. Phase I began in October 2024. The southern portion was completed at the end of May. The full runway is open and will remain open until Phase II, the northern half of Runway 12R-30L, begins reconstruction in the fall of 2025, pending a continuation of federal funding. This important infrastructure project totals approximately \$45MM, with a majority of the funding coming from FAA grants.

## 5. Consent Agenda

- a) **Minutes** of the Board Meeting held on **May 20, 2025**.
- b) **Resolution No. 25-22** – Authorizing an agreement for financial participation between the **City of Mesa** and Mesa Gateway Airport Authority to share state and federal lobbyist and consulting services for FY26, effective July 1, 2025, in an amount not to exceed \$112,000.
- c) **Resolution No. 25-23** – Authorizing an agreement for business continuity plan development services with **Mead and Hunt, Inc.** in an amount not to exceed \$135,665.
- d) **Resolution No. 25-24** – Authorizing the purchase of janitorial supplies from **Waxie Enterprises, LLC** and its affiliates, **BradyPLUS Companies** for FY26, in an amount not to exceed \$171,637.
- e) **Resolution No. 25-25** – Authorizing the purchase of services with the **U.S. Customs & Border Protection** for the fiscal year of 2026 with costs estimated to be approximately \$302,000.
- f) **Resolution No. 25-26** – Authorizing an amendment to the Board of Director's **Budget Policy** 15-04.
- g) **Resolution No. 25-27** – Authorizing the increase to FY26 Budget for Cost of Goods Sold for Jet A fuel and 100LL Avgas from **Ascent Aviation** for Airport Authority resale in the amount of \$2,888,150.
- h) **Resolution No. 25-28** – Authorizing the purchase of Jet A fuel and 100LL Avgas from **Ascent Aviation** for Airport Authority resale in the amount of \$8,000,000.
- i) **Resolution No. 25-29** – 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 an amount not to exceed of \$615,724. This amount will provide fuel for the 2026 fiscal year.

**Mayor Chip Wilson moved to approve the Consent Agenda.**  
**Mayor Mark Freeman seconded the motion.**  
**The motion was carried unanimously.**

**6. Election of Chair and Vice Chair**

**Mayor Scott Anderson motioned to nominate Lt. Governor Regina Antone to become Chair and Mayor Mark Freeman to become Vice Chair.**  
**Mayor Chip Wilson seconded the motion.**  
**The motion was carried unanimously.**

**7. Election of Secretary and Treasurer**

**Lt. Governor Regina Antone motioned to nominate Mayor Scott Anderson to become Secretary and Mayor Chip Wilson to become Treasurer.**  
**Mayor Mark Freeman seconded the motion.**  
**The motion was carried unanimously.**

**8. Board Member Comments/Announcements.**

Lt. Governor Antone asked if there are any updates regarding the peaceful protests that occurred at the Airport recently. Executive Director O'Neill said there is nothing new to report.

Mayor Wheatley listed a number of the Authority's accomplishments from FY25 and how these translate into hundreds of jobs in the East Valley. During the coming fiscal year, she has asked Councilmember Jeff Brown to represent the Town of Queen Creek on the Authority's Board of Directors.

On behalf of the Mesa Gateway Airport Authority Board of Directors, the member communities, and Airport staff, Lt. Governor Antone presented Mayor Wheatley with a crystal trophy as a token of appreciation for her exceptional leadership during the past year as chairwoman of the Board of Directors.

**9. Next Meeting: Tuesday, August 19, 2025** at 9:00 a.m. in the Board Room (Saguaro A&B) of the Gateway Administration Building, 5835 S Sossaman Road, Mesa, Arizona. Members of the Mesa Gateway Airport Authority may attend either in person or by audioconference.

**10. Adjournment.**

The meeting adjourned at 9:22 a.m.

Dated this \_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_.

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Misty Johnson, Clerk of the Board





Mesa Gateway Airport Authority  
5835 S Sossaman Road  
Mesa, Arizona 85212-6014  
[www.gatewayairport.com](http://www.gatewayairport.com)

## Board Action Item

Re: Resolution 25-30

**To:** Board of Directors  
**From:** Bob 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:** Runway 12R-30L Reconstruction Phase 2, Construction Manager at Risk  
Construction Services – Pulice Construction, Inc. – CIP 1072  
**Date:** August 19, 2025

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### Proposed Motion

To authorize a Construction Manager at Risk (CMAR) Construction Services Contract, with Pulice Construction, Inc., for the Runway 12R-30L Reconstruction Phase 2 Project in an amount not to exceed \$27,103,229.20, pending receipt of FAA Grant Funding.

### Narrative

Due to the continued commercial aircraft usage and the age of the pavement, Runway 12R-30L has deteriorated to a pavement condition requiring extensive repairs and it has been recommended that a full reconstruction must be done to improve the pavement and subgrade strength. Runway 12R-30L is MGAA's longest runway at 10,401 feet long and 150 feet wide and is primarily used for commercial service aircraft operations.

Pulice Construction, Inc. (Pulice) has provided pre-construction and construction services as the CMAR for the Runway 12R-30L Construction Phase 1 Project, and will continue to be the CMAR for Phase 2. Phase 2 of this project will include additional demolition of existing pavement, earthwork, new Portland Cement Concrete Pavement, taxiway, and shoulder pavement, crushed Aggregate Base, Cement-Treated Base, Lime-Treated Subgrade, new pavement markings, crack seal, seal coat and airfield electrical.

The Notice of Request for Qualifications (RFQ), Solicitation 2024-016-RFQ for Runway 12R-30L Reconstruction was issued on January 18, 2024, and advertised in the Arizona Business Gazette on 1/18, 1/25, 2/01 and 2/08/24; it was also posted on the AzAA, ACC, ACI-NA, SWAAAE and FAA Matchmaker Websites as well as the Mesa Gateway Airport Authority Website. In addition, the RFQ was emailed to a list of 111 prospective firms and included ACDBE/DBE outreach. MGAA Staff received six (6) Statements of Qualifications. Upon conclusion of interviews with four of the firms, the Evaluation Panel selected Pulice as the CMAR firm that best satisfied the requirements, based on the qualifications of the firm, project team experience, project understanding, approach to performing the required services, and DBE outreach.

### Fiscal Impact

This project is included in the FY26 Capital Budget utilizing anticipated FAA Grant Funding FAA, ADOT and MGAA Matching funds under CIP 1072.

**Attachment(s): CMAR Construction Services Contract**



## RESOLUTION NO. 25-30

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

WHEREAS the Authority desires to authorize a Construction Manager at Risk (CMAR) Construction Services Contract, with Pulice Construction, Inc., for the Runway 12R-30L Reconstruction Phase 2 Project in an amount not to exceed \$27,103,229.20, pending receipt of FAA Grant Funding;

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 Construction Manager at Risk (CMAR) Construction Services Contract, with Pulice Construction, Inc., for the Runway 12R-30L Reconstruction Phase 2 Project in an amount not to exceed \$27,103,229.20, pending receipt of FAA Grant Funding. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, 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 19<sup>th</sup> day of August, 2025.

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Regina Antone, Chair

ATTEST:

APPROVED AS TO FORM:

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Misty Johnson, Clerk of the Board

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Jill Casson Owen, Attorney

**DIVISION I**



## **Runway 12R – 30L Reconstruction Phase 2**

# **CONSTRUCTION MANAGER AT RISK (CMAR) CONSTRUCTION SERVICES CONTRACT**

**Authority Project No. 1072**

**Authority Solicitation No. 2024-016-RFQ**

**FAA AIP No. 3-04-0078-063-2025**

**FAA AIP No. 3-04-0078-064-2025**

**ADOT Project No. TBD**

**ADOT Project No. TBD**

**ADOT Project No. E0S2X 01C**

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## Mesa Gateway Airport Authority

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### Construction Manager at Risk Construction Services Project No.: 1072

**THIS CONTRACT** is made and entered into by and between the Mesa Gateway Airport Authority, formerly known as 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", and shall be effective as of the date signed by Owner.

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:** Mesa Gateway Airport Authority  
Project Manager: Rich Adams  
Telephone: 480-988-7617  
Fax: 480-99-2315  
E-mail: radams@gatewayairport.com

**CMAR:** Pulice Construction, Inc.  
Project Manager: Jeff Gergal  
Telephone: 858.525.3901  
Email: jgergal@pulice.com

**PROJECT DESCRIPTION:** Runway 12R – 30L Reconstruction Phase 2

**PROJECT LOCATION:** Mesa Gateway Airport  
Mesa, AZ 85212

#### **PROJECT DESCRIPTION:**

The Runway 12R – 30L Reconstruction Phase 2 project includes the remaining portion of the 6,385-foot portion of the Runway 12R-30L Reconstruction project between the previously reconstructed thresholds. In addition to the need of new runway concrete pavement, the intent of this project is to also fix the nonstandard transverse and longitudinal grades within the runway pavement and non-standard grades within the Runway Safety Area (RSA)

## **ARTICLE 2 – CONTRACT DOCUMENTS**

### **2.1 CONTRACT DOCUMENTS**

The Contract between the Owner and CMAR shall consist of the following Contract Documents. Notwithstanding Article 50-04 of the General Provisions, should any of the Contract Documents conflict with each other, the conflict will be resolved by using the following order of precedence:

1. Any amendments or modifications to the Contract Documents in reverse chronological order, 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”);
2. Exhibit A to the CMAR Construction Contract, Accepted GMP/Price Proposal and Project Schedule – the “Basis of GMP” and “Basis of Schedule”;
3. The Guaranteed Maximum Price Proposal sections outside of item (2) above;
4. The General Conditions to the CMAR Contract;
5. The CMAR Construction Services Contract and all of its Exhibits;
6. The General Provisions to the CMAR Contract;
7. The Special Provisions to the CMAR Contract;
8. Federal Contract Provisions
9. Construction Plans & Drawings;
10. Specifications;
11. Engineer’s Design Report
12. The Request for Qualifications requirements, documents, and exhibits (#2024-016-RFQ), and CMAR’s submittal to such solicitation dated February 6, 2024;
13. Any other Contract Documents as listed in the Contract Documents Table of Contents.

### **2.3 PROJECT SPECIFIC CONDITIONS**

If there are any additional conditions that apply to this Project, they are set forth in the attached Exhibit A, 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 B.

## **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 3 & 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.
- 4.1.4 CMAR has been selected to perform the Work herein, in part, because of the skills and expertise of the key firms, team members and individuals (collectively, “CMAR’s Key Personnel”) that are listed in Exhibit F and that are consistent with the Statement of Qualification (SOQ) dated February 6, 2024. CMAR shall perform the Work under this Contract using CMAR’s Key Personnel. CMAR’s Key Personnel shall not be removed or replaced during the term of the Contract without prior written consent of Owner. Owner recognizes that CMAR’s Key Personnel may leave the employ of CMAR for reasons beyond CMAR’s control. Whenever practicable, CMAR shall give Owner at least 14 calendar days’ notice prior to the departure of any of CMAR’s Key Personnel from the Project. Owner shall have the right to approve or reject any replacements for CMAR’s Key Personnel when personnel leave that are beyond the control of the CMAR. When within CMAR’s control, CMAR’s failure to use CMAR’s Key Personnel to perform the Work under the Contract without Owner’s prior written consent will be a material breach and grounds for suspension or termination for cause of this Contract by Owner.

Without limitation of the foregoing, in the event CMAR removes any Key Personnel without the consent of Owner, which shall not unreasonably be withheld, CMAR shall deduct and/or reimburse all cost and expense charged to Owner, whether included in CMAR’s general conditions or otherwise, and including any markups thereon, for any replacement personnel who are not approved by Owner. Notwithstanding any provisions herein to contrary, Owner shall have audit rights to CMAR’s records with respect to verifying such costs, expenses and markups for purposes of deduction and/or reimbursement.

- 4.1.5 CMAR will comply with all terms and conditions of the General Conditions, General Provisions, Special Provisions, Federal Provisions, as well as the Owner’s published Rules & Regulations and Minimum Standards (Exhibit E).
- 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.

CMAR 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 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 365 calendar days**

#### **6.1 CONTRACT TIME**

- 6.1.1 The Contract Time shall start with the Notice to Proceed (“NTP”) and end with Substantial Completion as set forth in Article 6.3 below. The Notice to Proceed cannot be issued prior to the approval and acceptance by Owner of the GMP.
- 6.1.2 CMAR agrees that it will commence performance of the Work and complete the Project through both Substantial 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 the Accepted Project Schedule. 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 the Accepted Project Schedule.

- 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 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 Completion of the work within the time set forth in Article 6.3 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:

**\$2000 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 \$27,103,229.20 (Twenty-seven million, one hundred three thousand, two hundred twenty-nine dollars and twenty cents). 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**

**Not Used.**

**7.3 CONTINGENCY**

**Not Used.**

**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 13.13 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 at the times and in the amounts in accordance with Article 11 of the General Conditions to the CMAR Contract. 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 at the times and in the amounts 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”**

**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: \_\_\_\_\_

### **“CMAR”**

**Pulice Construction, Inc.,** an Arizona  
Corporation

By: \_\_\_\_\_  
Victor M. Jimenez

Title: President

Date: 07/31/2025

**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 – PROJECT TECHNICAL SPECIFICATIONS &****PHASE 2 PROJECT PLANS (Under Separate Cover)**

1. All Technical Specifications
2. Construction Plans

**EXHIBIT C – 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 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 \_\_\_\_\_, 202\_, to construct the following projects under the **Authority Solicitation No. 2024-016-RFQ; CMAR Services for Runway 12R-30L Reconstruction Phase 2 (Authority Project No. 1072)**, which 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 \_\_\_\_\_, 202\_.

\_\_\_\_\_  
**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 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 \_\_\_\_\_, 202\_\_ to construct the following projects under the **Authority Solicitation No. 2024-016-RFQ ; CMAR Services for a Runway 12R-30L Reconstruction Phase 2 (Authority Project No. 1072)**, 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 \_\_\_\_\_, 202\_\_.

\_\_\_\_\_  
**AGENCY OF RECORD, STATE OF ARIZONA**\_\_\_\_\_  
**PRINCIPAL**

BY: \_\_\_\_\_

\_\_\_\_\_  
**AGENCY ADDRESS**\_\_\_\_\_  
**TITLE:**\_\_\_\_\_  
**SURETY**

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

**BOND NUMBER:** \_\_\_\_\_**ATTACH SURETY POWER OF ATTORNEY**



**NOTICE OF INTENT TO AWARD CMAR CONTRACT**

Date  
Pulice Construction, Inc.

**Attn:**

**Re: Runway 12R-30L Reconstruction Phase 2  
Authority Project No. 1072  
Authority Solicitation No. 2024-016-RFQ**

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 18, 2024. You are hereby notified that you are to be awarded this CMAR Contract by Mesa Gateway Airport Authority on August 20, 2024, in the amount of \$18,595,906. You are required by the Terms and Conditions of this solicitation to execute the CMAR 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 CMAR 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 will be scheduled by your Project Manager at a later date and will be held in the 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 Mesa Gateway Airport Authority.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 202\_\_.

**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 \_\_\_\_\_, 202\_\_.

NOTARY PUBLIC

My Commission Expires

## NOTICE TO PROCEED

Date

Pulice Construction, Inc.

Attn: Jeff Gergal

**Re: Runway 12R-30L Reconstruction Phase 2**  
**Authority Project No. 1072**  
**Authority Solicitation No. 2024-016-RFQ**

Dear Mr. Gergal

You are unconditionally authorized to proceed with the above-referenced project effective the date of this letter. The contract time is 250 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 Rich Adams, phone no. 480-988-7655 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.

Mesa Gateway Airport Authority looks forward to a successful project with your firm.

Sincerely,

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

Authorized Representative

## APPLICATION AND CERTIFICATE FOR PAYMENT

**Runway 12R-30L Reconstruction Phase 2**  
**Authority Solicitation No. 2024-016-RFQ**  
**Authority Project No. 1072**

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) \$ \_\_\_\_\_

Less Previous Certificates for Payment \$ \_\_\_\_\_

Current Payment Due \$ \_\_\_\_\_

Retainage \_\_\_\_\_ % \$ \_\_\_\_\_

Total Earned Less Retainage \$ \_\_\_\_\_

Notice to Proceed Date \_\_\_\_\_ Date of Substantial Completion \_\_\_\_\_

Time Used \_\_\_\_\_ % Complete \_\_\_\_\_ %

**CHANGE ORDER**

PROJECT: CMAR Services for Runway 12R-30L Reconstruction Phase 2

CHANGE ORDER NO: \_ \_

Authority Project No. 1072

Authority Solicitation No. 2024-016-RFQ

TO CMAR: Pulice Construction, Inc.  
8660 E. Hartford Drive, #305  
Scottsdale, AZ 85255CONTRACT NO: \_\_\_\_\_  
CONTRACT DATE: \_\_\_\_\_, 202\_\_

**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, Engineer, 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** \_\_\_\_\_, 202\_\_.]*[CMAR],*

By \_\_\_\_\_ Date \_\_\_\_\_

It's \_\_\_\_\_

**Owner**

By \_\_\_\_\_ Date \_\_\_\_\_

It's \_\_\_\_\_

**Engineer Name**

By \_\_\_\_\_ Date \_\_\_\_\_

It's \_\_\_\_\_

## CERTIFICATE OF SUBSTANTIAL COMPLETION

(To be completed by Owner/Engineer)

I hereby certify that \_\_\_\_\_ has substantially completed  
(Name of CMAR)

the work under the following project:

**Runway 12R-30L Reconstruction Phase 2**  
**Authority Solicitation No. 2024-016-RFQ**  
**Authority Project No. 1072**

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 and Owner)

**Runway 12R-30L Reconstruction Phase 2**  
**Authority Solicitation No. 2024-016-RFQ**  
**Authority Project No. 1072**

I hereby certify that all goods and/or services required by **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)

---

**MESA GATEWAY AIRPORT AUTHORITY** has performed a final inspection of Owner's CMAR Services for Construction of **Runway 12R-30L Reconstruction Phase 2, Owner Project Number 1072**, and find that to the best of our knowledge and belief, the work on this project has been completed in accordance with all Contract documents.

The date of final completion for this project is \_\_\_\_\_, 20\_\_\_\_

Mesa Gateway Airport Authority

By: \_\_\_\_\_

Date: \_\_\_\_\_

**FINAL**  
**CMAR'S AFFIDAVIT REGARDING**  
**SETTLEMENT OF CLAIMS**

**Runway 12R-30L Reconstruction Phase 2**  
**Authority Solicitation No. 2024-016-RFQ**  
**Authority Project No. 1072**

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 **MESA GATEWAY AIRPORT AUTHORITY, ENGINEER**, 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 Engineer 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 \_\_\_\_\_, 202\_\_.

\_\_\_\_\_  
CMAR

\_\_\_\_\_  
By:

STATE OF ARIZONA    )  
                                  )       ss  
COUNTY OF         )

The foregoing instrument was subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 202\_\_.

