Phoenix-Mesa Gateway Airport

Notice of Meeting Cancellation

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the public that the Regular Meeting of the Phoenix-Mesa Gateway Airport Authority Board of Directors scheduled for Tuesday, January 18, 2022, has been cancelled.

The next Regular Meeting of the Phoenix-Mesa Gateway Airport Authority Board of Directors is scheduled for Wednesday, February 16, 2022 at 9:00 a.m. in the Board Room (Saguaro A & B) of the Gateway Administration Building, 5835 South Sossaman Road, Mesa, Arizona. The Board may vote to hold an executive session for the purpose of obtaining legal advice from the Board's attorney on any matter listed on the agenda pursuant to A.R.S. § 38-431.03 (A)(3)&(4).

DATED this 3rd day of January, 2022.

I Misty Johnson, do hereby certify that I caused to be posted this 3rd day of January, 2022, the Notice of Cancellation of the Tuesday, January 18, 2022 Phoenix-Mesa Gateway Airport Authority Board of Directors Meeting in the following places: 1) www.gatewayairport.com ; 2) Gateway Administration Building.

Misty Johnson

Misty Johnson, Clerk of the Board

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

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Phoenix-Mesa Gateway Airport Authority and to the public that the Phoenix-Mesa Gateway Airport Authority will hold a meeting open to the public on **Wednesday, February 16, 2022 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 Phoenix-Mesa Gateway Airport Authority may attend either in person or by telephone. The Board may vote to hold an executive session for the purpose of obtaining legal advice from the Board's attorney on any matter listed on the agenda pursuant to A.R.S. § 38-431.03 (A)(3)&(4).

The agenda for the meeting is as follows:

1. **Call to Order** (Mayor John Giles, Chair)
   Members of the Phoenix-Mesa Gateway Airport Authority will attend either in person or via videoconference.

2. **Roll Call** (Mayor John Giles, Chair)

3. **Pledge of Allegiance**

4. **Call to the Public**
   Members of the Board may not discuss items that are not on the agenda. Therefore, action taken as a result of public comment will be limited to directing staff to study the matter or scheduling the matter for further consideration and decision at a later date. Maximum of three minutes per speaker.

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

6. **Fiscal Year 2023 Budget Presentation** – Chuck Odom, Chief Financial Officer

7. **Consent Agenda**

   a) **Minutes** of the Board Meeting held on December 21, 2021.

   b) **Resolution No. 22-01 –** Amending the Board of Director's **Procurement Policy** 19-27.

   c) **Resolution No. 22-02 –** Adopting the revised **Airport Rates and Charges** schedule with an effective date of February 16, 2022.

   d) **Resolution No. 22-03 –** Authorizing the purchase of Unleaded and Diesel fuel from the lowest priced **State contract vendor** at market prices for the Airport Authority use and resale in the amount of $60,000.

   e) **Resolution No. 22-04 –** Authorizing the purchase of Jet A and 100LL Avgas fuel from **Ascent Aviation Group, Inc. (World Fuel)** for Airport Authority resale in the amount of $875,000.

Consideration and Possible Approval of:

8. **Resolution No. 22-05 –** Authorizing additional $4,500,000 for FY22 Capital Budget for two new projects, CIP 1222 **Construction of the Car Rental Return Lot**, and CIP 1241 **North Economy Parking Lot Expansion**.

9. Board Member Comments/Announcements

10. Next Meeting: Tuesday, March 15, 2022 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. Requests should be made as early as possible to allow time to arrange the accommodation.

Phoenix-Mesa Gateway Airport

- Airport Posts Record Passenger Activity in Five of Last Seven Months
- SkyBridge Arizona Hotel Receives City of Mesa Approval
- 2021 Operational Metrics Show Significant Rebound
- Airport to Conduct Triennial Emergency Preparedness Exercise

Executive Director's Report

February 2022

Financial Snapshot

OPERATING INCOME	December		Month Variance	FYTD Comparison		FYTD Variance
	FY21	FY22		FY21	FY22	
Revenues	$1,519,951	$2,057,948	$537,997	$10,997,700	$11,830,913	$833,213
Less Expenses	$1,621,266	$1,891,212	$269,946	$9,456,680	$10,712,499	$1,255,819
Operating Income *(before depreciation)*	**($101,315)**	**$166,736**	**$268,051**	**$1,541,020**	**$1,118,414**	**($422,606)**

Investment Fund Balances: As of December, the Local Governmental Investment Pool (LGIP) 700 = $18,990,956; Wells Fargo; Collateralized Money Market = $384,884 and Collateralized CD's = $42,254,219; Total $61,630,058. The month-over-month decrease was attributable to investment market adjustments of ($18,276). PMGAA invests in fixed rate instruments, market adjustments are accounting entries only.

Finance and Accounting

Phoenix-Mesa Gateway Airport Authority (PMGAA) reported a net operating income of $166,736 for December 2021, and a fiscal-year-to-date 2022 (FYTD22) net operating income of $1,118,414.

An operational and financial analysis comparing calendar year (CY) 2020 and 2021 showed PMGAA achieved significant improvement in most financial metrics during the past year. Aircraft Landing Fee Revenue, Terminal Concession Revenue, Facility/Land Lease Revenue, Car Rental Revenue, Vehicle Parking Revenue, and Net Operating Income all increased by double-digits in 2021.

December 2021 expenditures were 5% below budget and FYTD22 expenditures are 7% under budgeted amounts. COVID-19 related staffing issues, supply chain delays, and product/service cost increases are creating additional challenges as Phoenix-Mesa Gateway Airport (Airport, Gateway Airport) continues to attract more air travelers, corporate aircraft, and private commercial investment.

American Rescue Plan Act (ARPA) grant funding of $8,222,781 has been awarded to PMGAA. Reimbursement claims are now being submitted for approval.

PMGAA Solicitations

Active/Pending Solicitations

TYPE OF SOLICITATION	Number	Title	Anticipated Contract Award
Request for Proposals	2022-014-RFP	Revenue Parking Operations	April 2022
Request for Qualifications	2022-018-RFQ	CMAR for Ray Road Economy Parking Lot Expansion	April 2022
Request for Proposals	2022-015-RFP	Herbicide Application Services	May 2022

Future Solicitations

TYPE OF SOLICITATION	Number	Title	Scheduled for Release
Request for Qualifications	2022-013-RFQ	On Call Cultural/Archeological Services	February 2022
Request for Proposals	2022-016-RFP	Landscape Maintenance	February 2022
Invitation for Bid	2022-004-IFB	Taxiway W Rehabilitation	February 2022
Request for Qualifications	2022-005-RFQ	Fabrication and Installation of Signs	March 2022

Airport Operations

Calendar Year 2019 – 2021 Operational Metrics Comparison				
METRIC	**2019**	**2020**	**2021**	**% Change**
Total Commercial Passengers	**1,774,763**	**1,126,728**	**1,542,951**	**37%**
Total Aircraft Operations	**278,863**	**258,588**	**242,187**	**-6%**
Aircraft Landing Fee Revenue	**$1,383,764**	**$1,341,523**	**$1,726,009**	**29%**
Terminal Tenant Lease Revenue	**$136,088**	**$147,718**	**$148,648**	**1%**
Airline Terminal Use Fee Revenue	**$285,590**	**$279,720**	**$297,850**	**6%**
Gallons of Aviation Fuel Delivered	**19,329,078**	**17,724,568**	**19,963,203**	**13%**
Operating Revenue	**$25,508,394**	**$21,873,023**	**$24,467,116**	**12%**
Terminal Concession Revenue	**$893,670**	**$687,583**	**$991,209**	**44%**
Facility/Land Lease Revenue	**$3,995,663**	**$3,435,457**	**$3,997,275**	**16%**
Ground Transportation Revenue	**$264,753**	**$158,016**	**$170,814**	**8%**
Car Rental Revenue	**$2,168,639**	**$1,544,147**	**$1,915,437**	**24%**
Vehicle Parking Revenue	**$3,483,191**	**$2,233,301**	**$3,425,867**	**53%**
Net Operating Income	**$4,807,041**	**$2,147,321**	**$3,448,955**	**61%**
Fuel Sales - Gross	**$6,653,249**	**$5,349,732**	**$5,194,856**	**-3%**

It's Only a Drill! PMGAA to Conduct Triennial Emergency Preparedness Exercise

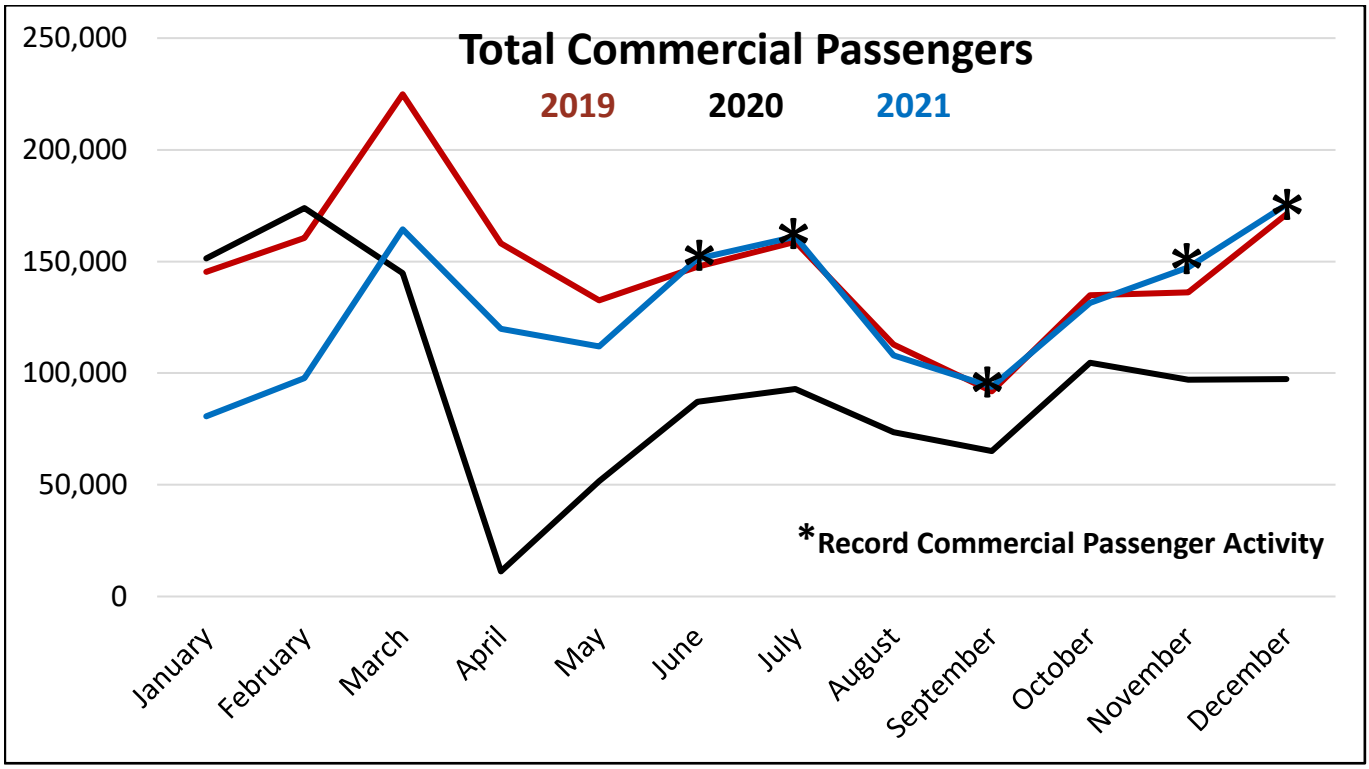
Area residents and Gateway Airport users please take notice! On February 22nd from 9:00 – 11:00 AM, the Airport will be conducting its Triennial Full-Scale Emergency Preparedness Exercise. This live simulated emergency drill, required by the Federal Aviation Administration (FAA) every three years, is designed to evaluate and improve personnel readiness, efficient and effective coordination, and increased communication among all first responders, mutual aid agencies, emergency vehicles, and area hospitals.

PMGAA would like to thank all of the agencies and organizations participating in this month's live training exercise. We appreciate your support and couldn't do it without you!

Operations Statistics

PASSENGER COUNTS		December		% Change	FYTD		% Change
		FY21	FY22		FY21	FY22	
Passengers	TOTAL	**97,285**	**175,432**	**80%**	**530,675**	**817,119**	**54%**
	Deplaned	50,321	87,989	75%	272,877	415,899	52%
	Enplaned	46,964	87,443	86%	257,798	401,220	56%
Allegiant	Scheduled	96,840	166,136	72%	529,133	795,978	50%
WestJet	Scheduled	0	911	100%	0	1,575	100%
Swoop	Scheduled	445	2,810	531%	1,248	6,649	433%
Avelo	Scheduled	0	0	0%	0	4,873	100%
Sun Country	Scheduled	0	4,314	100%	0	5,361	100%
Elite/Swift	Charter	0	0	0%	294	1,422	384%

OPERATIONS	December		% Change	FYTD		% Change
	FY21	FY22		FY21	FY22	
Air Carrier	994	1,292	30%	5,472	6,500	19%
Military	229	226	-1%	1,358	1,588	17%
General Aviation	16,126	15,661	-3%	125,437	107,515	-14%
TOTAL	**17,349**	**17,179**	**-1%**	**132,267**	**115,603**	**-13%**



PMGAA Team Member Spotlight

Employee Name: **Sandra Aguilar**
Employee Title: **Communications Specialist**
PMGAA Department: **Operations and Maintenance**
Years with PMGAA: **26**

What are your job responsibilities for PMGAA? I am responsible for assigning terminal resources for airlines in the common use environment; radio dispatching to the airfield, terminal, and maintenance; as well as monitoring alarms and multiple video monitors within the terminal and around the Airport. I also use the Everbridge System to dispatch emergency information and am responsible for the Airport's emergency response phone.

What is your most memorable Gateway Airport moment? After 26 years there are several memorable moments, but a few most memorable would be driving across the ramp in a golf cart from the Administration Building to the Maintenance Building when there was no terminal, no security fence, or any aircraft (1996); the arrival of the largest cargo aircraft in the world (Antonov 225) that brought in a transformer for SRP (2003); and of course, Air Force One landing at the Airport (2012).

What is something people may not know about you? I'm an Arizona Wildcat Fan that donates blood every 56 days. Changing the ASU Sun Devils one pint at a time!

Engineering and Planning

Gateway Airport Expanding Parking for Larger/Heavier Aircraft

Alpha Apron Phase III Under Construction

Gateway Airport has a large footprint that encompasses more than 3,000 acres and has approximately 16 million sq. ft. of concrete and pavement surfaces. Airport tenants and transient aircraft owners lease space on the airfield and ramp to park various sized aircraft ranging from the smaller Cessna 172 pilot training aircraft to the larger four-engine Antonov 124 cargo aircraft.

During the U.S. Forest Service's active firefighting season and other busy time of the year, ramp space at Gateway Airport for larger and heavier aircraft is at a premium. PMGAA, wanting to ensure that the Airport always has enough parking space for these "specialty" aircraft, has undertaken a two-phased airfield construction project to expand the Alpha Apron on the south end of the airfield. When completed, Gateway Airport will have an additional 450,000 sq. ft. of aircraft parking area designed for larger and heavier aircraft to lease.

Federal, State, and Local Elected Officials Tour New Air Traffic Control Tower

Elected Officials Tour New Air Traffic Control Tower

The Gateway Airport Air Traffic Control Tower (ATCT, Tower) Tour Program has provided a good opportunity to showcase the new facility to many of the individuals responsible for making the project possible. The most recent VIPs to visit the Airport and tour the new Tower were U.S. Congressmen Greg Stanton (AZ) and Rick Larsen (WA), Mesa Mayor and PMGAA Chairman John Giles, Gilbert Mayor Brigette Peterson, Gilbert Councilmember Kathy Tilque, and AZ State Representative Jennifer Pawlik.

Gateway Airport's new ATCT has been years in the making; a journey that included changing federal legislation and securing almost $28 million in federal funding. PMGAA would like to thank the many individuals that worked tirelessly to bring this important airfield infrastructure to reality. THANK YOU!

Gateway Aviation Services

During the month of December 2021, PMGAA pumped almost 1.8 million gallons of aviation fuel, a 23% increase over the same month last year. FYTD22, Gateway Aviation Services (GAS), PMGAA's fixed base operator (FBO), has pumped over nine million gallons of fuel into a growing number of commercial, corporate, military, cargo, and general aviation aircraft.

FUEL (Gallons)	December			FYTD		
	FY21	FY22	% Change	FY20	FY21	% Change
AvGas	45,013	30,102	-33%	335,866	224,173	-33%
Retail Jet A	28,536	34,062	19%	230,486	238,540	3%
Contract	226,173	324,336	43%	2,385,146	1,614,239	-32%
Commercial	1,147,652	1,387,094	21%	6,229,668	6,942,521	11%
TOTAL	1,447,374	1,775,594	23%	9,181,166	9,019,473	-2%

Community Noise Report

During the month of December 2021, PMGAA received aircraft noise calls from a total of 13 area residents, compared to 10 received from callers during December 2020. The Airport maintains a comprehensive Community Noise Program that includes communication and education with Airport neighbors, as well as outreach to adjacent Homeowners Associations (HOA) and local municipalities.

CALLERS	December		FYTD	
	FY21	FY22	FY21	FY22
Total	10	13	56	72

AIRCRAFT TYPE	December		FYTD	
	FY21	FY22	FY21	FY22
	Callers	Callers	Callers	Callers
Commercial	5	8	23	50
GA Total	2	3	21	8
Helicopter	0	0	0	5
Military	3	2	12	9
Total	10	13	56	72

LOCATION	December		FYTD	
	FY21	FY22	FY21	FY22
Mesa	5	6	19	21
Gilbert	2	6	13	42
Gold Canyon	1	1	9	1
Queen Creek	2	0	8	4
Queen Valley	0	0	4	2
San Tan Valley	0	0	2	0
Apache Junction	0	0	0	1
Chandler	0	0	1	1
TOTAL	10	13	56	72

Business Development

SkyBridge Arizona Hotel Receives City of Mesa Approval

Rendering of New SkyBridge Arizona Hotel

During their January 24, 2022 meeting, the Mesa City Council unanimously approved zoning changes and a site plan review for a new four-story, 129-room hotel to be built in SkyBridge Arizona, a 360-acre master development located at the south end of Gateway Airport. The dual-brand hotel will include a pool, full bar, three large meeting rooms, and a fitness center. The new hotel is scheduled to open during the second quarter of 2023.

First Two Hangars at the Gateway Executive Airpark Taking Shape

Gateway Executive Airpark is a 185,000 sq. ft. state-of-the-art, full-service hangar complex located at the north end of Gateway Airport's airfield between Textron Aviation's Mesa Service Center and Embraer's Executive Jet Service Center. This project includes both multi-tenant and single tenant hangars sized to accommodate larger jets, multiple smaller aircraft, and helicopters. The first two hangars will be available for lease by the end of the second quarter 2022, the third hangar is scheduled to be completed by the end of 2022.

Hangar Under Construction at the Gateway Executive Airpark

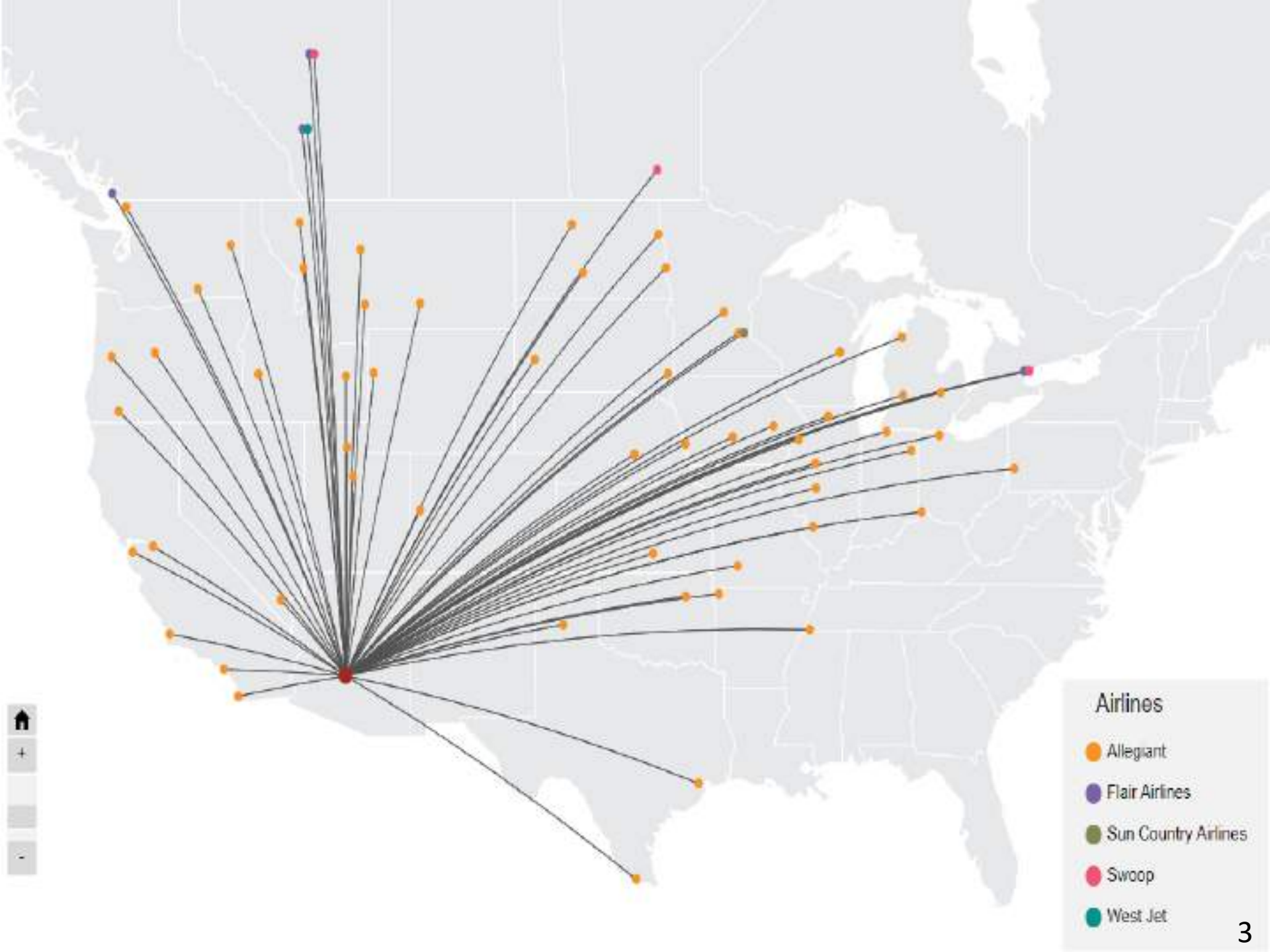
Phoenix-Mesa Gateway Airport

FISCAL YEAR 2023 BUDGET

Phoenix-Mesa Gateway Airport

Our Mission:

We strive to be the airport that air travelers choose, airlines prefer, and a growing number of businesses call home. We will provide exceptional customer service while operating Phoenix-Mesa Gateway Airport in a safe, secure, efficient, and fiscally responsible manner.


Airlines
Allegiant
Flair Airlines
Sun Country Airlines
Swoop
West Jet

Phoenix-Mesa Gateway Airport

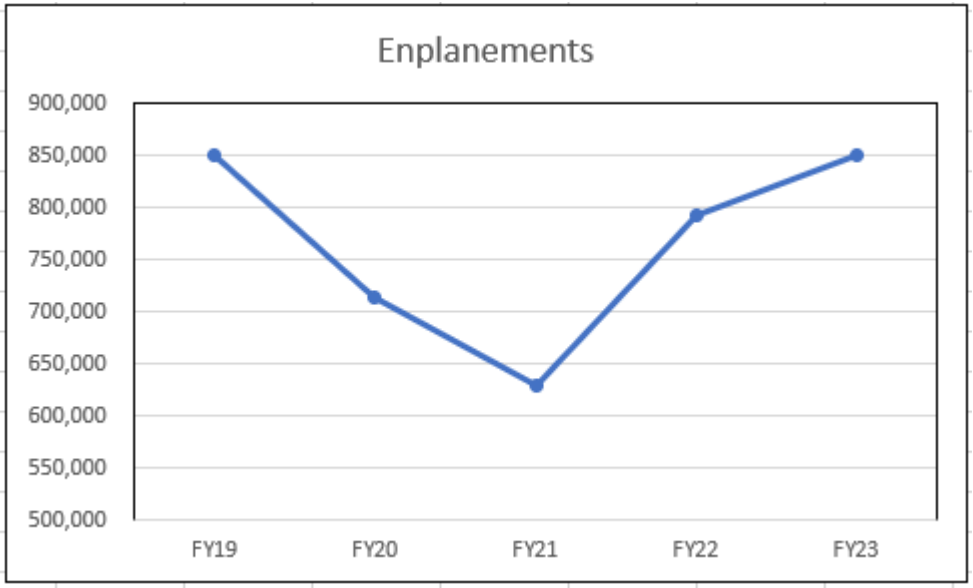
Budget Key Assumptions

1. Member contributions for FY23 will continue to fund capital improvements.
2. Enplaning passenger activity is expected to increase in FY23's budget by 7% over FY22's budget and will be equal to FY19 levels at 850,000.
3. Fuel sales will be up by $1.215M; Volume ($55K) and Price $1.270M.
4. Aero revenue will be up 13%; Non-Aero revenue will be up 10%.
5. Air-Service Incentive Program carries over from previous fiscal year.
6. Operating Contingency is 10% of total expenses from unrestricted cash reserve.

Phoenix-Mesa Gateway Airport

Enplanement Activity

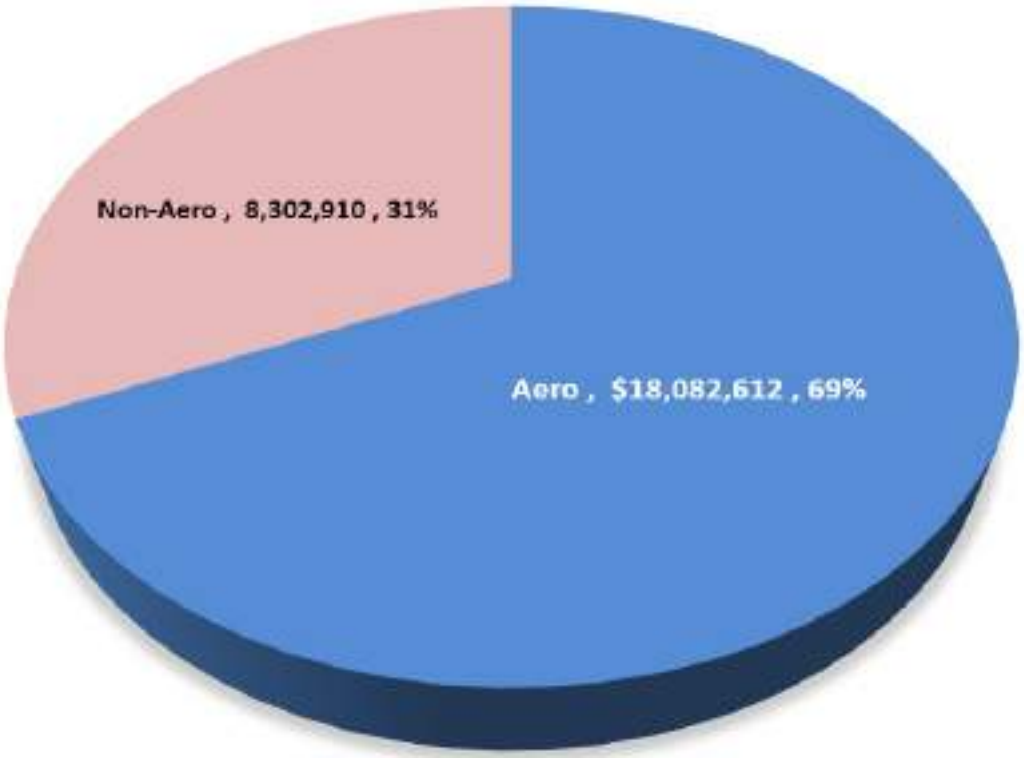
FY19	850,447
FY20	714,693
FY21	628,875
FY22	792,237*
FY23	850,000*



*Budget

FY23 Operating Budget Revenue

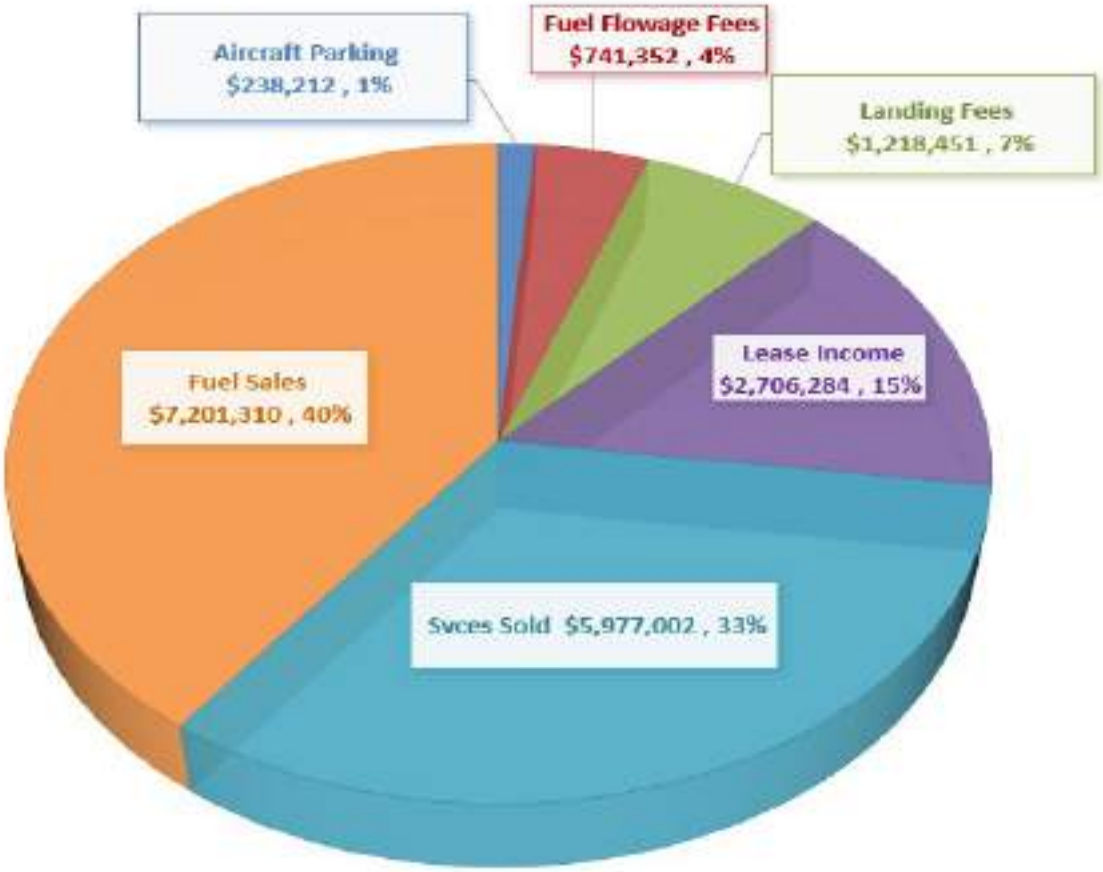
Operating Revenue	FY22 Budget	FY23 Budget	Difference	%
Aeronautical	$ 15,998,448	$ 18,082,612	$2,084,164	13%
Non-Aeronautical	7,545,356	8,302,910	757,554	10%
Total Operating Revenue	$ 23,543,804	$ 26,385,522	$2,841,718	12%



FY23 AERO Operating Revenue Graph

Phoenix-Mesa Gateway Airport

FY23 AERO-Operating Revenue Budget $18.1M



FY23 NON-AERO Operating Revenue Graph

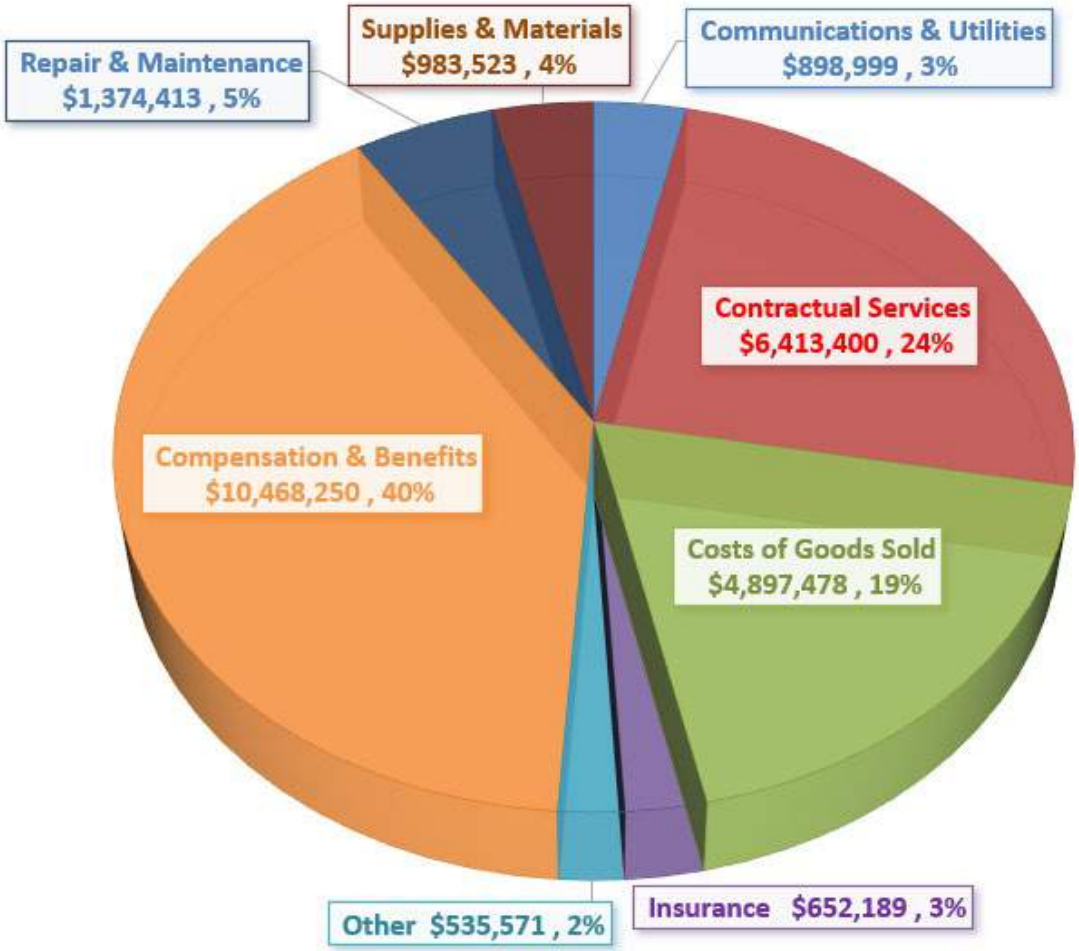
Phoenix-Mesa Gateway Airport

FY23 Non-Aero Revenue Budget $8.3M

FY23 Operating Expense Graph

Phoenix-Mesa Gateway Airport

FY23 Expense Budget $26.2M



FY23 Budget Full Time Equivalents by Department

Phoenix-Mesa Gateway Airport

PMGAA Full Time Equivalents

Department	FY22	FY23	Difference	
Accounting	8	8	0	
Business Development	5	5	0	
Comm Gov Relations	3.5	3.5	0	
Exec Office	2	2	0	
Engineering	16	16	0	
Fixed Based Operator	33	33	0	
Human Resources	3	3	0	
Information Technology	3	3	0	
Operations	35	36.5	1.5	Communication Specialist & PT Terminal Agent
	108.5	110.0	1.5	

Phoenix-Mesa Gateway Airport

FY23 Operating Budget

Total Operating Revenue	$26,385,522
Total Operating Expenses	(26,223,823)
Operating Income	$161,699
Cash from Unrestricted Reserve	$4,622,382
Potential Air Incentive	(2,000,000)
10% Contingency	(2,622,382)
	0
Total Budgeted Operating Expense Capacity	$(30,846,205)

Phoenix-Mesa Gateway Airport

FY23 Capital Budget

FY23 Capital Budget	$68,167,000
Carry Over from FY22	46,103,005
FY23 Capital Maintenance Reserve	1,000,000
	$115,270,005

Phoenix-Mesa Gateway Airport

FY23 Debt Service Budget

FY23 Lease Aero Revenue	$ 1,295,750
(City of Mesa/Able)	
Principle Payment	(550,000)
Interest Payment	(745,750)
FY23 Debt Service Payment	($1,295,750)
Remaining Balance of Series 2012 Special Facility Revenue Bond	$14,915,000

Phoenix-Mesa Gateway Airport

FY23 Operating, Capital, and Debt Service Budget

Combined Summary

Total Operating Expense	$ 26,223,823
Potential Air Incentive	2,000,000
10% Contingency	2,622,382
FY23 Capital Budget	68,167,000
FY22 Carry Over Capital Projects	46,103,005
Capital Maintenance Reserve	1,000,000
Debt Service Payment	1,295,750
Total Budget Operating and Capital	$147,411,960

FY23 Capital Funding Summary

Phoenix-Mesa Gateway Airport

FY23 Capital Improvement Program
Funding Sources

FAA	$ 23,675,600
PMGAA Cash Reserves	22,669,200
PFC	10,700,000
CFC	5,900,000
Member Contributions	4,060,000
ADOT	1,162,200
Total Capital Funding Sources	$ 68,167,000

FY22 Capital Carry Over Funding Summary

Phoenix-Mesa Gateway Airport

FY22 Capital Carry Over Funding Sources

PFC	$20,325,000
FAA	13,704,691
PMGAA Cash Reserves	10,146,455
ADOT	1,926,859
Total FY22 Carry Over	$46,103,005

FY23 5-Year Capital Project Plan

Phoenix-Mesa Gateway Airport

	FY23	FY24	FY25	FY26	FY27
Airfield	$53,400,005	$27,399,800	$11,500,000	$21,930,560	$12,596,700
Terminal	19,350,000	2,150,000			
Roadways & Parking	9,500,000				
Equipment	2,455,000	749,000	185,000	40,000	150,000
Vehicles	335,000	60,000	132,500	97,500	
Infor & Tech	250,000	310,000	1,264,000	298,000	254,000
Fuel Farm	5,400,000	600,000	1,250,000		
Bldg Improv	1,160,000		500,000		
Other	1,670,000				
	$93,520,005	$31,268,800	$14,831,500	$22,366,060	$13,000,700

FY23 5-Year Capital Plan Funding Sources

Phoenix-Mesa Gateway Airport

5-Year Capital Plan Funding Sources

FAA Grants	$90,360,147
PFC	31,025,000
PMGAA Cash Reserves	21,686,757
Member Contributions	20,300,000
CFC	5,900,000
ADOT	5,715,161
	$174,987,065

FY23 Budget Questions?

Comments or Questions

MINUTES OF PUBLIC MEETING OF THE
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
BOARD OF DIRECTORS | December 21, 2021

A public meeting of the Phoenix-Mesa Gateway Airport Authority (PMGAA) was convened on Tuesday, December 21, 2021, 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 John Giles, Mesa
Councilmember Jim Waring, Phoenix (*via videoconference*)
Mayor Brigette Peterson, Gilbert
Mayor Chip Wilson, Apache Junction
Lt. Governor Monica Antone, Gila River Indian Community Junction (*via videoconference*)
Mayor Gail Barney, Queen Creek*

** 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 9:01 a.m. (Mayor Giles)

2. **Roll Call**

3. **Pledge of Allegiance**

4. **Call to the Public**
   There were no public comments.

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

   Executive Director O'Neill provided a briefing on PMGAA financial performance, passenger activity, the community noise report, and various Airport projects.
   - Fiscal Year-to-Date (FYTD) Net Operating Income is $746,608.
   - So far this fiscal year, commercial passenger activity at Phoenix-Mesa Gateway Airport (Airport, Gateway Airport) has experienced a 47% increase in passengers compared to FYTD21.
   - Since November 1, 2021, twelve new nonstop destinations have been added at Gateway Airport. Allegiant has added a significant number of new destinations. Sun Country has begun service to Minneapolis. Flair, WestJet, and Swoop are providing service to Vancouver, Edmonton, Calgary, Winnipeg, and Toronto Canada.
   - Gateway Airport has set passenger activity records in four of the last six months. Two new records were set over the busy 2021 Thanksgiving Holiday travel period. November 24th was the busiest day in the history of the Airport with more than 4,600 enplaned air travelers (8,600 total passengers) passing through its doors. Monday, November 27th then eclipsed that record with more than 5,300 enplaned passengers (10,600 total passengers).
   - Each year, all Part 139 Commercial Service Airports undergo a certification inspection by the Federal Aviation Administration (FAA). This year's inspection resulted in no reportable conditions!

DRAFT

- Gulfstream Aerospace Corporation (Gulfstream) will be constructing a new West Coast Service Center at Gateway Airport. Phase I is a 225,000 SF facility with an investment of over $70MM. Construction will begin in the spring of 2022. Gulfstream is now leasing a 50,000 SF hangar at the Airport and has started the hiring process for 300-350 Gateway Airport employees.
- Three hangars totaling 183,000 SF are under construction in the Gateway Executive Airpark located at the north end of the airfield. Two of the hangars will be available for lease by the end of the second quarter 2022. Earthwork has begun on the larger 115,000 SF hangar scheduled to be completed in the summer of 2022.
- SkyBridge Arizona continues to grow. Design work on the horizontal infrastructure is underway for a taxiway extension, roadways, sewer, water, and fiber. Coordination efforts are ongoing with the City of Mesa to complete the entitlement process to obtain permitting and variances needed to proceed with construction of a 127-room Wyndham dual-brand hotel along Sossaman Road. The hotel will offer rooms for both transient overnight guests and extended stay customers. SkyBridge is planning for two additional industrial buildings. These two buildings will be approximately 200,000 SF and 250,000 SF respectively.
- The Bipartisan Infrastructure Bill and been signed into law. A portion of the funding in this bill is designed for terminal modernization. PMGAA is hoping to secure a grant from the Bipartisan Infrastructure Law to construct a new five-gate terminal addition that will connect to the main terminal creating one unified commercial passenger terminal consisting of 11 gates.
- The Air Traffic Control Tower is on-track to be commissioned in the summer of 2022. The glass in the tower cab has been installed and work is being done on the elevator. Tours of the tower are being coordinated with member community elected officials.
- PMGAA is expanding aircraft parking opportunities at the south end of the airfield. Alpha Apron Phase III is under construction and getting ready for concrete pours. Completion is anticipated in February 2022. Phase IV is in design and will be ready for construction once Phase III is complete.
- The Hourly Parking Lot is critical to the successful, efficient operation of the Airport because it provides the opportunity for the drop off and pick up of passengers in need of someone else's assistance to travel – elderly, underage, physical or mental limitations. Closure of the Hourly Parking Lot creates significant challenges and hardships for the traveling public. Eliminating the maximum daily parking rate ($18.00) will make overnight parking in the Hourly Parking Lot much less attractive and will increase parking availability for those air travelers in need of assistance.
- The previous Cell Phone Lot was repurposed into a new parking lot for terminal tenant employees. This important project opened revenue spaces currently being used by 150 terminal tenant employees in the Daily Parking Lot.
- The Bipartisan Infrastructure Law contains an additional $4.4MM coming to the Airport to be used for projects like the Center Runway Reconstruction project. This is the reconstruction of 3,500 SF of concrete on RW 12C-30C. PMGAA is working with FAA to try and condense the project into one year.

6. **Gateway*East* Presentation** – Shea Joachim, Business Development Director
   - Gateway***East*** is a 400-acre mixed use non-aeronautical master development opportunity located on the east side of the Airport. January 2021 began the RFQ process which had 12 highly qualified submissions. The top four submissions were invited to participate in an RFP process. The interview process was held in September with two finalists being selected. The two finalists were asked to present their best and final proposal. The PMGAA Board of Directors is being asked to consider and approve a Memorandum of Understanding (MOU) with the Boyer Company, L.C. as the preferred

development partner for the Gateway***East*** development opportunity. Matt Jensen, a partner with the Boyer Company, L.C., spoke to further introduce the Boyer Company, their history, and to acknowledge this great opportunity.

7. **Consent Agenda**

   a) **Minutes** of the Board Meeting held on **November 16, 2021.**

   b) **Resolution No. 21-53 –** Authorizing the purchase of airfield asphalt services with **Sunland Asphalt & Construction, LLC** for an amount not to exceed $99,770.88.

   c) **Resolution No. 21-54 –** Authorizing the Executive Director to execute an Air Carrier Operating Agreement with **WestJet**, an Alberta Partnership, for commercial air service at the Airport.

   d) **Resolution No. 21-55 –** Approving a new one-year Air Carrier Operating Agreement with **Allegiant Air, LLC**.

   e) **Resolution No. 21-56 –** Authorizing Amendment 2 to the Land Lease with **Pegasus Mesa Owner, LLC** to add 5,840 square feet to the Premises located at the corner of Sossaman Road ad Velocity Way.

   f) **Resolution No. 21-57 –** Authorizing the Adjustment Amendment to the Master Lease with **Mesa SkyBridge, LLC** to remove 5,840 square feet from the northwest corner of the Property.

   g) **Resolution No. 21-58 –** Authorizing the elimination of the maximum daily charge for the **Hourly Parking Lot** effective December 22, 2021.

Mayor Chip Wilson moved to approve the Consent Agenda.
Councilmember Jim Waring seconded the motion.
The motion was carried unanimously.

Consideration and Possible Approval of:

8. **Resolution No. 21-59 –** Authorizing a Memorandum of Understanding with **The Boyer Company**, L.C. to acknowledge the Boyer Company, L.C. as the preferred proposer and establish an exclusive negotiation period and the terms under which PMGAA staff will work to establish a Master Development Agreement with the Boyer Company, L.C.

Mayor Chip Wilson moved to approve Resolution No. 21-59.
Councilmember Jim Waring seconded the motion.
The motion was carried unanimously.

9. **Resolution No. 21-60 –** Authorizing the Executive Director/CEO and/or delegate to negotiate and execute a final contract for the Airport's Parking Access Revenue Control System (PARCS) Replacement, CIP 998, with **Scheidt & Bachman USA, Inc. (S&B)** for equipment installation and support and maintenance in an amount not to exceed $650,000.

Mayor Brigette Peterson moved to approve Resolution No. 21-60.
Mayor Chip Wilson seconded the motion.
The motion was carried unanimously.

10. **Resolution No. 21-61 –** Authorizing the Executive Director/CEO and/or delegate to negotiate and execute a final contract for the Airport's Parking Access Revenue Control System (PARCS) Replacement, CIP 998, with **SDB, Inc.** for system infrastructure in an amount not to exceed $375,000.

    Councilmember Jim Waring moved to approve Resolution No. 21-61.
    Lt. Governor Monica Antone seconded the motion.
    The motion was carried unanimously.

11. **Board Member Comments/Announcements.**

    There were no comments or announcements.

12. **Next Meeting: Tuesday, January 18, 2022** 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 Phoenix-Mesa Gateway Airport Authority may attend either in person or by telephone/videoconference.

13. **Adjournment.**
    The meeting adjourned at 9:40 a.m.

Dated this _____ day of _____ 20___.

_____
Misty Johnson, Clerk of the Board

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

Board Action Item

Re: Resolution 22-01

To: **Board of Directors**
From: **Chuck Odom, Chief Financial Officer**
Through: **J. Brian O'Neill, A.A.E., Executive Director/CEO**
Subject: **Amended Procurement Policy**
Date: **February 16, 2022**

Proposed Motion
To authorize an amendment to the Board of Director's Procurement Policy 19-27.

Narrative
To promote the efficient operation of the Phoenix-Mesa Gateway Airport, the Phoenix-Mesa Gateway Airport Authority (PMGAA) Board of Directors provides policy direction to the Executive Director and staff through the formal adoption of certain policies. These policies are periodically reviewed and updated as needed.

With review of the Airport's Procurement Policy, staff have made the following changes:

1. Updated definitions for added clarity
2. Added a section for Tied Submittals
3. Clarified the internal award recommendation process
4. General housekeeping items such reorganization and grammatical changes

Fiscal Impact
There is no financial impact to the Procurement Policy.

Attachment(s)
Amended Procurement Policy.

RESOLUTION NO. 22-01

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

WHEREAS the Authority desires to amend the Board of Director's Procurement Policy 19-27.

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

> **The Board of Directors of the Authority hereby amends the Board of Director's Procurement Policy 19-27. This resolution also authorizes the Chair or Executive Director/CEO to execute such Policy, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.**

Passed and adopted by the Authority this 16th day of February, 2022.

_____
John Giles, Chair

ATTEST:

_____
Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

_____
Jill Casson Owen, Attorney

Resolution No.: 19-27 | Procurement	
Responsible Department: Finance and Accounting	
Effective Date: June 18, 2019	**Supersedes:** October 16, 2018 (Res. 18-41)
Personnel Covered: All Employees	

POLICY STATEMENT

It is the policy of the Phoenix-Mesa Gateway Airport Authority ("PMGAA" or "Authority") to purchase goods and services in such a manner that promotes fiscal responsibility and efficiency, in accordance with this policy's terms and conditions.

PURPOSE

This policy's purposes are to obtain competitive pricing in PMGAA procurements, to authorize exceptions in specific situations, and to provide reasonable controls and accountability to PMGAA's Board of Directors.

DEFINITIONS

A.R.S.: Arizona Revised Statutes, as amended from time to time.

A/E (Architect or Engineer) Professional Services: Services performed by a registered professional licensed by the Arizona State Board of Technical Registration architect or engineer, including architectural, engineering, or other services associated with research, planning, development, design, construction, surveying, alteration, or repair of buildings and other improvements to real property.

Alternative Project Delivery Method: These methods contemplate that the contractor will be selected based on qualifications—not low bid. Alternative methods include design- build, construction manager at risk, job order contracting and any method required by federal funding.

Award: A determination by PMGAA to enter into a contract with one or more respondents. An award precedes execution of a contract.

Bid: The response submitted by a bidder to an Invitation for Bid. ~~The response to a Request for Proposals is called a proposal or offer.~~

Bidder: A person or company submitting a bid.

Board of Directors/Board: The members who jointly oversee the activities of PMGAA, a joint powers airport authority. The Authority is comprised of the Cities of Mesa, Phoenix, and Apache Junction, Towns of Queen Creek and Gilbert, and the Gila River Indian Community.

Capital Improvements: A new building or structure, or additions to or alterations of existing buildings or structures, or other improvements to real property as further defined in the budget or capital improvement program policy.

Competitive Procurement: The process of publicly soliciting bids or proposals to select the best provider of materials, equipment, services, concessions, or construction. Methods of competitive selection include Request for Quotations, Request for Proposals, Invitation for Bids, Requests for Qualifications, and cooperative contracts (with other agencies) that were competitively procured one of these ways.

Competitive Bidding: The process of soliciting bids from bidders, which may result in an award to the lowest responsible, responsive bidder. For purposes of this policy, either PMGAA or a cooperating agency may conduct competitive bidding.

Contract: All types of written agreements, regardless of what they may be called, for the procurement of materials, equipment, services, concessions, or construction. The Authority shall never enter into an oral contract.

Cooperative Purchasing: A competitively bid procurement conducted by, or on behalf of, or utilized by another governmental agency or procurement unit.

Emergency Purchase: Any purchase necessary for the immediate benefit of the public health, safety, or welfare and for which compliance with established procurement procedures is impracticable or contrary to the public interest.

Evaluation Panel: The members that review, evaluate, and score submittals received in response to an RFP or RFQ issued by PMGAA. The number of members on the panel shall always be an odd number.

Executive Director/CEO: The Chief Executive Officer of the Airport reporting to PMGAA's Board of Directors. The Executive Director/CEO has responsibility to manage, operate, and maintain Phoenix-Mesa Gateway Airport.

Executive Team: The following staff members of the Airport – Executive Director/CEO, Deputy Director, and Chief Financial Officer.

General Services: By contrast to professional services, general services are provided primarily through semi-skilled labor.

IFB: Invitation for Bid. The IFB consists of all documents, including those attached to or incorporated by reference, utilized for soliciting bids where price is the sole consideration for the award.

Interested Person: A person that is an actual or prospective bidder or proposer with a direct economic interest affected by the award or failure to award the contract at issue. Neither a subcontractor nor a supplier is an "interested person."

Intergovernmental Agreement: An agreement with another public agency in accordance with A.R.S. 11-952.

Micro-purchase: The purchase of supplies or services using simplified acquisition procedures, the aggregate amount of which does not exceed the micro-purchase threshold as set by the Federal Acquisition Regulation at 48 CFR, including any exceptions thereto, as applicable to PMGAA.

PMGAA: Phoenix-Mesa Gateway Airport Authority.

Procurement ~~Coordinator~~ Officer: The PMGAA employee with specific responsibility for overseeing procurement of materials, goods, and services valued over $5,000.

Professional Services: Professional services are rendered by members of a recognized profession or by persons possessing a special skill. These services include advertising, appraisers, architects, attorneys, consultants, certified public accountants, planners, environmental studies, financial and operational audits, personnel and benefits studies, land surveyors, landscape architects, renewals of proprietary computer hardware and software licensing, trainers, and other licensed professionals.

Proposal: A proposal is an offer submitted by a vendor in response to a solicitation.

Protest: A formal objection that arises during the procurement process asserted by an interested person.

Protester: An interested person that objects to a solicitation or award.

Publicly Accessible Procurement Source: A public source to establish market value of used equipment.

Purchaser: PMGAA or another agency that acquires goods, professional services, other services, or construction on behalf of an organization.

Purchasing Director: A PMGAA employee responsible for and authorized to administer day-to-day procurement activities under this Board Policy and applicable law.

Quote: An informal purchasing process that results in obtaining pricing information from several sources, including publicly posted or advertised pricing.

Quotation: A statement of price, terms of sale, and description of goods or services offered by a vendor to a prospective purchaser.

Responsible Bidder/Proposer: A person who is licensed (if required), who complies with all of the requirements of law, the solicitation, and proposed contract, and who possesses the experience, resources, financial and technical capacity, and everything else necessary to perform the contract.

Responsive Bid: A bid or proposal that fully conforms in all material respects to the IFB/RFP and all of its requirements.

RFP: Request for Proposals. The RFP consists of all documents, including those attached or incorporated by reference, utilized for soliciting proposals.

RFQ: Request for Qualifications. The RFQ consists of all documents, including those attached to or incorporated by reference, utilized for soliciting statements of qualifications.

Services: Includes A/E, professional, and general services.

Solicitation: An Invitation for Bid (IFB), Request for Proposals (RFP) or Request for Qualifications (RFQ) issued by PMGAA or another agency or procurement unit.

Submittal: A Bid, Proposal, or Statement of Qualifications submitted to PMGAA in response to an IFB, RFP or RFQ issued by PMGAA.

Vendor: A seller or supplier of goods and services.

I. CONFLICT OF INTEREST STATEMENT

Employees conducting business on behalf of PMGAA have a responsibility to do so in a manner that is objective and ethical. The goal of all such business dealings must be to benefit PMGAA. The following policies apply:

1. No employee, officer, agent or outside firm may participate in the preparation, selection, award, or administration of a solicitation or contract if he or she has a real or perceived conflict of interest.

2. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization

which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.

3. The acceptance of gifts, money, or gratuities from any person or organization is prohibited except as provided below. PMGAA employees, officers or agents will be guided in interpretation of this section by the distinction between a gift, gratuity, or favor given or received which has significant monetary value and is offered or accepted in expectation of preferential treatment, and an expression of courtesy.

   a. Employees, officers or agents may not accept cash in any form.

   b. It is recognized that employees, officers and agents must conduct a certain amount of Airport business with non-Airport employees during meals, or occasionally during entertainment events. An employee, officer or agent may accept items valued at or below $50.00, such as business meals and/or entertainment tickets when, in the employee's, officer's or agent's judgment, such offers are made in the normal course of Airport business, they benefit and advance positive working relationships and PMGAA interests, they are the usual standard of the industry, and it is not appropriate to decline.

   c. This policy is not meant to preclude the acceptance of:

      (1.) Free attendance or participation at official or quasi-official functions such as groundbreaking, open houses, award ceremonies, banquets or similar events which the employee, officer or agent attends in the capacity as a PMGAA employee; or

      (2.) Free meals and/or entertainment that are part of such programs or functions;

      (3.) Gifts of nominal value such as promotional items such as calendars, note pads, and pens.

4. Any contract entered into in violation of this policy is voidable or subject to cancellation at the option of the Purchasing Director. Employees, officers, and agents who violate PMGAA's conflict of interest policy will be subject to disciplinary action, as set forth in PMGAA's Personnel Rules.

5. If an employee, officer, or agent has any questions concerning this policy or is in doubt as to what is considered appropriate, he/she is directed to contact PMGAA's Procurement ~~Coordinator~~ Officer.

II. RESPONSIBILITY FOR PURCHASING

A. PMGAA's Chief Financial Officer shall serve as Purchasing Director. The Purchasing Director shall direct all purchases of goods and services made by or on behalf of PMGAA. The Purchasing Director may delegate purchasing functions to authorized PMGAA employees.

B. Department Directors must ensure that their employees comply with this policy.

C. The Purchasing Director shall establish procedures necessary to effectively implement this policy.

D. Under the Purchasing Director's oversight, the Accounting Department shall maintain documentation sufficient to detail the history of procurements for audit purposes and for compliance with records-retention requirements. All procurement records must be maintained and disposed of in accordance with PMGAA's records-retention schedule.

E. PMGAA, alone, will be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes, and claims. These standards do not relieve PMGAA of any contractual responsibilities under its contracts.

For Federal procurements, the Federal awarding agency will not substitute its judgment for that of PMGAA unless the matter is primarily a Federal concern. Violations of law will be referred to the local, state, or Federal authority having proper jurisdiction.

III. GENERAL

A. PMGAA shall award contracts only to responsible vendors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as vendor integrity, compliance with public policy, record of past performance, and financial and technical resources. Solicitation documents shall outline additional requirements for award considered by

PMGAA. ~~PMGAA shall not award Federally funded contracts to any vendor that is listed on the government wide exclusions in the System for Award Management (SAM).~~

B. PMGAA will conduct all procurement transactions in a manner providing full and open competition consistent with the standards of this policy.

For procurements funded in full or in part by a Federal agency:

1. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals shall be excluded from competing for such procurements.

2. PMGAA shall ensure, to the fullest extent possible, enough qualified sources are notified of the procurement opportunity to ensure maximum open and free competition. PMGAA shall not preclude potential bidders from qualifying during the solicitation period.

3. PMGAA shall conduct procurements in a manner that prohibits the use of statutorily or administratively imposed state or local geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference.

4. Nothing in this section preempts state licensing laws.

5. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

6. PMGAA will maintain a list of interested persons, firms or products which are used in acquiring goods and services. Such list shall be kept current, to the extent possible, and include enough qualified sources to ensure maximum open and free competition.

C. PMGAA will avoid acquisition of unnecessary or duplicative items by ensuring the need and use of goods and services. Staff will review existing procurement contracts to ensure that the procurement will not be duplicative. Consideration shall be given to consolidating or breaking out procurements to obtain a more economical purchase,

however, will not circumvent the requirement of Section V(A)(1) of this policy. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.

D. In accordance with Title 49 Code of Federal Regulations Part 26, Disadvantaged Business Enterprise (DBE) and Part 23, Airport Concession DBEs (ACDBE), PMGAA has established a DBE and ACDBE program, approved by the FAA, taking all necessary affirmative steps to assure that minority businesses, women and small business concerns (SBC) have equal and fair opportunity to participate in procurements where they meet the stated requirements and goals established.

E. PMGAA encourages the use of recovered materials. For procurements funded in full or in part by a Federal agency for items designated in the guidelines of the Environmental Protection Agency (EPA) at 40 CFR Part 247 and where the item being procured exceeds the threshold set at 2 CFR Part §200.322, PMGAA will procure that item from recovered materials, when possible or practicable, consistent with maintaining a satisfactory level of competition. Further, PMGAA will follow this policy when the value of the quantity acquired during the preceding fiscal year exceeded the dollar threshold set. At the time of publication of this Policy, the threshold is $10,000.

F. PMGAA's solicitation documents and contracts shall contain the required provisions as set forth in the FAA's "Contract Provision Guidelines for Obligated Sponsors and Airport Improvement Program Projects", regardless of funding source.

IV. PURCHASING AUTHORIZATIONS

The Executive Director/CEO will delegate purchasing authorizations, including spending limits, to designated PMGAA staff at the beginning of each fiscal year, as required by current PMGAA Operating Policies and Procedures.

Once designated by the Executive Director/CEO, defined staff will be authorized for that fiscal year to approve purchasing commitments with PMGAA vendors at the spending limits set forth by the Executive Director/CEO. Spending limits will be set to meet the typical needs associated with certain airport requirements, staff functions, and staff responsibilities.

Except as provided in this policy, purchases or contracts that exceed $50,000 may not be awarded without the Board's prior approval.

V. TYPES OF PURCHASES

A. General Applicability

1. Purchases may not be intentionally divided between multiple, separate procurements to circumvent this policy's requirements.

2. No purchase may be made without proper authorization.

3. ~~When purchasing materials and general services eligible for reimbursement under a federal or state grant,~~ PMGAA shall ensure compliance with all ~~applicable~~ laws, regulations, and grant assurances, as applicable, for any procurement.

4. If, after adequate advertising of a solicitation, only one bid, proposal or statement of qualifications is received the Purchasing Director or designee will:

   a. Confirm that the specifications of the IFB, RFP or RFQ were not overly restrictive. If deemed nonrestrictive, the Purchasing Director or designee shall perform a cost or price analysis to ensure the pricing received is in line with expected services and, if in line, proceed to award the contract following the guidelines set forth in this Policy.

      If the solicitation is deemed restrictive, the department requesting the procurement must submit a sole source justification to the Purchasing Director for consideration before contract award.

   OR

   b. Cancel the solicitation.

      The procurement file shall be documented with sufficient information detailing the procurement history.

B. Federally Funded Procurements

PMGAA shall not award any federally funded contracts, nor procure any goods or services under a federal award, from any vendor and/or its principals that are listed on the government-wide exclusions or debarment listing in the System for Award Management (SAM).

Any procurement funded in full or in part by a Federal agency will adhere to the following purchasing methods:

1. Purchases under the Micro-purchase threshold. Except as required by applicable law, so long as the micro-purchase threshold exceeds $5,000, purchases under the micro-purchase threshold shall be purchased in accordance with the procedures set forth in Section V (C).

2. Purchases between the Micro-purchase threshold and $50,000. Unless otherwise outlined within this Policy, for purchases of services, supplies, or other property that is equal to or will exceed the Micro-purchase threshold but does not exceed $50,000, the authorized employee will obtain at least three price or rate quotes from qualified sources for the same or substantially similar items or services. If, after solicitation of a number of sources, competition is determined inadequate and three quotes are not available, the employee shall obtain as many quotes as are reasonably available. The employee shall document the procurement file explaining why three quotes/proposals were not obtained. Oral quotes, published advertisements, catalogues, and online web pricing will satisfy this requirement.

3. Purchases in excess of $50,000. For purchases that will exceed $50,000, the Purchasing Director shall require a formal competitive procurement process, except as otherwise provided in this Policy.

4. Procurement by noncompetitive proposals. Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source. PMGAA may only use this procurement method when one or more of the following circumstances apply:

    a. The item is available only from a single source;

    b. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;

    c. The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from PMGAA; or

    d. After solicitation from a number of sources, competition is determined inadequate.

5. For procurements of services other than A/E services and Alternative Project Delivery Methods, PMGAA shall not use the competitive selection process of a Request for Qualifications (RFQ).

C. Non-Federally Funded Procurements: Purchases of Products, Materials, Equipment, and General Services

1. Purchases under $5,000. For purchases under $5,000, PMGAA may obtain the products, materials, equipment, or general services as needed without further formality. Multiple quotes are not required for procurements up to $5,000. However, the authorized employee must ensure that the procurement is made consistent with sound business practice and that PMGAA receives the best value.

2. Purchases between $5,000 and $50,000. Unless otherwise outlined within this Policy, for purchases of products, materials, equipment, or general services that will exceed $5,000 but not exceed $50,000, the authorized employee shall obtain at least three written price quotes for the same or substantially similar items or services. If, after solicitation of a number of sources, competition is determined inadequate and three quotes are not available, the employee shall obtain as many quotes as are reasonably available. The employee shall document the procurement file explaining why three quotes/proposals were not obtained. Oral quotes, published advertisements, catalogues, and online web pricing will satisfy this requirement.

3. Purchases in excess of $50,000. For purchases of products, materials, equipment, or general services that will exceed $50,000, the Purchasing Director shall require a formal competitive procurement process, except as otherwise provided in this Policy.

D. Non-Federally Funded Procurements: A/E Professional Services and Construction

1. PMGAA shall comply with A.R.S. Title 34 to procure construction and A/E professional services.

2. Under A.R.S. Title 34, contracts with engineers in excess of $500,000 and contracts with architects in excess of $250,000 require advertising and selection through an RFQ. These A/E professional services and construction projects utilizing design-bid-build, construction-manager-at-risk, and job-order contracting delivery methods must be approved by the Purchasing Director or designee before advertising.

E. Non-Federally Funded Procurements: Professional Services (not including A/E Professional Services)

1. Purchase of professional services between $5,000 and $50,000. When contemplating a purchase of professional services (such as legal counsel, auditors, brokers, or other professional consultants), the authorized employee shall obtain at least three written quotes/proposals. If after solicitation of a number of sources, competition is determined inadequate and three quotes or proposals are not available, the employee shall obtain as many quotes/proposals as are reasonably available. The employee shall document the procurement file explaining why three (3) quotes/proposals were not obtained. Alternatively, the Purchasing Director may authorize the employee to directly select professional services as needed without further formality.

2. Purchase of professional services over $50,000. Unless the Executive Director/CEO grants an exception, PMGAA shall procure professional services that exceed $50,000 by competitive selection to the extent practicable, advantageous to PMGAA, consistent with sound business practices, and likely to ensure that PMGAA receives the best value and service. The Executive Director/CEO may grant exceptions upon written recommendation by the department head that competitive selection is not practicable or advantageous to PMGAA. If an exception is granted by the Executive Director/CEO and the amount for the services exceeds $50,000 then a report will be made to the Board detailing the circumstances at the next scheduled Board meeting.

F. Purchases from Member Governments

The Purchasing Director may purchase services from or contract directly with any member government as necessary without using a competitive procurement process.

G. Excess and Surplus Property

For procurements funded in full or in part by a Federal agency, PMGAA shall utilize Federal excess and surplus property in lieu of purchasing new equipment and property, whenever such use is feasible, acceptable for the intended use, and available in the needed time frame.

H. Procurements Involving Gateway Aviation Services

PMGAA shall procure products and services for Gateway Aviation Services in accordance with this policy, with the following exceptions.

1. Fuel, oil, and other products for resale may be purchased without formality from any qualified vendor as needed to fulfill customer orders, with due regard for price.

2. Fuel trucks and related equipment and parts may be acquired, at the Purchasing Director's option, by purchase or lease from PMGAA's fuel supplier through direct negotiations with the supplier. The Board must approve any proposed purchase or lease with a value that exceeds $50,000.

I. Emergency Procurements

Notwithstanding any other provision of this policy, the Purchasing Director may make or authorize other employees to make emergency procurements without following this policy if a threat to the public health, safety, or welfare exists; or if a situation exists that makes compliance with this policy problematic. All procurements completed under this Section must be conducted with as much competition as practicable under the circumstances. A written determination of the basis for the emergency must be included in the procurement file, and if the procurement exceeds $5,000, a report explaining the emergency and the procurement's outcome must be made to the Board at the next scheduled Board meeting. If, however, the next scheduled Board meeting is not within thirty (30) days from the date of the Emergency Procurement, PMGAA staff will provide email notification to all Board members explaining the emergency and the procurement's outcome in addition to providing a report at the next scheduled Board meeting.

J. Impractical Procurements

In some cases, it is impractical to require competitive quotes or bids for products or services. In such situations and notwithstanding any other provision of this policy, the Purchasing Director may make or authorize other employees to make procurements without following this policy. Such examples include but are not limited to: matching existing furniture and fixtures, warranty service, and standardization. All procurements completed under this section must be conducted with as much competition as practical under the circumstances. A written determination of the basis for the impracticality must be included in the procurement file, and if the procurement exceeds $5,000, a report explaining the impractical situation and the procurement's outcome must be made to the Board at the next scheduled Board meeting. If, however, the next scheduled Board meeting is not within thirty (30) days from the date of the Impractical Procurement, PMGAA staff will provide

email notification to all Board members explaining the impractical situation and the procurement's outcome in addition to providing a report at the next scheduled Board meeting.

K. Purchases Excluded from Quotation/Competitive Selection Requirements

The following items are excluded from the requirement of multiple quotes or competitive selection.

1. Sponsorships.
2. Advertisements in magazines, newspapers, or other media.
3. Former employees with unique knowledge contracted on a temporary or part-time basis.
4. Publicly available training seminars and conferences.
5. Memberships in professional associations.
6. Works of art, entertainment, or performance (when authorized by the Executive Director/CEO or Board, as applicable).
7. Subscriptions to trade/professional magazines or journals.
8. Travel-related expenses as defined in the Business Travel Authorization and Reimbursement policy.
9. Payments for regulated services, such as postage and utilities, where no practical competitive alternatives exist.
10. Arizona Correctional Industries, Arizona Industries for the Blind, and other entities established by the state of Arizona under the set-aside program (A.R.S. 41-2636).
11. Hardware and software licensing renewals and maintenance support.

L. Multi-Year Contracts

1. Multi-year contracts are contracts that extend more than one (1) year in length. Multi-year contracts may have optional years specified to be exercised at PMGAA's discretion. An example of a multi-year contract is a contract for three (3) years with two (2) one (1) year options for a total of five (5) years (potentially).

Multi-year contracts may not exceed five (5) years total unless approved by the Board.

2. Board approval is required for multi-year contracts having a total cumulative value, including all options, in excess of $50,000. Board approval for exercising the option years is not required if the Board approves the option when the contract is first approved.

VI. PROCUREMENT PROCESSES

PMGAA may procure goods and services generally in accordance with the following selection methods. The selection method to be used for each procurement should be determined in coordination with the Purchasing Director or designee, giving due consideration to the nature and scope of the procurement, this policy, applicable laws, and any applicable grant or other funding requirements.