\_\_\_\_\_  
(Notary Public)

\_\_\_\_\_  
(My Commission Expires)

**CONDITIONAL  
FULL RELEASE OF ALL CLAIMS AND WAIVER OF LIEN  
UPON PAYMENT  
(CMAR)**

WHEREAS, the undersigned, \_\_\_\_\_ (CMAR) has furnished labor, materials, and services and/or equipment for the construction of the **CMAR Services for Runway 12R-30L Reconstruction Phase 2, Authority Project No. 1072**, at the Mesa Gateway Airport, Maricopa County, State of Arizona, on the Property of the Mesa Gateway Airport Authority, Mesa, Arizona.

NOW, THEREFORE, the undersigned, upon 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 \_\_\_\_\_, 202\_\_\_\_.

\_\_\_\_\_  
Company Name

By \_\_\_\_\_

\_\_\_\_\_  
(Title)



**CONDITIONAL  
FULL RELEASE OF ALL CLAIMS AND WAIVER OF LIEN  
UPON PAYMENT  
(SUB-CONTRACTOR / SUPPLIER)**

WHEREAS, the undersigned, \_\_\_\_\_ (Sub-contractor) has furnished labor, materials, and services and/or equipment to \_\_\_\_\_ (CMAR) for the construction of the **Runway 12R-30L Reconstruction Phase 2, Authority Project No. 1072**, at the Mesa Gateway Airport, Maricopa County, State of Arizona, on the Property of the Mesa Gateway Airport Authority, Mesa, Arizona.

NOW, THEREFORE, the undersigned, upon receipt of a check from the CMAR payable to the Sub-contractor in the sum of \$ \_\_\_\_\_, said sum representing 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 State 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 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 \_\_\_\_\_, 202 \_\_\_\_.

\_\_\_\_\_  
Company Name

By \_\_\_\_\_

\_\_\_\_\_  
(Title)

**UNCONDITIONAL  
FULL RELEASE OF ALL CLAIMS AND WAIVER OF LIEN  
UPON PAYMENT  
(CMAR)**

WHEREAS, the undersigned, \_\_\_\_\_ (CMAR) has furnished labor, materials, and services and/or equipment for the construction of the **CMAR Services for Runway 12R-30L Reconstruction Phase 2, Authority Project No. 1072**, at the Mesa Gateway Airport, Maricopa County, State of Arizona, on the Property of the Mesa Gateway Airport Authority, Mesa, Arizona.

NOW, THEREFORE, the undersigned, has been paid and has received 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 \_\_\_\_\_, 202\_\_\_\_.

\_\_\_\_\_  
Company Name

By \_\_\_\_\_

\_\_\_\_\_  
(Title)

**UNCONDITIONAL  
FULL RELEASE OF ALL CLAIMS AND WAIVER OF LIEN  
UPON PAYMENT  
(SUB-CONTRACTOR / SUPPLIER)**

WHEREAS, the undersigned, \_\_\_\_\_ (Sub-contractor) has furnished labor, materials, and services and/or equipment to \_\_\_\_\_ (CMAR) for the construction of the **Runway 12R-30L Reconstruction Phase 2, Authority Project No. 1072**, at the Mesa Gateway Airport, Maricopa County, State of Arizona, on the Property of the Mesa Gateway Airport Authority, Mesa, Arizona.

NOW, THEREFORE, the undersigned, has been paid and has received a check from the CMAR payable to the Sub-contractor in the sum of \$ \_\_\_\_\_, said sum representing 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 State 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 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 \_\_\_\_\_, 202 \_\_\_\_.

\_\_\_\_\_  
Company Name

By \_\_\_\_\_

\_\_\_\_\_  
(Title)

## **EXHIBIT D – 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. 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 CMAR 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 CMAR 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 E – OWNER’S PUBLISHED RULES AND REGULATIONS**  
**AND MINIMUM STANDARDS**

CMAR agrees to comply with Mesa Gateway Airport Authority’s (Owner’s) published Rules and Regulations  
and Minimum Standards as amended from time to time.

**1. Rules & Regulations (link)**

<https://www.gatewayairport.com/policiesdocumentsandforms>

**2. Minimum Standards (link)**

<https://www.gatewayairport.com/policiesdocumentsandforms>

**EXHIBIT F – CMAR’S KEY PERSONNEL**

See following pages



Mesa Gateway Airport Authority  
5835 S Sossaman Road  
Mesa, Arizona 85212-6014  
[www.gatewayairport.com](http://www.gatewayairport.com)

## Board Action Item

**Re: Resolution 25-31**

**To:** Board of Directors  
**From:** Bob 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:** Runway 12R-30L Reconstruction Phase 2, Construction Administration Services –  
Kimley-Horn & Associates – CIP 1072  
**Date:** August 19, 2025

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### Proposed Motion

To approve an Authorization of Services to provide Construction Administration Services with Kimley-Horn & Associates for the Runway 12R-30L Reconstruction Phase 2 Project in an amount not to exceed \$1,180,178.79, pending receipt of FAA Grant Funding.

### Narrative

Due to the continued commercial aircraft usage and the age of the pavement, Runway 12R-30L has deteriorated to a pavement condition requiring extensive repairs and it has been recommended that a full reconstruction must be done to improve the pavement and subgrade strength. Runway 12R-30L is MGAA's longest runway at 10,401 feet long and 150 feet wide and is primarily used for commercial service aircraft operations.

The Construction Administration Services will consist of construction support and observation of the reconstruction of a portion of the Runway 12R-30L Portland Cement Concrete (PCC) pavement section, including Asphalt Concrete (AC) pavement shoulder improvements, electrical/signage upgrades, grading and drainage improvements, and pavement marking of the entire runway and portions of the affected adjacent taxiway network.

In 2024, a Request for Qualifications, 2024-005-RFQ, for On-Call Engineering Services was issued. Kimley-Horn & Associates (Kimley-Horn) was one of two firms selected as the most qualified. In accordance with the terms of our agreement for On-Call Engineering Services, C-20240076, Kimley-Horn worked with Airport staff to refine a Scope of Work for Construction Administration Services for the Runway 12R-30L Reconstruction Phase 2 project. The cost for these services was negotiated based upon the agreed fee schedule at a cost not to exceed \$1,180,178.79.

### Fiscal Impact

This project is included in the FY26 Capital Budget utilizing anticipated FAA Grant Funding, ADOT and MGAA Matching funds under CIP 1072.

**Attachment(s):** Authorization of Services





## RESOLUTION NO. 25-31

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

WHEREAS the Authority desires to approve an Authorization of Services to provide Construction Administration Services with Kimley-Horn & Associates for the Runway 12R-30L Reconstruction Phase 2 Project in an amount not to exceed \$1,180,178.79, pending receipt of FAA Grant Funding;

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

**The Board of Directors of the Authority hereby approve an Authorization of Services to provide Construction Administration Services with Kimley-Horn & Associates for the Runway 12R-30L Reconstruction Phase 2 Project in an amount not to exceed \$1,180,178.79, pending receipt of FAA Grant Funding. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, 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 19<sup>th</sup> day of August, 2025.

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Regina Antone, Chair

ATTEST:

APPROVED AS TO FORM:

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Misty Johnson, Clerk of the Board

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Jill Casson Owen, Attorney

**AUTHORIZATION OF SERVICES**  
**Kimley-Horn & Associates, AOS 20240076 26-01**

The signing of this Authorization of Services (AOS) by Mesa Gateway Airport Authority, formerly known as Phoenix-Mesa Gateway Airport Authority (“MGAA”) and Kimley-Horn & Associates, (“Consultant”), authorizes Consultant to carry out and complete the services described below in consideration of the mutual covenants set forth below.

1. **PROJECT:** Runway 12R-30L Reconstruction Phase 2 Project (CIP1072)
2. **SCOPE OF SERVICE:** Perform and provide Construction Administration Services for the Runway 12R-30L Reconstruction Phase 2 Project. The Construction Administration Services will consist of construction support and observation of the reconstruction of a portion of the Runway 12R-30L Portland Cement Concrete (PCC) pavement section, including Asphalt Concrete (AC) pavement shoulder improvements, electrical/signage upgrades, grading and drainage improvements, and pavement marking of the entire runway and portions of the affected adjacent taxiway network.
3. **FEE FOR SERVICES:** The fee for services shall be based upon the attached scope of services, not to exceed the-time and materials calculated-fee of \$1,180,178.79 (One million, one hundred eighty thousand, one hundred seventy-eight dollars, and seventy-nine cents.), without express written approval of MGAA.
4. **AVAILABILITY OF PROJECT FUNDING:** The approval and continuation of this AOS is subject to the availability of funds provided to, made available to, or appropriated by MGAA for this purpose. In the event that funds are not available or appropriated for MGAA’s payment requirements under this AOS for the goods and/or services to be provided hereunder, MGAA may terminate this AOS 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 AOS may be funds made available from the Federal Aviation Administration and/or Arizona Department of Transportation, and that this AOS, its approval and continuation, may be contingent on the availability of those funds being made to MGAA.
5. **INCORPORATED:** The following documents, including its terms, conditions, exhibits, attachments, and amendments are hereby incorporated with this AOS and made part thereof:
  - ☒ MGAA Agreement Number: 20240076 effective 12/19/23.
6. **ATTACHED:** The following documents are attached to this AOS and are incorporated herein by this reference and made part thereof:
  - ☒ Consultant’s Scope and Fee Proposal dated May, 2025.
7. **EFFECTIVE:** This AOS is effective as of the date signed by MGAA.



MGAA and Consultant acknowledge that they are in agreement with the terms and conditions as set forth in this AOS.

Executed as of the Effective Date.

**CONSULTANT**  
**Kimley-Horn & Associates**

**MGAA**  
**MESA GATEWAY AIRPORT AUTHORITY,**  
a joint powers airport authority authorized by  
the state of Arizona

By: Nathan Walnum  
Name: Nathan Walnum  
Title: Sr. Vice President  
Date: 7/29/2025

By: \_\_\_\_\_  
Name: J. Brian O'Neill, A.A.E.  
Title: Executive Director/CEO  
Date: \_\_\_\_\_



Mesa Gateway Airport Authority  
5835 S Sossaman Road  
Mesa, Arizona 85212-6014  
[www.gatewayairport.com](http://www.gatewayairport.com)

## Board Action Item

Re: Resolution 25-32

**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:** Asphalt/Pavement Repair, Rehabilitation, Paint Removal, Airfield - Hi-Lite Airfield Services, LLC – CIP 1306  
**Date:** August 19, 2025

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### Proposed Motion

To authorize the purchase of airfield asphalt repair services with Hi-Lite Airfield Services, LLC for an amount not to exceed \$325,000.

### Narrative

Due to use, age, and weather, the condition of the asphalt on taxiway, runway, and perimeter road shoulders requires crack-fill and seal coating maintenance to reduce further deterioration. Increased activity coincides with an increase in deterioration. There continues to be increasing GA and commercial flight activity, including heavy cargo and firefighting aircraft. Periodic asphalt crack-fill and seal coating is necessary to maintain accessibility for users.

The recommended course of action includes rehabilitation of runway and taxiway shoulder areas as needed throughout the airport. Authorization of the purchase of airfield asphalt repair services is necessary to reduce FOD, repair deterioration, and extend life cycles. Included in the scope of work is paint removal needed for the application of new markings throughout the airfield.

Mesa Gateway Airport Authority (MGAA) and Hi-Lite Airfield Services, LLC (Hi-Lite) are both participants of the Sourcewell purchasing group. Under Sourcewell, Hi-Lite was awarded Contract #110122-HLA for products and services, including airfield pavement maintenance, and it is through this competitive selection that MGAA will utilize Hi-Lite for asphalt and paint removal services. This contract is available upon request.

The proposal received from the vendor totaled \$309,066.50, however, staff is requesting to have an additional \$15,933.50 available in the event the vendor runs into unexpected issues, and additional funds are needed to complete the repairs.

### Fiscal Impact

The maintenance expenses were included in the FY26 capital budget under CIP 1306.

### Attachment(s)

Proposal



## RESOLUTION NO. 25-32

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

WHEREAS the Authority desires to authorize the purchase of airfield asphalt repair services with Hi-Lite Airfield Services, LLC for an amount not to exceed \$325,000;

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 airfield asphalt repair services with Hi-Lite Airfield Services, LLC for an amount not to exceed \$325,000. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, 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 19<sup>th</sup> day of August, 2025.

---

Regina Antone, Chair

ATTEST:

APPROVED AS TO FORM:

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Misty Johnson, Clerk of the Board

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Jill Casson Owen, Attorney



## Phoenix-Mesa Gateway Shoulder Maintenance Sourcewell Proposal

**Hi-Lite Airfield Services**

4816 Lena Road  
Bradenton, FL 34211

**Attn:** Jeff Burwell

**Project County:** Maricopa

**City/State:** Phoenix, AZ

**Bid Date:** 07/30/25

**Proposal #:** 25-20829-P

**Project Reference:** Sourcewell 110122-HLA

**Completion Date:** 10/30/25

**Phone:** (941) 404-9110

Item#	Description	Qty	Unit	\$ / Unit	Price
P-620-PR.MOB	Mobilization: Paint Removal Crew / Equipment	1	EA	\$ 3,720.00	\$ 3,720.00
P-620-PR.GR	Paint Removal by Grinding	11,700	SF	\$ 2.00	\$ 23,400.00
P-608.GSB.Mob	GSB88 - Mobilization	1	EA	\$ 20,000.00	\$ 20,000.00
P-608.GSB8811	GSB 88 Application 1:1 (Does not include friction testing)	33,146	SY	\$ 2.75	\$ 91,151.50
P-101-CRAC.MOB	Crack Seal - Mobilization	1	EA	\$ 3,720.00	\$ 3,720.00
P-101-CRAC.TYPE1	Joint & Crack Repair, Small (1/8" to 1" Width) (Including Routing)	6,800	LF	\$ 4.00	\$ 27,200.00
P-101-CRAC.TYPE2	Transverse Cracks - Mastic	5,340	LF	\$ 7.50	\$ 40,050.00
P-620-PAINT.MOB	Mobilization Painting Crew / Equipment	2	EA	\$ 3,720.00	\$ 7,440.00
P-620-Y.TYPE.II	Yellow Waterborne Paint, Type II, No Reflective Media	11,700	SF	\$ 0.95	\$ 11,115.00
P-620-Y.TYPE.II.I	Yellow Waterborne Painting, Type 2, with Type 1 Reflective Media	11,700	SF	\$ 1.50	\$ 17,550.00
P-620-PR.MOB	Mobilization: Paint Removal Crew / Equipment	1	EA	\$ 3,720.00	\$ 3,720.00
P-620-PR.WB	Paint Removal by Waterblasting	30,000	SF	\$ 2.00	\$ 60,000.00
<b>Total:</b>					<b>\$ 309,066.50</b>



**Project Description:**

Shoulder Project on Runway 12-30C

**Remarks:**

\*\*\* Pricing per Sourcewell Contract # 110122-HLA\*\*\*

- (1) Mobilizations for Marking Removal via Grinding
- (1) Mobilizations for Marking Removal via Waterblasting
- (2) Mobilizations for Pavement Markings
- (1) Mobilizations for Seal Coat
- (1) Mobilizations for Crack Sealing

\*\*\*Any additional mobilizations will be charged at \$3,720 per occurrence

\*\*\*Any additional mobilizations for seal coat will be charged at \$15,000 per occurrence

**Paint:**

TT-P-1952F Type II Waterborne Paint

**Beads:**

TT-B)1325D Type I Reflective Media

**Seal coat:**

GSB-88, 1:1 Dilution

**Crack Seal:**

Longitudinal Cracks - Standard Crack Seal Material

Transverse Cracks - Mastic Crack Seal Material

- Price includes initial coat of paint following crack seal and seal coating, then a permanent coat of paint per best practices
- Quoted quantities are estimates only. Actual quantities will be field measured and verified for invoicing
- Owner to provide adequate water source and dump site for solid/liquid debris
- Surface must be clean and free of FOD prior to painting
- No surface preparation will be performed outside Hi-Lite's scope of work.
- Owner to provide adequate on-site water source
- Owner to provide adequate dump site for solid/liquid debris
- No off-site dumping of waste is included in this price. Owner to provide a suitable location on-site for dumping of liquid and solid waste.
- All waste materials assumed to be clean and non-hazardous. No hazardous waste disposal is included in this proposal.
- Hi-Lite will not be responsible for cleaning other entities debris or FOD
- All barricades, traffic control, escorts, badging, set up, and tear down provided by others
- All work must be performed in dry weather, with acceptable temperatures, if our warranty is to be in effect
- Stand-by time caused by others will be billed at \$750/hour
- Hi-Lite will not be liable for any liquidated damages due to time constraints caused by others
- Minimum of 10 days' notice required for scheduling
- Any changes to the scope herein that affects Hi-Lite's work will require a reevaluation of the price
- If any quantities are altered more than 10%, Hi-Lite will reserve the right to adjust pricing.
- No retainage to be held on this contract. Payment terms to be net 30 days.
- If a Payment and Performance Bond is requested, add 2% to the total price.
- Does not include prevailing wages
- Hi-Lite will not be signatory to any Union or sign any PLA for the project. Further Hi-Lite will not be bound to any agreements between any Union and the Prime Contractor
- MOT and sufficient airfield escorts to be provided by the airport
- Assumes working hours are 8 hour days Monday through Friday



**Note: This Quote/Proposal is Only Valid in its Entirety And Prices Are Valid for (90) Days. If you need further information please contact: Maxwell Miller, Business Development Manager – (941) 404-9110, [maxwell.miller@hi-lite.com](mailto:maxwell.miller@hi-lite.com)**

**We Propose Hereby To Furnish Material and Labor in Accordance with Above Specifications For the Above Sum. Prices May Vary Slightly to Suit your Project's Particular Needs Such as Number of Mobilizations and Traffic Control. Acceptance Of This Proposal Is Only Valid in its Entirety. Note: This Proposal is Valid for 90 Days.**

**Date:** \_\_\_\_\_ **Signature:** \_\_\_\_\_

**Acceptance Of Proposal – The Above Prices, Specifications and Conditions Are Satisfactory and Hereby Accepted. You Are Authorized To Do The Work As Specified.**

**Date:** \_\_\_\_\_ **Signature:** \_\_\_\_\_

HI-LITE AIRFIELD SERVICES, LLC  
4816 Lena Road  
Bradenton, FL 34211  
315.583.6111  
[www.hi-lite.com](http://www.hi-lite.com)





Mesa Gateway Airport Authority  
5835 S Sossaman Road  
Mesa, Arizona 85212-6014  
[www.gatewayairport.com](http://www.gatewayairport.com)

## Board Action Item

Re: Resolution 25-33

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 1044and CIP 1291 Vehicle Replacements  
Date: August 19, 2025

---

### Proposed Motion

To authorize the purchase of two vehicles from San Tan Auto Partners, LLC, dba San Tan Ford, in an amount not to exceed \$72,979.60.

### Narrative

FY26 approved capital plans included the replacement of two airport utility vehicles.

The purchase includes one vehicle (Ford F-150) to replace a current 2016 F-150 and one vehicle (Ford Maverick) to replace a current 2013 Tacoma. Both vehicles have reached the end of service life due to increasing maintenance and repair costs, mileage and condition.

Mesa Gateway Airport Authority (MGAA) and San Tan Auto Partners, LLC, dba San Tan Ford (San Tan Ford) are both participants of the Arizona Department State Procurement Office (ADSPO). Under ADSPO, San Tan Ford was awarded the New Vehicle Purchase Contract #CTR059323, and it is through this competitive selection that MGAA will utilize San Tan Ford for the new vehicle purchases. This contract is available upon request.

### Fiscal Impact

This purchase was included in the FY26 capital budget and is funded with CIP #1044 and CIP #1291.

### Attachment(s)

Quotes



## RESOLUTION NO. 25-33

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

WHEREAS the Authority desires to authorize the purchase of two vehicles from San Tan Auto Partners, LLC, dba San Tan Ford, in an amount not to exceed \$72,979.60;

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 two vehicles from San Tan Auto Partners, LLC, dba San Tan Ford, in an amount not to exceed \$72,979.60. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, 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 19<sup>th</sup> day of August, 2025.

---

Regina Antone, Chair

ATTEST:

APPROVED AS TO FORM:

---

Misty Johnson, Clerk of the Board

---

Jill Casson Owen, Attorney



## Government Fleet Account Manager

Joe Sanchez (480) 621-3741

[joesanchez@santanford.com](mailto:joesanchez@santanford.com)

Department Fax (480) 621-3796

Date: July 24, 2025

Customer: Phoenix-Mesa Gateway Airport Authority

Line Item/State Contract #: F1K / CTR059323

Vehicle Description: 2025 Ford F150 Regular Cab 4X2 Short Bed

with 5.0L V8 Engine

Base Bid Price \$36,495.00

Upgrade Options

1 Window Tint	300.00
2 4 Keys with 2 FOBS	Included in Price
3 Sprayed-in Bedliner	625.00

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11 **Unit #1**

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\$925.00

Bid Price (with options) \$37,420.00

Tire Tax	11.65
Sales Tax (8.30%)	3,105.86

**Ford Extended Service Plan**

Transportation Fee                     

Total Delivered Price **\$40,537.51**

Notes:

Thank You,  
Joe

**Prepared for: Jeff Burwell, Phoenix-Mesa Gateway Airport**  
Email: jburwell@gatewayairport.com  
End User FIN Code: QZ209

Ship to:  
Jeff Burwell, Phoenix-Mesa Gateway Airport

---

2025 F-150 4x2 Regular Cab 6.5' box 122" WB XL (F1K)  
Price Level: 565

---



### **Client Proposal**

Prepared by:  
Joe Sanchez  
Office: 480-621-3741  
Email: joesanchez@santanford.com  
Quote ID: 72425-4  
Date: 07/24/2025



San Tan Ford | 1429 East Motorplex Loop, Gilbert, Arizona, 852970410



**Government Fleet Account Manager**

Joe Sanchez (480) 621-3741

[joesanchez@santanford.com](mailto:joesanchez@santanford.com)

Department Fax (480) 621-3796

Date: July 11, 2025

Customer: Phoenix-Mesa Gateway Airport Authority

Line Item/State Contract #: W8B / CTR059323

Vehicle Description: 2025 Ford Maverick XL AWD

with 2.0L EcoBoost Engine

**Base Bid Price** \$28,225.00

Upgrade Options

1 Ford Co-Pilot360	795.00
2 4 Keys with 2 FOBS	Included in Price
3 Window Tint	300.00
4 Sprayed-in Bedliner	625.00

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11 **Unit #2**

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\$1,720.00

**Bid Price (with options)** **\$29,945.00**

Tire Tax	11.65
Sales Tax (8.30%)	2,485.44

**Ford Extended Service Plan**

Transportation Fee

**Total Delivered Price** **\$32,442.09**

Notes:

Thank You,  
Joe

**Prepared for: Jeff Burwell, Phoenix-Mesa Gateway Airport**  
Email: jburwell@gatewayairport.com  
End User FIN Code: QZ209

Ship to:  
Jeff Burwell, Phoenix-Mesa Gateway Airport

---

**2025 Maverick AWD SuperCrew 4.5' box 121.1" WB XL (W8B)**

Price Level: 560

---



### **Client Proposal**

Prepared by:  
Joe Sanchez  
Office: 480-621-3741  
Email: joesanchez@santanford.com  
Quote ID: 71125-1  
Date: 07/11/2025



San Tan Ford | 1429 East Motorplex Loop, Gilbert, Arizona, 852970410



Mesa Gateway Airport Authority  
5835 S Sossaman Road  
Mesa, Arizona 85212-6014  
[www.gatewayairport.com](http://www.gatewayairport.com)

## Board Action Item

**Re: Resolution 25-34**

**To:** Board of Directors  
**From:** Scott Brownlee, Deputy Director/COO  
**Through:** J. Brian O'Neill, A.A.E., Executive Director/CEO  
**Subject:** FY26 Capital Budget Amendment – IGA with the City of Mesa for the Construction of Aviation Way – CIP 1237  
**Date:** August 19, 2025

---

### Proposed Motion

To authorize an Amendment of the FY26 Capital Budget to provide \$4,152,446.25 in funding, for the Construction of Aviation Way. The Mesa Gateway Airport Authority and the City of Mesa entered into an Intergovernmental Agreement on August 10, 2022, for the construction of Aviation Way, which aided the Airport with the eastside development.

### Narrative

The Mesa Gateway Airport Authority (“MGAA”) and the City of Mesa (the “City”) have a shared interest in the development of vacant airport property adjacent to the intersection of Ellsworth Road and Williams Field Road. The City and MGAA coordinated plans for the design and construction of necessary roadway and utility infrastructure within this undeveloped portion of airport property adjacent to the Gulfstream facility.

The project included the construction of Aviation Way roadway and associated utilities (specifically water, wastewater, and stormwater infrastructure) within MGAA property, to serve the future development, and the Airport. Portions of this infrastructure are part of the City’s roadway, drainage, water and wastewater systems. MGAA agreed to reimburse the City for all City costs associated with the construction of the part of the Project (“Construction Reimbursables”) on Aviation Way based on the approved Guaranteed Maximum Price (GMP), pre-construction services costs and the City’s permitting, staff, and administration costs.

### Fiscal Impact

Requesting that these funds, for the IGA with the City for the construction of Aviation Way, be added and included in the FY26 Capital Budget utilizing MGAA non-grant funds under CIP 1237.



## RESOLUTION NO. 25-34

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

WHEREAS the Authority desires to authorize an Amendment of the FY26 Capital Budget to provide \$4,152,446.25 in funding, for the Construction of Aviation Way. The Mesa Gateway Airport Authority and the City of Mesa entered into an Intergovernmental Agreement on August 10, 2022, for the construction of Aviation Way, which aided the Airport with the eastside development;

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

**The Board of Directors of the Authority hereby authorize an Amendment of the FY26 Capital Budget to provide \$4,152,446.25 in funding, for the Construction of Aviation Way. The Mesa Gateway Airport Authority and the City of Mesa entered into an Intergovernmental Agreement on August 10, 2022, for the construction of Aviation Way, which aided the Airport with the eastside development. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, 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 19<sup>th</sup> day of August, 2025.

---

Regina Antone, Chair

ATTEST:

APPROVED AS TO FORM:

---

Misty Johnson, Clerk of the Board

---

Jill Casson Owen, Attorney





Mesa Gateway Airport Authority  
5835 S Sossaman Road  
Mesa, Arizona 85212-6014  
[www.gatewayairport.com](http://www.gatewayairport.com)

## Board Action Item

**Re: Resolution 25-35**

**To:** Board of Directors  
**From:** Lori Collins, Director, Business & Economic Development  
**Through:** J. Brian O'Neill, A.A.E., Executive Director/CEO  
**Subject:** FlightSafety International Inc. – Land Lease  
**Date:** August 19, 2025

---

### Proposed Motion

To authorize a Land Lease Agreement with FlightSafety International Inc. for approximately 7.944 acres (346,046 SF) located at the intersection of Aviation Way and Gateway Boulevard. The lease term is fifty (50) years with the option to extend the term for three (3) additional periods of five (5) years each. The initial Base Rent is \$197,246.22 annually, payable in equal monthly installments of \$16,437.19 plus applicable taxes.

### Narrative

The development parcel is a non-aeronautical land site, generally located on the southeast corner of the intersection of Aviation Way and Gateway Boulevard and consisting of approximately 346,046 total square feet (the "Premises"). FlightSafety International ("Lessee") plans to construct a world class flight simulation training and learning center totaling between 80,000 to 120,000 square feet (the "Improvements") on the Premises.

### Agreement Term and Rate

The Term of this agreement is for fifty (50) years with the option of extending the term for three (3) additional periods of five (5) years each (each, individually, "Extension"). The initial Base Rent is \$197,246.22 annually (\$0.57 per sq. ft.) payable in monthly installments of \$16,437.19 plus applicable taxes. The agreement also includes an annual increase of two and one-half percent (2.5%) to the base rent and is subject to market rate adjustments on each fifteen (15) year anniversary of the Effective Date of the Lease.

The Base rent becomes due and payable beginning on the second (2<sup>nd</sup>) anniversary of the Effective Date of the Lease.

### Attachment(s)

Land Lease Agreement with FlightSafety International Inc.



## RESOLUTION NO. 25-35

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

WHEREAS the Authority desires to authorize a Land Lease Agreement with FlightSafety International Inc. for approximately 7.944 acres (346,046 SF) located at the intersection of Aviation Way and Gateway Boulevard. The lease term is fifty (50) years with the option to extend the term for three (3) additional periods of five (5) years each. The initial Base Rent is \$197,246.22 annually, payable in equal monthly installments of \$16,437.19 plus applicable taxes;

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 Agreement with FlightSafety International Inc. for approximately 7.944 acres (346,046 SF) located at the intersection of Aviation Way and Gateway Boulevard. The lease term is fifty (50) years with the option to extend the term for three (3) additional periods of five (5) years each. The initial Base Rent is \$197,246.22 annually, payable in equal monthly installments of \$16,437.19 plus applicable taxes. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, 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 19<sup>th</sup> day of August, 2025.

---

Regina Antone, Chair

ATTEST:

APPROVED AS TO FORM:

---

Misty Johnson, Clerk of the Board

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Jill Casson Owen, Attorney



*Mesa Gateway Airport Authority*

LAND LEASE

*with*

**FlightSafety International Inc.**

Effective Date: September 1, 2025

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*Mesa Gateway Airport Authority*  
**LAND LEASE**

This Land Lease ("**Lease**") is executed to be effective the FIRST (1<sup>st</sup>) day of SEPTEMBER, 2025 ("**Effective Date**") between the **MESA GATEWAY AIRPORT AUTHORITY**, formerly Phoenix-Mesa Gateway Airport Authority, a joint powers airport authority authorized and existing under the laws of the State of Arizona ("**Lessor**"), and **FLIGHTSAFETY INTERNATIONAL INC.**, a New York corporation 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:**

**A.** Lessor is the owner and operator of the Mesa Gateway Airport ("**Airport**") generally located at the intersection of Ray Road and Sossaman Road, City of Mesa ("**City**"), Maricopa County, Arizona; 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 the intersection of Gateway Boulevard and Aviation Way consisting of THREE HUNDRED FORTY-SIX THOUSAND FORTY-SIX (346,046) square feet, as set forth in **EXHIBIT A** attached hereto ("**Premises**"); and

**D.** 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 the matters set forth on **EXHIBIT C** (the "**Permitted Exceptions**") 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 Event of Default shall have occurred and is continuing, Lessee shall peaceably have and enjoy the use and development of the Premises without hindrance from Lessor and those claiming through 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, 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. Lessor agrees to cooperate with Lessee, at no or nominal cost to Lessor, in connection with such activities and undertakings.



1.2 Access Agreement and Option to Lease. Lessor and Lessee are parties to that certain Access Agreement and Option to Lease dated April 15, 2025 ("**Access Agreement**"). Notwithstanding anything to the contrary in the Access Agreement, the "Term" of the Access Agreement as defined therein shall continue upon execution of this Lease and shall terminate upon the commencement of the Term (as defined in SECTION 2.1) of this Lease on September 1, 2025.

1.3 Access. Lessee and Lessee's agents, contractors, employees, licensees, invitees and customers are 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 for training aviation professionals, including, but not limited to: (a) flight simulation and pilot training, (b) aviation maintenance training, (c) aircrew training, (d) ancillary aviation training services to customers, (e) learning center operations, (f) general office use related to the foregoing uses, and (g) ancillary storage and assembly of products in connection with the foregoing uses ("**Permitted Use**") and for no other use without the prior written consent 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 *Airport Minimum Standards*. Lessor shall not consent to or enter into any agreement, including modification of a Permitted Exception, that materially affects Lessee's rights, obligations, or remedies under this Lease without Lessee's prior review and approval.

1.5 Prohibited Activities. Lessee shall not use the Premises for a flight school operated to issue pilot's licenses or certificates through in-Aircraft training (e.g., under Part 61 or Part 141 of the FAA regulations). 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* and *Airport Minimum Standards*, the Permitted Exceptions, 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. For purposes of this SECTION 1.5, "**Aircraft**" means any device or contrivance now known or hereafter invented that is used or intended to be used for flight in the air.

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. Lessee may change such manager from time-to-time during the Term by providing prior written notice thereof of Lessor.

1.7 Lessee Acknowledgement. Lessee acknowledges and agrees that, except as otherwise specifically set forth in SECTION 14.14, 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) the Permitted Exceptions; (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 initial term of this Lease shall be for a period of FIFTY (50) years, commencing on the Effective Date and terminating on AUGUST 31, 2075 ("**Term**").

2.2 Renewal Terms. Provided Lessee is not then in default of this Lease and subject to written approval of Lessor, the Parties shall have the option of extending the Term for THREE (3) additional periods of FIVE (5) years each (each, individually, "**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 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. NONEXCLUSIVE RIGHTS

Lessee shall have the exclusive right to occupy, use and develop the Premises in compliance with the terms and conditions of this Lease, subject to SECTION 27 below. 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 (but not the Premises) except as set forth in SECTIONS 26.3 and 27 below that Lessor deems appropriate, or conduct such activities itself, provided that such activities do not materially interfere with Lessee's use or occupancy of the Premises or the development thereof.

## 4. RENT

4.1 Base Rent. Subject to SECTIONS 4.3 and 4.4 herein, Lessee agrees to pay Lessor rent for the use of the Premises ("**Base Rent**") as follows, plus applicable taxes:

<u>Period</u>	<u>Rent PSF Per Year</u>	<u>Monthly Installment</u>	<u>Annual Rent</u>
Effective Date through day immediately prior to the SECOND (2 <sup>nd</sup> ) anniversary of the Effective Date	\$0.00	\$0.00	\$0.00
SECOND (2 <sup>nd</sup> ) anniversary of the Effective Date through day immediately prior to the THIRD (3 <sup>rd</sup> ) anniversary of the Effective Date	\$0.57	\$ 16,437.19	\$ 197,246.22

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 Reserved.

4.3 Rent Increases. Commencing on the THIRD (3<sup>rd</sup>) anniversary of the Effective Date of the Lease and every anniversary of the Effective Date thereafter other than on an anniversary where the annual Base Rent will be adjusted pursuant to SECTION 4.4 below, the annual Base Rent paid by Lessee shall be increased (but never decreased) by TWO AND ONE-HALF PERCENT (2.5%).



#### 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 increased (but never decreased) on each FIFTEEN (15) year anniversary of the Effective Date of this Lease (each an “**Adjustment Date**”) as hereinafter set forth in this SECTION 4.4. 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, utility and location) airport-related leasehold interest in vacant land (specifically excluding any improvements constructed or caused to be constructed by Lessee or its Affiliates (as defined in Section 9.3) to the Premises, and any lease or sublease for such improvements), with the length of the remaining Lease term, the credit standing of Lessee and the amount and frequency of increases in Base Rent to be taking into account (“**Fair Market Base Rent**”). No single adjustment to the annual Base Rent pursuant to this paragraph shall increase the annual Base Rent by more than TEN PERCENT (10%) from the annual Base Rent in effect immediately prior to the increase pursuant to this paragraph.

4.4.2 Lessor’s determination of such Fair Market Base Rent for the Premises shall be delivered to Lessee no later than SIX (6) months prior to the Adjustment Date along with any and all substantiated information used by Lessor in connection with such determination. If Lessee disputes Lessor’s determination of such Fair Market Base Rent, Lessee shall deliver written notice of such dispute, together with Lessee’s determination of such Fair Market Base Rent, 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 Rent. 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 Rent. 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. Within SEVEN (7) calendar days of the appointment of the appraiser, the Parties shall submit to the appraiser, with a copy to the other Party, their respective determinations of the Fair Market Base Rent and any/all substantiated information. Within TWENTY (20) business days thereafter, the appraiser shall review each Party’s submittal and shall select ONE (1) Party’s submittal as representing the most reasonable approximation of such Fair Market Base Rent. The appraiser shall promptly notify the Parties of their decision, which shall be final and binding upon Lessor and Lessee. The appraiser’s fees and expenses shall be paid by the Party whose submittal was not selected.

4.4.3 If the Parties are unable to agree upon an appraiser pursuant to SECTION 4.4.2 within such SEVEN (7) calendar days, then within THREE (3) business days after expiration of the SEVEN (7)-day period, Lessor and Lessee shall each (a) appoint an appraiser with the above qualifications, and (b) give notice to the other identifying that Party’s appraiser. If a Party fails to timely appoint an appraiser, the other Party may send a notice to the Party failing to appoint an appraiser that must include the language in bold, 12-point font “**FAILURE TO APPOINT AN APPRAISER WITHIN TEN (10) BUSINESS DAYS WILL RESULT IN THE OTHER PARTY’S APPRAISER DETERMINING THE FAIR MARKET BASE RENT IN ACCORDANCE WITH SECTION 4 OF THE LEASE.**” If the Party receiving such notice fails to timely appoint an appraiser within such ten (10)-business day period, then the other Party’s appraiser shall determine the Fair Market Base Rent in accordance with this SECTION 4. Not later than SEVEN (7) calendar days after both appraisers have been appointed, Lessor and Lessee shall each submit to each appraiser, with a copy to the other Party, their respective determinations of the Fair Market Base Rent and any/all substantiated information. Within TWENTY-ONE (21) calendar days after receipt of both Parties’ proposals, the appraisers shall review the submissions and shall select ONE (1) Party’s submittal as representing the most reasonable approximation of such Fair Market Base Rent. The appraisers shall promptly notify the Parties of their decision, which shall be final and binding upon Lessor and Lessee. Each Party shall be responsible for the fees and expenses of their own selected appraiser.