A. Obtaining Quotes for Purchases of Products, Materials, Equipment, or General Services

1. The authorized employee shall obtain and document quotes from at least three (3) qualified vendors for the same or substantially similar items or services. If three quotes are not available, the employee shall obtain as many quotes as are reasonably available, and the employee shall document the circumstances for the procurement file.

2. The authorized employee may receive quotes by any expedient manner, including telephone, fax, email, advertisements, catalogues, and online web pricing.

3. The authorized employee shall not reveal the amount of any quote to any competing vendor until after all quotes have been received.

4. As part of the purchase order approval process, the Purchasing Director or designee will review the quotes and may: (1) accept the quotes; (2) reject any or all quotes and re-procure; (3) request additional quotes; or (4) require a formal competitive procurement process.

B. Sole Source

When there is only one person or entity capable of providing a particular product or service, or when sole source procurement is needed to maintain program continuity or compatibility with existing equipment, these circumstances must be documented.

The Purchasing Director or designee may then authorize a sole source procurement and waive the requirement for a competitive procurement process.

C. Invitations for Bid (IFB)

1. Each IFB shall describe the goods or services required and include design or performance specifications for the item or service. Such description shall not contain features which unduly restrict competition.

2. Each IFB shall describe all requirements which offerors must fulfill and all other factors to be used in evaluating bids submitted.

3. The Purchasing Director or designee shall publicly issue and advertise each IFB. A notice inviting bids shall be published in accordance with A.R.S. 34-201 (construction) or A.R.S. 39-203 (if applicable).

4. The IFB must state the place where each bid must be submitted, the deadline for submitting bids, and the date, time, and place of the bid opening.

5. Each bid must be submitted in a sealed envelope clearly identified as a bid on the front of the envelope. Any bid not sealed or not received within the specified time period must be rejected.

6. All bids must be opened in public at the time and place specified by PMGAA in the IFB documents. A tabulation of all bids received will be posted on PMGAA's website.

7. The Purchasing Director or designee may reject any and all bids or parts of bids and may re-advertise and re-solicit bids.

8. The contract must be awarded to the lowest responsible and responsive bidder for a firm fixed price. In making the determination of the lowest responsible, responsive bidder, the Purchasing Director, designee or Board may consider the following:

   a. The ability, capacity, experience, and resources of the bidder, its employees, and subcontractors to perform the contract.

   b. The bidder's capacity to perform the contract promptly and within the time specified, without delay or disruption.

c. The bidder's quality of performance on previous contracts with PMGAA or with its members.

d. The bidder's financial, technical, and other resources to perform the contract.

e. The quality and adaptability of the bidder's materials, supplies, or services to the particular use required.

9. If an award is not made to the lowest bidder, the Purchasing Director or designee shall prepare a written statement of the reasons and include this statement in the procurement file.

D. Requests for Proposals (RFP)

1. A Request for Proposal may be used when the Purchasing Director or designee determines that the product(s) or service(s) being procured cannot be evaluated by cost alone. With the use of an RFP, PMGAA may conduct oral or written discussions with proposers regarding experience, technical information, price, or other aspects of their proposals that would be beneficial.

2. Each RFP must be publicly issued and advertised in the same manner as an IFB.

3. Each RFP must state:

a. A clear and accurate description of the technical requirements for the material, product, or service to be procured as well as a description of the work involved, if applicable. Such description must not contain features which unduly restrict competition;

b. Whether cost or pricing data is required;

c. Whether discussions, interviews, presentations or any combination thereof, may be held with the top-ranked proposers.

d. Identify all requirements which offerors must fulfill in order to be considered under the solicitation;

e. The criteria on which an award will be based and the points that may be awarded for each criterion.

~~4. Proposals submitted that meet the requirements, as outlined in the RFP, shall be considered by PMGAA to the maximum extent practical.~~

~~5.~~4. The Purchasing Director, designee or the Board may reject any and all proposals or parts of proposals and may re-advertise or re-solicit proposals.

~~6.~~5. For an RFP, the award must be made to the responsible and responsive proposer whose proposal is determined to be the most advantageous to PMGAA and best satisfies PMGAA's needs taking into consideration the evaluation criteria in the RFP. PMGAA is not required to award the contract to the proposer with the lowest price. The following criteria may be considered.

a. Price;

b. The ability, capacity, and experience of the proposer, its employees, and subcontractors to perform the contract;

c. The proposer's capacity to perform the contract promptly and within the time specified, without delay or disruption;

d. The proposer's quality of performance on previous contracts with PMGAA or with its members;

e. The proposer's financial, technical, and other resources to perform the contract;

f. The quality and adaptability of the proposer's materials, supplies, or services to the particular use required;

g. The number and scope of conditions attached to the proposer's offer, and the offer's conformance to all material aspects of the RFP.

~~g.~~h. Concurrence of the Executive Team of the basis for the award recommendation.

~~7.~~6. The procurement file must contain the basis on which the award is made, including the evaluation method and evaluation criteria used for the proposals received.

E. Requests for Qualifications (RFQ)

1. A Request for Qualifications may be issued for professional services and where federal or state law requires or allows the use of a qualifications-based selection process.

2. Each RFQ must be publicly issued and advertised in the same manner as an IFB.
3. Each RFQ must state:
   a. A clear and accurate description of the work to be performed; involved;
   b. Whether discussions, interviews, presentations or any combination thereof, may be held with the most-qualified firms;
   c. identify all requirements which the offeror must fulfill in order to be considered under the solicitation;
   d. The criteria on which an award will be based and the points that may be awarded for each criterion.
4. The contract or purchase shall be awarded based upon the criteria outlined in the RFQ and in accordance with applicable federal and state laws. The following criteria may be considered:
   a. The ability, capacity, and experience of the proposer, its employees, and subcontractors to perform the contract;
   b. The proposer's capacity to perform the contract promptly and within the time specified, without delay or disruption;
   c. The proposer's quality of performance on previous contracts with PMGAA or with its members;
   d. The proposer's financial, technical, and other resources to perform the contract;
   e. The quality and adaptability of the proposer's materials, supplies, or services to the particular use required;
   f. The number and scope of conditions attached to the proposer's offer, and the offer's conformance to all material aspects of the RFQ.
   ~~f.~~g. Concurrence of the Executive Team of the basis for the award recommendation.

F. Tied Submittals

1. Tied submittals are those from responsive and responsible Bidders/Offerors that either: (i) in the case of an Invitation for Bid, are bids that are identical in price; or (ii) in all other types of competitive selection, receive the same evaluation ranking.

2. Invitation for Bid: In the event that two (2) or more Bidders submit identical bids, the award shall be made by a drawing of lots among the identically priced Bidders. The drawing shall take place at PMGAA by the Purchasing Director. Two (2) or more PMGAA employees shall witness the drawing.

3. Request for Proposals and Request for Qualifications: In the event that two (2) or more Offerors are ranked number one by the Evaluation Panel, award shall be made based on the Offeror receiving the highest weighted ranking. The weighting shall be calculated by summing the individual rankings of each evaluator for each Offeror and ranking the sums. This method shall address a single outlier's scoring where one evaluator's scores are outside the norm of the other evaluator's scores. If, after utilizing a weighted ranking, a tie of submittals still exists, the award will be made by a drawing of lots among the tied submittals. The drawing shall take place at PMGAA by the Purchasing Director. Two (2) or more PMGAA employees shall witness the drawing.

4. Documentation of the resolution of tied submittals will be retained in the procurement file.

~~F.~~G. Cooperative Purchasing Agreements

To foster greater economy and efficiency, and in accordance with efforts to promote cost-effective use of shared services across governmental agencies, PMGAA may, where appropriate, enter into cooperative purchasing agreements with state and local governments and other procurement units for the procurement or use of common or shared goods and services.

The Purchasing Director or Executive Director/CEO may enter into cooperative purchasing agreements with other agencies or procurement units. In most cases, a procurement process conducted by another agency will satisfy this policy. The Purchasing Director or designee shall exercise reasonable efforts to ensure that the original contract was solicited with the intent to be used for cooperative procurement, that the process was conducted in a manner consistent with this policy, and that the contract provides the best value for PMGAA.

~~G.~~H. Publicly Accessible Procurement Sources

When the Procurement Director determines it more practical and economical to purchase used heavy equipment versus new, and the amount exceeds $50,000 in value, publicly accessible procurement sources may be utilized for establishing a market value for the equipment. The applicability of procurement methodology will be determined on an individual basis without securing multiple bids. Sources to establish market value may include, but are not limited to, auctions and classified advertisements (print and Web based).

Due to the type of purchase, the equipment must be paid for at time of sale to ensure availability. This makes Board approval prior to the purchase impractical. Therefore, PMGAA staff will subsequently make a full report to the Board, including type of equipment purchased, cost of the item, disclosure of the information utilized to establish market value and related expenses, if any.

This method benefits PMGAA both financially and operationally due to a larger pool of equipment at a less expensive costs and immediate availability.

~~H~~I. Changes in Scope of Work After Contract Award

If, after a contract has been awarded and changes in the scope of work are required, PMGAA shall negotiate an amendment to the contract to be executed by PMGAA and the Bidder/Proposer. No work shall commence on any amendment or change until the amendment has been approved by PMGAA and the Bidder/Proposer has been notified, in writing, to proceed by PMGAA. If the change in scope of work results in a contract that exceeds $50,000 a report will be made notifying the PMGAA Board at the next scheduled Board meeting.

VII. CONTRACTS

If the original quote/proposal for services exceeds $10,000 a contract will be executed by PMGAA and the Bidder/Proposer prior to any work commencing. The contract will detail the Scope of Work, contract dollar amount, and payment terms, along with PMGAA standard terms and conditions.

For procurements funded in full or in part by a Federal agency:

A. PMGAA shall, if deemed appropriate and feasible, use value engineering clauses in contracts for constructions projects of sufficient size to offer reasonable opportunities for cost reduction.

B. PMGAA may use a time and materials type contract only after a determination that no other contract is suitable and if the contract includes a ceiling price that the contractor exceeds at its own risk. Time and materials type contract means a contract whose cost to PMGAA is the sum of:

   1. The actual cost of materials; and

   2. Direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit.

   With a time and materials contract, PMGAA will assert a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.

C. PMGAA shall perform a cost or price analysis in connection with procurements in excess of the Simplified Acquisition Threshold (set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1) including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, PMGAA shall make independent estimates before receiving bids or proposals.

D. PMGAA shall negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. To establish a fair and reasonable profit, consideration must be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.

E. PMGAA will only allow costs or prices based on estimated costs for contracts under the Federal award to the extent that costs incurred or cost estimates included in negotiated prices would be allowable for PMGAA under Subpart E—Cost Principles, of 2 CFR Part 200.

F. The cost plus a percentage of cost and percentage of construction cost methods of contracting will not be used.

G. PMGAA’s contracts will contain the applicable provisions described in Appendix II to Part 200, Contract Provisions for non-Federal Entity Contracts Under Federal Awards.

H. PMGAA will follow the State of Arizona bonding requirements for all construction work unless, on construction work funded in full or in part by a Federal agency, the Federal agency determines that the Federal interest is not adequately protected. In such cases, the bonding requirements at 2 CFR Part §200.325 shall take effect.

VIII. OTHER

A. Public Access to Procurement Information

1. Procurement opportunities that exceed $50,000 in value will be posted on PMGAA's website at www.gatewayairport.com under the Business| Procurements, Vendors & Notices section.

2. Written records pertaining to a solicitation or award of a contract or purchase order must be maintained by the Purchasing Director or designee.

3. Submittals to PMGAA become public documents subject to disclosure and applicable Arizona public records laws and PMGAA published policies. Bids, proposals, statements of qualification, and all solicitation and evaluation materials (except the solicitation document itself) may not be disclosed until the final contract has been negotiated and awarded. If the proposer deems any portion of its submittal as confidential, the proposer must label each and every page of the confidential portions with: "Trade Secret", "Confidential" and/or "Proprietary." Proposers are advised that, pursuant to Arizona law, contract terms and conditions, pricing, and information which are generally available to the public are not considered confidential information. The proposer must also list each of the materials it deems confidential at the beginning of its proposal, and provide a written, detailed justification for not making such material public, along with its submittal. This justification must address, at a minimum, the specific competitive harm that may result from any disclosure, the intrinsic value of the information to the proposer, and any safeguards the proposer uses to protect the information from disclosure. PMGAA shall have the sole discretion to disclose or not disclose such material, subject to any protective order that the proposer may obtain, but it is incumbent on the proposer to assert its rights to confidentiality. By submitting a quote, bid, proposal, or statement of qualifications, the proposer agrees to hold PMGAA harmless from any claim arising from the release of Trade Secret, Confidential Information and/or Proprietary Information which is not clearly marked as such by the proposer or lacking written, detailed justification supported by applicable law. PMGAA shall endeavor to protect against disclosure

of any trade secrets, confidential or proprietary information or data contained in a proposal, which information and data the proposer has designated as confidential. If any member of the public demands public disclosure of this confidential information, PMGAA will notify the proposer, who shall defend and indemnify PMGAA against attorneys' fees and costs incurred in the event the proposer is resisting the demand to disclose the confidential information.

B. Procurement Transparency Regulation

1. PMGAA has adopted the following transparency regulation. This transparency regulation applies to every solicitation under this Procurement Policy. The transparency regulation's purpose is to ensure that every person's solicitation-related contacts and communications with PMGAA's Board of Directors and staff (other than the Purchasing Director or his designee) occur in a public meeting in which every other interested person may participate.

2. No person may directly or indirectly contact or communicate with any member of PMGAA's Board of Directors or any PMGAA employee about any active or pending solicitation under this Procurement Policy except at the Board of Directors' regular monthly public meeting, unless the solicitation documents specifically authorize otherwise. This transparency regulation becomes effective for each solicitation immediately upon PMGAA's release of the solicitation documents or posting of the solicitation opportunity on PMGAA's website. The regulation continues in effect through any protest until the Board's public meeting at which final action on the solicitation (or protest) has been scheduled.

3. The Purchasing Director may reject the bid, proposal, statement of qualifications, or other offer of, and the Purchasing Director may disqualify, any person that directly or indirectly (through agents, subcontractors, or suppliers, for example) violates this transparency regulation. The Purchasing Director's decision to reject a bid, proposal, statement of qualifications, or other offer and to disqualify any person that violates this transparency regulation is final and non-appealable.

4. Every person's contacts or communications with PMGAA regarding any active or pending solicitation must conform to this transparency regulation and the solicitation documents' terms and conditions. Generally, each solicitation will establish PMGAA's point of contact (typically the Purchasing Director or his designee) for purposes of the solicitation, and all persons interested in the

solicitation may contact or communicate with the point of contact as specified in the solicitation documents.

IX. PROTESTS - GENERAL INFORMATION

A. Authority to Resolve Protest

The Purchasing Director is authorized to decide any protest relating to any procurement on PMGAA's behalf.

B. Right to Protest

Any interested person aggrieved in connection with a solicitation or award of a contract may protest the solicitation or award. The protest must be filed with the Purchasing Director.

C. Confidentiality of Protest Information

All materials submitted by a protester may be disclosed to any interested person except to the extent permitted or required by law or as determined under this policy.

D. Protests Involving Federal Aviation Administration (FAA) or Arizona Department of Transportation (ADOT) Funded Projects.

For protests on FAA or ADOT funded projects, PMGAA may be required to provide information to or obtain the funding agency's approval of protest determinations. Accordingly, notwithstanding any deadline in this policy applicable to PMGAA, PMGAA is entitled to additional time as needed to comply with any grant or other agency requirements relating to a procurement dispute. Under no circumstances may the protester consider or name FAA or ADOT a party to the protest.

E. Record of Protest

PMGAA shall maintain a written record of each protest.

X. PROTEST OF SOLICITATION OR SPECIFICATIONS (BEFORE BID OPENING)

A. Any interested person aggrieved in connection with the solicitation of a contract shall protest irregularities in the IFB, RFP, or RFQ within three (3) business days from the date the protester knew or should have known of the basis for the protest and, in any case, at least five (5) business days before opening bids or the deadline for submission of proposals or statements of qualifications.

B. All protests must be made in writing to the Purchasing Director. Each protest must state the specific factual and legal grounds on which the protest is based. The protester must also include with the protest all pertinent documents and all supporting evidence. PMGAA need not accept any protest that fails to comply with the requirements of this section. The protester's failure to timely protest specifications or other solicitation terms and conditions constitutes a waiver of the protest.

C. If a timely protest before the bid opening or receipt of proposals or statements of qualifications is made, PMGAA may proceed with the solicitation or with the award of the contract unless the Purchasing Director determines in writing that the protest should be sustained or that an addendum addressing the protest should be issued.

XI. PROTEST OF AWARD RECOMMENDATION

A. A protest made after the deadline for bids, proposals or SOQs, including challenges to the evaluation committee, must be submitted in writing to the Purchasing Director.

B. A protest must be received by the Purchasing Director within five business days following public posting of PMGAA's intent of award recommendation. The formal protest must contain the following information.

1. PMGAA's solicitation identification number and title.

2. Name and address of the protester, the title or position of the person submitting the protest, and a statement that the protest has been authorized by the protester and the protest is made in good faith.

3. A statement of all facts alleged and all rules, regulations, statutes, or constitutional provisions that entitles the protester to relief.

4. All other information, documents, materials, legal authority, and evidence in support of the protest.

5. A statement indicating the precise relief sought by the protester.

C. The Purchasing Director will make a written decision on the protest within ten business days after it is received.

D. The Protester may appeal the Purchasing Director's decision to the Executive Director/CEO. Any appeal must be filed with the Executive Director/CEO within

three (3) business days after the protester receives the Purchasing Director's decision.

E. The Executive Director/CEO may hear the appeal or appoint an independent hearing officer to do so. If a hearing officer is appointed, the hearing officer shall conduct an informal hearing on the appeal within 10 business days from receipt of the appeal. The hearing officer shall promptly prepare an informal decision and recommendation on the appeal for the Executive Director/CEO's consideration. The hearing officer shall promptly serve the recommendation on the protester.

F. Upon receipt of the hearing officer's recommendation, or if no hearing officer is appointed, the Executive Director/CEO shall decide any protest for a solicitation valued at less than $50,000. For solicitations valued less than $50,000 or sustained protests, the Executive Director/CEO's decision is final. For solicitations valued over $50,000 and the Executive Director/CEO is recommending denial of the protest, the Executive Director/CEO shall make a recommendation to the Board, and the Board shall make the final decision regarding award of the contract.

G. Notice of the Board's final decision must be furnished to the protesting party, in writing, by the Purchasing Director.

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

Board Action Item

Re: Resolution 22-02

To: Board of Directors
From: Chuck Odom, Chief Financial Officer
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: Airport Rates and Charges- Recommended Revision Effective February 16, 2022
Date: February 16, 2022

Proposed Motion

To adopt the revised Airport Rates and Charges schedule with an effective date of February 16, 2022.

Narrative

In the U.S. Customs and Border Protection section, Federal holidays will now require an appointment for Customs and Border Protection inspection services. There will be a minimum two-hour fee of $415.00 per inspector in addition to the standard user fee for Federal holidays. With this change the fee schedule for Federal holidays is the same as the fee schedule for after-hours services.

U.S. Customs and Border Protection		
U.S. Customs and Border Protection (CBP) Service User Fees	**Category (based on MGLW)**	**Inspection Fee (per aircraft arrival)**
	<5,000	$80.00
	5,001 – 12,500	$250.00
	12,501 – 35,000	$350.00
	35,001 – 100,000	$480.00
	100,001 – 255,000	$670.00
	> 255,000	$830.00
	Regular service hours are Monday – Friday, 1100 – 1900 hrs. (MST). Closed on Federal holidays. After-hours and Federal holidays by appointment only. For after-hours and Federal holiday appointments, there will be a minimum two-hour fee of $415.00 per inspector in addition to the standard user fee shown above. Two hours after the aircraft's scheduled arrival time, each additional 30 minutes required of the U.S. Customs Inspector will incur a $61.00 fee above the $415.00 minimum each.	

Fiscal Impact

This proposed change to the U.S. Customs inspection fees will enable the Authority to charge overtime rates to the end user for services on Federal holidays and will offset the overtime charges from U.S. Customs.

Attachment(s)

Proposed changes to Airport Rates & Charges

RESOLUTION NO. 22-02

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

WHEREAS the Authority desires to adopt the revised Airport Rates and Charges schedule with an effective date of February 16, 2022.

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

> **The Board of Directors of the Authority hereby adopts the revised Airport Rates and Charges schedule with an effective date of February 16, 2022. 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 16th day of February, 2022.

_____
John Giles, Chair

ATTEST:

_____
Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

_____
Jill Casson Owen, Attorney

Airport Rates and Charges*

Effective February 16, 2022

This schedule of Airport Rates and Charges is subject to updates. For the latest schedule, please visit the Phoenix-Mesa Gateway Airport website at:
http://www.gatewayairport.com/PoliciesDocumentsandForms#BoardPolicies

Signatory Commercial Carriers	Scheduled, FAR Part 121 and 129 operators, with a 90-day rolling average of 90 or more departures per month.		
Non-Signatory Commercial Carriers	Scheduled, FAR Part 121 and 129 operators, with a 90-day rolling average of less than 90 departures per month.		
Aircraft Landing Fee	Signatory Commercial Carriers, $1.32 per 1,000 lbs. maximum gross landing weight (MGLW). Non-Signatory Commercial Carriers, General Aviation and other eligible aircraft $1.98 per 1,000 lbs. MGLW. *Exemptions:* 1. U.S. Government owned aircraft 2. Non-revenue and flight training aircraft up to 12,500 MGLW 3. All based flight training school aircraft		
Aircraft Terminal Use Fee	Signatory Commercial Carriers - $50 per Turn Non-Signatory Commercial Carriers - $75 per Turn		
	Commercial Carriers with no operating agreement, see page 2 Non-Operating Agreement Passenger Terminal – Common Use Areas and Equipment		
Aircraft Parking Fee	**Aircraft Passenger Capacity**	**Signatory**	**Non-Signatory**
	1-69	$ 35	$ 53
	70-250	$ 70	$105
	251 or greater	$100	$150
	Will be assessed for the occupancy of an aircraft parking position for more than 3 hours, including terminal gates and remote parking positions, and for each additional 24 hour period.		
Airport Car Rental Customer Facility Charge (CFC)	$2.50 per vehicle rental day		
Aviation Fuel Flowage Fees	Fuel Flowage Fees are paid to PMGAA by any entity or person dispensing or receiving fuel on the Airport in accordance with PMGAA Aviation Fuel Storage, Dispensing & Handling Guidelines.		
	Signatory Commercial Carriers by agreement		
	Non-Signatory Commercial Carriers - $.05 per gallon		
	All Others - $0.12 per gallon		
Fire Suppression Services	$.50 per year per square foot of floor space + $250.00 set-up charge, billed in monthly installments. 15% of annual fees required as security deposit. South ramp connection fee = $209,746.00		
Parking Rates *Grace Period first 10 minutes	**Fee by Location**	**Rate**	**Daily Maximum Charge**
	Hourly Parking Lot	$1.00 / 30 minutes*	$48.00
	Daily Parking Lot	$1.00 / 30 minutes*	$11.00
	Ray Rd Economy Parking Lot Uncovered	$1.00 / 30 minutes*	$ 7.00
	Ray Rd Economy Parking Lot Covered	$1.00 / 30 minutes*	$11.00

All Airport Rates and Charges may vary due to terms defined in specific agreements.
Late payments are subject to a 1.5% finance charge. Payment terms are net 30 days unless otherwise specified.

	Lost Token Fee with itinerary = Days of Stay x Parking Lot Rate + $20 Lost Token & Admin Fee Lost Token Fee without itinerary (may be adjusted later with proof of itinerary)		$250.00
Passenger Facility Charge (PFC)	$4.50 per enplaned commercial passenger, Per FAA Approved PFC Application; reference Federal Register: (Vol. 79, Number 3)		
Airport Licenses & Permits	Fuel Dispensing Permit	$100.00 per organization, permit valid for 2 years	
	Fuel Handling Permit (includes exam)	$15.50 per individual, permit valid for 2 years	
	Fuel Storage & Service Equipment Permit	$38.00 per filtration vessel, permit valid for 2 years	
Common Use Terminal Equipment	Signatory Commercial Carriers	$1,250 per month	
	Non-Signatory Commercial Carriers	$ 500 per month	

Common Use Area - Operational Surcharges

Item	Description	Area	Operation	Surcharge
Operational Surcharges	Charges for exceeding allocated time slots on common use areas	Ticket counter or gate	Occupying a gate after the scheduled allocation time, resulting in aircraft holding or gate change	$200 per hour
		Use of ticket counter or gate without prior permission.		$200 plus regular fees
		Failure to use allocated time slot without 48-hour cancellation notice	Negatively impacting another scheduled carrier or causing Airport to shift resources to accommodate.	$200 plus regular fees

Transient Air Carrier Passenger Terminal – Common Use Areas and Equipment Rates

Item	Description	Aircraft Passenger Capacity	Resources Included	Rate
Full Service	Includes ticket counter(s) and lobby area, secure hold room and boarding area podium, aircraft parking position (2 hours), baggage claim area, and common use computer equipment per flight, as scheduled by Airport Operations. 1 ticket counter = 2 positions	1-69	1 ticket counter, 1 gate podium, 1 shared use hold room, 1 baggage belt, 1 aircraft parking spot	$ 260 per flight
		70-250	2 ticket counters, 1 gate podium, 1 shared use hold room, 1 baggage belt, 1 aircraft parking spot	$ 495 per flight
		251 or greater	3 ticket counters, 2 gate podiums, 2 shared use hold rooms, 1 baggage belt, 1 aircraft parking spot	$ 915 per flight
Ticket Counter and Lobby	Use of 1 ticket counter and shared use of the lobby area for up to 2.5 hours. Includes common use equipment.	1-69	1 ticket counter and lobby	$ 75 per flight
		70-250	2 ticket counters and lobby	$150 per flight
		251 or greater	3 ticket counters and lobby	$ 225 per flight
Boarding Gates – Secured Hold Room	Shared use of secured boarding gate area for up to 2 hours and one aircraft parking position. Includes use of gate podium, common use equipment, and one passenger boarding ramp.	1-69	1 gate podium and 1 hold room	$110 per flight
		70-250	1 gate podium and 1 hold room	$220 per flight

All Airport Rates and Charges may vary due to terms defined in specific agreements.
Late payments are subject to a 1.5% finance charge. Payment terms are net 30 days unless otherwise specified.

		251 or greater	2 gate podiums and 2 hold rooms	$ 440 per flight
Baggage Claim	Use of baggage claim area and baggage delivery belt/slide. Includes aircraft parking position*. * if associated with a live departure within 3 hours of arrival. Otherwise standard aircraft parking fee applies.	1-69	1 belt, oversize slide, aircraft parking*	$ 75 per flight
		70-250	1 belt, oversize slide, aircraft parking*	$125 per flight
		251 or greater	2 belts, oversize slide, aircraft parking*	$ 250 per flight

U.S. Customs and Border Protection

U.S. Customs and Border Protection (CBP) Service User Fees	**Category (based on MGLW)**	**Inspection Fee (per aircraft arrival)**
	<5,000	$80.00
	5,001 – 12,500	$250.00
	12,501 – 35,000	$350.00
	35,001 – 100,000	$480.00
	100,001 – 255,000	$670.00
	> 255,000	$830.00
	Regular service hours are Monday – Friday, 1100 – 1900 hrs. (MST). Closed on Federal holidays. After-hours and Federal holidays by appointment only. For after-hours and Federal holiday appointments, there will be a minimum two-hour fee of $415.00 per inspector in addition to the standard user fee shown above. Two hours after the aircraft's scheduled arrival time, each additional 30 minutes required of the U.S. Customs Inspector will incur a $61.00 fee above the $415.00 minimum each.	

Gateway Aviation Services (Fixed Based Operator) Rates and Charges

Aircraft Open Ramp Tie-Down Fees (Space subject to availability)		**Category (based on MGLW)**	**Monthly Tie-Down Fee (2-month minimum)**
		<5,000 lbs.	$44.00
		5,001 – 12,500 lbs.	$98.00
		12,501 – 35,000 lbs.	$201.00
		35,001 – 100,000 lbs.	$316.00
		100,001 – 255,000 lbs.	$672.00
		> 255,000 lbs.	$1,321.00
Daily Ramp Fee	Max Gross Landing Weight	Rate	A purchase of the following fuel gallon minimums will waive the first Daily Ramp Fee per visit. A purchase of a meal from the restaurant located in the Gateway Aviation Center will equate to a $20.00 credit applicable to the first Daily Ramp Fee per visit.
	<5000	$20.00	10
	5,001-12,500	$30.00	75
	12,501-35,000	$90.00	150
	35,001-100,000	$200.00	200
	100,001-255,000	$300.00	500
	>255,001	$500.00	1,000

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

Board Action Item

Re: Resolution 22-03

To:	**Board of Directors**
From:	**Matt Nebgen, Gateway Aviation Services Director**
Through:	**Scott Brownlee, Deputy Director/COO**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject:	**Purchase of Unleaded and Diesel Fuel – State Contract Vendors**
Date:	**February 16, 2022**

Proposed Motion
To authorize the purchase of Unleaded and Diesel fuel from the lowest priced State contract vendor at market prices for Airport Authority use and resale in the amount of $60,000.

Narrative
The Phoenix-Mesa Gateway Airport Authority owns and operates Gateway Aviation Services, the airport's sole provider of fuel for ground support equipment.

Unleaded and Diesel #2 clear are needed to provide fuel to tenant and airport ground support equipment.

Due to rising fuel prices, the Airport expects to exceed the original requested purchase amount prior to the end of FY22. The additional $60,000 authorization will bring the total FY22 Unleaded and Diesel purchase to $388,468.

As a qualified participant of the Arizona Department of Administration Sate Procurement Office (ADSPO), Phoenix-Mesa Gateway Airport Authority (PMGAA) can procure goods and services under the state contracts. These contracts have been competitively bid and are available upon request.

Fiscal Impact
This purchase will be funded by FY22 operating contingency budget.

Attachment(s)
N/A

RESOLUTION NO. 22-03

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

WHEREAS the Authority desires to authorize the purchase of Unleaded and Diesel fuel from the lowest priced State contract vendor at market prices for Airport Authority use and resale in the amount of $60,000.

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

> **The Board of Directors of the Authority hereby authorizes the purchase of Unleaded and Diesel fuel from the lowest priced State contract vendor at market prices for Airport Authority use and resale in the amount of $60,000. 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 16th day of February, 2022.

John Giles, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

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

Board Action Item

Re: Resolution 22-04

To:	**Board of Directors**
From:	**Matt Nebgen, Gateway Aviation Services Director**
Through:	**Scott Brownlee, Deputy Director/COO**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject:	**Purchase of Jet-A and 100LL Avgas Fuel**
Date:	**February 16, 2022**

Proposed Motion
To authorize the purchase of Jet A and 100LL Avgas fuel from Ascent Aviation Group, Inc. (World Fuel) for Airport Authority resale in the amount of $875,000.

Narrative
The Phoenix-Mesa Gateway Airport Authority owns and operates Gateway Aviation Services, the Airport's sole provider of retail aviation fuel.

Jet-A and 100LL Avgas are needed to provide aircraft fuel to tenant, transient, corporate, flight school, airline, and military customers. Actual cost of fuel is based upon market price at time of order. Airport staff expects to exceed the original requested purchase amount prior to the end of FY22. This is due to higher fuel cost in the first half of the fiscal year. The additional $875,000 authorization will bring the total FY22 Jet A and 100LL Avgas purchase to $3,881,000.00.

Request for Proposal No. 2019-05 was issued, and World Fuel was selected as the fuel provider. Board Resolution No. 19-34 approved a multi-year contract between Phoenix-Mesa Gateway Airport Authority and World Fuel.

Fiscal Impact
This purchase will be funded by FY22 operating contingency budget and will be more than offset by an increase in revenue.

Attachment(s)
N/A

RESOLUTION NO. 22-04

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

WHEREAS the Authority desires to authorize the purchase of Jet A and 100LL Avgas fuel from Ascent Aviation Group, Inc. (World Fuel) for Airport and Authority resale in the amount of $875,000.

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

> **The Board of Directors of the Authority hereby authorizes the purchase of Jet A and 100LL Avgas fuel from Ascent Aviation Group, Inc. (World Fuel) for Airport and Authority resale in the amount of $875,000. 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 16th day of February, 2022.

John Giles, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

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

Board Action Item

Re: Resolution 22-05

To:	**Board of Directors**
From:	**Chuck Odom, Chief Financial Officer**
Through:	**J. Brian O'Neill, A.A.E., Executive Director/CEO**
Subject:	**FY22 Capital Budget Adjustment**
Date:	**February 16, 2022**

Proposed Motion
To authorize additional $4,500,000 for FY22 Capital Budget for two new projects, CIP 1222 Construction of the Car Rental Return Lot, and CIP 1241 North Economy Parking Lot Expansion.

Narrative
Due to two new capital projects that are not in the FY22 Capital budget, we are requesting an increase to the FY22 Capital budget to cover these projects.

CIP 1222 Construction of the Car Rental Return Lot - Design for this project was approved at the November 2021 Board meeting. The construction portion of this project will cost an estimated $500,000 and will be funded with Customer Facility Charges (CFC) funds.

CIP1241 North Economy Parking Lot Expansion - Due to the increase in the overall passenger activity and most recently the strong 2021 holiday travel season, we have determined that the North Economy Parking Lot needs to be expanded. An additional 1,260 parking spaces will be added in two phases, 500-600 spaces completed by June 2022. The remaining spaces to be completed by Thanksgiving 2022. The total cost of this project will be $4,000,000 and will be funded with PMGAA Capital Reserves.

Fiscal Impact
The additional $4,500,000 for these two projects is requested to be included in the FY22 Capital budget.

Attachment(s)

N/A

RESOLUTION NO. 22-05

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

WHEREAS the Authority desires to authorize additional $4,500,000 for FY22 Capital Budget for two new projects, CIP 1222 Construction of the Car Rental Return Lot, and CIP 1241 North Economy Parking Lot Expansion.

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

> **The Board of Directors of the Authority hereby authorizes additional $4,500,000 for FY22 Capital Budget for two new projects, CIP 1222 Construction of the Car Rental Return Lot, and CIP 1241 North Economy Parking Lot Expansion. 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 16th day of February, 2022.

_____
John Giles, Chair

ATTEST:

_____
Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

_____
Jill Casson Owen, Attorney

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

Management Information Report

To: **Board of Directors**
From: **Chuck Odom, Chief Financial Officer**
Through: **J. Brian O'Neill, A.A.E., Executive Director/CEO**
Re: Solicitation Notification
Date: **February 16, 2022**

This report is to provide notification of the active and upcoming solicitations to help ensure compliance with the Phoenix-Mesa Gateway Airport Authority procurement transparency clause. The active activities include the following:

Active/Pending Solicitations

Type Solicitation	Number	Title	Anticipated Contract Award (Board Action)
Request for Proposals	2022-014-RFP	Revenue Parking Operations	April 2022
Request for Qualifications	2022-018-RFQ	CMAR for North Economy Parking Lot Expansion	April 2022
Request for Proposals	2022-015-RFP	Herbicide Application Services	May 2022

Future Solicitations

Type Solicitation	Number	Title	Scheduled for Release	Anticipated Contract Award (Board Action)
Request for Qualifications	2022-013-RFQ	On-Call Cultural / Archeological Services	February 2022	May 2022
Request for Proposals	2022-016-RFP	Landscape Maintenance	February 2022	May 2022
Invitation for Bid	2022-004-IFB	Taxiway W Rehabilitation	February 2022	April 2022
Request for Qualifications	2022-005-RFQ	Fabrication and Installation of Signs	March 2022	May 2022

Fiscal year totals from sales of decommissioned / nonworking equipment total $2,500.

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

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

Management Information Report

To: Board of Directors
From: Chuck Odom, Chief Financial Officer
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Re: December 2021 Financials
Date: February 16, 2022

Attached is the monthly Financials Report for December 2021.

Phoenix-Mesa Gateway Airport Authority
AIRPORT - All Operations P&L
December, 2021

	Month of December 2021				Y-T-D as of December 2021			
	December FY21 Actual	December FY22 Actual	YOY Variance	B/(W)	YTD FY21 Actual	YTD FY22 Actual	Y-T-D Variance	B/(W)
Aeronautical Operating Revenues								
Aircraft Parking	14,573	16,539	1,966	13%	117,974	116,977	(997)	-1%
Fuel Flowage Fees	38,998	55,672	16,674	43%	363,528	280,469	(83,059)	-23%
Landing Fees	113,980	129,164	15,184	13%	688,532	736,402	47,870	7%
Lease Income Aero	199,317	255,493	56,176	28%	1,292,758	1,612,324	319,566	25%
Fuel Sales	349,976	342,991	(6,985)	-2%	2,655,039	2,538,465	(116,574)	-4%
Services Sold - Aero	303,103	446,202	143,099	47%	3,051,223	2,184,856	(866,367)	-28%
Sub-total Aero Operating Revenues	1,019,947	1,246,061	226,114	22%	8,169,054	7,469,493	(699,561)	-9%
Non-Aeronautical Operating Revenues								
Concessions	57,119	118,328	61,209	107%	310,714	530,639	219,925	71%
Lease Income Non-Aero	111,174	121,082	9,908	9%	635,920	717,969	82,049	13%
Parking	199,346	387,289	187,943	94%	1,349,339	2,211,462	862,123	64%
Rental Car Fees	129,006	175,076	46,070	36%	509,663	876,093	366,430	72%
Svcs Sold - Non Aero	3,359	10,112	6,753	201%	23,010	25,257	2,247	10%
Sub-total Non-Aero Operating Revenues	500,004	811,887	311,883	62%	2,828,646	4,361,420	1,532,774	54%
Total Operating Revenues	**1,519,951**	**2,057,948**	**537,997**	**35%**	**10,997,700**	**11,830,913**	**833,213**	**8%**
Operating Expenses								
Costs of Goods Sold	202,901	236,169	(33,268)	-16%	1,423,936	1,685,391	(261,455)	-18%
Personnel	758,223	1,030,086	(271,863)	-36%	4,248,084	4,677,386	(429,302)	-10%
Comm & Utilities	56,340	51,256	5,084	9%	478,040	494,320	(16,280)	-3%
Contractual Services	434,917	414,808	20,109	5%	2,349,952	2,655,390	(305,438)	-13%
Insurance	55,145	51,566	3,579	6%	274,714	285,926	(11,212)	-4%
Other	21,133	12,157	8,976	42%	78,783	93,497	(14,714)	-19%
Repair & Maintenance	24,887	54,448	(29,561)	-119%	220,579	293,918	(73,339)	-33%
Supplies & Materials	67,720	40,722	26,998	40%	382,592	526,671	(144,079)	-38%
Air Service Incentives [2,000,000]	0	0	0	0	0	0	0	0
Operating Contingency [2,353,258]	0	0	0	0	0	0	0	0
Total Operating Expenses	**1,621,266**	**1,891,212**	**(269,946)**	-17%	**9,456,680**	**10,712,499**	**(1,255,819)**	-13%
Operating Income (Loss)	**(101,315)**	**166,736**	**268,051**	265%	**1,541,020**	**1,118,414**	**(422,606)**	-27%
	-6.7%	8.1%			14.0%	9.5%		
Depreciation		**1,412,431**				**8,485,423**		

ARPA Act Recovery		
CRRSAA Act Recovery	4,177,264	Fully Drawn
CARES Act Recovery	20,530,277	Fully Drawn
Total Recovery-to-Date	24,707,541	

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

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Phoenix-Mesa Gateway Airport Authority and to the public that the Phoenix-Mesa Gateway Airport Authority will hold a meeting open to the public on **Tuesday, March 15, 2022 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 Phoenix-Mesa Gateway Airport Authority may attend either in person or by telephone. 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** (Councilmember Jim Waring, Vice Chair)
   Members of the Phoenix-Mesa Gateway Airport Authority will attend either in person or via videoconference.

2. **Roll Call** (Councilmember Jim Waring, Vice Chair)

3. **Pledge of Allegiance**

4. **Call to the Public**
   Members of the Board may not discuss items that are not on the agenda. Therefore, action taken as a result of public comment will be limited to directing staff to study the matter or scheduling the matter for further consideration and decision at a later date. Maximum of three minutes per speaker.

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

6. **Gulfstream Presentation** – Shea Joachim, Business Development Director

7. **Consent Agenda**

   a) **Minutes** of the Board Meeting held on February 16, 2022.

   b) **Resolution No. 22-06 –** Approving a construction contract with **SDB Contracting Services (SDB)** for the renovation of the rental car return lot, in an amount not to exceed $671,121 under CIP 1222.

   c) **Resolution No. 22-07 –** Authorizing Phoenix Mesa Gateway Airport Authority staff to negotiate and execute a final contract for the **North Economy Parking Lot Expansion Construction Manager at Risk (CMAR) Pre-Construction Services and Guaranteed Maximum Price (GMP) 1 Early Works, with Nesbitt Contracting Co., Inc.** in an amount not to exceed $608,176.

Consideration and Possible Approval of:

8. **Resolution No. 22-08 –** Adoption of the proposed **Operating Budget, Capital Budget, and Member Government Contributions** for the fiscal year ending June 30, 2023.

9. **Resolution No. 22-09 –** Approving an Authorization of Services with **Kimley-Horn & Associates** for Engineering Design Services for the Fuel Farm Expansion Design, in an amount not to exceed $373,867 under CIP 1216.

10. Board Member Comments/Announcements

11. Next Meeting: Tuesday, April 19, 2022 at 9:00 a.m.

12. 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. Requests should be made as early as possible to allow time to arrange the accommodation.

Phoenix-Mesa Gateway Airport

- **Gateway Airport Triennial Emergency Preparedness Exercise a Success**
- **PMGAA Board to Consider FY23 Operating and Capital Budget of $147MM**
- **Military Training Activity Keeps Gateway Aviation Services Busy During February**
- **Gateway Airport's Rental Car Facilities and Infrastructure Getting a Major Facelift!**

Executive Director's Report

March 2022

Financial Snapshot

OPERATING INCOME	January		Month Variance	FYTD Comparison		FYTD Variance
	FY21	FY22		FY21	FY22	
Revenues	$1,597,614	$2,224,549	**$626,935**	$12,595,315	$14,059,596	$1,464,281
Less Expenses	$1,623,753	$1,854,751	**$230,998**	$11,080,433	$12,567,305	$1,486,872
Operating Income *(before depreciation)*	**($26,139)**	**$369,798**	**$395,937**	**$1,514,882**	**$1,492,291**	**($22,591)**

Investment Fund Balances: As of January, the Local Governmental Investment Pool (LGIP) 700 = $18,990,956; Wells Fargo; Collateralized Money Market = $384,884 and Collateralized CD's = $42,254,219; Total $61,630,059.

Finance and Accounting

Phoenix-Mesa Gateway Airport Authority (PMGAA) reported a net operating income of $369,798 for January 2022, and a fiscal-year-to-date 2022 (FYTD22) net operating income of $1,492,291. Aeronautical revenues were 23% greater than in January 2021 with services related to Phoenix-Mesa Gateway Airport's (Airport, Gateway Airport) increasing commercial activity leading all other revenues. Non-aeronautical revenues - Parking 68% increase, Concessions 73% increase, and Rental Car Fees 86% increase showing the most improvement.

American Rescue Plan Act (ARPA) grant funding of $8,222,781 has been approved and awarded to PMGAA. Reimbursement claims have been submitted and received for $5,463,794.

FY23 PMGAA Budget Summary

Phoenix-Mesa Gateway Airport

FY23 Operating, Capital, and Debt Service Budget
(Combined Summary)

Total Operating Expense	**$ 26,223,823**
Potential Air Incentive	**2,000,000**
10% Contingency	**2,622,382**
FY23 Capital Budget	**68,167,000**
FY22 Carry Over Capital Projects	**46,103,005**
Capital Maintenance Reserve	**1,000,000**
Debt Service Payment	**1,295,750**
Total Budget Operating and Capital	**$147,411,960**

PMGAA Solicitations

Active/Pending Solicitations

TYPE OF SOLICITATION	Number	Title	Anticipated Contract Award
Request for Qualifications	2022-018-RFQ	CMAR for Ray Road Economy Parking Lot Expansion	March 2022
Request for Proposals	2022-014-RFP	Revenue Parking Operations	April 2022
Request for Qualifications	2022-020-RFQ	CMAR for Rental Car Care Facility Improvements	April 2022
Request for Qualifications	2022-013-RFQ	On Call Cultural/Archeological Services	May 2022
Request for Proposals	2022-015-RFP	Herbicide Application Services	May 2022
Request for Proposals	2022-016-RFP	Landscape Maintenance	May 2022

Future Solicitations

TYPE OF SOLICITATION	Number	Title	Scheduled for Release
Invitation for Bid	2022-004-IFB	Taxiway W Rehabilitation	March 2022
Invitation for Bid	2022-017-IFB	Runway 12C/30C Reconstruct	April 2022
Invitation for Bid	2022-022-IFB	Taxiway Connectors, Access Road, and Utilities	April 2022
Request for Qualifications	2022-005-RFQ	Fabrication and Installation of Signs	April 2022

Airport Operations

PMGAA would like to thank Airside Operations Manager Ivan Smith, his team, and many other PMGAA employees for a great job coordinating this year's Triennial Emergency Preparedness Exercise. Live training drills like these are invaluable and help build stronger relationships, increase communication, improve emergency response coordination, and better prepare the Authority, first responders, and mutual aid organizations for an actual emergency.

There were many participating municipalities, agencies, airports, companies, and volunteers that generously gave their time, energy, and expertise to make this year's training exercise event a success. PMGAA would like to acknowledge everyone on the next page for a job well done! Thank you for being an important part of this year's mock live drill.

Participants in PMGAA's 2022 Emergency Preparedness Exercise

- Allegiant Airlines
- City of Mesa
- Town of Gilbert
- Town of Queen Creek
- City of Phoenix
- Superstition Fire & Medical District
- City of Chandler
- City of Scottsdale
- City of Tempe
- Federal Aviation Administration
- Tucson International Airport
- Denver International Airport
- Flagship Inc.
- Republic Parking
- Serco NA
- Task Aerospace, Inc.
- Worldwide Flight Services
- Aviation Performance Solutions (APS)
- All the Victim Volunteers
- PMGAA Staff

"PRACTICE MAKES BETTER PREPARED!"

Operations Statistics

PASSENGER COUNTS		January		% Change	FYTD		% Change
		FY21	FY22		FY21	FY22	
Passengers	**TOTAL**	**80,675**	**140,650**	**74%**	**611,350**	**957,769**	**57%**
	Deplaned	40,670	73,387	80%	313,547	489,286	56%
	Enplaned	40,005	67,263	68%	297,803	468,483	57%
Allegiant	Scheduled	80,086	131,527	64%	609,219	927,505	52%
WestJet	Scheduled	0	1,149	100%	0	2,724	100%
Swoop	Scheduled	450	2,802	523%	1,698	9,451	457%
Flair	Scheduled	0	1,381	100%	0	2,642	100%
Avelo	Scheduled	0	0	0%	0	4,873	100%
Sun Country	Scheduled	0	3,791	100%	0	9,152	100%
Elite/Swift	Charter	139	0	-100%	433	1,422	228%

OPERATIONS	January		% Change	FYTD		% Change
	FY21	FY22		FY21	FY22	
Air Carrier	872	1,248	43%	6,344	7,748	22%
Military	238	445	87%	1,596	2,033	27%
General Aviation	17,325	17,016	-2%	142,762	124,531	-13%
TOTAL	**18,435**	**18,709**	**1%**	**150,702**	**134,312**	**-11%**

PMGAA Team Member Spotlight

Employee Name: **Alex Smith, A.A.E.**
Employee Title: **Landside Operations Manager**
PMGAA Department: **Security, Operations, and Maintenance**
Years with PMGAA: **9+**

What are your job responsibilities for PMGAA? I oversee the administration and operational functions of the Terminal Operations and Airport Badging Office teams. We ensure a safe, secure, and customer service-oriented experience for all our users and stakeholders!

What is your most memorable Gateway Airport moment? My most memorable moment at Gateway Airport was working as part of an amazing team of Airport staff and stakeholders to ensure a safe and successful presidential visit.

What is something people may not know about you? I am on the Board of Directors for the Southwest Chapter of the American Association of Airport Executives (SWAAAE) representing the great State of Arizona!

Engineering and Planning

Gateway Airport's Rental Car Facilities and Infrastructure Getting a Major Facelift!

Car Rental Ready Return Lot Reconfiguration

Car Care Facility Design Layout

More efficient vehicular flow, increased parking capacity, and customer experience enhancements like shade structures are just some of the reasons PMGAA and its rental car companies are reconfiguring, expanding, and improving the Rental Car Return Lot located across Sossaman Road from the commercial passenger terminal. The project will be completed later this spring after the busy travel season.

Another important project that PMGAA and its rental car companies are designing is a new Rental Car Care Facility. This much-needed project includes new wash bays, vacuum bays, maintenance garages, and additional parking for rental cars cleaned and ready to return to service. This $5-6 million project is currently in design and is scheduled to begin construction next fall/winter.

Gateway Aviation Services

During the month of January 2022, PMGAA pumped over 1.7 million gallons of aviation fuel, a 27% increase over the same month last year. FYTD22, Gateway Aviation Services (GAS) has pumped almost 11 million gallons of fuel into a variety of commercial, corporate, military, cargo, and general aviation aircraft.

FUEL (Gallons)	January			FYTD		
	FY21	FY22	% Change	FY20	FY21	% Change
AvGas	40,139	32,853	-18%	375,005	257,026	-32%
Retail Jet A	34,829	41,904	20%	265,315	280,659	6%
Contract	296,043	378,631	28%	2,681,189	1,993,428	-26%
Commercial	995,758	1,279,581	29%	7,225,426	8,222,102	14%
TOTAL	1,366,769	1,732,969	27%	10,547,935	10,753,215	2%

Military Training Activity Keeps Gateway Aviation Services Busy During February

T-38 Aircraft Refueled and Ready for Another Training Mission

Where do U.S. military training missions turn when their locations become unexpectedly covered in ice or snow? Gateway Airport in sunny Arizona for exceptional customer service provided by PMGAA's Gateway Aviation Services (GAS) Department…that's where!

For two weeks this February, Gateway Airport played host to 18 - 20 T-38 aircraft and their pilots for winter training exercises. During their February 2 – 17 stay in the Phoenix Valley, the GAS team professionally completed 443 fueling transactions for the active military aircraft and pumped close to 200,000 gallons of aviation fuel. These military training operations are an economic win for the region. The visiting pilots rent vehicles, stay in local hotels, dine in area restaurants, and usually make retail purchases during their stay in the Valley.

GAS staff has worked hard to build relationships with military schedulers and has earned a very good reputation for providing exceptional customer service during transient training missions. Great job team!

Community Noise Report

During the month of January 2022, PMGAA received aircraft noise calls from a total of 14 area residents, compared to 32 received from callers during January 2021.

CALLERS	January		FYTD	
	FY21	FY22	FY21	FY22
Total	32	14	88	86

AIRCRAFT TYPE	January		FYTD	
	FY21	FY22	FY21	FY22
	Callers	Callers	Callers	Callers
Commercial	10	5	35	55
GA Total	3	2	24	10
Helicopter	18	0	18	5
Military	1	7	11	16
Total	32	14	88	86

LOCATION	January		FYTD	
	FY21	FY22	FY21	FY22
Mesa	5	5	24	26
Gilbert	22	7	35	49
Gold Canyon	1	0	10	1
Queen Creek	3	2	11	6
Queen Valley	0	0	4	2
San Tan Valley	0	0	2	0
Apache Junction	0	0	0	1
Chandler	1	0	2	1
TOTAL	32	14	88	86

Community Noise Calls to Gateway Airport Increased in 2021

Area residents contacting the Airport about aircraft noise concerns rose from 88 in Calendar Year (CY20) to 130 in CY21. Last year's callers generated a total of 498 calls - an average of 1.36 calls per day in CY21.

Calendar Year 2020 and 2021 Community Noise Call Comparison				
Location	2020		2021	
	Callers	Calls	Callers	Calls
Mesa	41	211	40	269
Gilbert	27	81	62	154
Gold Canyon	5	48	2	7
Queen Creek	9	13	16	48
Queen Valley	1	20	1	10
San Tan Valley	1	1	1	1
Apache Junction	0	0	1	1
Unknown	0	0	1	1
Tempe	1	1	0	0
Scottsdale	2	2	0	0
Fountain Hills	0	0	1	1
Chandler	1	1	5	6
TOTAL	88	378	130	498

Community and Government Relations

U.S. Senator Kyrsten Sinema Tours Gateway Airport

PMGAA always appreciates the opportunity to showcase Gateway Airport's continuing transformation and development to local, state, and federal elected officials. Often times, these VIPs are interested in seeing, first-hand, the progress being made with the much-needed infrastructure funding they've helped deliver to the Airport.

Sen. Sinema Receives a Briefing on the Terminal Modernization Project

On Friday, February 11th, U.S. Senator Kyrsten Sinema visited Gateway Airport to attend a Phoenix East Valley Business Roundtable and tour the Airport's commercial passenger terminal and the new Air Traffic Control Tower (ATCT). Senator Sinema and Arizona's Congressional Delegation have been some of the Airport's strongest champions in Washington, DC, supporting critical airport facility, airfield, and infrastructure projects and bringing federal grants for these important projects back to the State.

On March 9, 2022, Allegiant is launching new nonstop service between Gateway Airport and Toledo, OH – a.k.a. The Glass City and Frogtown! Please tell family, friends, and co-workers about this exciting new service!

MINUTES OF PUBLIC MEETING OF THE
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
BOARD OF DIRECTORS | February 16, 2022

A public meeting of the Phoenix-Mesa Gateway Airport Authority (PMGAA) was convened on Wednesday, February 16, 2022, 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 John Giles, Mesa
Councilmember Jim Waring, Phoenix (*via videoconference*)
Mayor Brigette Peterson, Gilbert
Mayor Chip Wilson, Apache Junction (*via videoconference*)
Lt. Governor Monica Antone, Gila River Indian Community (*via videoconference*)
Mayor Gail Barney, Queen Creek (*via videoconference*)

** 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 Giles)

2. **Roll Call**

3. **Pledge of Allegiance**

4. **Call to the Public**
   There were no public comments.

5. **Fiscal Year 2023 Budget Presentation** – Chuck Odom, Chief Financial Officer

   - Mr. Odom provided a proposed FY23 Operating and Capital Budget for the Board's review. The Board will be asked to consider the budget for approval at the March 15, 2022, PMGAA Board meeting.

   - Mayor Giles asked what the fiscal impact would be if PMGAA does not secure a grant from the Bipartisan Infrastructure Law (BIL). Executive Director O'Neill replied that plans for construction of the new five-gate terminal addition will be put on hold until federal funding is available in the future.

6. **Consent Agenda**

   a) **Minutes** of the Board Meeting held on **December 21, 2021.**

   b) **Resolution No. 22-01 –** Amending the Board of Director's **Procurement Policy** 19-27.

DRAFT

c) **Resolution No. 22-02 –** Adopting the revised **Airport Rates and Charges** schedule with an effective date of February 16, 2022.

d) **Resolution No. 22-03 –** Authorizing the purchase of Unleaded and Diesel fuel from the lowest priced **State contract vendor** at market prices for the Airport Authority use and resale in the amount of $60,000.

e) **Resolution No. 22-04 –** Authorizing the purchase of Jet A and 100LL Avgas fuel from **Ascent Aviation Group, Inc. (World Fuel)** for Airport Authority resale in the amount of $875,000.

Mayor Brigette Peterson moved to approve the Consent Agenda.
Mayor Chip Wilson seconded the motion.
The motion was carried unanimously.

Consideration and Possible Approval of:

7. **Resolution No. 22-05 –** Authorizing additional $4,500,000 for FY22 Capital Budget for two new projects, CIP 1222 **Construction of the Car Rental Return Lot**, and CIP 1241 **North Economy Parking Lot Expansion**.

Mayor Chip Wilson moved to approve Resolution No. 22-05.
Mayor Brigette Peterson seconded the motion.
The motion was carried unanimously.

At 9:20 a.m., Chair Giles turned the meeting over to Vice Chair Waring before leaving to attend a prior commitment.

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

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

- Fiscal Year-to-Date 2022 (FYTD22) Net Operating Income is $1,118,414.
- Calendar Year-End 2021 (CYE21) Net Operating Income was $3,448,955.
- A comparison of CY20 and CY21metrics for commercial passengers, operations, revenue, and fuel showed the various % changes between the two most recent years. CY19 data was included to provide a more realistic comparison to pre-pandemic activity levels.
- Phoenix-Mesa Gateway Airport (Airport, Gateway Airport) welcomed 175,432 commercial passengers during December 2021; an 80% increase in passengers compared to December 2020.
- Gulfstream Aerospace Corporation (Gulfstream) will be constructing a new West Coast Service Center at Gateway Airport. Phase I is a 225,000 SF facility with an investment of over $70MM. Construction will begin in the spring of 2022. Gulfstream is currently leasing a 50,000 SF hangar at the Airport to serve as a "beachhead" while their new facility is being constructed.
- Three hangars totaling 183,000 SF are under construction in the Gateway Executive Airpark located at the north end of the airfield. Steel is being constructed on the first two hangars. Earthwork has begun on the larger 115,000 SF hangar. This project is a speculative, private development that will address the need for hangar space for larger corporate aircraft. All three of the hangars will be available for lease in 2023.

- SkyBridge Arizona continues to grow. The City of Mesa recently issued the necessary permits for construction of a 127-room dual-brand hotel along Sossaman Road. SkyBridge Arizona hopes to break ground during the spring of 2022. The hotel will offer rooms for both transient overnight guests and extended stay customers. Design work on SkyBridge Arizona's horizontal infrastructure – taxi lane extension, entrance roadways, sewer, water, fiber, and other utilities – continues. SkyBridge is also in the planning stage for two additional industrial buildings. These two flex industrial buildings will be approximately 200,000 SF and 250,000 SF respectively.
- Gateway***East*** is a 400-acre mixed use non-aeronautical master development opportunity located on the east side of the Airport. PMGAA is working with The Boyer Company from Salt Lake City, Utah on a master lease and master development agreement for the property.
- February 2022 has been a busy month for military operations at Gateway Airport. More than 50 military aircraft have been stationed at Gateway Airport so far in February. These training missions provide a positive economic impact on restaurants, hotels, and other greater Phoenix attractions and entertainment venues.
- Federal, state, and local elected officials have been taking advantage of PMGAA's invitation to tour the new air traffic control tower (ATCT, Tower) and Airport terminal. PMGAA enjoys showing off all the changes to its owners and supporters.
- PMGAA is hoping to secure a grant from the Terminal Modernization Program of the BIL to construct a new five-gate, 30,000 SF terminal addition that will connect to the main terminal creating one unified commercial passenger terminal consisting of 11 gates.
- The finished exterior of the ATCT will be unveiled in the coming weeks. Interior construction will continue, and the Tower is still on-track to be commissioned in the summer of 2022.
- PMGAA is expanding aircraft parking opportunities for larger/heavier aircraft at the south end of the airfield. Alpha Apron Phase III is currently under construction and Phase IV is in design process and will be ready for construction once Phase III is completed. The Alpha Apron is the area of the airfield where the US Forest Service refuels its aircraft and refills them with firefighting retardant.
- The BIL also includes much-needed funding for other important Airport projects. PMGAA has received an additional $4.4MM for reconstruction of its Center Runway. PMGAA is working closely with its partners at the Federal Aviation Administration (FAA) to try and complete the runway reconstruction project in one year.
- On February 22nd, the Airport will be conducting its Triennial Full-Scale Emergency Preparedness Exercise. The Federal Aviation Administration (FAA) requires Part-139 airports to conduct a live simulated emergency drill every three years. The training exercise is designed to evaluate and improve personnel readiness, efficient and effective coordination, and increased communication among all first responders, mutual aid agencies, emergency vehicles, and area hospitals.

9. Board Member Comments/Announcements.

There were no comments or announcements.

10. Next Meeting: Tuesday, March 15, 2022 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 Phoenix-Mesa Gateway Airport Authority may attend either in person or by telephone/videoconference.

11. Adjournment.
The meeting adjourned at 9:36 a.m.

Dated this _____ day of _____ 20___.

_____
Misty Johnson, Clerk of the Board

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

Board Action Item

Re: Resolution 22-06

To:	**Board of Directors**
From:	**R. J. Draper, P.E., LEED AP, CM Engineering & Facilities Director**
Through:	**Scott Brownlee, Deputy Director/COO**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject:	**Rental Car Return Lot Construction – SDB Contracting Services – CIP 1222**
Date:	**March 15, 2022**

Proposed Motion
To approve a construction contract with SDB Contracting Services (SDB) for the renovation of the rental car return lot, in an amount not to exceed $671,121 under CIP 1222.

Narrative
The growth of commercial service at the Airport benefits the car rental companies and generates revenue for the Airport through Customer Facility Charges (CFC). CFCs are daily transaction fees imposed upon a customer renting a vehicle from an on-airport car rental company. CFC revenues are used to pay for capital improvement projects for the car rental companies located at the Airport.

Our current Car Rental Return Lot is inadequate, and lacks the capacity and efficiency needed to service our customers effectively. This parking lot needs to be upgraded and expanded in order to accommodate the increased number of rental cars currently in service. SDB will provide Construction Services, which will include the renovation of existing facilities, by relocating an existing Car Rental Kiosk, seal coating the parking lot, updating the pavement markings, refresh the lighting and in-ground infrastructure, and upgrade the secured entrance and exit access locations.

PMGAA and SDB are both participants of the 1GPA Purchasing Group. Under 1GPA, SDB was awarded Contract #18-15PV-12, and it is through this competitive selection that PMGAA will utilize SDB for these Construction Services. The Cooperative Contract is available upon request.

A quote was obtained utilizing the 1GPA pricing as noted below:

SDB Contracting Services $671,121

Fiscal Impact
The construction portion of this project was originally anticipated to cost $500,000 and was included in the FY22 capital budget. The 1GPA proposal is $172,000 higher than anticipated and in accordance with our policy we are requesting to increase the budget by $172,000, bringing the construction portion of this project to a total of $672,000 under CIP 1222 using CFC funding.

Attachment(s): Proposal

RESOLUTION NO. 22-06

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

WHEREAS the Authority desires to approve a construction contract with SDB Contracting Services (SDB) for the renovation of the rental car return lot, in an amount not to exceed $671,121 under CIP 1222.

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

> **The Board of Directors of the Authority hereby approves a construction contract with SDB Contracting Services (SDB) for the renovation of the rental car return lot, in an amount not to exceed $671,121 under CIP 1222. 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 15th day of March, 2022.

Jim Waring, Vice Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

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COMPANY HISTORY

Since 1980, SDB has been performing General Contracting services across many sectors including education, healthcare, high-tech, retail, office, industrial, government, tenant improvement and site development. With the dedication of more than 350 employees, SDB has been recognized with numerous awards over the years. We believe the best results are achieved when people work together as a team. Our goal is to simplify the complexities of construction for our clients so that the process is efficient and rewarding.

Please Contact:

Salvador Encinas, Senior Project Manager
OFFICE (480) 967-5810 X249 | CELL (602) 818-7385
1001 S. Edward Drive, Tempe, AZ 85281
Sal.Encinas@sdb.com

CONTRACTOR LICENSES: **ARIZONA:** B-01 70507, A 175022 | **CALIFORNIA:** 1033051 | **OREGON:** 195469 | **TEXAS:** REGISTERED | **WASHINGTON:** SDBINCDB61NE

1GPA Contract Number 18-15PV-12

SDB CONTRACTING SERVICES

This project is quoted through 1GPA under a JOC (Job Order Contract). Under JOC, performance & payment bonds are required, but may be waived by the Owner for projects under $50,000. Your acceptance of this quote (which does not include charges for such bonds) is your indication of said waiver. If you do not wish to waive the P&P bond, please add the cost for the bond (shown to the left of the "Bond" line item below) to the TOTAL of this quote for your Purchase Order amount.

Member	PMGAA
Project Title	PMGAA RENTAL CAR RETURN LOT MODIFICATIONS
Project Location	5835 S. Sossaman Rd Mesa AZ

Date	3/3/2022

SDB# 22-33-0003
Attn: RICH ADAMS

Direct Project Cost

Division/Specialty	ITEM#	Quote Summary Description/Unit	UP	Quantity	Amount	Selected Quote
L. Keeley Co. scope of work	0	Mobilization	LS	1	$2,000.00	$262,955.00
	1	Sawcut asphalt full depth, LF	$ 1.40	1,693	$2,370.20	
	2	Remove asphalt pav full depth, SY	$ 49.00	437	$21,413.00	
	3	Remove concrete pavement, SY	$ 36.50	98	$3,577.00	
	4	Remove single curb, LF	$ 13.20	1,222	$16,130.40	
	5	Remove single curb/gutter, LF	$ 23.50	29	$681.50	
	6	Remove landscape & irrigation, SY	$ 100.00	283	$28,300.00	
	7	Remove masonry screen wall/foot, EA	$ 102.00	44	$4,488.00	
	8	Remove traffic barricade, EA	$ 794.00	3	$2,382.00	
	9	Remv traffic control emb. Spike/slab, SF	$ 13.90	105	$1,459.50	
	10	Remove surface traffic control spikes, LF	$ 22.00	20	$440.00	
	12	Remove gate control and found, EA	$ 183.00	4	$732.00	
	13	Remove existing bollard, EA	$ 303.00	2	$606.00	
	14	New AC pavement 3"/7" base, SY	$ 54.90	669	$36,728.10	
	15	Apply seal coat, liquid Rd OAE, SY	$ 3.66	8,360	$30,514.00	
	16	New single driveway COM M-42, SF	$ 25.00	121	$3,025.00	
	17	New concrete curb/gutter MAG 220-1,LF	$ 87.00	30	$2,610.00	
	18	New concrete single curb MAG222A,LF	$ 58.00	107	$6,206.00	
	19	New concrete single curb MAG222A,H-0	$ 83.00	6	$498.00	
	20	New concrete single curb term MAG222, LI	$ 62.00	10	$620.00	
	21	New concrete sidewalk MAG230, SF	$ 8.50	788	$6,698.00	
	22	Masonry wall footing, LF	$ 245.00	45	$11,025.00	
	23	New removable bollard MAG140#2, EA	$ 1,250.00	5	$6,250.00	
	24	New 3/4"minus DG 2"thick pink coral, CY	$ 121.00	161	$19,481.00	
	25	Install only boulders by OWNER, EA	$ 218.00	4	$872.00	
	26	New 14x16 modular foundation, EA	$ 12,168.00	2	$24,336.00	
	28	New LT wedge TC & footing, EA	$ 1,366.00	2	$2,732.00	
	30	New permanent bollard MAG140-1, EA	$ 1,250.00	2	$2,500.00	
	31-37	New traffic paint, striping, LS	$ 11,628.30	1	$11,628.30	
	38	Relocate existing sign, EA	$ 1,631.00	2	$3,262.00	
	39	Remove existing sign, EA	$ 250.00	3	$750.00	
	40	New signs COM M-39, EA	$ 664.00	10	$6,640.00	
		Phasing the work, 2 phases	$ 2,000.00	1	$2,000.00	
SDB self-perform scope of work, G&G Masonry, Shade & Net (S&N) *There is NO detail (structural) for the relocated light pole footing	11	Remove existing modular 14x16, salvage for reinstall, 1-EA			$8,222.80	$82,045.12
		SDB 120HR @ $53.94 + $1,250 electrical, $500 HVAC				
	11	Remove existing modular slab-14x16 foundations, 1-EA			$2,500.00	
	22	G&G - New masonry screen wall per Detail 1, 135 SF			$7,088.00	
	27	Re-install salvaged 14x16 modular building 1-EA			$11,154.32	
		SDB 128HR@$53.94 +$2,000 electrical,$750 HVAC,$1,500 roof				
		Modular touch-up finishes, paint touch-up, 1-EA			$2,750.00	
	29	S&N - Install new shade structure complete, EA-1			$23,600.00	
		Survey, topo			$4,500.00	
		Traffic control, barricades for 2 phases			$3,500.00	
		Paint & touch-ups			$2,500.00	
		Caulking & sealing as needed, building, sidewalks plus			$2,000.00	
		Landscape removal, restoral including irrigation restore			$3,250.00	
		Underground private utility locator, GPR			$2,000.00	
		Asbestos survey, testing, report			$500.00	
		(1) Light pole demo & new base, rebar, embed plates, drypack			$8,500.00	

Delta SC: high security "wedge" barrier system	1	Delta, SC1426 High Security barricade system 32'high x 12' openin	$59,543.70	$74,043.70
		Total 2: includes freight Freight:	$4,500.00	
	2	Total 2: includes installation ALLOW Install:	$10,000.00	
Stith Electric	1	Electrical, power, safe-off, demo/new work per plans	$110,956.00	$120,406.00
	2	Electrical, connect temp power to parking lot lights/car rental booth	$3,750.00	
	3	(2) 35Kw diesel generator rental $1,600/Mo plus fuel for the above...	$5,700.00	
	4	New shade canopy power outlet/LED lights (none at plans)	included	

	Subtotal 1 (Total Direct Project Cost)	**$539,449.82**
General Conditions (GCs)		$49,485.14
	Subtotal 2 (Direct Project Cost + General Conditions)	**$587,934.96**
	Subtotal 3 (Subtotal 2 + G&A)	**$587,934.96**
OH&P	6% of Subtotal 3	$40,267.22
	Subtotal 4 (Subtotal 3 + Profit)	**$628,202.18**
Tax (Enter applicable tax rate)	Mesa 5.395%	$36,206.94
Bond, if applicable	1.00%	$6,711.20
Project Subtotal		**$671,120.33**
Owner Contingency PMGAA		$0.00
PROJECT TOTAL		**$671,120.33**

SDB CONTRACTING SERVICES

SDB, Inc.
1001 S. Edward Drive
Tempe, AZ 85281
(480) 967-5810 Fax (480) 967-5841

BID PROPOSAL

ATTACHMENT "A"

CUSTOMER:	PMGAA	BID DATE:	3/3/2022
ADDRESS:	5835 S. Sossaman Rd.	PROPOSAL NO.:	22-33-0003
	Mesa AZ 85212	PROPOSAL TYPE.:	LS
JOB DESC.:	**PMGAA RENTAL CAR RETURN LOT MODIFICATIONS**		
CONTACT:	RICH ADAMS		

SCOPE OF WORK:

Per plans/ engineering by Trace Consulting dated 2/3/22, no addendums

Coordination with PMGAA's rental return lot /others — All per site walks and PMGAA representations

CLARIFICATIONS:

- SDB Proposal does NOT include asbestos/hazards abatement/remediation
- SDB Proposal includes regular time work M-F from 6A top 3P (8 hour work days), plus OT if noted, 2- Phases
- Contingency will be used as approved in writing by owner and markups/taxes/bond fee will apply.
- Parking lot access/parking fees & badging & UG boring is EXCLUDED
- Any parking access/ fees equipment, parking lot equipment, arms, UPS, cameras are EXCLUDED
- Proposal good for 30 days, material cost escalation/inflation may apply after 30 days
- The site will have NO POWER (2 weeks?) when the existing pedestal/power is demo and relocated, pending on SRP to show too.
- ANY COVID-19 related delays (work stop, materials procurement, others) will be excusable delays
- SRP coordination/design to bring or move power will be a delay at this project, **expect 4-5 months** possible

  SDB could coordinate all efforts with SRP and try to expedite for an additional fee (pre-construction) if PMGAA is interested
- All SRP (and any other utility companies) related design, service, work fees are to be contracted & paid by PMGAA or others
- The shade structure and split face/integral color block may have a lead time **10- 12 weeks** (fabrication+)/ Wedge barriers 8 weeks

PROJECT TENTATIVE SCHEDULE:

ALLOW (2) weeks for job-set up /submittals AFTER receiving a PO

ALLOW up to (10-12) weeks for long lead items

ALLOW 4-5 months for SRP design/work on site to happen

ALLOW up to (4) weeks for on-site work completion for Phase-1

ALLOW up to (4) weeks for on-site work completion for Phase-2/ final

1GPA PRICING COEFFICIENTS	
1 $0 - $50,000	12%
2 $50,000 - $100,000	11%
3 $100,000 - $250,000	10%
4 $250,000 - $500,000	8%
5 **$500,000 - $999,999**	**6%**

ALTERNATES:

1- DEDUCT [$10,375] if the (1) 14'x16' modular building can be lifted and transported, depending on floor/ built structure

EXCLUSIONS:

- Drawings, engineering, construction permit fees, materials testing, special inspections, liquidated damages, SRP design/fees
- Identification of and/or removal of hazardous materials, NESHAP fees and testing, modifications to existing electrical gear
- Unforeseen Conditions, underground obstructions, utility company fees/charges. Relocate or upgrade existing systems
- Temporary/Construction power/water/HVAC/lighting. Premium time, accelerated schedule. Existing code issues, shut down fees
- Utility fees/costs, Security systems or special systems work, power surveys, special integral colors on concrete/block
- Parking lot access/parking fees. Badging, Police officer, paid escorts, work stopage by others (car rental), fire protection work
- As-builts (CAD), hard dig/caving soils, UG/OH utilities conflicts or relocations, steel traffic plates, shoring, slurry backfill,
- Any telecommunications, data, fiber, any terminations, parking lot equipment, automation not in prints. SRP coordination
- Landscaping, any new trees/shrubs, traffic control. Electrical includes meter section up to 200A, anything more (SRP) is a change
- *Any items not included in the proposal are excluded.* Any work at the existing Enterprise big customer service booth

SDB CONTRACTING SERVICES

PROJECT GENERAL CONDITIONS

Item Description	Quantity	Unit	Unit Price	Total
Admin Fee Items				
Project Staff:				
Project Manager	90	Hrs	$102.26	$ 9,203.40
Project Superintendent (working demo/finishes)	360	Hrs	$85.38	$ 30,736.80
General Foreman	0	Hrs	$62.59	$ -
Foreman	0	Hrs	$58.06	$ -
Journeyman (demo)	0	Hrs	$53.94	$ -
Apprentice		Hrs	$51.18	$ -
Construction Equipment:				
Tractors/Backhoe		Day	$420.00	$ -
Forklifts/10,000 lbs		Day	$340.00	$ -
Cranes/20 Ton		Day	$900.00	$ -
Miscellaneous Rental Equipment				$ -
Small Tools (2% of project staff costs)	1	Job LS	$798.80	$ 798.80
Submittals/Documents:				
As-Builts - Paper		Sheet	$11.86	$ -
As-Builts - Mylars		Sheet	$24.86	$ -
As-Builts - CADD		Hrs	$175.00	$ -
Project Submittals/Admin. Support		Hrs	$40.00	$ -
O & M Manuals/Admin Support		Hrs	$40.00	$ -
Construction Documents Printing/Admin Support		Hrs	$40.00	$ -
Temporary Facilities				$ -
Temporary Power		LS		$ -
Temporary Construction Water		MO	$85.00	$ -
Temp Water Ice/Cups		MO	$85.00	$ -
Street Cleaning		Hrs	$90.00	$ -
Dust Control/Water/Apprentice		Hrs	$32.00	$ -
Water Truck w/Driver		Day	$425.00	$ -
Underground Detection		Hrs	$135.00	$ -
Potholing/Journeyman		Hrs	$37.00	$ -
Survey Crew		Hrs	$225.00	$ -
Dumpster Including 2 Dumps	2	Ea	$800.00	$ 1,600.00
Housekeeping/Apprentice		Hrs	$32.00	$ -
Final Clean of Site/Apprentice		Hrs	$32.00	$ -
Continuous Cleaning/Apprentice		Hrs	$32.00	$ -
Temporary Toilets 2 per Month	1	MO	$325.00	$ 325.00
Enter Additional if Required				$ -
Temporary Fences Rental, barricades	0	Mo/LF	$2.75	$ -
Site Trailer		Month	$200.00	$ -
Site Trailer Mobilization & Demob		Ea	$1,000.00	$ -
Office Supplies		Invoice		$ -
Other (specify)				$ -
Other (specify)				$ -
General Conditions - Admin. fee allowed Total				$ 42,664.00

Item Description	Quantity	Unit	Unit Price	Total
No Admin Fee Items				
Travel/Misc.:				
Auto Mileage - Project Manager		Mi	$0.51	$ -
Auto Mileage - Superintendent		MI	$0.51	$ -
Auto Mileage - Superintendent Ass't		MI	$0.51	$ -
Perdium		Day		$ -
Reimbursables:				
Parking Permit		Mo	$159.50	$ -
Dust Control Permits		Acre	$795.00	$ -
Nesphap Permits		Ea	$525.00	$ -
General Conditions - Admin. Fee not allowed Total				$ -

Mohave Admin. Fee	
General Conditions - *Admin. fee allowed* Total From Above	$42,664.00
Direct Construction Cost Total from Subtotal 1 on "Price Summary" page	$539,449.82
Subtotal	$582,113.82
Admin Fee (1% of Subtotal)	$5,821.14

Total General Conditions For This Project	
General Conditions - Admin. Fee allowed Total	$42,664.00
General Conditions - Admin. Fee not allowed Total	$0.00
1GPA Admin. Fee	$5,821.14
Total General Conditions	**$48,485.14**

Proposal

Keeley Construction

2401 S. 15th Ave
Phoenix, AZ 85007
Contact: **Brandon Sharp**
Phone: **480-272-3851**
Email: **bsharp@keeleyconstruction.com**

Quote To: SDB

Project Name: PMGA Rental Car Lot
6010 S Sossman Rd
Mesa, AZ 85212

ATTN: Salvador Encinas

Proposal Date: 2.18.22
Per Plans Dated 2.3.22

ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	AMOUNT
10	Mobilization	1.00	EA	2,000.00	2,000.00
20	Saw Cut Existing Asphalt Full Depth	1,693.00	LF	1.40	2,370.20
30	Remove Existing Asphalt at Full Depth	437.00	SY	49.00	21,413.00
40	Remove Existing Concrete Pavement	98.00	SY	36.50	3,577.00
50	Remove Existing Single Curb	1,222.00	LF	13.20	16,130.40
60	Remove Existing Curb and Gutter	29.00	LF	23.50	681.50
70	Remove Existing Landscaping and Irrigation	283.00	SY	100.00	28,300.00
80	Remove Existing 3' Masonry Screenwall	44.00	LF	102.00	4,488.00
90	Remove Existing Traffic Barricade	3.00	EA	794.00	2,382.00
100	Remove Existing Traffic Spikes With Concrete Slab	105.00	SF	13.90	1,459.50
110	Remove Existing Gate Foundations - 5 sf Each	4.00	EA	183.00	732.00
120	Remove Existing Bollards	2.00	EA	303.00	606.00
130	Subgrade Preparation	669.00	SY	5.00	3,345.00
140	7" ABC	669.00	SY	23.00	15,387.00
150	3" AC Pavement	669.00	SY	26.90	17,996.10
160	Liquid Road - Excludes Crack Filling	8,360.00	SY	3.65	30,514.00
170	Construct Concrete Single Driveway w/ Sidewalk	121.00	SF	25.00	3,025.00
180	Mag 220-1 Curb and Gutter	30.00	LF	87.00	2,610.00
190	Mag 222 Single Curb	107.00	LF	58.00	6,206.00
200	Mag 222 Modified Single Curb	6.00	LF	83.00	498.00
210	Mag 222 Single Curb Termination	10.00	LF	62.00	620.00
220	Mag 230 Sidewalk	788.00	SF	8.50	6,698.00
230	Screen Wall Foundation - Foundation Only	45.00	LF	245.00	11,025.00
240	Install Type 2 Removable Bollards	5.00	EA	1,250.00	6,250.00
250	Install 3/4" Minus "Pink Coral" DG	161.00	CY	121.00	19,481.00
260	Install Decorative Boulder Provided by Owner	4.00	EA	218.00	872.00
270	Construct Concrete Foundations and Slab	2.00	EA	12,168.00	24,336.00
~~280~~	~~Install LT Wedge Slab - Slab Only~~	~~2.00~~	~~EA~~	~~1,366.00~~	~~2,732.00~~ GOOD 2/25/22
290	Install Type 1 Permanent Bollard	2.00	EA	1,250.00	2,500.00
300	Striping	1.00	LS	11,628.30	11,628.30

ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	AMOUNT
310	Relocate 1 Existing Informational Sign	1.00	EA	1,631.00	1,631.00
320	Install 4 New Fire Lane Signs in Landscape	4.00	EA	500.00	2,000.00
330	Install 4 New Handicap Signs and 2 Van Signs	4.00	EA	664.00	2,656.00

GRAND TOTAL **256,150.00**

NOTES:

Specific Exclusions

All Electrical Scope of Work (Including Conduits and Removals), Relocation or Building of Structures, Relocation of electrified "Do Not Enter Signs", Traffic control Assemblies, Permits, Surveying, Testing, Any Scope of Work Dealing with Shade Structure, Overexcavation of Subgrade and Crack Sealing.

Notes:

1) Includes 1 Mobilization / Phase. Additional Mobilizations After 1 = $2,000 EA
2)Sales Tax on Material excluded.
3)Proposal is good for 30 days

Exclusions:
- Permits, bonds, tax, survey, staking, as-builts, traffic control, special inspections, testing, hard dig, handling and haul off of any buried debris, prevailing wages, overtime and holiday hours, additional mobilizations, utility conflicts, relocations, fencing, steel traffic plates, trenching and shoring, concrete backfill, landscaping, sweeping, offsite demo, sawcutting, grading, striping, and any work not specifically listed in the scope of work above.

G & G MASONRY

PO Box 5277
Peoria, AZ 85385
(602) 942-1983 Main
(602) 978-8806 Fax
License 321570

Masonry Bid Proposal

Date: February 17, 2022

To: Sal Encinas - SDB

From: Melonie Leslie, President

Project: **PMGA Rental Car Return Lot Modifications**
Project Address: Texas Avenue & Sossoman, Mesa, AZ

Masonry bid proposal:	**$ 7,068.00**

Inclusions:

1) Labor
2) Equipment
3) Block - 8-8-16 splitface one side in gray with 8-4-16 solid round top gray cap
4) Mortar
5) Duro wire
6) Grout
7) Rebar (furnished and installed)
8) Masonry stems
9) 45 LF of 3' high low CMU Screen wall
10) Masonry trash cleanup to dumpster (dumpster and dumpster removal to be provided by others)

Exclusions:

1) Caulking and sealing
2) Dry packing
3) Miscellaneous steel embeds, angles or lintels
4) Flashing
5) Footings
6) Crane hoisting
7) Site dust control
8) Sales tax
9) Bond
10) Permits
11) Water supply
12) Inspection/testing fees
13) Surveying
14) Badging
15) Offsite storage of materials
16) Multiple movements of materials due to advance material procurement
17) Integral color or integral water repellent

Bid proposal based on:

1) Drawings dated 2/3/22

Note: The above bid proposal is valid for 30 days. Proposal subject to change due to market increases or changes to construction documents. Bid proposal subject to receiving a job specific AZ5005 form. Sufficient survey points and/or corner pins and/or gridlines must be provided to us in order to layout the building.Contract acceptance contingent on schedule availability of G&G Masonry LLC.

DELTA
SCIENTIFIC CORPORATION

40355 Delta Lane
Palmdale, CA 93551 USA
Phone:(661) 575-1100
Fax: (661) 575-1110

DSC1425 **Phoenix-Mesa Gateway Airport - SDB** **Quote #: FM_022422a**

SC1425 HIGH SECURITY BARRICADE SYSTEM: 32" HIGH & CLEAR OPENING STANDARD LENGTH OF: *144"*

DSC1425 EM	ONE BARRICADE SYSTEM-12FT CLEAR OPENING STANDARD ***ONE LEFT HANDED, ONE RIGHT HANDED, SINGLE SIDED BUTTRESS***	$	51,338.9

****CUSTOMER TO SPECIFY EXACT CLEAR OPENING, LEFT OR RIGHT HANDING**

BASIC SYSTEM CONSISTS OF:

* BARRICADE(S) WITH 3/4" PLATE
* SELF-CONTAINED ELECTRO-MECHANICAL POWER SYSTEM
* MASTER CONTROL PANEL FOR ACTUATION
* BUTTRESS MOUNTED STOP/GO LIGHTS
* FULLY DOWN LIMIT SWITCH
* STANDARD WHITE WITH RED STRIPES & "STOP"
* STANDARD CONTROL CIRCUIT
* INTEGREATED TA812 STOP GO SIGNAL ARM(S)
* COMPLETE INSTRUCTIONS, START UP AND TROUBLE-SHOOTING MANUAL

DSC1425 SYSTEM OPTIONS: (NOT INCLUDED WITH STANDARD SYSTEM)

AG812-57	12' ALUMINUM ARM, WHITE WITH BLACK STRIPES	$263.51	$	527.0
B2055	SIGNAL LIGHT INSTALLATION SURFACE MOUNTED BARRIERS	$1,464.61	$	2,929.2
B1041TL	MASTER CONTROL PANEL W/ RESET & OVERRIDE, DUAL LANE CONTROL	$2,511.97	$	2,511.9
3546-DCNP	LOOP DETECTOR	$0.00	INCLUDED	
OC02-11	WIRING HARNESS	$0.00	INCLUDED	
B2010	BARRICADE FULLY DOWN AUXILIARY LIMIT SWITCH	$0.00	INCLUDED	
B2011	BARRICADE FULLY UP AUXILIARY LIMIT SWITCH	$0.00	INCLUDED	
B1260	POWER UNIT MOUNTED ELECTRICAL DISCONNECT	$743.95	$	1,487.8
B1155	BATTERY BACK-UP (CONTROLS ONLY)	$748.65	$	748.6

** ALL EQUIPMENT IS FOB FACTORY*

TOTAL EQUIPMENT COST	$	59,543.7
Sales Tax (if applicable)	*TBD*	
DISCOUNT	$	
INSTALLATION COST *(Terms and Conditions Apply)*	**TBD**	
Freight (if applicable)	$	4,500.0
GRAND TOTAL **(Quote is valid 45 days from 02/24/22)**		

$59,543.70
ALLOW. INSTALL — 10,000.00
FREIGHT — 4,500.00
$ 74,043.70

2/24/2022

STTH ELECTRIC

"We empower you"

ROC 244429
335 East Warner Rd. Suite 2
Chandler, AZ 85225
PHONE: (602) 571-5287 FAX: (480) 921-9511

JOB: PMGA Rental Car Return Lot
SDB Contracting Services
Phone: _____ Fax: _____

Bid Date: 3/3/2022
Start Date: TBD Completion Date: TBD

ELECTRICAL PROPOSAL AS FOLLOWS:

Our electrical proposal is only based on the following: Red line e-sheets E-0.1 - E-4.1 02/03/2022
We have included the following addendums in our base bid price below:

BASE BID PER PLANS **$110,956.00**

- **PRICE INCLUDES THE FOLLOWING:**

All lighting and lighting controls are per print and considered to be existing and in good clean working order. We have included the relocation of (1) pole light per E-1.1 KN #3 & E-2.1 KN #8. Demo of light pole base and new concrete light pole base in its entirety by others. All gear is per print with new meter panel/ pedestal in new location based on E-2.1 KN #4 (pedestal concrete based by other). All demo and make safe is based on E-Sheets provided and job site conditions observed. All new ground pull boxes will be traffic rated per E-2.1 KN #1, 6. All new Phone/data conduit will be based on E-2.1 KN #2 from existing communication box. All existing conduit and conductors are considered to be sized properly, in good working order and contain a code compliant grounding conductor. NOTE: Bid is based on normal working hours only and all fire alarm is excluded. **Pricing for this project is based on current commodity pricing and can not be guaranteed past 15 days unless a PO is issued to lock in current estimate. PVC, copper, lighting and steel are expected to raise in price on a weekly bases.**

- **NOTES:**

1. Please note: The standard lead times for fixtures and gear will be 16 to 18 weeks.
2. Our Estimate/Proposal is predicated and based on the Copper price of $4.00 per pound and steel products at $0.00 per pound, and is good for 15 days from this proposal date. We have the option to raise our pricing (if above mentioned products are increased) to the adjusted level after 15 days or during the project unless we are approved to purchase materials at those locked levels in the beginning of the project.
3. Please review all of our exclusions below.

- **PRICE EXCLUDES THE FOLLOWING:**

1. All permit and engineering fees, sales tax and bonds.
2. All modifications to existing electrical gear.

3. All power company shut-down fees.
4. All temporary power in its entirety.
5. All off-site trash haul-off and clean-up, We will utilize an onsite dumpster.
6. All cutting, painting and patching of walls.
7. All demolition work.
8. All asphalt and concrete saw-cutting, patching, removal and landscape repair.
9. All x-rays for floor penetrations and core drilling.
10. All formed concrete, (transformer pads, etc.).
11. All low-voltage control wiring and thermostat conduits.
12. All motor starters for HVAC units.
13. Fire alarm system in its entirety.
14. Security system in its entirety.
15. All telephone/data cabling, terminations and installation, (stub-ups with a pull string only into the accessible ceiling space above).
16. All off-hours and overtime.
17. All costs of acceleration or schedule compressions.
18. All ceiling wires for light fixture supports, if required.
19. All labor to install lamps from a 'furnished by others' fixture package, which do not already come lamped directly from factory.
20. All power company surveys, (by others).
21. General Contractor is responsible for the coordination of all city planning, zoning and inspections.

Respectfully Submitted by:

Alex Clay
Estimator
Mobile: 602-320-7174

- Please sign a copy of this proposal as a preliminary notice to proceed and provide a formal notice or contract within five days of the signed date below.
- Our electrical proposal is only valid for 15 days.

Date

Signature

Printed Name

Title

Salvador Encinas

To: Alex Clay
Cc: James Stith
Subject: RE: PMGA rental car lot - red line revised

From: Alex Clay <alex.clay@stithelectric.com>
Sent: Thursday, March 3, 2022 8:13 AM
To: Salvador Encinas <Sal.Encinas@sdb.com>
Cc: James Stith <james@stithelectric.com>
Subject: PMGA rental car lot - red line revised

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hello Sal,

Please see the attached revised proposal for the PMGA rental car lot project, if you have any questions concerning our proposal feel free to contact James or I any time.
Our last revised bid was per prints & the wedge barriers info, the redlines they put in calls for larger pipes and more underground boxes then the bid set.
E-Sheets show (1) 2inch and (2) 1 1/4 runs not the 3 inch and 2 inch and boxes they indicate on redlines.

Thank you,

Alex Clay
Cell: (602) 320-7174
Fax: (480) 921-9511

STITH ELECTRIC

WE EMPOWER YOU
ROC-244429

Shade 'N Net Proposal/Contractual Agreement

This is a legal agreement once signed. Complete and initial all pages.

Purchaser: SDB Contracting	City/District: Tempe	Remit payment to Manufacturer:
Contact: Salvador Encinas	Quote #:	Shade 'N Net 5711 Washington Phoenix, AZ 85043
Title:	PO #:	
Sales Rep: JJ Orlando	Phone: (480)435-8056	Email: JJ@shade-n-net.com

Billing Information	Shipping Information	Jobsite Information
SDB Contracting 1001 S. Edward Dr Tempe Arizona 85281		PMGAA
Phone: 602.818.7385	Contact:	Contact:
Fax:	Phone:	Phone:
Email:	Fax:	Fax:
Proposal Date: February 24, 2022	X Install	
Order Date:	Ship	
Revised Date:	Deliver	

PRICING

DESCRIPTION	PRICE
(1) stingray single column structure 15' x 20 to match plans	$ 14,200.00
Installation, footings, equipment rental, dirt haul	$ 5,900.00
Engineering	$ 1,200.00

ACCESSORIES & MISCELLANEOUS

QTY	ITEM	DETAILS	COST

Structures and Installation	$ 20,100.00
Private locator for underground utilities	$ 400.00
Equipment Rental	$ Included
Engineered stamped drawings	$ 1,200.00
Permit preparation and Submittal	$ 400.00
Dirt Haul	$ Included
City permit fee allowance	$ 1,500.00
Sales Tax	$
TOTAL PRICE	$ 23,600.00

PAYMENT TERMS:

(1) Upon execution of the Agreement (50% Deposit)	$
(2) Upon delivery of materials to the jobsite	$ 0.00
(3) Upon completion of installation	$
(4) Other :	

NOTES:

No Permits

GENERAL SCOPE OF WORK

STRUCTURE DETAILS

Fabric Type	Commercial 95
Fabric Color	TBD
Steel Color	TBD
Post Fixing Method	N/A
Entry Height	See Above
Wind load	N/A
Snow load	N/A
Depth of Artificial Surfacing	N/A

PRICING INCLUDES

YES	NO	
X		Installation (based on a standard mobilization)
X		Shipping and Handling
	X	Sales Tax
X		Engineered Drawings
	X	Unforeseen underground obstacles
	X	Permit Fees
	X	Permit Processing
	X	Hand Holes for Electrical or Lighting Fixtures
	X	Payment & Performance Bonds

JOB REQUIREMENTS

YES	NO	
X		Dirt removal
X		Concrete/Asphalt cutting
X		Concrete truck access
	X	Other equipment access
	X	Removal of existing system or posts
	X	Curb repair
	X	Landscaping Repair
	X	Electrical hook-up
	X	Trenching
	X	Site plan approval
	X	Site survey
	X	Special inspection
	X	Permits
	X	Soil tests
	X	Barricades or Fencing
	X	Union wages / Prevailing wages
	X	Certified payroll
		Other :

SITE PLAN & OTHER INSTALLATION DETAILS (PLEASE ALSO ATTACH PHOTOS TO THIS DOCUMENT)

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

Board Action Item

Re: Resolution 22-07

To:	**Board of Directors**
From:	**R. J. Draper, P.E., LEED AP, CM Engineering & Facilities Director**
Through:	**Scott Brownlee, Deputy Director/COO** **J. Brian O'Neill, A.A.E., Executive Director/CEO**
Subject:	**North Economy Parking Lot Expansion Construction CMAR – Nesbitt Contracting Co., Inc. – CIP 1241**
Date:	**March 15, 2022**

Proposed Motion

To Authorize Phoenix Mesa Gateway Airport Authority staff to negotiate and execute a final contract for the North Economy Parking Lot Expansion Construction Manager at Risk (CMAR) Pre-Construction Services and Guaranteed Maximum Price (GMP) 1 Early Works, with Nesbitt Contracting Co., Inc. in an amount not-to-exceed $608,176.

Narrative

The Phoenix-Mesa Gateway Airport has experienced unprecedented growth and requires immediate additional parking capacity in order to maintain the ability to meet customer demand. The North Economy Parking Lot Expansion Plans were developed in 2012 and will provide PMGAA with an additional 1263 parking spaces of which 18 are ADA accessible.

Phase I of this project includes 600 parking spaces, parking lot lighting and a shuttlebus pickup location that will be completed by June 2022. Phase II, which will be completed by November 2022, will include the remainder of the parking spaces and planned improvements. It is anticipated that the existing fence line will remain in place, with swing gates added, as the additional parking spaces will be considered overflow parking and not for routine use.

Early GMP is needed to meet established deadlines, Staff will present a CMAR Construction Services Contract to the Board for review and consideration at a later date.

The Notice of Request for Qualifications (RFQ), Solicitation 2022-018-RFQ was issued on January 10, 2022, and advertised in the Arizona Business Gazette on 1/13, 1/20, 1/27 and 2/3/22; it was also posted on the AzAA, ACC, ACI-NA, SWAAAE Websites as well as the Phoenix-Mesa Gateway Airport Authority Website. In addition, the RFQ was emailed to a list of 94 prospective firms. PMGAA Staff received three (3) Statement of Qualifications on February 8, 2022, from the following firms:

Nesbitt Contracting Company, Inc.
Pulice-Roadway Electric-McNeil Joint Venture
Rummel Construction, Inc.

Upon review of the qualifications, the Evaluation Panel unanimously selected Nesbitt Contracting Co., Inc. as the CMAR firm that best satisfied the requirements based on the qualifications of the firm, project team experience, and project understanding and approach to performing the required services.

Fiscal Impact
This contract is utilizing PMGAA Non-grant funds under Capital Improvement Project 1241.

Attachment(s)
N/A

RESOLUTION NO. 22-07

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

WHEREAS the Authority desires to authorize the Executive Director/CEO and / or delegate to negotiate and execute a final contract for the North Economy Parking Lot Expansion Construction Manager at Risk (CMAR) Pre-Construction Services and Guaranteed Maximum Price (GMP) 1 Early Works, with Nesbitt Contracting Co., Inc. in an amount not to exceed $608,176.

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

> **The Board of Directors of the Authority hereby authorizes the Executive Director/CEO and / or delegate to negotiate and execute a final contract for the North Economy Parking Lot Expansion Construction Manager at Risk (CMAR) Pre-Construction Services and Guaranteed Maximum Price (GMP) 1 Early Works, with Nesbitt Contracting Co., Inc. in an amount not to exceed $608,176. 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 15th day of March, 2022.

Jim Waring, Vice Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

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

Board Action Item

Re: Resolution 22-08

To:	**Board of Directors**
From:	**Chuck Odom, Chief Financial Officer**
Through:	**J. Brian O'Neill, A.A.E., Executive Director/CEO**
Subject:	**Operating and Capital Budget for Fiscal Year ending June 30, 2023**
Date:	**March 15, 2022**

Proposed Motion
To adopt the proposed Operating Budget, Capital Budget, and Member Government Contributions for the fiscal year ending June 30, 2023.

Narrative
The following is an overview of the proposed budgets.

Key Assumptions for FY23 Budget

1. Member contributions will continue to fund capital improvements.
2. Enplaning passenger activity is expected to increase in FY23's budget by 7% over FY22's.
3. Fuel sales will be up by $1.215M; Volume ($55K) and Price $1.270M.
4. Aero revenue will be up 13%; Non-Aero revenue will be up 10%.
5. Air-Service Incentive Program carries over from previous fiscal year.
6. Operating Contingency is 10% of total expenses from unrestricted cash reserve.

FY23 Operating Budget Highlights

Operating Revenues:	FY22 Budget	FY23 Budget	Difference	%
Aero Op Rev: Aircraft Parking	$ 231,559	$ 238,212	$ 6,653	3%
Aero Op Rev: Fuel Flowage	647,112	741,352	94,240	15%
Aero Op Rev: Landing Fees	1,295,750	1,218,451	(77,299)	-6%
Aero Op Rev: Lease Income	3,046,619	2,706,284	(340,335)	-11%
Aero Op Rev: Svcs Sold	4,791,674	5,977,002	1,185,328	25%
Aero Op Rev: Fuel Sales	5,985,732	7,201,310	1,215,578	20%
Total Aero Op Revenue	15,998,448	18,082,612	2,084,164	13%
Non-Aero Op Rev: Concess	883,000	1,195,850	312,850	35%
Non-Aero Op Rev: Lease Inc	1,298,587	1,131,592	(166,995)	-13%
Non-Aero Op Rev: Parking	3,343,618	3,632,067	288,449	9%
Non-Aero Op Rev: Rental Car	1,858,950	2,193,000	334,050	18%
Non-Aero Op Rev: Svcs Sold	161,200	150,400	(10,800)	-7%
Total Non-Aero Op Revenue	7,545,356	8,302,910	757,554	10%
Total Operating Revenue	$ 23,543,804	$ 26,385,522	$ 2,841,718	12%
Operating Expenditures:				
Communication & Utilities	$ 886,238	$ 898,999	$ 12,761	1%
Contractual Services	5,880,030	6,413,400	533,370	9%
Cost of Goods Sold	3,331,674	4,897,478	1,565,804	47%
Insurance	562,932	652,189	89,257	16%
Other	857,510	535,571	(321,939)	-38%
Compensation & Benefits	9,870,850	10,468,250	597,400	6%
Repair & Maintenance	1,173,350	1,374,413	201,063	17%
Supplies & Materials	969,994	983,523	13,529	1%
Total Operating Expense	$ 23,532,578	$ 26,223,823	$ 2,691,245	11%
Operating Income	$ 11,226	$ 161,699	$ 150,473	1340%
Total Operating Expense	$ 23,532,578	$ 26,223,823	2,691,245	11%
Potential Air Incentive	2,000,000	2,000,000	-	0%
10% Contingency	2,353,258	2,622,382	269,125	11%
Total Budgeted Operating Expense Capacity	$ 27,885,836	$ 30,846,205	$ 2,960,370	11%

Capital Improvement Program (CIP) Project Summary

The proposed capital budget for FY23 is $68,167,000. The projects are listed in Attachment 1 with more detailed description of the projects in Attachment 2. The carry over capital projects from FY22 total $46,103,005 and are listed in Attachment 3 with the descriptions in Attachment 4.

FY23 Capital Improvement Program Funding Summary

FAA	$ 23,675,600
PMGAA Cash Reserves	23,369,200
PFC	10,000,000
CFC	5,900,000
Member Contributions	4,060,000
ADOT	1,162,200
Total for FY23	$ 68,167,000

FY22 Carry Over Capital Funding Sources

PFC	$ 20,325,000
FAA	13,704,691
PMGAA Cash Reserves	10,146,455
ADOT	1,926,859
Total for FY22 Carry Over	$ 46,103,005

Total Operating, Capital and Debt Service Budget Combined

Total Operating Expense	$ 26,223,823
Potential Air Incentive	2,000,000
10% Operating Expense Contingency	2,622,382
FY23 Capital Budget	68,167,000
FY22 Carry Over Capital Projects	46,103,005
Capital Maintenance Reserve	1,000,000
Debt Service Payment	1,295,750
Total Budget Operating and Capital	$147,411,960

Attachment(s)

1. FY23 Proposed Capital Budget
2. FY23 Capital Improvement Project Descriptions
3. FY22 Carry Over Capital Improvement Projects
4. FY22 Carry Over Capital Improvement Project Descriptions
5. FY23 Capital Projects Location Map

RESOLUTION NO. 22-08

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

WHEREAS the Authority is required pursuant to Arizona Revised Statutes and Section 9 of the Joint Powers Airport Authority Agreement to recommend to the governing bodies of the Airport Authority's members an operating budget, capital budget, and capital improvement program for each fiscal year; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Phoenix-Mesa Gateway Airport Authority as follows:

> **The Phoenix-Mesa Gateway Airport Authority Board of Directors hereby adopts the Phoenix-Mesa Gateway Airport Authority Fiscal year 2023 Operating Budget in the amount of $30,846,205, the Fiscal Year 2023 Phoenix-Mesa Gateway Airport Authority Capital Improvement Program and Debt Service in the amount of $116,565,755, and incorporated as if fully set forth herein, subject to the authority granted to the Executive Director/CEO under Board Policy #15-04, and including the member government contributions and proportions provided as follows: City of Mesa $1,700,000 (41.87 %); City of Phoenix $1,300,000 (32.02 %); Gila River Indian Community $450,000 (11.08%); Town of Gilbert $350,000 (8.62 %); Town of Queen Creek $130,000 (3.20 %); City of Apache Junction $130,000 (3.20 %).**

Passed and adopted by the Authority this 15th day of March, 2022.

Jim Waring, Vice Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

PMGAA FY23 CAPITAL BUDGET

ACIP				Funding Source						
Project Category	**Dept**	**Project ID - Project Name**	**Cost Estimate**	FAA	ADOT	PMGAA Match	PMGAA Non-Grant	PFC	CFC	Project Total
AIR	500	1072-Reconstruction of Runway 12R/30L & Twy Hotel	$26,000,000	$23,675,600	$1,162,200	$1,162,200				$26,000,000
AIR	500	1236-Construction of TWY C New Connectors and Partial Parallel Taxiways	$15,000,000				$15,000,000			$15,000,000
APR	500	1231-Construction Alpha Apron IV	$10,000,000					$10,000,000		$10,000,000
FUE	500	1224-Construction of Jet A Fuel Expansion	$6,000,000				$6,000,000			$6,000,000
PKG	500	1242-Construction Rental Car Care Facility	$5,900,000						$5,900,000	$5,900,000
SDD	500	1223-Old ATCT Demo	$800,000				$800,000			$800,000
EQP	700	1240-Add 4 GPU's & 4 PC Air Units for Terminal Expansion	$700,000				$700,000			$700,000
EQP	700	0284-Purchase Pavement Cleaning Machine	$675,000				$675,000			$675,000
SDD	200	1219-Demolition & Relocation of Remote Transmitter Receiver	$600,000				$600,000			$600,000
RDW	500	0982-Taxiway Circle Reconstruction	$500,000				$500,000			$500,000
EQP	500	1238-Replc 4 Fire Pumps at So. Central & Pump House	$500,000				$500,000			$500,000
SDD	500	0389-Demolition of Existing Structures	$270,000				$270,000			$270,000
EQP	600	0687-Replc 2003 Air Start Unit 100 ppm Unit -259	$200,000				$200,000			$200,000
EQP	600	1061-Replc 2002 Mobile Air Condition Unit -EQP 262	$170,000				$170,000			$170,000
BLD	600	1096-GAS Remodel Phase IV	$160,000				$160,000			$160,000
VHC	600	1063-Replc 1999 F350 Airstair Truck - VHC 274	$130,000				$130,000			$130,000
ITS	900	1225-Storage Area Network Servers 4 yr refresh, last refresh FY18	$125,000				$125,000			$125,000
ITS	900	1233-Lenel Security Servers 4 Yr Life Cycle Refresh	$100,000				$100,000			$100,000
VHC	600	0678-Replc 2000 Lavatory Service Truck -TRK 279	$100,000				$100,000			$100,000
VHC	700	1020-Replc 2 Dodge 2500 Trucks 2008 TRK-230 & 2008 TRK 235	$75,000				$75,000			$75,000
EQP	600	1060-Replc 2011 28.0v GPU -EQP 265	$60,000				$60,000			$60,000
VHC	700	1226-Replc 2003 Ford Ranger Trk- 545	$30,000				$30,000			$30,000
EQP	700	1232-Replc Generator 470 for AWOS/Glideslope	$30,000				$30,000			$30,000
ITS	900	0864-US Customs Technology Refresh	$25,000				$25,000			$25,000
EQP	600	1227- Replc 2017 6 pax Gem Car - EQP 208	$17,000				$17,000			$17,000
			$68,167,000	$23,675,600	$1,162,200	$1,162,200	$26,267,000	$10,000,000	$5,900,000	$68,167,000

PMGAA Total	$27,429,200
Member Contributions	$4,060,000
Over/(Under)	$23,369,200

Phoenix - Mesa Gateway Airport Authority

Attachment 2

FY23 Capital Budget

Project # Name	Amount	Description
1072-Reconstruction of Runway 12R/30L & Twy Hotel	$26,000,000	Reconstruct Runway 12R30L from 1000 feet from north end to 500 feet north of Taxiway Lima. Project encompasses sections 20, 30, and 40 totaling almost 1 million sq ft. Project will include runway PCCP replacement, shoulder, lighting, striping, and signage improvements.
1236-Construction of TWY C New Connectors and Partial Parallel Taxiways	$15,000,000	Construction of a new parallel taxiway, 2 taxiway connectors on west side and two taxiway connectors on the east side of the proposed partial parallel that will allow aircraft to access the proposed hangar/apron development
1231-Construciton Alpha Apron IV	$10,000,000	Approx 32,000 sq yards, will include a Portland cement concrete apron pavement section, asphalt paved shoulders, taxiway/apron lighting, grading and drainage, pavement markings
1224-Construction of Jet A Fuel Expansion	$6,000,000	Design and Construction for 3 additional 50k gallon Jet A fuel tanks to increase fuel capacity
1242-Construction Rental Car Care Facility	$5,900,000	Construct a new Car Care Facility for the Airport Car Rental Companies. Improvements include demolition of existing fence, building, canopy, pavement and fueling equipment. Redevelopment of site will include new administration & Mx Buildings, car service canopies, car vacuum bays, car wash building, new asphalt, concrete pavements, utilities, fueling equipment pads, fire hydrants and traffic markings.
1223-Old ATCT Demo	$800,000	Remove existing ATCT cab from building for salvage and use. Demolish building- Demo provides better visual skyline for Airport.
1240-Add 4 GPU's and 4 PCAir Units for Terminal Expansion	$700,000	Four new GPU's and four new PC Air Units to be placed at Gates 1A-3 once the Terminal Modernization Project is completed
0284-Purchase Pavement Cleaning Machine	$675,000	Purchase self-contained pavement cleaning machine that has the capability to remove rubber, paint markings and pavement cleaning.
1219-Demolition & Relocation of Remote Transmitter & Receiver	$600,000	Relocate critical equipment from the existing RTR facility, re-route necessary conduit and demolition existing buildings to make way for future spine road development and Gulfstream
0982-Taxiway Circle Reconstruction	$500,000	Replace 2500 Sq yards of pavement located in front of building 1080 (parking lot drive lanes) The pavement inventory indicates 6' thickness (circa 1942) and LAD calls out 8" PCCP over 8" compacted subgrade. Due to the age of the pavement and wear and tear on the roadway after being the "haul" route for two major projects, TWY K and ATCT Construction, this access roadway in front of 1080 will be in need of replacement.
1238-Replc 4 Fire Pumps at So. Central & Pump House	$500,000	Replace the fire pumps at the South Central and the Pump House (Bldg 1083) due to their age and cost of maintenance
0389-Demolition of Existing Structures	$270,000	Demo of existing reinforced PCC structures located in the Mesa Skybridge Arizona leasehold
0687-Replc 2003 Air Start Unit 100 ppm Unit -259	$200,000	Equipment beyond useful life and scheduled for replacement
1061-Replc 2002 Mobile Air Condition Unit -EQP 262	$170,000	Equipment beyond useful life and scheduled for replacement
1096 -GAS Remodel Phase IV	$160,000	Second phase of GAC improvements to bring all office spaces and public spaces to the same appearance and standards established in the FBO lobby area.
1063-Replc 1999 F350 Airstair Truck - VHC 274	$130,000	Equipment beyond useful life and scheduled for replacement
1225- Storage Area Network Servers 4 yr refresh	$125,000	Refresh Storage Area Network Servers - Last Refresh was 2018
1233-Lenel Security Servers 4-Yr Life Cycle Refresh	$100,000	Lenel Security System Server life cycle refresh 4 years. Supports all the security cameras, alarms, & sensors throughout the airport.
0678-Replc 2000 Lavatory Service Truck -TRK 279	$100,000	Equipment beyond useful life and scheduled for replacement
1020-Replc 2 Dodge 2500 Trucks 2008 TRK-230 & 2008 TRK 235	$75,000	Replace 2 2008 Dodge 2500 Trucks - TRK 230 & TRK 235
1060-Replc 2011 28.0v GPU -EQP 265	$60,000	Equipment beyond useful life and scheduled for replacement
1226-Replc 2003 Ford Ranger Trk- 545	$30,000	Replc 2003 Ford Ranger Trk- 545
1232-Replc Generator 470 for AWOS /Glideslope	$30,000	Replc Generator 470 (Pre-1998) that was signed over when the base converted to PMGAA
0864-US Customs Technology Refresh	$25,000	Perform technology refresh on US Customs computer network and equipment
1227- Replc 2017 6 pax Gem Car - EQP 208	$17,000	Replc old equipment for transporting customers from ramp to FBO and other utility uses

$68,167,000

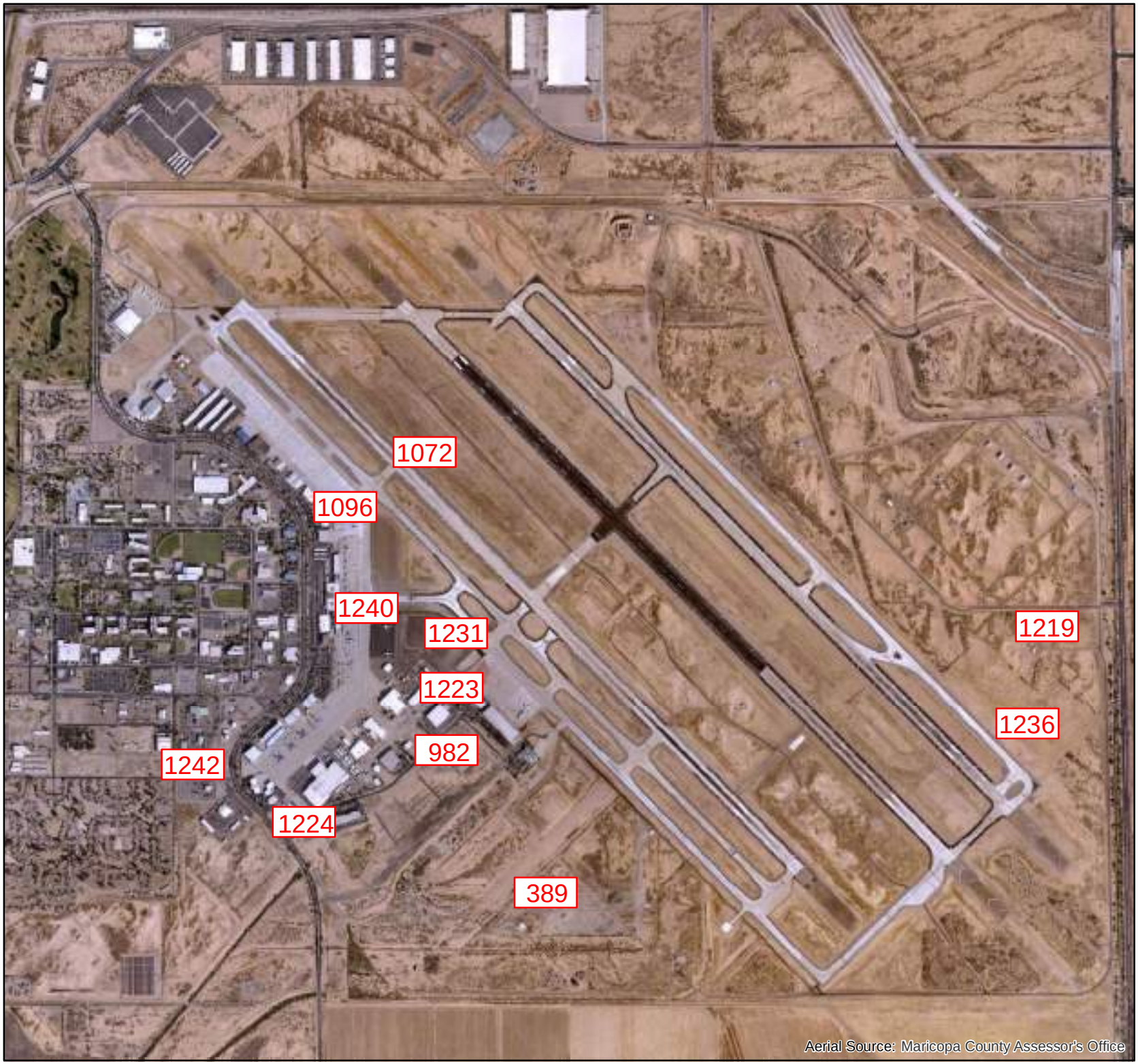
		Carry Over Projects FY22-FY23 Funding Sources					
Carry Overs Projects	**FY22-FY23**	**Federal Aviation Admin (FAA)**	**State of Arizona (ADOT)**	**PMGAA Grant Match Funds**	**PMGAA Non-Grant Funds**	**Passenger Facility Charges (PFC)**	**Project Totals**
1201-Terminal Modernization	21,500,000				1,175,000	20,325,000	21,500,000
1202-Center Runway 12C/30C Design & Reconstruction	13,952,000	12,704,691	623,654	623,654			13,952,000
1241-North Economy Parking Lot Expansion	2,000,000				2,000,000		2,000,000
0741-Design and Recon Twy H Btwn B & 12R	1,248,005		1,123,205	124,801			1,248,005
0998-PARCS System Replacement	1,100,000				1,100,000		1,100,000
0927-Construction ATCT	1,000,000	1,000,000					1,000,000
0744-Taxiway W Design & Recon	200,000		180,000	20,000			200,000
1022-Replc 1997 Kubota L35 Backhoe -TRACT 321	63,000				63,000		63,000
1040-Replc 1999 Amiga Light Towers LTPT-309 & 310	40,000				40,000		40,000
Capacity Increase to carry over	5,000,000				5,000,000		5,000,000
Total Carry Over from FY22	46,103,005	13,704,691	1,926,859	768,455	9,378,000	20,325,000	46,103,005

Phoenix - Mesa Gateway Airport Authority

Attachment 4

FY23 Capital Budget FY22 Carry Overs

Project # Name	Amount	Description
1201-Terminal Modernization	$21,500,000	Design and reconstruct 5 gates and includes related concession spaces.
1202-Center Runway 12C/30C Design & Reconstruction	$13,952,000	Design & Reconstruct section 30 of Runway 12C/30C. Approx 2,500 linear feet and include approx 21,000 SY PCCP. Includes shoulders, LED lights, pavement markings, storm drainage, signage.
1241-North Economy Parking Lot Expansion	$2,000,000	Construct the Extension of the North Economy Parking Lot adding an additional 1260 spaces. This construction will be done in phases: 500-600 spaces completed by June 2022; remaining spaces will be completed by Thanksgiving 2022
0741-Design and Recon Twy H Btwn B & 12R	$1,248,005	Design & Reconstruct Taxiway H between Taxiway B and Runway 12R. 250' x 75' (2,100 SY PCCP), plus 250' x 30' shoulders (1,700 SY AC), including lighting, drainage, signage & marking. According to AP Tech report dated March 2010, the pavement condition index (PCI) is rated at 66. CW
0998-PARCS System Replacement	$1,100,000	PMGAA's parking revenue control system will reach its full usable life cycle by FY20. The existing equipment was installed in 2007/08. The new system will have more advanced technology such as cloud based access portals and customer service functionalities. In addition a License Plate recognition system will be installed to enhance security, customer service and provide for more accurate measures of parking lot usage.
0927-Construction ATCT	$1,000,000	Construct new Air Traffic Control Tower. Site selection study completed by FAA (CIP 888) proposes new site 410' NW of current tower. EA underway (CIP 945). New tower to be 164' eye level height, top of tower 194', 550 SF cab with 8 controller positions
0744-Taxiway W Design & Recon	$200,000	Design and reconstruct a section of Taxiway Whiskey located on the southern portion of the taxiway and north of intersection of W and T. 2013 pavement condition index (PCI) for the worst section is rated at 57, approaching pavement failure if not reconstructed in the intermediate term. The dimensions of the section is 22' x 405' (8,910 SF). Project to address edge lighting, markings, shoulder, drainage as required.
1022-Replc 1997 Kubota L35 Backhoe -TRACT 321	$63,000	Replc Tractor 321 1997 Kubota . Tractor is 23 years old and is nearing the end of its service life which would require extensive refurbishment.
1040-Replc 1999 Amiga Light Towers LTPT-309 & 310	$40,000	Replc light towers units 309 & 310 from 1997 that are used for emergencies, night work and test work
Capacity increase to carry over	$5,000,000	
	$46,103,005	



Phoenix-Mesa Gateway Airport

FY23 CIP

Project Locations

Projects not on map

284	1063
678	1225
687	1226
864	1227
1020	1232
1060	1233
1061	1238

N

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

Board Action Item

Re: Resolution 22-09

To:	**Board of Directors**
From:	**R. J. Draper, P.E., LEED AP, CM Engineering & Facilities Director**
Through:	**Scott Brownlee, Deputy Director/COO**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject:	**Fuel Farm Expansion Design Services – Kimley-Horn & Associates, CIP 1216**
Date:	**March 15, 2022**

Proposed Motion
To approve an Authorization of Services with Kimley-Horn & Associates for Engineering Design Services for the Fuel Farm Expansion Design, in an amount not to exceed $373,867 under CIP 1216.

Narrative
Due to the increased commercial aircraft passenger traffic and the additional airlines utilizing PMGAA, Airport staff had an analysis completed of the existing and anticipated Jet-A Fuel Storage Capacity that is needed at the Fuel Farm. Currently the Airport has a usable storage capacity of 225,000 gallons of Jet-A Aviation Fuel, which has been determined (by Airport Staff), to be less than five days of storage reserves on hand. Based on recent growth patterns, within the next five years, this number is anticipated to be less than three days of storage reserves on hand. With the findings from this recent study, PMGAA staff has determined the need for an expansion to the Fuel Farm in order to accommodate future Jet-A Fuel Storage Capacity.

The proposed project design will provide three additional 50,000-gallon (gross) Jet-A fuel storage tanks, fuel lines, pumps and will utilize the airport controlled vacant lot adjacent to the existing fuel farm in order to provide adequate space for the new tanks and the refueler/tanker truck circulation paths.

In 2019, a Request for Qualifications, 2020-007-RFQ for On-Call Engineering Services was issued. Kimley-Horn and Associates (KHA) was one of two firms selected as the most qualified. In accordance with the terms of our agreement, C-2020007-A, KHA worked with Airport staff to refine a Scope of Work for Engineering Design Services for the Fuel Farm Expansion Design. The cost for these services was negotiated based upon the contract fee schedule at a cost not to exceed $373,867 under CIP 1216.

Fiscal Impact
These Engineering Design Services are included in the FY22 Capital Budget and are funded with PMGAA non-grant funds under CIP 1216.

Attachment(s)
Authorization of Services

RESOLUTION NO. 22-09

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

WHEREAS the Authority desires to approve an Authorization of Services with Kimley-Horn & Associates for Engineering Design Services for the Fuel Farm Expansion Design, in an amount not to exceed $373,867 under CIP 1216.

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

> **The Board of Directors of the Authority hereby approves an Authorization of Services with Kimley-Horn & Associates for Engineering Design Services for the Fuel Farm Expansion Design, in an amount not to exceed $373,867 under CIP 1216. 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 15th day of March, 2022.

Jim Waring, Vice Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

AUTHORIZATION OF SERVICES
Kimley-Horn & Associates, AOS 20A-2205

The signing of this Authorization (Agreement) by Phoenix-Mesa Gateway Airport Authority (PMGAA) and Kimley-Horn & Associates, 7740 N. 16th Street, Suite 300, Phoenix, AZ 85020 ("Kimley-Horn"), authorizes Kimley-Horn to carry-out and complete the services described below in consideration of the mutual covenants set forth below:

1. **PROJECT**: Fuel Farm Expansion Design under CIP 1216.

2. **SCOPE OF WORK**: Perform and provide Engineering Design Services for an expansion of the existing Jet-A Fuel Storage Capacity at the Airport's Fuel Farm. All services are to be performed in accordance with PMGAA Agreement C-2020-007-A, including the Standard Terms, and the attached detailed scope of work. Services shall be coordinated with and approved by PMGAA Authorized Representative prior to start of work.

3. **FEE FOR SERVICES**: The fee for services shall be based upon the attached scope of work, not to exceed Three hundred seventy-three thousand, eight hundred sixty-seven dollars and zero cents ($373,867), of PMGAA non-grant funds without the express written approval of PMGAA.

4. **AVAILABILITY OF PROJECT FUNDING:** The approval and continuation of this contract is subject to the availability of funds provided to, made available to, or appropriated by PMGAA for this purpose. In the event that funds are not available or appropriated for PMGAA's payment requirements under this contract for the goods and/or services to be provided hereunder, PMGAA may terminate this contract by providing notice to the consultant of the lack of the availability of funds. The consultant acknowledges and agrees that one source of funding for this contract may be funds made available from the Federal Aviation Administration and/or Arizona Department of Transportation, and that this contract, its approval and continuation, may contingent on the availability of those funds being made to PMGAA.

5. **INCORPORATED:** The following documents are hereby incorporated with this Authorization of Services and made part thereof:

   ☑ PMGAA Agreement C-2020007-A dated December 17, 2019.

6. **ATTACHED:** The following documents are attached to this Agreement and are incorporated herein by this reference made part thereof:

☑ Scope and Fee Proposal dated February 07, 2022.

PMGAA and Kimley-Horn acknowledge that they are in agreement with the terms and conditions as set forth in this Authorization.

APPROVED FOR PMGAA:

By:_____

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

Title: Executive Director/CEO

Date:_____

ACCEPTED FOR Kimley-Horn & Associates:

By: Steve Reeder

Print: Steve Reeder, P.E.

Title: Senior PM / Vice President

Date: 02/23/22

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

Management Information Report

To: **Board of Directors**
From: **Chuck Odom, Chief Financial Officer**
Through: **J. Brian O'Neill, A.A.E., Executive Director/CEO**
Re: Solicitation Notification
Date: **March 15, 2022**

This report is to provide notification of the active and upcoming solicitations to help ensure compliance with the Phoenix-Mesa Gateway Airport Authority procurement transparency clause. The active activities include the following:

Active/Pending Solicitations

Type Solicitation	Number	Title	Anticipated Contract Award (Board Action)
Request for Qualifications	2022-018-RFQ	CMAR for North Economy Parking Lot Expansion	March 2022
Request for Proposals	2022-014--RFP	Revenue Parking Operations	April 2022
Request for Qualifications	2022-020-RFQ	CMAR for Rental Car Care Facility Improvements	April 2022
Request for Qualifications	2022-013-RFQ	On-Call Cultural / Archeological Services	May 2022
Request for Proposals	2022-015-RFP	Herbicide Application Services	May 2022
Request for Proposals	2022-016-RFP	Landscape Maintenance Services	May 2022

Future Solicitations

Type Solicitation	Number	Title	Scheduled for Release	Anticipated Contract Award (Board Action)
Invitation for Bid	2022-004-IFB	Taxiway W Rehabilitation	March 2022	May 2022
Invitation for Bid	2022-017-IFB	Rwy 12C/30C Reconstruct	April 2022	June 2022
Invitation for Bid	2022-022-IFB	Taxiway Connectors & Access Road & Utilities	April 2022	June 2022
Request for Qualifications	2022-005-RFQ	Fabrication and Installation of Signs	April 2022	June 2022

Fiscal year totals from sales of decommissioned / nonworking equipment total $7,350.

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

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

Management Information Report

To: Board of Directors
From: Chuck Odom, Chief Financial Officer
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Re: January 2022 Financials
Date: March 15, 2022

Attached is the monthly Financials Report for January 2022.

Phoenix-Mesa Gateway Airport Authority
AIRPORT - All Operations P&L
January, 2022

	Month of January 2022				Y-T-D as of January 2022			
	January FY21 Actual	January FY22 Actual	YOY Variance	B/(W)	YTD FY21 Actual	YTD FY22 Actual	Y-T-D Variance	B/(W)
Aeronautical Operating Revenues								
Aircraft Parking	13,301	17,849	4,548	34%	131,276	134,826	3,550	3%
Fuel Flowage Fees	46,571	65,569	18,998	41%	410,099	346,038	(64,061)	-16%
Landing Fees	94,809	130,198	35,389	37%	783,341	869,910	86,569	11%
Lease Income Aero	297,876	375,042	77,166	26%	1,590,633	1,988,191	397,558	25%
Fuel Sales	372,880	417,725	44,845	12%	3,027,919	2,956,189	(71,730)	-2%
Services Sold - Aero	378,774	475,085	96,311	25%	3,429,997	2,659,941	(770,056)	-22%
Sub-total Aero Operating Revenues	1,204,211	1,481,468	277,257	23%	9,373,265	8,955,095	(418,170)	-4%
Non-Aeronautical Operating Revenues								
Concessions	43,978	84,340	40,362	92%	354,692	614,979	260,287	73%
Lease Income Non-Aero	108,197	122,240	14,043	13%	744,117	840,209	96,092	13%
Parking	171,902	338,646	166,744	97%	1,521,241	2,550,108	1,028,867	68%
Rental Car Fees	65,005	195,651	130,646	201%	574,669	1,071,744	497,075	86%
Svcs Sold - Non Aero	4,321	2,204	(2,117)	-49%	27,331	27,461	130	0%
Sub-total Non-Aero Operating Revenues	393,403	743,081	349,678	89%	3,222,050	5,104,501	1,882,451	58%
Total Operating Revenues	**1,597,614**	**2,224,549**	**626,935**	**39%**	**12,595,315**	**14,059,596**	**1,464,281**	**12%**
Operating Expenses								
Costs of Goods Sold	204,971	291,611	(86,640)	-42%	1,629,015	1,977,002	(347,987)	-21%
Personnel	813,449	805,327	8,122	1%	5,061,533	5,482,768	(421,235)	-8%
Comm & Utilities	45,660	52,404	(6,744)	-15%	523,700	546,725	(23,025)	-4%
Contractual Services	401,448	467,638	(66,190)	-16%	2,751,292	3,123,027	(371,735)	-14%
Insurance	45,609	51,321	(5,712)	-13%	320,323	337,247	(16,924)	-5%
Other	8,598	22,552	(13,954)	-162%	87,381	116,049	(28,668)	-33%
Repair & Maintenance	31,659	88,345	(56,686)	-179%	252,238	382,263	(130,025)	-52%
Supplies & Materials	72,359	75,553	(3,194)	-4%	454,951	602,224	(147,273)	-32%
Air Service Incentives [2,000,000]	-	-	-	0%	-	-	-	0%
Operating Contingency [2,353,258]	-	-	-	0%	-	-	-	0%
Total Operating Expenses	**1,623,753**	**1,854,751**	**(230,998)**	-14%	**11,080,433**	**12,567,305**	**(1,486,872)**	-13%
Operating Income (Loss)	**(26,139)**	**369,798**	**395,937**	1515%	**1,514,882**	**1,492,291**	**(22,591)**	-1%
	-1.6%	16.6%			12.0%	10.6%		
Depreciation		1,412,023				9,897,446		

ARPA Act Recovery	$	5,463,794	
CRRSAA Act Recovery		4,177,264	Fully Drawn
CARES Act Recovery		20,530,277	Fully Drawn
	$	30,171,335	

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

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Phoenix-Mesa Gateway Airport Authority and to the public that the Phoenix-Mesa Gateway Airport Authority will hold a meeting open to the public on **Tuesday, April 19, 2022 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 Phoenix-Mesa Gateway Airport Authority may attend either in person or by telephone. The Board may vote to hold an executive session for the purpose of obtaining legal advice from the Board's attorney on any matter listed on the agenda pursuant to A.R.S. § 38-431.03 (A)(3)&(4).

The agenda for the meeting is as follows:

1. **Call to Order** (Mayor John Giles, Chair)
   Members of the Phoenix-Mesa Gateway Airport Authority will attend either in person or via videoconference.

2. **Roll Call** (Mayor John Giles, Chair)

3. **Pledge of Allegiance**

4. **Call to the Public**
   Members of the Board may not discuss items that are not on the agenda. Therefore, action taken as a result of public comment will be limited to directing staff to study the matter or scheduling the matter for further consideration and decision at a later date. Maximum of three minutes per speaker.

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

6. **Allegiant Presentation** – Michael Graci, Allegiant Manager of Airport Affairs

7. **Consent Agenda**

   a) **Minutes** of the Board Meeting held on March 15, 2022.

   b) **Resolution No. 22-10 –** Authorizing an increase for FY22 **City of Mesa Fire Aircraft Rescue and Fire Fighting** services in an amount not to exceed $28,434.

   c) **Resolution No. 22-11 –** Approving an unscheduled 5% **cost of living adjustment** for the PMGAA Executive Director/CEO.

   d) **Resolution No. 22-12 –** Authorizing the filing of **grant applications** including agreeing to all understandings and assurances contained therein; and, authorizing the acceptance and execution of any Federal Aviation Administration (FAA) or other Federal agency, State of Arizona, Arizona County or Arizona Local Municipal grant offer(s), applied for or received between July 1, 2022 and June 30, 2023 by the Chair of the Authority, the Executive Director/CEO, Deputy Director/COO or Chief Financial Officer/CFO.

   e) **Resolution No. 22-13 –** Authorizing the procurement of wireless network equipment and software from **Enterprise Networks Solutions (ENS)** in an amount not to exceed $74,000.

f) **Resolution No. 22-14 –** Approving the amended and restated Phoenix-Mesa Gateway Airport Authority **Personnel Rules**.

g) **Resolution No. 22-15 –** Authorizing an increase to the annual contractual authority by $8,000 per year to cover the safety enhancements and the potential addition of Airport buildings not currently covered under the contract to the **Fire Protection Systems** in Airport Facilities.

Consideration and Possible Approval of:

8. **Resolution No. 22-16 –** Authorizing a change order for the final phase of the North Economy Parking Lot Expansion Construction Manager at Risk (CMAR) construction services contract with **Nesbitt Contracting Co.,** in an amount not to exceed $2,755,361.31.

9. **Resolution No. 22-17 –** Authorizing the Intergovernmental Agreement (IGA) with the **City of Mesa for Aircraft Rescue and Firefighting Services**, in an amount not to exceed $1,556,752 for one-year effective July 1, 2022, with two optional one-year renewals not to exceed $1,633,872 and $1,714,826 respectively each year**.**

10. **Board Member Comments/Announcements**

11. **Next Meeting: Tuesday, May 17, 2022 at 9:00 a.m.**

12. **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. Requests should be made as early as possible to allow time to arrange the accommodation.

Phoenix-Mesa Gateway Airport

- PMGAA Planning Fuel Farm Expansion
- First Gateway Executive Airpark Hangar Taking Shape
- Phoenix-Mesa Gateway Airport to Add 1,300 Parking Spaces
- U.S. Forest Service – Mesa Base Readies for Wildfire Season
- TSA Adds Sixth Lane at Security Screening Checkpoint

Executive Director's Report

April 2022

Financial Snapshot

OPERATING INCOME	February		Month Variance	FYTD Comparison		FYTD Variance
	2021	2022		FY21	FY22	
Revenues	$1,720,434	$2,346,276	**$625,842**	$14,315,749	$16,406,574	$2,090,825
Less Expenses	$1,554,243	$1,875,365	**$332,122**	$12,634,675	$14,442,676	$1,808,001
Operating Income *(Before Depreciation)*	**$166,191**	**$470,911**	**$304,720**	**$1,681,074**	**$1,963,898**	**$282,824**

Investment Fund Balances: As of February, the Local Governmental Investment Pool (LGIP) 700 = $18,882,275; Wells Fargo; Collateralized Money Market = $233,972 and Collateralized CD's = $49,390,552; Total $68,506,799.

Finance and Accounting

Phoenix-Mesa Gateway Airport Authority (PMGAA) reported a net operating income of $470,911 for February 2022, very close to the record-setting February of 2019. PMGAA also reported a net operating income of $1,963,898 for fiscal-year-to-date 2022 (FYTD22), a $282,824 increase over the same time period last fiscal year.

Aeronautical revenues (29% increase) and non-aeronautical revenues (56% increase) both continue to exceed FY21 monthly totals. The largest increase was in the Services Sold category (70% increase) and reflects the significant increase in the number of commercial flights during FY22. Increases in non-aeronautical revenues (58%) are reflective of increased passenger activity and passenger spending.

Despite higher costs for goods and services, February 2022 and FYTD22 expenditures are still running approximately 6% under budget.

American Rescue Plan Act (ARPA) grant funds in the amount of $8,222,781 have been approved and awarded to PMGAA. To date, $6,814,581 in claims have been submitted for reimbursement.

PMGAA Solicitations

Active/Pending Solicitations

TYPE OF SOLICITATION	Number	Title	Anticipated Contract Award
Request for Proposals	2022-014-RFP	Revenue Parking Operations	April 2022
Request for Qualifications	2022-020-RFQ	CMAR for Rental Car Care Facility Improvements	April 2022
Request for Qualifications	2022-013-RFQ	On Call Cultural/Archeological Services	May 2022
Request for Proposals	2022-015-RFP	Herbicide Application Services	May 2022
Request for Proposals	2022-016-RFP	Landscape Maintenance	May 2022

Future Solicitations

TYPE OF SOLICITATION	Number	Title	Scheduled for Release
Invitation for Bid	2022-004-IFB	Taxiway W Rehabilitation	April 2022
Invitation for Bid	2022-017-IFB	Runway 12C/30C Reconstruct	April 2022
Invitation for Bid	2022-022-IFB	Taxiway Connectors, Access Road, and Utilities	April 2022
Request for Proposals	2022-023-RFP	Security Services	April 2022
Invitation for Bid	2022-021-IFB	Alpha Apron Phase IV	May 2022
Request for Qualifications	2022-005-RFQ	Fabrication and Installation of Signs	May 2022

Airport Operations

U.S. Forest Service – Mesa Base personnel and other wildfire fighting team members have been spotted at Phoenix-Mesa Gateway Airport (Airport, Gateway Airport) training in preparation for the upcoming wildfire season in the southwest. When called into action, these real-life super-heroes work tirelessly to save lives and structures and keep important utilities operational during some very dangerous situations.

One aerial firefighting company looking to assist during wildfire season is Bridger Aerospace, a Bozeman, MT-based company that owns and operates a unique aircraft called the Super Scooper. This aircraft was built from the ground up with the sole purpose of fighting wildfires. The Super Scooper can skim on a water source, fill its tanks, and return to action, allowing it to fight wildfires for longer durations of time.

Another company training at the Airport is CAL FIRE, based in Sacramento, CA. CAL FIRE's fleet of more than 60 fixed and rotary wing aircraft makes it the largest civil aerial firefighting fleet in the world. CAL FIRE's world-renowned aviation program responds to thousands of wildfires throughout California and the west each year.

PMGAA would like to thank the U.S. Forest Service, Bridger Aerospace, CAL FIRE and all the other aerial firefighting organizations that take flight each year to keep us safe. THANK YOU!

Transportation Security Administration (TSA) Adds 6th Screening Lane at Gateway Airport

To stay ahead of the growing popularity of Gateway Airport, the TSA has added a sixth lane at the Airport's security screening checkpoint. During March, the local TSA leadership even borrowed security screening personnel from other Arizona airports in order to open all six lanes at Gateway Airport during peak travel periods. PMGAA appreciates the efforts of Assistant Federal Security Director Justin Bryan and his team to keep as many lanes as possible open during these challenging times. The TSA is a true team player!

Operations Statistics

PASSENGER COUNTS		February		% Change	FYTD		% Change
		2021	2022		FY21	FY22	
Passengers	TOTAL	**97,729**	**172,575**	**77%**	**709,079**	**1,130,344**	**59%**
	Deplaned	50,983	89,612	76%	364,530	578,898	59%
	Enplaned	46,746	82,963	77%	344,549	551,446	60%
Allegiant	Scheduled	97,729	159,620	63%	706,948	1,087,125	54%
WestJet	Scheduled	0	1,692	100%	0	4,416	100%
Swoop	Scheduled	0	4,456	100%	1,698	13,907	719%
Flair	Scheduled	0	1,689	100%	0	4,331	100%
Avelo	Scheduled	0	0	0%	0	4,873	100%
Sun Country	Scheduled	0	4,801	100%	0	13,953	100%
Elite/Swift	Charter	0	317	100%	433	1,739	302%

OPERATIONS	February		% Change	FYTD		% Change
	2021	2022		FY21	FY22	
Air Carrier	1,108	1,272	15%	7,452	9,020	21%
Military	916	1,265	38%	2,512	3,298	31%
General Aviation	20,287	18,653	-8%	163,049	143,184	-12%
TOTAL	**22,311**	**21,190**	**-5%**	**173,013**	**155,502**	**-10%**

PMGAA Team Member Spotlight

Employee Name: Shannon Jones
Employee Title: Training and Administrative Manager
PMGAA Department: Gateway Aviation Services
Years with PMGAA: 16 (in June)

What are your job responsibilities for PMGAA? Managing the training program for all staff in the department. Administrative side includes uniform, parts, and equipment ordering; training record keeping, and drafting standard operating procedures (SOP). I also oversee the Fuel Storage Facility and staff. This responsibility includes managing staff and quality control of all fuel.

What is your most memorable Gateway Airport moment? I think seeing the growth of the Airport over the past 16 years is amazing. When I started at the Airport it didn't even have commercial service.

What is something people may not know about you? I am from a little town called Akron, New York. I am Native American, and my tribe is called Cayuga, Heron clan. I moved to Arizona in 1998 and started working for America West Airlines. After 8 years in Phoenix, I came here to Gateway Airport.

Engineering and Planning

Gateway Airport is Expanding the Ray Road Economy Parking Lot by 1,300 Spaces

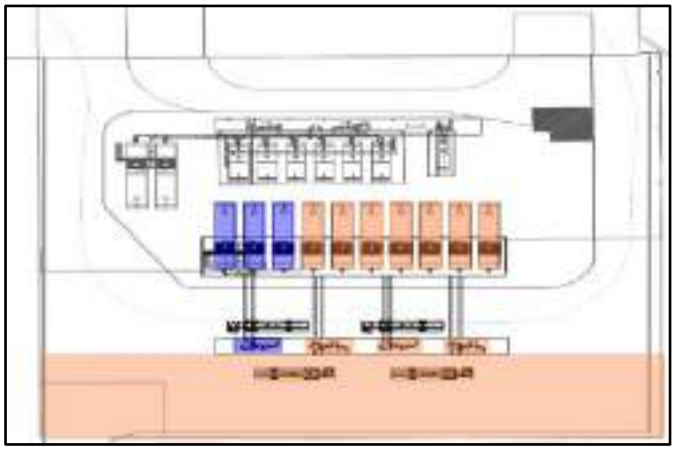
Great News! The PMGAA Board of Directors has approved construction of approximately 1,300 additional parking spaces in the Airport's Ray Road Economy Parking Lot. This important landside infrastructure enhancement project will ensure that Gateway Airport doesn't run low on parking during busy travel periods such as holidays and summer vacation.