4.4.4 If the appraisers selected pursuant to SECTION 4.4.3 do not agree as to which Party's proposal is closest to the actual Fair Market Base Rent, then not later than TEN (10) business days after the appraisers have notified the Parties of this fact, unless both Lessor and Lessee direct otherwise, the appraisers shall jointly select an arbitrator who shall determine which proposal is the closest to the actual Fair Market Base Rent. The arbitrator must have the same qualifications stated for an appraiser under SUBSECTION 4.4.2 above. The arbitrator shall conduct an arbitration under the provisions of the commercial arbitration rules of the American Arbitration Association. The arbitrator shall decide only which Fair Market Base Rent submission is closest to the actual Fair Market Base Rent for the Premises. The arbitrator's decision shall be binding on all Parties and shall apply retroactively as of the Adjustment Date. The arbitrator shall make a final decision within THIRTY (30) calendar days of the arbitrator's appointment.

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* and/or *Airport Fees, Services and Rental Rates 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* and *Airport Fees, Services and Rental Rates Schedule* are included as **EXHIBIT B** and are subject to change without prior notice to or approval of Lessee. Lessee acknowledges and agrees that Lessor may amend the *Airport Rates and Charges Schedule* and/or *Airport Fees, Services and Rental Rates Schedule* at any time at Lessor's sole discretion. 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 (1<sup>st</sup>) 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 (1<sup>st</sup>) day of each calendar month. 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 4.6 shall be remitted to the following address by the due date(s) specified hereinabove:

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.

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 (but not to exceed the maximum interest rate permissible by law), 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) calendar 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. Lessee shall pay, prior to delinquency, any leasehold tax, sales tax, personal property tax, transaction privilege tax, license or permit fee, or any other tax or assessment imposed during the Term against the Premises or as the result of Lessee's occupancy of Premises or conduct of any activity at the Airport under authority of this Lease, including any such tax assessable on Lessor. Lessee shall pay such taxes and assessments directly to the taxing authority charged with collecting such taxes and assessments, provided that 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 and to the extent such taxes are reasonably attributable to the Premises or a portion thereof or the operation of Lessee's business, Lessee shall pay such amounts to Lessor in the manner set forth in SECTION 4.6. Such taxes to be paid directly to Lessor include, without limitation, payment of all rent taxes, i.e., taxes imposed specifically on the gross receipts in the form of rent received by Lessor, excluding, however, penalties and interest thereon if Lessor fails to timely remit the same to the applicable taxing authority, and in all instances federal and state taxes on income, corporate franchise taxes, estate and inheritance taxes, and transfer taxes. Lessee shall be entitled to any and all tax incentives, credits, reductions, refunds or abatements obtained as a result of Lessee leasing the Premises and/or Lessee's use, occupancy or development of the same.

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 as to all amounts, interest and penalties that have accrued prior to the effective date of termination of the Lease.

## 5. PERFORMANCE GUARANTEE

### 5.1 Security Deposit.

5.1.1 On or before the Effective Date, Lessee shall pay to Lessor an amount equivalent to THIRTY-TWO THOUSAND EIGHT HUNDRED SEVENTY-FOUR AND 38/100 DOLLARS (\$32,874.38), as a security deposit ("**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 Construction Payment and Performance Guarantees.

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 of the Improvements on the Premises, or any subsequent new construction on the Premises or complete reconstruction of the Improvements by providing, at Lessee's sole cost and expense and prior to commencement of construction of the Improvements on the Premises, ONE (1) 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. A letter of credit ("**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 (as defined in SECTION 7 below) plus TEN PERCENT (10%) of such amount 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 the 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 shall be secured, at Lessee's sole cost and expense and prior to commencement of construction of said Improvements, by any ONE (1) 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 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. INTENTIONALLY DELETED

## 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 a flight simulation training and learning center building containing approximately 80,000 to 120,000 square feet, including simulator bays, classrooms, administrative spaces, and support facilities as generally depicted in **EXHIBIT D ("Improvements")** and in accordance with a site plan prepared by Lessee and approved by Lessor's Design Review Committee, such approval not to be unreasonably withheld, conditioned 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; and (iii) installing all utility meters and water and sewer lines to service all Improvements constructed on the Premises.

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 TWENTY-FOUR (24) months from the Effective Date. Lessor shall promptly, and in all events within TWENTY-ONE (21) calendar days, notify Lessee in writing if Lessor objects to any such plans. Any such notice shall specify in reasonable detail the items to which Lessor objects and the changes, which if made, would cause Lessor to withdraw such objections. Thereafter the Parties will negotiate in good faith to resolve any concerns raised by Lessor. If Lessor fails to timely provide any objections to such plans, such plans shall be deemed to be approved by Lessor.

7.2.2 Lessee shall submit its Improvement construction plans to the City for a construction permit no later than NINETY (90) calendar days from the date Lessor approved or is deemed to have approved Lessee's Improvement design plans and shall thereafter diligently pursue.

7.2.3 Reserved.

7.2.4 Lessee shall diligently prosecute construction of all Improvements and shall complete construction of all Improvements to be constructed by Lessee at and on the Premises and shall obtain a certificate of occupancy (a "**CofO**") (or its equivalent) from the City of Mesa therefor, no later than THIRTY (30) months from the date the City of Mesa issues a building permit for the Improvements and all government approvals required for such, including any approvals required from the FAA (the

**“Outside Completion Date”**). If Lessee is unable to meet a Construction Milestone due to Unavoidable Delay (as set forth and defined in SECTION 39) or due to Lessor Delay (as defined herein), then the Outside Completion Date shall be extended by ONE (1) day for each day of such Unavoidable Delay and/or Lessor Delay, as applicable, impacting the Construction Milestone. As used herein, **“Lessor Delay”** shall mean any actual delay in Lessee meeting a Construction Milestone directly attributable to (a) Lessor’s failure to act or respond within a time period or by a deadline as may be expressly required of Lessor under the terms of this Lease, or (b) the acts of Lessor or its agents or contractors, provided, however, no such acts referenced in subsections (a) and (b) above shall be a basis for a “Lessor Delay” unless and until such acts continue for two (2) business days after Lessor’s receipt of written notice thereof (which details the conduct of Lessor or its agents or contractors causing the alleged delay) from Lessee.

7.2.5 If Lessee fails to obtain a temporary or final CofO by the Outside Completion Date (as the same may be extended as set forth above), such failure shall not be an Event of Default and Lessee shall pay to Lessor an amount equal to FIVE HUNDRED DOLLARS (\$500.00) for each day that Lessee is late obtaining a temporary or final CofO (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 (1<sup>st</sup>) day of the month following the date on which such Late Completion Fees first accrues, until such time as all Late Completion Fees are paid in full. If Lessee fails to obtain a temporary or final CofO within ONE (1) year after the Outside Completion Date, such failure shall be an Event of Default, and Lessee shall have no further obligation to pay a Late Completion Fee for any days following such one-year period and Lessor can pursue its other remedies available under this Lease.

7.2.6 Unless due to an Unavoidable Delay and/or Lessor Delay, if Lessee fails to commence construction 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 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 it permits, has executed a contract for construction of the Improvements and has engaged in material work, such as grading and pouring of footings and slabs. For purposes of this Lease, Lessee shall not be deemed to have obtained, and all permits shall not be deemed issued, unless and until Lessee has physical possession of (i.e. “picked-up”) the same from the issuing authority so long as Lessee picks up the permits within NINETY (90) days.

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. Notwithstanding the foregoing, Lessee may make (i) any modification or alterations and improvements to the Premises that do not affect the exterior of the Premises or the mechanical systems or structural components thereof (e.g., changes that require plans from a civil or structural engineer) without the prior consent of Lessor, so long as such modifications or alterations are consistent with the permitted use. 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. Lessor will have THIRTY (30) 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 THIRTY (30)-day period, Lessee may send a second request to Lessor that includes the language in bold, 12-point font **“FAILURE TO RESPOND WITHIN TEN (10) BUSINESS DAYS WILL RESULT IN DEEMED APPROVAL.”** If Lessor fails to respond within the TEN (10)-business day period, Lessor shall be deemed to have approved the same. 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.

7.4 Title to Alterations and Improvements. Title to all improvements and alterations (including the Improvements) on the Premises (but not personal property or trade fixtures) shall remain the property Lessee during the Term, but automatically 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 quitclaiming such improvements and alterations to Lessor. This SECTION 7.4 shall survive the expiration or earlier termination of this Lease.

7.5 Mechanics' Liens. Lessee shall keep the Premises and all improvements constructed by Lessee thereon free of any mechanic or materialmen's liens arising by, through or under Lessee. In the event that any such lien is filed, Lessee shall, at its sole cost, either (a) pay the amount of the lien and cause such lien to be removed from the Premises, or (b) diligently contest such lien and deliver to Lessor a bond or other security reasonably satisfactory to Lessor in either case within THIRTY (30) calendar days after Lessee receives written 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 applicable City building/construction codes. No such work shall be commenced without first submitting required plans and obtaining required permits from the City, if any. To the extent required by applicable City building/construction codes, 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. At no cost to Lessor, Lessor shall reasonably cooperate with Lessee to obtain all such required approvals or consents hereunder, and, at no cost to Lessor, take all commercially reasonable steps to obtain the required response from the applicable authorities.

7.7 Damage or Destruction. Lessee shall maintain insurance on all of Lessee's Improvements to the Premises, including any subsequent alterations and improvements thereto. In the event that all or any portion of Lessee's Improvements are destroyed or rendered unusable due to fire or other catastrophe, Lessee shall, at Lessee's election:

7.7.1 replace, repair, restore, modify or improve said Improvements, subject to the provisions of SECTION 7.6, using available insurance proceeds (which shall be paid to Lessee or its Leasehold Mortgagee, as required by Leasehold Mortgagee, if any) together with any additional funds from other available sources; or

7.7.2 raze the Improvements and return the Premises to the condition that existed prior to the construction of the Improvements (until such time as Lessee elects to construct additional Improvements on the Premises as market conditions permit) and following Lessee's razing of the Improvements apply the balance of such insurance proceeds to the payment of a Leasehold Mortgage, if any; provided, however, Lessee shall continue to be obligated to perform its obligations under this Lease (including, without limitation, paying all Base Rent, but excluding any obligation to construct a new building until such time as Lessee elects to commence construction of such new building in accordance with the terms of this Lease, including without limitation the provisions of SECTIONS 7.3 and 7.6).

Notwithstanding the foregoing to the contrary, if any damage or destruction occurs to the Premises during the last five (5) years of the Term or the cost to repair the damage exceeds Five Hundred Thousand Dollars (\$500,000.00), then, subject to the provisions of SECTION 22 hereof, Lessee may terminate this Lease upon

giving Lessor (30) days written notice. In the event Lessee elects to terminate this Lease pursuant to this Section, all property insurance proceeds will be allocated between Lessee and Lessor (with Lessee receiving such proceeds up to the value of the Improvements for the remaining Term [but for the damage and destruction] and Lessor receiving such proceeds up to the residual value of the Improvements after the Term [but for the damage and destruction]); provided, however, Lessee's insurance proceeds shall be applied first to the cost of razing the Improvements and returning the Premises to the condition that existed prior to the construction of the Improvements. Each Leasehold Mortgagee shall have the right to participate in the adjustment of any insurance proceeds for insurance maintained by Lessee. If required by a Leasehold Mortgagee in the Leasehold Mortgage or other loan documents, the senior most Leasehold Mortgagee shall have the right to supervise and control the receipt and disbursement of insurance proceeds payable to Lessee pursuant to this Lease for purposes of the restoration and/or repair of the Improvements.

#### 7.8 Condemnation.

7.8.1 Condemnation of Premises. If any portion of the Premises is taken by a government entity exercising the power of eminent domain or sold to a government entity by Lessor under the exercise of said power (final judicial order that permits the taking is herein referred to as "**Condemnation**"), this Lease shall terminate, without any requirement for consent or approval from a Leasehold Mortgagee, as to the part so taken as of the date the condemning authority takes possession of the condemned portion of the Premises ("**Condemnation Date**"). Upon a partial Condemnation of the Premises, the Annual Rent and the Monthly Installment shall be adjusted by applying the Rent PSF Per Year to the square footage remaining in the Premises. If so much of the Premises is taken that, in Lessee's business judgment, the Premises is no longer reasonably suitable for Lessee's operations in Lessee's reasonable business judgment, subject to the provisions of SECTION 22.3 hereof, Lessee may terminate this Lease at any time after Lessee receives the Condemnation Notice by giving Lessor THIRTY (30) days written notice, but not later than sixty (60) days following the Condemnation Date. If the entire Premises are condemned, then this Lease shall automatically terminate as of the Condemnation Date. If the Lease is terminated pursuant to this SECTION 7.8.1, the Monthly Installment of Base Rent paid for the month in which the Condemnation Date occurs shall be prorated as of the Condemnation Date. The party who receives the condemnor's notice of intention to take ("**Condemnation Notice**") shall immediately give a copy of such notice to the other party.

7.8.2 Allocation of Award Following Lease Termination. The total award in the condemnation proceedings, whether payable due to a purchase in lieu of condemnation, a settlement reached after the initiation of condemnation proceedings, a final judgment or otherwise, will be allocated between Lessor and Lessee as follows:

(a) Lessee and Leasehold Mortgagee shall be entitled to seek and claim and receive the value of Lessee's interest in the Improvements and Lessee's leasehold interests in the Premises, including, without limitation, any loss or rents, relocation and moving costs, and other damages of Lessee and Leasehold Mortgagee available under applicable law, and any other amounts payable in connection with Lessee's leasehold interest in the Premises and the Improvements; and

(b) Lessor shall be entitled to seek and claim and receive the value of its fee interest in the land constituting the part of the Premises taken and the reversionary interest of Lessor in the Improvements. Any amount awarded pursuant to SUBSECTION (a) above that is paid to Lessor shall be held and applied by Lessor subject to the provisions of this Section and subject to the rights of any Leasehold Mortgagee.

7.8.3 Allocation of Award without Lease Termination. If this Lease is not terminated as provided in SECTION 7.8.1, Lessee shall, at Lessee's election, either:



(a) replace, repair, restore, modify or improve said Improvements, subject to the provisions of SECTION 7.6, using available award proceeds (which shall be paid to Lessee or its Leasehold Mortgagee, as required by such Leasehold Mortgagee, if any) together with any additional funds from other available sources; or

(b) restore any damage to the Premises which resulted in an unsafe condition (including, if required, raising any improvements subject to such Condemnation) and then apply the balance of such award proceeds to the payment of a Leasehold Mortgage, if any; provided, however, Lessee shall continue to be obligated to perform its obligations under this Lease (including, without limitation, paying all Rent [subject to adjustment as provided in SECTION 7.8.1], but excluding any obligation to construct a new building until such time as Lessee elects to commence construction of such new building).

**7.8.4 Temporary Taking.** In the event of a taking of all or any portion of the Premises for temporary use, the foregoing provisions of this Article shall be inapplicable thereto, this Lease shall continue in full force and effect without reduction or abatement of rent and Lessee, alone (subject to the rights of the Leasehold Mortgagee), shall be entitled to make claim for, recover and retain any award recoverable in respect of such temporary use whether in the form of rental or otherwise. If the award is made in a lump sum covering a period beyond the expiration of the Lease Term, Lessor also shall be entitled to make claim for and participate in the award proportionately. If any portion of the award for such temporary use is intended to cover the cost of restoration of the Improvements located on the Premises to the condition they were in prior to such temporary use or to make repairs occasioned by or resulting from such temporary use, such portion shall be (i) so long as any portion of the debt securing a Leasehold Mortgage remains unpaid, applied in accordance with the terms of the Leasehold Mortgage, and thereafter, (ii) used by Lessee to cover the cost of such restoration and repair, and any balance remaining shall belong to and be paid to Lessee.

**7.8.5 Leasehold Mortgagee.** In the event of any Condemnation, each Leasehold Mortgagee shall have the right to participate in the adjustment of any portion of the condemnation award belonging to Lessee. In addition, the senior most Leasehold Mortgagee shall have the right to hold, control and disburse any portion of the condemnation award belonging to Lessee, so long as such proceeds are used as required by the provisions of this Lease.

## **8. MAINTENANCE**

**8.1 Lessee Responsibilities.** Lessee shall, at its sole cost and expense, keep the Premises and all improvements thereon in a neat and clean condition and in good order and repair throughout the Term, reasonable wear and tear excepted. Lessee shall prepare, maintain and follow a preventative maintenance schedule in keeping with industry-standard good practices for all mechanical, electrical, plumbing, drain, piping, and air conditioning systems on the Premises. Lessee's maintenance of the Premises shall include, without limitation, the inspection, servicing and repair of all improvements, including pest control, landscaping and grounds maintenance.

In addition, if the City requires Lessee, as part of the development of the Premises, to install landscaping in the Aviation Way public right-of-way adjacent to the Premises between the paved street and the Premises, Lessee shall, at its sole cost and expense, maintain, repair and replace (as needed) the landscaping, including irrigation, and keep the area in good order and repair throughout the Term, reasonable wear and tear excepted. Such maintenance shall be in accordance with all City requirements.

**8.2 Damage to Premises.** 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. Any real or personal property of Lessee damaged or destroyed by Lessor shall be promptly repaired or replaced by Lessor to the satisfaction of Lessee. In lieu of such repair or replacement, where required by Lessee, Lessor shall pay to Lessee an amount sufficient to compensate for the loss sustained by Lessee. Notwithstanding the foregoing, Lessor and Lessee hereby release the other from any and all liability or responsibility to the releasing party or its insurers by way of subrogation or otherwise, for any damage to or theft, destruction, loss, or loss of use of any property caused by or arising from any occurrence, casualty or event covered by policies of insurance (including endorsements) required to be maintained pursuant to this Lease or that would be covered if such party maintained such insurance, provided, however, this release shall not include liability or responsibility attributable to willful misconduct or gross negligence of a party.

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) calendar 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 they occur.

## 9. ASSIGNMENT, SUBLETTING AND OTHER TRANSFERS

9.1 Any Transfer of Lease Interest Requires Lessor Advance Written Approval. Except as set forth in SECTION 22 to a Leasehold Mortgagee or a purchaser at a foreclosure sale, 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**"), Lessee must obtain the prior written consent of Lessor, which consent shall not be unreasonably withheld, conditioned or delayed. In connection with Lessee's request for Lessor's approval of a Transfer, Lessee and or the proposed transferee shall provide to Lessor 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. Unless otherwise agreed upon in connection with Lessor's approval of a Transfer, Lessee shall remain liable under the Lease, for all of Lessee's obligations under this Lease. 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 Lessor's (and any Lessee's) legal and financial obligations to the Federal Aviation Administration ("**FAA**"). 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 consider approval of 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 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. If Lessor fails to respond within such FORTY-FIVE (45)-day period Lessee may send a second notice to Lessor that includes the language in bold, 12-point font "**FAILURE TO RESPOND WITHIN TEN (10) BUSINESS DAYS WILL RESULT IN DEEMED APPROVAL OF A TRANSFER.**" If Lessor fails to respond within the TEN (10)-business day period, requesting approval of a Transfer. If Lessor fails to respond in writing to any matter in such second notice within TEN (10) 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, Lessor shall set forth in writing the reason for its disapproval.

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 (as defined in SECTION 9.4.1) 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 FIFTY PERCENT (50%) or more in value of the assets of Lessee.