Airfield Parking Area for Larger/Heavier Aircraft Opens in Time for 2022 Wildfire Season

One would think that with 3,000 acres of land available at Gateway Airport, there would be plenty of parking space for the larger/heavier aircraft that use the Airport for cargo transport and firefighting operations. However, there are times when parking space for aircraft like the Antonov, B747's, DC-10's, KC-135's, and others is at a real premium. To alleviate this airfield constraint, PMGAA recently opened Phase III of the Alpha Apron located at the southwest end of the airfield.

Alpha Apron Phase III

Gateway Aviation Services



Fuel Farm Expansion Plans

One of the important lessons learned during the ongoing COVID-19 pandemic is that fuel and trucking disruptions can jeopardize the operation of any airport. At Gateway Airport, there is currently 250,000 gallons of fuel storage on the airfield. This represents an approximate three-day fuel supply. As the Airport continues to grow, and to protect against future fuel delivery instability, PMGAA is planning to add another 300,000 gallons of fuel storage. This will give the Airport a healthy 7- to 9-day fuel supply on-Airport.

During the month of February 2022, PMGAA pumped approximately 2 million gallons of aviation fuel, a 20% increase over the same month last year. FYTD22, Gateway Aviation Services (GAS) has pumped over 12.7 million gallons of fuel into a variety of commercial, corporate, military, cargo, and general aviation aircraft.

FUEL (Gallons)	February			FYTD		
	2021	2022	% Change	FY21	FY22	% Change
AvGas	52,613	37,218	-29%	428,618	294,309	-31%
Retail Jet A	36,309	35,339	-3%	301,624	315,998	5%
Contract	311,572	488,654	57%	2,992,761	2,484,714	-17%
Commercial	1,254,008	1,428,183	14%	8,479,434	9,652,646	14%
TOTAL	1,654,502	1,989,394	20%	12,202,437	12,747,667	4%

Community Noise Report

During the month of February 2022, PMGAA received aircraft noise calls from a total of 12 area residents, compared to the 29 received from callers during February 2021.

CALLERS	February		FYTD	
	2021	2022	FY21	FY22
Total	29	12	117	98

AIRCRAFT TYPE	February		FYTD	
	2021	2022	FY21	FY22
	Callers	Callers	Callers	Callers
Commercial	10	5	45	60
GA Total	4	1	28	11
Helicopter	12	0	30	5
Military	3	6	14	22
Total	29	12	117	98

LOCATION	February		FYTD	
	2021	2022	FY21	FY22
Mesa	13	8	37	34
Gilbert	8	3	43	52
Gold Canyon	1	0	11	1
Queen Creek	3	0	14	6
Queen Valley	1	1	5	3
San Tan Valley	0	0	2	0
Apache Junction	0	0	0	1
Chandler	3	0	5	1
TOTAL	29	12	117	98

Business Development

Gateway Executive Airpark's First of Three Hangars

Gateway Executive Airpark Hangar Making Progress

The Gateway Executive Airpark is a 185,000 sq. ft. state-of-the-art, full-service hangar complex located at the north end of Gateway Airport's airfield between Textron Aviation's Mesa Service Center and Embraer's Executive Jet Service Center. This exciting private development project includes both multi-tenant and single tenant hangars sized to accommodate large jets, multiple smaller aircraft, and helicopters.

The first two hangars, totaling approximately 70,000 sq. ft., will be available for lease by the end of 2022 and the third, larger hangar (115,.000 sq. ft.) is scheduled for completion in 2023.

MINUTES OF PUBLIC MEETING OF THE
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
BOARD OF DIRECTORS | March 15, 2022

A public meeting of the Phoenix-Mesa Gateway Airport Authority (PMGAA) was convened on Tuesday, March 15, 2022, 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 John Giles, Mesa*
Councilmember Jim Waring, Phoenix (*via videoconference*)
Mayor Brigette Peterson, Gilbert
Mayor Chip Wilson, Apache Junction
Lt. Governor Monica Antone, Gila River Indian Community (*via videoconference*)
Mayor Gail Barney, Queen Creek

** 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. (Councilmember Waring, Vice Chair)

2. **Roll Call**

3. **Pledge of Allegiance**

4. **Call to the Public**
   There were no public comments.

5. **Executive Director's Report** – J. Brian O'Neill, A.A.E., Executive Director/CEO
   Executive Director O'Neill provided a briefing on PMGAA financial performance, passenger activity, the community noise report, and various Airport projects.

   - Fiscal Year-to-Date 2022 (FYTD22) Net Operating Income is $1,492,291.
   - Phoenix-Mesa Gateway Airport (Airport, Gateway Airport) welcomed 140,650 commercial passengers during January 2022; a 74% increase in passengers compared to January 2021.
   - Allegiant Peer Airport Benchmarking comparing Phoenix-Mesa Gateway Airport (AZA), Las Vegas International Airport (LAS), Punta Gorda Airport (PGD), St. Pete-Clearwater International Airport (PIE) and Orlando Sanford International Airport (SFB) shows AZA having the highest load factor, the second highest adjusted yield, and the third lowest cost per passenger.
   - The U.S. Forest Service is preparing its Mesa Base for the 2022 wildfire season. Aircraft have begun arriving at Gateway Airport for training.
   - Gulfstream Aerospace Corporation (Gulfstream) is currently leasing a 50,000 SF hangar at the Airport while their new facility is being constructed.

DRAFT

- Three hangars totaling 183,000 SF are under construction in the Gateway Executive Airpark located at the north end of the airfield. Steel is being erected on the first hangar and it will be available for lease later this summer/fall. This project is a speculative, private development that will address the need for hangar space for larger corporate aircraft.
- SkyBridge Arizona has received the necessary permits from the City of Mesa for their 127-room dual-brand hotel along Sossaman Road. SkyBridge Arizona hopes to begin construction during the spring/summer of 2022. The hotel will offer rooms for both transient overnight guests and extended stay customers. Design work on SkyBridge Arizona's horizontal infrastructure –taxi lane extension, entrance roadways, sewer, water, fiber, and other utilities – continues. SkyBridge is also designing two additional industrial buildings. These two flex industrial buildings will be approximately 200,000 SF and 250,000 SF respectively. SkyBridge Arizona anticipates breaking ground on these two buildings in the fall of 2022.
- Gateway***East*** is a 400-acre mixed use non-aeronautical master development opportunity located on the east side of the Airport. The Boyer Company from Salt Lake City, Utah is working with the City of Mesa and the Authority on infrastructure needs to unlock the site. PMGAA is working with the developer to finalize negotiations on a master lease and master development agreement for the property.
- Allegiant has shown renewed interest in developing a large multi-use maintenance facility that would consolidate the three separate facilities they are currently leasing from PMGAA.
- The scaffolding has been removed to unveil the nearly finished exterior of the Air Traffic Control Tower (ATCT). Interior construction will continue. The Tower is on-track to be commissioned in the summer of 2022.
- Airport Authority Staff has submitted the Bipartisan Infrastructure Law (BIL) grant application. PMGAA is hoping to secure a grant from the Terminal Modernization Program to construct a new five-gate, 30,000 SF terminal addition that will connect to the main terminal creating one unified commercial passenger terminal consisting of 11 gates. To handle passengers during construction, PMGAA intends to purchase a temporary sprung structure to serve as a temporary three-gate hold room. At the completion of the terminal addition, the sprung structure will be re-purposed for other Airport uses.
- PMGAA is expanding aircraft parking opportunities for larger/heavier aircraft at the south end of the airfield. Concrete has been poured for Alpha Apron Phase III and it will be available for use in early April. The Alpha Apron is located adjacent to the U.S. Forest Service, who plans to use the new aircraft parking area during the upcoming fire season. Alpha Apron Phase IV is in design and will be ready for construction once Phase III is completed.
- The BIL also includes much-needed funding for other important Airport projects. PMGAA has received an additional $4.4MM for reconstruction of its Center Runway. PMGAA is working closely with its partners at the Federal Aviation Administration (FAA) to try and complete the runway reconstruction project in one year.
- Customer Facility Charge (CFC) funds are fees assessed to passengers renting cars at the Airport. The CFC amount is $2.50 per rental day. These funds go into a dedicated account and can only be used to improve the infrastructure and facilities for rental car operations. PMGAA is embarking upon a project in the Rental Car Return Lot to re-design traffic flow, expand capacity, add new facilities for the car rental companies, and add shade structures for customer convenience.
- The Transportation Security Administration (TSA) Security Screening Checkpoint was designed for six lanes, but only had equipment installed in five of the lanes. Recently, the TSA installed

security equipment in the sixth check point lane. There is no additional staffing allocation for the sixth lane, but the TSA is working to staff the sixth lane during peak travel periods using their existing Gateway Airport staff.

- A shortage of CDL drivers last summer led to challenges getting aviation fuel deliveries. PMGAA is expanding its fuel storage capacity to try and avert future fuel delivery disruptions. Resolution 22-09 below asks for the Board's consideration and approval for the fuel farm expansion design. Phase I of this design will be the addition of three 50,000-gallon storage tanks.
- The Ray Road Economy Parking Lot Expansion Phase 3 will begin work next month. By the 4th of July holiday, this project will provide 600 additional parking spaces with another 900 parking spaces available by the end of November 2022.

6. **Gulfstream Presentation** – Shea Joachim, Business Development Director

Mr. Joachim provided an update on the progress of the ground lease agreement with Gulfstream and the responsibilities of the Authority, the City of Mesa and Gulfstream in making this project successful.

The ground lease agreement with Gulfstream is anticipated to be presented for the Board's consideration at the April 19, 2022, meeting.

7. **Consent Agenda**

a) **Minutes** of the Board Meeting held on **February 16, 2022.**

b) **Resolution No. 22-06 –** Approving a construction contract with **SDB Contracting Services (SDB)** for the renovation of the rental car return lot, in an amount not to exceed $671,121 under CIP 1222.

c) **Resolution No. 22-07 –** Authorizing Phoenix Mesa Gateway Airport Authority staff to negotiate and execute a final contract for the **North Economy Parking Lot Expansion Construction Manager at Risk (CMAR) Pre-Construction Services and Guaranteed Maximum Price (GMP) 1 Early Works, with Nesbitt Contracting Co., Inc.** in an amount not to exceed $608,176.

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

Consideration and Possible Approval of:

8. **Resolution No. 22-08 –** Adoption of the proposed **Operating Budget, Capital Budget, and Member Government Contributions** for the fiscal year ending June 30, 2023.

Mayor Brigette Peterson moved to approve Resolution No. 22-08.
Mayor Gail Barney seconded the motion.
The motion was carried unanimously.

9. **Resolution No. 22-09 –** Approving an Authorization of Services with **Kimley-Horn & Associates** for Engineering Design Services for the Fuel Farm Expansion Design, in an amount not to exceed $373,867 under CIP 1216.

Mayor Chip Wilson moved to approve Resolution No. 22-09.
Mayor Gail Barney seconded the motion.
The motion was carried unanimously.

10. **Board Member Comments/Announcements.**
    There were no comments or announcements.

11. **Next Meeting: Tuesday, April 19, 2022** 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 Phoenix-Mesa Gateway Airport Authority may attend either in person or by telephone/videoconference.

12. **Adjournment.**
    The meeting adjourned at 9:33 a.m.

Dated this _____ day of _____ 20___.

_____
Misty Johnson, Clerk of the Board

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

Board Action Item

Re: Resolution 22-10

To:	**Board of Directors**
From:	**Margi EvanSon, Operations & Maintenance Director**
Through:	**Scott Brownlee, Deputy Director**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject:	**FY22 Contract Increase, Aircraft Rescue and Fire Fighting Services**
Date:	**April 19, 2022**

Proposed Motion
To authorize an increase for FY22 City of Mesa Fire Aircraft Rescue and Fire Fighting (ARFF) services in an amount not to exceed $28,434.

Narrative
On June 18, 2019 the Board approved a contract with the City of Mesa to provide ARFF services to Phoenix Mesa Gateway Airport Authority (PMGAA) in the not to exceed amount of $4,344,160 for the 3 year term of the contract. For planning purposes, Airport staff included an average 3% increase in salary/benefits each year in the above amount. The City of Mesa notified PMGAA that it elected to increase employee salary/benefits by 5% for year 3 of the contract, as allowed under the terms of the contract. Therefore, the cost of ARFF services for FY22 will be an additional $28,434. The total for ARFF services provided by the City of Mesa for the 3 year contract term will now be $4,372,594.

Fiscal Impact
This contract was included in the FY22 operating budget and is funded under Contractual Services: Fire.

Attachment(s)
Email notification of 5% increase.

RESOLUTION NO. 22-10

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

WHEREAS the Authority desires to authorize an increase for FY22 City of Mesa Fire Aircraft Rescue and Fire Fighting (ARFF) services in an amount not to exceed $28,434.

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

> **The Board of Directors of the Authority hereby authorizes an increase for FY22 City of Mesa Fire Aircraft Rescue and Fire Fighting (ARFF) services in an amount not to exceed $28,434. 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 19th day of April, 2022.

John Giles, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

From: Margi Evanson
To: Suzanne Peralta
Subject: FW: ARFF contract
Date: Monday, June 21, 2021 9:48:49 AM

SP –
Take note, the 5% personnel increase is higher than our estimated 3% increase noted in Exhibit A of the contract. Please prepare PO accordingly.

Thanks,
Margi
Work Smart – Own It – Do the Right Thing – Exceed Expectations - Stronger Together

---

From: John Locklin <John.Locklin@mesaaz.gov>
Sent: Monday, June 21, 2021 8:44 AM
To: Margi Evanson <MEvanson@gatewayairport.com>; Tara Acuna <Tara.Acuna@MesaAZ.gov>
Cc: Jenaye Collins <Jenaye.Collins@MesaAZ.gov>
Subject: RE: ARFF contract

Good Morning Margi,
Based off of City of Mesa pay increases for all employees, the following increases effective July 1, 2021 are consistent with the contract:

Salary/Benefits

- Increasing 5% from $1,285,082 to $1,349,336 per year

Minimum Staffing

- Increasing 5% from $140,692 to $143,424 per year

Training

- Increasing 3% from $25,956 to $26,735 per year

Please let us know if you have any questions.

John Locklin
Mesa Fire & Medical Department
Assistant Chief, Operations
Office (480) 644-5136
Cell (480) 225-0130
john.locklin@mesaaz.gov

From: Margi Evanson <MEvanson@gatewayairport.com>
Sent: Tuesday, February 23, 2021 6:20 PM
To: Tara Acuna <Tara.Acuna@MesaAZ.gov>
Cc: John Locklin <John.Locklin@mesaaz.gov>
Subject: RE: ARFF contract

Hello Tara -
There is normally an informal letter/e-mail from MFMD BC or MFMD finance (not formal or from Chief Camelli or anything) to me advising of the amount of salary increase that affects the contracted personnel and the effective date. Normally we account for increases on a fiscal year.

Ex:
Please note that the annual salary increase for MFMD ARFF Qualified personnel has increased by 3% effective July 1, 2021.

Thanks,
Margi
Work Smart – Own It – Do the Right Thing – Exceed Expectations - Stronger Together

---

From: Tara Acuna <Tara.Acuna@MesaAZ.gov>
Sent: Tuesday, February 23, 2021 2:45 PM
To: Margi Evanson <MEvanson@gatewayairport.com>
Cc: John Locklin <John.Locklin@mesaaz.gov>
Subject: ARFF contract

Hi Margi,

John Locklin (attached) is our new Operations Assistant Chief; we would like to see how the increases have been made annually for the salaries and training cost increases. Was it a formal letter? Something through legal? As you are probably aware, City employees received a 3% pay increase effective Jan. 4th. Thanks for your assistance!

Thank you,

Tara Acuña, MPA

Mesa Fire and Medical
Deputy Director
(480) 644-3597
Tara.acuna@mesaaz.gov

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

Board Action Item

Re: Resolution 22-11

To: Board of Directors
From: J. Brian O'Neill, A.A.E., Executive Director/CEO
Through: Executive Team
Subject: Unscheduled Cost of Living Adjustment
Date: April 19, 2022

Proposed Motion
To approve an unscheduled 5% cost of living adjustment for the PMGAA Executive Director/CEO.

Narrative
As part of PMGAA's employee retention and recruitment efforts, all eligible PMGAA employees received an unscheduled 5% cost of living adjustment on April 1, 2022. This action was initiated to address compensation competitiveness within the industry and the region, as well as increasing inflationary pressures on all PMGAA employees.

I would like the PMGAA Board to consider approving a similar unscheduled 5% cost of living adjustment for the Executive Director/CEO. This adjustment, retroactive to April 1, 2022, will also address compensation compression among PMGAA senior level employees.

Fiscal Impact
If approved, this request represents an approximately $2,700 impact to PMGAA's FY22 budget.

Attachment(s)
N/A

RESOLUTION NO. 22-11

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

WHEREAS the Authority desires to approve an unscheduled 5% cost of living adjustment for the PMGAA Executive Director/CEO.

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

> **The Board of Directors of the Authority hereby approves an unscheduled 5% cost of living adjustment for the PMGAA Executive Director/CEO. This resolution also authorizes the Chair to execute such agreement, with such insertions, deletions, and changes as may be approved by the Chair necessary to carry out the purposes and intent of this Resolution.**

Passed and adopted by the Authority this 19th day of April, 2022.

_____
John Giles, Chair

ATTEST:

_____
Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

_____
Jill Casson Owen, Attorney

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

Board Action Item

Re: Resolution 22-12

To:	**Board of Directors**
From:	**Brian Lehrich, MAcc, CPA, Accounting Director**
Through:	**Chuck Odom, Chief Financial Officer**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject:	**Authorizing Applications and Acceptance of Grants**
Date:	**April 19, 2022**

Proposed Motion

To authorize the filing of grant applications including agreeing to all understandings and assurances contained therein; and, authorizing the acceptance and execution of any Federal Aviation Administration (FAA) or other Federal agency, State of Arizona, Arizona County or Arizona Local Municipal grant offer(s), applied for or received between July 1, 2022 and June 30, 2023 by the Chair of the Authority, the Executive Director/CEO, Deputy Director/COO or Chief Financial Officer/CFO.

Narrative

The FAA and Arizona Department of Transportation received the Phoenix-Mesa Gateway Airport Authority (PMGAA) Airport Capital Improvement Program (fiscal years 2021-2025 and preceding years) in accordance with the Airport Master Plan. The Federal Government, State of Arizona, Arizona Counties or Arizona Local Municipalities may offer PMGAA a grant or multiple grants for capital improvements or other projects at any time during the year that will support the priorities of the PMGAA.

Staff requests authority to prepare grant applications and submit for capital planning, design, construction or other projects that will support the priorities of the PMGAA. PMGAA further requests authority to accept offer(s) received, agree to accomplish the described development or scope, and comply with the terms and conditions of the grant agreement(s), including maintaining compliance with the assurances made as part of the project application(s).

Fiscal Impact

Grants from the agencies make the Capital Improvement Program at the Airport financially feasible and leverage funding.

Attachment(s)

N/A

RESOLUTION NO. 22-12

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

WHEREAS the Authority desires to authorize the filing of grant applications including agreeing to all understandings and assurances contained therein; and, authorizing the acceptance and execution of any Federal Aviation Administration (FAA) or other Federal agency, State of Arizona, Arizona County or Arizona Local Municipal grant offer(s), applied for or received between July 1, 2022 and June 30, 2023 by the Chair of the Authority, the Executive Director/CEO, Deputy Director/COO or Chief Financial Officer/CFO.

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

> **The Board of Directors of the Authority hereby authorizes the filing of grant applications including agreeing to all understandings and assurances contained therein; and, authorizing the acceptance and execution of any Federal Aviation Administration (FAA) or other Federal agency, State of Arizona, Arizona County or Arizona Local Municipal grant offer(s), applied for or received between July 1, 2022 and June 30, 2023 by the Chair of the Authority, the Executive Director/CEO, Deputy Director/COO or Chief Financial Officer/CFO. This resolution also authorizes the Chair or Executive Director/CEO to execute such grants, applications and agreements, with 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 19th day of April, 2022.

John Giles, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

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

Board Action Item

Re: Resolution 22-13

To:	**Board of Directors**
From:	**Arturo Montoya, Information Technology Manager**
Through:	**Chuck Odom, Chief Financial Officer/CFO**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject:	**Aruba Wireless upgrade project - Clearpass**
Date:	**April 19, 2022**

Proposed Motion
To authorize the procurement of wireless network equipment and software from Enterprise Networks Solutions (ENS) in an amount not to exceed $74,000.

Narrative
PMGAA's Technical Services Department (TES) ensures the Airport's operation, compliance, and disaster recovery functionality relative to information technology standards. Aruba Clearpass provides enhanced security functionality that allows for identification and security classification of wireless devices connecting to PMGAA's wireless environment. This enhancement will allow for more secure connections to our network for Airport owned equipment and will provide a better experience for Airport guests. Additional wireless access points will provide enhanced wireless coverage through the Airport campus.

As a qualified participant of the Arizona Department of Administration State Procurement Office (ADSPO), the Phoenix Mesa Gateway Airport Authority is able to procure goods and services under state contracts that have been competitively bid. The state has currently contracted with ENS for network equipment, software, and services under Contract #ADSPO16-137344. This contract is available upon request.

Fiscal Impact
This purchase was included in the FY22 Capital Improvement Project and is funded under CIP 1080

Attachment(s)
ENS Quote

RESOLUTION NO. 22-13

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

WHEREAS the Authority desires to authorize the procurement of wireless network equipment and software from Enterprise Networks Solutions (ENS) in an amount not to exceed $74,000.

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

> **The Board of Directors of the Authority hereby authorizes the procurement of wireless network equipment and software from Enterprise Networks Solutions (ENS) in an amount not to exceed $74,000. 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 19th day of April, 2022.

John Giles, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

Enterprise Networks SOLUTIONS

Project: **Fixed Fee with HPE/Aruba-3 Year**

To: Art Montoya
Ship to: Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Rd
Mesa, AZ 85212-6014

E-mail:
Phone: 480-988-7627

Quote Date: April 6, 2022
Quote Valid Until: May 6, 2022
Quote Number: 0324 Aruba ClearPass 3YR v1.1 SH
Payment Terms: NET 30

Sales Rep: Jeff Bunker
Phone: 480-505-1111
E-mail: jbunker@ens-az.com

Note: All pricing is in accordance with the State of Arizona Networks, Equipment & Services Award #ADSPO16-137344

Quotation for
Aruba Solution - 3 Years

Qty in Hours	Item #	Description	List price	Your price	Extended Price
		500 Licenses			
1	JZ401AAE	Aruba ClearPass NL AC 500 CE E-LTU	$13,000.00	$11,050.00	$11,050.00
1	H9XB3E	Aruba 3Y FC SW CP NL AC 500 CE E-L SVC [for JZ401AAE]	$2,808.00	$2,386.80	$2,386.80
				500 Licenses Sub-Total	**$13,436.80**
		1000 Licenses			
1	JZ402AAE	Aruba ClearPass NL AC 1K CE E-LTU	$21,000.00	$17,850.00	$17,850.00
1	H9XH3E	Aruba 3Y FC SW CP NL AC 1K CE E-L SVC [for JZ402AAE]	$4,535.00	$3,854.75	$3,854.75
				1000 Licenses Sub-Total	**$21,704.75**
		VM Appliances			
2	JZ399AAE	Aruba ClearPass Cx000V VM Appliance E-LTU	$4,000.00	$3,400.00	$6,800.00
2	H9WX3E	Aruba 3Y FC SW CP Cx000V VMAppl E-L SVC [for JZ399AAE]	$869.00	$738.65	$1,477.30
				VM Appliances Sub-Total	**$8,277.30**
		ENS Professional Services			
100	ProServ-Level 5	**FIXED FEE Services - Engineer Level 5 - Principle Architect: Senior Engineer or Manager with 10+ years experience. Typically oversees projects and is responsible for the more complex solutions.** **This is a FIXED FEE ENGAGMENT of (100) One-Hundred Level 5 Engineering hours. The project will be 100% compleated with these 100 hours and will not exceed $18,500.00**	$285.00	$185.00	$18,500.00

Thank you, for the opportunity to provide this customized solution for you and Phoenix - Mesa Gateway Airport.

Make Purchase Order to:

Enterprise Networks Solutions, Inc.
3633 N. 55th Place
Mesa, AZ 85215

Arizona State Tax ID: #76-32377M
Accepted Method of Payment: ACH or Check
Method of Shipment: Customer Specified

Enterprise Networks SOLUTIONS

Project: **(5) AP & Licenses-1 Year**

To: Art Montoya
Ship to: Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Rd
Mesa, AZ 85212-6014

E-mail:
Phone: 480-988-7627

Quote Date: April 5, 2022
Quote Valid Until: May 5, 2022
Quote Number: 0324 Aruba ClearPass 1YR v1.0 SP .5C
Payment Terms: NET 30

Sales Rep: Jeff Bunker
Phone: 480-505-1111
E-mail: jbunker@ens-az.com

Note: All pricing is in accordance with the State of Arizona Networks, Equipment & Services Award #ADSPO16-137344

HPE Access Points & Licenses - 1 Year

	Item #	Description	List price	Your price	Extended Price
5	R7J28A	AP-635 (US) Campus AP	$1,535.00	$1,074.50	$5,372.50
5	JW473AAE	Cntrlr Per AP PEF Lic E-LTU	$75.00	$52.50	$262.50
5	JW472AAE	Cntrlr Per AP Capacity Lic E-LTU	$45.00	$31.50	$157.50
5	H2XX3E	1Y FC 24x7 License PEF Cn SVC	$12.00	$10.80	$54.00
5	H2YU3E	1Y FC 24x7 Ctrl perAP Cap ELTU SVC	$12.00	$10.80	$54.00
5	R3J16A	AP-MNT-B AP mount bracket individual B	$33.00	$23.10	$115.50
5	H29XYE	1Y FC NBD Exch AP-635 C SVC	$67.00	$60.30	$301.50
1	H30SYA1	ClearPass Guest Cust Skn E-LTU SVC	$4,500.00	$4,050.00	$4,050.00
				Subtotal before State and Local Tax	$10,367.50
				State and Local Tax 8.3%	$860.50
Thank you, for the opportunity to provide this customized solution for you and Phoenix-Mesa Gateway Airport .				**Solution Sub-Total**	**$11,228.00**

Thank you, for the opportunity to provide this customized solution for you and Phoenix - Mesa Gateway Airport.

Make Purchase Order to:

Enterprise Networks Solutions, Inc.
3633 N. 55th Place
Mesa, AZ 85215

Arizona State Tax ID #76-32377M
Accepted Method of Payment: ACH or Check
Method of Shipment: Customer Specified

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

Board Action Item

Re: Resolution 22-14

To: Board of Directors
From: Veronica Lewis, Human Resources Director
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: Update Personnel Rules
Date: April 19, 2022

Proposed Motion
To approve the amended and restated Phoenix-Mesa Gateway Airport Authority Personnel Rules.

Narrative
Phoenix-Mesa Gateway Airport Authority (PMGAA) staff is recommending the addition of Juneteenth as a holiday. This will add to the value of benefits provided to employees in an effort to keep PMGAA as a competitive employer. Additionally, an updated review of the PMGAA Board of Director's adopted Personnel Rules was also conducted, and a few minor edits are recommended.

Attachment(s)
Draft Personnel Rules with red-line changes.

RESOLUTION NO. 22-14

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

WHEREAS the Authority desires to approve **the amended and restated Phoenix-Mesa Gateway Airport Authority Personnel Rules**.

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

> **The Board of Directors of the Authority hereby approves the amended and restated Phoenix-Mesa Gateway Airport Authority Personnel Rules. 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 19th day of April, 2022.

_____
John Giles, Chair

ATTEST:

_____
Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

_____
Jill Casson Owen, Attorney

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY

PERSONNEL RULES

Effective ~~June 1, 2021~~May 1, 2022

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I. ADMINISTRATIVE

SECTION 1.1: DEFINITIONS

The following words and phrases used in these Rules have the following defined meanings unless otherwise clearly indicated by the context.

Accrual – The accumulation of leave time.

Administrative Leave – Management directed time off with pay for an employee that is not charged against the employee's paid time off categories.

Announcement/Posting – The notice of intent to fill a position.

Applicant – An individual who has submitted an application for a posted employment opening.

Chain-of-Command – In the workplace, includes the supervisory responsibilities sequence of employee, supervisor, manager, director, and the executive.

Classification – A group of positions similar as to duties performed, scope of discretion and responsibility, skills and qualifications requirements, and other such characteristics that the same title, pay range, and job description is applied.

Common Review Date – A common date of October 1 upon which employees are evaluated for performance-based pay increases.

Compensation – All forms of financial returns, tangible services and benefits that employees receive as part of being employed.

Controlled Substance – Any narcotic, prescribed, or un-prescribed drug as defined by state and federal law.

Days – Calendar days unless otherwise stated.

Demotion – The movement of an employee from one position to another position having a lower rate of pay. A voluntary demotion is a demotion initiated by the employee. An involuntary demotion is a demotion initiated by PMGAA.

Department – An organizational unit of Phoenix-Mesa Gateway Airport Authority.

Discipline – Actions taken to address and correct an employee's work behavior or performance. Discipline may be up to and including termination of employment.

Emergency (Airport) – A sudden and unforeseen happening that requires service of an employee to protect the health, welfare, and safety of the Airport and/or community.

Employee – A person who holds an authorized-budgeted position.

Essential Functions – The most critical, time consuming and/or important tasks and duties of a position; the tasks and duties that form the reason for the existence of the position.

Exempt Employee – Employees who, because of their positional duties and responsibilities and level of decision-making authority, are exempt from overtime provisions of the Fair Labor Standards Act (FLSA).

Family and Medical Leave Act (FMLA) – A federal law that governs a period of employment protection during which an eligible employee may return to the same or similar position with equivalent pay and benefits after a qualified absence.

Flex Time – Adjusting an employee's work schedule.

Full-Time – An employee who regularly works over 30 hours per week and is appointed to a full-time position.

Hire Date – The most recent first date of employment with the Airport Authority in a position other than a temporary position.

Leave – An authorized absence or time off from regularly scheduled work hours, which has been approved by the proper authority. Also referred to as a Leave of Absence (LOA).

Management – Airport Authority employees who have specific responsibility for a particular Airport Authority department to supervise employees, functions, and/or projects.

Performance-Based Pay Increase – A pay increase based on job performance within the limits of a position's established pay range.

Nepotism – The potential for or perception of preferential treatment due to a family or similar relationship.

Non-Exempt Employee – Employees who, because of the type of duties performed, the usual level of decision making authority, and the method of compensation, are subject to all Fair Labor Standards Act (FLSA) provisions including the payment of overtime.

Organizational Policy – Policy statements, administrative regulations and associated procedures for the efficient and effective operation of the organization and the administration and execution of Airport Authority matters which are created and modified at the discretion of the Department Director and/or Executive Director.

Probation Period – A period of time for all new employees and employees receiving a promotion or demotion during which time the employee's performance in the new position is evaluated.

Overtime – Hours worked in excess of forty (40) hours by an employee in a non-exempt (as defined by FLSA) position during his/her established work week.

Part-Time Benefited – An employee who is budgeted to work less than thirty (30) hours per week and is eligible for vacation, sick and holiday leave.

Part-Time Non-Benefited – An individual who is appointed to a position that requires working a work week of less than thirty (30) hours and is not eligible for any holiday, sick or vacation leave accrual.

Pay Range – A pay plan with established minimum to maximum hourly or bi-weekly pay rate dollar amounts associated with each position classification.

Pay Reduction – A decrease in the hourly or bi-weekly pay rate, which may have resulted from a reduction to the pay rate for a pay range or reallocation of a position to a lower pay range.

Performance Evaluation – The written review of an employee's performance of position duties and responsibilities.

Personnel Action – Any official action taken with reference to appointment, pay, promotion, suspension, transfer, layoff, termination, leave, or any other action affecting the status of an employee.

Promotion – The movement of an employee from one position to another having a higher pay range.

Reclassification – Changing the classification of a position when a material change in duties or responsibilities occurs.

Regular Rate of Pay – An hourly rate of pay determined by dividing the total compensation actually earned for the normal non-overtime workweek by the total number of hours worked. Includes all renumeration for employment paid to, or on behalf of, the employee, except payments specifically excluded under Section 7(e) of the Fair Labor Standards Act (FLSA).

Resignation – Written notification by an employee indicating his/her intention to terminate employment with Airport Authority.

Retirement – Any employee covered by Arizona State Retirement System who has reached the designated age and possesses the appropriate number of years of service, and who elects to receive an annuity benefit from the plan.

Review Date – The date when an employee's performance is evaluated.

Separation – The end of employment; can be initiated by either the Airport Authority or the employee.

Suspension – A form of discipline consisting of relieving an employee from work without pay for a specified period of time.

Temporary – An assignment that exists for a limited or defined period of time.

Transfer – The movement of an employee from one position to another position within the Airport Authority at the same pay range.

SECTION 1.2: ADMINISTRATIVE PROVISIONS

Phoenix-Mesa Gateway Airport Authority adopts the Personnel Rules to provide a uniform system of personnel administration. They are not legally binding and are not to be construed as, and do not constitute, a contract, expressed or implied, or a guarantee of employment for any specific duration.

Phoenix-Mesa Gateway Airport Authority hereinafter may be referred to as "PMGAA," "Airport Authority," "Airport," or "Employer." Phoenix-Mesa Gateway Airport may be referred to as "Gateway."

A. **Applicability**: These Rules are applicable to all employees and positions at Phoenix-Mesa Gateway Airport Authority. The information contained in these Rules supersedes all previous personnel policies, procedures, and administrative regulations. These Rules are subject to change at the discretion of the Phoenix-Mesa Gateway Airport Authority Board of Directors.

B. **Delegation of Authority**: Unless otherwise stated in these Rules, the Executive Director/Chief Executive Officer (CEO) may delegate any authority granted to him/her.

C. **Availability of Funds**: The granting of any compensation in these Rules is contingent upon the availability of funds, as determined by the budget, the authority of the Executive Director and/or the Authority Board of Directors. The Airport Authority works to provide its employees with benefits and employment conditions that are desirable, but the Airport Authority reserves the right to change benefits and employment conditions when deemed reasonable to do so by the Authority Board of Directors or Executive Director.

D. **Conflict with Federal or State Requirements**: Any provision of these Personnel Rules that conflicts or is inconsistent with state or federal rules, regulations, or standards shall not be applicable.

E. **Service of Notice**: If any document or notice is to be given to any individual or department, the notice or document may be served personally or by mail to the last known residence or business address of the addressee. Unless otherwise provided by law or these Rules, service is complete upon mailing.

F. **Correction of Errors**: The Executive Director may correct a manifest error or clear inequity affecting an employee or an applicant for employment.

SECTION 1.3: EQUAL EMPLOYMENT/AFFIRMATIVE ACTION STATEMENT

Phoenix-Mesa Gateway Airport Authority is an Equal Employment Opportunity (EEO)/Affirmative Action employer. Equal Employment has been, and will continue to be, a fundamental principle at the Airport Authority to ensure a work environment that is free from unlawful discrimination. The Airport Authority will consider all applicants on the basis of his/her qualifications for available positions without regard to race, color, national origin, age, disability, gender, sexual orientation, gender identity or expression, religion, veteran status, genetic information and any other protected characteristic or category under applicable law. As such every effort will be made to ensure that appointments, promotions, reclassifications, transfers, compensation, training, terminations, or any other type of personnel actions are based on merit, fitness, or other factors determined to be non-discriminatory. (See Organizational Policy #400.02 - EEO/Affirmative Action)

SECTION 1.4: CODE OF ETHICS

A. The Code of Ethics is the general value system and ethical principles embodied by the Airport Authority. Expected ethics include that employees strive to be:

1. Honest, trustworthy, and fair in all professional relationships;

2. Considerate and treat all people with dignity and respect to foster a work environment of encouragement, acceptance, cooperation, reliability, support, and teamwork;

3. Committed to accomplishing tasks in a safe and exceptional way;

4. Dedicated to providing quality services safely and with the most efficient use of available resources;

5. Responsible to maintain acceptable attendance and punctuality as determined by the Airport Authority;

6. Compliant with reasonable grooming and dressing habits conducive to a business atmosphere;

7. Compliant with the Airport Authority's policies, practices, and procedures; and

8. Compliant with the laws and report, within five days, any noncompliance resulting in a conviction.

B. **Conflict of Interest**: A conflict of interest can be defined as a situation in which an employee is in a position to exploit their professional or official capacity for his/her personal benefit. The existence of a conflict of interest may not, in and of itself, be evidence of wrongdoing. A conflict of interest can, however, become a legal matter when an employee influences the outcome of a decision for personal benefit. An employee is considered to have a conflict of interest when engaged in, but not limited to, the following:

1. Acceptance of a bribe, being money, a promise, or favor in order to influence the judgment or conduct of a person in the course of work or in connection with work;

2. Engaging in outside business activities on the Airport Authority's time, regular duties, or that interferes with the Airport Authority's interest. Outside employment will not be considered a valid reason for absenteeism, tardiness, or poor work performance;

3. Soliciting, selling, displaying, promoting, or distributing merchandise, literature, or services, or conduct a similar form of business activity on Airport property unless authorized by the Executive Director; or

4. Threatening to use, or attempting to use, undue influence, extortion, or blackmail in securing employment benefits or advantages for the employee or another individual.

SECTION 1.5: PERSONNEL RECORDS

A. **Content:** Each employee will have a personnel file that will serve as the official record of employment. It may include, but is not limited to, the following: employee application; new employee hire form; performance evaluations; personnel change forms; promotion, demotion, transfer, or position changes; disciplinary actions; certificates of recognition and accomplishment; and other employment related documents deemed appropriate by Human Resources. The contents may be in a physical paper form or electronic.

B. **Access**: An employee shall have access to his/her official personnel file during normal Airport Authority Human Resources business hours. Employee personnel files are treated as confidential; however, contents are subject to public record.

C. **Access to Other Files:** The presence of copies of any item in any other informational file concerning an employee shall not in itself confer upon such employee any right of access to such file.

D. **Control:** The official personnel file/record will remain in the control of Human Resources, unless otherwise ordered by a court of competent jurisdiction.

II. EMPLOYMENT

SECTION 2.1: GENERAL EMPLOYMENT PROVISIONS

A. **At-Will:** Employment with Phoenix-Mesa Gateway Airport Authority is at-will, meaning that no one has a contractual right, expressed or implied, to remain in the Airport Authority's employ and the Airport Authority may terminate an employee, or an employee may terminate his/her employment, with or without cause, and with or without notice, at any time.

B. **Employment Eligibility**: Applicants for employment at the Airport Authority must present proof of identity and eligibility for employment as required by federal and state law.

C. **Age Requirement**: The only minimum age requirement is that imposed by state or federal law.

D. **Pre-Employment Requirements**: All individuals recommended for employment will be required to pass a background investigation which may include pre-employment drug screening, employment history verification, criminal record verification, motor vehicle record check, and social security number trace. Should the potential new hire be recommended for a position requiring unescorted access to Security Identification Display Area (SIDA) they are subject to a fingerprint based criminal history check through the Federal Bureau Investigation (FBI).

E. **Academic**: All postsecondary academic achievements required to meet the minimum qualifications of a position must be attained in an academic institution recognized by an accredited association as determined by the Human Resources Director.

F. **Outside Employment**: An employee may engage in outside employment if the employment does not adversely impact the employee's PMGAA work and does not create a conflict of interest or the appearance of a conflict of interest with the employee's PMGAA job. An employee who wishes to engage in outside employment is required to notify PMGAA in writing. The employee may be asked to choose between his/her PMGAA employment and his/her outside employment if it is found that the outside employment interferes with the employee's duties at PMGAA.

G. By accepting employment with PMGAA, employees assign to PMGAA all rights to patent or otherwise project inventions or intellectual property of any kind the employee may develop on PMGAA time, or with PMGAA property, or arising out of his/her PMGAA duties and responsibilities.

SECTION 2.2: RECRUITMENT

When a position becomes vacant and approval to fill has been given, Human Resources may conduct a recruitment to fill the position.

A. **Notice of Vacancy**: If an external job posting is to be conducted, public notice shall be accomplished by posting announcements of the vacancies by such means as the Human Resources Director shall direct.

B. **Applications**: All applications for employment shall be submitted on the designated forms. Applications and any accompanying documentation become the property of the Airport Authority and shall not be returned. Applications are only accepted for open positions that have been announced during the recruitment period.

C. **Disqualification**: Applicants for open positions may be denied further consideration for employment, for, but not limited to, the following reasons: failure to meet the minimum qualifications specified in the announcement; failure to submit complete and accurate application; or submission of the application after the specified time period.

D. **Selection Methods/Examinations**: Human Resources shall review and approve all selection methods and rating criteria in advance to ensure compliance with legal guidelines. All selection methods for employment shall be job related and designed to reveal the ability to perform the type of work for which the applicant has applied.

SECTION 2.3: APPOINTMENT

With the approval of the Executive Director, a vacant position may be filled by appointment on the basis of merit demonstrated by examination or other evidence of competence. The individual appointed to a position must meet the minimum qualifications for the designed classification.

SECTION 2.4: REINSTATEMENT OF BENEFITS

Employees who separate in good standing and are rehired within nine (9) months of the date of their separation shall begin accruing vacation at the same rate as they were at the time of separation. In addition, the returning employee's forfeited sick time shall be restored upon reinstatement. Seniority (years of service) for the purposes of recognition or shift scheduling shall not be restored. Rehire request is subject to approval and contingent on the availability of positions and may be reviewed along with the normal recruitment process in filling a vacant position.

SECTION 2.5: EMPLOYMENT OF RELATIVES/NEPOTISM

Relatives and significant others shall not maintain a regular reporting relationship to one another in the chain of command. If such a relationship is created, one of the parties must elect to transfer to or be selected for a vacant position opening (if available) where there is no chain of command reporting relationship. If a transfer compatible with this policy cannot be made within ninety (90) days, it shall result in the separation of one of the employees from the Airport Authority employment. It shall be the responsibility of the employee who holds the highest classification level to immediately notify his/her department director of relationships as described above.

III. CLASSIFICATION AND COMPENSATION

SECTION 3.1: CLASSIFICATION

Human Resources shall place every position in a class based on its essential functions and maintain job descriptions for each classification within the Airport Authority. Human Resources may establish new classifications and revise or delete existing classifications as needed.

SECTION 3.2: PAY PLAN

Human Resources shall prepare a pay plan listing all classifications with corresponding pay ranges. All Airport Authority employees shall be paid within the assigned pay range of his/her positions, unless otherwise explained.

A. **Entrance Pay Rates**: Except as specified below, all new employees shall be paid at the minimum of the pay range for the position hired.

   1. If the hiring manager determines that a particular applicant has special qualifications that justify a pay rate that is higher than the minimum of the pay range, the hiring manager, with the Human Resources Director and the Executive Director's approval, may authorize a special entrance pay rate at a higher pay rate within the position's pay range for the applicant.

B. **Performance-Based Pay Increases**: Employees may be considered for a performance-based pay increase annually on a common review date, if performance and budget warrants.

   1. The Airport Authority routinely establishes performance-based pay guidelines that generally are issued in conjunction with the Airport Authority's budget cycle.
   2. An employee hired or promoted within three (3) months of the common review date of October 1 will need to wait until the following year to be eligible to receive their first performance-based pay increase.

   3. Exceptions to the guidelines may be made with the approval of the Human Resources Director and Executive Director.

   4. Employees at the maximum of their pay range may receive performance-based compensation in a lump sum payment that does not become part of base compensation.

C. **"Frozen" Pay Rate**: Based upon position classification studies, reclassification of a position, or a voluntary demotion, the Executive Director may authorize a "frozen" pay rate. A "frozen" pay rate is an employee's pay rate in excess of the maximum pay rate of the pay range assigned to the position classification. No pay rate increases, including market adjustments, cost of living adjustments (COLA), performance-based pay rate increases, and lump sum performance-based payments shall be in effect for an employee with a "frozen" pay status and the employee will remain at this "frozen" pay status until the pay range for the new position reaches the employee's pay rate, at which point the employee will again be eligible for pay increases.

D. **Position Reclassification**: The Executive Director may approve exceptions to this section.

   1. If material and permanent changes occur in the duties and responsibilities of a position, the Department Director with the approval of the Department Executive may request to have Human Resources conduct a classification study of the position.

2. An employee whose position is reclassified to a class in the same pay range shall receive the same salary as before the reclassification.

3. An employee whose position is reclassified to a higher pay range shall receive the same salary, unless the salary is less than the entry pay of the new pay range, in which case the employee shall receive the entry salary of the new pay range.

4. An employee whose position is reclassified to a lower pay range by the Airport Authority, typically will continue to receive the same pay rate. If this pay rate is higher than the maximum of the new position's pay range, the employees pay rate will become "frozen".

E. **Unscheduled Pay Increase**: An employee may be awarded an Unscheduled Pay Increase, with the approval of the Executive Director, to recognize exceptional performance in the employee's position or to adjust salary based on organizational needs. This award is a permanent increase of pay and may be given only to employees below the maximum of the pay range for that position.

SECTION 3.3: WORK SCHEDULES

Phoenix-Mesa Gateway Airport Authority reserves the right to establish work schedules (standard hours of work) in accordance with operational needs.

A. **Pay Period**: The pay period is defined as two (2) work weeks. The standard pay period begins on Monday at 12:00 AM and ends the second Sunday thereafter at 11:59 PM.

B. **Work Week**: The standard work schedule is forty (40) hours in each work week. For non-exempt employees, the work week defines the specific period on which overtime calculations are based. The work week is a consecutive seven-day period starting at the same time each week.

C. **Scheduling**: The Airport Authority may require an employee to work overtime and/or to work beyond his/her normally scheduled hours to accommodate operational needs.

1. Overtime may be considered a condition of employment. Refusal to accept overtime work may be subject to disciplinary action. In cases of conflict with an outside activity, the employee's obligations to the Airport Authority must be given priority.

2. Prior approval by the immediate supervisor is required before a non-exempt employee may work overtime. An employee who works overtime without approval will be paid for the overtime hours worked, however he/she may be subject to disciplinary action.

3. Non-exempt employees may be subject to on call standby status for a designated specific period of time in addition to his/her regular work schedule.

D. **Rest Periods**: Supervisors may allow an employee paid rest or break periods, based on operational needs, during his/her workday if normal business functions would not be impaired. Rest periods or breaks shall be limited to fifteen (15) minutes for each four (4) hours worked. This time may not be combined or accrued to create an extended rest period or break period or to shorten the workday. If an employee is required to work through a rest period, the Airport Authority will not be obligated to provide an alternative rest period or to pay the employee more for that time than the Airport Authority otherwise would have paid.

E. **Meal Breaks:** An employee's work schedule may include an unpaid meal break each workday, during which the employee is relieved of all position duties and free to use the time for a meal break. A non-exempt employee is expected to take his/her meal breaks away from his/her workstation and may not work during his/her meal breaks without prior approval from his/her supervisor.

1. Supervisors should generally not interrupt an unpaid meal break; although, interruptions may be necessary, based on operational needs. If a non-exempt employee's meal break is interrupted by work responsibilities that preclude him/her from receiving at least thirty (30) minutes of uninterrupted meal break time, the entire meal break shall be considered time worked. If a non-exempt employee with a sixty (60) minute meal break receives an uninterrupted meal break of thirty (30) minutes or more, only the time actually worked by the employee during the meal break shall be recorded as work time.

2. Supervisors may adjust the employee's meal break schedule, if necessary, to ensure that the employee receives at least thirty (30) minutes of unpaid uninterrupted meal break time.

3. Some non-exempt positions are expected to be available during their meal breaks and as such are compensated for the meal break.

F. **Lactation Breaks:** PMGAA accommodates nursing mothers by providing a reasonable amount of break time to any employee each time such employee has the need to express breast milk for an infant child for up to one year from the birth of the child. This lactation break time shall, if possible, run concurrently with any break time and/or meal breaks already provided to the employee.

SECTION 3.4: FAIR LABOR STANDARDS ACT (FLSA) STATUS/OVERTIME

A. **Exempt Employees**: Certain employees shall be considered exempt from the FLSA, in accordance with FLSA exemption criteria.

1. Exempt employees shall not be entitled to overtime compensation and shall work whatever time is necessary to meet departmental needs and organizational service delivery demands.

2. For purposes of public accountability, all FLSA exempt employees must use accrued leave for absences of more than four (4) consecutive hours unless approval is given by the Supervisor. Otherwise, FLSA exempt employees who do not have accrued leave available may have their pay docked. FLSA exempt employees generally need not use accrued leave for absences of four (4) consecutive hours or less in a work day. Supervisor approval is required for any absence from work.

B. **Non-Exempt Employees**: Certain employees shall be considered non-exempt, in accordance with FLSA criteria.

1. **Overtime**: Overtime pay is administered in accordance with applicable federal and state laws.

   a. Overtime will be paid at one and one-half (1 ½) times the employee's regular rate of pay.

   b. Overtime is based on a scheduled forty (40) hour work week, not on an eight (8) hour day. Overtime pay is earned only for hours worked during the established work week after forty (40) hours have been completed.

   c. For purposes of calculating overtime pay, only hours worked will be counted. Holidays hours will be counted as hours worked, only if the hours are actually worked. Sick and Vacation time will not be counted as time worked.

   d. For the purposes of calculating overtime pay, the standby hours paid during a work week are not included in the hours worked.

SECTION 3.5: SHIFT DIFFERENTIAL

The Airport Authority provides additional compensation (shift differential) to employees working in specified non-exempt positions during specified evening and nighttime work hours. The shift differential compensation amount shall be $1.00 for each hour of work performed by a non-exempt employee in an eligible position between the hours of 5:00 p.m. and 5:00 a.m.

SECTION 3.6: STANDBY AND CALLOUT PAY

A. An employee who is eligible (non-exempt employee) for overtime pay is eligible for standby and call out pay.

B. Standby pay is payment received by an employee to pay the employee for being required to be available to provide services for a business need or an emergency during a designated specific period of time. An employee on standby on a day normally scheduled to work shall be paid one (1) hour of base pay as standby pay for that day. An employee who is on standby on a day on which the employee is not normally scheduled to work shall receive two (2) hours base pay for that day.

C. Call out pay is pay received by an employee for actually working during a time the employee is not normally scheduled to work, in response to a call out for a business need or an emergency. An employee who is called out for emergency service shall be paid one and one-half (1 ½) times the hourly base pay rate for a minimum of one (1) hour payable for the employee's regular scheduled work day or a minimum of two (2) hours payable for the employee's regular day off.

IV. BENEFITS

SECTION 4.1: INSURANCE PROGRAMS

Eligibility: All full-time employees are eligible to participate in employee health and welfare insurance programs beginning the first of the month after thirty (30) days of employment.

SECTION 4.2: RETIREMENT

All full time and qualifying part-time employees are required to participate in the Arizona State Retirement System (ASRS). ASRS is a cost-sharing, public employee, tax qualified, defined benefit plan. Both the employee and employer contribute to the member's retirement at an equal percentage of compensation. The appropriate percentage for contributions may change each fiscal year based on ASRS actuarial evaluation.

SECTION 4.3: ABSENCE FROM WORK

Absence from work is subject to supervisory approval. All requests for absence from scheduled work should be submitted to the employee's supervisor with as much advanced notice as possible prior to the beginning of the absence or as soon as possible for emergencies. The request must be submitted and approved by the employee's supervisor. This applies to paid and unpaid absences.

A. **Unexcused Absences:** An employee who is absent from duty for any period of time without supervisory approval is considered to have an unexcused absence and subject to disciplinary action. An unexcused absence of three (3) or more consecutive work days is considered to be abandonment of PMGAA employment and will be treated to have voluntarily resigned his/her position as of the end of the employee's scheduled shift on the third day.

B. **Paid Absences:** The time an employee is absent from work but receiving pay is considered paid time off. The following fall under this category: observance of a holiday, vacation, sick, flex time, personal time, jury/witness duty, and administrative leave. An employee on paid time off shall be paid at their effective rate of pay (not including shift differential pay), unless otherwise noted. All paid time off can be taken in quarter (¼) hour increments.

SECTION 4.4: HOLIDAYS

A. **PMGAA Observed Holidays**: New Year's Day, Martin Luther King Day, President's Day, Memorial Day, Juneteenth, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day, Day after Thanksgiving, Christmas Eve, and Christmas Day.

B. **Observation of Holidays**: When the holiday falls on a Sunday, it will be observed on the following Monday. When a holiday falls on a Saturday, it will be observed on the preceding Friday. For continuous, seven day operations, or work schedules that include a Saturday and/or Sunday, the holiday shall be observed on the calendar day of the holiday.

C. **Holiday Pay**: Every full-time and part-time benefited employee will receive pay for his/her regular scheduled workday (at a max of 12 hours) for every holiday observed by PMGAA. When a holiday falls on the employee's scheduled day off, the employee will be allowed to use that day as an alternate holiday, unless otherwise determined by the department as stated below. This alternate holiday must be used by the end of the fiscal year and shall not carry over, unless otherwise approved by the Executive Director.

    1. In select areas, when a holiday falls on the employee's scheduled day off, non-exempt employees will be paid for that day. This is determined by the Department Director based on business needs.

2. A non-exempt employee who works on an observed holiday shall, in addition to holiday pay, receive pay for all hours worked on the holiday at the rate of one and one-half (1 ½) times his/her regular rate of pay.

3. **Holidays during Paid Leave**: Full-time and benefited part-time employees on PMGAA paid leave when a holiday occurs will receive the holiday pay and this holiday time off will not be charged as vacation or sick leave.

4. **Holidays during Unpaid Leave**: An employee who is on an authorized unpaid leave of absence shall not be paid holiday pay unless the employee works on the employee's scheduled workday either the day before or the day after the holiday. ~~The employee's holiday bank will then be reduced by the applicable number of hours that the holiday would have been paid at.~~

5. **Starting Employment**: If an employee's first day of employment is the day after a holiday, the employee will not receive pay for the holiday.

6. **Terminating Employment**: If an employee's last day worked (employment termination day) is on the day before a holiday, the employee will not receive pay for the holiday. All unused alternate holiday time, not taken by the last day of employment, will be forfeited.

SECTION 4.5: VACATION

A. **Accrual:** Employees will accrue vacation leave based on their most recent hire date, in accordance with the following schedule:

Full-time Employees	**Vacation Accrual**
Fewer than two years	Eight hours per month
Two to five years	Ten hours per month
Five to ten years	Twelve hours per month
Ten to fifteen years	Fourteen hours per month
Fifteen or more years	Sixteen hours per month

Benefited Part-time Employees	**Vacation Accrual**
Fewer than two years	Four hours per month
Two years to five years	Five hours per month
Five to ten years	Six hours per month
Ten to fifteen years	Seven hours per month
Fifteen or more years	Eight hours per month

1. An employee shall not accrue vacation hours for any pay period in which the employee has been on unpaid leave for 15 hours or more.

2. If a full-time employee works a regular schedule of less than 40 hours per week their accrual rate will be prorated based on the number of hours worked per week.

3. For partial months of employment, vacation hours will be accrued on a prorated basis.

4. The date for change in the accrual rate is the first day of the complete pay period immediately following the anniversary date of continuous employment.

5. For the purpose of determining the date of change in number of hours per month, accrual of vacation hours will be by continuous employment after the employee's most recent hire date, as provided in state and federal laws including the Family and Medical Leave Act (FMLA) Policy, military service pursuant to U.S. DOL USERRA or ARS. 26-168, 26-171, or 38-610 and any special leave without pay of thirty (30) days or less. If a special leave without pay exceeds thirty (30) days, the excess days over thirty (30) shall not be counted as continuous employment.

B. **Accrual Maximum**: The maximum accumulation of vacation hours that can be carried over into the next fiscal year is two hundred forty (240) hours for full-time employees and one hundred twenty (120) for benefited part-time employees. An employee who has in excess of two hundred forty (240) hours for full-time employees and one hundred twenty (120) hours for part-time employees on June 30th of each year will be paid for the excess amount of time after June 30th, provided the full-time employee has taken eighty (80) hours vacation time and the part-time employee has taken forty (40) hours during the fiscal year. If the employee has not taken the required amount of time during the year, all excess time shall be forfeited.

C. **Use of Vacation Hours**:

1. Eligibility to use accrued vacation hours shall begin after the employee has completed ninety (90) days of employment from his/her most recent hire date unless a written request was submitted and signed by Human Resources prior to the most recent hire date.

2. Vacation leave may be taken at any time approved by the employee's supervisor.

3. All previously approved absence requests are subject to supervisor revocation if required by operational considerations. However, every effort shall be made to avoid any adverse financial or personal impacts on employees as a result of having their "approved" absence revoked.

4. Vacation leave shall not be advanced to an employee nor may vacation leave be transferred between employees

5. Depending on the incident, an employee who becomes ill during a scheduled vacation may change vacation days to sick days with authorization from the Department Director and Human Resources.

D. **Vacation Hours at Separation:** A full-time or part-time employee, who separates from the Airport Authority service by termination, resignation, retirement, layoff, or death, shall be paid for all unused vacation hours accrued. An employee who separates from employment for any reason before the completion of ninety (90) days service from his/her most recent hire date shall forfeit all accrued vacation hours.

SECTION 4.6: SICK LEAVE

A. **Accrual**: Employees will accrue sick leave in accordance with the following schedule:

Airport Authority Employees	Sick Leave Accrual
Fulltime Employees	Eight hours per month
Benefited Part-time Employees	Four hours per month
Non-Benefited Part-time Employees	One hour for every 30 hours worked to a max of 40 hours accrued per year

1. For partial months of employment, sick hours will be accrued on a prorated basis.

2. An employee shall not accrue sick hours for any pay period in which the employee has been on unpaid leave for 15 hours or more.

B. **Accrual Maximum**: The maximum accumulation of sick leave is one thousand forty (1,040) hours for full-time employees and five hundred twenty (520) hours for part-time employees. Any sick leave accrued in excess of the maximum accumulation of one thousand forty (1,040) hours or five hundred twenty (520) hours, shall be automatically converted to vacation leave on the basis of one (1) hour of vacation leave for every two (2) hours of excess sick leave accrued.

C. **Use of Sick Leave**:

1. Eligibility to use accrued sick leave hours shall begin on the date after the end of the pay period in which it is accrued.

2. Sick leave may be taken at any time approved by the employee's supervisor. The employee must notify his/her immediate supervisor a minimum of one (1) hour prior to the beginning of the work shift, unless the employee is unable to do so due to circumstances beyond the employee's control. Failure to report within the specified time period may result in the employee being docked a day's pay and subjected to disciplinary action.

3. Sick leave is available time off with pay for periods of an approved absence for an employee due to:

   a. Illness or injury, which renders the employee unable to perform the essential functions of the position.

   b. Disability caused by pregnancy, childbirth, or miscarriage.

   c. Examination or treatment by a licensed health care practitioner.

   d. Absence due to domestic violence, sexual violence, abuse, or stalking.

   e. Illness, injury, examination, or treatment of a member of the employee's immediate family by a licensed health care practitioner. For the purpose of this section the term immediate family means the employee's spouse, committed partner, child, stepchild, parent, stepparent, grandparent, mother-in-law, father-in-law, sister, sister-in-law, brother, brother-in-law, son-in-law, daughter-in-law,

stepparent-in-law, grandchild and minor child or an adult for whom the employee is a legal guardian.

4. Once the employee has been out on sick leave for three or more consecutive work days, a supervisor, in conjunction with Human Resources, may require submission of evidence from a licensed health care practitioner substantiating the need for sick leave.

5. The supervisor, in conjunction with Human Resources, may require the employee to obtain written approval from the licensed health care practitioner as to the employee's fitness for duty and if employee has any work restrictions prior to the employee's returning to work.

6. A supervisor, in conjunction with Human Resources, may require an employee to be examined by a licensed health care practitioner designated by the Airport Authority. If the licensed health care practitioner determines that the employee should not work due to illness or injury, the supervisor may place the employee on sick leave. If the licensed health care practitioner determines that the employee can return to work but cannot perform the essential functions of his/her position, the Airport Authority will investigate a possible reasonable accommodation for the employee. The Airport Authority shall pay for all examinations directed by and required by the Airport Authority. The employee shall not be charged any leave while participating in or traveling to or from any examination required pursuant to this paragraph.

7. For all illness-related absences, sick leave will be used first followed, if needed, by vacation leave. After the sick and vacation leave time is used, the employee will then go on unpaid status, and may be considered for discharge for inability to perform the essential functions of his/her position other than as protected by state and federal laws or request a special leave without pay.

8. A supervisor, in conjunction with Human Resources, may send an employee home who is reasonably believed to be ill at work. In these instances, the employees sick time will be used first, followed by, if needed and with supervisory approval, other forms of paid time off or unpaid status.

9. A supervisor receiving a request from an employee requesting and/or using sick leave that spans three or more consecutive workdays must notify Human Resources. This information may be necessary to allow the Airport Authority to comply with the federal Family and Medical Leave Act (FMLA).

D. **Sick Leave Hours at Separation**:

1. **Termination**: An employee who terminates Airport Authority service for any reason other than retirement or disability shall forfeit all accumulated sick leave.

2. **Retirement/Death**: An employee who retires from Airport Authority service or dies shall be compensated for accumulated sick leave at the rate of fifty (50) percent of the accumulated sick leave hours at the employee's current base rate of pay.

3. **Disability Termination**: For an employee that terminates employment because of his/her disability as defined in The Americans with Disability Act (ADA) Amendments Act, at the discretion of the Executive Director on a case-by-case basis, a determination will be made as to whether he/she will be compensated for accumulated sick leave. If the determination is that the employee is to be compensated, he/she will be compensated at the rate of fifty (50) percent of the accumulated sick leave hours at his/her current base rate of pay

E. **Sick Leave Donation**: Phoenix-Mesa Gateway Airport Authority offers a sick leave donation program for employees who has successfully completed the new hire probationary period. (See Organizational Policy #400.15 ~~Sick Leave Donation~~Donated Leave Program.)

SECTION 4.7: BEREAVEMENT LEAVE

In the event of a death in the immediate family of an employee, the full-time or benefited part-time employee may be granted three (3) days of leave and bereavement pay. For the purpose of this section the term immediate family is defined as employee's spouse, committed partner, child, stepchild, mother, father, sister, brother, stepparent, mother-in-law, father-in-law, brother-in-law, sister-in-law, stepparent-in-law, grandparent, grandparent-in-law, grandchild, aunt, uncle, daughter-in-law, and son-in-law.

Before the leave or upon return to work, the employee must record his/her absence as Bereavement Leave and submit the request to his/her supervisor. Proof of death and relationship to the deceased may be required. If an employee requires leave beyond the allotted three (3) days, it will be charged to sick or vacation.

SECTION 4.8: WORKERS COMPENSATION LEAVE

A. Workers' compensation is governed by the laws found in Article 18, Section 8 of the Arizona State Constitution, Chapter 6 of Title 23 of the Arizona Revised Statutes (A.R.S.) 23-901. The Industrial Commission of Arizona (ICA) administer and enforce all applicable laws and regulations not specifically delegated to others, relative to the protection of life, health, safety, and welfare of employees within the state.

B. An employee who sustains a job-related injury or illness is required to report the incident to their supervisor or Human Resources and may be eligible for workers' compensation benefits in accordance with the State of Arizona law.

C. An employee who is absent from work due to a job-related injury or illness will have this time designated as Family Medical Leave (FMLA). During the period of worker's compensation leave, the employee's vacation and sick leave accrual will cease and performance-based increases shall not be granted.

SECTION 4.9: JURY OR WITNESS LEAVE

A leave of absence for jury duty will be granted to any full-time or part-time employee who has been notified to serve. Employees receive jury duty or witness pay if summoned on scheduled work days/hours. The employee shall be granted paid Jury Duty or Witness Leave for a maximum of thirty (30) work days per year. If an employee is subpoenaed to testify as a witness in an Airport Authority-related case or hearing, this time will be considered work time.

SECTION 4.10: ELECTION LEAVE

An employee must request an election leave accommodation to vote at least one (1) day before Election Day. On days when elections for public office and all primary and general elections are scheduled throughout the state, county, city, or town in which the employee works, schedules will be changed as needed to ensure that work either starts at least three (3) hours after the polls open or ends at least three (3) hours before polls close. An employee living in other localities or states will need to inform his/her supervisor in advance if he/she expects any conflict between his/her work schedule and the exercise of voting rights. No employee will be penalized or retaliated against for requesting time off to vote.

SECTION 4.13~~1~~: FAMILY MEDICAL LEAVE (FMLA)

The Airport Authority supports and complies with the federal Family and Medical Leave Act of 1993 (FMLA), as amended. (See Organizational Policy #400.05 - Family and Medical Leave).

SECTION 4.1~~1~~2: MILITARY LEAVE

The Airport Authority complies with the requirements of the Uniformed Services Employment and Reemployment Rights Act (USERRA) and all other state, federal and local laws regarding military leave. (See Organizational Policy #400.11 – Military Leave)

SECTION 4.1~~2~~3: SPECIAL LEAVE

A special leave is any absence from work in excess of thirty (30) consecutive calendar days that is not covered by the FMLA or Military Leave. In addition, a special leave is any additional time-off required after exhaustion of FMLA. Special leave includes, but is not limited to extended use of paid and unpaid time off, leave for a non-FMLA eligible employee, or leave for a non-FMLA eligible circumstance. Special leaves may be for a medical or non-medical condition.

A. **Approval**: All requests for special leave must be approved in advance and in writing by the employee's department director and the Human Resources Director. The initial approval period for special leave duration will be for a period of twelve (12) weeks or less. The Executive Director may approve extensions of special leaves for more than twelve (12) weeks.

B. **Use of Time**: An employee may be required to exhaust any available paid time off categories prior to using unpaid time.

C. **Return to Work**:

1. An employee who is able to return to work after a period of special leave may be approved to return to a position in the class held at the start of the special leave, if such a position is available and funded. If such a position is not available and funded, the employee may be terminated.
2. An employee returning from special leave must notify Human Resources at least two (2) business days prior to the scheduled return. If the conditions for the leave change, the employee must notify Human Resources as soon as possible.

D. **Insurance Premiums**: An employee on unpaid special leave may be responsible for the payment of the entire insurance premium for his/her and dependent(s) coverage.

~~SECTION 4.13: FAMILY MEDICAL LEAVE (FMLA)~~

~~The Airport Authority supports and complies with the federal Family and Medical Leave Act of 1993 (FMLA), as amended. (See Organizational Policy #400.05 - Family and Medical Leave).~~

SECTION 4.14: TRAINING AND DEVELOPMENT

The Airport Authority offers a variety of training and development opportunities in order to assist an employee in performing his/her position more productively, preparing for future responsibilities, and encouraging self-improvement and growth. These educational opportunities may be available as internal and/or external training.

A. **Responsibility and Availability**: Supervisors, managers or directors and Human Resources have joint responsibility to ensure that all employees receive necessary training. The Airport Authority may reimburse an employee for certain expenses incurred when he/she successfully completes an external position-related course with prior approval.

B. **Required Training**: The Airport Authority shall pay all costs associated with the attendance by an employee at any course, seminar, or workshop required of the employee by the Airport Authority. The employee shall not be charged any type of leave while in attendance at such a course. The employee shall be considered to be on duty while at the course and for travel time proceeding to and from the course. Travel time does not include an employee's normal commute to and from his/her regular worksite for departure to the training. Hours worked for training that requires out-of-town travel and/or an overnight stay, for a non-exempt (hourly) employee will be determined in compliance with the Fair Labor Standards Act (FLSA) hours worked regulations.

SECTION 4.15: TUITION REIMBURSEMENT

Eligibility: To qualify for tuition reimbursement, an employee must have successfully completed the new hire probation period and be classified as a full-time employee prior to enrolling in the course. (See Organizational Policy #400.10 – Tuition Reimbursement)

V. WORKPLACE STANDARDS

SECTION 5.1: EMPLOYEE CONCERNS

Phoenix-Mesa Gateway Airport Authority (PMGAA) is committed to maintaining a formal mechanism that allows employees to resolve misunderstandings and preserve positive relations between management and other employees. Employees and supervisors shall, to the greatest extent possible, work cooperatively together to resolve work-related concerns. If an employee is unable to resolve a work-related concern, or he/she feels there is a perceived misapplication of written Airport Authority rules or policies, the employee is encouraged to bring this concern to the appropriate chain of command or to the Human Resources Director for review.

SECTION 5.2: RESPECTFUL WORKPLACE

Phoenix-Mesa Gateway Airport Authority is committed to providing and maintaining an environment conducive to the safety and health of its employees, tenants, and customers. PMGAA prohibits harassment, sexual harassment, illegal discrimination, gender bias, workplace violence, or unlawful activity as defined by state and federal law, including Title VII of the Civil Rights Act, the Age Discrimination Act, and the Americans with Disabilities Act. (See Organizational Policy #400.01- Anti-Harassment and Discrimination)

SECTION 5.3: ALCOHOL AND DRUG FREE WORKPLACE

Phoenix-Mesa Gateway Airport Authority is committed to providing a workplace free of drugs and alcohol. PMGAA will conduct alcohol, drug, and/or controlled substances testing under all circumstances required by federal or state law. In addition, PMGAA may conduct substance abuse testing when permitted by law which may include, but is not limited to: pre-employment or pre-placement testing, reasonable suspicion testing, random testing, post-accident testing, and follow up testing. (See Organizational Policy #400.14 – Alcohol and Drug Free Workplace)

SECTION 5.4: SMOKE FREE WORKPLACE

Phoenix-Mesa Gateway Airport Authority prohibits smoking including vaping in all Airport operated facilities and vehicles. Smoking and vaping is prohibited within twenty (20) feet of the Airport operated building entrances, from the gathering of non-smokers, and where appropriate signage is posted in enclosed areas. This complies with the City of Mesa ordinance entitled Smoking Regulations and Healthier Smoke Free Environments, under Title 6, Chapter 11 of the Mesa City Code and the Smoke-Free Arizona Act.

SECTION 5.5: PROBATION

All new employees and employees receiving a promotion or demotion shall serve a six (6) month probation period, during which an employee's performance in the new position is evaluated. The successful completion of the probationary period should not be construed as creating a contract or as guaranteeing employment for any specific duration or as establishing a just cause termination standard. Employment with the Airport Authority remains at-will, that is the Airport Authority may terminate an employee, or an employee may terminate his/her employment, with or without cause, and with or without notice, at any time.

SECTION 5.6: PERFORMANCE EVALUATIONS

All Airport Authority employees shall receive a performance evaluation annually based on a common review date. In conjunction with the annual performance evaluation, an employee may become eligible for consideration of a performance-based pay increase when applicable and based on the fiscal year budget. (See Organizational Policy #400.06 - Performance Evaluations)

SECTION 5.7: CHANGES IN ASSIGNMENT

A. **Promotion**: A posted promotional opportunity is open to an employee(s) who meets the minimum qualifications. On occasion, a posted promotional opportunity may be limited to employees in specific positions or departments.

   1. An employee who is promoted typically receives an increase in pay rate which is five percent (5%) higher than his/her previous pay rate, or the minimum pay rate of the new pay range; whichever is greater. Increases greater than five percent (5%) shall be approved by the Executive Director unless it is to bring them to the minimum pay rate of the new pay range. If the date of promotion falls within thirty (30) days of the common review date, the employee shall receive both the performance increase based on the fiscal year budget and the promotional increase unless the promotional increase is greater than 8%.

   2. An employee who is on disciplinary probation may not be considered for promotional opportunities.

   3. An employee who has been demoted for cause may not be considered for a promotion until ninety (90) days after the effective date of the demotion.

B. **Criteria-Based Promotion**: An employee may be promoted from one class to another class (with a higher maximum pay range) in a class series based on pre-approved criteria, without a competitive examination, with the approval of the Department Executive.

      1. An employee who is promoted through a criteria-based promotion typically receives an increase in pay rate which is five percent (5%) higher than his/her previous pay rate, or the minimum pay rate of the new pay range; whichever is greater. Increases greater than five percent (5%) shall by approved by the Executive Director unless it is to bring them to the minimum pay rate of the new pay range.

2. If the criteria-based promotion falls within thirty (30) days of the common review date, the employee shall receive both the performance pay increase based on the fiscal year budget and the promotional increase unless the promotional increase is greater than 8%.

3. An employee who is on disciplinary probation is not eligible to be considered for a criteria-based promotion.

C. **Demotion**: It shall be considered a demotion when an employee moves from one classification to another in a lower pay grade. An employee may be demoted, with the approval of the Department Executive, for inability of the employee to meet the requirements of the employee's position; at the request of the employee; and/or for the convenience of the Airport Authority. (See section 5.12 for Disciplinary Demotion)

1. When appropriate, an employee who is demoted for failing to meet the requirements of the position may be demoted to a formerly held position, if available, and the employee's pay rate shall be returned to the pay rate of his/her formerly held position.

2. An employee who requests a demotion shall be paid at a rate within the positions pay range unless otherwise approved by the Executive Director.

3. An employee demoted for the Airport Authority's convenience typically will continue to receive the same pay rate as before the demotion. If this pay rate is higher than the maximum of the new position's pay range, the employee's pay rate will be "frozen" until the pay range for the new position reaches the employee's pay rate, at which point the employee will again be eligible for pay rate increases.

4. An employee demoted shall be placed on a six (6) month probation period.

D. **Transfer**: Management will make final decisions regarding transfers in conjunction with Human Resources. The transferred employee may maintain the same common review date. However, if the duties and responsibilities are sufficiently different from those previously performed, the employee may be placed on a six (6) month probation period.

1. **Compensation:** The pay rate of an employee whose position is transferred from one classification to another classification having the same pay range shall remain the same unless approved by the Executive Director.

2. **Intra-Department Transfer:** An employee may be transferred to a different position within the same department with the same pay range, with the approval of the Department Director and notification to the Human Resources Director.

3. **Inter-Department Transfer:** An employee may be transferred to a position in a different department with the same pay range with the approval of both the current and prospective director or manager, and with notification to the Human Resources Director. Each transfer is determined on an individual basis, depending on the needs of both departments involved.

4. **Reason for Transfer:** An employee may be transferred at the employee's request, or for the convenience of the Airport Authority.

5. **Qualifications**: A transferred employee must meet the minimum qualifications for the class to which the employee may be transferred.

E. **Special Assignments**: With the approval of the Department Executive, an employee may be placed on a special assignment for assuming higher level job responsibilities for a period of greater than one month.

1. **Compensation:** An employee placed on special assignment shall receive a five (5%) salary increase to compensate the employee for the higher-level work performed. The Executive Director may approve more than a five (5%) increase in pay.
2. **Duration:** No special assignment shall extend beyond a period of one (1) year unless approved by the Executive Director.

3. **Review Date:** During the period of a temporary assignment, the employee continues in the common review date schedule, and continues to be eligible for performance-based pay increases based on the pay range established and fiscal year budget for the employee's regular position.

SECTION 5.8: SEPARATIONS

A. **Resignation**: It is customary for an employee in good standing who wishes to resign, to submit written notice at least two (2) weeks in advance.

1. At the Executive Director's sole discretion, an employee who has submitted a notice of resignation may be required to cease working for the Airport Authority immediately.

2. An employee who has submitted a resignation may submit in writing a withdrawal of resignation. The decision to accept the withdrawal will be based on the consent of the director, the Human Resources Director, and the Executive Director.

3. An employee who is unable to work due to a medically certified disability may apply for long-term disability if eligible. This application shall be treated as the resignation from PMGAA employment.

B. **Reduction in Workforce**: The Executive Director may institute a layoff of employees due to lack of funds, lack of work, or any other business reason. The Executive Director shall determine the timing and number of employees to be laid off. Layoff will be performed in a manner which best facilitates the reason(s) behind the layoff. Upon approval of the Executive Director, an employee subject to layoff may be transferred to a vacant position.

SECTION 5.9: STANDARDS OF CONDUCT

A. In addition to the conduct prohibited to all Arizona public employees by Arizona Revised Statutes, a violation of the Standards of Conduct listed below is cause for discipline up to and including termination. The following list of examples is not inclusive of every act that may be subject to disciplinary action up to and including termination:

1. Incompetence or inefficiency in the performance of duties.

2. Violation of any policy or procedure, lawful or official regulation or order.

3. Failure to obey lawful and reasonable directives given by management.

4. Abusiveness in attitude, language, or conduct to the public or fellow employees.

5. Being absent from work without authority or having excessive absences that effect productivity, the efficiency or effectiveness of the department, or impedes the work unit.

6. Participation in unlawful or improper conduct that adversely affects an employee's relationship to the position, position's duties, to other employees, or that in any way discredits the Airport Authority's reputation or goodwill in the community.

7. Engaging in unlawful harassment or discriminatory conduct against another individual on the basis of race, color, gender, religion, national origin, age, disability, veteran status, or genetics or engaging in retaliation against another for filing a complaint or participating in any investigation.

8. Conviction of a felony, failure to report a felony or misdemeanor conviction, and/or failure to report any felony arrest. Employees are required to report a felony arrest and a felony misdemeanor conviction to Human Resources or their supervisor upon the start of the employee's next scheduled workday following the conviction or arrest.

9. Jeopardize safety or to place oneself or another individual in an unsafe environment.

10. Falsify, misuse, or provide unauthorized use of Airport Authority documents or records, make false statements concerning duties with the Airport Authority, or use of misrepresentation to obtain a position with the Airport Authority.

11. Steal, damage, misuse, or misappropriate property, products, or equipment that belong to the Airport Authority, other employees, or visitors due to negligence or willful misconduct.

12. Commit fraud or other illegal acts regarding interfacing with or the use of the Airport Authority funds.

13. Possession of unauthorized firearms, dangerous items, weapons, or explosives on Airport Authority property.

14. Failure to maintain minimum standards, licenses, or qualifications required for one's position.

SECTION 5.10: ADMINISTRATIVE LEAVE

An employee may be placed on administrative leave with the approval of the Executive Director and the Human Resources Director. Administrative leave is to be used when the circumstances warrant the employee be temporarily relieved from his/her duties pending an investigation or administrative process. While on administrative leave, the employee will be paid their regular pay and is expected to follow departmental direction concerning requirements for leave time. Failure to comply and depending upon the circumstances and violations the employee may be subject to disciplinary action up to and including termination.

SECTION 5.11: DISCIPLINARY ACTIONS

Phoenix-Mesa Gateway Airport Authority utilizes disciplinary actions for employees who have committed infractions of employer policies and procedures. Depending upon the circumstances, violations may be subject to disciplinary action, up to and including termination of employment including immediate discharge from employment without prior warning or notice. This policy should not be construed as requiring the Airport Authority to use progressive discipline, or as a limitation on the right of the Airport Authority to take disciplinary action. Typically, actions taken against an employee may be any of the following:

A. **Written Reprimand**: A supervisor, manager or director may deliver a written reprimand to an employee as documentation to make the employee aware of unacceptable conduct or performance or for a violation of Airport Authority policies or procedures.

B. **Disciplinary Probation**: An employee may be placed on disciplinary probation, with the approval of the Department Executive, for unacceptable conduct or performance or for violation of Airport Authority policies or procedures.

1. Disciplinary probation will be up to twelve (12) months and cannot be extended beyond its original length. The probation can be ended early based on demonstrated improvement, with the approval of the Department Executive.

2. While on disciplinary probation, an employee will not be allowed to compete for any promotional opportunity and will not be eligible for any salary increases. Once the employee is removed from disciplinary probation they may be eligible for a performance-based increase at the next scheduled common review date based on performance and budget availability.

3. The Executive Director can approve a reduction in pay along with the disciplinary probation, if recommended by management.

C. **Suspension**: The Department Executive can approve the suspension of an employee from the employee's position without pay, at any time for unacceptable conduct or performance or for violation of Airport Authority policies or procedures.

1. Except in certain limited circumstances, an exempt employee may not be suspended for a period of less than one work week.

2. A suspended employee shall typically be notified prior to the start of the suspension. An employee suspended may be placed on disciplinary probation for a period of up to one year.

D. **Demotion**: With the approval of the Executive Director, an employee may be demoted at any time for unacceptable conduct or performance or for violation of Airport Authority policies or procedures.

1. An employee who is demoted for disciplinary reasons shall be paid at the highest level in the lower pay range that is at least five percent (5%) lower than the employee's salary prior to the demotion.

2. An employee demoted will be placed in a position for which he/she is qualified.

3. An employee demoted shall be placed on a six (6) month probation period and if the demotion is within three (3) months of the common review date, the employee will have to wait until the next year to be eligible for a performance-based review.

4. An employee demoted for disciplinary reasons may not be allowed to compete for any promotional opportunity until ninety (90) days after the effective date of the demotion.

E. **Termination**: With the approval of the Human Resources Director and the Executive Director, an employee may be terminated from the Airport Authority service for any reason that the Airport Authority decides, in its sole discretion, justifies such an action.

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

Board Action Item

Re: Resolution 22-15

To:	**Board of Directors**
From:	**Bob Draper, P.E., LEED AP, CM Engineering & Facilities**
Through:	**Chuck Odom, Chief Financial Officer**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Re:	**Fire Test, Inspect and Monitoring Contract Adjustments – Cross Fire Protection**
Date:	**April 19, 2022**

Proposed Motion
To increase the annual contractual authority by $8,000 per year to cover the safety enhancements and the potential addition of Airport buildings not currently covered under the contract to the Fire Protection Systems in Airport Facilities.

Narrative
On October 20, 2020, the Board approved Resolution 20-38, a contract with Cross Fire Protection LLC (Cross Fire) to provide Airport wide Fire System Test, Inspect, Monitoring and Repair Services for all fire protection/alarm systems installed throughout the Airport's Property.

Since the execution of this contract, a leased building has been reverted back to the Airport resulting in the airport assuming the test, inspect and monitoring services for the building once paid by the tenant. In addition, Airport staff has had Cross Fire upgrade a number of Fire Protection Systems and convert several properties from Landline Monitoring Systems to Cellular Monitoring Systems for efficiency and added safety.

As the Airport continues to upgrade the Fire Protection and Monitoring Systems, staff is requesting to increase the annual contractual authority for these improvements by $8,000 per year to cover the safety enhancements and the potential addition of Airport buildings not currently covered under the contract to the Fire Protection Systems in Airport Facilities.

Fiscal Impact
Revised Annual Amounts:

November 1, 2021 – October 31, 2022	$46,726
November 1, 2022 – October 31, 2023	$46,726

Attachment(s)
N/A

RESOLUTION NO. 22-15

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

WHEREAS the Authority desires to authorize an increase to the annual contractual authority by $8,000 per year to cover the safety enhancements and the potential addition of Airport buildings not currently covered under the contract to the Fire Protection Systems in Airport Facilities.

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

> **The Board of Directors of the Authority hereby authorizes an increase to the annual contractual authority by $8,000 per year to cover the safety enhancements and the potential addition of Airport buildings not currently covered under the contract to the Fire Protection Systems in Airport Facilities. 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 19th day of April, 2022.

John Giles, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

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

Board Action Item

Re: Resolution 22-16

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:	**North Economy Parking Lot Expansion Construction CMAR – Nesbitt Contracting Co., Inc. – Change Order for CIP 1241**
Date:	**April 19, 2022**

Proposed Motion

To authorize a change order for the final phase of the North Economy Parking Lot Expansion Construction Manager at Risk (CMAR) Construction Services Contract with Nesbitt Contracting Co., Inc. in an amount not to exceed $2,755,361.31.

Narrative

The Phoenix-Mesa Gateway Airport has experienced unprecedented growth and requires immediate additional parking capacity in order to maintain the ability to meet customer demand. The North Economy Parking Lot Expansion Plans were originally developed in 2012 and will provide PMGAA with an additional 1263 parking spaces of which 18 are ADA accessible.

In March 2022, the Board approved Phase I of this project (Pre-Construction Services and GMP1 Early Works) for $561,497.25, which includes the initial grading work for the addition of approximately 600 parking spaces, parking lot lighting and a shuttlebus pickup location that will be completed by June 2022. Phase II, which is covered by this Change Order, will finalize the remaining initial work and be completed by November 2022, and will include the remainder of the parking spaces and planned improvements with a final completion in November 2022. The additional parking spaces will be considered overflow parking and not for routine use.

The GMP1 Early Works approval was needed and approved in order to meet established deadlines. Staff is now presenting to the Board, a Change Order for the CMAR Construction Services Contract to complete the remainder of these needed improvements.

The Notice of Request for Qualifications (RFQ), Solicitation 2022-018-RFQ was issued on January 10, 2022, and advertised in the Arizona Business Gazette on 1/13, 1/20, 1/27 and 2/3/22; it was also posted on the AzAA, ACC, ACI-NA, SWAAAE Websites as well as the Phoenix-Mesa Gateway Airport Authority Website. In addition, the RFQ was emailed to a list of 94 prospective firms. PMGAA Staff received three (3) Statement of Qualifications on February 8, 2022, and the Evaluation Panel unanimously selected Nesbitt Contracting Co., Inc. as the CMAR firm that best satisfied the requirements based on the qualifications of the firm, project team experience, and project understanding and approach to performing the required services.

The total for this project is now $3,316,858.56.

Fiscal Impact
This contract is utilizing PMGAA Non-grant funds under Capital Improvement Project 1241.

Attachment(s)
Contract
Change Order

RESOLUTION NO. 22-16

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

WHEREAS the Authority desires to authorize a change order for the final phase of the North Economy Parking Lot Expansion Construction Manager at Risk (CMAR) Construction Services Contract with Nesbitt Contracting Co., Inc. in an amount not to exceed $2,755,361.31.

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

> **The Board of Directors of the Authority hereby authorizes a change order for the final phase of the North Economy Parking Lot Expansion Construction Manager at Risk (CMAR) Construction Services Contract with Nesbitt Contracting Co., Inc. in an amount not to exceed $2,755,361.31. 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 19th day of April, 2022.

John Giles, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

#2022 0236

Phoenix-Mesa Gateway
Airport Authority

CONTRACT DOCUMENTS

FOR

CONSTRUCTION MANAGER AT RISK SERVICES FOR North Economy Parking Lot Expansion

Authority Project No. 1241
Authority Solicitation No. 2022-018-RFQ

PHOENIX-MESA GATEWAY AIRPORT is owned and operated by the **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY**, a Joint Powers Airport Authority comprised of the Cities of Mesa, Phoenix and Apache Junction, the Towns of Queen Creek and Gilbert, and the Gila River Indian Community; pursuant to Arizona Revised Statutes Section 28-8521.

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DESCRIPTION **PAGE**

SOLICITATION REQUIREMENTS AND AGREEMENT DOCUMENTS
Request for Qualifications (includes addenda, drawings, and plans)
Under separate cover
CMAR RFQ Submittal
Under separate cover

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CMAR Construction Services Contract CMAR-1
Accepted GMP, Project Schedule, and Plans and Specifications GMP-1

DIVISION II – GENERAL CONDITIONS TO THE CMAR CONTRACT
General Conditions to the CMAR Contract GC-1

DIVISION III – GENERAL PROVISIONS TO THE CMAR CONTRACT
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DIVISION IV – SPECIAL PROVISIONS TO THE CMAR CONTRACT
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North Economy Parking Lot Expansion

CONSTRUCTION MANAGER AT RISK (CMAR) CONSTRUCTION SERVICES CONTRACT

PROJECT NO. 1241

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Phoenix Mesa Gateway Airport Authority

Construction Manager at Risk
Construction Services
Project No.: 1241

THIS CONTRACT is made and entered into by and between the Phoenix Mesa Gateway Airport Authority, a joint powers airport authority authorized by the state of Arizona, hereinafter called "Owner" and the "Construction Manager at Risk" or "CMAR" designated below, individually, each is a "Party" and collectively, the "Parties", and shall be effective as of this 29th day of March, 2022.

NOW, THEREFORE, intending to be legally bound and for valuable consideration, the receipt and sufficiency of which are acknowledged, the Owner and CMAR agree as follows:

ARTICLE 1 – PARTICIPANTS AND PROJECT

Owner:
Phoenix-Mesa Gateway Airport Authority
Project Manager: Rich Adams
Telephone: 480-988-7655
Fax: 480-988-2315
E-mail: radams@gatewayairport.com

CMAR:
Nesbitt Contracting Co., Inc.
100 S. Price Road
Tempe, AZ 85281
Arizona ROC No.: 074063A
Federal Tax ID No.: 86-0174401
CMAR Representative: Aaron Lucchesi
Telephone: 480-423-7600
E-mail: alucchesi@nesbitts.com

DESIGN PROFESSIONAL: N/A

PROJECT DESCRIPTION:

Phoenix -Mesa Gateway Airport has experienced unprecedented growth and requires additional parking capacity immediately to maintain the ability to meet customer demand. North Economy Parking Lot expansion plans were developed in 2012 provides for an additional 1263 and 1643 parking spaces in a base bid and add alternate bid scenario. The Airport intends to contract with a CMAR to construct what is referred to on the construction plans as base bid, 1263 +/- additional parking spaces. The existing plans will not be updated but will be used as the basis of what is expected to be completed. Approximately 600 available parking spaces are needed no later than June 27, 2022. Parking lot lighting and a shuttlebus pickup location will be required for the initial phase. The remainder of the project and all improvements will be required to be in-place and accepted no later than November 18, 2022. It is

anticipated that the existing fence line will remain with swing gates added as the additional parking spaces will be considered overflow and not routine use.

ARTICLE 2 – CONTRACT DOCUMENTS

2.1 CONTRACT DOCUMENTS

The Contract between Owner and CMAR shall consist of the following Contract Documents:

1. This Contract and all of its Exhibits, including subsequent Specifications and Plans
2. The Request for Qualifications (RFQ) requirements (2022-018-RFQ) , documents, and CMAR's submittal to such solicitation dated February 8, 2022.
3. General Conditions
4. General Provisions
5. Special Provisions
6. Any plans and drawings
7. Any amendments or modifications to the foregoing documents, including (a) a written amendment signed by both parties, (b) a Change Order, (c) a Change Directive, (d) Supplementary Instructions, or (e) a written order for a minor change in the work (collectively the "Contract").
8. Guaranteed Maximum Price (GMP)

2.3 PROJECT SPECIFIC CONDITIONS

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

ARTICLE 3 – PRE-CONSTRUCTION SERVICES

Although CMAR has performed Pre-Construction Services pursuant to a separate Contract between Owner and CMAR, the completion, quality and accuracy of those services and the deliverables provided by Owner thereunder directly impact CMAR's performance of its obligations under this Contract. Therefore, all of CMAR's obligations, duties, and warranties in relation to Pre-Construction Services and deliverables survive completion of the Pre-Construction Services Contract and are incorporated herein. Any breach of any of CMAR's duties, obligations, or warranties under the Pre-Construction Services Contract shall likewise be considered a breach of this Contract.

ARTICLE 4 – CONSTRUCTION SERVICES

4.1 GENERAL

4.1.1 CMAR agrees at its own cost and expense, to do all work necessary and required to fully, timely and properly complete the construction of the Project in strict accordance with the Contract Documents in a good and workmanlike manner, free and clear of all claims, liens, and charges whatsoever, in the

manner and under the conditions specified, and within the Project Schedule included in Exhibit A of this Contract.

4.1.2 CMAR shall provide all of the labor and materials and perform the Work in accordance with the General Conditions and General Provisions. Some but not all of the major components of the

Construction Services and the corresponding subsections of Section 4 of the General Conditions are set forth below.

4.1.3 At all times relevant to the Contract and performance of the Work, the CMAR and its subcontractors shall fully comply with all Laws, Regulations, or Legal Requirements applicable to Owner, the Project and the Contract, including, without limitation, those set forth on attached Exhibit C and Article 3 of the General Conditions.

4.1.4 CMAR shall perform the Work under this Contract using only those firms, team members and individuals designated by CMAR consistent with the Statement of Qualifications dated February 8, 2022, the GMP Proposal, or otherwise approved by Owner pursuant to the General Conditions. No other entities or individuals may be used without prior approval of the Project Manager.

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

4.1.6 In the event of a conflict between this Contract and the General Conditions, General Provisions, Special Provisions or any exhibit hereto or appendix thereto, the terms of this Contract shall control, but nothing in this contract shall be construed so as to either (i) Violate any term or condition of the Owner's published Rules & Regulations or Minimum Standards; or (ii) Violate Owner's mandatory subordination to its federal obligations, pursuant to Federal Aviation Administration ("FAA") Policies (2009) (including, but not limited to § 1.1, § 1.5, § 12.3, §10, § 14.1, *et. seq*.) and federal statutory authority, including, but not limited to, 49 U.S.C. §40103(a) (establishes the federal government's total dominance over the airspace of the United States, including, U.S. airports).

4.1.7 **Ownership of Work Product.** Notwithstanding anything to the contrary in this Contract, all Work Product prepared or otherwise created in connection with the performance of this Contract, including the Work, are to be and remain the property of Owner. For purposes of this provision, "Work Product" shall include all designs, drawings, plans, specifications, ideas, renderings and other information or matter, in whatever form created (e.g., electronic or printed) and in all media now known or hereinafter created. All Work Product shall be considered Work Made for Hire as defined in the United States Copyright Act 17 U.S.C. § 101 (Copyright Act). If for any reason any such Work is found not to be a work for hire, CMAR hereby transfers and assigns ownership of the copyright in such Work to Owner. The rights in this section are exclusive to Owner in perpetuity.

4.2 CMAR's PRE-CONTRACT AND PRE-WORK DELIVERABLES

The CMAR will provide the insurance and bond(s) requirements in accordance with Article 11 of the General Conditions prior to any work commencing.

Owner will obtain and pay for all permits necessary for the work.

4.3 PRE-CONSTRUCTION CONFERENCE

CMAR shall attend the Pre-Construction Conference.

4.4 PERFORMANCE OF THE WORK (INCLUDING FIELD MEASUREMENTS, SUBCONTRACTORS, AND SUPPLIERS)

CMAR shall perform the Work in accordance with the General Conditions.

4.5 CONTROL OF THE PROJECT SITE

CMAR shall control and maintain the Project Site in accordance with Article 4 of the General Conditions.

4.6 PROJECT SAFETY

CMAR shall implement and enforce Project safety in accordance with Article 10 of the General Conditions.

4.7 MATERIALS QUALITY, SUBSTITUTIONS AND SHOP DRAWINGS

CMAR shall provide materials testing and submit substitute materials and Shop Drawings in accordance with Article 3 of the General Conditions.

4.8 PROJECT RECORD DOCUMENTS

CMAR shall maintain and make available the Project Record Documents in accordance with Article 3.12 of the General Conditions.

4.9 WARRANTY AND CORRECTION OF DEFECTIVE WORK

CMAR shall provide warranties and correct defective Work in accordance with Article 3.6 of the General Conditions.

ARTICLE 5 – OWNER RESPONSIBILITIES

5.1 Owner shall have the responsibilities, and provide the information specified in, and subject to the conditions set forth throughout the Contract Documents.

5.2 Additional information to be provided by Owner, if any, is listed below:

Final contract documents, including, but not limited to General Conditions, General Provisions, Special Provisions, applicable as-built drawings, stamped Construction Documents and Technical Specifications.

ARTICLE 6 – CONTRACT TIME

Contract Duration is a fixed date with at least 600 usable, striped and lit parking spaces no later than 6/27/2022 and with a Final Completion no later than 11/18/2022.

6.1 CONTRACT TIME

6.1.1 The Contract Time shall start with the Notice to Proceed ("NTP") and end with Final Acceptance, as set forth in Article 6.4 below. The Notice to Proceed cannot be issued prior to the approval and acceptance by Owner of the GMP or Fixed Price.

6.1.2 CMAR agrees that it will commence performance of the Work and complete the Project through both Substantial Completion and Final Completion within the Contract Time.

6.1.3 Time is of the essence of this Contact, 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 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 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 **Final Completion Liquidated Damages.** For the same reason set forth in Article 6.1.3 above, Owner and CMAR further agree that if CMAR fails to achieve Final Completion of the Work within the time set forth in Article 6.4.1 above, Owner shall be entitled to retain or recover from CMAR, as liquidated damages and not as a penalty, the following per diem amounts (which the Parties agree is a reasonable approximation of any resulting damages) commencing from the actual date of Substantial Completion or the Final Completion Date as required under the Contract, whichever is later, until the actual date of Final Completion:

$1,070 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 **561,497.25**. Costs which would cause the GMP to be exceeded shall be paid by CMAR without reimbursement from Owner.

7.1.2 The Contract Price is all-inclusive and specifically includes all fees, costs, insurance and bond premiums, and taxes any type necessary to fully, properly and timely perform and construct the Work encompassed in attached Exhibit A.

7.1.3 The contract price may only be changed as set forth in the Contract Documents.

7.1.4 Only costs specifically designated as reimbursable costs are eligible for payment by Owner or may be charged against the Contract Price. All other costs will not be paid by Owner and shall not be chargeable against the Contract Price.

7.1.5 For Contract Amendments, Change Orders, or Job Orders reimbursable costs shall be determined pursuant to MAG Specifications 109.5.

7.2 ALLOWANCES

Contractor shall include in the Contract Price all Allowances stated in the Contract Documents and agreed to in writing by Owner. Items covered by these Allowances shall be supplied for such amounts and by such persons as Owner may direct, provided Contractor will not be required to employ persons against whom Contractor makes a reasonable objection. Materials and equipment under an Allowance shall be selected by Owner in accordance with a schedule to be mutually agreed upon by Owner, Design Professional and Contractor or otherwise in reasonably sufficient time to avoid delay in the Work.

7.2.1 Unless otherwise provided in the Contract Documents:

7.2.1.1 These Allowances shall cover the cost to Contractor, less any applicable trade discount, of the Materials and equipment required by the Allowances, delivered at the Site, and all applicable taxes;

7.2.1.2 Contractor's costs for unloading and handling on the Site, labor, installation costs, overhead, profit and other expenses relating to Materials and Equipment required by the Allowance shall be included in the Contract Sum and not in the Allowance; and

7.2.1.3 Whenever the cost is more or less than the Allowance, the Contract Sum shall be adjusted accordingly by Change Order, the amount of which will recognize the difference between

actual costs for an Allowance item and the amount of the Allowance item and changes, if any, in handling costs on the Site, labor, installation costs, overhead, profit and other expenses.

7.3 CONTINGENCY

An agreed to amount in the GMP that may only be used in accordance with the terms set forth in these General Conditions and with prior written approval by Owner.

7.4 FINAL PAYMENT

If the Contract Price is based upon a GMP, as a further condition precedent to Final Payment by Owner, Contractor must submit to the Project Manager a complete final accounting of the Actual Reimbursable Cost of the Work, including all such documentation (including, without limitation, invoices, subcontracts, subcontractor change orders, purchase orders, records of payment, etc.) as Owner may require, to establish whether the payments made to Contractor equal, exceed, or are less than the Actual Reimbursable Cost of the Work to date.

Any excess payments by Owner, as determined by the Project Manager, shall be deducted from the one-half retention payment to be made to Contractor, and any additional excess amounts paid to Contractor shall be refunded by Contractor to Owner. Disputes relating to the Final Cost of the Work shall be subject to Owner's audit rights under Article 13.14 of the General Conditions and 7.5 below, and the dispute resolution process under Article 4 of the General Conditions.

7.5 OPEN BOOK

On any GMP-based or Change Order, Owner may attend any and all meetings or discussions pertaining to the Project, including bid openings, and shall have access to all books, invoices, accounts, memoranda, correspondence, and written communications or records of any kind pertaining to the Project, including without limitation, those stored in electronic format.

ARTICLE 8 – PAYMENT

Payments shall be made to CMAR in accordance with Article 9 of the General Conditions and Article 7 above.

ARTICLE 9 – CHANGES TO THE CONTRACT

Changes to the Contract may be made in strict accordance with Article 7 of the General Conditions.

ARTICLE 10 – SUSPENSION AND TERMINATION

This Contract may be suspended and/or terminated in accordance with Article 14 of the General Conditions.

ARTICLE 11 – INSURANCE AND BONDS

11.1 CMAR shall provide insurance 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 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.

Executed as of the Effective Date.

CMAR
Nesbitt Contracting Co., Inc.
An Arizona Corporation

By: _____

Name: Aaron Lucchesi

Title: Vice President

Date: 3/23/22

OWNER
PHOENIX 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: 3/29/2022

EXHIBIT A – ACCEPTED GMP/PRICE PROPOSAL & 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 SPECIFIC CONDITIONS & PROJECT PLANS AND SPECIFICATIONS

(Under Separate Cover)

1. **All Specifications**
2. **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 Phoenix-Mesa Gateway Airport Authority, Maricopa County, Arizona (hereinafter called the Obligee), in the amount of _____($_____), for the payment of which the Principal and Surety bind themselves and their heirs, administrators, executors, successors, and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a certain written contract with Obligee, dated the _____ day of _____, 202_ to construct the following projects under the **Authority Solicitation No. 2022-018-RFQ; CMAR for the North Economy Parking Lot Expansion (Authority Project No. 1241),** which contract is hereby referred to and made a part of this bond as fully and to the same extent as if copied at length herein.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that if the Principal faithfully performs and fulfills all of the undertakings, covenants, terms, conditions, and agreements of the contract during the original term of the contract and any extension of the contract, with or without notice to the Surety, and during the life of any guaranty required under the contract, and also performs and fulfills all the undertakings, covenants, terms, conditions, and agreements of all duly authorized modifications of the contract that may hereafter be made, notice of which modifications to the Surety being hereby waived, the above obligation is void. Otherwise it remains in full force and effect.

PROVIDED, HOWEVER, that this bond is executed pursuant to the provisions of Title 34, Chapter 2, Article 2, Arizona Revised Statues, and all liabilities on this bond shall be determined in accordance with the provisions of Title 34, Chapter 2, Article 2, Arizona Revised Statues, to the same extent as if they were copied at length in this agreement.

The prevailing party in a suit on this bond shall recover as part of the judgment to reasonable attorney fees that may be fixed by a judge of the court.

Witness our hands this _____ day of _____, 202__.

_____	_____
AGENCY OF RECORD, STATE OF ARIZONA	**PRINCIPAL**
	BY: _____
_____	_____
AGENCY ADDRESS	TITLE:
	_____
	SURETY
	BY: _____
	TITLE: _____

BOND NUMBER: _____ ATTACH SURETY POWER OF ATTORNEY

STATUTORY PAYMENT BOND

PURSUANT TO TITLE 34, CHAPTER 2, ARTICLE 2, ARIZONA REVISED STATUTES

KNOW ALL MEN BY THESE PRESENTS:

That, _____, (hereinafter called the Principal), as Principal and _____, a corporation duly organized under the laws of the State of _____, with its principal office in the City of _____, (hereinafter called the Surety), as Surety, are held and firmly bound unto Phoenix-Mesa Gateway Airport Authority, Maricopa County, Arizona (hereinafter called the Obligee), in the amount of _____ _____($_____), for the payment of which the Principal and Surety bind themselves and their heirs, administrators, executors, successors, and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a certain written Contract with Obligee, dated the ____day of _____ ____, 202__ to construct the following projects under the **Authority Solicitation No. 2022-018-RFQ; CMAR for the North Economy Parking Lot Expansion (Authority Project No. 1241),** 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 Statues, and all liabilities on this bond shall be determined in accordance with the provisions of Title 34, Chapter 2, Article 2, Arizona Revised Statues, to the same extent as if they were copied at length in this agreement.

The prevailing party in a suit on this bond shall recover as part of the judgment 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**

CERTIFICATE OF SUBSTANTIAL COMPLETION

(To be completed by Owner/Architect)

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

The work under the following project:

North Economy Parking Lot Expansion
Authority Solicitation No. 2022-018-RFQ
Authority Project No. 1241

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)

I hereby certify that all goods and/or services required by **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY,** have been delivered in accordance with the Contract Documents and Specifications, and all activities required by the CMAR under the Contract have been completed, including all items on the final punch list, including administrative items, as of _____ (date).

North Economy Parking Lot Expansion
Authority Solicitation No. 2022-018-RFQ
Authority Project No. 1241

Firm Name: _____

Principal: _____
(Name)

_____
(Title)

_____ _____
(Signature) (Date)

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY has performed a final inspection of PMGAA's **North Economy Parking Lot Expansion, PMGAA Project Number 1241**, and find that to the best of our knowledge and belief, the work on this project has been completed in accordance with **Contract Number C-2022xxxx.**

The date of final completion for this project is _____, 20__

Phoenix-Mesa Gateway Airport Authority

By: _____

Date: _____

CMAR'S AFFIDAVIT REGARDING SETTLEMENT OF CLAIMS

North Economy Parking Lot Expansion
Authority Solicitation No. 2022-018-RFQ
Authority Project No. 1241

Gentlemen:

This is to certify that all lawful claims for materials, rental of equipment and labor used in connection with the construction of the above project, whether by subcontractor or claimant in person, have been duly discharged.

The undersigned, for the consideration of $_____, as set out in the final pay estimate, as full and complete payment under the terms of the contract, hereby waives and relinquishes any and all further claims or right of lien under, in connection with, or as a result of the above described project. The undersigned further agrees to indemnify and save harmless **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, ARCHITECT,** the OWNER's **DESIGNATED CONSTRUCTION ADMINISTRATOR**, their employees, agents or representatives, against any and all liens, claims of liens, suits, actions, damages, charges and expenses whatsoever, which said OWNER and Architect may suffer arising out of the failure or the undersigned to pay for all labor performances and materials furnished for the performance of said installation.

Signed and dated at _____, this _____day of_____, 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)

APPLICATION AND CERTIFICATE FOR PAYMENT

North Economy Parking Lot Expansion
Authority Solicitation No. 2022-018-RFQ
Authority Project No. 1241

CONSULTANT: _____

CMAR: _____

Application No. _____ Period From: _____ To: _____

Application is made for payment, as shown below, and on the attached Construction Progress Estimate Form, in accordance with the Contract Documents:

Original GMP: $_____

Approved Change Orders and Dates:

Change Order No.1 Date_____ $_____

Change Order No.2 Date_____ $_____

Change Order No.3 Date_____ $_____

Total Change Orders Approved to Date: $_____

Adjusted GMP $_____

Total Amount Due to Date
(from attached Construction Progress Estimate) $_____

Retainage _____% $_____

Total Earned Less Retainage $_____

Less Previous Certificates for Payment $_____

Currently Payment Due $_____

Notice to Proceed Date_____ Date of Substantial Completion _____

Time Used _____% Complete _____%

NOTICE OF INTENT TO AWARD CMAR CONTRACT

[date]

CMAR Name
CMAR Address

Attn: ***CMAR Project Manager***

Re:
North Economy Parking Lot Expansion
Authority Project No. 1241
Authority Solicitation No. 2022-018-rFQ

Phoenix-Mesa Gateway Airport Authority, a joint powers airport authority authorized by the State of Arizona (Owner), has considered the Statement of Qualifications (SOQ) submitted and interview performed (if applicable) by your firm for the above described WORK in response to the Advertisement for SOQ's dated February 8, 2022. You are hereby notified that you were awarded this CMAR Contract by Phoenix-Mesa Gateway Airport Authority on _____, in the amount of $_____. You are required by the Terms and Conditions of this bid to execute the 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 is scheduled for _____202__, at _____ in the Phoenix-Mesa Gateway Airport Authority Board Room, 5835 South Sossaman Road, Mesa.

You are required to return an acknowledged copy of the NOTICE OF AWARD to the Phoenix-Mesa Gateway Airport Authority.

Dated this _____ day of _____, 202__.

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

By: _____

Title: _____

ACCEPTANCE OF NOTICE:

Receipt of the above NOTICE OF AWARD is hereby acknowledged.

By: _____

Title: _____

Subscribed and sworn before me this _____day of _____, 202__.

NOTARY PUBLIC My Commission Expires

NOTICE TO PROCEED

Date

CMAR Name
CMAR Address

Attn:

North Economy Parking Lot Expansion
Authority Project No. 1241
Authority Solicitation No. 2022-018-RFQ

Dear _____:

You are unconditionally authorized to proceed with the above-referenced project effective the date of this letter. The contract time is ____ calendar days. All work shall be performed strictly in accordance with the Contract Documents, including all project schedule requirements.

Your contact for this project is [name], phone no. (xxx) xxx-xxxx and all project communications should be directed to him. If the preconstruction conference has not already occurred, he will contact you shortly about scheduling it.

Remember, the Owner must approve *in writing* any and all changes in the project scope of work before you start work on the change.

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

Sincerely,

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

Authorized Representative

CHANGE ORDER

PROJECT: NORTH ECONOMY PARKING LOT EXPANSION

CHANGE ORDER NO: _ _

Authority Project No. 1241
Authority Solicitation No. 2022-018-RFQ

TO CMAR: Name

Address

CONTRACT 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, Architect, and CMAR.

The original ***Contract Sum*** was.....$_____
Net change by previously authorized Change Orders .....$_____
The ***Contract Sum*** prior to this Change Order was.....$_____
The ***Contract Sum*** will be **increased** [or **decreased**] by this Change Order.....$_____
The new ***Contract Sum*** including this Change Order is .....$_____

The Contract Time will be ***unchanged*** [or ***increased/decreased by _____ calendar days***.]

The Substantial Completion date for base contract work is ***unchanged*** [or ***changed to _____, 202__***.]

[CMAR],

By_____Date_____

It's_____

Owner

By _____Date___

It's_____

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

WHEREAS, the undersigned, _____ (CMAR) has furnished labor, materials, and services and/or equipment for the construction of the **North Economy Parking Lot Expansion*, Authority Project No. 1241,*** at the Phoenix-Mesa Gateway Airport, Maricopa County, State of Arizona, on the Property of the Phoenix-Mesa Gateway Airport Authority, Mesa, Arizona.

NOW, THEREFORE, the undersigned, on receipt of a check from the Owner payable to the CMAR in the sum of $ _____, said sum representing full and final payment for the above-mentioned labor, materials, services and/or equipment, does hereby waive and release any and all liens, claims of lien, and demands whatsoever that now exist or may hereafter accrue against the Owner and the Property on account of labor and materials furnished by the undersigned.

The undersigned warrants that all materials and labor placed by the undersigned in the Project are free from any claims, liens, or encumbrances and that all bills and obligations incurred for labor, taxes, withholding taxes based on payroll and payable to the United States of America or State of Arizona, premiums under a voluntary disability insurance policy, if any, carried with a private insurer, and payments to all union health, welfare, pension, apprentice training and vacation funds applicable for workmen employed on the above-described Project, in connection with the work of improvement on the Project, have been paid in full. The undersigned warrants that all subcontractors and material-men that may have delivered materials and performed work upon the Property for the Project have been fully paid or will be paid from monies received from this final payment. The undersigned shall and does hereby indemnify, save, and hold harmless the Owner and CMAR from all claims, damages, liens and losses, including all costs, professional fees, and reasonable attorney's fees, which the Owner may suffer by reason of filing of any claims, notices, liens or encumbrances, or the failure of the undersigned to obtain cancellation and discharge thereof.

DATED this _____day of _____, 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. In these General Conditions, the term "Contractor" includes CMAR under both Pre-Construction and Construction Services Contracts.

CMAR Fee or Contractor's Fee – An agreed to percentage in an accepted GMP that represents the Contractor's fee for performance of the Work.

Contract Documents – Where compensation under the Contract is based upon a GMP accepted by Owner, the term "Contract Documents" also includes the accepted GMP Proposal.

Contract Price – Where compensation under the Contract based upon a GMP accepted by Owner, the term "Contract Price" refers to the GMP.

Cost-Based Contract, Change Order, or Job Order – A Contract, Change Order, or Job Order where the Contract Price is based upon the actual cost of performing the Work, subject to the terms of the Contract Documents. These would include those generally referred to as "Cost of the Work plus a Fee with a GMP," "Time and Materials," or "Cost Plus a Fee."

Cost of the Work – The direct costs necessarily incurred by Contractor in the proper, timely, and complete performance on the Work. The Cost of the Work shall include only those costs set forth in Article 7 above.

Deliverables – The work products prepared by Contractor in performing the scope of work described in the Contract. Some of the major deliverables to be prepared and provided by Contractor during pre-construction may include but are limited to: the Baseline Cost Model and Schedule that validate Owner's plan and budget, Construction Management Plan, Detailed Project Schedule, Schedule of Values, alternative system evaluations, procurement strategies and plans, Detailed Cost Estimates, construction market surveys, cash flow projections, GMP Proposals, Subcontractor procurement plan, Subcontractor agreements, Subcontractor bid packages, Supplier agreements, Constructability Review, Cost Control Log, Traffic control and phasing plans and others as indicated in this Contract or required by the Project Team.

Pre-Construction Services Contract – The Contract entered into between Owner and the CMAR for Pre-Construction Services to be provided by the CMAR, including, without limitation, the generation of a GMP Proposal. If the GMP Proposal is accepted by Owner and a 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 - COMPLIANCE WITH OWNER'S PUBLISHED RULES AND REGULATIONS AND MINIMUM STANDARDS, AS AMENDED FROM TIME TO TIME

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

   http://www.gatewayairport.com/documents/documentlibrary/board%20policies/rules%20and%20regulations_16-53.pdf?Uniqueifier=8gC0UBcOyg

2. **Minimum Standards (link)**

   http://www.gatewayairport.com/documents/documentlibrary/board%20policies/airport%20minimum%20standards.pdf?Uniqueifier=8gC0UBcOyg

Phoenix-Mesa Gateway Airport
CMAR GMP 1 Proposal
(Early Works Package)

North Economy Parking Lot Expansion

Table of Contents:

1. Scope of Work
2. GMP 1 Proposal
3. GMP 1 Cost Report
4. Subcontractor Quotes

1. Scope of work:

The North Economy Lot Expansion GMP 1 is an early release work package that will include installing and setting up contractor trailer, SWPPP, clearing, and grubbing of site, site excavation and compaction, and trenching and conduit installation of all power and communication services.

2. GMP 1 Proposal

Nesbitt Contracting Co., Inc.
100 S. Price Rd.
Tempe, AZ 85281
ROC #074063A

PROJECT NAME: CMAR North Economy Lot Expansion
GMP 1

	Unit	Quantity	Unit Price	Amount
A. Direct Costs				
Mobilization	LS	1	$21,000.00	$21,000.00
SWPPP	LS	1	$27,200.00	$27,200.00
Clear & Grub	LS	1	$11,900.00	$11,900.00
Site Excavation	CY	12300	$8.25	$101,475.00
Site Compaction	SY	60250	$0.45	$27,112.50
Conduit	LS	1	$212,895.00	$212,895.00
Survey	LS	1	$7,500.00	$7,500.00
QC Testing	LS	1	$7,500.00	$7,500.00
A.1 Direct Cost				$416,582.50
A.2 Approved Allowance				$0.00
			TOTAL DIRECT COSTS	**$416,582.50**
B. General Conditions on Direct Costs only				**$62,600.00**
			SUBTOTAL 1 (Cost of the Work)	**$479,182.50**
C. Fee on Cost of Work only	***G&A**	***Profit**	**Total %**	**Total Fee**
C.1 Fee	5.00%	4.00%	9.00%	$43,126.43
			SUBTOTAL 2	**$522,308.93**
D. Bonds and Insurance Allowances				
D.1 Bonds			1.00%	$5,223.09
D.2 Insurance			1.00%	$5,223.09
			TOTAL BONDS & INSURANCE ALLOWANCE	**$10,446.18**
			SUBTOTAL 3	**$532,755.11**
E. Sales Tax				
E.1 Sales Tax			5.3950%	$28,742.14
E.2 Tax Credits				
			TOTAL SALES TAX	**$28,742.14**
			TOTAL GMP PROPOSAL	**$561,497.25**

3. GMP 1 Cost Report

Cost Report

Activity Resource	Desc	Pcs	Quantity	Unit	Unit Cost	Labor	Perm Material	Constr Matl/Exp	Equip Ment	Sub-Contract	Total
BID ITEM = 10											
Description =	Mobilization				Unit =	LS	Takeoff Quan:	1.000	Engr Quan:		1.000
10	**Mobilization**				**Quan:**	**1.00 LS**	**Hrs/Shft:**	**8.00**	**Cal: 508**	**WC: AZ5506**	
4ELEC	Electrical Sub	1.00	1.00	LS	11,200.000					11,200	11,200
1120	**Office Equipment**				**Quan:**	**1.00 LS**	**Hrs/Shft:**	**8.00**	**Cal: 508**	**WC: AZ5506**	
3ZF20	Office Equip	1.00	1.00	MO	1,500.000			1,500			1,500
1610	**Transport**				**Quan:**	**80.00 HR**	**Hrs/Shft:**	**8.00**	**Cal: 508**	**WC: AZ5506**	
[[Crew Notes: Truck, trailer, driver]]											
TRANS	Transport			80.00 CH	**Prod:**	**0.0000**		Lab Pcs:	1.00	Eqp Pcs:	1.00
8TTRANSPORT	Equip Transport	1.00	80.00	HR	50.000				4,000		4,000
O1	Operator Group 1	1.00	80.00	MH	50.340	4,312					4,312
$8,311.92	1.0000 MH/HR		80.00	MH	[50.34]	4,312			4,000		8,312
=====> Item Totals:	**10**	**- Mobilization**									
$21,011.92	80.0000 MH/LS		80.00	MH	[4027.2]	4,312		1,500	4,000	11,200	**21,012**
21,011.920	1 LS					4,311.92		1,500.00	4,000.00	11,200.00	21,011.92
BID ITEM = 15											
Description =	SWPPP				Unit =	LS	Takeoff Quan:	1.000	Engr Quan:		1.000
90001	**Track Out Pads**				**Quan:**	**2.00 EA**	**Hrs/Shft:**	**8.00**	**Cal: 508**	**WC: AZ5506**	
BLDLDR	(Mod) Blade & Loader			8.00 CH	**Prod:**	**0.0000**		Lab Pcs:	4.00	Eqp Pcs:	2.00
2BA050	Track Out Rock	1.00	50.00	TN	18.000		900				900
8B140	140H, Etc	1.00	8.00	HR	107.070				857		857
8L980	CAT 980 Loader	1.00	8.00	HR	70.000				560		560
LGC	Laborer grade checker	1.00	8.00	MH	43.500	373					373
O2	Operator Group 2	1.00	8.00	MH	50.340	431					431
O3	Operator Group 3	1.00	8.00	MH	50.340	431					431
T3	Water truck Driver	1.00	8.00	MH	42.660	365					365
$3,916.95	16.0000 MH/EA		32.00	MH	[747.36]	1,600	900		1,417		3,917
15001	**SWPPP**				**Quan:**	**1.00 LS**	**Hrs/Shft:**	**8.00**	**Cal: 508**	**WC: AZ5506**	
4SWPP	SWPP Setup	1.00	1.00	EA	23,310.000					23,310	23,310
=====> Item Totals:	**15**	**- SWPPP**									
$27,226.95	32.0000 MH/LS		32.00	MH	[1494.72]	1,600	900		1,417	23,310	**27,227**
27,226.950	1 LS					1,600.39	900.00		1,416.56	23,310.00	27,226.95
BID ITEM = 17											
Description =	Clear & Grub				Unit =	LS	Takeoff Quan:	1.000	Engr Quan:		1.000
2200	**Clearing**				**Quan:**	**3.00 AC**	**Hrs/Shft:**	**8.00**	**Cal: 508**	**WC: AZ5506**	
[[Crew Notes: Blade, Gr Checker, water truck]]											
BLADE	(Mod) Basic Blade Crew			16.00 CH	**Prod:**	**0.1875 UH**		Lab Pcs:	4.00	Eqp Pcs:	3.00
8B140	140H, Etc	1.00	16.00	HR	107.070				1,713		1,713
8L966	CAT 966 Loader/Volvo L	1.00	16.00	HR	89.430				1,431		1,431

Cost Report

Activity Resource	Desc	Pcs	Quantity	Unit	Unit Cost	Labor	Perm Material	Constr Matl/Exp	Equip Ment	Sub-Contract	Total
BID ITEM = 17											
Description =	Clear & Grub				Unit = LS	Takeoff Quan:		1.000	Engr Quan:		1.000
8TH2O3800	3800 Gal Water Truck	1.00	16.00	HR	25.000				400		400
LGC	Laborer grade checker	1.00	16.00	MH	43.500	745					745
O1	Operator Group 1	1.00	16.00	MH	50.340	862					862
O2	Operator Group 2	1.00	16.00	MH	50.340	862					862
O3	Operator Group 3	1.00	16.00	MH	50.340	862					862
$6,876.35	21.3333 MH/AC		64.00	MH	[1037.44]	3,332			3,544		6,876
2204T	**Haul off Clearing**				**Quan: 10.00 LD**	**Hrs/Shft: 8.00**		**Cal: 508**	**WC: AZ5506**		
2FBRUSH	Dump Fees (BRUSH)	1.00	10.00	LOAD	300.000		3,000				3,000
4HHR	Hauling Sub - Hour |2	1.00	20.00	HR	100.000					2,000	2,000
$5,000.00					[ ]		3,000			2,000	5,000
=====> Item Totals:	**17**	**- Clear & Grub**									
$11,876.35	64.0000 MH/LS		64.00	MH	[3112.32]	3,332	3,000		3,544	2,000	**11,876**
11,876.350	1 LS					3,332.35	3,000.00		3,544.00	2,000.00	11,876.35
BID ITEM = 20											
Description =	Site Excavation				Unit = CY	Takeoff Quan:		12,300.000	Engr Quan:		12,300.000
8020	**Exc to Embank**				**Quan: 7,400.00 CY**	**Hrs/Shft: 8.00**		**Cal: 508**	**WC: AZ5506**		
EXEMB	Exc/Emb Crew			40.00 CH	**Prod: 185.0000 UH**			Lab Pcs:	4.00	Eqp Pcs:	4.00
8B140	140H, Etc	1.00	40.00	HR	107.070				4,283		4,283
8R815	815 Compactor	1.00	40.00	HR	125.000				5,000		5,000
8S623	CAT 623 Scraper	1.00	40.00	HR	150.000				6,000		6,000
8Z5000PULL	Rent/Op 5MG Water Pull	1.00	40.00	HR	140.000				5,600		5,600
LGC	Laborer grade checker	1.00	40.00	MH	43.500	1,863					1,863
O2	Operator Group 2	2.00	80.00	MH	50.340	4,312					4,312
O3	Operator Group 3	1.00	40.00	MH	50.340	2,156					2,156
$29,213.70	0.0216 MH/CY		160.00	MH	[1.051]	8,331			20,883		29,214
8030	**Exc to Waste**				**Quan: 4,900.00 CY**	**Hrs/Shft: 8.00**		**Cal: 508**	**WC: AZ5506**		
EXWST	(Mod) Exc/Waste Crew			32.00 CH	**Prod: 153.1250 UH**			Lab Pcs:	3.00	Eqp Pcs:	3.00
8B140	140H, Etc	1.00	32.00	HR	107.070				3,426		3,426
8S623	CAT 623 Scraper	1.00	32.00	HR	150.000				4,800		4,800
8Z5000PULL	Rent/Op 5MG Water Pull	1.00	32.00	HR	140.000				4,480		4,480
LGC	Laborer grade checker	1.00	32.00	MH	43.500	1,490					1,490
O2	Operator Group 2	1.00	32.00	MH	50.340	1,725					1,725
O3	Operator Group 3	1.00	32.00	MH	50.340	1,725					1,725
$17,646.19	0.0195 MH/CY		96.00	MH	[0.942]	4,940			12,706		17,646
22021	**Load Export**				**Quan: 4,900.00 CY**	**Hrs/Shft: 8.00**		**Cal: 508**	**WC: AZ5506**		
966	966 Loader & Oper			48.00 CH	**Prod: 0.0000**			Lab Pcs:	1.00	Eqp Pcs:	1.00
8L966	CAT 966 Loader/Volvo L	1.00	48.00	HR	89.430				4,293		4,293
O2	Operator Group 2	1.00	48.00	MH	50.340	2,587					2,587
$6,879.79	0.0097 MH/CY		48.00	MH	[0.493]	2,587			4,293		6,880
8130T	**Haul Export**				**Quan: 4,900.00 LD**	**Hrs/Shft: 8.00**		**Cal: 508**	**WC: AZ5506**		
4HHR	Hauling Sub - Hour	1.00	376.00	HR	100.000					37,600	37,600
2325	**Handle Stockpile**				**Quan: 4,900.00 CY**	**Hrs/Shft: 8.00**		**Cal: 508**	**WC: AZ5506**		

Cost Report

Activity Resource	Desc	Pcs	Quantity	Unit	Unit Cost	Labor	Perm Material	Constr Matl/Exp	Equip Ment	Sub-Contract	Total
BID ITEM = 20											
Description =	Site Excavation				Unit = CY	Takeoff Quan:		12,300.000	Engr Quan:		12,300.000
950	(Mod) 950 Loader & Operator		48.00	CH	**Prod:**	**0.0000**		Lab Pcs:	2.00	Eqp Pcs:	2.00
8L950	CAT 950 Loader	1.00	48.00	HR	76.720				3,683		3,683
8TH2O3800	3800 Gal Water Truck	1.00	48.00	HR	25.000				1,200		1,200
O1	Operator Group 1	1.00	48.00	MH	50.340	2,587					2,587
O2	Operator Group 2	1.00	48.00	MH	50.340	2,587					2,587
$10,056.86	0.0195 MH/CY		96.00	MH	[0.986]	5,174			4,883		10,057
=====> Item Totals:	**20**	**- Site Excavation**									
$101,396.54	0.0325 MH/CY		400.00	MH	[1.597]	21,032			42,764	37,600	**101,397**
8.244	12300 CY					1.71			3.48	3.06	8.24
BID ITEM = 30											
Description =	Site Compaction				Unit = SY	Takeoff Quan:		60,250.000	Engr Quan:		60,250.000
8040	**Scarify & Compact**				**Quan: 60,250.00 SY**	**Hrs/Shft:**		**8.00 Cal: 508 WC: AZ5506**			
BLDFG	Blade Crew with RTR		64.00	CH	**Prod:**	**941.4063 UH**		Lab Pcs:	4.00	Eqp Pcs:	3.00
8B140	140H, Etc	1.00	64.00	HR	107.070				6,852		6,852
8RTR	Rubber Tired Roller	1.00	64.00	HR	70.530				4,514		4,514
8TH2O3800	3800 Gal Water Truck	1.00	64.00	HR	25.000				1,600		1,600
LGC	Laborer grade checker	1.00	64.00	MH	43.500	2,981					2,981
O1	Operator Group 1	2.00	128.00	MH	50.340	6,899					6,899
O3	Operator Group 3	1.00	64.00	MH	50.340	3,450					3,450
$26,295.85	0.0042 MH/SY		256.00	MH	[0.207]	13,329			12,966		26,296
=====> Item Totals:	**30**	**- Site Compaction**									
$26,295.85	0.0042 MH/SY		256.00	MH	[0.207]	13,329			12,966		**26,296**
0.436	60250 SY					0.22			0.22		0.44
BID ITEM = 40											
Description =	Conduit				Unit = LS	Takeoff Quan:		1.000	Engr Quan:		1.000
40	**Conduit**				**Quan: 1.00 LS**	**Hrs/Shft:**		**8.00 Cal: 508 WC: AZ5506**			
4ELEC	Electrical Sub	1.00	1.00	LS	212,895.000					212,895	212,895
BID ITEM = 50											
Description =	Survey				Unit = LS	Takeoff Quan:		1.000	Engr Quan:		1.000
2542	**Survey & Grade Staking (complete)**				**Quan: 1.00 LS**	**Hrs/Shft:**		**8.00 Cal: 508 WC: AZ5506**			
4SURV	Survey Sub |1	1.00	1.00	LS	7,500.000					7,500	7,500
BID ITEM = 60											
Description =	QC Testing				Unit = LS	Takeoff Quan:		1.000	Engr Quan:		1.000
2544	**QC (complete)**				**Quan: 1.00 LS**	**Hrs/Shft:**		**8.00 Cal: 508 WC: AZ5506**			
4TEST	Matls Testing Sub |1	1.00	1.00	LS	7,500.000					7,500	7,500

Cost Report

Activity Resource	Desc	Pcs	Quantity	Unit	Unit Cost	Labor	Perm Material	Constr Matl/Exp	Equip Ment	Sub-Contract	Total
BID ITEM = 9999											
Description =	PROJECT OVERHEAD				Unit =	LS	Takeoff Quan:	1.000	Engr Quan:		1.000
3004	**Pothole Utilities**				**Quan:**	**1.00 LS**	**Hrs/Shft:**	**8.00**	**Cal: 508**	**WC: AZ5506**	
VACTOR	Vactor Trailer for Potholes		32.00	CH	**Prod:**	**0.2500 US**		Lab Pcs: 2.00		Eqp Pcs:	2.00
8PU	Pickup truck	1.00	32.00	HR	10.000				320		320
8VACTOR	Vacuum Trailer for Pot	1.00	32.00	HR	15.000				480		480
LP	Pipe Laborer	1.00	32.00	MH	30.450	1,043					1,043
O2	Operator Group 2	1.00	32.00	MH	50.340	1,725					1,725
$3,568.06	64.0000 MH/LS		64.00	MH	[2585.28]	2,768			800		3,568
1505	**Project Superintendant**				**Quan:**	**22.00 DAY**	**Hrs/Shft:**	**8.00**	**Cal: 508**	**WC: AZ5506**	
SUPERP	Project Superintendant		176.00	CH	**Prod:**	**22.0000 S**		Lab Pcs: 1.00		Eqp Pcs:	1.00
8PU	Pickup truck	1.00	176.00	HR	10.000				1,760		1,760
SP	Project Super	1.00	176.00	MH	105.000	19,787					19,787
$21,546.54	8.0000 MH/DAY		176.00	MH	[840]	19,787			1,760		21,547
1510	**Project Engineer**				**Quan:**	**11.00 DAY**	**Hrs/Shft:**	**8.00**	**Cal: 508**	**WC: AZ5506**	
SUPERE	Project Engineer		88.00	CH	**Prod:**	**11.0000 S**		Lab Pcs: 1.00		Eqp Pcs:	1.00
8PU	Pickup truck	1.00	88.00	HR	10.000				880		880
SE	Project Engineer	1.00	88.00	MH	90.000	8,480					8,480
$9,359.94	8.0000 MH/DAY		88.00	MH	[720]	8,480			880		9,360
1120	**Rent Office**				**Quan:**	**1.00 MO**	**Hrs/Shft:**	**8.00**	**Cal: 508**	**WC: AZ5506**	
3ZF10	Office - Site	1.00	1.00	MO	1,000.000			1,000			1,000
1180	**Electric Service**				**Quan:**	**1.00 MO**	**Hrs/Shft:**	**8.00**	**Cal: 508**	**WC: AZ5506**	
3ZF34	Utilities - Site Office	1.00	1.00	MO	1,500.000			1,500			1,500
1190	**Water for Construction**				**Quan:**	**3,500.00 MGA**	**Hrs/Shft:**	**8.00**	**Cal: 508**	**WC: AZ5506**	
2W	Water for Construction	1.00	3,500.00	MGAL	6.250		21,875				21,875
92362	**Water Tower Rental**				**Quan:**	**1.00 MO**	**Hrs/Shft:**	**8.00**	**Cal: 508**	**WC: AZ5506**	
8WTOWER	==> 10000 Gal Water Towe	1.00	176.00	HR	5.000				880		880
1140	**Provide Portable Toilets**				**Quan:**	**1.00 MO**	**Hrs/Shft:**	**8.00**	**Cal: 508**	**WC: AZ5506**	
3ZF30	Portable Toilets	1.00	1.00	MO	300.000			300			300
1660	**Safety Matls/Equip**				**Quan:**	**1.00 MO**	**Hrs/Shft:**	**8.00**	**Cal: 508**	**WC: AZ5506**	
3SAFETY	Safety Matls	1.00	1.00	MO	250.000			250			250
3ZF26	Water & Ice	1.00	1.00	MO	300.000			300			300
$550.00					[ ]			550			550
1750	**Flagging (civilian)**				**Quan:**	**1.00 HR**	**Hrs/Shft:**	**8.00**	**Cal: 508**	**WC: AZ5506**	
LG	==> General Laborer |1	1.00	64.00	MH	30.450	2,087					2,087
$2,086.58	64.0000 MH/HR		64.00	MH	[1948.8]	2,087					2,087
=====> Item Totals:	**9999**		**- PROJECT OVERHEAD**								
$62,666.12	392.0000 MH/LS		392.00	MH	[30934.08]	33,121	21,875	3,350	4,320		**62,666**
62,666.120	1 LS					33,121.12	21,875.00	3,350.00	4,320.00		62,666.12

Cost Report

Activity Resource	Desc	Quantity Pcs	Unit	Unit Cost	Labor	Perm Material	Constr Matl/Exp	Equip Ment	Sub-Contract	Total
BID ITEM = 9999										
Description =	PROJECT OVERHEAD			Unit =	LS	Takeoff Quan:		1.000	Engr Quan:	1.000
$478,368.73	*** **Report Totals** ***	1,224.00	MH		76,728	25,775	4,850	69,011	302,005	**478,369**

>>> indicates Non Additive Activity
------Report Notes:------
The estimate was prepared with TAKEOFF Quantities.
This report shows TAKEOFF Quantities with the resources.

Bid Date: Owner: Engineering Firm:
Estimator-In-Charge: RRG

JOB DOES NOT HAVE NOTES

* on units of MH indicate average labor unit cost was used rather than base rate.
[ ] in the Unit Cost Column = Labor Unit Cost Without Labor Burdens
In equipment resources, rent % and EOE % not = 100% are represented as XXX%YYY where XXX=Rent% and YYY=EOE%
------Calendar Codes------

410	40 HR WORKWEEK, 10 HR DAYS
508	**40 hr week (5x8) (Default Calendar)**
509	45 hr week(5x9)
512	12 hours per shift
OT	Full Time Overtime

4. Subcontractor Quotes

RURAL ELECTRIC
BUILDING POWERFUL CONNECTIONS

9502 East Main Street
Mesa, AZ 85207

Licensed Contractor
ISO 9001:2015 Registered

Office (480) 986-1488
Fax (480) 984-0319

To:	Nesbitt Contracting Company, Inc.	**Contact:**	Aaron Lucchesi
Address:	100 S. Price Rd.	**Phone:**	(480) 423-7600
	Tempe, AZ 85281-3118	**Fax:**	(480) 423-7680
Project Name:	103 Mesa Gateway Parking Lot Phase 3 - GMP1	**Bid Number:**	
Project Location:		**Bid Date:**	2/25/2022

Item #	Item Description	Estimated Quantity	Unit	Total Price
001	Mobilization	1.00	LS	$11,200.00
002	Trench	1.00	LS	$135,020.00
003	Conduit	1.00	LS	$77,875.00

Total Bid Price: $224,095.00

Notes:

- AZ LICENSE #075367 & 074573
- **Scope of Work Includes:**
  - Provide & install 1" UG PVC Sch. 40 conduits for power circuits as shown on drawings for base bid
  - Provide & install 2" UG PVC Sch. 40 conduits for power circuits as shown on drawings for base bid
  - Provide & install 1" UG PVC Sch. 40 conduits for communication as shown on drawings for base bid
  - Provide & install 2" UG PVC Sch. 40 conduits for communication as shown on drawings for base bid
  - Provide & install PVC conduit stub-ups w/ pvc caps for power and communication conduits at locations for future UG pull boxes
  - Provide excavation, slurry encasement and native backfill for ductbanks under pavement areas
  - Proposal is based on one mobilization

  Spec Sections:
  - None - as shown on electrical plans

  Plan Sheets:
  - Electrical plan sheets for base bid only
- **Excludes:**
  - Taxes, permits, fees or allowances
  - Utility company permits, fees or allowances
  - Temporary power or lighting
  - Traffic control, barricades, flaggers or off-duty officers
  - Sawcutting, removal or patching of asphalt or concrete
  - Finished grading
  - Engineering, design, surveying, and staking for line and / or grade are excluded. Elevations must be provided where required
  - QA/QC or 3rd party testing
  - Spoils from trench or excavation work will be placed trench side to be removed or spread by others. All concrete and asphalt removal and disposal by others
  - Any/All electrical demolition/removals or adjustments - Future GMP
  - Concrete pole foundations or conduit stub-ups - Future GMP
  - All light fixtures or poles - Future GMP
  - All electrical equipment, panelboards, circuit breakers or lighting control - Future GMP
  - All conductors, communication cables, fiber optic cable or innerducts - Future GMP
  - All UG pull boxes or adjustments to existing - Future GMP
  - Any/All work for the Toll Plaza Expansion
  - Any/All work for the Gate/Exit Lanes
  - Any/All equipment for the Security, CCTV or Access Control systems
  - Any/All electrical equipment for the bus stops - Provide stub-ups only
  - Communication conduits stubbed up into lighting poles - Not shown on plans
  - Dumpsters or Haul-off
- Bonding is NOT included in these bid amounts. If a bond is requested, it will be billed outside the contract value and will become due and payable immediately upon presentation of bond. Our bond rate for this project is 1.20%.

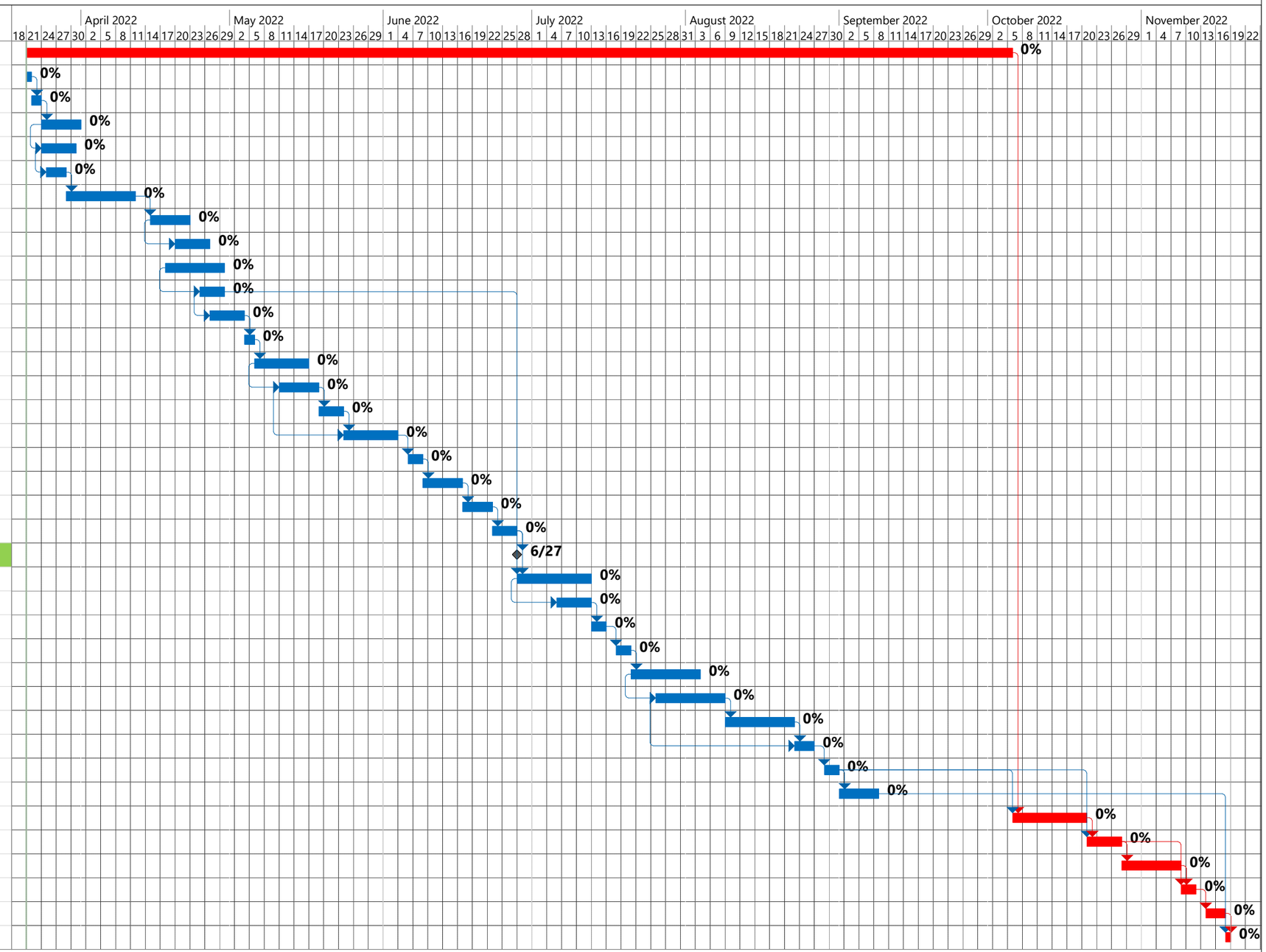
- Hard dig is excluded. Upon discovery of hard digging conditions that a standard 420F Caterpillar backhoe is unable to excavate, GC will excavate, remove rock and Rural will complete trench and backfill (Rural will provide credit for normal excavation)
- All Division 1 requirements are to be furnished by the Prime Contractor or others. This includes but is not limited to preparation of construction schedules, contractor quality control program, QA and QC testing, temporary construction trailers or facilities, construction lighting and power, maintenance of site access, site dust control, temporary site environmental protection, permits and/ or fees, and builders-risk or all risk insurance policies.
- Where the electrical drawings and electrical specifications conflict with other contract documents, our pricing is based on the electrical drawings.
- Rural Electric is not responsible for unmarked landscaping facilities.
- Prime contractor is to furnish a source for construction water at no cost to the subcontractor.
- Pay when paid clauses will not be accepted.
- Rural Electric, Inc. maintains its own job documentation system. Any additional requirements by the GC to complete job documentation on GC supplied forms will require additional subcontractor administration time and additional cost. This proposal excludes the use of GC supplied documents (i.e. Special GC daily reports, RFIs, certified payrolls, submittal/transmittal forms, etc.).
- This proposal is made with the understanding that we will enter into a mutually acceptable subcontract agreement. We will not accept any terms or conditions that are less favorable to Rural than those imposed in the Prime contract by the Owner. The conditions of this proposal must be attached or incorporated into our subcontract agreements.
- Prices quoted herein are those in effect today, and are predicated on immediate release for manufacture and shipment. These prices are subject to adjustment for changes in the base price of commodity items such as: Copper, Steel, Lead, Aluminum, or Resins), which may occur between the date of quotation and the date(s) shipments are made.
- Our Quote is valid for 30 days
- Rural shall not be liable for any losses, damages or delays due to causes beyond our reasonable control, including without limitations, acts of God, epidemics, extreme weather events, fire, delays by others, or any acts, conduct, or omission from unrelated third-parties outside of our direct control
- Liquidated damages (if applicable) shall be limited to the proportion of our subcontract to the General Contract.
- Retention shall be reduced by 50% upon substantial completion and released once beneficial occupancy or final acceptance has been received.
- If a subcontract payment bond is requested of Rural, then providing monthly lien releases shall not be a condition precedent for payment and all payment will be made to Rural as single party checks.