9.4 Permitted Transfers.

9.4.1 **"Affiliate"** means any person or entity that is Controlling, Controlled by, or under common Control with, the Lessee. For purposes of the definition of **"Affiliate"** and this SECTION 9, **"Control"** (or any variations thereof) shall mean possessing the power to direct or cause the direction of the management, policies, and operations of a person or entity. Lessee and its guarantor (if applicable) shall not be released from on-going liability in the event of an assignment to an Affiliate.

9.4.2 Notwithstanding SECTIONS 9.1 and 9.3, Lessee may assign its interest in this Lease or an ownership interest in Lessee resulting in a change in the present Control of Lessee (**"Permitted Transfer"**) to the following types of entities (**"Permitted Transferee"**) without the written consent of Lessor: (a) an Affiliate of Lessee; (b) a successor entity related to Lessee by merger, consolidation, reorganization or government action; or (c) a legal entity that acquires all or substantially all of Lessee's assets; provided that in each instance under subsections (a) through (c), (i) such Permitted Transferee assumes in writing all obligations of Lessee under this Lease; (ii) Lessee provides Lessor written notice of such Permitted Transfer no later than thirty (30) days prior to the effective date of the Permitted Transfer by an executed counterpart of the instrument effecting the Permitted Transfer; and (iii) in each instance under subsections (b) and (c), such Permitted Transferee provides written financial assurances, including financial statements, to Lessor confirming that the Permitted Transferee is capable of fully performing all obligations remaining to be performed by Lessee under this Lease as of the effective date of the Permitted Transfer.

9.5 Subletting.

9.5.1 Lessee may sublease all or portions of the Premises if the following conditions are met:

(a) The sublease (including any amendments or modifications thereto) is approved in advance and in writing by Lessor (except for changes that do not materially impact Lessor's rights and interests).

(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 and prohibited uses of the Premises under any sublease shall be the same as that permitted and prohibited under this Lease. Sublessees shall agree in the sublease not to engage in any prohibited use.

(e) The term of any sublease for less than the entire Premises shall not extend beyond the stated expiration of this Lease.

(f) The term of any sublease for the entire Premises shall not extend beyond the day before the stated expiration of this Lease.

(g) Except for the payment of a security deposit, the sublessee under such sublease shall not pay rent more than ONE (1) month in advance of its due date under the sublease.

9.5.2 Upon request from Lessee and 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 Leasehold Mortgage (as defined in SECTION ERROR! REFERENCE SOURCE NOT FOUND.)) so long as (i) the conditions of SECTION 9.5.1 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*. 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 reimbursed in advance by Lessee.

9.5.3 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.

9.5.4 Lessee and its guarantor (if applicable) shall not be released from on-going liability in the event of a sublease.

## 10. IDENTIFICATION SIGNS

Lessee may install or permit to be installed on the Premises any sign(s) that conforms to any signage rules, codes and/or regulations of any governmental authority applicable to the Premises.

## 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 A breach of any covenant or failure to perform any of its other obligations under this Lease, provided that Lessee does not cure such breach or failure within THIRTY (30) calendar days after delivery by Lessor of a written notice of such default; and further 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 commenced within such THIRTY (30)-day period and thereafter diligently pursued to completion.

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 which is not in accordance with SECTION 9 or SECTION 22 of this Lease.

11.1.5 The failure to obtain a temporary or final CofO within ONE (1) year after the Outside Completion Date.

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 SECTION 22, exercise ONE (1) 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. To the fullest extent permitted by applicable law, 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 hold 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. If Lessor elects to terminate Lessee's right to possession without terminating this Lease, and to retake possession of the Premises, Lessor shall use reasonable efforts to relet the Premises.

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 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 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.

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 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 Base 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 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 19 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 Subordination of Landlord's Lien. Lessor hereby agrees from time to time to subordinate to ONE (1) or more Leasehold Mortgagees or Lessee's primary line of credit provider so long as such credit provider is an institutional lender unaffiliated with Lessee, all statutory or common law landlord's lien rights with respect to property or assets of Lessee located on the Premises, including, without limitation, Lessor's rights under A.R.S. §§ 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 Leasehold Mortgagee or primary line of credit provider 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) calendar days after receipt of an invoice from Lessor.

## 12. RESERVED

## 13. INDEMNIFICATION

13.1 Lessee's Indemnity. 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; (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; and/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. 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 accident, injury or actual damages occurring within the Premises during the Term caused by Lessor or its agents, employees, contractors or subcontractors; (ii) any grossly 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, 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 (iii) 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 14.1 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 (1) 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 *Solid Waste Disposal 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.; A.R.S. Title 49; 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 (including indoor and outdoor) 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 laws, per- and polyfluoroalkyl substances, 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). For purposes of this definition, per- and polyfluoroalkyl substances shall include aqueous film-forming foams.

#### 14.2 Environmental Compliance.

14.2.1 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 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 enacted Environmental Laws, including any amendments thereto, affecting any of Lessor's activities on the Premises.

14.2.2 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 Laws. 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 Laws.

#### 14.3 Indemnification.

14.3.1 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, the presence of Hazardous Material on the Premises, Airport or neighboring properties, or violation of any Environmental Laws 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 14.3 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 14.3 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 or the mere discovery of any Hazardous Materials on the Premises as a result of Lessee's construction and completion of the Improvements and/or any other Lessee improvements (except and only to the extent a known contamination is exacerbated by Lessee's negligence), and/or any claims or Environmental Damages arising as a result of an act of omission of Lessor or its agents, employees, or contractors at the Premises.

14.3.2 To the fullest extent permitted by applicable law, Lessor shall indemnify, defend (with counsel reasonably acceptable to Lessee), protect and hold harmless Lessee and its employees and agents for, from and against any and all Environmental Damages which are incurred or assessed as a result of any of Lessor's activities or operations on the Premises. 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. Lessor's obligations and liabilities under this SECTION 14.3 shall survive the termination of this Lease. The indemnification of Lessee by Lessor 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. Lessee reserves the right to seek injunctive relief as may be permitted under law and equity. This SECTION 14.3 explicitly excludes Lessor's duty, liability or indemnity to Lessee 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 caused by or exacerbated by Lessor or unknown contamination is caused by or exacerbated by Lessor's negligence.

14.4 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 Laws, 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 14.4, Lessor is not responsible for directing or managing any remediation action. The term "Release" means any releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, disposing, or dumping.

14.5 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 in connection with Lessee's activities or operations on 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 Release 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 Lessee's own expense, prepare and submit the required plans and financial assurances, and carry out the approved plans.

14.6 Information Sharing. 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 violation of Environmental Laws, 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.

14.7 Sublease, Assignment, and Other Contracts. Lessee shall insert provisions substantially identical, or more favorable to Lessor and Lessee (as sublessor or sublandlord under the sublease) to the provisions of this SECTION 14 in any sublease agreement (if subleasing is permissible hereunder) or contract by which it grants a right or privilege to any person, firm, corporation or other entity under this Lease.

14.8 Actions of Lessee and Lessor. 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. The activities or actions of Lessor under this SECTION 14 shall include activities or actions of Lessor's officers, directors, employees, agents, contractors, and successors.

14.9 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 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.

14.10 Reserved.

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 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.

14.12 Right to Enter Premises. In addition to the rights afforded to Lessor in SECTION 18, this Lease specifically includes the right of the United States Government, the Environmental Protection Agency ("EPA"), ADEQ, Lessor, 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 such entries by the United States, EPA, ADEQ, Arizona ADOSH, or any officer, agent, employee or contractor thereof. Provided no Event of Default exists under this Lease and Lessee is then occupying the Premises, Lessee shall be permitted the opportunity to provide an employee of Lessee to accompany Lessor and/or third parties when entering the Premises for the purposes set forth above or in SECTION 18, except in the case of real or apparent emergency.

14.13 U.S. Air Force Use and Remedial Action.

14.13.1 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 14.13, "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.

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, 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.

**14.14 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. Notwithstanding anything contained herein to the contrary, in the event the cleanup requirements as described in this **SECTION 14.14** interfere with Lessee's use of and/or access to the Premises for more than NINETY (90) consecutive days, then Lessee shall have the right to either (i) equitably abate Base Rent to the degree of interference with Lessee's use or occupancy of and access to the Premises, or (ii) terminate this Lease without any further obligations in connection herewith except for those accruing prior to termination or which expressly survive termination of this Lease.

**14.15 Reserved.**

**14.16 Wells.** Lessee shall not install any drinking water or other wells in any location on the Premises without the prior written approval of Lessor.

**14.17 Surface Disturbances.** After construction of Lessee's Improvements on the Premises as 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.

**14.18 Later Discovered Hazmat.** If any Hazardous Material is newly discovered on a portion of the Premises after the Effective Date that: (a) (i) were not placed on or introduced to the Premises 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 either (a) conduct such investigations and remedial actions as necessary under applicable Environmental Laws 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 14.18**, to promptly investigate and remediate the detected contamination in accordance with Environmental Laws, and on a schedule and in a manner that does not interfere with Lessee's development, use or construction plans, or (b) obtain approval of any Leasehold Mortgagee, if any, and 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 United States Army



Corps of Engineers and obtain a permit or waivers under Section 404 of the Clean Water Act (or if such regulatory authority has been delegated to ADEQ, shall obtain the equivalent permit or waivers from ADEQ). For purposes of this SECTION 15, the term, "new construction," includes structures, facilities, draining, dredging, channeling, filling, diking, impounding, and related activities.

## 16. INSURANCE

16.1 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:

16.1.1 *Builder's Risk* 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 until completion of construction of the improvements upon the premises as established by receipt of a final CoFO.

16.1.2 *Commercial Automobile Liability* in the amount of ONE MILLION DOLLARS (\$1,000,000) per occurrence or combined single limit, 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.

16.1.3 *Comprehensive General Liability* in the amount of FIVE MILLION DOLLARS (\$5,000,000) covering third party bodily injury and property damage, including coverage for "premises/operations," "products and completed operations," "host liquor," and "blanket contractual liabilities."

16.1.4 *Property* 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.

16.1.5 *Worker's Compensation* insurance, as required by law, and *Employer's Liability* insurance in the amount of ONE MILLION DOLLARS (\$1,000,000) covering work-related injuries to employees and others permitted to operate or otherwise conduct business on the Premises.

16.2 Form. Each insurance policy obtained pursuant to this SECTION 16, except for *Worker's Compensation* and *Employer's Liability* policies, shall: (i) name Lessor as a certificate holder and additional named insured via endorsement; (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) calendar 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.

16.3 Certificates of Insurance. Lessee shall deliver a certificate of insurance for each policy required along with an endorsement naming 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 annually or upon sooner renewal or replacement.

16.4 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 16 is no longer adequate, require

Lessee to increase its coverage to commercially reasonable amounts subject to not less than THIRTY (30) days' prior written notice provided to Lessee.

16.5 Blanket Insurance. Lessee's insurance obligations under this Lease may be satisfied by means of "blanket" or excess policies.

16.6 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 16. 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.

16.7 Lessor's Insurance. Throughout the Term of this Lease, Lessor shall maintain, as a minimum, the following insurance policies: (a) property insurance for any property of Lessor located on, in or under the Premises or the Airport, and (b) commercial general liability insurance in an amount of not less than THREE MILLION DOLLARS (\$3,000,000).

## 17. SURRENDER OF POSSESSION

### 17.1 Condition of Premises.

17.1.1 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 obligations under SECTION 7.7) and condemnation (subject to Lessee's obligations under SECTION 7.8). All trade fixtures, equipment, and other personal property installed or placed by Lessee on the Premises which are not permanently affixed to the building 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 Premises 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 be deemed abandoned, and ownership thereof shall vest in Lessor. Lessee shall, however, remain financially liable to Lessor for the reasonable 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.

17.1.2 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.

17.1.3 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, except and only to the extent contamination that is known to Lessee is exacerbated by Lessee or unknown contamination is exacerbated by Lessee's negligence, it being agreed that the mere discovery of any contamination by Lessee shall not be deemed exacerbated by Lessee.

17.2 **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.

## 18. INSPECTION BY LESSOR

The Premises has been designated by Lessee as a sensitive information facility due to the highly confidential nature of the use thereof; and 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' prior 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), 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. 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, video surveillance, 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); 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. Lessor shall take reasonable steps to avoid interrupting or disrupting the conduct of business of Lessee on the Premises.

## 19. NOTICES

19.1 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 or at such address as either Party may advise the other from time to time:

TO LESSOR:	Mesa Gateway Airport Authority
	Attn: Business Development Department
	5835 South Sossaman Road
	Mesa, Arizona 85212-6014

TO LESSEE: FlightSafety International Inc.  
Attn.: Rachael Boyster – Vice President, Corporate Real  
Estate & Facilities  
3100 Easton Square Place, Suite 100  
Columbus, Ohio 43219

19.2 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.

## 20. SEVERABILITY

Should a court of competent jurisdiction declare any provision of this Lease invalid, the remaining terms shall remain effective.

## 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 Fee Mortgagees. Lessor may mortgage its fee interest in the Premises; provided, however, that such fee mortgage (whether entered into prior and after the date of this Lease) is and shall be in all respects subject and subordinate to the Lease, including, without limitation, rights and remedies of the Leasehold Mortgagee under the Leasehold Mortgage and under any consent of the Lessor to an assignment of this Lease. Any mortgagee under a fee mortgage shall, prior to execution and recordation of such fee mortgage if this Lease is in effect (or prior to the execution of this Lease if such fee mortgage is then in existence), acknowledge and recognize in a writing, in form and substance satisfactory to Lessee and its Leasehold Mortgagee (as defined hereinafter), that such fee mortgage is subject and subordinate to the terms of this Lease.

### 22.2 Mortgaging of the Leasehold.

22.2.1 Definitions. “**Leasehold Mortgage**” shall mean any loan financing obtained by Lessee, as evidenced by any mortgage, deed of trust, assignment of leases and rents, financing statement, or other instrument and secured by Lessee’s interest in this Lease and the leasehold estate created hereby, including any extensions, modifications, amendments, replacements, supplements, renewals, refinancing, and consolidation thereof. “**Leasehold Mortgagee**” shall mean the holder of a Leasehold Mortgage.

22.2.2 Leasehold Mortgage. Notwithstanding anything in this Lease to the contrary, including, without limitation, the provisions of SECTION 9, Lessee, without Lessor’s consent may mortgage, collaterally assign, pledge, grant a security interest in, or otherwise encumber Lessee’s interest in this Lease and its leasehold interest (including any interest in the Improvements) under this Lease pursuant to one or more Leasehold Mortgages to secure indebtedness, including, without limitation, one or more loans to finance construction and/or acquisition of Improvements and other development on the Premises or the leasehold estate created by this Lease, and including refinancings thereof, provided that (a) such leasehold liens comply with this SECTION 22, and (b) no Leasehold Mortgage shall extend to or affect the fee, the reversionary fee interest or the estate of Lessor in the Premises. If, from time to time, Lessee or Lessee’s permitted successors or assigns encumbers this Lease with a Leasehold Mortgage, and if the Leasehold Mortgagee delivers to Lessor: (i) an executed counterpart of such Leasehold Mortgage; (ii) any assignment thereof; (iii) written notice of the Leasehold Mortgagee’s name and address; and (iv) the pertinent recording data for the Leasehold



Mortgage, Lessor agrees that from and after the date of receipt by Lessor of such notice and for the duration of such Leasehold Mortgage, the provisions of this SECTION 22 shall apply.

22.3 Termination of Lease. There shall be no cancellation, amendment, supplement, surrender, or modification of this Lease by Lessor or Lessee without the prior written consent of Leasehold Mortgagee, which may be withheld in the Leasehold Mortgagee's sole and absolute discretion. Notwithstanding the foregoing (but subject to Leasehold Mortgagee's rights set forth in this SECTION 22), nothing herein shall be deemed to prohibit Lessor from terminating this Lease in accordance with its terms.

22.4 Notices to Leasehold Mortgagees. Provided that each Leasehold Mortgagee has delivered a notice to Lessor of the existence of such Leasehold Mortgage and such Leasehold Mortgagee's notice address as provided in SECTION 22.2 hereof, if serving Lessee with any notice of default, Event of Default or termination, Lessor shall simultaneously send a copy of such notice to Leasehold Mortgagee. No notice of a default, Event of Default or termination shall be effective unless such notice is also delivered to each Leasehold Mortgagee. Any notice required to be given to Leasehold Mortgagee shall be given in the same manner as sent to Lessee, addressed to Leasehold Mortgagee at the address and to the attention of the person designated by such Leasehold Mortgagee under SECTION 22.2 hereof.

22.5 Curative Rights of Leasehold Mortgagees. Leasehold Mortgagee shall have the same rights as Lessee to cure such Event of Default plus an additional period of THIRTY (30) days to remedy or cause to be remedied any monetary Event of Default, and an additional NINETY (90) days to cure any non-monetary Event of Default, in each case, of which it receives notice pursuant to SECTION 22.4, provided such Leasehold Mortgagee shall reimburse Lessor, at the time of so remedying the default, for all reasonable documented out-of-pocket costs and expenses of Lessor for maintaining, protecting, insuring, and operating the Premises during the additional THIRTY (30)- or NINETY (90)-day period.

22.6 Limitation Upon Termination Rights of Lessor. If an Event of Default has occurred and has not been cured in accordance with the provisions of this Lease, notwithstanding the existence of such Event of Default, Lessor may not terminate this Lease so long as the Leasehold Mortgagee has commenced an Enforcement Action against Lessee within the cure periods provided to Leasehold Mortgagee pursuant to SECTION 22.7.1 below, and is diligently prosecuting such Enforcement Action to completion, and the Leasehold Mortgagee (a) has cured, or has caused to be cured, any then-existing monetary Event of Defaults and non-monetary Events of Default which Leasehold Mortgagee can cure without having obtained possession of the Property (with the exception of Lessee's non-monetary defaults of such a personal nature that they cannot be cured by Leasehold Mortgagee); and (b) pays the Rent and other charges due under this Lease during the continuance of such proceeding. If a Leasehold Mortgagee is required to obtain possession of the Premises before such Leasehold Mortgagee can cure a non-monetary default, the cure periods set forth above shall be tolled for such amount of time as is necessary for the Leasehold Mortgagee to obtain possession of the Premises. Upon the completion of such foreclosure action, all defaults which are not capable of being cured shall be deemed waived. In no event shall Leasehold Mortgagee have any obligation to cure any default of Lessee under this Lease unless and until Leasehold Mortgagee becomes the owner of said leasehold estate by foreclosure, sale in lieu of foreclosure, or otherwise.