Payment Terms:

Net payment is expected within 30 days.

ACCEPTED:	**CONFIRMED:**
The above prices, specifications and conditions are satisfactory and are hereby accepted.	**Rural Electric, Inc.**
Buyer: _____	
Signature: _____	**Authorized Signature:** _____
Date of Acceptance: _____	**Estimator:** Jeff Tawzer 480-695-2501 jefft@ruralelectric.com

ID	Task Name	Dur	Start	Finish
1	PROCURE STREET LIGHTS	140 d	Mon 3/21	Wed 10/5/22
2	MOBILIZATION	1 d	Mon 3/21	Mon 3/21/22
3	YARD SET UP	2 d	Tue 3/22/	Wed 3/23/22
4	SURVEY	6 d	Thu 3/24/	Thu 3/31/22
5	SWPPP	5 d	Thu 3/24/	Wed 3/30/22
6	CLEAR AND GRUB	2 d	Fri 3/25/2	Mon 3/28/22
7	REMOVE AND PREP SUBGRADE	10 d	Tue 3/29/	Mon 4/11/22
8	BALANCE EARTHWORK	6 d	Fri 4/15/2	Fri 4/22/22
9	ROUGH GRADE AND COMPACT	5 d	Wed 4/20	Tue 4/26/22
10	INSTALL ELECTRICAL CONDUITS	10 d	Mon 4/18	Fri 4/29/22
11	INSTALL LP FOUNDATIONS	5 d	Mon 4/25	Fri 4/29/22
12	CONSTRUCT CUT-OFF WALLS	5 d	Wed 4/27	Tue 5/3/22
13	CURB INSTALL	2 d	Wed 5/4/	Thu 5/5/22
14	FINEGRADE SUBGRADE	7 d	Fri 5/6/22	Mon 5/16/22
15	PLACE ABC	6 d	Wed 5/11	Wed 5/18/22
16	FINE GRADE ABC	3 d	Thu 5/19/	Mon 5/23/22
17	PCCP INSTALL	8 d	Tue 5/24/	Fri 6/3/22
18	CONSTRUCT BUS STOP CONCRETE	3 d	Mon 6/6/	Wed 6/8/22
19	PLACE ASPHALT	6 d	Thu 6/9/2	Thu 6/16/22
20	INSTALL FENCE AND GATES	4 d	Fri 6/17/2	Wed 6/22/22
21	STRIPING AND SIGNS	3 d	Thu 6/23/	Mon 6/27/22
22	Open 600 Stalls	0 d	Mon 6/27	Mon 6/27/22
23	INSTALL ELECTRICAL CONDUITS	10 d	Tue 6/28/	Tue 7/12/22
24	INSTALL LP FOUNDATIONS	5 d	Wed 7/6/	Tue 7/12/22
25	CURB INSTALL	3 d	Wed 7/13	Fri 7/15/22
26	CONSTRUCT BUS STOP CONCRETE	3 d	Mon 7/18	Wed 7/20/22
27	FINEGRADE SUBGRADE	10 d	Thu 7/21/	Wed 8/3/22
28	PLACE ABC	10 d	Tue 7/26/	Mon 8/8/22
29	FINE GRADE ABC	10 d	Tue 8/9/2	Mon 8/22/22
30	PCCP INSTALL	4 d	Tue 8/23/	Fri 8/26/22
31	PLACE ASPHALT	3 d	Mon 8/29	Wed 8/31/22
32	INSTALL FENCE AND GATES	5 d	Thu 9/1/2	Thu 9/8/22
33	SET LIGHT POLES	11 d	Thu 10/6/	Thu 10/20/22
34	LANDSCAPING	5 d	Fri 10/21/	Thu 10/27/22
35	CONSTRUCT DRAINAGE CHANNEL	8 d	Fri 10/28/	Tue 11/8/22
36	STRIPING AND SIGNS	3 d	Wed 11/9	Fri 11/11/22
37	CLEANUP	4 d	Mon 11/1	Thu 11/17/22
38	FINAL	1 d	Fri 11/18/	Fri 11/18/22



Critical | Critical Split | Critical Progress | Task | Split | Task Progress | Manual Task | Start-only | Finish-only | Duration-only | Baseline | Baseline Split | Baseline Milestone | Milestone | Summary Progress | Summary | Manual Summary | Project Summary | External Tasks | External Milestone | Inactive Task | Inactive Milestone | Inactive Summary | Deadline

GENERAL CONDITIONS TO THE CMAR CONTRACT

ARTICLE 1 GENERAL CONDITIONS

1.1 DEFINITIONS, CORRELATION AND INTENT

1.1.1 Definitions. Unless otherwise provided herein, capitalized terms used in this Contract, and not otherwise defined herein, have the respective meanings set forth in the Contract Documents that make up the entire agreement and incorporated herein by this reference.

1.1.2 Entire Agreement. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations or agreements, either written or oral.

1.1.3 Contractual Relationship. The Contract shall not be construed to create a contractual relationship of any kind (1) between the Owner and CMAR, (2) between the Owner and a Subcontractor, or (3) between any persons or entities other than the Owner and CMAR. The Owner, however, shall be entitled to performance and enforcement of obligations under the Contract intended to facilitate performance of the Owner's duties. The CMAR is not a third-party beneficiary to any agreement among or between the Owner. The Owner's performance of duties under such agreements is solely for the benefit of parties identified as beneficiaries under such agreements.

1.1.4 Intent. The intent of the Contract is to include all items necessary for the proper execution and completion of the work by the CMAR.

1.1.5 Supplementary Instructions. The Owner will issue written interpretations necessary for the proper execution of the work in the form of Supplementary Instructions with reasonable promptness. Supplementary Instructions may either be instructions, drawings or additional information but shall not change the Contract Sum or Contract Time without subsequently executed Change Orders (collectively "Supplementary Instructions").

1.1.6 Requests for Clarification. The CMAR shall submit requests for clarification of the Contract to the Owner.

1.1.7 Discrepancies in Contract. If there is any discrepancy, inconsistency or ambiguity in the quality or quantity of the work or materials required under the Contract, the CMAR shall (1) immediately bring such discrepancy, inconsistency or ambiguity to the attention of the Owner, and (2) provide the better quality of or greater quantity of the work or materials, without an increase in the Contract Sum, unless otherwise directed in writing by the Owner or the Owner. If the Owner or the Owner accepts the lower quality or quantity of work or materials, the CMAR shall remit to the Owner the difference in cost between the better quality or greater quantity and such lower quality or lesser quantity.

1.1.8 Organization of Specifications and Drawings Not to Control Division of Work. Organization of the Specifications into divisions, sections and articles, and arrangement of Drawings shall not control

the CMAR in dividing the work among Subcontractors or in establishing the extent of work to be performed by any trade.

1.1.9 CMAR Solely Responsible for Division of Work. The CMAR is solely responsible for the division of the work among Subcontractors. The Owner will not act as arbiter as to which trade or Subcontractor is to furnish or install the various items indicated or required to complete the work. The CMAR shall make necessary arrangements to reconcile any and all labor conflicts without delay, damage or cost to the Owner and without recourse to the Owner.

1.1.10 Technical and Industry Meanings. Unless otherwise stated in the Contract, words that have well-known technical or construction industry meanings are used in the Contract in accordance with such recognized meanings.

1.1.11 Current Standards. Where a reference in the Contract to an American Society for Testing and Materials Standard (ASTM), American National Standards Institute Standard (ANSI), federal specification or other recognized standard does not include the date of the standard, the edition current as of the date of issuance of the permit for the work shall apply. No consideration will be given to claimed ignorance as to what a cited standard contains, since the CMAR and each Subcontractor is considered to be experienced and familiar with the generally accepted, published standards of quality and workmanship for its own trade. Requirements of such referenced standards form a part of the Specifications to the extent indicated by the references thereto.

1.2 OWNERSHIP AND USE OF DRAWINGS, SPECIFICATIONS AND OTHER DOCUMENTS

All Drawings, Specifications and copies thereof furnished by the Owner are and shall remain the property of the Owner. The Drawings and Specifications and the design reflected therein shall be kept strictly confidential and shall not be disclosed or released except as necessary for the performance of the work. The CMAR may retain one record set. Neither the CMAR nor any Subcontractor shall own or claim a copyright in the Drawings, Specifications or other documents prepared by the Owner. The Owner will retain all common law, statutory and other reserved rights, in addition to the copyright. All copies of them, except the CMAR's record set, shall be returned to the Owner upon completion of the work. The Drawings, Specifications and other documents prepared by the Owner, and copies thereof furnished to the CMAR, are for use solely with respect to this Project. They are not to be used by the CMAR or any Subcontractor on other projects or for additions to this Project outside the scope of the work without the specific written consent of the Owner. The CMAR and its Subcontractors are granted a limited license to use and reproduce applicable portions of the Drawings, Specifications and other documents prepared by the Owner necessary for execution of the work. All copies made under this license shall bear the statutory copyright notice, if any, shown on the Drawings, Specifications and other documents prepared by the Owner. Submittal or distribution to meet official regulatory requirements or for other purposes in connection with this Project is not to be construed as publication in derogation of the Owner's copyright or other reserved rights.

ARTICLE 2 OWNER

2.1 INFORMATION AND SERVICES REQUIRED OF THE OWNER

2.1.1 Financial Arrangements. The Owner shall, at the request of the CMAR, furnish to the CMAR reasonable evidence that financial arrangements have been made to fulfill the Owner's obligations under the Contract.

2.1.2 Survey and Work Milestone Dates. The Owner shall furnish survey information of the Site and work Milestone Dates, if any, required for performance of the work.

2.1.3 Copies. The CMAR will provide their own copies of plans, project specifications and addenda, concerning clarifications, proposed changes and changes.

2.1.4 Communication with CMAR. The Owner shall forward communications to the CMAR directly.

2.2 OWNER'S RIGHT TO STOP THE WORK.

If the CMAR fails to perform or correct work that is not in accordance with the requirements of the Contract or does not allow other Contractors to timely perform their work, the Owner may order the CMAR to stop the work, or any portion thereof, until the cause for such order has been eliminated; however, the right of the Owner to stop the work shall not give rise to a duty on the part of the Owner to exercise this right for the benefit of the CMAR or any other person or entity.

2.3 OWNER'S RIGHT TO CARRY OUT THE WORK.

The Owner shall have the right to contact the CMAR's Surety if the Owner determines that the CMAR is not performing in accordance with the Contract. If the CMAR defaults or neglects to carry out the work in accordance with the Contract or fails to commence and continue correction of such default or neglect with diligence or promptness, the Owner may, after forty-eight (48) hours written notice to the CMAR and its Surety, require the Surety to promptly assume the obligations of the Contract. Should the Surety fail to assume the obligations within five (5) calendar days after receipt of the written notices then Owner, without prejudice to any other remedy it may have, may correct such nonconforming work. In such case, an appropriate Change Order shall be issued deducting from the payments then or thereafter due the CMAR or the Surety all costs of correcting such nonconforming work, including but not limited to, compensation for the Owner's additional services made necessary by such default, neglect or failure. If the payments then or thereafter due the CMAR or its Surety are not sufficient to cover such amount, the CMAR or its Surety shall pay the difference to the Owner within thirty (30) days after the Owner's invoice therefore.

ARTICLE 3 CMAR

3.1 REVIEW OF CONTRACT AND FIELD CONDITIONS BY CMAR.

3.1.1 Notice of Errors. The CMAR warrants that he has carefully reviewed the Contract, including the work Milestone Dates, if any, and all documents pertaining to the work, including but not limited to the plans, Specifications and the work Milestone Dates, and that he is satisfied as to the feasibility and correctness of the Contract, including the work Milestone Dates, to perform the work within the Contract Time. The CMAR shall immediately report to the Owner any errors, inconsistencies or omissions discovered in the Contract, including the work Milestone Dates. If the CMAR performs any construction activity containing an error, inconsistency, or omission that the CMAR recognized or should have recognized through the exercise of reasonable diligence, without reporting such error, inconsistency or omission to the Owner, the CMAR shall assume responsibility for such performance and shall bear the costs for correction.

3.1.2 Examination of Site. The CMAR warrants that he has visited and examined the character of the Site and any existing structures and/or has satisfied himself as to the nature of the work and all matters which could in any way affect the work. The CMAR shall take field measurements and verify field conditions and shall compare such field measurements and conditions and other information known to the CMAR with the Contract before commencing the work. Errors, inconsistencies or omissions discovered shall be reported to the Owner immediately. The Owner does not guarantee the accuracy of grades, elevations, dimensions, or locations on work installed by other Contractors. The CMAR shall verify the accuracy of all grades, elevations, dimensions and locations relating to the work. In cases of interconnection of the CMAR's work with other work, it shall verify at the Site all dimensions relating to such other work. The CMAR shall promptly rectify any error due to the CMAR's failure to verify the accuracy of such grades, elevations, location or dimensions without any additional cost to the Owner.

3.1.3 CMAR License and Compliance with Law. The CMAR warrants (1) that it is licensed under the laws of the State of Arizona to perform the work, and (2) that it is familiar and will comply with all applicable laws, statutes, ordinances, building codes, rules and regulations and lawful orders of public authorities in performing the work, including but not limited to environmental laws and A.R.S. Title 34 as amended.

3.1.4 Contract Compliance with Law. If the CMAR observes that portions of the Contract are at variance with applicable laws, statutes, ordinances, building codes, or rules and regulations, the CMAR shall promptly notify the Owner in writing, and necessary changes shall be accomplished by appropriate modification. If the CMAR performs work it knows or should know to be contrary to laws, statutes, ordinances, building codes, or rules and regulations without such notice to the Owner, the CMAR shall assume full responsibility for such work and shall bear all damages, losses, costs and expenses attributable thereto.

3.1.5 CMAR Compliance with Contract. The CMAR shall perform the work in accordance with the Contract and in a first class and workmanlike manner. In the event that the CMAR fails to do so, the Owner may withhold payments to protect the Owner from loss, regardless of whether payment has previously been made for the work in question.

3.2 SUPERVISION AND CONSTRUCTION PROCEDURES.

3.2.1 CMAR to Supervise Work. The CMAR shall supervise and direct the work using the CMAR's best skill and attention. The CMAR shall be solely responsible for and have control over construction means, methods, techniques, sequences, safety, and procedures associated with its work and for coordinating all portions of the work under this Contract. The CMAR shall designate in writing and assign to the Project a qualified and experienced project superintendent, who shall be fully authorized to act and receive communications on the CMAR's behalf. The superintendent shall be present on site at all times necessary or appropriate to adequately supervise and coordinate the work.

Contractor shall have an authorized and qualified representative on site at all times when a subcontractor, or lower tier subcontractor, is conducting any work.

3.2.2 Acts and Omissions. The CMAR shall be responsible to the Owner for acts and omissions of the CMAR's employees, Subcontractors and their agents and employees, and other persons performing portions of the work under a contract with the CMAR.

3.2.3 Duty to Perform. The CMAR shall not be relieved of obligations to perform the work in accordance with the Contract either by activities or duties of the Owner in its administration of the Contract, or by tests, inspections or approvals required or performed by persons other than the CMAR.

3.2.4 Duty to Inspect. The CMAR shall inspect portions of the Project related to the CMAR's work in order to determine that such portions are in proper condition to receive subsequent work.

3.2.5 Limitation on Liability. CMAR acknowledges that the Owner nor any of their respective agents, employees, successors or assigns shall control the day-to-day operations of the CMAR and shall not determine construction means, methods, techniques or procedures or safety precautions and programs in connection with the work. CMAR agrees that the Owner nor any of their respective agents, employees, successors or assigns shall be responsible for the failure of the CMAR to perform the work in accordance with the Contract or with the laws, ordinances, rules, permit conditions, regulations or lawful orders of any governmental agency having regulatory authority over the manner, methods or means of performance of the work.

3.3 LABOR AND MATERIALS.

3.3.1 CMAR to Provide. The CMAR shall provide and pay for labor, materials, equipment, tools, construction equipment and machinery, water, heat, utilities, transportation, storage and other facilities and services necessary for proper execution and completion of the work, whether temporary or permanent and whether or not incorporated or to be incorporated in the work.

3.3.2 Skilled Labor. The CMAR shall enforce strict discipline and good order among the CMAR's employees and other persons carrying out the Contract. The CMAR shall not permit employment of unfit persons or persons not skilled in tasks assigned to them.

3.3.3 Standard of Quality. Wherever materials, products, articles, equipment systems or similar items are identified by reference to proprietary terms or by a similar reference, it is intended to establish the minimum standard or measure of quality that has been determined as requisite or intended for the work.

3.3.4 E-verify Requirements. To the extent applicable under Arizona Revised Statutes § 41-4401, the CMAR and its Subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees and compliance with the E-verify requirements under A.R.S. § 23-214(A). Contractors or its Subcontractors failure to comply with such warranty shall be deemed a material breach of this Contract and may result in the termination of this Contract by the Authority.

3.4 SUBSTITUTION OF PRODUCTS.

3.4.1 Requests for Substitutions. After the Contract has been executed, the Owner may consider, but shall have no obligation to consider, a formal request for the substitution of products in place of those specified under the conditions set forth herein and those set forth in the Technical Specifications. The decision in the first instance on acceptance or rejection of proposed alternate, substitute or similar materials, products, equipment or systems shall be vested in the Owner, and ultimately with the Owner, whose decision shall be final and binding.

3.4.2 Conditions for Substitutions. By making requests for substitutions, the CMAR (1) represents that the CMAR has personally investigated the proposed substitute product and determined that it is equal or superior in all respects to that specified, (2) represents that the CMAR will provide the same warranty for the substitution that the CMAR would for that specified, (3) certifies that the cost data presented is complete and includes all related costs under the Contract except the Owner's analysis and redesign costs, and waives all claims for additional costs related to the substitution which subsequently become apparent, and (4) will coordinate the installation of the accepted substitute, making such changes as may be required for the work to be complete in all respects.

3.4.3 Criteria for Acceptance or Rejection of Substitutes. Acceptance or rejection of proposed alternate, substitute, or similar materials, products, equipment or systems for use may be based on the construction, design, function, type, size, capacity, performance, strength, durability, finish, aesthetic quality, the Owner's standard for repair, replacement and maintenance or other characteristics or criteria approved by the Owner.

3.4.4 Expense for Modification. The CMAR proposing the substitution shall pay any modification to the Contract or work necessary as a result of the use of an approved alternate or substitute.

3.4.5 Rejection of Substitute. If any alternate or substitute is not approved, the CMAR shall use the specified material, product, equipment or system without adjustment to the Contract Sum or Contract Time.

3.5 WORK HOURS.

Except as otherwise provided in the Contract, work can be performed up to six (6) days per week, excluding Sundays, except for Holidays. Refer to Special Provision Specification section 30.02 to the

limitations of work during the Holidays. Notwithstanding the foregoing, in the event of emergency or when required to complete the work in accordance with the work Milestone Dates, if any, work may be performed on night shifts, overtime, weekends, or Holidays, provided that permission to do so has been obtained from the Owner and confirmed in writing by the Owner within 72 hours of the commencement of such work. The CMAR will not be entitled to additional compensation for work performed outside of regular working hours, except to the extent the Owner approves such compensation in advance. If so approved, such compensation shall in such event cover only the direct cost of the premium portion of the time involved and not overhead and profit. In no event will CMAR be entitled to additional compensation for work performed outside regular hours where occasioned by delays, need for repairs or other causes attributable to CMAR or its Subcontractors. Notwithstanding the foregoing and unless overtime has been requested by the Owner, the CMAR shall bear all costs of standby contractors or subcontractors, if any. In the event the CMAR performs any of the work on night shifts, overtime, weekends or holidays, the CMAR shall comply with all laws, ordinances, codes, rules, and regulations applicable thereto (including, without limitation, those relating to noise).

3.6 WARRANTY.

3.6.1 Free from Defects. The CMAR warrants to the Owner that (1) materials and equipment furnished under the Contract will be of first quality and new, (2) the work will be free from defects, and (3) the work will conform to the requirements of the Contract. Work not conforming to these requirements, including substitutions not properly approved and authorized, shall be considered defective. This warranty is in addition to and not limited by the provisions of Section 12.2.

3.6.2 Assignment of Warranties. The CMAR shall assign to the Owner, before Final Payment is due, all manufacturer's warranties relating to equipment, materials, and labor used in the work.

3.7 TAXES.

3.7.1 The CMAR shall pay any and all sales, consumer, use, transaction privilege, and similar taxes on all monies owed for the Work or portions thereof provided by the CMAR.

3.7.2 The Phoenix-Mesa Gateway Airport Authority has been certified by the State of Arizona as an eligible entity providing aviation services in a designated Military Reuse Zone (MRZ). As a result, construction-type improvements within the MRZ are eligible for exemption from State Transaction Privilege Taxes (sales taxes).

The MRZ tax exemption only applies to the State of Arizona Transaction Privilege Tax. No such exemption exists for the City of Mesa Transaction Privilege Taxes. See Section 3.7.1 above regarding payment of required taxes.

3.7.3 Owner, with the assistance of the CMAR, shall apply for any and all applicable benefits. If Owner is deemed eligible, CMAR shall then apply for a Letter of Qualification for MRZ Transaction Privilege

Tax Exemption from the Arizona Department of Revenue (ADOR) in a timely manner. Owner will issue Notice to Proceed only after such letter has been sent by CMAR to ADOR.

3.7.4 Within thirty (30) days of release of Retention by Owner to CMAR, CMAR must submit a Completion Report to the Arizona Commerce Authority, or as required by the program, to secure the tax exemption.

3.7.5 If CMAR fails to file any reports as required, after Owner has been deemed eligible under the MRZ program, CMAR will be obligated to pay any and all taxes, not the Owner.

3.8 PERMITS AND FEES.

The CMAR shall secure and pay, as applicable, for the building permit and plan check fee, and the CMAR shall secure and pay for all other permits and governmental fees, licenses and inspections necessary for proper execution and completion of the work.

3.9 ALLOWANCES.

3.9.1 Allowances Included in GMP. The CMAR shall include in the GMP all allowances stated in the Contract, if any. Such persons or entities shall supply for such amounts and items covered by allowances as the Owner may direct.

3.9.2 Costs Included in Allowances. Unless otherwise provided in the Contract:

.1 Allowances shall cover the cost to the CMAR of materials and equipment delivered at the Site and all required taxes, less applicable trade discounts, rebates, credits or other such reductions in cost made available to CMAR;

.2 CMAR's costs for unloading and handling at the Site, labor, installation costs, bonds, permits, insurance, overhead, profit and other expenses contemplated for stated allowance amounts shall be included in the Contract Sum and not in the allowances except when installation is specified as part of the allowance in the General Requirements; and

.3 Whenever costs are more than or less than allowances, the Contract Sum shall be adjusted accordingly by Change Order. The amount of the Change Order shall reflect (1) the difference between actual costs and the allowances under Section 3.9.2.1 and (2) changes in CMAR's costs under Section 3.9.2.2.

3.9.3 Selection of Products. CMAR shall, at the time of submittal of the CMAR Construction Schedule, advise the Owner of the date when the final selection and purchase of each product or system described by an allowance must be completed to avoid delaying the work.

3.10 SUPERINTENDENT.

3.10.1 On Site. The CMAR shall employ a competent superintendent and necessary assistants who shall be in attendance at the Site during performance of the work. The superintendent shall represent the CMAR, and communications given to the superintendent shall be as binding as if given to the CMAR. The CMAR shall confirm important communications in writing. If prime CMAR is working on more than one project at Phoenix-Mesa Gateway Airport a separate superintendent will be provided for this project.

3.10.2 Satisfactory to Owner. The CMAR's superintendent and staff must be satisfactory to the Owner. The CMAR, within ten (10) days of the Contract award, shall submit to the Owner the names and resumes of the superintendent and staff it proposes to use for the work. The superintendent and key members of the CMAR's staff shall not change without the prior consent of the Owner. However, the CMAR agrees to change any superintendent or key member of the CMAR's staff at the request of the Owner if in the sole opinion of the Owner such person's performance is unsatisfactory.

3.11 CMAR'S SCHEDULES.

3.11.1 CMAR Construction Schedule. The CMAR, within ten (10) calendar days after being awarded the Contract, shall meet with the Owner and prepare and submit for the Owner's information and review a construction schedule for the work ("CMAR Construction Schedule"). Such schedule (1) shall not exceed time limits current under the Contract, (2) shall be updated and submitted monthly or more often as directed by the Owner, (3) shall comply with the work Milestone Dates, and (4) shall provide for expeditious and practicable execution of the work.

3.11.2 Updated Schedules. The updated CMAR Construction Schedules shall not exceed time limits current under the Contract and shall be in accordance with, and fully coordinated with all information previously supplied to the CMAR, including the work Milestone Dates. The CMAR shall submit an updated Schedule with each monthly pay application.

The CMAR, prior to the start of the weekly progress meetings shall, if required, develop a three (3) week look-ahead schedule. The CMAR will discuss this schedule during the progress meetings. The CMAR's three (3) week look-ahead schedule shall not be changed without the approval of the Owner. Permitted revisions to the schedule will be based on the availability of inspection staff, materials testing staff and the amount of lead time provided for the requested schedule change. Should the CMAR request a change in the three (3) week look-ahead schedule to request to work night shifts, weekends or Holidays; a minimum of a 72-hour notice will be required. The Owner may not approve the requested change if the CMAR does not provide the 72-hour notice. Should the Owner approve the requested change, the CMAR shall immediately furnish a revised three (3) week look-ahead schedule to the Owner.

3.11.3 Critical Path Method. The CMAR Construction Schedule shall be a critical path method (CPM) precedence diagram network or other mutually agreed upon form of schedule with supporting printouts and a computer disk prepared on software as may be acceptable to the Owner.

3.11.4 Scheduling Cooperation. The CMAR shall cooperate with the Owner in scheduling and performing the CMAR's work to avoid conflict, delay in or interference with the work of other contractors or the construction or operations of the Owner's own forces.

3.11.5 Submittal Schedule. The CMAR, within ten (10) calendar days after being awarded the Contract, shall prepare and submit for the Owner's information and the Owner's review a schedule for submittal of Shop Drawings, Product Data, Samples, mockups, models and other submittals ("Submittal Schedule") which is coordinated with the CMAR Construction Schedule and the work Milestone Dates, if any, and which allows the Owner reasonable time for review of such submittals. The CMAR shall issue to the Owner a monthly updated Submittal Schedule that identifies both submitted and to be submitted items and the approval status of such items.

3.11.6 Conform to Most Recent Schedule. The CMAR shall conform to the most recent schedules.

3.11.7 Material Status Report. The CMAR, within ten (10) calendar days after the Notice of Award shall prepare and submit a report for materials ("Material Status Report") on a form approved by the Owner. This report shall be updated and submitted on a monthly basis or more often as directed by the Owner. Delivery dates provided on the Material Status Report shall conform to the CMAR's Submittal Schedule, the CMAR Construction Schedule and the work Milestone Dates, if any.

3.11.8 Manpower Schedule. The CMAR, within ten (10) calendar days of the Notice of Award shall prepare and submit a projected schedule for manpower ("Manpower Schedule") for the duration of the work. This schedule shall be updated and submitted on a monthly basis or more often as directed by the Owner. The Manpower Schedule shall be broken down by craft or trade. This schedule shall conform to the CMAR Construction Schedule and the work Milestone Dates, if any.

3.11.9 Compliance with Schedules. The CMAR shall be responsible for all costs resulting from its lack of diligence or failure to provide needed labor or materials to meet the requirements of the work Milestone Dates, if any, or the CMAR Construction Schedule. Owner may withhold payments to CMAR if requested to do so by CMAR's Surety, or otherwise if necessary, to protect the Owner from delay or expense occasioned by the CMAR's failure to perform under the Contract.

3.12 DOCUMENTS AND SAMPLES AT THE SITE.

3.12.1 CMAR to Maintain. The CMAR shall maintain at the Site for the Owner one record copy of the Drawings, Specifications, Change Orders, Shop Drawings, Product Data, Samples, current As-Built Drawings, and addenda or modifications in good order and marked currently to record changes and selections made during the work. These shall be available to the Owner and shall be delivered to the Owner before Final Payment is due.

3.12.2 Record Drawings. The CMAR shall keep one (1) copy of all specifications, plans, addenda, modifications, working drawings, and shop drawings at the site and in good order, and the CMAR shall annotate these to show all changes made during construction as the changes occur. When the Project is complete but before the final application for payment is submitted, the annotated set of plans showing the as-built work and any annotated working and shop drawings shall be delivered to the Owner for the Owner's record.

3.12.3 Preparation of Manuals. Before final payment is due, the CMAR shall furnish to the Owner five (5) sets of manuals containing the manufacturers' instructions for maintenance and operation of each item of equipment and apparatus furnished under the Contract and any additional data requested under the Specifications for each division of the work. The manuals shall have a table of contents, indexes and be bound in a 3-ring notebook.

3.13 SHOP DRAWINGS, PRODUCT DATA AND SAMPLES.

3.13.1 Not Part of Contract. Shop Drawings, Product Data, Samples and similar submittals are not part of the Contract. The purpose of their submittal is to demonstrate for those portions of the work for which submittals are required the way the CMAR proposes to conform to the information given and the design concept expressed in the Contract.

3.13.2 Prompt Submittal. The CMAR shall submit, in accordance with its Submittal Schedule, Shop Drawings, Product Data, Samples and similar submittals required by the Contract with such promptness as to cause no delay in the CMAR's own work or in that of any other CMAR. The CMAR shall cooperate with the Owner in the coordination of the CMAR's Shop Drawings, Product Data, Samples and similar submittals with related documents submitted by other contractors. Submittals made by the CMAR that are not required by the Contract may be returned without action.

3.13.3 Review Required. The CMAR shall perform no portion of the work requiring submittal and review of Shop Drawings, Product Data, Samples or similar submittals until the Owner has reviewed the submittal. Such work shall be performed in accordance with reviewed submittals.

3.13.4 Representations Made by Submittals. By approving and submitting Shop Drawings, Product Data, Samples and similar submittals, the CMAR represents that the CMAR has determined and verified materials, field measurements and field construction criteria related thereto, or will do so, and has checked and coordinated the information contained within such submittals with the requirements of the work and of the Contract.

3.13.5 Effect of Review. The CMAR shall not be relieved of responsibility for deviations from requirements of the Contract by the Owner's review of Shop Drawings, Product Data, Samples or similar submittals unless the CMAR has specifically informed the Owner in writing of such deviation at the time of submittal and the Owner has given written approval to the specific deviation. The CMAR shall not be relieved of responsibility for errors or omissions in Shop Drawings, Product Data, Samples or similar submittals by the Owner's review thereof.

3.13.6 Revisions to Submittals. The CMAR shall direct specific attention, in writing or on resubmitted Shop Drawings, Product Data, Samples or similar submittals, to revisions other than those requested by the Owner on previous submittals.

3.13.7 Informational Submittals. Informational submittals upon which the Owner is not expected to take responsive action shall be so identified in the submittals.

3.13.8 Professional Certification. When professional certification of performance criteria of materials, systems or equipment is required by the Contract, the Owner shall be entitled to rely upon the accuracy and completeness of such calculations and certifications.

3.13.9 Cost for Re-submittals. The Owner shall have the right to require the CMAR to pay the additional costs of the Owner resulting from the review by the Owner of any Shop Drawings, Product Data, Samples and similar submittals which have been submitted three (3) or more times.

3.14 USE OF SITE.

3.14.1 Limits on Use. The CMAR shall confine operations at the Site to areas permitted by law, ordinances, permits, and the Owner and shall not unreasonably encumber the Site with materials or equipment. Only materials and equipment that are to be used directly in the work shall be brought to the Site. After equipment is no longer required for the work, it shall be promptly removed from the Site.

3.14.2 Owner Approval. The CMAR shall coordinate the CMAR's operations with, and secure the approval of, the Owner before using any portion of the Site.

3.14.3 Display of Signs. The CMAR shall not display on or about the Site any sign, trademark or other advertisement without the consent of the Owner.

3.14.4 Equipment Location. The CMAR's field offices, shanties, materials, storage rooms, etc., if any, will be placed in locations designated by the Owner. When it becomes necessary, due to the progress of the Project, for the CMAR to relocate the CMAR's field operations, such relocation will be accomplished in an expeditious manner with no increase in the Contract Time or GMP.

3.15 CUTTING AND PATCHING

3.15.1 CMAR Responsible. The CMAR shall be responsible for cutting, fitting or patching required to complete the work or to make its parts fit together properly with other work.

3.15.2 Consent Required. The CMAR shall not damage or endanger work performed by the Owner or other contractors by cutting, patching, excavating or otherwise altering such construction. The CMAR shall not cut or otherwise alter work performed by the Owner or other contractors except with written consent of the Owner and such other contractors. The CMAR shall not unreasonably withhold from the other contractors or the Owner the CMAR's consent to cutting or otherwise altering the work.

3.16 CLEANING UP.

3.16.1 Daily Clean Up. The CMAR shall, on a daily basis, clean up after its operation by removing rubbish, including old and surplus materials. The CMAR shall use its best efforts to prevent dust. All waste materials, rubbish and debris resulting from CMAR's work shall be removed regularly from the Site and disposed in accordance with federal, state, and local laws.

3.16.2 Final Clean Up. At the completion of the work, the CMAR shall remove all its waste materials and rubbish from and about the Site as well as all its tools, construction equipment, machinery and surplus materials. The CMAR shall professionally wash and clean all surfaces and leave the work neat and clean, ready for occupancy by the Owner, unless higher cleaning standards are required elsewhere in the Contract. The CMAR shall be responsible for the overall cleanliness and neatness of the work.

3.16.3 Failure to Clean Up. If the CMAR fails to perform regular daily cleanup or to cleanup at the completion of the work as specified, the Owner may do so or cause such work to be performed, with the cost paid for by the CMAR. The Owner shall have the right to retain such costs from payments due CMAR.

3.16.4 Clean Up Disputes. If a dispute arises between the CMAR and other contractors as to their responsibility for cleaning up as required by this Section 3.16, or elsewhere in the Contract, the Owner may clean up and equitably charge the cost thereof to the several contractors. The Owner shall have the right to retain such costs from payments due CMAR.

3.17 ACCESS TO WORK.

The CMAR shall provide the Owner and others as required access to the work in preparation and progress wherever located. The CMAR shall provide facilities for such access so that the Owner and others may perform its functions under the Contract.

3.18 ROYALTIES AND PATENTS.

3.18.1 CMAR Responsibility. The CMAR shall pay all royalties and license fees applicable to the CMAR's work. The CMAR shall indemnify, defend and hold harmless the indemnified parties from any and all suits, demands or claims for infringement of any patent rights unless a particular design, process or product is specified in the Contract. If such specification is made and the CMAR has reason to believe it is an infringement of a patent, the CMAR shall be responsible for any loss arising therefrom unless the CMAR promptly notifies the Owner before performing any portion of the work involving the patented item.

3.18.2 Effect of Review by Owner. The review by the Owner of any method of construction, invention, appliance, process, article, device or material of any kind shall not constitute an approval thereof for use by the CMAR in violation of any patent or other rights of any third party.

3.19 INDEMNIFICATION.

3.19.1 Indemnification for Claims Arising From Work. To the fullest extent permitted by law, the CMAR shall fully protect, indemnify, defend and hold harmless the indemnified parties from and against any and all liabilities, claims or demands, arising out of or resulting from, either directly or indirectly, the performance of the work or the conditions of the Site, provided that any such claim, damage, loss or expense (1) is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (including the work itself) including the loss of use resulting therefrom, and (2) is caused by any act, neglect, default or omission of the CMAR or Subcontractor

or anyone for whose acts either of them may be liable. But in no event, shall CMAR be required to indemnify Owner for Owner's negligence. The CMAR's indemnity obligation shall not be construed to negate, abridge or otherwise reduce any other right or obligation of indemnity that would otherwise exist as to any party or person described in this Section 3.19.1. The CMAR at its own expense and risk shall defend all legal proceedings that may be brought against the indemnified parties on any such liability, claim or demand, and satisfy any resulting judgment that may be rendered against any of them.

3.19.2 Effect of Workers' Compensation Law on Indemnification. In any and all claims against the indemnified parties by any employee of the CMAR or Subcontractor, or anyone for whose acts any of them may be liable, the indemnification obligation under this Section 3.19 shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for the CMAR or any subcontract under Workers' or Workmen's compensation acts, disability benefit acts or other employee benefit acts.

ARTICLE 4 ADMINISTRATION AND RESOLUTION OF DISPUTES

4.1 ADMINISTRATION OF THE CONTRACT.

4.1.1 Owner's Representatives. The Owner may provide administration of the Contract, and may be the Owner's representative (1) during construction, (2) until Final Payment is made, and (3) with the Owner's concurrence, from time to time during the correction period described in Section 12.2.

4.1.2 Coordination of Contractors. The Owner will provide for coordination of the activities of other contractors and of the Owner's own forces with the work of the CMAR, who shall cooperate with them. The CMAR shall participate with other contractors and the Owner in reviewing their construction schedules when directed to do so. The CMAR shall make any revisions to the CMAR Construction Schedule deemed necessary by the Owner.

4.1.3 Coordination with Work Milestone Dates. The CMAR shall schedule and coordinate its activities in accordance with the work Milestone Dates, if any. The Owner will schedule and coordinate all Contractors with respect to their use of the Site.

4.1.4 Owner's Observation of the Work. The Owner may visit the Site at intervals appropriate to the stage of construction to become generally familiar with the progress and quality of the completed work and to determine in general if the work is being performed in a manner indicating that the work, when completed, will comply with the Contract. The Owner may assign an inspector to observe the work and report to the Owner on its progress. Whenever it appears that material furnished or work performed by the CMAR fails to fulfill Contract Document requirements, the inspectors may, but shall not be required to, report their observations to the Owner. The inspector may direct the attention of the CMAR to such work defects or deficiencies, but nothing the inspector observes, says, or does shall relieve the CMAR from the obligation to perform the work strictly in accordance with the Contract Documents. The inspector shall have the authority to reject defective work. The Owner shall have the authority to suspend the work until an issue can be referred to and decided by the Owner. Inspectors are not authorized to revoke, alter, enlarge, relax, or release any requirements of the Contract Documents. Inspectors shall in no case act as foremen or perform other duties for the CMAR or interfere with prosecution of the work.

4.1.5 Control of Work. The Owner will not have control over or charge of and will not be responsible for construction means, methods, techniques, sequences or procedures, or for safety precautions and programs in connection with the work, since these are solely the CMAR's responsibility and neither will be responsible for the CMAR's failure to carry out the work in accordance with the Contract. Neither the Owner nor the Owner will have control over or charge of or be responsible for acts or omissions of the CMAR or Subcontractors. Inspections by the Owner or designee shall not constitute control of individual workmen or the work. Direct control of workmen shall be solely the responsibility of the CMAR. Refer to General Provision Specification Section 50 for additional provisions related to Control of Work.

4.1.6 Communication with Owner. Except when direct communications have been specifically not authorized in the Contract, the CMAR shall communicate with the stakeholders through the Owner.

Communications by and with Subcontractors shall be through the CMAR. Communications by and with other contractors shall be through the Owner.

4.1.7 Authority to Reject Work. The Owner and the Inspectors shall have authority to reject work that does not comply with the Contract and to require additional testing and inspection.

4.1.8 Owner's Review of Submittals. The Owner will receive from the CMAR and review shop drawings and submittals as listed in Special Provision Specifications.

4.1.9 Limitation on Owner's Review of Submittals. The Owner will review or take other appropriate action on the CMAR's submittals such as shop drawings, working drawings, supplemental drawings, product data and samples, but only for the limited purpose of checking for general conformance with information given and the design concept expressed in the Contract. The Owner's action will be taken within two (2) weeks of the date of submittal to the Owner. Review is for general compliance with the intent of the Contract Documents only. The CMAR is responsible for dimensions, quantities, performance, details, coordination with other trades, safety and other requirements of the Contract Documents. Review does not authorize changes to the contract requirements unless specifically stated in a separate letter of change order. The Owner's review of the CMAR's submittals shall not relieve the CMAR of the obligations under the Contract. The Owner's review shall not constitute approval of safety precautions or, unless otherwise specifically stated by the Owner, of any construction means, methods, techniques, sequences or procedures. The Owner's review of a specific item shall not indicate approval of an assembly of which the item is a component.

4.1.10 Inspections by the Owner. The Owner will conduct inspections to determine the dates of Substantial Completion and Final Completion, and will receive written warranties and related documents required by the Contract and assembled by the CMAR.

4.1.11 Aesthetic Decisions. The Owner's decisions on matters relating to aesthetic effect will be final.

4.1.12 Owner Representation at Site. The Owner will be represented at the Site by appropriate construction supervisory staff for the observation of the CMAR's work. The Owner will establish procedures for coordination among the Owner and other contractors as appropriate for all aspects of the project.

4.1.13 Contractors Required to Attend Meetings. The Owner will call for weekly meetings of the CMAR and Subcontractors, as Owner deems necessary. Such meetings shall be held at the Site on regular working days during regular working hours, unless otherwise directed. Attendance shall be mandatory for all parties notified to attend, and the CMAR and Subcontractors so notified are required to have a responsible member of their organizations with full decision making authority in attendance.

4.1.14 Acts or Omissions by Owner. In no event shall any act or omission on the part of the Owner relieve the CMAR from its obligation to perform the work in full compliance with the Contract.

4.2 CLAIMS AND DISPUTES.

4.2.1 Time Limits on Claims. Claims by the CMAR must be made within the number of days specified in Sections 4.2.3, 4.2.4, 4.2.5 or 4.2.6 before the occurrence of the event giving rise to such claim.

Claims shall be made by written notice. An additional claim made after the initial Claim has been implemented, by Change Order, shall not be considered.

4.2.2 Continuing Contract Performance. Pending final resolution of a claim, the CMAR shall proceed diligently with performance of the Contract and the Owner shall continue to make payments in accordance with the Contract other than amounts in dispute.

4.2.3 Claims for Concealed or Unknown Conditions. If conditions are encountered at the Site which are (1) subsurface or otherwise concealed physical conditions which differ materially from those indicated in the Contract, (2) unknown physical conditions of an unusual nature, which differ materially from those ordinarily found to exist and generally recognized as inherent at the Site, and (3) could not have been discovered by a thorough inspection and investigation of the Site by the CMAR, the CMAR shall give written notice within 24-hours of observing such conditions to the Owner. The Owner will promptly investigate these conditions and, if they differ materially and cause an increase or decrease in the CMAR's cost of, or time required for, performance of any part of the work, may recommend to the Owner an equitable adjustment in the Contract Sum or Contract Time, or both. If the Owner, in consultation with the Owner, determines that the conditions at the Site are not materially different from those indicated in the Contract and that no change in the terms of the Contract is justified, the Owner shall so notify the CMAR in writing, stating the reasons. Claims by the CMAR in opposition to such determination shall be made within three (3) calendar days after the Owner has given notice of the decision. Failure to give notice in strict compliance with this time frame shall constitute a waiver of such claim.

4.2.4 Claims for Additional Cost.

4.2.4.1 Required Notice Prior to Execution of Work. If the CMAR wishes to make Claim for an increase in the Contract Sum, written notice as provided in Section 4.2.4.2 shall be given 24-hours before proceeding to execute the work. If the CMAR believes additional cost is involved for reasons including but not limited to (1) a changed condition unknown to all parties at the time of bid, (2) an order by the Owner to stop the work where the CMAR was not at fault, (3) a written order for a major change in the work issued by the Owner, (4) failure of payment by the Owner, or (5) other reasonable grounds, the claim shall be filed in accordance with Section 4.2.4.2.

4.2.4.2 Claims for Adjustment and Disputes. If the CMAR wishes to make a claim for an increase in the Contract Sum, the CMAR shall give the Owner written notice thereof within 24-hours before proceeding with the work for the event giving rise to such claim, in the exercise of due diligence, for the condition giving rise to such Claim.

4.2.4.3 Waiver of Claim for Additional Cost. Failure to give notice of a claim for an increase in the Contract Sum, in strict compliance with the requirements of this Section 4.2.4 shall constitute a waiver of such Claim.

4.2.4.4 Not Used

4.2.4.5 Not Used

4.2.5 Claims for Additional Time.

4.2.5.1 Estimate of Cost and Delay. If the CMAR wishes to make a Claim for an increase in the Contract Time, written notice as provided in Section 4.2.5.4 shall be given. The CMAR's claim shall include an estimate of cost and of probable effect of delay on progress of the work. In the case of a continuing delay only one claim is necessary.

4.2.5.2 Adverse Weather. The CMAR is required, in preparing the Project Schedule, to take into account all relevant weather conditions, including normal rainfall and distribution. No additional compensation shall be given for any rain-related delays or impacts on the Work or the Project Schedule. No time extension will be granted in the Project Schedule unless actual monthly inclement weather exceeds the monthly average for that identified in **Table 1** for the same month. The City of Mesa average monthly precipitation data has been provided as shown in **Table 1** below, based on data published by the Western Regional Climate Center (Jan 2016). In addition, the excessive rainfall must have actually impacted Work Activities on the Critical Path and cause delay beyond any remaining Float at the time of the rain-caused delay. The burden of documenting normal rainfall, the excessive rainfall and the impact on Critical Path activities is on the CMAR. All other provisions in the Contract Documents relating to claims, including without limitation notice requirements, apply to any claim by the CMAR for a rain delay.

The CMAR shall request an extension of time in writing within twenty-four (24) hours after the event that caused the delay.

TABLE 1 – City of Mesa Average Monthly Precipitation Data.

Month	Average Monthly Precipitation
January	0.93-inches
February	0.89-inches
March	0.91-inches
April	0.36-inches
May	0.13-inches
June	0.09-inches
July	0.92-inches
August	1.13-inches
September	0.80-inches
October	0.56-inches
November	0.66-inches
December	0.98-inches

4.2.5.3 Critical Path. No extension of time shall be granted to the CMAR for a delay caused by the Owner, any of the other contractors, or other causes beyond the CMAR's control, unless the delay affects the critical path of the Project and then only to the extent that the delay affects the critical path. No extension of time shall be granted to the CMAR to the extent that, notwithstanding the existence of any such circumstance beyond the CMAR's control, delay would have resulted in any event due to a concurrent unexcused delay by the CMAR.

4.2.5.4 Notice of Claim for Additional Time. If the CMAR contends that it is entitled to an extension of time for completion of any portion or portions of the work, the CMAR shall, within 24-hours of the

occurrence of the cause of the delay, notify the Owner in writing of its Claim, setting forth (a) the cause of the delay, (b) a description of the portion or portions of work affected by the delay, (c) the specific number of days of delay for which an extension of time is requested, and (d) all details pertaining thereto. Within three (3) calendar days after the expiration of any such delay, if such delay continues after the filing of the Claim pursuant to the foregoing sentence, the CMAR shall deliver to the Owner a subsequent written application for the specific number of days of extension of time requested.

4.2.5.5 Request for Changes in Time Resulting from Change in Work. For changes in the work which significantly affect the time and progress of the work, any time extension shall be requested no later than when the change in the work is requested.

4.2.5.6 Waiver of Claim for Additional Time. Failure to give notice of a Claim for extension of time in strict compliance with the requirements of this Section 4.2.5 shall constitute a waiver of such Claim.

4.2.6 Injury or Damage to Person or Property. If the CMAR suffers injury or damage to person or property because of an act or omission of the Owner, written notice of such injury or damage, whether or not insured, shall be given to the Owner within a reasonable time not exceeding 24-hours after first observance. The notice shall provide sufficient detail to enable the Owner to investigate the matter. If a Claim for additional cost or time related to this Claim is to be asserted, it shall be filed as provided in Section 4.2.4 or 4.2.5.

4.3 DISPUTE RESOLUTION.

4.3.1 Negotiations. If a dispute arises out of or relates to this Contract or its breach, the parties to this Contract shall endeavor to settle the dispute through direct discussions as a condition precedent to mediation or binding dispute resolution.

4.3.2 Mediation. Should the parties to this Contract be unable to resolve their dispute through direct negotiations, the parties to this Contract, upon the written request of either, shall engage in mediation, to be administered privately by a mediator and according to rules mutually agreed upon by the parties to this Contract, or, the absence of such mutual agreement, by a mediator appointed by JAMS and administered by JAMS in accordance with its then-current mediation rules. The fees and costs of mediation shall be split equally by the parties to this Contract, but subject to reallocation following binding dispute resolution.

4.3.3 Binding Dispute Resolution. Should the parties to this Contract be unable to resolve their dispute through direct negotiations or mediation, either party may, within the time limitations for bringing claims under Arizona law and this Contract, commence formal dispute resolution proceedings. Both parties to this Contract consent to binding arbitration administered by JAMS according to its then current arbitration rules, provided, however, that (i) in the event both parties agree, the arbitration may be administered privately by an arbitrator and according to rules mutually agreed upon by the parties to this Contract, and (ii) in the event any party seeks relief against the other party or against a non-party which cannot fully be granted in arbitration, by reason of non-joinder or otherwise, the parties to this Contract are excused from this arbitration

requirement and the parties to this Contract shall proceed in the state or federal courts of competent jurisdiction and located in Maricopa County, Arizona. In any arbitration or litigation, the prevailing party shall be entitled to an award of its reasonable attorneys' fees and costs as determined by the arbitrator or court as applicable.

ARTICLE 5 SUBCONTRACTORS

5.1 CONTRACTUAL RELATIONSHIP.

Nothing contained in the Contract shall create any contractual relationship between the Owner or any Subcontractor.

5.2 AWARD OF SUBCONTRACTS AND OTHER CONTRACTS FOR PORTIONS OF THE WORK.

5.2.1 Division of Work. The CMAR shall submit a Subcontractor List with his bid. The CMAR shall designate and distinguish in writing with his Bid those portions of the work to be performed by Subcontractors and the CMAR's own forces.

5.2.2 Proposed Subcontractors. The CMAR shall furnish in writing to the Owner for review by the Owner the names of persons or entities (including those who are to furnish materials or equipment) proposed for each principal portion of the work with his Bid. The proposed Subcontractors shall be established, reputable firms of recognized standing with a record of successful and satisfactory past performance with the type of work and/or items proposed to be provided or furnished by them. The CMAR shall with this information provide an experience statement or other requested information providing evidence of the Subcontractors' qualifications for the work and experience with similar projects. The Owner shall have the right to reject any proposed Subcontractor for whom they have a reasonable objection. The Owner will promptly reply to the CMAR in writing stating whether or not the Owner, after due investigation, has reasonable objection to any such proposed person or entity.

5.2.3 Opportunity to Review List of Proposed Subcontractors. No subcontracts shall be executed until the Owner have had a reasonable opportunity to review the list of Subcontractors. The CMAR shall not contract with a proposed person or entity to which the Owner has made reasonable and timely objection.

5.2.4 Reasonable Objection to Proposed Subcontractors. If the Owner has reasonable objection to a person or entity proposed by the CMAR, the CMAR shall propose another to whom the Owner has no reasonable objection. No increase in the GMP or Contract Time shall be allowed for such change.

5.2.5 Reasonable Objection to Removing Approved Subcontractors. The CMAR shall not change a Subcontractor, person or entity previously selected if the Owner makes reasonable objection to such change.

5.2.6 CMAR Responsibility Not Diminished. The right of the Owner to reject proposed Subcontractors shall not diminish the CMAR's responsibility for the performance of the CMAR's Subcontractors. The CMAR shall continue to be fully responsible to the Owner for the proper, complete and timely execution of the work, even though a portion of such work has been subcontracted to a Subcontractor acceptable to the Owner.

5.3 SUBCONTRACTUAL RELATIONS.

5.3.1 Subcontractors Subject to Contract. By an appropriate written Agreement, the CMAR shall require each Subcontractor, to the extent of the work to be performed by the Subcontractor, to be bound to the CMAR by the terms of the Contract, and to assume toward the CMAR all the obligations

and responsibilities which the CMAR assumes toward the Owner, except with respect to the ADR provisions of this Contract. The CMAR shall require its Subcontractors to enter into similar agreements with their Subcontractors, except with respect to the ADR provisions of this Contract. The CMAR shall make available to each proposed Subcontractor, prior to the execution of the subcontract, copies of this Contract to which the Subcontractor will be bound, except with respect to the ADR provisions of this Contract. Each Subcontractor shall similarly make copies of this Contract available to their Subcontractors.

5.3.2 Terms to be Included in Subcontracts. All work performed for the CMAR by a Subcontractor shall be pursuant to a written subcontractor agreement between the CMAR and the Subcontractor. The CMAR will insure that each such subcontract contains provisions requiring:

.1 that the work be performed and guaranteed in accordance with the requirements of this Contract.

.2 submission to the CMAR of Applications for Payment under each subcontract, and reasonable time to enable the CMAR to apply for payment in accordance with Article 9;

.3 that the Subcontractor pay sub-subcontractors in accordance with A.R.S. § 32-1129.02 and 34-221(E);

.4 that the Subcontractor purchase and maintain insurance and comply with all insurance provisions as required by Article 11; and

.5 that the Subcontractor consent to an assignment of the subcontract from the CMAR to the Owner in the event of termination of the CMAR by the Owner.

.6 all Federal Assurances as listed in these Specifications.

5.4 CONTINGENT ASSIGNMENT OF SUBCONTRACT.

The CMAR hereby assigns a portion of the work to the Owner any subcontracts held by the CMAR provided that:

.1 assignment is effective only after termination of the Contract by the Owner for cause pursuant to Section 14.1 and only for those subcontracts which the Owner accepts by notifying the Subcontractor in writing; and

.2 assignment is subject to the prior rights of the Surety, if any, obligated under the bond required by the Contract.

ARTICLE 6 CONSTRUCTION BY OWNER OR BY OTHER CONTRACTORS

6.1 OWNER'S RIGHT TO PERFORM CONSTRUCTION WITH OWN FORCES AND TO AWARD OTHER CONTRACTS.

The Owner reserves the right to perform construction or operations related to the Project with the Owner's own forces, which include persons or entities under separate contracts involving different Engineers. The Owner further reserves the right to award other contracts in connection with other portions of the Project or other construction or operations on the Site.

6.2 MUTUAL RESPONSIBILITY.

6.2.1 Coordination with Owner's Forces. The CMAR shall afford the Owner's own forces and other Contractors reasonable opportunity for introduction and storage of their materials and equipment and performance of their activities and shall connect and coordinate the CMAR's construction and operations with theirs as required by the Contract.

6.2.2 Defects in Other Work. If part of the CMAR's work depends upon construction or operations by the Owner's own forces or other contractors, the CMAR shall, prior to proceeding with that portion of the work, promptly report to the Owner apparent discrepancies or defects in such other construction that would render it unsuitable for proper execution and results. Failure of the CMAR to so report shall constitute an acknowledgment that the Owner's own forces or other contractors' completed or partially completed construction is fit and proper to receive the CMAR's work, except as to defects not then reasonably discoverable.

6.2.3 Damage to Other Work. The CMAR shall promptly remedy damage caused by the CMAR to the completed or partially completed Project or to the property of the Owner or other contractors.

ARTICLE 7 CHANGES IN THE WORK

7.1 CHANGE ORDERS.

7.1.1 Defined. A Change Order is a written order to the CMAR signed by the Owner authorizing a change in the (1) Work, (2) Contract Sum or (3) Contract Time. Only a Change Order may change the Contract Sum or Contract Time. The CMAR or its Subcontractors shall not perform any work for which the CMAR intends to seek additional money or an extension of time unless the CMAR obtains a written Change Order or written approval by the Owner prior to performing the work. A Change Order signed by the CMAR indicates the CMAR's agreement therewith, including without limitation, any adjustment in the Contract Sum or Contract Time. A Change Order signed by the CMAR without any indication of change in the GMP or Contract Time indicates the CMAR's agreement that there will be no change in the Contract Sum or Contract Time (collectively "Change Order").

7.1.2 Contract Sum. Adjustments to the Contract Sum shall be based on one of the following methods:

.1 mutual acceptance of a lump sum properly itemized and supported by sufficient substantiating data to permit evaluation;

.2 unit prices stated in the Contract or subsequently agreed upon;

.3 actual cost of the change, as determined by payroll records and paid receipts, plus allowances for the CMAR's overhead and profit as provided for in Section 7.1.4 subject to a predetermined maximum amount, less applicable trade discounts, rebates, credits or other such reductions in cost made available to CMAR; and

.4 cost to be determined in a manner agreed upon by the parties and a mutually acceptable fixed percentage fee of 5.0% as provided in the GMP.

7.1.3 Itemized Costs. For the purpose of preparing Change Orders, the CMAR shall submit to the Owner a complete itemization of all costs required for the change in such form and detail requested by the Owner.

7.1.4 Overhead and Profit. The maximum that will be allowed for combined overhead and profit, expressed as a percentage of the actual basic cost of the change, shall be as set forth in the Contract GMP. However, the percentage for overhead and profit allowed by the Owner may be less, depending on the nature, extent or complexity of the change, where the percentage is not commensurate with the responsibility and administration involved (such as the CMAR merely processing a substantial Change Order to a Subcontractor).

7.1.5 Limitations on Costs. Costs for changes, to which overhead and profit are to be applied, shall be limited to the following:

.1 actual costs of labor, including social security, old age and unemployment insurance, fringe benefits required by agreement or custom, and workers' compensation insurance;

.2 actual costs of materials, supplies and equipment, including cost of transportation, whether incorporated or consumed, less applicable trade discounts, rebates credits or other such reductions in cost made available to CMAR;

.3 actual rental costs of machinery and equipment per ADOT schedule of equipment rates.

.4 actual costs of premiums for all bonds and insurance, permit fees, and sales, use or similar taxes related to the work; and

.5 additional costs of supervision and field office personnel directly attributable to the change.

7.1.6 Costs of Material. Material costs shall be at the actual cost to the CMAR or Subcontractor. Upon request, the CMAR, or Subcontractor, shall submit evidence to substantiate the costs. Materials shall be quoted at trade discount price, with quantity discounts also applied where the quantities warrant. Cash or prompt payment discounts need not be credited. In any proposal with material credits, the credit shall be based on the actual contract cost of the material (including trade and quantity discounts) less any charges actually incurred for handling or returning material that has been delivered. No cancellation or restocking charge will be allowed when material has not been shipped.

7.1.7 Actual Costs. Except for changes based on unit prices included in the Contract, cost changes shall be computed by determining the actual cost enumerated in Section 7.1.5 to which the combined overhead and profit may be added, and then adding the tax on materials.

7.1.8 Unit Prices. Unit prices proposed on the bid form and included in the Contract are not subject to further overhead and profit adjustments. The Contract Sum will be adjusted by the direct extension of the number of units and the unit prices.

7.1.9 Impact Costs. No claim for impact costs resulting from the performance of a Change Order will be permitted against the Owner, or any other party in privity of contract with the Owner with respect to the Project after the time the Change Order is signed by the CMAR.

7.1.10 Prompt Response to Proposed Changes. The CMAR shall promptly respond to requests for proposals for changes initiated by the Owner, and in any event shall provide a written itemized proposal in response to any such request within five (5) calendar days after such request is made to the CMAR.

7.1.11 Final Settlement. Agreement on any Change Order shall constitute a final settlement of all matters relating to the change in the work which is the subject of the Change Order, including, but not limited to, all direct and indirect costs associated with such change, any impact such change may

have on the unchanged work, and any and all adjustments to the Contract Sum or the Contract Time. In the event a Change Order increases the Contract Sum, the CMAR shall include the work covered by such Change Orders in Applications for Payment as if such work were originally part of the Contract. Agreement on any Change Order releases the Owner and any other party in privity of Contract with the Owner with respect to the Project from all claims or liabilities arising in any way in connection with, or in any way association with, such change.

7.2 CHANGE DIRECTIVE.

7.2.1 Defined. A Change Directive is a written order prepared by the Owner and signed by the Owner directing the CMAR to proceed with a change in the work when the Owner and CMAR do not agree on the extent of the work, Contract Sum, or Contract Time related to the requested change ("Change Directive"). The Change Directive shall include a proposed basis for adjustment in the Contract Sum or Time, if any adjustment is to be made.

7.2.2 Contract Sum. If the Change Directive provides for an adjustment to the Contract Sum, the adjustment shall be based on one of the following methods:

.1 mutual acceptance of a lump sum properly itemized and supported by sufficient substantiating data to permit evaluation;

.2 unit prices stated in the Contract or subsequently agreed upon;

.3 cost to be determined in a manner agreed upon by the parties and a mutually acceptable fixed or percentage fee; or

.4 as provided in Section 7.1.5.

7.2.3 CMAR's Duty to Proceed with the Change in the Work. Upon receipt of a Change Directive, the CMAR shall promptly proceed with the change in the work involved and advise the Owner of the CMAR's agreement or disagreement with the method, if any, provided in the Change Directive for determining the proposed adjustment in the Contract Sum or Contract Time.

7.2.4 CMAR's Signature on Change Directive. A Change Directive signed by the CMAR indicates the agreement of the CMAR therewith, including adjustment in Contract Sum and Contract Time and the method for determining them. Such agreement shall be effective immediately and shall be recorded as a Change Order.

7.2.5 Change Order Required for Payment. Pending final determination of cost by the Owner, amounts not in dispute in a Change Directive may be included in Applications for Payment, provided amounts not in dispute have been previously approved in a Change Order. The amount of credit to be allowed by the CMAR to the Owner for a deletion or change that results in a net decrease in the Contract Sum shall be actual net cost as determined by Sections 7.1.4 and 7.1.5 and confirmed by the Owner. When both additions and credits covering related work or substitutions are involved in a change, the allowance for overhead and profit shall be figured on the basis of net increase, if any, with respect to that change.

7.3 MINOR CHANGES IN THE WORK.

The Owner will have authority to order minor changes in the work not involving adjustment in the Contract Sum or Contract Time and not inconsistent with the intent of the Contract. Such changes shall be effected by written order issued through the Owner, and shall be binding on the CMAR. The CMAR shall carry out such written orders promptly.

7.4 PAYMENT FOR EXTRA WORK.

Extra work, performed in accordance with the subsection 40-04 of the General Provisions, titled EXTRA WORK of Section 40, will be paid for at the Contract prices or agreed prices specified in the change order or supplemental agreement authorizing the extra work. When the change order or supplemental agreement authorizing the extra work requires that it be done by force account, such force account shall be measured and paid for based on expended labor, equipment, and materials, overhead, taxes, insurance and profit, as follows:

.1 General Contractor Self-Performed Work and Subcontractor Work Markups. For overhead and profit, the actual or approved costs for equipment, material, and labor shall be marked up by twelve (12.0) percent for profit and overhead.

.2 General Contractor Markups of Subcontractor Work. The Contractor will be allowed to markup actual or approved subcontractor costs for equipment, material, and labor (excluding subcontractor overhead and profit) by seven and one half (7.5) percent.

.3 Subcontractor Markups for Self Performed Work. The subcontractor will be allowed to markup actual or approved costs for equipment, material, and labor performed by that subcontractor's own forces, shall be marked up by twelve (12.0) percent.

.4 Subcontractor Work Markups for Sub-subcontractors. The subcontractor will be allowed to markup actual or approved costs for equipment, materials and labor performed by the sub-subcontractor by five (5.0) percent.

.5 Bond. The Contractor shall be allowed to markup the cost for change order work for payment and performance bonds utilizing the same percentage used on the initial Contract and shall submit verification of this percentage from the bonding company.

.6 Insurance. The Contractor shall be allowed to markup the cost for change order work plus bond costs for property damage/public liability insurance, utilizing the same percentage used on the initial Contract. Verification, form insurance carriers, of this percentage shall be submitted with the initial change order request.

.7 Sales Tax. The Contractor shall be allowed to markup the cost for change order work plus bond and insurance cost by the current, approved sales tax rate required by the City of Mesa unless modified by the Military Re-Use Zone Tax Credit.

.8 Equipment. For all equipment, the use of which has been authorized by the Engineer, except for small tools and manual equipment, the Contractor will be paid in accordance with the latest Schedule of Equipment Rates used by the Arizona Department of Transportation.

.9 Material. For all material, accepted by the Engineer and used in the work, the Contractor will be paid the actual cost of such material. See General Conditions Section 7.1.6 for additional information.

.10 Labor. For all labor and for the foreman, when he is in direct charge of the operation, the Contractor will be paid the actual wages paid.

.11 Miscellaneous. No additional allowance will be made for general superintendence, the use of small tools, or other costs for which no specific allowance is herein provided.

.12 Comparison of Records. The Contractor and the Engineer shall compare records of the cost of force account work at the end of each day. Agreement shall be indicated by signature of the Contractor and the Engineer or their duly authorized representatives. The Contractor shall submit all required backup and supplemental information, calculations, invoices, etc., that are required to justify and support all Contractor, subcontractor and/or supplier costs.

.13 Statement. No payment will be made for work performed on a force account basis until the Contractor has furnished the Engineer with an itemized statement of the cost of such force account work detailed as follows:

- Name, classification, date, daily hours, total hours, rate and extension for each laborer and operator.
- Designation, dates, daily hours, total hours, rental rate(s), and extension for each unit of machinery and equipment.
- Quantities of materials, prices, and extensions.
- Statements shall be accompanied and supported by a receipted invoice for all materials used and transportation charges.

ARTICLE 8 TIME

8.1 PROGRESS AND COMPLETION.

8.1.1 Consent to Contract Time. The CMAR acknowledges that the Contract Time is a reasonable period for performing the work, and that it is capable of properly completing the work within the Contract Time.

8.1.2 Effective Date of Insurance. Except by agreement or instruction of the Owner in writing, the CMAR shall not knowingly prematurely commence operations on the Site or elsewhere before the effective date of insurance provided by CMAR under Section 11.2 and bonds to be furnished by the CMAR under Section 11.3.1.

8.1.3 Compliance with Contract Time. The CMAR shall carry the work forward expeditiously with adequate forces to maintain progress in accordance with the CMAR Construction Schedule and the work Milestone Dates, if any, and to complete the work within the Contract Time.

8.1.4 Notice Required Before Commencing Work. The CMAR shall give notice in writing at least forty-eight (48) hours before commencement of the work, to all persons, public utility companies, owners of property having structures or improvements in proximity to the Site, superintendents, inspectors, or those otherwise in charge of property, streets, water lines, gas lines, sewer lines, telephone cables, electric cables, railroads, or others who may be affected by CMAR's operations, in order that they may remove any obstruction for which they are responsible, and have representation on the Site to see that their property is properly protected. Such notice does not relieve the CMAR of responsibility for any damages, claims, or defense of all actions against the Owner resulting from performance of the work.

8.1.5 Maintenance of Utilities. The CMAR shall (1) protect utilities encountered whether indicated on Drawings or not; (2) exercise care in excavation around utilities; (3) restore any damaged items to the same condition (or better) as existed prior to starting the work; and (4) maintain utilities or other services indicated to be abandoned in service until new services are provided, tested, and ready for use.

8.2 DELAYS AND EXTENSIONS OF TIME.

8.2.1 Notice of Delays. The CMAR shall provide prompt written notice to the Owner of the occurrence of any delay, and in no event shall such notice be given later than (24) hours after commencement of the delay. The CMAR agrees that adjustments in the Contract Time will be permitted for a delay only to the extent such delay (1) is not caused or could not have been anticipated by the CMAR, and (2) could not have been limited or avoided by the CMAR's timely notice to its suppliers, Subcontractors, the Owner of the delay.

8.2.2 Claims for Additional Time. Claims relating to time shall be made in accordance with Section 4.2.5.

8.2.3 Recovery of Damages Not Precluded. This Section 8.2 does not preclude recovery of damages for delay by either party.

ARTICLE 9 PAYMENTS AND COMPLETION

9.1 SCHEDULE OF VALUES.

At least thirty (30) calendar days before the first Application for Payment is submitted, or at the Pre-construction conference, whichever is sooner, the CMAR shall submit to the Owner a schedule detailing values allocated to various portions of the work, prepared in such form and supported by such data to substantiate its accuracy as the Owner may require ("Schedule of Values"). The Schedule of Values shall detail labor, materials and transportation costs for each pay item. This schedule, after acceptance by the Owner, shall be used as a basis for reviewing the CMAR's Applications for Payment.

9.2 APPLICATIONS FOR PAYMENT.

9.2.1 Defined. On the 25th of each month or the next Business Day if the 25th is a legal holiday or weekend, the CMAR shall submit to the Owner an itemized application requesting payment for work completed in accordance with the Schedule of Values, substantiating the CMAR's right to payment as the Owner may require, such as copies of requisitions from Subcontractors and reflecting retainage ("Application for Payment").

9.2.3 Change Order Required for Payment. Applications for Payment may not include requests for payment on account of changes in the work which have been properly authorized by Change Directives but not yet included in executed Change Orders.

9.2.4 Disputes with Subcontractors. Applications for Payment may not include requests for payment of amounts the CMAR does not intend to pay to a Subcontractor because of a dispute or other reason.

9.2.5 Retainage. Until the work is fifty (50) percent complete, the Owner will retain ten (10) percent of the amount due the CMAR on account of progress payments. When the contract is fifty (50) percent complete, one-half of the amount retained shall be paid to the CMAR upon the CMAR's written request to Owner, provided the CMAR is making satisfactory progress on the Contract and there is no specific cause or claim requiring a greater amount to be escrow. At the time the work is fifty (50) percent complete and thereafter, five (5) percent of the amount of each progress payment will be retained unless the Owner determines that the CMAR is not making satisfactory progress or is in default under the Contract. If the Owner determines that the CMAR is not making satisfactory progress or is in default under the Contract, the Owner may continue or reinstate retainage of up to ten (10) percent for all progress payments made under the Contract subsequent to the determination. (Note that the Owner will accept Deposits in Escrow in accordance with *General Provisions* Section 90-08 PAYMENT OF WITHELD FUNDS in lieu of retention of partial payments).

9.2.6 Payment for Stored Materials. Unless otherwise provided in the Contract, payments shall be made on account of materials delivered and suitably stored at the Site for subsequent incorporation in the work. Payment will not be made for materials and equipment suitably stored off the Site. Payment for materials and equipment stored on the Site shall be conditioned upon (1) compliance by

the CMAR with procedures satisfactory to the Owner to establish the Owner's title to such materials and equipment or otherwise protect the Owner's interest, (2) property insurance as set forth in Section 11.1.1.4.2, (3) transportation to the Site, and (4) all other requirements as listed in the General Provision Specifications, Section 90-07, Payment for Materials on Hand. The Owner will not consider requests to pay for items that are stored offsite, or off-the-shelf type materials not requiring a long lead time to order.

9.2.7 Lien Waivers. The CMAR warrants that title to all work covered by an Application for Payment will pass to the Owner no later than the time of payment. The CMAR also warrants that upon submittal of an Application for Payment all work for which payments have been received from the Owner shall be free and clear of liens, claims, security interests or encumbrances in favor of the CMAR, Subcontractors, or other persons or entities making a claim by reason of having provided labor, materials, or equipment relating to the work. All Applications for Payment shall include lien waivers executed by the CMAR and all Subcontractors providing labor, equipment or materials for the work in the form set forth in A.R.S. § 33-1008. If a Subcontractor, sub-subcontractor, vendor, supplier, manufacturer, or other entity or person supplying labor, equipment, or materials related to the work refuses to furnish a lien waiver for CMAR's Application for Payment, the CMAR shall furnish a bond satisfactory to the Owner against such possible lien prior to payment. Payment shall not be due until CMAR furnishes such bond. The CMAR shall also indemnify defend and hold harmless the indemnified parties against any lien by any Subcontractor, sub-subcontractor, vendor, supplier, manufacturer or other entity or person supplying labor, equipment, or materials related to the work.

9.2.8 Certified Payroll and Statement of Compliance. The Owner shall return the monthly progress payment application to the CMAR with no action if all certified payrolls and statement of compliance have not been submitted to the Owner through the ending date of the monthly progress payment application.

9.3 RECOMMENDATION FOR PAYMENT.

9.3.1 Timing for Payment. The Owner shall pay the Contractor within fourteen (14) days once the Contractor's Application for Payment has been approved and certified by the Owner. In addition to the amount withheld under Section 9.2.4, the Owner may withhold an additional amount from the progress payment sufficient to pay the expenses that the Owner reasonably expects to incur in correcting the deficiency set forth in the written finding. Undisputed portions of progress payments shall be paid monthly after an Application for Payment is submitted to the Owner. The Owner shall recommend payment only upon the Owner's determination that the work has progressed to the point indicated in the CMAR's Application for Payment and that to the Owner's knowledge, information and belief, the quality of the work is in accordance with the Contract.

9.3.2 Not Used.

9.3.3 Recommendation Subject to Later Evaluation. The recommendation of the Owner and the decision of the Owner to make a payment is subject to later evaluation of the work for conformance with the Contract upon Substantial Completion, to results of subsequent tests and inspections, to minor deviations from the Contract correctable prior to completion and to specific qualifications expressed by the Owner. The issuance of a recommendation for payment will not be a representation

that the Owner has (1) made exhaustive or continuous on-site inspections to check the quality or quantity of the work, (2) reviewed the CMAR's construction means, methods, techniques, sequences or procedures, (3) reviewed copies of requisitions received from Subcontractors and material suppliers and other data requested by the Owner to substantiate the CMAR's right to payment, or (4) made examination to ascertain how or for what purpose the CMAR has used money previously paid on account of the Contract Sum.

9.4 DECISIONS TO WITHHOLD RECOMMENDATION.

9.4.1 Criteria for Withholding Recommendation. The Owner may decide not to recommend payment and may withhold a recommendation in whole or in part, to the extent reasonably necessary to protect the Owner, if in the Owner's opinion the representations to the Owner required in Section 9.3.1 cannot be made. If the Owner is unable to recommend payment in the amount of the Application for Payment, the Owner will notify the CMAR and Owner as provided in Section 9.3.1. If the CMAR and Owner cannot agree on a revised amount, the Owner will promptly issue a recommendation for the amount for which the Owner is able to make such representations to the Owner. The Owner may also decide not to recommend payment or, because of subsequently discovered evidence or subsequent observations, may nullify the whole or a part of a recommendation previously issued, to such extent as may be necessary in the Owner's opinion to protect the Owner from loss because of:

.1 defective work not remedied;
.2 third party claims filed or reasonable evidence indicating probable filing of such claims;
.3 failure of the CMAR to make payments properly to Subcontractors or for labor, materials or equipment;
.4 reasonable evidence that the work cannot be completed for the unpaid balance of the Contract Sum;
.5 damage to the Owner or another CMAR;
.6 reasonable evidence that the work will not be completed within the Contract Time, and that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay;
.7 persistent failure to carry out the work in accordance with the Contract;
.8 failure to submit lien waivers as required by Section 9.2.6;
.9 unsatisfactory prosecution of the work or failure to comply with the work Milestone Dates or CMAR Construction Schedule;
.10 failure to supply Shop Drawings or other required submittals;
.11 erroneous estimates by the CMAR of the value of the work performed; or
.12 the existence of a breach by the CMAR of any provision in the Contract.

9.4.2 Recommendation Made Upon Compliance. When the above reasons for withholding recommendation are removed, recommendation will be made for amounts previously withheld.

9.5 PAYMENTS TO SUBCONTRACTORS.

Prompt Payment. The CMAR agrees to pay each subcontractor under this prime contract for satisfactory performance of its contract no later than 7 days from the receipt of each payment the

prime CMAR receives from Owner. The CMAR agrees further to return retainage payments to each subcontractor for work satisfactorily completed within 7 days from receipt of payment the CMAR receives from Owner. Any delay or postponement of payment from the above referenced time frame may occur only for good cause following written approval of the Owner.

For purposes of this section, a subcontractor's work is satisfactorily completed when all the tasks called for in the subcontract have been accomplished and documented as required by the Owner. When Owner has made an incremental acceptance of a portion of this Contract, the work of a subcontractor covered by that acceptance is deemed to be satisfactorily completed.

CMAR must insert the above clause, or language with the same intent, in all subcontracts as a result of this contract.

9.5.1 No Obligation to Oversee Payments. The Owner shall not have an obligation to pay or to see to the payment of money to a Subcontractor.

9.5.2 Payment Not Acceptance of Work. A payment recommendation, a progress payment, or partial or entire use or occupancy of the Project by the Owner shall not constitute acceptance of work not in accordance with the Contract.

9.6 NOT USED.

9.7 NOT USED.

9.8 SUBSTANTIAL COMPLETION.

9.8.1 Defined. Substantial completion is the stage in the progress of the work when all of the work is complete in accordance with the Contract Documents so the Owner can occupy or utilize the project for its intended use. For the project and each construction phase to be substantially complete, the following items must be completed in accordance with the Contract Documents: **all new Work identified in the Contract Documents shall be complete and operational leaving only items identified on the final punchlist outstanding**. The project area must be open and fully operational for airport and aircraft operations use as intended and shown in the plans. The purpose of granting or acknowledging substantial completion is to stop Contract time. Granting of substantial completion will eliminate the possibility of incurring liquidated damages or additional liquidated damages beyond the substantial completion date, whichever case may apply. The date of substantial completion shall be the date the Owner receives, in writing, notification from the CMAR, that the work is substantially complete. If upon inspection the project Owner determines that the project is not substantially complete and/or not ready for inspection, the date of notification from the CMAR will become void. In the event that the Owner grants substantial completion, the CMAR shall have thirty (30) calendar days thereafter to complete punch list work, unless the Owner grants additional time in writing. In no case shall a CMAR be granted more than thirty (30) calendar days to complete punch list work, unless there are extenuating circumstances such as a labor strike or circumstance beyond the CMAR's control that would necessitate a further time extension.

In the event the CMAR fails to complete the punch list work within thirty (30) calendar days following the Contract completion date, or in the case of specialized situations within the additional time allotted by the Owner, the CMAR may be declared in default, and the Owner may order the work completed by

others. In the event of default, as described herein, the Owner shall withhold from the CMAR's final payment, an amount equal to at least twice the estimated cost of the remaining work. In addition, the Owner shall withhold the retention or securities deducted from Contract progress payments until all punch list work has been satisfactorily completed, whereupon twice the amount of the actual cost of completing the work shall be deducted from the CMAR's final payment and the remaining funds, if any, including the Contract retention, shall be released in accordance with the conditions set forth in Contract retention. The authority to determine whether the CMAR has achieved Substantial Completion is vested in the first instance with the Owner, and ultimately in the Owner, whose decision shall be final and binding.

9.8.2 Certificate of Substantial Completion. When the CMAR considers that all of the work that the Owner agrees to accept as substantially complete, the CMAR shall prepare and submit to the Owner a comprehensive list of items to be completed or corrected. The CMAR shall, within 30 calendar days, complete and correct all items on the list, unless the Owner in writing grants a longer time. Failure to include an item on such list does not alter the responsibility of the CMAR to complete all work in accordance with the Contract. Upon receipt of the list, the Owner will make an inspection to determine whether the work or designated portion thereof is substantially complete. If the inspection discloses any item, whether or not included on the list, which is not in accordance with the requirements of the Contract, the CMAR shall, before issuance of the Certificate of Substantial Completion, complete or correct such item upon notification by the Owner. The CMAR shall then submit a request for another inspection by the Owner to determine Substantial Completion. When the work or designated portion thereof is substantially complete, the Owner will prepare a certificate which shall (1) establish the date of Substantial Completion, and (2) shall fix the time within which the CMAR shall finish all items on the list accompanying the Certificate ("Certificate of Substantial Completion"). The Certificate of Substantial Completion shall be submitted to the Owner and CMAR for their written acceptance of responsibilities assigned to them in such Certificate.

9.9 FINAL COMPLETION AND FINAL PAYMENT.

9.9.1 Final Inspection/Request for Punch List. Following the issuance of a Certificate of Substantial Completion for the work and upon completion of the work, the CMAR shall forward to the Owner a written notice that the work is ready for final inspection and acceptance and shall also forward to the Owner a final Application for Payment. Upon receipt, the Owner will promptly make such inspection. When the Owner, upon consultation, finds the work acceptable under the Contract and the Contract fully performed, the Owner will promptly issue a final recommendation stating that to the best of its knowledge, information and belief, and on the basis of its observations and inspections, the work has been completed in accordance with the Contract and that the remaining Contract Sum is due, including all retainage, less authorized deductions.

9.9.2 Conditions to Final Payment. Final Payment to the CMAR shall be made within sixty (60) days after compliance Sections 9.9.1 and 9.9.2. Neither Final Payment nor any remaining retainage shall become due until the CMAR submits to the Owner (1) an original affidavit acknowledging that all Subcontractors, material suppliers, payrolls, bills for materials and equipment, and other indebtedness connected with the work have been paid or otherwise satisfied, (2) an original certificate evidencing that insurance required by Section 11.2 is currently in effect and will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Owner,

(3) a written statement that the CMAR knows of no reason that the insurance will not cover the period required by Section 11.1, (4) the written consent of the Surety to Final Payment, (5) Record Drawings in accordance with Paragraph 3.12.2 and the Special Provision Specifications, certified by the CMAR that the Drawings as submitted are accurate and complete, (6) five (5) sets of manuals, indexed and bound, containing the manufacturer's warranties, instructions for maintenance and operation of each item of equipment and apparatus included in the work, and (7) a full and final release and waiver of liens from the CMAR and all Subcontractors. If a Subcontractor refuses to furnish a release and waiver of liens, the CMAR shall furnish a bond satisfactory to the Owner against such possible liens prior to Final Payment. Final Payment shall not be due until the CMAR furnishes such bond. The CMAR shall also indemnify, defend, and hold harmless the indemnified parties against liens by any Subcontractor (collectively "Final Payment").

9.9.3 Delay of Final Completion. If, after Substantial Completion of the work, Final Completion thereof is materially delayed through no fault of the CMAR or by issuance of Change Orders affecting Final Completion, and the Owner so confirms, the Owner shall, upon application by the CMAR and recommendation by the Owner, and without terminating the Contract, make payment of the balance due for that portion of the work fully completed and accepted. In such case, the Owner will retain at least two times the value of the incomplete or uncorrected parts of the work, as determined by the Owner in consultation with the Owner. If the remaining balance for work not fully completed or corrected is less than retainage stipulated in the Contract the written consent of Surety to payment of the balance due for that portion of the work fully completed and accepted shall be submitted by the CMAR to the Owner prior to recommendation of such payment. Such payment shall be made under terms and conditions governing Final Payment.

9.9.4 Waiver of Claims. Acceptance of payment by the CMAR or Subcontractor shall constitute a waiver of claims by that payee except those previously made in writing and identified by that payee as unsettled at the time of final Application for Payment.

9.10 INSPECTION BY OWNER.

The Owner will make up to two inspections of the work for the purpose of determining Substantial Completion and up to two inspections of the work for the purpose of determining Final Completion. If, after making either of such inspections, the Owner determines that the work is not substantially complete or finally complete (as the case may be), the CMAR shall be responsible for the costs of the Owner incurred in the performance of additional inspections for the purpose of determining Substantial Completion or Final Completion (as the case may be).

ARTICLE 10 PROTECTION OF PERSONS AND PROPERTY

10.1 SAFETY PRECAUTIONS AND PROGRAMS.

10.1.1 CMAR's Responsibility. The CMAR shall be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the work. The CMAR shall have a written safety program for the work and shall submit two (2) copies of this safety program to the Owner within fifteen (15) days of the Contract award.

10.1.2 Remedy for Failure to Maintain Safety. If the CMAR fails to maintain the safety precautions required by law, the Owner may take action as necessary and charge the CMAR therefore. However, the failure of the Owner to take any such action shall not relieve the CMAR of its obligations set forth in Section 10.1.1. If the CMAR fails to maintain the safety precautions required by law, the CMAR shall, if directed by the Owner, remove all forces from the Project without cost or loss to the Owner until the CMAR complies with such safety precautions.

10.1.3 Environmental Hazards. In the event the CMAR encounters on the Site material reasonably believed to contain asbestos, polychlorinated biphenyls (PCBs), petroleum based substances, or hazardous substances (as defined or regulated under any federal, state, or local law), the CMAR shall (1) immediately suspend the work in the area affected and report the condition to the Owner by the fastest available means and follow up in writing; and (2) take reasonable precautions to prevent or contain the movement, spread or disturbance of such materials. The work in the affected area shall not thereafter be resumed except by written consent of the Owner. In no event shall the Owner have any responsibility for any substance or material that is brought to the Site by the CMAR, any Subcontractor, any material-men or supplier or any entity for which any of them is responsible. The CMAR agrees not to use any fill or other materials to be incorporated into the work that are hazardous, toxic or comprised of any items that are hazardous or toxic. CMAR shall indemnify, defend, and hold harmless, the indemnified parties from and against any and all liabilities, claims, or demands (including attorney's fees and costs) arising out of or resulting from the presence, uncovering, release of suspected or confirmed asbestos, polychlorinated biphenyls (PCBs), petroleum based substances, or hazardous substances to the extent caused by the negligence of, or failure to comply with the terms and conditions of the Contract by, the CMAR, any Subcontractor, any material-men or supplier, or any entity for whom any of them is responsible.

10.1.4 Duty to Suspend the Work. If reasonable precautions will be inadequate to prevent foreseeable bodily injury or death to persons resulting from a material or substance encountered on the Site by the CMAR, the CMAR shall, upon recognizing the condition, immediately suspend the work in the affected area and report the condition to the Owner in writing.

10.2 SAFETY OF PERSONS AND PROPERTY.

10.2.1 CMAR's Duty to Protect. The CMAR shall take reasonable precautions for safety of, and shall provide reasonable protection to prevent damage, injury or loss to:

.1 employees on the work and other persons who may be affected thereby;

.2 the work and materials and equipment to be incorporated therein, whether in storage on or off the Site, under care, custody or control of the CMAR or the CMAR's Subcontractors;

.3 other property at the Site or adjacent thereto, such as trees, shrubs, lawns, walks, pavements, roadways, Taxiways, Runways, Aprons, structures and utilities not designated for removal, relocation or replacement in the course of construction; and

.4 construction or operations by the Owner or other Contractors.

10.2.2 Compliance with Safety Notices and Laws. The CMAR shall give notices and comply with applicable laws, ordinances, rules, regulations and lawful orders of public authorities bearing on safety of persons or property or their protection from damage, injury or loss.

10.2.3 Safety Precautions. The CMAR shall erect and maintain, as required by existing conditions and performance of the Contract, reasonable safeguards for safety and protection, including posting danger signs and other warnings against hazards, promulgating safety regulations and notifying owners and users of adjacent sites and utilities. The CMAR shall also be responsible, at the CMAR's sole cost and expense, for all measures necessary to protect any property adjacent to the Site and improvements thereon. The CMAR shall promptly repair any damage to such property or improvements. Without limiting the indemnity provisions elsewhere in the Contract, the CMAR shall indemnify, defend and hold harmless the indemnified parties from and against any and all liabilities, claims or demands (including attorney's fees and costs) arising out of or resulting from damage to such property or improvements.

10.2.4 Use of Explosives or Hazardous Materials. When use or storage of explosives or other hazardous materials or equipment or unusual methods are necessary for execution of the work, the CMAR shall exercise utmost care and carry on such activities under supervision of properly qualified personnel. When use or storage of explosives or other hazardous materials or equipment or unusual methods are necessary, the CMAR shall secure the Owner's approval prior to their storage or use.

10.2.5 CMAR Liability. The CMAR shall promptly remedy damage and loss to any property caused in whole or in part by the CMAR or Subcontractor or anyone or by anyone for whose acts they may be liable.

10.2.6 Safety Representative. The CMAR shall designate a responsible member of the CMAR's organization at the Site whose duty shall be the prevention of accidents. This person shall be the CMAR's superintendent unless otherwise designated by the CMAR in writing to the Owner. This person shall conduct regular safety meetings for employees of the CMAR and Subcontractors engaged in construction activities at the Site.

10.2.7 Loading Precautions. The CMAR shall not load or permit to be loaded any part of the Project including the structure or the Site in such a way as to cause damage to or endanger the Project or any persons or entities at the Site during or after completion of the work.

10.2.8 Accident Reports. The CMAR shall immediately report in writing to the Owner all accidents arising out of or in connection with the work which cause death, personal injury or property damage, giving full details and statements of any witnesses. In addition, if death or serious personal injuries or serious damages are caused, immediately report the accident by telephone or messenger to the Owner.

10.2.9 Safety Cooperation. The CMAR and its Subcontractors shall cooperate fully with all interested persons on accident prevention.

10.2.10 Risk of Loss. The CMAR shall be fully responsible for, and shall bear the full risk of loss of, all the CMAR's tools, equipment, materials, and other property, notwithstanding any security measures for the Site provided by the Owner.

10.3 EMERGENCIES.

In an emergency affecting safety of persons or property, the CMAR shall act, at the CMAR's discretion, to prevent threatened damage, injury or loss. Additional compensation or extension of time claimed by the CMAR on account of an emergency shall be determined as provided in Section 4.2 and Article 7.

ARTICLE 11 INSURANCE

11.1 CMAR-PROVIDED INSURANCE.

11.1.1 Scope. The CMAR and Subcontractors shall purchase from and maintain in a company or companies authorized to do business in Arizona insurance specified in the CMAR Contract as well as the following insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the CMAR, his agents, representatives, employees, or subcontractors. Such insurance shall be effective for the duration of the contract and for ten (10) years thereafter.

11.1.1.1 Workers' Compensation. Workers' Compensation insurance with statutory limits as required by the State of Arizona and Employer's Liability insurance with limits of no less than $1,000,000 per occurrence for bodily injury, $1,000,000 per employee for bodily injury by disease and a $1,000,000 policy limit for bodily injury by disease. Such Workers' Compensation insurance will cover obligations imposed by federal and state statutes having jurisdiction of CMAR's or Subcontractors' employees while performing work at locations other than the Site and shall cover CMAR's employees after Substantial Completion of the work and Subcontractor's employees after Subcontractor has substantially performed its Subcontract.

11.1.1.2 Commercial General Liability. Commercial General Liability insurance, with a combined single limit of $5,000,000 per occurrence and in the annual aggregate. Such insurance shall include coverage for Bodily Injury, Property Damage, Personal Injury, Broad Form Property Damage (including Completed Operations), Contractual, Contractors' Protective, Products and Completed Operations, and the hazards commonly referred to as "XCU." This insurance shall also be required for work performed at locations other than the Site, shall cover CMAR after Substantial Completion of the work, and shall cover Subcontractor after Subcontractor has substantially performed its Subcontract. Further, this insurance shall contain a severability of interest provision.

11.1.1.3 Business Automobile Liability. Business Automobile Liability insurance, with a combined single limit no less than $1,000,000 combined single limit per accident for Bodily Injury and Property Damage with respect to all vehicles used in performance of the work on or off the Site, whether owned, non-owned, leased, hired, assigned, or borrowed. If CMAR, his agents, representative, employees, or subcontractors are operating in the Air Operations Area (airside), the combined single limit for Bodily Injury and Property Damage shall be no less than $5,000,000 per accident.

11.1.1.4 Property Insurance. All-risk property insurance covering damages and/or destruction of all materials which will become part of the work until such materials are delivered to the Site.

11.1.2 Additional Insured. The policies required by Sections 11.1.1.2 & 11.1.1.3 herein shall be endorsed to include Phoenix-Mesa Gateway Airport Authority as the Owner and their officers' employees, successors and assigns as additional insured, shall provide that the insurance shall be primary, and shall stipulate that any insurance carried by the additional insured and their officers or employees, shall not be contributory insurance.

11.1.3 Waiver. CMAR and Subcontractors waive all rights of recovery against Phoenix-Mesa Gateway Airport Authority, their directors, officers, employees, successors and assigns, and shall

require its insurers to waive all rights of subrogation against Phoenix-Mesa Gateway Airport Authority and the Owner, and all of their respective directors, officers, employees, successors and assigns.

11.1.4 CMAR to Provide Certificates of Insurance. Before commencing any work under this Contract, CMAR shall furnish Owner with Certificates of Insurance issued by CMAR's and Subcontractors' insurer(s), as necessary, in a form acceptable to Owner, as evidence that the insurance policies, including all applicable endorsements, providing the coverage, conditions, and limits required by this Section 11.1, are in full force and effect. Owner has the right to request and receive promptly from the CMAR certified copies of any or all of such insurance policies and/or endorsements. Owner will not be obligated, however, to review such certificates, policies, and endorsements, or to advise CMAR of any deficiencies in such documents, and such receipts shall not relieve CMAR from, or be deemed a waiver of, Owner's right to insist on strict fulfillment of CMAR's obligations hereunder.

11.1.5 Cancellation Notice. CMAR's and Subcontractors' Certificates of Insurance shall identify the Contract number and shall provide for not less than thirty (30) days' advance notice of any cancellation, termination, or alteration **affecting the minimum required amounts of insurance (Addendum No. 2, 5.11.17).** All such certificates, endorsements, and notices shall be sent to the following:

Owner:	Phoenix-Mesa Gateway Airport Authority
Address:	5835 South Sossaman Road Mesa, Arizona 85212-6014
Attn:	Mr. Bob Draper, PE – Engineering and Facilities Director

11.1.6 Costs of CMAR-Provided Insurance. Costs of all insurance coverage required by Section 11.1 are the sole responsibility of the CMAR.

11.1.7 Cancellation of Insurance. In the event that any insurance coverage for the work is cancelled or terminated, CMAR agrees to replace the insurance without any lapse of protection to Owner.

11.1.8 Contractual Obligations. The stipulation of insurance coverage in this Section 11.1 shall not be construed to limit, qualify, or waive any liabilities or obligations of CMAR, assumed or otherwise, under this Contract.

11.1.9 Notice of Loss. All physical loss or damage to the work or to Owner property must be reported immediately to the Owner.

11.1.10 Higher Limits. If the CMAR maintains higher limits than the minimums stated in this Article 11, Owner requires, and shall be entitled to, coverage for the higher limits maintained by the CMAR. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to Owner.

11.1.11 Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to, and approved by, Owner. At the option of Owner, either: the CMAR shall reduce or

eliminate such deductibles; or the CMAR shall provide a financial guarantee satisfactory to the Owner guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

11.1.12 Claims Made Policy. No Claims Made policies, other than Professional Liability, Cyber Liability or Pollution Legal Liability (if applicable to this Contract), will be accepted. For policies that provide claims made coverage:

.1 The retroactive date must be shown, and this date must be before the execution date of the contract or the beginning of contract work.

.2 Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract work.

.3 If coverage is canceled or non-renewed, and not replaced with another claims made policy with a retroactive date prior to the contract effective date, or start of work date, the CMAR must purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work.

.4 A copy of the claims reporting requirements must be submitted to the Owner for review.

.5 If the services involve lead-based paint or asbestos identification/remediation, the CMAR's Pollution Legal Liability policy shall not contain lead-based paint or asbestos exclusions. If the services involve mold identification/remediation, the CMAR's Pollution Legal Liability policy shall not contain a mold exclusion, and the definition of Pollution shall include microbial matter, including mold.

11.1.13 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best rating of no less than "A-" unless otherwise acceptable to the Owner.

11.1.14 Subcontractors. CMAR shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and CMAR shall ensure that Owner is an additional insured on insurance from subcontractors.

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

11.2 PERFORMANCE AND PAYMENT BONDS.

11.2.1 A.R.S. § 34-222. CMAR shall obtain, at its own expense, performance and payment bonds as required by A.R.S. § 34-222. CMAR warrants that its payment and performance bonds fully comply with A.R.S. § 34-222.

11.2.2 Copies to Potential Beneficiaries. Upon the request of any person or entity appearing to be a potential beneficiary of bonds covering payment of obligations arising under the Contract, the CMAR shall promptly furnish a copy of the bonds or shall permit a copy to be made.

ARTICLE 12 UNCOVERING AND CORRECTION OF WORK

12.1 UNCOVERING OF WORK.

12.1.1 Duty to Uncover Work. If a portion of the work is covered contrary to the Owner's request or to requirements specifically expressed in the Contract, it must, if required in writing by the Owner, be uncovered for its observation and be replaced at the CMAR's expense without change in the Contract Time.

12.1.2 Cost of Uncovering Work. If the CMAR covers a portion of the work that the Owner has not specifically requested to observe prior to its being covered, the Owner may request to see such work and the CMAR shall uncover it. If such work is in accordance with the Contract, an appropriate Change Order shall charge costs of uncovering and replacement to the Owner. If such work is not in accordance with the Contract, the CMAR shall pay such costs.

12.2 CORRECTION OF WORK.

12.2.1 Duty to Correct Rejected Work. The CMAR shall promptly correct all work rejected by the Owner as defective or failing to conform to the requirements of the Contract, whether observed before or after Substantial Completion of the work and whether or not fabricated, installed or completed. The CMAR shall bear costs of correcting such rejected work including the replacement or repair of other work affected by CMAR's performance, including additional testing and inspection and compensation for the Owner's services made necessary thereby. Work rejected before Final Completion shall be corrected prior to Final Payment

12.2.2 One-Year Duty to Correct Work. Without limiting the Owner's statutory, common law, or rights arising out of this Agreement, if within one year after the date of Substantial Completion of the work, or within such longer period of time as may be prescribed by law or by the terms of any applicable special warranty or guarantee required by the Contract, any of the work is found to be defective or not in accordance with the requirements of the Contract, the CMAR shall correct it promptly after receipt of written notice from the Owner to do so. The CMAR shall bear all costs of correcting such defective work, including replacement or repair of other work affected by the defect and any other damages resulting from such defect. The obligations under this Section 12.2.2 shall survive Final Payment to the CMAR.

12.2.3 Removal of Nonconforming Work. The CMAR shall remove from the Site, at no additional cost, portions of the work that are not in accordance with the requirements of the Contract and are neither corrected by the CMAR nor accepted by the Owner.

12.2.4 Owner's Right to Correct Nonconforming Work. If the CMAR fails to correct nonconforming work within a reasonable time, the Owner may correct it in accordance with Section 2.4. If the CMAR does not proceed with correction of such nonconforming work within a reasonable time fixed by written notice from the Owner, the Owner may remove it and store the salvable materials or equipment at the CMAR's expense. If the CMAR does not pay costs of such removal and storage within ten (10) days thereafter, the Owner may sell such materials and equipment at auction or at private sale and shall account for the net proceeds thereof, after deducting the costs that should have

been borne by the CMAR, including compensation for the Owner's additional services and expenses made necessary thereby. If such proceeds of sale do not cover costs that the CMAR should have borne, the Contract Sum shall be reduced by the deficiency. If payments then or thereafter due the CMAR are not sufficient to cover such amount, the CMAR shall pay the difference to the Owner.

12.2.5 Cost of Correcting Other Affected Work. The CMAR shall bear the cost of correcting destroyed or damaged construction, whether completed or partially completed, of the Owner, CMAR or other contractors caused by the CMAR's correction or removal of work which is defective or not in accordance with the requirements of the Contract.

12.2.6 Warranty Periods. Nothing contained in this Section 12.2 shall be construed to establish a period of limitation with respect to obligations that the CMAR has under the Contract or at law, including Section 3.6. Establishment of the time period of one year as described in Section 12.2.2, or such longer period of time as may be prescribed by law or by the terms of any warranty required by the Contract, relates only to the specific obligation of the CMAR to correct the work, and has no relationship to the time within which the obligation to comply with the Contract may be sought to be enforced, nor to the time within which proceedings may be commenced to establish the CMAR's liability with respect to the CMAR's obligations.

12.3 ACCEPTANCE OF NONCONFORMING WORK.

If the Owner prefers to accept work that is not in accordance with the requirements of the Contract, the Owner may do so instead of requiring its removal and correction, in which case the Contract Sum will be reduced as appropriate and equitable for the difference in value together with an allowance for damage or loss of quality. Such adjustment shall be effected whether or not Final Payment has been made.

ARTICLE 13 MISCELLANEOUS PROVISIONS

13.1 GOVERNING LAW.

The laws of the State of Arizona shall govern the Contract.

13.2 SUCCESSORS AND ASSIGNS.

The Owner and CMAR respectively bind themselves, their successors, assigns and legal representatives to the other party hereto and to successors, assigns and legal representatives of such other party in respect to covenants, agreements and obligations contained in the Contract.

13.3 THIRD PARTY BENEFICIARY.

This Contract is not intended to benefit any third party.

13.4 NOTICES.

13.4.1 Methods of Notice. All notices under this Contract shall be in writing and sent to the appropriate person and will be deemed properly given if sent by (i) personal delivery (hand carried), (ii) facsimile transmission, (iii) express mail, postage prepaid, return receipt requested, or (iv) certified United States mail, postage prepaid, return receipt requested, addressed as follows:

Owner: Phoenix-Mesa Gateway Airport Authority
5835 South Sossaman Road
Mesa, Arizona 85212-6014
Attn: Mr. Bob Draper, PE – Engineering and Facilities Director

With a copy to:

CMAR: Nesbitt Contracting Co., Inc.
100 S. Price Rd.
Tempe, AZ 85281
Attn: Mr. Joe Chavez

Each party may by notice to the others specify a different address for subsequent notice purposes. Notice is effective on the date of actual receipt or three (3) days after the date of mailing, whichever is earlier.

13.4.2 Authorized Persons. Written notice shall be deemed to have been duly served if delivered in person to the individual or a member of the firm or entity or to an officer of the corporation for which

it was intended, or if delivered at or sent by registered or certified mail to the last business address known to the party giving notice.

13.5 RIGHTS AND REMEDIES.

13.5.1 Legal Rights. Duties and obligations imposed by the Contract and rights and remedies available thereunder shall be in addition to and not a limitation of duties, obligations, rights and remedies otherwise imposed or available by law. This clause shall not be interpreted to permit the CMAR to recover any costs or damages that are otherwise limited, prohibited or waived by the Contract.

13.5.2 No Waiver. No action or failure to act by the Owner or CMAR shall constitute a waiver of a right or duty afforded them under the Contract, nor shall such action or failure to act constitute approval of or acquiescence in a breach thereunder, except as may be specifically agreed in writing.

13.6 TESTS AND INSPECTIONS.

13.6.1 CMAR's Duty to Administer. Tests, inspections and approvals of portions of the work required by the Contract or by laws, ordinances, rules, regulations or orders of public authorities having jurisdiction shall be made at the appropriate time. Unless otherwise provided, the CMAR shall make arrangements for such tests, inspections and approvals with an independent testing laboratory selected and paid for by the Owner or with the appropriate public authority. The CMAR shall give the Owner timely notice of when and where tests and inspections are to be made so the Owner may observe such procedures. Any of the work requiring testing, inspection or approval which is covered or otherwise made inaccessible without the consent of those requiring or making the inspection or test shall be uncovered or made accessible by and at the expense of the CMAR. CMAR shall be responsible for any testing, retesting or other charges resulting from CMAR's failure to perform.

13.6.2 Additional Testing and Inspection. If the Owner or public authorities having jurisdiction determine that portions of the work require additional testing, inspection or approval not included under Section 13.6.1, the Owner will, upon written authorization from the Owner, instruct the CMAR to make arrangements for such additional testing, inspection or approval by an entity acceptable to the Owner, and the CMAR shall give timely notice to the Owner of when and where tests and inspections are to be made so the Owner may observe such procedures. The Owner shall bear such costs except as provided in Section 13.6.3.

13.6.3 Costs for Testing and Inspection. If such procedures for testing, inspection or approval under Sections 13.6.1 and 13.6.2 reveal failure of the portions of the work to comply with requirements established by the Contract, the CMAR shall bear all costs made necessary by such failure including those of repeated procedures and compensation for the Owner's services and expenses.

13.6.4 Certificates. Required certificates of testing, inspection or approval shall, unless otherwise required by the Contract, be secured by the CMAR and promptly delivered to the Owner.

13.6.5 Prompt Testing and Inspection. Tests or inspections conducted pursuant to the Contract shall be made promptly to avoid unreasonable delay in the work.

13.7 MANUFACTURERS' NAMEPLATES.

Manufacturers' nameplates shall not be permanently attached to ornamental and miscellaneous metal work, doors frames, millwork, and similar factory fabricated products on which, in the Owner's opinion, the nameplates would be objectionable, if visible after installation of the work. This provision does not apply to underwriters' labels when required, or to the manufacturers' name and rating plates on mechanical and electrical equipment.

13.8 MANUFACTURERS' INSTRUCTIONS.

All manufactured articles, materials, and equipment shall be applied, installed, connected, erected, used, cleaned and conditioned in accordance with the manufacturers' written specifications or instructions. In case of any difference or conflicts between the requirements of the manufacturers' instructions or specifications and the technical sections of the Specifications, the CMAR shall promptly report any such difference or conflict to the Owner.

13.8.1 Equal Employment Opportunity. CMAR shall comply with the terms of: (1) Section 503, Public Law 93-112, and the regulations at 41 CFR Part 60-741; (2) Executive Order 11246, as amended, and the regulations at 41 CFR Parts 60-1 through 60-60; and (3) Section 402, Public Law 93-508, and the regulations at 41 CFR Part 60-250.

13.8.2 Compliance with State Executive Order No. 99-4 (Amending 75-5). The CMAR shall comply at all times with Arizona Executive Order 75-5, as amended by Executive Order 99-4.

13.9 HEADINGS.

The subject headings of this Agreement are included for purposes of convenience only and shall not affect the construction or interpretation of any provision of this Agreement.

13.10 INTERPRETATION.

In the interest of brevity, the Contract frequently omits modifying words such as "all" and "any" and articles such as "the" and "an" but the fact that a modifier or an article is absent from one statement and appears in another is not intended to affect the interpretation of either statement. To the extent permitted by the context in which used, (a) words in the singular member shall include the plural, words in the masculine gender shall include the feminine and neuter, and vice versa; and (b) (unless specified otherwise) references to paragraphs, sections or articles are to paragraphs, sections or articles of the General Conditions to the CMAR Contract.

13.11 RECORDS RETENTION AND INSPECTION.

The CMAR shall make available at its office all CMAR books, documents, papers, drawings and records relating to this Project for audit, inspection, excerpt, reproduction, or transcription by any authorized representative of the Owner, Contractors and subcontractors' books, records, correspondence, accounting procedures and practices, and any other supporting evidence relating

to this Contract, including the papers of any CMAR and Subcontractor employee who works on the Contract, to ensure that the CMAR and its Subcontractor are complying with the warranty under Item 48 below (all the foregoing hereinafter referred to as the Records), shall be open to inspection and subject to audit and/or reproduction during normal working hours to the extent necessary to adequately permit (1) evaluation and verification of any invoices, payments or claims based on Contractors and its Subcontractors actual costs (including direct and indirect costs and overhead allocations) incurred, or units expended directly in the performance of work under this Contract and (2) evaluation of the Contractors and Subcontractors compliance with the Arizona employer sanctions laws referenced Paragraph 3.3.4 of the General Conditions. To the extent necessary for the audit of Records as set forth in this Section, CMAR and it Subcontractors hereby waive any rights to keep such Records confidential. For the purpose of evaluating or verifying such actual or claimed costs or units expended, the Authority shall have access to said Records from the effective date of this Contract for the duration of the work and until five years after the date of final payment by the Authority to CMAR pursuant to this Contract. The Authority shall have access, during normal working hours, to all necessary CMAR and Subcontractor facilities, and shall be provided adequate and appropriate workspace, in order to conduct audits in compliance with the provisions of this subsection. The Authority shall give CMAR or Subcontractor reasonable advance notice of intended audits. CMAR shall require its Subcontractors to comply with the provisions of this subsection by insertion of the requirements hereof in any subcontract pursuant to this Contract. If any information required of the CMAR or a Subcontractor is in the exclusive possession of another who fails or refuses to furnish this information, the CMAR shall so certify to the Owner, FAA, ADOT Aeronautics, EDA and the Office of Inspector General, or the Comptroller General of the United States, and shall set forth what efforts it has made to obtain the information.

13.12 FOREIGN NATIONALS.

The CMAR certifies that: (1) it is not owned or controlled by one or more citizens or nationals of a foreign country included in the list of countries that discriminate against U.S. firms published by the office of the United States Trade Representative; (2) it has not knowingly entered into any contract or subcontract for this project with a CMAR that is a citizen or national of a foreign country on the list or a CMAR that is owned or controlled directly or indirectly by one or more citizens or nationals of a foreign country on the list; and (3) it has not procured any product or subcontracted for the supply of any product for use on the project that is produced in a foreign country on the list. Unless the restrictions of this clause have been waived by the Secretary of Transportation in accordance with 49 CFR 30.17, no contract shall be awarded to a CMAR or subcontractor who is unable to certify to the above. If the CMAR knowingly procures or subcontracts for the supply of any product or service of a foreign country on this list for use on the Project, the FAA through the Owner may cancel the contract at no cost to the Owner. Further, the CMAR agrees that it will incorporate this provision for certification without modification in each contract and in all lower tier subcontracts

related to the Project. Making false, fictitious or fraudulent certification may render the maker subject to prosecution under Title 18, U.S.C. Section 1001.

13.12.1 CMAR Certification. Pursuant to Arizona Revised Statutes Section 35-397, the CMAR certifies that it does not have a scrutinized business operation in either Sudan or Iran.

13.13 WORK HOURS AND SAFETY STANDARDS.

With regard to the employment of mechanics and laborers, the CMAR shall comply with sections 103 and 107 of the Contract work Hours and Safety Standards Act (40 U.S.C. 327-330) as supplemented by Department of Labor regulations (29 CFR Part 5).

13.14 ENVIRONMENTAL COMPLIANCE.

13.14.1 The CMAR shall comply with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 1857(h)), section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR Part 15).

13.14.2 At its sole cost and expense, the CMAR shall at all times promptly observe and comply with all applicable federal, state, and local laws, regulations, and standards and in particular with those provisions concerning the environment and pollution control and abatement, waste minimization and pollution prevention that are, or may become, applicable to the work.

13.14.3 The CMAR shall be solely responsible for obtaining at its cost and expense any environmental permits required for its operations under this Contract, independent of any existing Owner permits.

13.14.4 To the fullest extent permitted by law, the CMAR shall save, indemnify, defend and hold harmless the Owner, and the federal government from any damages, costs, expenses, liabilities, fines, or penalties resulting from or relating to releases, discharges, emissions, spills, storage, disposal, or any other acts or omissions by the CMAR, its officers, agents, employees, or contractors, or the invitee of any of them under federal, state or local environmental laws. This provision shall survive the termination or completion of this Contract, and the CMAR's obligations under this Section 13.22.4 shall apply whenever the Owner or the federal government incurs costs or liability for the CMAR's actions of the types described in this Section 13.22.

13.14.5 The Owner's rights under this Contract specifically include the right to inspect upon reasonable notice the Site for compliance with environmental, safety, and occupational health laws and regulations. The CMAR shall have no claim against the Owner or any officer, agent, employee, or CMAR of the Owner on account of any entries.

13.14.6 The CMAR shall comply with all federal, state, and local laws, regulations, and other requirements relating to occupational safety and health, the handling and storage of hazardous materials, and the proper generation, handling, accumulation, treatment, storage, disposal, and transportation of hazardous wastes. The CMAR shall be liable for the cost of proper disposal of any hazardous waste it generates or for that waste generated by Subcontractors or assigns in the event

of failure by a Subcontractor or assign to properly dispose of such wastes. Where required, the Owner may act on behalf of CMAR to dispose of CMAR-derived waste, sign manifests on behalf of CMAR, and assign such disposal to CMAR's EPA ID number. CMAR shall repay the Owner the costs and fees for doing so.

13.14.7 The CMAR shall strictly comply with the hazardous waste permit requirements under RCRA, or its state equivalent, and any other applicable laws, rules, or regulations.

13.14.8 The CMAR shall not conduct any subsurface excavation, digging, drilling, or other disturbance of the surface without Owner's prior written approval.

13.15 ENERGY CONSERVATION AND POLICY ACT COMPLIANCE.

This agreement is executed in recognition that the CMAR and Subcontractor agree to comply with mandatory standards and policies relating to energy efficiency as contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (42 U.S.C. 6201et seq).

ARTICLE 14 TERMINATION OR SUSPENSION OF THE CONTRACT

14.1 TERMINATION BY THE OWNER FOR CAUSE.

14.1.1 Criteria for Termination for Cause. The Owner may terminate the Contract if the CMAR:

.1 more than once refuses or fails to supply enough properly skilled workers or proper materials;

.2 fails to make payment to Subcontractors for materials or labor in accordance with the respective agreements between the CMAR and the Subcontractors;

.3 disregards laws, ordinances, or rules, regulations or orders of a public authority having jurisdiction;

.4 breaches any provision of the Contract;

.5 fails to furnish the Owner with assurances satisfactory to the Owner evidencing the CMAR's ability to complete the work in compliance with all the requirements of the Contract; or

.6 fails after commencement of the work to proceed diligently and continuously with the construction and completion of the work for more than seven (7) days, except as permitted under the Contract.

14.1.2 Effect of Termination for Cause. When any of the above conditions exist, the Owner, after consultation with and certification by the Owner that sufficient cause exists to justify such action, may without prejudice to any other rights or remedies of the Owner and after giving the CMAR and the CMAR's Surety, if any, ten (10) days' written notice, terminate the Contract and may, subject to any prior rights of the Surety:

.1 take possession of the Site and all materials, equipment, tools, and construction equipment machinery thereon owned by the CMAR;

.2 accept assignment of subcontracts pursuant to Section 5.4; and

.3 finish the work by whatever reasonable method the Owner may deem expedient.

14.1.3 CMAR Right to Receive Payment. When the Owner terminates the Contract for one of the reasons stated in Section 14.1.1, the CMAR shall not be entitled to receive further payment until the work is finished.

14.1.4 Costs for Finishing Work. If the unpaid balance of the Contract Sum exceeds costs of finishing the work, including compensation for Owner's services and expenses made necessary thereby, such excess shall be paid to the CMAR. If such costs exceed the unpaid balance, the CMAR shall pay the difference to the Owner. The amount to be paid to the CMAR or Owner, as the case may be, shall,

upon application, be certified by the Owner, and this obligation for payment shall survive termination of the Contract.

14.2 SUSPENSION BY THE OWNER FOR CONVENIENCE.

14.2.1 Owner's Right. The Owner may, without cause, order the CMAR in writing to suspend, delay or interrupt the work in whole or in part for such period of time as the Owner may determine.

14.2.2 Adjustment in Contract Sum. An adjustment shall be made for increases in the cost of performance of the Contract, including profit on the increased cost of performance, caused by suspension, delay or interruption. No adjustment shall be made to the extent:

.1 that performance is, was or would have been so suspended, delayed or interrupted by another cause for which the CMAR is responsible; or

.2 that an equitable adjustment is made or denied under another provision of this Contract.

14.2.3 Method for Adjustment in Contract Sum. Adjustments made in the cost of performance may have a mutually agreed fixed or percentage fee.

14.3 OWNER'S TERMINATION FOR CONVENIENCE.

14.3.1 Effect of Termination for Convenience. The Owner reserves the right to terminate the Contract for convenience and without cause even if CMAR has not failed to perform any part of the Contract. Termination of the work hereunder shall be effected by written notice to the CMAR. Upon receipt of such notice, CMAR shall, unless the notice otherwise directs:

.1 Immediately discontinue the work and the placing of all orders and subcontracts in connection with this Contract;

.2 Immediately cancel all of the existing orders and subcontracts made hereunder;

.3 Immediately transfer to the Owner all materials, supplies, work in progress, appliances, facilities, machinery and tools acquired by the CMAR in connection with the performance of the Contract, and take such action as may be necessary or as the Owner may direct for protection and preservation of the work relating to this Contract; and

.4 Deliver all plans, Drawings, Specifications and other necessary information to the Owner.

14.3.2 CMAR's Exclusive Remedy. If the Owner terminates the Contract for convenience, the following shall be the CMAR's exclusive remedy:

.1 Reimbursement of all actual expenditures and costs approved by the Owner as having been made or incurred in performing the work;

.2 Reimbursement of expenditures made and costs incurred with the Owner's prior written approval in settling or discharging outstanding commitments entered into by the CMAR in performing the Contract; and

.3 Payment of profit, in so far as profit is realized hereunder, of an amount equal to the estimated profit on the entire Contract at the time of termination multiplied by the percentage of completion of the work. In no event shall the CMAR be entitled to anticipated fees or profits on work not required to be performed.

14.3.3 Warranties, Guarantees and Indemnified Parties to Remain in Effect. All obligations of the CMAR under the Contract with respect to completion of the work, including but not limited to all warranties, guarantees and indemnities, shall apply to all work completed or substantially completed by the CMAR prior to a convenience termination by the Owner. Notwithstanding the above, any convenience termination by the Owner or payments to the CMAR shall be without prejudice to any claims or legal remedies that the Owner may have against the CMAR for any cause, including liquidated damages assessed for CMAR's delays to any work Milestone Dates.

14.3.4 Conversion of Termination for Cause to Termination for Convenience. Upon a determination that a termination of this Contract other than a termination for convenience under this Article was wrongful or improper for any reason, such termination shall automatically be deemed converted to a convenience termination under this Article 14, and the CMAR's remedy for such wrongful termination shall be limited to the recoveries specified under Section 14.3.2.

14.3.5 Remedy Limited to Damages. In the event that CMAR is terminated, whether for cause or convenience, the CMAR's sole remedy shall be for damages. In no event shall the CMAR be entitled to reinstatement or other equitable relief from a court or through alternative dispute resolution.

14.3.6 Notice that Contract is Subject to Termination Provisions of A.R.S. § 38-511. The parties acknowledge, and as required by law, notice is hereby given that this Contract is subject to A.R.S. § 38-511.

END GENERAL CONDITIONS TO THE CMAR CONTRACT

GENERAL PROVISIONS TO THE CMAR CONTRACT

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Part 1 – General Contract Provisions

Section 10 Definition of Terms

When the following terms are used in these specifications, in the contract, or in any documents or other instruments pertaining to construction where these specifications govern, the intent and meaning shall be defined as follows:

Paragraph Number	Term	Definition
10-01	**AASHTO**	The American Association of State Highway and Transportation Officials.
10-02	**Access Road**	The right-of-way, the roadway and all improvements constructed thereon connecting the airport to a public roadway.
10-03	**Advertisement**	A public announcement, as required by local law, inviting bids for work to be performed and materials to be furnished.
10-04	**Airport**	Airport means an area of land or water which is used or intended to be used for the landing and takeoff of aircraft; an appurtenant area used or intended to be used for airport buildings or other airport facilities or rights of way; airport buildings and facilities located in any of these areas, and a heliport.
10-05	**Airport Improvement Program (AIP)**	A grant-in-aid program, administered by the Federal Aviation Administration (FAA).
10-06	**Air Operations Area (AOA)**	The term air operations area (AOA) shall mean any area of the airport used or intended to be used for the landing, takeoff, or surface maneuvering of aircraft. An air operation area shall include such paved or unpaved areas that are used or intended to be used for the unobstructed movement of aircraft in addition to its associated runway, taxiway, or apron.
10-07	**Apron**	Area where aircraft are parked, unloaded or loaded, fueled and/or serviced.
10-08	**ASTM International (ASTM)**	Formerly known as the American Society for Testing and Materials (ASTM).

Paragraph Number	Term	Definition
10-09	**Award**	The Owner's notice to the successful bidder of the acceptance of the submitted bid.
10-10	**Bidder**	Any individual, partnership, firm, or corporation, acting directly or through a duly authorized representative, who submits a GMP/proposal for the work contemplated.
10-11	**Building Area**	An area on the airport to be used, considered, or intended to be used for airport buildings or other airport facilities or rights-of-way together with all airport buildings and facilities located thereon.
10-12	**Calendar Day**	Every day shown on the calendar.
10-13	**Certificate of Analysis (COA)**	The COA is the manufacturer's Certificate of Compliance (COC) including all applicable test results required by the specifications.
10-14	**Certificate of Compliance (COC)**	The manufacturer's certification stating that materials or assemblies furnished fully comply with the requirements of the contract. The certificate shall be signed by the manufacturer's authorized representative.
10-15	**Change Order**	A written order to the Contractor covering changes in the plans, specifications, or proposal quantities and establishing the basis of payment and contract time adjustment, if any, for work within the scope of the contract and necessary to complete the project.
10-16	**Contract**	A written agreement between the Owner and the Contractor that establishes the obligations of the parties including but not limited to performance of work, furnishing of labor, equipment and materials and the basis of payment. The awarded contract includes but may not be limited to: Advertisement, Contract form, Proposal, Performance bond, payment bond, General provisions, certifications and representations, Technical Specifications, Plans, Supplemental Provisions, standards incorporated by reference and issued addenda.
10-17	**Contract Item (Pay Item)**	A specific unit of work for which a price is provided in the contract.
10-18	**Contract Time**	The number of calendar days or working days, stated in the proposal, allowed for completion of the contract, including authorized time extensions. If a calendar date of

Paragraph Number	Term	Definition
		completion is stated in the proposal, in lieu of a number of calendar or working days, the contract shall be completed by that date.
10-19	**Contractor**	The individual, partnership, firm, or corporation primarily liable for the acceptable performance of the work contracted and for the payment of all legal debts pertaining to the work who acts directly or through lawful agents or employees to complete the contract work. All references to Contractor shall also mean Construction Manager At Risk (CMAR).
10-20	**Contractors Quality Control (QC) Facilities**	The Contractor's QC facilities in accordance with the Contractor Quality Control Program (CQCP).
10-21	**Contractor Quality Control Program (CQCP)**	Details the methods and procedures that will be taken to assure that all materials and completed construction required by the contract conform to contract plans, technical specifications and other requirements, whether manufactured by the Contractor, or procured from subcontractors or vendors.
10-22	**Control Strip**	A demonstration by the Contractor that the materials, equipment, and construction processes results in a product meeting the requirements of the specification.
10-23	**Construction Safety and Phasing Plan (CSPP)**	The overall plan for safety and phasing of a construction project developed by the airport operator, or developed by the airport operator's consultant and approved by the airport operator. It is included in the invitation for bids and becomes part of the project specifications.
10-24	**Drainage System**	The system of pipes, ditches, and structures by which surface or subsurface waters are collected and conducted from the airport area.
10-25	**Engineer**	The individual, partnership, firm, or corporation duly authorized by the Owner to be responsible for engineering, inspection, and/or observation of the contract work and acting directly or through an authorized representative.
10-26	**Equipment**	All machinery, together with the necessary supplies for upkeep and maintenance; and all tools and apparatus necessary for the proper construction and acceptable completion of the work.

Paragraph Number	Term	Definition
10-27	**Extra Work**	An item of work not provided for in the awarded contract as previously modified by change order or supplemental agreement, but which is found by the Owner's Engineer or Resident Project Representative (RPR) to be necessary to complete the work within the intended scope of the contract as previously modified.
10-28	**FAA**	The Federal Aviation Administration. When used to designate a person, FAA shall mean the Administrator or their duly authorized representative.
10-29	**Federal Specifications**	The federal specifications and standards, commercial item descriptions, and supplements, amendments, and indices prepared and issued by the General Services Administration.
10-30	**Force Account**	**a.** Contract Force Account - A method of payment that addresses extra work performed by the Contractor on a time and material basis. **b.** Owner Force Account - Work performed for the project by the Owner's employees.
10-31	**Intention of Terms**	Whenever, in these specifications or on the plans, the words "directed," "required," "permitted," "ordered," "designated," "prescribed," or words of like import are used, it shall be understood that the direction, requirement, permission, order, designation, or prescription of the Engineer and/or Resident Project Representative (RPR) is intended; and similarly, the words "approved," "acceptable," "satisfactory," or words of like import, shall mean approved by, or acceptable to, or satisfactory to the Engineer and/or RPR, subject in each case to the final determination of the Owner. Any reference to a specific requirement of a numbered paragraph of the contract specifications or a cited standard shall be interpreted to include all general requirements of the entire section, specification item, or cited standard that may be pertinent to such specific reference.
10-32	**Lighting**	A system of fixtures providing or controlling the light sources used on or near the airport or within the airport buildings. The field lighting includes all luminous signals, markers, floodlights, and illuminating devices used on or near the airport or to aid in the operation of aircraft landing at, taking off from, or taxiing on the airport surface.

Paragraph Number	Term	Definition
10-33	**Major and Minor Contract Items**	A major contract item shall be any item that is listed in the proposal, the total cost of which is equal to or greater than 20% of the total amount of the award contract. All other items shall be considered minor contract items.
10-34	**Materials**	Any substance specified for use in the construction of the contract work.
10-35	**Modification of Standards (MOS)**	Any deviation from standard specifications applicable to material and construction methods in accordance with FAA Order 5300.1.
10-36	**Notice to Proceed (NTP)**	A written notice to the Contractor to begin the actual contract work on a previously agreed to date. If applicable, the Notice to Proceed shall state the date on which the contract time begins.
10-37	**Owner**	The term "Owner" shall mean the party of the first part or the contracting agency signatory to the contract. Where the term "Owner" is capitalized in this document, it shall mean airport Sponsor only. The Owner for this project is **Phoenix Mesa Gateway Airport Authority.**
10-38	Passenger Facility Charge (PFC)	Per 14 Code of Federal Regulations (CFR) Part 158 and 49 United States Code (USC) § 40117, a PFC is a charge imposed by a public agency on passengers enplaned at a commercial service airport it controls.
10-39	**Pavement Structure**	The combined surface course, base course(s), and subbase course(s), if any, considered as a single unit.
10-40	**Payment bond**	The approved form of security furnished by the Contractor and their own surety as a guaranty that the Contractor will pay in full all bills and accounts for materials and labor used in the construction of the work.
10-41	**Performance bond**	The approved form of security furnished by the Contractor and their own surety as a guaranty that the Contractor will complete the work in accordance with the terms of the contract.
10-42	**Plans**	The official drawings or exact reproductions which show the location, character, dimensions and details of the airport and the work to be done and which are to be

Paragraph Number	Term	Definition
		considered as a part of the contract, supplementary to the specifications. Plans may also be referred to as 'contract drawings.'
10-43	**Project**	The agreed scope of work for accomplishing specific airport development with respect to a particular airport.
10-44	**Proposal**	The written offer of the bidder (when submitted on the approved proposal form) to perform the contemplated work and furnish the necessary materials in accordance with the provisions of the plans and specifications.
10-45	**Proposal guaranty**	The security furnished with a proposal to guarantee that the bidder will enter into a contract if their own proposal is accepted by the Owner.
10-46	**Quality Assurance (QA)**	Owner's responsibility to assure that construction work completed complies with specifications for payment.
10-47	**Quality Control (QC)**	Contractor's responsibility to control material(s) and construction processes to complete construction in accordance with project specifications.
10-48	**Quality Assurance (QA) Inspector**	An authorized representative of the Engineer and/or Resident Project Representative (RPR) assigned to make all necessary inspections, observations, tests, and/or observation of tests of the work performed or being performed, or of the materials furnished or being furnished by the Contractor.
10-49	**Quality Assurance (QA) Laboratory**	The official quality assurance testing laboratories of the Owner or such other laboratories as may be designated by the Engineer or RPR. May also be referred to as Engineer's, Owner's, or QA Laboratory.
10-50	**Resident Project Representative (RPR)**	The individual, partnership, firm, or corporation duly authorized by the Owner to be responsible for all necessary inspections, observations, tests, and/or observations of tests of the contract work performed or being performed, or of the materials furnished or being furnished by the Contractor, and acting directly or through an authorized representative.
10-51	**Runway**	The area on the airport prepared for the landing and takeoff of aircraft.

Paragraph Number	Term	Definition
10-52	**Runway Safety Area (RSA)**	A defined surface surrounding the runway prepared or suitable for reducing the risk of damage to aircraft. See the construction safety and phasing plan (CSPP) for limits of the RSA.
10-53	**Safety Plan Compliance Document (SPCD)**	Details how the Contractor will comply with the CSPP.
10-54	**Specifications**	A part of the contract containing the written directions and requirements for completing the contract work. Standards for specifying materials or testing which are cited in the contract specifications by reference shall have the same force and effect as if included in the contract physically.
10-55	**Sponsor**	A Sponsor is defined in 49 USC § 47102(24) as a public agency that submits to the FAA for an AIP grant; or a private Owner of a public-use airport that submits to the FAA an application for an AIP grant for the airport.
10-56	**Structures**	Airport facilities such as bridges; culverts; catch basins, inlets, retaining walls, cribbing; storm and sanitary sewer lines; water lines; underdrains; electrical ducts, manholes, handholes, lighting fixtures and bases; transformers; navigational aids; buildings; vaults; and, other manmade features of the airport that may be encountered in the work and not otherwise classified herein.
10-57	**Subgrade**	The soil that forms the pavement foundation.
10-58	**Superintendent**	The Contractor's executive representative who is present on the work during progress, authorized to receive and fulfill instructions from the RPR, and who shall supervise and direct the construction.
10-59	**Supplemental Agreement**	A written agreement between the Contractor and the Owner that establishes the basis of payment and contract time adjustment, if any, for the work affected by the supplemental agreement. A supplemental agreement is required if: (1) in scope work would increase or decrease the total amount of the awarded contract by more than 25%: (2) in scope work would increase or decrease the total of any major contract item by more than 25%; (3) work that is not within the scope of the originally awarded contract; or (4) adding or deleting of a major contract item.

Paragraph Number	Term	Definition
10-60	**Surety**	The corporation, partnership, or individual, other than the Contractor, executing payment or performance bonds that are furnished to the Owner by the Contractor.
10-61	**Taxilane**	A taxiway designed for low speed movement of aircraft between aircraft parking areas and terminal areas.
10-62	**Taxiway**	The portion of the air operations area of an airport that has been designated by competent airport authority for movement of aircraft to and from the airport's runways, aircraft parking areas, and terminal areas.
10-63	**Taxiway/Taxilane Safety Area (TSA)**	A defined surface alongside the taxiway prepared or suitable for reducing the risk of damage to an aircraft. See the construction safety and phasing plan (CSPP) for limits of the TSA.
10-64	**Work**	The furnishing of all labor, materials, tools, equipment, and incidentals necessary or convenient to the Contractor's performance of all duties and obligations imposed by the contract, plans, and specifications.
10-65	**Working day**	A working day shall be any day other than a legal holiday, Saturday, or Sunday on which the normal working forces of the Contractor may proceed with regular work for at least six (6) hours toward completion of the contract. When work is suspended for causes beyond the Contractor's control, it will not be counted as a working day. Saturdays, Sundays and holidays on which the Contractor's forces engage in regular work will be considered as working days.
10-66	**Owner Defined terms**	None

END OF SECTION 10

Section 20 Proposal Requirements and Conditions

20-01 Advertisement (Notice to CMARS). N/A

20-02 Qualification of CMARs. **N/A**

20-03 Contents of proposal forms. N/A

20-04 Issuance of proposal forms. **N/A**

20-05 Interpretation of estimated proposal quantities. The Owner does not expressly, or by implication, agree that the actual quantities involved will correspond exactly therewith; nor shall the CMAR plead misunderstanding or deception because of such estimates of quantities, or of the character, location, or other conditions pertaining to the work. Payment to the Contractor will be made only for the actual quantities of work performed or materials furnished in accordance with the plans, specifications and Guaranteed Maximum Price (GMP). It is understood that the quantities may be increased or decreased as provided in the Section 40, paragraph 40-02, Alteration of Work and Quantities, without in any way invalidating the unit bid prices.

20-06 Examination of plans, specifications, and site. The CMAR is expected to carefully examine the site of the proposed work, the proposal, plans, specifications, and contract forms. CMARs shall satisfy themselves to the character, quality, and quantities of work to be performed, materials to be furnished, and to the requirements of the proposed contract. The submission of a proposal shall be prima facie evidence that the CMAR has made such examination and is satisfied to the conditions to be encountered in performing the work and the requirements of the proposed contract, plans, and specifications.

Boring logs and other records of subsurface investigations and tests are available for inspection of CMARs. It is understood and agreed that such subsurface information, whether included in the plans, specifications, or otherwise made available to the CMAR, was obtained and is intended for the Owner's design and estimating purposes only. Such information has been made available for the convenience of all CMARs. It is further understood and agreed that each CMAR is solely responsible for all assumptions, deductions, or conclusions which the CMAR may make or obtain from their own examination of the boring logs and other records of subsurface investigations and tests that are furnished by the Owner.

20-07 Preparation of proposal. The CMAR shall submit their proposal on the forms furnished or approved by the Owner. All blank spaces in the proposal forms, unless explicitly stated otherwise, must be correctly filled in where indicated for each and every item for which a quantity is given. The CMAR shall state the price (written in ink or typed) both in words and numerals which they propose for each pay item furnished in the proposal. In case of conflict between words and numerals, the words, unless obviously incorrect, shall govern.

The CMAR shall correctly sign the proposal in ink. If the proposal is made by an individual, their name and post office address must be shown. If made by a partnership, the name and post office address of each member of the partnership must be shown. If made by a corporation, the person signing the proposal shall give the name of the state where the corporation was chartered and the name, titles, and business address of the president, secretary, and the treasurer. Anyone signing a proposal as an agent shall file evidence of their authority to do so and that the signature is binding upon the firm or corporation.

20-08 Responsive and responsible CMAR. It is the Owner's responsibility to decide if the exceptions taken by a CMAR to the solicitation are material or not and the extent of deviation it is willing to accept.

A responsible CMAR has the ability to perform successfully under the terms and conditions of a proposed procurement, as defined in 2 CFR § 200.318(h). This includes such matters as Contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.

20-09 Irregular proposals. Proposals shall be considered irregular for the following reasons:

a. If the proposal is on a form other than that furnished or approved by the Owner, or if the Owner's form is altered, or if any part of the proposal form is detached.

b. If there are unauthorized additions, conditional or alternate pay items, or irregularities of any kind that make the proposal incomplete, indefinite, or otherwise ambiguous.

c. If the proposal does not contain a unit price for each pay item listed in the proposal, except in the case of authorized alternate pay items, for which the CMAR is not required to furnish a unit price.

d. If the proposal contains unit prices that are obviously unbalanced.

e. If the proposal is not accompanied by the proposal guaranty specified by the Owner.

f. If the applicable Disadvantaged Business Enterprise information is incomplete.

The Owner reserves the right to reject any irregular proposal and the right to waive technicalities if such waiver is in the best interest of the Owner and conforms to local laws and ordinances pertaining to the letting of construction contracts.

20-10 Bid guarantee. N/A

20-11 Delivery of proposal. N/A

20-12 Withdrawal or revision of proposals. **N/A**

20-13 Public opening of proposals. **N/A**

20-14 Disqualification of CMARs. A CMAR shall be considered disqualified for any of the following reasons:

a. Evidence of collusion. CMARs participating in such collusion shall be disqualified as CMARs for any future work of the Owner until any such participating CMAR has been reinstated by the Owner as a qualified CMAR.

20-15 Discrepancies and Omissions. A CMAR who discovers discrepancies or omissions with the project bid documents shall immediately notify the Owner's Engineer of the matter.

Any interpretation of the project bid documents by the Owner's Engineer will be by written notification issued by the Owner. The Owner will not consider any instructions, clarifications or interpretations of the documents in any manner other than written notification.

END OF SECTION 20

Section 30 Award and Execution of Contract

30-01 Consideration of proposals. If a CMAR's proposal contains a discrepancy between unit bid prices written in words and unit bid prices written in numbers, the unit bid price written in words shall govern.

Until the award of a contract is made, the Owner reserves the right to reject a CMAR's proposal for any of the following reasons:

a. If the proposal is irregular as specified in Section 20, paragraph 20-09, *Irregular Proposals*.

b. If the CMAR is disqualified for any of the reasons specified Section 20, paragraph 20-14, *Disqualification of CMARs*.

In addition, until the award of a contract is made, the Owner reserves the right to reject any or all proposals, waive technicalities, if such waiver is in the best interest of the Owner and is in conformance with applicable state and local laws or regulations pertaining to the letting of construction contracts; advertise for new proposals; or proceed with the work otherwise. All such actions shall promote the Owner's best interests.

30-02 Award of contract. If the Owner elects to proceed with an award of contract, the Owner will make award to the responsible CMAR whose bid, conforming with all the material terms and conditions of the bid documents, is the best value.

30-03 Cancellation of award. The Owner reserves the right to cancel the award without liability to the CMAR at any time before a contract has been fully executed by all parties and is approved by the Owner in accordance with paragraph 30-07 *Approval of Contract*.

30-04 Return of proposal guaranty. **N/A**

30-05 Requirements of contract bonds. At the time of the execution of the contract, the successful CMAR shall furnish the Owner a surety bond or bonds that have been fully executed by the CMAR and the surety guaranteeing the performance of the work and the payment of all legal debts that may be incurred by reason of the Contractor's performance of the work. The surety and the form of the bond or bonds shall be acceptable to the Owner. Unless otherwise specified in this subsection, the surety bond or bonds shall be in a sum equal to the full amount of the contract.

30-06 Execution of contract. The successful CMAR shall sign (execute) the necessary agreements for entering into the contract and return the signed contract to the Owner, along with the fully executed surety bond or bonds specified in paragraph 30-05, *Requirements of Contract Bonds*, of this section, within **15** calendar days from the date mailed or otherwise delivered to the successful CMAR.

30-07 Approval of contract. Upon receipt of the contract and contract bond or bonds that have been executed by the successful CMAR, the Owner shall complete the execution of the contract in accordance with local laws or ordinances, and return the fully executed contract to the Contractor. Delivery of the fully executed contract to the Contractor shall constitute the Owner's approval to be bound by the successful CMAR's proposal and the terms of the contract.

30-08 Failure to execute contract. Failure of the successful CMAR to execute the contract and furnish an acceptable surety bond or bonds within the period specified in paragraph 30-06, *Execution of Contract,* of this section shall be just cause for cancellation of the award and forfeiture of the proposal guaranty, not as a penalty, but as liquidated damages to the Owner.

END OF SECTION 30

Section 40 Scope of Work

40-01 Intent of contract. The intent of the contract is to provide for construction and completion, in every detail, of the work described. It is further intended that the Contractor shall furnish all labor, materials, equipment, tools, transportation, and supplies required to complete the work in accordance with the plans, specifications, and terms of the contract.

40-02 Alteration of work and quantities. The Owner reserves the right to make such changes in quantities and work as may be necessary or desirable to complete, in a satisfactory manner, the original intended work. Unless otherwise specified in the Contract, the Owner's Engineer or RPR shall be and is hereby authorized to make, in writing, such in-scope alterations in the work and variation of quantities as may be necessary to complete the work, provided such action does not represent a significant change in the character of the work.

For purpose of this section, a significant change in character of work means: any change that is outside the current contract scope of work; any change (increase or decrease) in the total contract cost by more than 25%; or any change in the total cost of a major contract item by more than 25%.

Work alterations and quantity variances that do not meet the definition of significant change in character of work shall not invalidate the contract nor release the surety. Contractor agrees to accept payment for such work alterations and quantity variances in accordance with Section 90, paragraph 90-03, *Compensation for Altered Quantities*.

Should the value of altered work or quantity variance meet the criteria for significant change in character of work, such altered work and quantity variance shall be covered by a supplemental agreement. Supplemental agreements shall also require consent of the Contractor's surety and separate performance and payment bonds. If the Owner and the Contractor are unable to agree on a unit adjustment for any contract item that requires a supplemental agreement, the Owner reserves the right to terminate the contract with respect to the item and make other arrangements for its completion.

40-03 Omitted items. The Owner, the Owner's Engineer or the RPR may provide written notice to the Contractor to omit from the work any contract item that does not meet the definition of major contract item. Major contract items may be omitted by a supplemental agreement. Such omission of contract items shall not invalidate any other contract provision or requirement.

Should a contract item be omitted or otherwise ordered to be non-performed, the Contractor shall be paid for all work performed toward completion of such item prior to the date of the order to omit such item. Payment for work performed shall be in accordance with Section 90, paragraph 90-04, *Payment for Omitted Items*.

40-04 Extra work. Should acceptable completion of the contract require the Contractor to perform an item of work not provided for in the awarded contract as previously modified by change order or supplemental agreement, Owner may issue a Change Order to cover the necessary extra work. Change orders for extra work shall contain agreed unit prices for performing the change order work in accordance with the requirements specified in the order, and shall contain any adjustment to the contract time that, in the RPR's opinion, is necessary for completion of the extra work.