22.7 Mortgagee Lease. Lessor agrees that if this Lease is terminated for any reason (other than as provided in accordance with SECTIONS 7.7 (if Leasehold Mortgagee has consented to such termination), 7.8 (if there is a Condemnation of the entire Premises or otherwise if Leasehold Mortgagee has consented to such termination), and 14.18), or if the Lease is rejected in a bankruptcy proceeding, subject to the rights herein granted to Leasehold Mortgagee, Lessor will enter into a new lease (the "**Mortgagee Lease**") of the Premises with the Leasehold Mortgagee for the remainder of the Term effective as of the date of termination, at the same Base Rent and on the same terms, provisions, covenants, and agreements as contained in this Lease, provided;



22.7.1 Leasehold Mortgagee shall request Lessor execute such a Mortgage Lease within NINETY (90) days after the date of termination and shall, within THIRTY (30) days after its receipt from Lessor of a written statement of all Base Rent and other amounts then due to Lessor under this Lease, pay to Lessor all such amounts (with the exception of amounts due by reason of Lessee's indemnification obligations set forth in SECTION 14);

22.7.2 Leasehold Mortgagee shall pay to Lessor at the time of the execution and delivery of the Mortgage Lease: (a) any sums due under this Lease but for the termination; and (b) all reasonable attorney's fees and expenses actually incurred by Lessor in connection with entering into such new Lease;

22.7.3 Leasehold Mortgagee shall cure all defaults of Lessee under the terms of this Lease (excluding Lessee's non-monetary defaults of such a personal nature that they cannot be cured by Leasehold Mortgagee, which defaults shall be deemed waived);

22.7.4 Leasehold Mortgagee, as replacement Lessee under the Mortgage Lease, shall have the same right, title, and interest in and to the Premises and the right to use the Improvements thereon as Lessee had under this Lease.

22.8 Agreement Between Lessor and Leasehold Mortgagee. Lessor, upon request, shall execute, acknowledge, and deliver to Leasehold Mortgagee an agreement, by and among Lessor, Lessee, and Leasehold Mortgagee (provided the same has been previously executed by Lessee and Leasehold Mortgagee) agreeing to all of the provisions of this SECTION 22, in form and substance reasonably satisfactory to Leasehold Mortgagee and Lessor.

22.9 Limitation on Liability of Leasehold Mortgagee. Notwithstanding any other provision of this Lease, Lessor agrees that Leasehold Mortgagee shall in no manner or respect whatsoever be liable or responsible for any of Lessee's obligations or covenants under this Lease (nor shall any rights of such Leasehold Mortgagee be contingent on the satisfaction of such obligations or covenants), unless and until Leasehold Mortgagee becomes the owner of said leasehold estate by foreclosure, sale in lieu of foreclosure, or otherwise, in which event such Leasehold Mortgagee shall be liable for such obligations and covenants only while it remains the owner of said leasehold estate.

22.10 No Merger. So long as any Leasehold Mortgage remains outstanding, the fee title and the leasehold estate created by this Lease shall not merge but shall always be kept separate and distinct, notwithstanding the union of such estates in either the Lessor or the Lessee or a third-party, by purchase or otherwise.

22.11 Foreclosure by Leasehold Mortgagee. In no event shall Lessor's consent be required, for any transfer or assignment of this Lease to Leasehold Mortgagee, any purchaser at a foreclosure sale or any other third party as a result of a foreclosure, trustee's sale or delivery of a deed in lieu of foreclosure (an "**Enforcement Action**"). In the event of any transfer or assignment of this Lease as a result of the foreclosure action, Lessor shall recognize such Leasehold Mortgagee, any purchaser at a foreclosure sale or any other third party who has succeeded to Lessee's interest under this Lease as a result of an Enforcement Action as "Lessee" for all purposes under this Lease. Promptly following an Enforcement Action, then Lessee shall provide Lessor with such Lessee's notice address and shall make the Security Deposit to the extent required by SECTION 5.1 of this Lease.

22.12 Conflicts. In the event of a conflict between the provisions of this SECTION 22 and the provisions of the Lease, this SECTION 22 shall control.

**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. COMPLIANCE WITH LAWS, 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 Premises, including all laws, ordinances, rules and regulations adopted after the Effective Date. Lessee shall be responsible for controlling and preventing disruptive pedestrian and vehicle traffic associated with its activities on the Premises. Lessee also shall display to Lessor any permits, licenses, or other evidence of compliance with laws upon request.

**25. 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. In executing this Lease, Lessor represents and warrants to Lessee that Lessor has obtained and been granted the full right, power and authority to enter into this Lease.

**26. UTILITY LINES AND SERVICE CHARGES**

26.1 Connections and Services. 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.

26.2 Payment. 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.

26.3 Continued Use and Repair. 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 reasonable discretion, including but not limited to, any utility easements on the Premises. Lessor agrees to coordinate any entry onto the Premises with Lessee and shall conduct such repairs in such a manner and at such times as to not unreasonably interfere with Lessee's activities or the activities of Lessee's employees, agents, contractors, subtenants or invitees (collectively, "**Lessee's Occupants**") thereon.

**27. RESERVATIONS TO LESSOR**

The Premises are accepted "as is, where is" by Lessee, subject to the Permitted Exceptions. Lessor reserves the right to grant reasonable easements and rights-of-way, 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 unreasonably interfere with or disrupt Lessee's or Lessee's Occupants' 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. The location of any such easements and rights-of-way shall be subject to Lessee's prior written consent which shall not be unreasonably withheld, conditioned or delayed. Lessor shall provide Lessee reasonable notice of any plan to undertake the activities contemplated under this SECTION 27 and shall coordinate with Lessee regarding the execution of such plans to minimize any interference with Lessee's or Lessee's Occupants' activities on the Premises. All work shall be in compliance with all applicable laws, including Environmental Laws, and the surface of the Premises shall be restored to its original condition, including any necessary remediation in accordance with Environmental Laws 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 Premises and any 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) GRANT ASSURANCES**

To the extent required by applicable law or applicable FAA guidance, as it may be updated from time to time:

28.1 Lessee agrees that in the event Lessee's 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.

28.2 Lessee agrees that: (a) 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; (b) 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 (c) 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.

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; provided that the foregoing does not give Lessor the right to develop new landing areas on the Premises.

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.

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 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.

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 Premises or in the event of any planned modification or alteration of any present or future building or structure situated on the Premises.

28.9 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.

28.10 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.

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.

## 29. TITLE VI

29.1 General Civil Rights. To the extent required by applicable law, Lessee agrees to comply with pertinent statutes, Executive Orders and such rules as identified in Title VI List of Pertinent Nondiscrimination Acts and Authorities to ensure that no person shall, on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), 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 Title VI List of Pertinent Nondiscrimination Acts and Authorities. To the extent required by applicable law, 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 (Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance);
- ☐ 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 U.S.C. § 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 (42 U.S.C. § 12101, et seq.) (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) 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 (2005)); and
- ☐ 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.).

29.3 Compliance with Nondiscrimination Requirements. To the extent required by applicable law, during the Term, Lessee, for itself, its assignees, and successors in interest agrees as follows:

29.3.1 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.

29.3.2 Non-discrimination. Lessee, with regard to the work performed by it during Lease, will not discriminate on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age or disability 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.

29.3.3 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.

29.3.4 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 Lessor or the FAA 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 Lessor or the FAA as appropriate, and will set forth what efforts it has made to obtain the information.

29.3.5 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 FAA 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.

29.3.6 Incorporation of Provisions. Lessee will include the provisions SUBSECTIONS 29.3.1 through 29.3.6 in every subcontract, including procurements of materials and leases of equipment, unless exempt by acts, the regulations and directives issued pursuant thereto. Lessee will take action with respect to any subcontract or procurement as Lessor or the FAA 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.

29.4 Real Property Acquired or Improved under the AIP Program. To the extent required by applicable law, Lessee, for itself, its successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land, that:

29.4.1 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 requirements imposed by the Nondiscrimination Acts and Regulations listed in the Title VI List of Pertinent Nondiscrimination Acts and Authorities (as may be amended) such that no person on the grounds 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.

29.4.2 In the event of breach of any of the above Nondiscrimination covenants in this Lease, Lessor will have the right to terminate this Lease and to enter, re-enter, and repossess said lands and facilities thereon, and hold the same as if the Lease had never been made or issued.

29.5 Use/Access to Real Property Acquired under the AIP Program.

29.5.1 Lessee for itself, and its successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that (a) 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, (b) 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, and (c) 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.

29.5.2 In the event of breach of any of the above non-discrimination covenants, Lessor will have the right to terminate this Lease and to enter or re-enter and repossess said land and the facilities thereon and hold the same as this Lease had never been made or issued.

**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. To the extent required by applicable law, 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. To the extent required by applicable law, 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 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.

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 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.

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, Lessee's 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 and Lessee's employees and contractors shall comply with all security related audits, inspections, and screenings conducted by Lessor's Operations Department.

34.2.3 Lessee will promptly return badges to 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 of badge holders, and/or suspension or revocation of ONE (1) or all misused badges.

**35. DEFAULT BY LESSOR**

In the event of any alleged breach by Lessor of its covenants or obligations 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 except as expressly permitted in SECTIONS 14.14 and 14.18 of this Lease. In no event shall Lessor be liable for punitive, consequential or speculative damages under this Lease.

**36. 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 36.

**37. SALE BY LESSOR**

Lessee agrees to look solely to Lessor's interest in the Premises and any insurance proceeds, including rents, profits, proceeds and awards for the recovery of any judgment against 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.

### 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: (a) as to whether this Lease has been supplemented or amended, and if so, the substance and manner of such supplement or amendment; (b) as to the existence of any default hereunder to the best of such Party's knowledge; (c) as to the date on which such Party was obligated to commence paying any charges hereunder and the expiration date of the Term; (d) as to whether such Party has assigned or transferred its interests or any portion thereof in this Lease; and (e) 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.

### 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, entitlement 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/pandemic, (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) delay caused by the discovery, presences or actions necessary to investigate or remediate Hazardous Material under SECTION 14 (but excluding Hazardous Material attributable to the Party claiming Unavoidable Delay), or (t) unavailability or shortage of materials or labor that could not be reasonably anticipated, or (u) 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) calendar 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 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.

40.5 Litigation Expenses. In the event of litigation between Lessor and Lessee in connection with this Lease, 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.

40.6 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.

40.7 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.

40.8 Memorandum of Lease. Upon request of a Party, the Parties will execute a memorandum of lease in the form attached hereto as **EXHIBIT E**, and the requesting Party may record the memorandum against the Premises in the Official Records of Maricopa County, Arizona.

40.9 Quiet Enjoyment. So long as this Lease is in full force and effect and Lessee performs all of Lessee's obligations hereunder, Lessee shall peacefully and quietly have, hold and enjoy the Premises for the Term without interference from Lessor, or anyone claiming by, through or under Lessor, subject to all of the provisions of this Lease.

40.10 Incentives. At no cost to Lessor, Lessor agrees to cooperate with Lessee in connection with Lessee's seeking of any incentives for the Premises. Potential incentives are outlined in **EXHIBIT F** attached hereto.

#### 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.

*(Signatures appear on the following pages.)*

IN WITNESS WHEREOF, the Parties have executed this Lease to be effective on the Effective Date.

**LESSOR:**

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

By: \_\_\_\_\_

Name: J. Brian O'Neill, A.A.E.

Title: Executive Director/CEO

Date: \_\_\_\_\_

STATE OF ARIZONA                    )  
  )     ss.  
COUNTY OF MARICOPA            )

This instrument was acknowledged before me on \_\_\_\_\_ by J. Brian O'Neill,  
A.A.E, as Executive Director/CEO of Mesa Gateway Airport Authority, a joint powers airport authority  
authorized by the State of Arizona, on behalf of the company.

\_\_\_\_\_  
Notary Public

My Commission Expires:  
\_\_\_\_\_

LESSEE:

FLIGHTSAFETY INTERNATIONAL INC., a  
New York corporation

By: Barbara G. Telek

Name: Barbara G. Telek

Title: President

Date: August 4, 2025

STATE OF Ohio )  
 ) ss.  
County of Franklin )

ACKNOWLEDGED before me this 4th day of August, 2025, by Barbara G. Telek in her capacity as President of FlightSafety International Inc., a New York corporation, for and on behalf of said corporation.

Allison McMillin  
Notary Public

My Commission Expires:  
10-30-2026



**Allison McMillin**  
Notary Public, State of Ohio  
Commission #: 2016-RE-614401  
My Commission Expires 10-30-2026



**EXHIBIT A**LEGAL DESCRIPTION OF THE PREMISES

**LEGAL DESCRIPTION  
MESA GATEWAY AIRPORT  
PURCHASE/LEASE PARCEL  
MESA, ARIZONA**



July 31, 2025  
Job No. P7431  
Page 1 of 2

THAT PORTION OF THE NORTHEAST QUARTER OF SECTION 33, TOWNSHIP 1 SOUTH, RANGE 7 EAST, GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**COMMENCING** AT THE EAST QUARTER CORNER OF SAID SECTION 33, MARKED BY A BRASS CAP IN HANDHOLE STAMPED 'CITY OF MESA' FROM WHICH THE SOUTHEAST CORNER OF SAID SECTION 33, MARKED BY A BRASS CAP IN HANDHOLE STAMPED 'CITY OF MESA' BEARS SOUTH 01°10'12" EAST, PER THE PLSS SUBDIVISION RECORD OF SURVEY "MARICOPA COUNTY GEODETIC DENSIFICATION AND CADASTRAL SURVEY AS RECORDED IN BOOK 609, PAGE 29, OF OFFICIAL RECORDS, MARICOPA COUNTY, ARIZONA, A DISTANCE OF 2640.51 FEET;

THENCE NORTH 01°10'43" EAST, ALONG THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 33, A DISTANCE OF 1362.40 FEET;

THENCE SOUTH 88°49'17" WEST, A DISTANCE OF 65.00 FEET TO THE NORTHEAST CORNER OF AN 80.00 FOOT PUBLIC UTILITY EASEMENT AND ROADWAY AS RECORDED IN DOCUMENT NO. 20230216192, OF OFFICIAL RECORDS, MARICOPA COUNTY, ARIZONA;

THENCE ALONG THE NORTH LINE OF SAID PUBLIC UTILITY EASEMENT AND ROADWAY, NORTH 89°13'49" WEST, A DISTANCE OF 117.26 FEET TO THE **POINT OF BEGINNING**;

THE FOLLOWING FIVE COURSES ARE ALONG THE NORTH LINE OF SAID PUBLIC UTILITY EASEMENT AND ROADWAY:

THENCE NORTH 89°13'49" WEST, A DISTANCE OF 48.50 FEET TO A NON-TANGENT CURVE CONCAVE NORTHEAST, OF WHICH THE RADIUS POINT BEARS NORTH 00°46'10" EAST, A RADIAL DISTANCE OF 260.00 FEET, WITH A CHORD BEARING OF NORTH 66°54'15" WEST, A CHORD DISTANCE OF 197.54 FEET;

THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 44°39'09", A DISTANCE OF 202.63 FEET;

THENCE NORTH 44°34'41" WEST, A DISTANCE OF 569.94 FEET TO A CURVE CONCAVE EAST, HAVING A RADIUS OF 260.00 FEET WITH A CHORD BEARING OF NORTH 18°01'50" WEST, A CHORD DISTANCE OF 232.41 FEET;

THENCE NORTHERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 53°05'42", A DISTANCE OF 240.94 FEET;

THENCE NORTH 08°31'01" EAST, A DISTANCE OF 12.60 FEET;

THENCE DEPARTING SAID NORTH LINE, NORTH 45°11'08" EAST, ALONG THE SOUTH LINE OF A PUBLIC UTILITY EASEMENT AND ROADWAY AS RECORDED IN DOCUMENT NO. 20230216031, OF OFFICIAL RECORDS, MARICOPA COUNTY, ARIZONA, A DISTANCE OF 35.44 FEET TO A NON-TANGENT CURVE CONCAVE NORTH, OF WHICH THE RADIUS POINT BEARS NORTH 06°51'28" EAST, A RADIAL DISTANCE OF 2,109.00 FEET WITH A CHORD BEARING OF SOUTH 87°15'03" EAST, A CHORD DISTANCE OF 302.21 FEET;

RICK ENGINEERING COMPANY | 2401 W. Peoria Avenue, Suite 130, Phoenix, AZ 85029  
 C:\RICK\Projects\F0550017431\_Mesa\_Gateway\_Airport\Survey\Legals\7431-PURCHASE\_LEASE PARCEL LEGAL\_2025-0731.docx



THE FOLLOWING THREE COURSES ARE ALONG SAID SOUTH LINE OF A PUBLIC UTILITY EASEMENT AND ROADWAY:

THENCE EASTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF  $08^{\circ}13'02''$ , A DISTANCE OF 302.47 FEET;

THENCE ALONG A NON-TANGENT LINE, SOUTH  $01^{\circ}21'41''$  EAST, A DISTANCE OF 20.00 FEET;

THENCE NORTH  $88^{\circ}38'19''$  EAST, A DISTANCE OF 309.34 FEET;

THENCE SOUTH  $00^{\circ}46'04''$  EAST, ALONG THE WEST LINE OF A DRAINAGE EASEMENT AS RECORDED IN DOCUMENT NO. 2008-1094767, OF OFFICIAL RECORDS, MARICOPA COUNTY, ARIZONA, A DISTANCE OF 1.26 FEET;

THE FOLLOWING FOUR COURSES ARE ALONG THE WEST LINE OF SAID DRAINAGE EASEMENT:

THENCE NORTH  $89^{\circ}13'56''$  EAST, A DISTANCE OF 44.99 FEET;

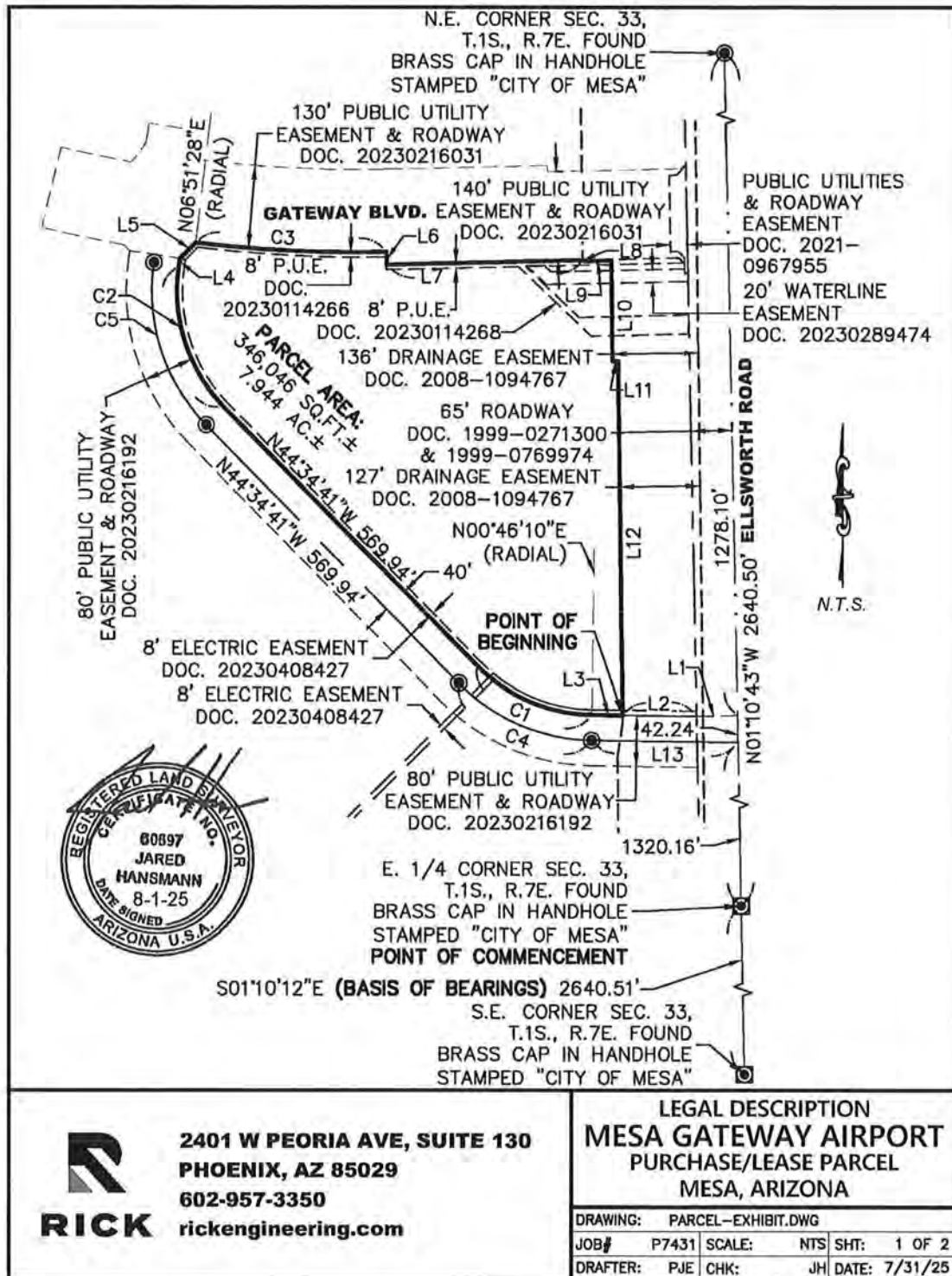
THENCE SOUTH  $00^{\circ}46'04''$  EAST, A DISTANCE OF 158.27 FEET;

THENCE NORTH  $89^{\circ}13'56''$  EAST, A DISTANCE OF 9.00 FEET;

THENCE SOUTH  $00^{\circ}46'04''$  EAST, A DISTANCE OF 556.66 FEET TO THE **POINT OF BEGINNING**.

PARCEL CONTAINS 346,046 SQUARE FEET OR 7.944 ACRES, MORE OR LESS.





**LEGEND**

- FOUND BRASS CAP FLUSH  
 ☐ FOUND BRASS CAP IN HANDHOLE



LINE TABLE		
LINE	DIRECTION	LENGTH
L1	S88°49'17"W	65.00'
L2	N89°13'49"W	117.26'
L3	N89°13'49"W	48.50'
L4	N08°31'01"E	12.60'
L5	N45°11'08"E	35.44'
L6	S01°21'41"E	20.00'
L7	N88°38'19"E	309.34'
L8	S00°46'04"E	1.26'
L9	N89°13'56"E	44.99'
L10	S00°46'04"E	158.27'
L11	N89°13'56"E	9.00'
L12	S00°46'04"E	556.65'
L13	N89°13'49"W	232.16'

CURVE TABLE				
CURVE	DELTA	RADIUS	LENGTH	CHORD
C1	44°39'09"	260.00'	202.63'	N66°54'15"W 197.54'
C2	53°05'42"	260.00'	240.94'	N18°01'50"W 232.41'
C3	8°13'02"	2109.00'	302.47'	S87°15'03"E 302.21'
C4	44°39'09"	300.00'	233.80'	N66°54'15"W 227.93'
C5	53°05'42"	300.00'	278.00'	N18°01'50"W 268.16'



2401 W PEORIA AVE, SUITE 130  
 PHOENIX, AZ 85029  
 602-957-3350  
 rickengineering.com

LEGAL DESCRIPTION  
**MESA GATEWAY AIRPORT**  
 PURCHASE/LEASE PARCEL  
 MESA, ARIZONA

DRAWING: PARCEL-EXHIBIT.DWG  
 JOB# P7431 SCALE: NTS SHT: 2 OF 2  
 DRAFTER: PJE CHK: JH DATE: 7/31/25

**EXHIBIT B**

AIRPORT RULES & REGULATIONS, AIRPORT RATES & CHARGES SCHEDULE, AND AIRPORT  
FEES, SERVICES AND RENTAL RATES

[www.gatewayairport.com/policiesdocumentsandforms](http://www.gatewayairport.com/policiesdocumentsandforms)

**EXHIBIT C****PERMITTED EXCEPTIONS****CHICAGO TITLE INSURANCE COMPANY****OWNER'S POLICY NO. PROFORMA  
CT347250100****SCHEDULE B  
EXCEPTIONS FROM COVERAGE**

Some historical land records contain Discriminatory Covenants that are illegal and unenforceable by law. This policy treats any Discriminatory Covenant in a document referenced in Schedule B as if each Discriminatory Covenant is redacted, repudiated, removed, and not republished or recirculated. Only the remaining provisions of the document are excepted from coverage.

This policy does not insure against loss or damage and the Company will not pay costs, attorneys' fees, or expenses resulting from the terms and conditions of any lease or easement identified in Schedule A, and the following matters:

1. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the year 2025.  
(No real property taxes are assessed, due or payable)
2. Water rights, claims or title to water, whether or not disclosed by the Public Records.
3. Reservations contained in the Patent

From: The United States of America  
To: John W. McEntire  
Recording Date: January 24, 1914  
Recording No: Book 108 of Deeds, page 239

Which among other things recites as follows:

Subject to any vested and accrued water rights for mining, agricultural, manufacturing, or other purposes and rights to ditches and reservoirs used in connection with such water rights, as may be recognized and acknowledged by the local customs, laws and decisions of the courts, and the reservation from the lands hereby granted, a right of way thereon for ditches or canals constructed by the authority of the United States.

4. The right of entry to prospect for, mine and remove the minerals excepted from the description of said Land in Schedule A as shown in Recording No. 98-0354787 and Re-Recorded in Recording No. 98-0364178.
5. Intentionally Deleted
6. Intentionally Deleted
7. Intentionally Deleted
8. Intentionally Deleted
9. Intentionally Deleted

This is a PRO FORMA policy for discussion purposes only that provides no insurance coverage to or on behalf of the proposed insured. It does not reflect the present state of the Title, and no party is entitled to rely on any statement herein as a representation by the Company as to the state of Title to the property. It is not a commitment to insure the Title or issue any of the attached endorsements, nor does it evidence the willingness of the Company to provide any coverage shown herein. Any such commitment must be an express written undertaking on appropriate forms of the Company. Additional matters may be added or other amendments may be made to this pro forma policy. The Company shall have no liability because of such additions or amendments.

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**SCHEDULE B**  
**EXCEPTIONS FROM COVERAGE**  
(continued)

Intentionally Deleted

## 10. Matters shown on record of survey:

Recording No.: Book 403 of Maps, page 46  
Recording No.: Book 409 of Maps, page 13  
Recording No.: Book 514 of Maps, page 11

## 11. Covenants, conditions, restrictions and easements but omitting any covenants or restrictions, if any, including but not limited to those based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, or source of income, gender, gender identity, gender expression, medical condition or genetic information, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law, as set forth in the document

Recording No.: 98-0354787

Re-Recording No.: 98-0364178

(Matters affecting the property as shown in Attachments A, I, J, K, L, M, O, T, U and V and excluding all other Attachments not expressly listed herein.)

## 12. Intentionally Deleted

## 13. Intentionally Deleted

## 14. The effect of the document set forth below, which states that the Land is located within territory in the vicinity of an airport and may be subject to increased noise and accident potential.

Recording Date: August 18, 2000  
Recording No.: 2000-0633846 and on  
Recording Date: April 27, 2017  
Recording No.: 20170301390

## 15. Intentionally Deleted

## 16. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Purpose: Drainage  
Recording Date: December 30, 2008  
Recording No.: 20081094767

This is a PRO FORMA policy for discussion purposes only that provides no insurance coverage to or on behalf of the proposed insured. It does not reflect the present state of the Title, and no party is entitled to rely on any statement herein as a representation by the Company as to the state of Title to the property. It is not a commitment to insure the Title or issue any of the attached endorsements, nor does it evidence the willingness of the Company to provide any coverage shown herein. Any such commitment must be an express written undertaking on appropriate forms of the Company. Additional matters may be added or other amendments may be made to this pro forma policy. The Company shall have no liability because of such additions or amendments.

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**SCHEDULE B**  
**EXCEPTIONS FROM COVERAGE**  
(continued)

17. Intentionally Deleted
18. Intentionally Deleted
19. Intentionally Deleted
20. Intentionally Deleted
21. Intentionally Deleted
22. Intentionally Deleted
23. Intentionally Deleted
24. Intentionally Deleted
25. Intentionally Deleted
26. Intentionally Deleted
27. Intentionally Deleted
28. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:
- Purpose: Public utilities and appurtenant facilities  
Recording Date: March 7, 2023  
Recording No: 20230114266
29. Intentionally Deleted
30. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:
- Purpose: Public utilities and appurtenant facilities  
Recording Date: March 7, 2023  
Recording No: 20230114268
31. Intentionally Deleted
32. Intentionally Deleted

This is a PRO FORMA policy for discussion purposes only that provides no insurance coverage to or on behalf of the proposed insured. It does not reflect the present state of the Title, and no party is entitled to rely on any statement herein as a representation by the Company as to the state of Title to the property. It is not a commitment to insure the Title or issue any of the attached endorsements, nor does it evidence the willingness of the Company to provide any coverage shown herein. Any such commitment must be an express written undertaking on appropriate forms of the Company. Additional matters may be added or other amendments may be made to this pro forma policy. The Company shall have no liability because of such additions or amendments.

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**SCHEDULE B**  
**EXCEPTIONS FROM COVERAGE**  
(continued)

33. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:
- Purpose: Public utilities and appurtenant facilities  
Recording Date: April 27, 2023  
Recording No: 20230215527
34. Intentionally Deleted
35. Intentionally Deleted
36. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:
- Purpose: Public utilities and Roadway  
Recording Date: April 27, 2023  
Recording No: 20230216192
37. Intentionally Deleted
38. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:
- Purpose: Water line and appurtenant facilities  
Recording Date: June 5, 2023  
Recording No: 20230289474
39. Intentionally Deleted
40. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:
- Purpose: Temporary construction  
Recording Date: June 7, 2023  
Recording No: 20230295696
41. Intentionally Deleted
42. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:
- Purpose: Power distribution  
Recording Date: August 4, 2023  
Recording No: 20230408427

This is a PRO FORMA policy for discussion purposes only that provides no insurance coverage to or on behalf of the proposed insured. It does not reflect the present state of the Title, and no party is entitled to rely on any statement herein as a representation by the Company as to the state of Title to the property. It is not a commitment to insure the Title or issue any of the attached endorsements, nor does it evidence the willingness of the Company to provide any coverage shown herein. Any such commitment must be an express written undertaking on appropriate forms of the Company. Additional matters may be added or other amendments may be made to this pro forma policy. The Company shall have no liability because of such additions or amendments.

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**SCHEDULE B**  
**EXCEPTIONS FROM COVERAGE**  
(continued)

43. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:
- |                 |                    |
|-----------------|--------------------|
| Purpose:        | Power distribution |
| Recording Date: | September 11, 2023 |
| Recording No:   | 20230474705        |
44. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:
- |                 |                        |
|-----------------|------------------------|
| Purpose:        | Temporary Construction |
| Recording Date: | December 20, 2023      |
| Recording No:   | 20230646762            |
45. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:
- |                 |                    |
|-----------------|--------------------|
| Purpose:        | Power distribution |
| Recording Date: | February 20, 2024  |
| Recording No:   | 20240084926        |
46. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:
- |                 |                    |
|-----------------|--------------------|
| Purpose:        | Power distribution |
| Recording Date: | April 23, 2024     |
| Recording No:   | 20240212109        |
47. Intentionally Deleted
48. Intentionally Deleted
49. Intentionally Deleted
50. Intentionally Deleted
51. Intentionally Deleted
52. The effect of any failure to comply with the terms, covenants, conditions and provisions of the lease described or referred to in Schedule A Item 2.
53. Intentionally Deleted

This is a PRO FORMA policy for discussion purposes only that provides no insurance coverage to or on behalf of the proposed insured. It does not reflect the present state of the Title, and no party is entitled to rely on any statement herein as a representation by the Company as to the state of Title to the property. It is not a commitment to insure the Title or issue any of the attached endorsements, nor does it evidence the willingness of the Company to provide any coverage shown herein. Any such commitment must be an express written undertaking on appropriate forms of the Company. Additional matters may be added or other amendments may be made to this pro forma policy. The Company shall have no liability because of such additions or amendments.

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**SCHEDULE B**  
**EXCEPTIONS FROM COVERAGE**  
(continued)

54. Intentionally Deleted

**END OF SCHEDULE B**

This is a PRO FORMA policy for discussion purposes only that provides no insurance coverage to or on behalf of the proposed insured. It does not reflect the present state of the Title, and no party is entitled to rely on any statement herein as a representation by the Company as to the state of Title to the property. It is not a commitment to insure the Title or issue any of the attached endorsements, nor does it evidence the willingness of the Company to provide any coverage shown herein. Any such commitment must be an express written undertaking on appropriate forms of the Company. Additional matters may be added or other amendments may be made to this pro forma policy. The Company shall have no liability because of such additions or amendments.

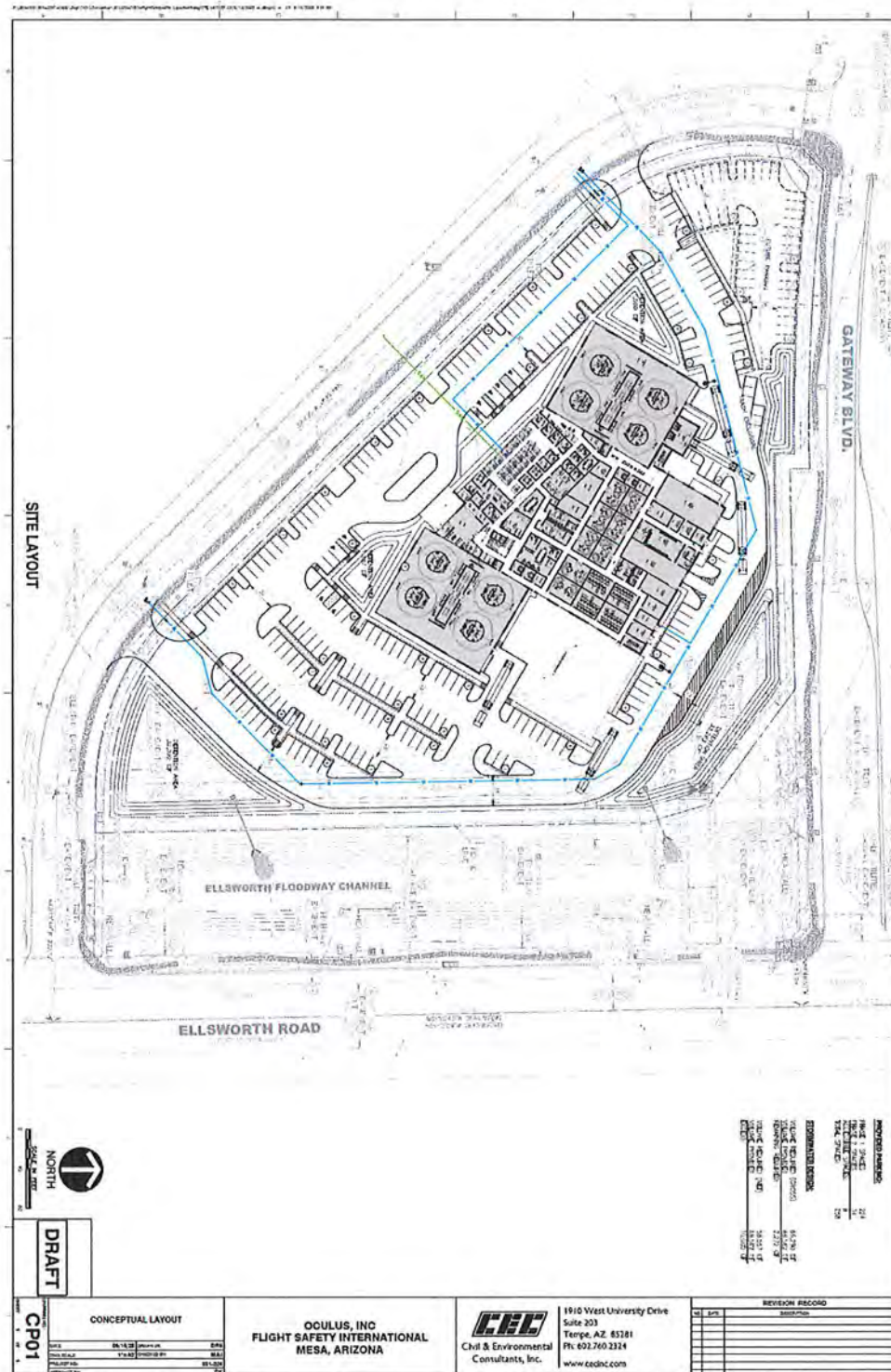
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**EXHIBIT D****DEPICTION OF PROPOSED IMPROVEMENTS**

The depiction of any proposed improvements is conceptual and intended for illustrative purposes only. Final design, layout, and specifications to be later defined and approved per Section 7 of the Lease.





**EXHIBIT E**MEMORANDUM OF LEASE

WHEN RECORDED,  
RETURN TO:

Dorsey & Whitney LLP  
Attn: Ben Thinnies, Esq.  
2325 East Camelback Road, Suite 900  
Phoenix, Arizona 85016

**MEMORANDUM OF LEASE**

This MEMORANDUM OF LEASE ("**Memorandum**"), is made and executed as of the [1st day of September, 2025] ("**Effective Date**"), by and between **MESA GATEWAY AIRPORT AUTHORITY**, a joint powers airport authority authorized and existing under the laws of the State of Arizona ("**Lessor**"), whose mailing address is Mesa Gateway Airport Authority, Attn: Business Development Department, 5835 South Sossaman Road, Mesa, Arizona 85212, and FlightSafety International Inc., a New York corporation authorized to do business in the State of Arizona ("**Lessee**"), whose mailing address is 3100 Easton Square Place, Suite 100, Columbus, Ohio 43219.

Mesa Gateway Airport Authority is formerly known as the Phoenix-Mesa Gateway Airport Authority and as the Williams Gateway Airport Authority.

1. Lease and Premises. Lessor and Lessee entered into that certain Land Lease dated September 1, 2025 ("**Lease**"), covering that certain real property legally described on Exhibit A attached hereto and incorporated herein by this reference (the "**Premises**"). Subject to the covenants and conditions contained in the Lease, Lessor has leased to Lessee, and Lessee has leased from Lessor, the Premises.
2. Term. The term of the Lease commenced on September 1, 2025, and expires on August 31, 2075 unless earlier terminated pursuant to the terms of the Lease. Subject to the terms of the Lease, Lessee has the right and option extend the term of the Lease for THREE (3) additional periods of FIVE (5) years each, in accordance with the terms of the Lease.
3. Use. Lessee may use and occupy the Premises for training aviation professionals, including, but not limited to, flight simulation and pilot training, aviation maintenance training, aircrew training, and other ancillary aviation training services to customers, learning center operations, general office use, and ancillary storage and assembly and for no other use.
4. No Modification. This Memorandum shall not, under any circumstances, be deemed to modify or change any provisions of the Lease, the provisions of which shall in all instances prevail.
5. Counterparts. This Memorandum may be executed in ONE (1) 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.

**LESSOR:**

**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 Mesa Gateway Airport Authority.

\_\_\_\_\_  
Notary Public

My Commission Expires:  
\_\_\_\_\_



## EXHIBIT A TO MEMORANDUM OF LEASE

LEGAL DESCRIPTION

LEGAL DESCRIPTION  
MESA GATEWAY AIRPORT  
PURCHASE/LEASE PARCEL  
MESA, ARIZONA



July 31, 2025  
Job No. P7431  
Page 1 of 2

THAT PORTION OF THE NORTHEAST QUARTER OF SECTION 33, TOWNSHIP 1 SOUTH, RANGE 7 EAST, GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**COMMENCING** AT THE EAST QUARTER CORNER OF SAID SECTION 33, MARKED BY A BRASS CAP IN HANDHOLE STAMPED 'CITY OF MESA' FROM WHICH THE SOUTHEAST CORNER OF SAID SECTION 33, MARKED BY A BRASS CAP IN HANDHOLE STAMPED 'CITY OF MESA' BEARS SOUTH 01°10'12" EAST, PER THE PLSS SUBDIVISION RECORD OF SURVEY "MARICOPA COUNTY GEODETIC DENSIFICATION AND CADASTRAL SURVEY AS RECORDED IN BOOK 609, PAGE 29, OF OFFICIAL RECORDS, MARICOPA COUNTY, ARIZONA, A DISTANCE OF 2640.51 FEET;

THENCE NORTH 01°10'43" EAST, ALONG THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 33, A DISTANCE OF 1362.40 FEET;

THENCE SOUTH 88°49'17" WEST, A DISTANCE OF 65.00 FEET TO THE NORTHEAST CORNER OF AN 80.00 FOOT PUBLIC UTILITY EASEMENT AND ROADWAY AS RECORDED IN DOCUMENT NO. 20230216192, OF OFFICIAL RECORDS, MARICOPA COUNTY, ARIZONA;

THENCE ALONG THE NORTH LINE OF SAID PUBLIC UTILITY EASEMENT AND ROADWAY, NORTH 89°13'49" WEST, A DISTANCE OF 117.26 FEET TO THE **POINT OF BEGINNING**;

THE FOLLOWING FIVE COURSES ARE ALONG THE NORTH LINE OF SAID PUBLIC UTILITY EASEMENT AND ROADWAY:

THENCE NORTH 89°13'49" WEST, A DISTANCE OF 48.50 FEET TO A NON-TANGENT CURVE CONCAVE NORTHEAST, OF WHICH THE RADIUS POINT BEARS NORTH 00°46'10" EAST, A RADIAL DISTANCE OF 260.00 FEET, WITH A CHORD BEARING OF NORTH 86°54'15" WEST, A CHORD DISTANCE OF 197.54 FEET;

THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 44°39'09", A DISTANCE OF 202.63 FEET;

THENCE NORTH 44°34'41" WEST, A DISTANCE OF 569.94 FEET TO A CURVE CONCAVE EAST, HAVING A RADIUS OF 260.00 FEET WITH A CHORD BEARING OF NORTH 18°01'50" WEST, A CHORD DISTANCE OF 232.41 FEET;

THENCE NORTHERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 53°05'42", A DISTANCE OF 240.94 FEET;

THENCE NORTH 08°31'01" EAST, A DISTANCE OF 12.60 FEET;

THENCE DEPARTING SAID NORTH LINE, NORTH 45°11'08" EAST, ALONG THE SOUTH LINE OF A PUBLIC UTILITY EASEMENT AND ROADWAY AS RECORDED IN DOCUMENT NO. 20230216031, OF OFFICIAL RECORDS, MARICOPA COUNTY, ARIZONA, A DISTANCE OF 35.44 FEET TO A NON-TANGENT CURVE CONCAVE NORTH, OF WHICH THE RADIUS POINT BEARS NORTH 06°51'28" EAST, A RADIAL DISTANCE OF 2,109.00 FEET WITH A CHORD BEARING OF SOUTH 87°15'03" EAST, A CHORD DISTANCE OF 302.21 FEET;

RICK ENGINEERING COMPANY | 2401 W. Peoria Avenue, Suite 130, Phoenix, AZ 85029  
C:\RICK\Projects\VP05500\7431\_Mesa\_Gateway\_Airport\Survey\Legal\7431-PURCHASE\_LEASE PARCEL LEGAL\_2025-0731.docx

Page 2 of 2

THE FOLLOWING THREE COURSES ARE ALONG SAID SOUTH LINE OF A PUBLIC UTILITY EASEMENT AND ROADWAY:

THENCE EASTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 08°13'02", A DISTANCE OF 302.47 FEET;

THENCE ALONG A NON-TANGENT LINE, SOUTH 01°21'41" EAST, A DISTANCE OF 20.00 FEET;

THENCE NORTH 88°38'19" EAST, A DISTANCE OF 309.34 FEET;

THENCE SOUTH 00°46'04" EAST, ALONG THE WEST LINE OF A DRAINAGE EASEMENT AS RECORDED IN DOCUMENT NO. 2008-1094767, OF OFFICIAL RECORDS, MARICOPA COUNTY, ARIZONA, A DISTANCE OF 1.26 FEET;

THE FOLLOWING FOUR COURSES ARE ALONG THE WEST LINE OF SAID DRAINAGE EASEMENT:

THENCE NORTH 89°13'56" EAST, A DISTANCE OF 44.99 FEET;

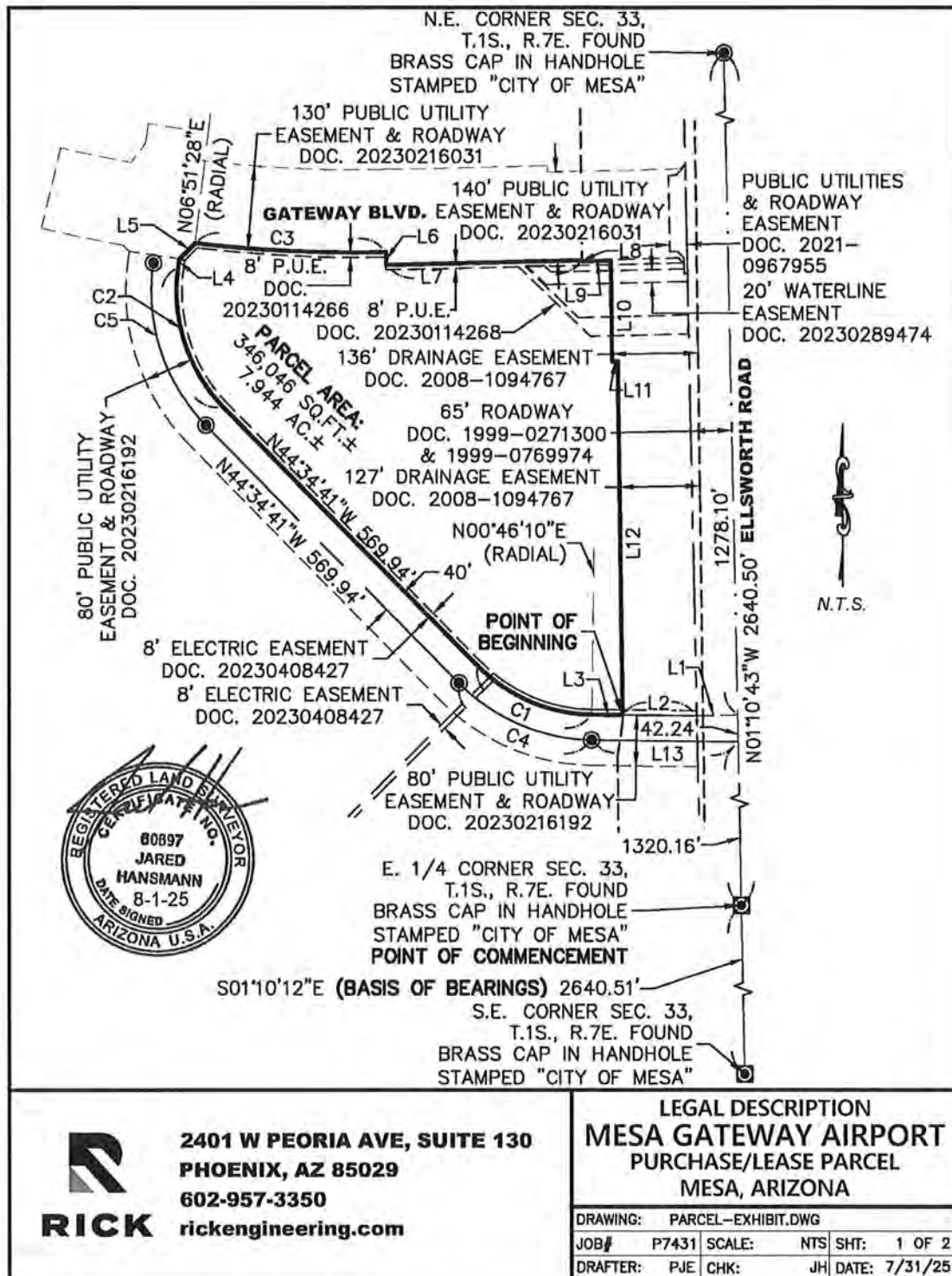
THENCE SOUTH 00°46'04" EAST, A DISTANCE OF 158.27 FEET;

THENCE NORTH 89°13'56" EAST, A DISTANCE OF 9.00 FEET;

THENCE SOUTH 00°46'04" EAST, A DISTANCE OF 556.66 FEET TO THE **POINT OF BEGINNING**.

PARCEL CONTAINS 346,046 SQUARE FEET OR 7.944 ACRES, MORE OR LESS.





**LEGEND**

- FOUND BRASS CAP FLUSH  
 □ FOUND BRASS CAP IN HANDHOLE



LINE TABLE		
LINE	DIRECTION	LENGTH
L1	S88°49'17"W	65.00'
L2	N89°13'49"W	117.26'
L3	N89°13'49"W	48.50'
L4	N08°31'01"E	12.60'
L5	N45°11'08"E	35.44'
L6	S01°21'41"E	20.00'
L7	N88°38'19"E	309.34'
L8	S00°46'04"E	1.26'
L9	N89°13'56"E	44.99'
L10	S00°46'04"E	158.27'
L11	N89°13'56"E	9.00'
L12	S00°46'04"E	556.65'
L13	N89°13'49"W	232.16'

CURVE TABLE				
CURVE	DELTA	RADIUS	LENGTH	CHORD
C1	44°39'09"	260.00'	202.63'	N66°54'15"W 197.54'
C2	53°05'42"	260.00'	240.94'	N18°01'50"W 232.41'
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2401 W PEORIA AVE, SUITE 130  
 PHOENIX, AZ 85029  
 602-957-3350  
 rickengineering.com

LEGAL DESCRIPTION  
**MESA GATEWAY AIRPORT**  
 PURCHASE/LEASE PARCEL  
 MESA, ARIZONA

DRAWING: PARCEL—EXHIBIT.DWG  
 JOB# P7431 SCALE: NTS SHT: 2 OF 2  
 DRAFTER: PJE CHK: JH DATE: 7/31/25



**EXHIBIT F**

INCENTIVES

Tax Abatement: Lessor confirms that the Premises are not subject to ad valorem property taxes and Lessor agrees to cooperate with Lessee as it seeks any reduction or abatement of personal property taxes and a rebate of or exemption from sales tax on construction materials offered through the Military Reuse Zone program.

Permits and Impact Fees: Lessor will support Lessee's efforts to secure all necessary state and local permits as expeditiously as possible and to minimize such costs.

State Incentives: Lessor will coordinate and cooperate with Lessee and the Arizona Commerce Authority and other state parties in securing state incentives including the Arizona Quality Job Tax Credit and grants or other aid for recruitment and training expenses.



Mesa Gateway Airport Authority  
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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:** June 2025 Financials  
**Date:** August 19, 2025

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Attached is the monthly Financials Report for June 2025.

	Month of June 2025				Y-T-D as of June 2025			
	June FY24 Actual	June FY25 Actual	YOY Variance	B/(W)	YTD FY24 Actual	YTD FY25 Actual	Y-T-D Variance	B/(W)
Aeronautical Operating Revenues								
Aircraft Parking	36,719	21,599	(15,120)	-41%	385,681	357,870	(27,811)	-7%
Fuel Flowage Fees	66,445	94,935	28,490	43%	637,895	721,048	83,153	13%
Landing Fees	222,989	184,511	(38,478)	-17%	1,702,303	1,874,015	171,712	10%
Lease Income Aero	299,441	402,719	103,278	34%	4,055,110	4,750,774	695,664	17%
Fuel Sales	642,430	1,147,223	504,793	79%	7,761,831	10,109,333	2,347,502	30%
Services Sold - Aero	602,394	625,434	23,040	4%	5,856,795	5,775,795	(81,000)	-1%
Sub-total Aero Operating Revenues	1,870,418	2,476,421	606,002	32%	20,399,615	23,588,835	3,189,220	16%
Non-Aeronautical Operating Revenues								
Concessions	130,949	131,934	985	1%	1,424,638	1,553,081	128,443	9%
Lease Income Non-Aero	109,939	118,029	8,090	7%	1,322,036	1,398,092	76,056	6%
Parking	548,862	583,634	34,772	6%	5,088,360	5,520,690	432,330	8%
Rental Car Fees	196,369	245,158	48,789	25%	3,024,669	3,540,922	516,253	17%
Svcs Sold - Non Aero	3,656	1,453	(2,203)	-60%	201,193	182,952	(18,241)	-9%
Sub-total Non-Aero Operating Revenues	989,775	1,080,208	90,433	9%	11,060,896	12,195,737	1,134,841	10%
Total Operating Revenues	2,860,193	3,556,629	696,436	24%	31,460,511	35,784,572	4,324,061	14%
Operating Expenses								
Cost of Goods Sold	415,186	823,685	(408,499)	-98%	5,343,774	6,743,256	(1,399,482)	-26%
Personnel	1,449,247	1,666,787	(217,540)	-15%	11,329,603	12,263,869	(934,266)	-8%
Comm & Utilities	112,133	111,831	302	0%	1,087,068	1,196,897	(109,829)	-10%
Contractual Services	671,599	665,660	5,939	1%	6,843,458	7,527,050	(683,592)	-10%
Insurance	52,215	57,395	(5,180)	-10%	638,960	701,291	(62,331)	-10%
Other	210,977	11,487	199,490	95%	485,421	288,502	196,919	41%
Repair & Maintenance	(5,330)	127,966	(133,296)	2501%	771,246	758,140	13,106	2%
Supplies & Materials	79,024	85,731	(6,707)	-8%	849,713	894,219	(44,506)	-5%
Air Service Incentives [2,000,000]	-	-	-	0%	-	-	-	0%
Operating Contingency [3,042,018]	-	-	-	0%	-	-	-	0%
Total Operating Expenses	2,985,051	3,550,542	(565,491)	-19%	27,349,243	30,373,224	(3,023,981)	-11%
Operating Income (Loss) Before Depreciation	(124,858)	6,087	130,945	-105%	4,111,268	5,411,348	1,300,080	32%
	-4.4%	0.2%			13.1%	15.1%		



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## Management Information Report

**To:** Board of Directors  
**From:** Bob Draper, Engineering and Facilities Director  
**Through:** Chuck Odom, Chief Financial Officer  
J. Brian O'Neill, A.A.E., Executive Director/CEO  
**Re:** Airfield Electrical Upgrades – CIP 1318, Increased Costs, Anixter, Inc.  
**Date:** August 19, 2025

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On April 15, 2025, the Board approved Resolution #25-15, authorizing the purchase of Airfield electrical and lighting supplies for taxiway lighting from Anixter, Inc., in an amount not to exceed \$92,934.45. This approval was contingent upon the receipt of a Federal Aviation Administration (FAA) grant.

The FAA grant has since been awarded, and the order was placed with Anixter in accordance with the resolution. Upon delivery and invoicing, it was identified that Anixter supplied a slight overage in cable quantities. While this overage was minimal in volume, Anixter's standard terms and conditions include a -0/+5% tolerance on quantities delivered, and the invoice reflected this variance.

As a result, the total cost of the purchase increased by \$1,603.58, bringing the final amount to \$94,538.03, exceeding the board-authorized amount by approximately 1.7%. This overage is directly attributable to the allowed quantity tolerance outlined in Anixter's contractual terms and was not anticipated during the original procurement estimate.



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## Management Information Report

**To:** Board of Directors  
**From:** Bob Draper, Engineering and Facilities Director  
**Through:** Chuck Odom, Chief Financial Officer  
J. Brian O'Neill, A.A.E., Executive Director/CEO  
**Re:** Airfield Electrical Upgrades – CIP 1318, Increased Costs, Blueglobes, LLC  
**Date:** August 19, 2025

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On April 15, 2025, the Board approved Resolution #25-14, authorizing the purchase of Isolation Transformers and Primary Connector Kits for taxiway lighting from Blueglobes, LLC, in an amount not to exceed \$69,075.78. This approval was contingent upon the receipt of a Federal Aviation Administration (FAA) grant.

Due to unforeseen administrative delays, the FAA did not release the grant funding until June 23, 2025. During this interim period, market conditions led Blueglobes, LLC (Blueglobes) to adjust their pricing, as allowed on their quote issued in March 2025. As a result, the updated cost for the equipment is \$84,104.45, representing an increase of \$15,029.67 over the original quote. The revised pricing with Blueglobes was still significantly lower than the pricing obtained from two other vendors.

Recognizing the critical nature of this equipment for the taxiway lighting project, and in alignment with the project's approved scope and the Airport's Procurement Policy, Airport staff proceeded to issue a purchase order to Blueglobes on July 1, 2025, based on the revised pricing.

Following this adjustment, the remaining unencumbered budget for the project is \$241,855.92.



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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:** August 19, 2025

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This report is to provide notification of the active and upcoming solicitations to help ensure compliance with the 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	2025-009-RFP	Fire Test, Inspect, Monitor, and Repair Services	September 2025
Request for Qualifications	2025-003-RFQ	South Apron Aeronautical Redevelopment	October 2025

### Future Solicitations

Type Solicitation	Number	Title	Scheduled for Release	Anticipated Contract Award (Board Action)
Invitation for Bid	2026-001-IFB	Power Washing Services	August 2025	September 2025
Invitation for Bid	2026-002-IFB	Passenger Boarding Ramps	August 2025	October 2025

### Equipment Disposals

Fiscal year totals from sales of decommissioned / nonworking equipment total \$3,079.

If you have any questions about the solicitations or the procurement process, please feel free to contact me at 480-988-7613.