When determined by the RPR to be in the Owner's best interest, the RPR may order the Contractor to proceed with extra work as provided in Section 90, paragraph 90-05, *Payment for Extra Work*. Extra work that is necessary for acceptable completion of the project, but is not within the general scope of the work covered by the original contract shall be covered by a supplemental agreement as defined in Section 10, paragraph 10-59, *Supplemental Agreement*.

If extra work is essential to maintaining the project critical path, RPR may order the Contractor to commence the extra work under a Time and Material contract method. Once sufficient detail is available to establish the level of effort necessary for the extra work, the Owner shall initiate a change order or supplemental agreement to cover the extra work.

Any claim for payment of extra work that is not covered by written agreement (change order or supplemental agreement) shall be rejected by the Owner.

40-05 Maintenance of traffic. It is the explicit intention of the contract that the safety of aircraft, as well as the Contractor's equipment and personnel, is the most important consideration. The Contractor shall maintain traffic in the manner detailed in the Construction Safety and Phasing Plan (CSPP).

a. It is understood and agreed that the Contractor shall provide for the free and unobstructed movement of aircraft in the air operations areas (AOAs) of the airport with respect to their own operations and the operations of all subcontractors as specified in Section 80, paragraph 80-04, *Limitation of Operations*. It is further understood and agreed that the Contractor shall provide for the uninterrupted operation of visual and electronic signals (including power supplies thereto) used in the guidance of aircraft while operating to, from, and upon the airport as specified in Section 70, paragraph 70-15, *Contractor's Responsibility for Utility Service and Facilities of Others*.

b. With respect to their own operations and the operations of all subcontractors, the Contractor shall provide marking, lighting, and other acceptable means of identifying personnel, equipment, vehicles, storage areas, and any work area or condition that may be hazardous to the operation of aircraft, fire-rescue equipment, or maintenance vehicles at the airport in accordance with the construction safety and phasing plan (CSPP) and the safety plan compliance document (SPCD).

c. When the contract requires the maintenance of an existing road, street, or highway during the Contractor's performance of work that is otherwise provided for in the contract, plans, and specifications, the Contractor shall keep the road, street, or highway open to all traffic and shall provide maintenance as may be required to accommodate traffic. The Contractor, at their expense, shall be responsible for the repair to equal or better than preconstruction conditions of any damage caused by the Contractor's equipment and personnel. The Contractor shall furnish, erect, and maintain barricades, warning signs, flag person, and other traffic control devices in reasonable conformity with the Manual on Uniform Traffic Control Devices (MUTCD) (http://mutcd.fhwa.dot.gov/), unless otherwise specified. The Contractor shall also construct and maintain in a safe condition any temporary connections necessary for ingress to and egress from abutting property or intersecting roads, streets or highways

40-06 Removal of existing structures. All existing structures encountered within the established lines, grades, or grading sections shall be removed by the Contractor, unless such existing structures are otherwise specified to be relocated, adjusted up or down, salvaged, abandoned in place, reused in the work or to remain in place. The cost of removing such existing structures shall not be measured or paid for directly but shall be included in the various contract items.

Should the Contractor encounter an existing structure (above or below ground) in the work for which the disposition is not indicated on the plans, the Resident Project Representative (RPR) shall be notified prior

to disturbing such structure. The disposition of existing structures so encountered shall be immediately determined by the RPR in accordance with the provisions of the contract.

Except as provided in Section 40, paragraph 40-07, *Rights in and Use of Materials Found in the Work*, it is intended that all existing materials or structures that may be encountered (within the lines, grades, or grading sections established for completion of the work) shall be used in the work as otherwise provided for in the contract and shall remain the property of the Owner when so used in the work.

40-07 Rights in and use of materials found in the work. Should the Contractor encounter any material such as (but not restricted to) sand, stone, gravel, slag, or concrete slabs within the established lines, grades, or grading sections, the use of which is intended by the terms of the contract to be embankment, the Contractor may at their own option either:

a. Use such material in another contract item, providing such use is approved by the RPR and is in conformance with the contract specifications applicable to such use; or,

b. Remove such material from the site, upon written approval of the RPR; or

c. Use such material for the Contractor's own temporary construction on site; or,

d. Use such material as intended by the terms of the contract.

Should the Contractor wish to exercise option a., b., or c., the Contractor shall request the RPR's approval in advance of such use.

Should the RPR approve the Contractor's request to exercise option a., b., or c., the Contractor shall be paid for the excavation or removal of such material at the applicable contract price. The Contractor shall replace, at their expense, such removed or excavated material with an agreed equal volume of material that is acceptable for use in constructing embankment, backfills, or otherwise to the extent that such replacement material is needed to complete the contract work. The Contractor shall not be charged for use of such material used in the work or removed from the site.

Should the RPR approve the Contractor's exercise of option a., the Contractor shall be paid, at the applicable contract price, for furnishing and installing such material in accordance with requirements of the contract item in which the material is used.

It is understood and agreed that the Contractor shall make no claim for delays by reason of their own exercise of option a., b., or c.

The Contractor shall not excavate, remove, or otherwise disturb any material, structure, or part of a structure which is located outside the lines, grades, or grading sections established for the work, except where such excavation or removal is provided for in the contract, plans, or specifications.

40-08 Final cleanup. Upon completion of the work and before acceptance and final payment will be made, the Contractor shall remove from the site all machinery, equipment, surplus and discarded materials, rubbish, temporary structures, and stumps or portions of trees. The Contractor shall cut all brush and woods within the limits indicated and shall leave the site in a neat and presentable condition. Material cleared from the site and deposited on adjacent property will not be considered as having been disposed of satisfactorily, unless the Contractor has obtained the written permission of the property Owner.

END OF SECTION 40

Section 50 Control of Work

50-01 Authority of the Resident Project Representative (RPR). The RPR has final authority regarding the interpretation of project specification requirements. The RPR shall determine acceptability of the quality of materials furnished, method of performance of work performed, and the manner and rate of performance of the work. The RPR does not have the authority to accept work that does not conform to specification requirements.

50-02 Conformity with plans and specifications. All work and all materials furnished shall be in reasonably close conformity with the lines, grades, grading sections, cross-sections, dimensions, material requirements, and testing requirements that are specified (including specified tolerances) in the contract, plans, or specifications.

If the RPR finds the materials furnished, work performed, or the finished product not within reasonably close conformity with the plans and specifications, but that the portion of the work affected will, in their opinion, result in a finished product having a level of safety, economy, durability, and workmanship acceptable to the Owner, the RPR will advise the Owner of their determination that the affected work be accepted and remain in place. The RPR will document the determination and recommend to the Owner a basis of acceptance that will provide for an adjustment in the contract price for the affected portion of the work. Changes in the contract price must be covered by contract change order or supplemental agreement as applicable.

If the RPR finds the materials furnished, work performed, or the finished product are not in reasonably close conformity with the plans and specifications and have resulted in an unacceptable finished product, the affected work or materials shall be removed and replaced or otherwise corrected by and at the expense of the Contractor in accordance with the RPR's written orders.

The term "reasonably close conformity" shall not be construed as waiving the Contractor's responsibility to complete the work in accordance with the contract, plans, and specifications. The term shall not be construed as waiving the RPR's responsibility to insist on strict compliance with the requirements of the contract, plans, and specifications during the Contractor's execution of the work, when, in the RPR's opinion, such compliance is essential to provide an acceptable finished portion of the work.

The term "reasonably close conformity" is also intended to provide the RPR with the authority, after consultation with the Sponsor and FAA, to use sound engineering judgment in their determinations to accept work that is not in strict conformity, but will provide a finished product equal to or better than that required by the requirements of the contract, plans and specifications.

The RPR will not be responsible for the Contractor's means, methods, techniques, sequences, or procedures of construction or the safety precautions incident thereto.

50-03 Coordination of contract, plans, and specifications. The contract, plans, specifications, and all referenced standards cited are essential parts of the contract requirements. If electronic files are provided and used on the project and there is a conflict between the electronic files and hard copy plans, the hard

copy plans shall govern. A requirement occurring in one is as binding as though occurring in all. They are intended to be complementary and to describe and provide for a complete work. In case of discrepancy, calculated dimensions will govern over scaled dimensions; contract technical specifications shall govern over contract general provisions, plans, cited standards for materials or testing, and cited advisory circulars (ACs); contract general provisions shall govern over plans, cited standards for materials or testing, and cited ACs; plans shall govern over cited standards for materials or testing and cited ACs. If any paragraphs contained in the Special Provisions conflict with General Provisions or Technical Specifications, the Special Provisions shall govern.

From time to time, discrepancies within cited testing standards occur due to the timing of the change, edits, and/or replacement of the standards. If the Contractor discovers any apparent discrepancy within standard test methods, the Contractor shall immediately ask the RPR for an interpretation and decision, and such decision shall be final.

The Contractor shall not take advantage of any apparent error or omission on the plans or specifications. In the event the Contractor discovers any apparent error or discrepancy, Contractor shall immediately notify the Owner or the designated representative in writing requesting their written interpretation and decision.

50-04 List of Special Provisions.

In case of a discrepancy between the Plans and the Specifications, the following is the precedence of contract documents:

1. General Conditions to the Construction Contract.
2. Special Provisions.
3. Technical Specifications.
4. General Provisions.
5. Plans/Drawings.
6. City of Mesa Supplements to the MAG Specifications and Details and Building Codes.
7. MAG Uniform Standard Specifications and Details.

50-05 Cooperation of Contractor. The Contractor shall be supplied with an electronic PDF of the plans and specifications. The Contractor shall have available on the construction site at all times one hardcopy each of the plans and specifications. Additional hard copies of plans and specifications may be obtained by the Contractor for the cost of reproduction.

The Contractor shall give constant attention to the work to facilitate the progress thereof, and shall cooperate with the RPR and their inspectors and with other Contractors in every way possible. The Contractor shall have a competent superintendent on the work at all times who is fully authorized as their agent on the work. The superintendent shall be capable of reading and thoroughly understanding the plans and specifications and shall receive and fulfill instructions from the RPR or their authorized representative.

50-06 Cooperation between Contractors. The Owner reserves the right to contract for and perform other or additional work on or near the work covered by this contract.

When separate contracts are let within the limits of any one project, each Contractor shall conduct the work not to interfere with or hinder the progress of completion of the work being performed by other Contractors. Contractors working on the same project shall cooperate with each other as directed.

Each Contractor involved shall assume all liability, financial or otherwise, in connection with their own contract and shall protect and hold harmless the Owner from any and all damages or claims that may arise because of inconvenience, delays, or loss experienced because of the presence and operations of other Contractors working within the limits of the same project.

The Contractor shall arrange their work and shall place and dispose of the materials being used to not interfere with the operations of the other Contractors within the limits of the same project. The Contractor shall join their work with that of the others in an acceptable manner and shall perform it in proper sequence to that of the others.

50-07 Construction layout and stakes. The Engineer/RPR shall establish necessary horizontal and vertical control. The establishment of Survey Control and/or reestablishment of survey control shall be by a State Licensed Land Surveyor. Contractor is responsible for preserving integrity of horizontal and vertical controls established by Engineer/RPR. In case of negligence on the part of the Contractor or their employees, resulting in the destruction of any horizontal and vertical control, the resulting costs will be deducted as a liquidated damage against the Contractor.

Prior to the start of construction, the Contractor will check all control points for horizontal and vertical accuracy and certify in writing to the RPR that the Contractor concurs with survey control established for the project. All lines, grades and measurements from control points necessary for the proper execution and control of the work on this project will be provided to the RPR. The Contractor is responsible to establish all layout required for the construction of the project.

Copies of survey notes will be provided to the RPR for each area of construction and for each placement of material as specified to allow the RPR to make periodic checks for conformance with plan grades, alignments and grade tolerances required by the applicable material specifications. Surveys will be provided to the RPR prior to commencing work items that cover or disturb the survey staking. Survey(s) and notes shall be provided in the following format(s): Comma Separated values (CSV), AutoCAD DXF (Drawing Interchange Format) and hard copies.

Laser, GPS, String line, or other automatic control shall be checked with temporary control as necessary. In the case of error, on the part of the Contractor, their surveyor, employees or subcontractors, resulting in established grades, alignment or grade tolerances that do not concur with those specified or shown on the plans, the Contractor is solely responsible for correction, removal, replacement and all associated costs at no additional cost to the Owner.

No direct payment will be made, unless otherwise specified in contract documents, for this labor, materials, or other expenses. The cost shall be included in the price of the bid for the various items of the Contract.

50-08 Authority and duties of Quality Assurance (QA) inspectors. QA inspectors shall be authorized to inspect all work done and all material furnished. Such QA inspection may extend to all or any part of the work and to the preparation, fabrication, or manufacture of the materials to be used. QA inspectors are not authorized to revoke, alter, or waive any provision of the contract. QA inspectors are not authorized to issue instructions contrary to the plans and specifications or to act as foreman for the Contractor.

QA Inspectors are authorized to notify the Contractor or their representatives of any failure of the work or materials to conform to the requirements of the contract, plans, or specifications and to reject such nonconforming materials in question until such issues can be referred to the RPR for a decision.

50-09 Inspection of the work. All materials and each part or detail of the work shall be subject to inspection. The RPR shall be allowed access to all parts of the work and shall be furnished with such information and assistance by the Contractor as is required to make a complete and detailed inspection.

If the RPR requests it, the Contractor, at any time before acceptance of the work, shall remove or uncover such portions of the finished work as may be directed. After examination, the Contractor shall restore said portions of the work to the standard required by the specifications. Should the work thus exposed or examined prove acceptable, the uncovering, or removing, and the replacing of the covering or making good of the parts removed will be paid for as extra work; but should the work so exposed or examined prove unacceptable, the uncovering, or removing, and the replacing of the covering or making good of the parts removed will be at the Contractor's expense.

Provide advance written notice to the RPR of work the Contractor plans to perform each week and each day. Any work done or materials used without written notice and allowing opportunity for inspection by the RPR may be ordered removed and replaced at the Contractor's expense.

Should the contract work include relocation, adjustment, or any other modification to existing facilities, not the property of the (contract) Owner, authorized representatives of the Owners of such facilities shall have the right to inspect such work. Such inspection shall in no sense make any facility owner a party to the contract and shall in no way interfere with the rights of the parties to this contract.

50-10 Removal of unacceptable and unauthorized work. All work that does not conform to the requirements of the contract, plans, and specifications will be considered unacceptable, unless otherwise determined acceptable by the RPR as provided in paragraph 50-02, *Conformity with Plans and Specifications*.

Unacceptable work, whether the result of poor workmanship, use of defective materials, damage through carelessness, or any other cause found to exist prior to the final acceptance of the work, shall be removed immediately and replaced in an acceptable manner in accordance with the provisions of Section 70, paragraph 70-14, *Contractor's Responsibility for Work*.

No removal work made under provision of this paragraph shall be done without lines and grades having been established by the RPR. Work done contrary to the instructions of the RPR, work done beyond the lines shown on the plans or as established by the RPR, except as herein specified, or any extra work done without authority, will be considered as unauthorized and will not be paid for under the provisions of the contract. Work so done may be ordered removed or replaced at the Contractor's expense.

Upon failure on the part of the Contractor to comply with any order of the RPR made under the provisions of this subsection, the RPR will have authority to cause unacceptable work to be remedied or removed and replaced; and unauthorized work to be removed and recover the resulting costs as a liquidated damage against the Contractor.

50-11 Load restrictions. The Contractor shall comply with all legal load restrictions in the hauling of materials on public roads beyond the limits of the work. A special permit will not relieve the Contractor of liability for damage that may result from the moving of material or equipment.

The operation of equipment of such weight or so loaded as to cause damage to structures or to any other type of construction will not be permitted. Hauling of materials over the base course or surface course under construction shall be limited as directed. No loads will be permitted on a concrete pavement, base, or structure before the expiration of the curing period. The Contractor, at their own expense, shall be

responsible for the repair to equal or better than preconstruction conditions of any damage caused by the Contractor's equipment and personnel.

50-12 Maintenance during construction. The Contractor shall maintain the work during construction and until the work is accepted. Maintenance shall constitute continuous and effective work prosecuted day by day, with adequate equipment and forces so that the work is maintained in satisfactory condition at all times.

In the case of a contract for the placing of a course upon a course or subgrade previously constructed, the Contractor shall maintain the previous course or subgrade during all construction operations.

All costs of maintenance work during construction and before the project is accepted shall be included in the unit prices bid on the various contract items, and the Contractor will not be paid an additional amount for such work.

50-13 Failure to maintain the work. Should the Contractor at any time fail to maintain the work as provided in paragraph 50-12, *Maintenance during Construction*, the RPR shall immediately notify the Contractor of such noncompliance. Such notification shall specify a reasonable time within which the Contractor shall be required to remedy such unsatisfactory maintenance condition. The time specified will give due consideration to the exigency that exists.

Should the Contractor fail to respond to the RPR's notification, the Owner may suspend any work necessary for the Owner to correct such unsatisfactory maintenance condition, depending on the exigency that exists. Any maintenance cost incurred by the Owner, shall be recovered as a liquidated damage against the Contractor.

50-14 Partial acceptance. If at any time during the execution of the project the Contractor substantially completes a usable unit or portion of the work, the occupancy of which will benefit the Owner, the Contractor may request the RPR to make final inspection of that unit. If the RPR finds upon inspection that the unit has been satisfactorily completed in compliance with the contract, the RPR may accept it as being complete, and the Contractor may be relieved of further responsibility for that unit. Such partial acceptance and beneficial occupancy by the Owner shall not void or alter any provision of the contract.

50-15 Final acceptance. Upon due notice from the Contractor of presumptive completion of the entire project, the RPR and Owner will make an inspection. If all construction provided for and contemplated by the contract is found to be complete in accordance with the contract, plans, and specifications, such inspection shall constitute the final inspection. The RPR shall notify the Contractor in writing of final acceptance as of the date of the final inspection.

If, however, the inspection discloses any work, in whole or in part, as being unsatisfactory, the RPR will notify the Contractor and the Contractor shall correct the unsatisfactory work. Upon correction of the work, another inspection will be made which shall constitute the final inspection, provided the work has been satisfactorily completed. In such event, the RPR will make the final acceptance and notify the Contractor in writing of this acceptance as of the date of final inspection.

50-16 Claims for adjustment and disputes. If for any reason the Contractor deems that additional compensation is due for work or materials not clearly provided for in the contract, plans, or specifications or previously authorized as extra work, the Contractor shall notify the RPR in writing of their intention to

claim such additional compensation before the Contractor begins the work on which the Contractor bases the claim. If such notification is not given or the RPR is not afforded proper opportunity by the Contractor for keeping strict account of actual cost as required, then the Contractor hereby agrees to waive any claim for such additional compensation. Such notice by the Contractor and the fact that the RPR has kept account of the cost of the work shall not in any way be construed as proving or substantiating the validity of the claim. When the work on which the claim for additional compensation is based has been completed, the Contractor shall, within 10 calendar days, submit a written claim to the RPR who will present it to the Owner for consideration in accordance with local laws or ordinances.

Nothing in this subsection shall be construed as a waiver of the Contractor's right to dispute final payment based on differences in measurements or computations.

END OF SECTION 50

Section 60 Control of Materials

60-01 Source of supply and quality requirements. The materials used in the work shall conform to the requirements of the contract, plans, and specifications. Unless otherwise specified, such materials that are manufactured or processed shall be new (as compared to used or reprocessed).

In order to expedite the inspection and testing of materials, the Contractor shall furnish documentation to the RPR as to the origin, composition, and manufacture of all materials to be used in the work. Documentation shall be furnished promptly after execution of the contract but, in all cases, prior to delivery of such materials.

At the RPR's option, materials may be approved at the source of supply before delivery. If it is found after trial that sources of supply for previously approved materials do not produce specified products, the Contractor shall furnish materials from other sources.

The Contractor shall furnish airport lighting equipment that meets the requirements of the specifications; and is listed in AC 150/5345-53, *Airport Lighting Equipment Certification Program* and *Addendum*, that is in effect on the date of advertisement.

60-02 Samples, tests, and cited specifications. All materials used in the work shall be inspected, tested, and approved by the RPR before incorporation in the work unless otherwise designated. Any work in which untested materials are used without approval or written permission of the RPR shall be performed at the Contractor's risk. Materials found to be unacceptable and unauthorized will not be paid for and, if directed by the RPR, shall be removed at the Contractor's expense.

Unless otherwise designated, quality assurance tests will be made by and at the expense of the Owner in accordance with the cited standard methods of ASTM, American Association of State Highway and Transportation Officials (AASHTO), federal specifications, Commercial Item Descriptions, and all other cited methods, which are current on the date of advertisement for bids.

The testing organizations performing on-site quality assurance field tests shall have copies of all referenced standards on the construction site for use by all technicians and other personnel. Unless otherwise designated, samples for quality assurance will be taken by a qualified representative of the RPR. All materials being used are subject to inspection, test, or rejection at any time prior to or during incorporation into the work. Copies of all tests will be furnished to the Contractor's representative at their request after review and approval of the RPR.

A copy of all Contractor QC test data shall be provided to the RPR daily, along with printed reports, in an approved format, on a weekly basis. After completion of the project, and prior to final payment, the Contractor shall submit a final report to the RPR showing all test data reports, plus an analysis of all results showing ranges, averages, and corrective action taken on all failing tests.

The Contractor shall employ a Quality Control (QC) testing organization to perform all Contractor required QC tests in accordance with Item C-100 Contractor Quality Control Program (CQCP).

60-03 Certification of compliance/analysis (COC/COA). The RPR may permit the use, prior to sampling and testing, of certain materials or assemblies when accompanied by manufacturer's COC stating that such materials or assemblies fully comply with the requirements of the contract. The certificate shall be signed by the manufacturer. Each lot of such materials or assemblies delivered to the work must be accompanied by a certificate of compliance in which the lot is clearly identified. The COA is the manufacturer's COC and includes all applicable test results.

Materials or assemblies used on the basis of certificates of compliance may be sampled and tested at any time and if found not to be in conformity with contract requirements will be subject to rejection whether in place or not.

The form and distribution of certificates of compliance shall be as approved by the RPR.

When a material or assembly is specified by "brand name or equal" and the Contractor elects to furnish the specified "or equal," the Contractor shall be required to furnish the manufacturer's certificate of compliance for each lot of such material or assembly delivered to the work. Such certificate of compliance shall clearly identify each lot delivered and shall certify as to:

a. Conformance to the specified performance, testing, quality or dimensional requirements; and,

b. Suitability of the material or assembly for the use intended in the contract work.

The RPR shall be the sole judge as to whether the proposed "or equal" is suitable for use in the work.

The RPR reserves the right to refuse permission for use of materials or assemblies on the basis of certificates of compliance.

60-04 Plant inspection. The RPR or their authorized representative may inspect, at its source, any specified material or assembly to be used in the work. Manufacturing plants may be inspected from time to time for the purpose of determining compliance with specified manufacturing methods or materials to be used in the work and to obtain samples required for acceptance of the material or assembly.

Should the RPR conduct plant inspections, the following conditions shall exist:

a. The RPR shall have the cooperation and assistance of the Contractor and the producer with whom the Contractor has contracted for materials.

b. The RPR shall have full entry at all reasonable times to such parts of the plant that concern the manufacture or production of the materials being furnished.

c. If required by the RPR, the Contractor shall arrange for adequate office or working space that may be reasonably needed for conducting plant inspections. Place office or working space in a convenient location with respect to the plant.

It is understood and agreed that the Owner shall have the right to retest any material that has been tested and approved at the source of supply after it has been delivered to the site. The RPR shall have the right to reject only material which, when retested, does not meet the requirements of the contract, plans, or specifications.

60-05 Engineer/ Resident Project Representative (RPR) field office. **(NOT USED)**

60-06 Storage of materials. Materials shall be stored to assure the preservation of their quality and fitness for the work. Stored materials, even though approved before storage, may again be inspected prior to their use in the work. Stored materials shall be located to facilitate their prompt inspection. The Contractor shall coordinate the storage of all materials with the RPR. Materials to be stored on airport property shall not create an obstruction to air navigation nor shall they interfere with the free and unobstructed movement of aircraft. Unless otherwise shown on the plans and/or CSPP, the storage of materials and the location of the Contractor's plant and parked equipment or vehicles shall be as directed by the RPR. Private property shall not be used for storage purposes without written permission of the Owner or lessee of such property. The Contractor shall make all arrangements and bear all expenses for the storage of materials on private property. Upon request, the Contractor shall furnish the RPR a copy of the property Owner's permission.

All storage sites on private or airport property shall be restored to their original condition by the Contractor at their expense, except as otherwise agreed to (in writing) by the Owner or lessee of the property.

60-07 Unacceptable materials. Any material or assembly that does not conform to the requirements of the contract, plans, or specifications shall be considered unacceptable and shall be rejected. The Contractor shall remove any rejected material or assembly from the site of the work, unless otherwise instructed by the RPR.

Rejected material or assembly, the defects of which have been corrected by the Contractor, shall not be returned to the site of the work until such time as the RPR has approved its use in the work.

60-08 Owner furnished materials. The Contractor shall furnish all materials required to complete the work, except those specified, if any, to be furnished by the Owner. Owner-furnished materials shall be made available to the Contractor at the location specified.

All costs of handling, transportation from the specified location to the site of work, storage, and installing Owner-furnished materials shall be included in the unit price bid for the contract item in which such Owner-furnished material is used.

After any Owner-furnished material has been delivered to the location specified, the Contractor shall be responsible for any demurrage, damage, loss, or other deficiencies that may occur during the Contractor's handling, storage, or use of such Owner-furnished material. The Owner will deduct from any monies due or to become due the Contractor any cost incurred by the Owner in making good such loss due to the Contractor's handling, storage, or use of Owner-furnished materials.

END OF SECTION 60

Section 70 Legal Regulations and Responsibility to Public

70-01 Laws to be observed. The Contractor shall keep fully informed of all federal and state laws, all local laws, ordinances, and regulations and all orders and decrees of bodies or tribunals having any jurisdiction or authority, which in any manner affect those engaged or employed on the work, or which in any way affect the conduct of the work. The Contractor shall at all times observe and comply with all such laws, ordinances, regulations, orders, and decrees; and shall protect and indemnify the Owner and all their officers, agents, or servants against any claim or liability arising from or based on the violation of any such law, ordinance, regulation, order, or decree, whether by the Contractor or the Contractor's employees.

70-02 Permits, licenses, and taxes. The Contractor shall procure all permits and licenses, pay all charges, fees, and taxes, and give all notices necessary and incidental to the due and lawful execution of the work.

70-03 Patented devices, materials, and processes. If the Contractor is required or desires to use any design, device, material, or process covered by letters of patent or copyright, the Contractor shall provide for such use by suitable legal agreement with the Patentee or Owner. The Contractor and the surety shall indemnify and hold harmless the Owner, any third party, or political subdivision from any and all claims for infringement by reason of the use of any such patented design, device, material or process, or any trademark or copyright, and shall indemnify the Owner for any costs, expenses, and damages which it may be obliged to pay by reason of an infringement, at any time during the execution or after the completion of the work.

70-04 Restoration of surfaces disturbed by others. NOT USED

70-05 Federal Participation. NOT USED.

70-06 Sanitary, health, and safety provisions. The Contractor's worksite and facilities shall comply with applicable federal, state, and local requirements for health, safety and sanitary provisions.

70-07 Public convenience and safety. The Contractor shall control their operations and those of their subcontractors and all suppliers, to assure the least inconvenience to the traveling public. Under all circumstances, safety shall be the most important consideration.

The Contractor shall maintain the free and unobstructed movement of aircraft and vehicular traffic with respect to their own operations and those of their own subcontractors and all suppliers in accordance with Section 40, paragraph 40-05, *Maintenance of Traffic*, and shall limit such operations for the convenience and safety of the traveling public as specified in Section 80, paragraph 80-04, *Limitation of Operations*.

The Contractor shall remove or control debris and rubbish resulting from its work operations at frequent intervals, and upon the order of the RPR. If the RPR determines the existence of Contractor debris in the work site represents a hazard to airport operations and the Contractor is unable to respond in a prompt and reasonable manner, the RPR reserves the right to assign the task of debris removal to a third party and recover the resulting costs as a liquidated damage against the Contractor.

70-08 Construction Safety and Phasing Plan (CSPP). The Contractor shall complete the work in accordance with the approved Construction Safety and Phasing Plan (CSPP) developed in accordance with AC 150/5370-2, Operational Safety on Airports During Construction. The CSPP is a separate document that the contractor must use to complete all of his work.

70-09 Use of explosives. The use of explosives is not permitted on this project

70-10 Protection and restoration of property and landscape. The Contractor shall be responsible for the preservation of all public and private property, and shall protect carefully from disturbance or damage all land monuments and property markers until the Engineer/RPR has witnessed or otherwise referenced their location and shall not move them until directed.

The Contractor shall be responsible for all damage or injury to property of any character, during the execution of the work, resulting from any act, omission, neglect, or misconduct in manner or method of executing the work, or at any time due to defective work or materials, and said responsibility shall not be released until the project has been completed and accepted.

When or where any direct or indirect damage or injury is done to public or private property by or on account of any act, omission, neglect, or misconduct in the execution of the work, or in consequence of the non-execution thereof by the Contractor, the Contractor shall restore, at their expense, such property to a condition similar or equal to that existing before such damage or injury was done, by repairing, or otherwise restoring as may be directed, or the Contractor shall make good such damage or injury in an acceptable manner.

70-11 Responsibility for damage claims. The Contractor shall indemnify and hold harmless the Engineer/RPR and the Owner and their officers, agents, and employees from all suits, actions, or claims, of any character, brought because of any injuries or damage received or sustained by any person, persons, or property on account of the operations of the Contractor; or on account of or in consequence of any neglect in safeguarding the work; or through use of unacceptable materials in constructing the work; or because of any act or omission, neglect, or misconduct of said Contractor; or because of any claims or amounts recovered from any infringements of patent, trademark, or copyright; or from any claims or amounts arising or recovered under the "Workmen's Compensation Act," or any other law, ordinance, order, or decree. Money due the Contractor under and by virtue of their own contract considered necessary by the Owner for such purpose may be retained for the use of the Owner or, in case no money is due, their own surety may be held until such suits, actions, or claims for injuries or damages shall have been settled and suitable evidence to that effect furnished to the Owner, except that money due the Contractor will not be withheld when the Contractor produces satisfactory evidence that he or she is adequately protected by public liability and property damage insurance.

70-12 Third party beneficiary clause. It is specifically agreed between the parties executing the contract that it is not intended by any of the provisions of any part of the contract to create for the public or any member thereof, a third-party beneficiary or to authorize anyone not a party to the contract to maintain a suit for personal injuries or property damage pursuant to the terms or provisions of the contract.

70-13 Opening sections of the work to traffic. If it is necessary for the Contractor to complete portions of the contract work for the beneficial occupancy of the Owner prior to completion of the entire contract, such "phasing" of the work must be specified below and indicated on the approved Construction Safety and Phasing Plan (CSPP) and the project plans. When so specified, the Contractor shall complete such portions of the work on or before the date specified or as otherwise specified.

Upon completion of any portion of work listed above, such portion shall be accepted by the Owner in accordance with Section 50, paragraph 50-14, *Partial Acceptance*.

No portion of the work may be opened by the Contractor until directed by the Owner in writing. Should it become necessary to open a portion of the work to traffic on a temporary or intermittent basis, such openings shall be made when, in the opinion of the RPR, such portion of the work is in an acceptable condition to support the intended traffic. Temporary or intermittent openings are considered to be inherent in the work and shall not constitute either acceptance of the portion of the work so opened or a waiver of

any provision of the contract. Any damage to the portion of the work so opened that is not attributable to traffic which is permitted by the Owner shall be repaired by the Contractor at their expense.

The Contractor shall make their own estimate of the inherent difficulties involved in completing the work under the conditions herein described and shall not claim any added compensation by reason of delay or increased cost due to opening a portion of the contract work.

The Contractor must conform to safety standards contained AC 150/5370-2 and the approved CSPP.

Contractor shall refer to the plans, specifications, and the approved CSPP to identify barricade requirements, temporary and/or permanent markings, airfield lighting, guidance signs and other safety requirements prior to opening up sections of work to traffic.

70-14 Contractor's responsibility for work. Until the RPR's final written acceptance of the entire completed work, excepting only those portions of the work accepted in accordance with Section 50, paragraph 50-14, *Partial Acceptance*, the Contractor shall have the charge and care thereof and shall take every precaution against injury or damage to any part due to the action of the elements or from any other cause, whether arising from the execution or from the non-execution of the work. The Contractor shall rebuild, repair, restore, and make good all injuries or damages to any portion of the work occasioned by any of the above causes before final acceptance and shall bear the expense thereof except damage to the work due to unforeseeable causes beyond the control of and without the fault or negligence of the Contractor, including but not restricted to acts of God such as earthquake, tidal wave, tornado, hurricane or other cataclysmic phenomenon of nature, or acts of the public enemy or of government authorities.

If the work is suspended for any cause whatever, the Contractor shall be responsible for the work and shall take such precautions necessary to prevent damage to the work. The Contractor shall provide for normal drainage and shall erect necessary temporary structures, signs, or other facilities at their own expense. During such period of suspension of work, the Contractor shall properly and continuously maintain in an acceptable growing condition all living material in newly established planting, seeding, and sodding furnished under the contract, and shall take adequate precautions to protect new tree growth and other important vegetative growth against injury.

70-15 Contractor's responsibility for utility service and facilities of others. As provided in paragraph 70-04, *Restoration of Surfaces Disturbed by Others*, the Contractor shall cooperate with the owner of any public or private utility service, FAA or NOAA, or a utility service of another government agency that may be authorized by the Owner to construct, reconstruct or maintain such utility services or facilities during the progress of the work. In addition, the Contractor shall control their operations to prevent the unscheduled interruption of such utility services and facilities.

To the extent that such public or private utility services, FAA, or NOAA facilities, or utility services of another governmental agency are known to exist within the limits of the contract work, the approximate locations have been indicated on the plans and/or in the contract documents.

It is understood and agreed that the Owner does not guarantee the accuracy or the completeness of the location information relating to existing utility services, facilities, or structures that may be shown on the plans or encountered in the work. Any inaccuracy or omission in such information shall not relieve the Contractor of the responsibility to protect such existing features from damage or unscheduled interruption of service.

It is further understood and agreed that the Contractor shall, upon execution of the contract, notify the Owners of all utility services or other facilities of their plan of operations. Such notification shall be in writing addressed to "The Person to Contact" as provided in this paragraph and paragraph 70-04, *Restoration of Surfaces Disturbed By Others*. A copy of each notification shall be given to the RPR.

In addition to the general written notification provided, it shall be the responsibility of the Contractor to keep such individual Owners advised of changes in their plan of operations that would affect such Owners.

Prior to beginning the work in the general vicinity of an existing utility service or facility, the Contractor shall again notify each such Owner of their plan of operation. If, in the Contractor's opinion, the Owner's assistance is needed to locate the utility service or facility or the presence of a representative of the Owner is desirable to observe the work, such advice should be included in the notification. Such notification shall be given by the most expeditious means to reach the utility owner's "Person to Contact" no later than two normal business days prior to the Contractor's commencement of operations in such general vicinity. The Contractor shall furnish a written summary of the notification to the RPR.

The Contractor's failure to give the two days' notice shall be cause for the Owner to suspend the Contractor's operations in the general vicinity of a utility service or facility.

Where the outside limits of an underground utility service have been located and staked on the ground, the Contractor shall be required to use hand excavation methods within 3 feet (1 m) of such outside limits at such points as may be required to ensure protection from damage due to the Contractor's operations.

Should the Contractor damage or interrupt the operation of a utility service or facility by accident or otherwise, the Contractor shall immediately notify the proper authority and the RPR and shall take all reasonable measures to prevent further damage or interruption of service. The Contractor, in such events, shall cooperate with the utility service or facility owner and the RPR continuously until such damage has been repaired and service restored to the satisfaction of the utility or facility owner.

The Contractor shall bear all costs of damage and restoration of service to any utility service or facility due to their operations whether due to negligence or accident. The Owner reserves the right to deduct such costs from any monies due or which may become due the Contractor, or their own surety.

70-15.1 FAA facilities and cable runs. NOT USED

70-16 Furnishing rights-of-way. The Owner will be responsible for furnishing all rights-of-way upon which the work is to be constructed in advance of the Contractor's operations.

70-17 Personal liability of public officials. In carrying out any of the contract provisions or in exercising any power or authority granted by this contract, there shall be no liability upon the Engineer, RPR, their authorized representatives, or any officials of the Owner either personally or as an official of the Owner. It is understood that in such matters they act solely as agents and representatives of the Owner.

70-18 No waiver of legal rights. Upon completion of the work, the Owner will expeditiously make final inspection and notify the Contractor of final acceptance. Such final acceptance, however, shall not preclude or stop the Owner from correcting any measurement, estimate, or certificate made before or after completion of the work, nor shall the Owner be precluded or stopped from recovering from the Contractor or their surety, or both, such overpayment as may be sustained, or by failure on the part of the Contractor to fulfill their obligations under the contract. A waiver on the part of the Owner of any breach of any part of the contract shall not be held to be a waiver of any other or subsequent breach.

The Contractor, without prejudice to the terms of the contract, shall be liable to the Owner for latent defects, fraud, or such gross mistakes as may amount to fraud, or as regards the Owner's rights under any warranty or guaranty.

70-19 Environmental protection. The Contractor shall comply with all federal, state, and local laws and regulations controlling pollution of the environment. The Contractor shall take necessary precautions to prevent pollution of streams, lakes, ponds, and reservoirs with fuels, oils, asphalts, chemicals, or other harmful materials and to prevent pollution of the atmosphere from particulate and gaseous matter.

70-20 Archaeological and historical findings. Unless otherwise specified in this subsection, the Contractor is advised that the site of the work is not within any property, district, or site, and does not contain any building, structure, or object listed in the current National Register of Historic Places published by the United States Department of Interior.

Should the Contractor encounter, during their operations, any building, part of a building, structure, or object that is incongruous with its surroundings, the Contractor shall immediately cease operations in that location and notify the RPR. The RPR will immediately investigate the Contractor's finding and the Owner will direct the Contractor to either resume operations or to suspend operations as directed.

Should the Owner order suspension of the Contractor's operations in order to protect an archaeological or historical finding, or order the Contractor to perform extra work, such shall be covered by an appropriate contract change order or supplemental agreement as provided in Section 40, paragraph 40-04, *Extra Work*, and Section 90, paragraph 90-05, *Payment for Extra Work*. If appropriate, the contract change order or supplemental agreement shall include an extension of contract time in accordance with Section 80, paragraph 80-07, *Determination and Extension of Contract Time*.

70-21 Insurance Requirements. Owner insurance requirements are stated in Article 11 of the *General Conditions*.

END OF SECTION 70

Section 80 Execution and Progress

80-01 Subletting of contract. The Owner will not recognize any subcontractor on the work. The Contractor shall at all times when work is in progress be represented either in person, by a qualified superintendent, or by other designated, qualified representative who is duly authorized to receive and execute orders of the Resident Project Representative (RPR).

The Contractor shall perform, with his organization, an amount of work equal to at least 45 percent of the total contract cost.

Should the Contractor elect to assign their contract, said assignment shall be concurred in by the surety, shall be presented for the consideration and approval of the Owner, and shall be consummated only on the written approval of the Owner.

The Contractor shall provide copies of all subcontracts to the Owner 14 days prior to being utilized on the project. As a minimum, the information shall include the following:

- Subcontractor's legal company name.
- Subcontractor's legal company address, including County name.
- Principal contact person's name, telephone and fax number.
- Complete narrative description, and dollar value of the work to be performed by the subcontractor.
- Copies of required insurance certificates in accordance with the specifications.
- Minority/ non-minority status.

80-02 Notice to proceed (NTP). The Owners notice to proceed will state the date on which contract time commences. The Contractor is expected to commence project operations within 7 days of the NTP date. The Contractor shall notify the Owner at least 48 hours in advance of the time contract operations begins. The Contractor shall not commence any actual operations prior to the date on which the notice to proceed is issued by the Owner.

80-03 Execution and progress. Unless otherwise specified, the Contractor shall submit their coordinated construction schedule showing all work activities for the RPR's review and acceptance at least 10 days prior to the start of work. The Contractor's progress schedule, once accepted by the RPR, will represent the Contractor's baseline plan to accomplish the project in accordance with the terms and conditions of the Contract. The RPR will compare actual Contractor progress against the baseline schedule to determine that status of the Contractor's performance. The Contractor shall provide sufficient materials, equipment, and labor to guarantee the completion of the project in accordance with the plans and specifications within the time set forth in the proposal.

If the Contractor falls significantly behind the submitted schedule, the Contractor shall, upon the RPR's request, submit a revised schedule for completion of the work within the contract time and modify their operations to provide such additional materials, equipment, and labor necessary to meet the revised schedule. Should the execution of the work be discontinued for any reason, the Contractor shall notify the OWNER at least 48 hours in advance of resuming operations.

The Contractor shall not commence any actual construction prior to the date on which the NTP is issued by the Owner.

80-04 Limitation of operations. The Contractor shall control their operations and the operations of their subcontractors and all suppliers to provide for the free and unobstructed movement of aircraft in the air operations areas (AOA) of the airport.

When the work requires the Contractor to conduct their operations within an AOA of the airport, the work shall be coordinated with airport operations (through the RPR) at least 48 hours prior to commencement of such work. The Contractor shall not close an AOA until so authorized by the RPR and until the necessary temporary marking, signage and associated lighting is in place as provided in Section 70, paragraph 70-08, *Construction Safety and Phasing Plan (CSPP)*.

When the contract work requires the Contractor to work within an AOA of the airport on an intermittent basis (intermittent opening and closing of the AOA), the Contractor shall maintain constant communications as specified; immediately obey all instructions to vacate the AOA; and immediately obey all instructions to resume work in such AOA. Failure to maintain the specified communications or to obey instructions shall be cause for suspension of the Contractor's operations in the AOA until satisfactory conditions are provided.

The Contractor shall be required to conform to safety standards contained in AC 150/5370-2, Operational Safety on Airports During Construction and the approved CSPP.

80-04.1 Operational safety on airport during construction. All Contractors' operations shall be conducted in accordance with the approved project Construction Safety and Phasing Plan (CSPP) and the Safety Plan Compliance Document (SPCD) and the provisions set forth within the current version of AC 150/5370-2, Operational Safety on Airports During Construction. The CSPP included within the contract documents conveys minimum requirements for operational safety on the airport during construction activities. The Contractor shall prepare and submit a SPCD that details how it proposes to comply with the requirements presented within the CSPP.

The Contractor shall implement all necessary safety plan measures prior to commencement of any work activity. The Contractor shall conduct routine checks to assure compliance with the safety plan measures.

The Contractor is responsible to the Owner for the conduct of all subcontractors it employs on the project. The Contractor shall assure that all subcontractors are made aware of the requirements of the CSPP and SPCD and that they implement and maintain all necessary measures.

No deviation or modifications may be made to the approved CSPP and SPCD unless approved in writing by the Owner. The necessary coordination actions to review Contractor proposed modifications to an approved CSPP or approved SPCD can require a significant amount of time.

80-05 Character of workers, methods, and equipment. The Contractor shall, at all times, employ sufficient labor and equipment for prosecuting the work to full completion in the manner and time required by the contract, plans, and specifications.

All workers shall have sufficient skill and experience to perform properly the work assigned to them. Workers engaged in special work or skilled work shall have sufficient experience in such work and in the operation of the equipment required to perform the work satisfactorily.

Any person employed by the Contractor or by any subcontractor who violates any operational regulations or operational safety requirements and, in the opinion of the RPR, does not perform his work in a proper and skillful manner or is intemperate or disorderly shall, at the written request of the RPR, be removed immediately by the Contractor or subcontractor employing such person, and shall not be employed again in any portion of the work without approval of the RPR.

Should the Contractor fail to remove such person or persons, or fail to furnish suitable and sufficient personnel for the proper execution of the work, the RPR may suspend the work by written notice until compliance with such orders.

All equipment that is proposed to be used on the work shall be of sufficient size and in such mechanical condition as to meet requirements of the work and to produce a satisfactory quality of work. Equipment used on any portion of the work shall not cause injury to previously completed work, adjacent property, or existing airport facilities due to its use.

When the methods and equipment to be used by the Contractor in accomplishing the work are not prescribed in the contract, the Contractor is free to use any methods or equipment that will accomplish the work in conformity with the requirements of the contract, plans, and specifications.

When the contract specifies the use of certain methods and equipment, such methods and equipment shall be used unless otherwise authorized by the RPR. If the Contractor desires to use a method or type of equipment other than specified in the contract, the Contractor may request authority from the RPR to do so. The request shall be in writing and shall include a full description of the methods and equipment proposed and of the reasons for desiring to make the change. If approval is given, it will be on the condition that the Contractor will be fully responsible for producing work in conformity with contract requirements. If, after trial use of the substituted methods or equipment, the RPR determines that the work produced does not meet contract requirements, the Contractor shall discontinue the use of the substitute method or equipment and shall complete the remaining work with the specified methods and equipment. The Contractor shall remove any deficient work and replace it with work of specified quality, or take such other corrective action as the RPR may direct. No change will be made in basis of payment for the contract items involved nor in contract time as a result of authorizing a change in methods or equipment under this paragraph.

80-06 Temporary suspension of the work. The Owner shall have the authority to suspend the work wholly, or in part, for such period or periods the Owner may deem necessary, due to unsuitable weather, or other conditions considered unfavorable for the execution of the work, or for such time necessary due to the failure on the part of the Contractor to carry out orders given or perform any or all provisions of the contract.

In the event that the Contractor is ordered by the Owner, in writing, to suspend work for some unforeseen cause not otherwise provided for in the contract and over which the Contractor has no control, the Contractor may be reimbursed for actual money expended on the work during the period of shutdown. No allowance will be made for anticipated profits. The period of shutdown shall be computed from the effective date of the written order to suspend work to the effective date of the written order to resume the work. Claims for such compensation shall be filed with the RPR within the time period stated in the RPR's order to resume work. The Contractor shall submit with their own claim information substantiating the amount shown on the claim. The RPR will forward the Contractor's claim to the Owner for consideration in accordance with local laws or ordinances. No provision of this article shall be construed as entitling the Contractor to compensation for delays due to inclement weather or for any other delay provided for in the contract, plans, or specifications.

If it becomes necessary to suspend work for an indefinite period, the Contractor shall store all materials in such manner that they will not become an obstruction nor become damaged in any way. The Contractor shall take every precaution to prevent damage or deterioration of the work performed and provide for normal drainage of the work. The Contractor shall erect temporary structures where necessary to provide for traffic on, to, or from the airport.

80-07 Determination and extension of contract time. The number of calendar days allowed for completion of the work has been stated in the Construction Contract and shall be known as the Contract Time.

If the contract time requires extension for reasons beyond the Contractor's control, it shall be adjusted as follows:

80-07.1 Contract time based on calendar days. Contract Time based on calendar days shall consist of the number of calendar days stated in the contract counting from the effective date of the Notice to Proceed and including all Saturdays, Sundays, holidays, and non-work days. All calendar days elapsing between the effective dates of the Owner's orders to suspend and resume all work, due to causes not the fault of the Contractor, shall be excluded.

At the time of final payment, the contract time shall be increased in the same proportion as the cost of the actually completed quantities bears to the cost of the originally estimated quantities in the proposal. Such increase in the contract time shall not consider either cost of work or the extension of contract time that has been covered by a change order or supplemental agreement. Charges against the contract time will cease as of the date of final acceptance.

80-08 Failure to complete on time. For each calendar day or working day, as specified in the contract, that any work remains uncompleted after the contract time (including all extensions and adjustments as provided in paragraph 80-07, *Determination and Extension of Contract Time*) the sum specified in the contract and proposal as liquidated damages (LD) will be deducted from any money due or to become due the Contractor or their own surety. Such deducted sums shall not be deducted as a penalty but shall be considered as liquidation of a reasonable portion of damages including but not limited to additional engineering services that will be incurred by the Owner should the Contractor fail to complete the work in the time provided in their contract.

Liquidated Damages are provided for in the Construction Contract.

80-09 Default and termination of contract. The Contractor shall be considered in default of their contract and such default will be considered as cause for the Owner to terminate the contract for any of the following reasons, if the Contractor:

a. Fails to begin the work under the contract within the time specified in the Notice to Proceed, or

b. Fails to perform the work or fails to provide sufficient workers, equipment and/or materials to assure completion of work in accordance with the terms of the contract, or

c. Performs the work unsuitably or neglects or refuses to remove materials or to perform anew such work as may be rejected as unacceptable and unsuitable, or

d. Discontinues the execution of the work, or

e. Fails to resume work which has been discontinued within a reasonable time after notice to do so, or

f. Becomes insolvent or is declared bankrupt, or commits any act of bankruptcy or insolvency, or

g. Allows any final judgment to stand against the Contractor unsatisfied for a period of 10 days, or

h. Makes an assignment for the benefit of creditors, or

i. For any other cause whatsoever, fails to carry on the work in an acceptable manner.

Should the Owner consider the Contractor in default of the contract for any reason above, the Owner shall immediately give written notice to the Contractor and the Contractor's surety as to the reasons for considering the Contractor in default and the Owner's intentions to terminate the contract.

If the Contractor or surety, within a period of 10 days after such notice, does not proceed in accordance therewith, then the Owner will, upon written notification from the RPR of the facts of such delay, neglect, or default and the Contractor's failure to comply with such notice, have full power and authority without violating the contract, to take the execution of the work out of the hands of the Contractor. The Owner may appropriate or use any or all materials and equipment that have been mobilized for use in the work

and are acceptable and may enter into an agreement for the completion of said contract according to the terms and provisions thereof, or use such other methods as in the opinion of the RPR will be required for the completion of said contract in an acceptable manner.

All costs and charges incurred by the Owner, together with the cost of completing the work under contract, will be deducted from any monies due or which may become due the Contractor. If such expense exceeds the sum which would have been payable under the contract, then the Contractor and the surety shall be liable and shall pay to the Owner the amount of such excess.

80-10 Termination for national emergencies. The Owner shall terminate the contract or portion thereof by written notice when the Contractor is prevented from proceeding with the construction contract as a direct result of an Executive Order of the President with respect to the execution of war or in the interest of national defense.

When the contract, or any portion thereof, is terminated before completion of all items of work in the contract, payment will be made for the actual number of units or items of work completed at the contract price or as mutually agreed for items of work partially completed or not started. No claims or loss of anticipated profits shall be considered.

Reimbursement for organization of the work, and other overhead expenses, (when not otherwise included in the contract) and moving equipment and materials to and from the job will be considered, the intent being that an equitable settlement will be made with the Contractor.

Acceptable materials, obtained or ordered by the Contractor for the work and that are not incorporated in the work shall, at the option of the Contractor, be purchased from the Contractor at actual cost as shown by receipted bills and actual cost records at such points of delivery as may be designated by the RPR.

Termination of the contract or a portion thereof shall neither relieve the Contractor of their responsibilities for the completed work nor shall it relieve their surety of its obligation for and concerning any just claim arising out of the work performed.

80-11 Work area, storage area and sequence of operations. The Contractor shall obtain approval from the RPR prior to beginning any work in all areas of the airport. No operating runway, taxiway, or air operations area (AOA) shall be crossed, entered, or obstructed while it is operational. The Contractor shall plan and coordinate work in accordance with the approved CSPP and SPCD.

END OF SECTION 80

SPECIAL PROVISIONS TO THE CMAR CONTRACT

SECTION 10

GENERAL

10.01 OWNER

Wherever the word Owner, Sponsor, or Municipality appears in these specifications it shall be construed to mean the PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, a joint powers airport authority authorized by the State of Arizona. The Owner's contact is:

Mr. Bob Draper, P.E. – Engineering and Facilities Director

Phoenix-Mesa Gateway Airport Authority

5835 South Sossaman Road

Mesa, Arizona 85212-0919

Phone: 480.988.7705

Facsimile: 480.988.2315

10.02 NOT USED

10.03 LOCATION OF THE WORK

Phoenix-Mesa Gateway Airport is owned and operated by Phoenix-Mesa Gateway Airport Authority. The work is located in Mesa, Arizona on Ray Road, East of Sossaman Road.

10.04 GENERAL DESCRIPTION OF THE WORK AND CONTRACT SCHEDULE

The North Economy Parking Lot Expansion project may be funded by Passenger Facility Charges (PFC's) and the Authority. The sponsor of this project is the Authority.

The intent of the North *Economy Parking Lot Expansion* project is to expand parking. Phoenix -Mesa Gateway Airport has experienced unprecedented growth and requires additional parking capacity immediately to maintain the ability to meet customer demand. North Economy Parking Lot expansion plans were developed in 2012 provides for an additional 1263 and 1643 parking spaces in a base bid and add alternate bid scenario. The Airport intends to contract with a CMAR to construct what is

referred to on the construction plans as base bid, 1263 +/- additional parking spaces. The existing plans will not be updated but will be used as the basis of what is expected to be completed. Approximately 600 available parking spaces are needed no later than June 27, 2022. Parking lot lighting and a shuttlebus pickup location will be required for the initial phase. The remainder of the project and all improvements will be required to be in-place and accepted no later than November 18, 2022. It is anticipated that the existing fence line will remain with swing gates added as the additional parking spaces will be considered overflow and not routine use.

10.05 SPECIFICATIONS AND CONTRACT DOCUMENTS

The following documents, labeled as:

PROJECT NAME: North Economy Parking Lot Expansion

Authority Project No. 1241

Authority Solicitation No. 2022-018-RFQ

10.06 SCHEDULE OF DRAWINGS

All construction plans sheets bearing an approval and date of approval are hereby made a part of the Contract, Contract Documents, and Specifications by reference.

10.07 RFI SUBMITTAL PROCESS

Should it appear that the work to be done or any of the matters relative thereto are not sufficiently detailed or explained in the Contract Documents, the CMAR shall submit a Request for Information (RFI) to the Owner/Engineer. Such request shall clearly state the CMAR's question or concern, reference the specification or plan sheet in question and state the date the request is submitted and the date by which the CMAR must have an answer in order not to delay CMAR operations. CMAR shall submit an RFI as soon as possible after having discovered need for additional information or clarification. The Owner/Engineer shall provide such further explanations as may be necessary and the CMAR shall conform to them as part of the contract. In the event of any doubt or question arising respecting the true meaning of these specifications, the Special Provisions or the plans, reference shall be made to the Owner/Engineer, whose decision thereon shall be final.

END SECTION 10

SECTION 20

CONTRACT ITEMS

20.01 LICENSING

It is the responsibility of the offeror to determine whether the offeror has the appropriate contracting licenses to perform the work. The Owner will make the award, if any, to the most qualified offeror who has the proper licenses. The offeror is required to have the licenses at the time of bidding. Licensing information is available from the Arizona Registrar of CMARs.

20.02 ERRORS AND OMISSIONS

Minor errors or omissions in the Proposal Form, Plans, or Specifications shall not relieve the CMAR from fulfilling the general intent of the Contract or from completing any item or items called for in the Plans, Specifications, or Proposal Form.

20.03 UNIFORM STANDARDS FOR PUBLIC WORKS CONSTRUCTION

The Maricopa Association of Governments Standard Details and Specifications that are not altered or modified by the plans or project specifications contained herein shall apply to this project even though the CMAR's attention is not specifically drawn to such provisions. In the event of any conflict between the contract documents for this project and these Standard Specifications, the Contract Documents for this project shall prevail.

20.04 PERMITS

It is the responsibility of the CMAR to acquire and pay for all necessary permits as required for work performed at Phoenix-Mesa Gateway Airport. The CMAR is responsible for the cost of, but not limited to, federal clean water act, air quality permits, water meters, water and sewer taps, fire lines and taps, and all water bills on the project until the project is finally accepted. This provision does not constitute an assumption by the Phoenix-Mesa Gateway Airport Authority of an obligation of any kind for violation of said permit or notice requirements. The cost of all required permits shall be included as non-pay items.

20.05 TAXES

Each offeror and the CMAR shall thoroughly familiarize himself with all laws, ordinances, regulations and rules required for the payment of taxes, and each Offeror and the CMAR are

responsible for checking with the State of Arizona and the Maricopa County on items that may be exempt and the steps which should be taken to obtain such exemption. Each offeror shall include the current approved City of Mesa sales tax and State of Arizona sales tax for the work that is included in the GMP. See Additional tax requirements under Article 3.7 of the General Conditions.

20.06 ACCESS TO DOCUMENTS, RECORDS, ETC

Phoenix-Mesa Gateway Airport Authority, or any of their duly authorized representatives shall be allowed access to any books, documents, papers, and records of the CMAR which are directly pertinent to the project for the purpose of making audit, examinations, excerpts, and transcriptions.

20.07 CONSTRUCTION COST INFORMATION

The CMAR shall furnish any and all cost information requested by the Owner/Engineer. The Phoenix-Mesa Gateway Airport Authority or any of their authorized representatives shall be allowed access to any books, documents, papers and records of the CMAR that are directly pertinent to this Project for the purpose of making audit, examination, excerpts and transcriptions.

20.08 FINAL PAYMENT

Upon satisfactory completion of all items called for in the Contract and in accordance with the approved plans and specifications, the CMAR shall furnish to the Owner/Engineer, a CMAR's Affidavit Regarding the Settlement of Claims;, an original Affidavit acknowledging that all Subcontractors, Material Suppliers, Payrolls, Bills for Materials and Equipment, and other indebtedness connected with the work have been paid or are otherwise satisfied, an original Certificate evidencing that Insurance required by Section 11.2 of the *General Conditions* to the CMAR Contract is currently in effect and will not be canceled or allowed to expire until at least 30-days prior written notice has been given to the Owner, a written statement that the CMAR knows of no reason that the insurance will not cover the period required by Section 11.2 of the *General Conditions* to the CMAR Contract, a written consent of the Surety to Final Payment, Record Drawings with a certification that the drawings are accurate and complete, five (5) sets of Operation and Maintenance manuals, indexed and bound, containing manufacturer's warranties, instructions for maintenance and operation of each item of equipment and apparatus, an original, with notary signature, Full and Final Release and Waiver on Liens from the CMAR and for each Subcontractor and Material Supplier, that documents that they have been paid in full, Certificate of Completion, Written 1-year Warrantee, due at

final completion, and other required documentation as provided for in Article 9.9 of the *General Conditions* to the CMAR Contract. The CMAR shall also be required to furnish the Owner with sworn affidavits attesting that all Subcontractors, employees, materials suppliers, mechanics, etc. have been paid in full, for all debts incurred by the CMAR for work on this Contract. Upon receipt of the above clearances, and as listed elsewhere in these Contract Documents, the CMAR will receive full payment for the entire amount of his Contract, less previous progress payments as provided for in the General Provisions of these specifications.

20.09 LIEN RELEASE

The CMAR shall submit monthly to the Owner/Engineer, a lien release which documents that all subcontractors and material supplies have been paid for the previous months' work. No payment for the current month will be made until the CMAR has provided all lien releases for the previous month.

20.10 CLEAN WATER ACT

This project shall comply with all requirements and conditions for water quality standards and air quality regulations.

20.11 CONDITIONS FOR WATER QUALITY CERTIFICATION

No disposal of construction or demolition wastes, wastewater, contaminated water or any other potential pollutant will be authorized.

Runoff and seepage from runways, taxiways, roadways, embankments, or other alterations of the natural environment must not cause a violation of Water Quality Standards for Navigable Waters, A.A.C. Title 18, Chapter 11, Article 1.

All off-site material sources for the project must have valid and current permits under the Federal Clean Water Act, Sections 402 (NPDES) and 404 (Dredge and Fill) and the State Aquifer Protection Program, where necessary. Facilities and activities not covered by individual permits under these programs are not exempt from the duty to comply with water quality standards, and will be subject to compliance action, including possible closure by ADEQ if violation is documented. Other permits pertaining to air quality may be required for material sources and are the responsibility of the applicant or his agent(s).

Water for dust suppression shall not contain contaminants that could violate ADEQ water quality standards for surface waters or aquifers.

Practices to avoid or minimize damage to floodplain ecosystems, including riparian zones and wetlands, should be considered during project planning, construction and operation, consistent with the Final Report and Recommendations of the Governor's Riparian Habitat Task Force of October, 1990 and Executive Order 89-16.

Pollution from the operation of equipment in the construction area must be immediately removed from and properly disposed. Spills must be cleaned up and properly disposed of. Erosion control and/or other bank protection features should be used to minimize soil loss where appropriate.

Debris (such as soil, silt, sand, rubbish, cement, asphalt, oil or petroleum products, organic materials, tires, or batteries) derived from construction or demolition activities must not be deposited at any site where it may be washed into a watercourse.

20.12 CONDITIONS FOR AIR QUALITY CERTIFICATION

Portable sources of air pollution such as rock, sand, gravel, and asphaltic concrete plants are required to receive Installation and Operating Permits from the Office of Air Quality in order to operate in Arizona. Air quality certification is conditional upon all regulated sources obtaining and complying with air quality permitting requirements and applicable state air quality rules.

The applicant must provide a copy of these Air and Water Quality Certification Conditions to all subcontractors. The applicant must also post a copy of the conditions in a weather resistant location at the construction site where the workers may observe it.

20.13 PAY ITEMS

All pay items relating to the work indicated in these contract documents are listed in the bid proposal sheet. The CMAR shall include all necessary costs to complete this project within these items. Any work necessary to complete the project as represented in the Plans and Specifications that is not specifically noted as a pay item on the bid proposal sheet shall be considered incidental to the project and no separate payment will be made.

END SECTION 20

SECTION 30

PRECONSTRUCTION CONFERENCE AND SUBMITTALS

30.01 PRECONSTRUCTION CONFERENCE

The CMAR's project superintendent, the Construction Administration Resident Engineer & Inspector, an FAA representative (if needed), the Owner/Engineer and Phoenix-Mesa Gateway Airport Authority staff shall attend a pre-construction conference, conducted by the Project Manager to discuss the following subjects.

30.01.1 GENERAL INTEREST AND SAFETY ITEMS

1. The scope of the project and the sequence and timing of all operations. Submission of CMAR's construction schedule and barricade plan.
2. Relationship of the resident engineer to the sponsor with emphasis on the authority of the resident engineer to act in the sponsor's behalf.
3. Advise that the Owner has the authority to suspend operations, wholly or in part, when safety violations or nonconformance to the contract specifications are noted.
4. Relationship between ADOT Aeronautics, the FAA, and the Sponsor.
5. Identification of the CMAR's superintendent and a discussion of his/her authority and responsibilities.
6. Designation of sponsor representative responsible for notifying the Flight Service Station serving the airport of the proposed start and completion dates of construction or any circumstances requiring a NOTAM.
7. Scheduling of work and the need to perform certain items at various stages of the project, including operational safety problems that might arise because of the proposed work.
8. Discuss the notice to proceed date.
9. Operational Safety on Airports during construction, including the responsibility for marking and lighting of closed and hazardous areas, (see FAA Advisory Circulars 150/5370-2 (latest version) and 150/5340-1, *Operational Safety on Airports During Construction* and *Standards for Airport Marking*, (latest version) for detailed information).
10. Security requirements.
11. All responsible parties must be alert to the following hazard-producing situations that may develop during the construction period.
    a. Open trenches and settlement of backfill adjacent to pavement.
    b. Pavement "drop offs" or "lips" at pavement tie-in areas.

c. The obliteration, inadvertent relocation or disturbance of the marking and/or lighting of displaced threshold and marking of closed runways or taxiways.

d. Damage to existing in-use pavement lighting, marking or NAVAIDS by construction forces.

e. Spillage from vehicles on active airport pavement.

f. Temporary stockpiling of material for an extended period of time.

g. CMAR vehicular traffic through restricted critical areas of NAVAID facilities and the airport operating area.

h. Dust control and environmental factors, such as burning, waste disposal, etc.

i. Maintenance of sanitary facilities on the project site.

30.01.2 CONSTRUCTION ITEMS

1. The general requirements of quality control and testing to be discussed. It should be clearly understood who will do the testing, what is to be tested, when it is to be tested, and the location and number of tests.

2. Discussion of Test Reports. Each report should, as a minimum, contain the following information.

   a. Test performed.

   b. Applicable standard.

   c. Test location.

   d. Test result.

   e. Action taken for failing tests.

A copy of all test reports shall be furnished to the resident Owner/Engineer in a timely manner. Failing test results should be reported to the resident Owner/Engineer immediately. the Owner is not obligated to financially participate in construction that does not meet contract plans and specifications.

3. Emphasize the Role of the Project Manager. Duties include the following:

   a. Ensure all required testing is performed.

   b. Ensure tests are performed at the frequency stated in the specifications. If not stated in the specifications make sure an adequate number of tests are taken to document an acceptable level.

c. Review test results for conformance to specifications.

d. Inform the CMAR of deficiencies so that corrections can be made and retests performed prior to covering any substandard work with additional material.

e. Maintain record of quantity of materials used on the project.

f. Maintain copies of test reports on file.

g. Maintain a diary. Contents of a diary should include:

(1) Weather conditions and temperature.

(2) Work in progress and location.

(3) Equipment in use - types and numbers.

(4) Size of work force including supervision.

(5) Hours worked per day for CMAR or subcontractors.

(6) Materials delivered.

(7) Any instructions to the CMAR.

(8) Principal visitors.

h. Maintain set of working drawings that can be used to prepare "as-constructed" drawings. Record drawings to be furnished by the CMAR.

4. Discussion of periodic construction report, *Construction Progress and Inspection Report* (FAA Form 5370-1).

5. Change orders, time extensions, periodic cost estimates, and liquidated damages.

30.01.3 LABOR REQUIREMENTS.

Labor requirements including items such as minimum wage rates, employee classification and payrolls, and review of payrolls.

30.01.4 NOT USED.

30.01.5 ENVIRONMENTAL.

Comply with applicable federal, state, and local, air and water quality standards during construction and any environmental mitigation actions resulting from the environmental coordination process.

30.01.6 ARCHAEOLOGICAL AREAS.

Comply with applicable federal, state, and local preservation standards in archaeological areas during construction. If during construction the CMAR discovers what may be an archaeological site, a suspected human burial site, or the remains of any ancient structure and/or artifacts, the CMAR shall immediately cease performance of services in said areas and promptly notify Owner of the location of such sites. The CMAR is directed to Article 13.15 in the *General Conditions* for further information

30.02 CONSTRUCTION SCHEDULE

The CMAR shall submit to the Owner/Engineer for review, its proposed construction schedule within ten (10) calendar days from the date of award of the contract, see Article 3.11 of the *General Conditions* to the *CMAR Contract*. The contract time is based on a seven (7) days per week schedule except for Holidays. There will be no work without written authorization from the Owner, with the exception to vacuum sweeping to clean up of foreign object debris, as described in the following:

a. The night shift prior to Memorial Day
b. All day on Memorial Day;
c. The night shift on Memorial Day;
d. The night shift prior to the 4th of July;
e. All day on the 4th of July;
f. The night shift on the 4th of July;
g. The night shift prior to Labor Day;
h. All day on Labor Day;
i. The night shift of Labor Day;
j. The night shift prior to Thanksgiving Day;
k. All day on Thanksgiving Day;
l. The night shift on Thanksgiving Day;
m. All day on the day after Thanksgiving Day
n. The night shift the day after Thanksgiving Day
o. The night shift on Christmas Eve;
p. All day on Christmas Day;
q. The night shift on Christmas Day;
r. The night shift on New Year's Eve;
s. All day on New Year's Day;
t. The night shift on New Year's Day.

1. Arrange schedule to indicate required sequencing of work as outlined below and in the Contract Documents, and to indicate time allowances for submittals, inspections, and similar time margins.

2. Schedule shall reflect CMAR's modifications and suggested revisions to work sequencing indicated in the Contract Documents. The Owner reserves the right to approve or disapprove such modifications or revisions.
3. Review and recognition of this schedule shall not relieve the CMAR of responsibility for scheduling of the work and maintaining progress in accordance with the Contract Documents. Schedule shall be submitted and reviewed for comment by Owner and for conformance to Critical Milestone Completion Dates and overall project completion time criteria. Lack of this information shall be cause for rejection of schedule. Partial payment requests will not be processed without a revised CPM schedule.
4. In addition to the construction related work items, the following shall be included:
   - Critical submittal dates related to each activity or prepare separate coordinated listing of critical submittal dates.
   - Sequences of work within each activity that involves purchase lead-time, mock-ups, testing, or similar phases, as well as installation.
   - The CPM Construction Schedule shall relate to the entire project to the extent required by the Contract Documents and shall provide for expeditious and practicable execution of the work.
5. The following items define the term "activities" as it pertains to the Trades in the CMAR's CPM network:
   - Each activity shall be a unit of work that requires an amount of time for its performance.
   - Each activity shall be a logically separate part of the work, defined by an observable start and an observable finish.
   - To establish the scope of an activity for CPM purposes, Trade CMAR shall form a single activity from the largest grouping of related operations which permit a continuous and measurable flow of work and which can proceed without affecting or being affected by work of another Trade CMAR.
   - The scope of an activity shall be small enough to permit a reasonable appraisal of its status or as directed by the Owner/Engineer.
   - Activities of other contractors or other subcontractors that must be completed prior to the start of the Trade subcontractors work or portion of work shall be included in the Trade subcontractors schedule as milestones and identified with a designation approved by the CMAR.
6. The following information shall be furnished on the network diagram for each activity in the Trade CMAR's schedule:
   - Description of the activity.
   - Duration of the activity in days.

- Who will be performing the activity (CMAR, supplier or subcontractor company name)
- Each activity shall be identified with early/late start, early/late finish, and total float.

30.03 SHOP DRAWINGS AND SUBMITTALS

Refer to Article 3.13 of the *General Conditions* to the CMAR Contract for other requirements for shop drawings, product data and samples. Shop drawings and submittals shall be furnished by the CMAR and shall include such details as may be required to control the work adequately and are not included in the contract documents.

The CMAR shall furnish an adequate number of copies of shop drawings and submittals to allow the Owner/Engineer to retain four (4) copies allowing two (2) weeks for review. The Owner/Engineer will review all shop drawings and submittals for general compliance with the contract documents and no responsibility is assumed for correctness of dimensions or details. The Owner/Engineer will indicate his action taken in response to the submittal or shop drawing by affixing a review stamp and indicating the action as follows:

"No Exceptions Taken", which means reviewed for construction, fabrication or manufacturer, subject to the provision that the work shall be in accordance with the requirements of the contract documents. Final acceptance of the work shall be contingent upon such compliance.

"Make Corrections Noted", which means unless otherwise noted on the drawings reviewed for constructing, fabrication or manufacture, subject to the provision that the work shall be carried out in compliance with all annotations or corrections indicated and in accordance with the requirements of the contract documents. Final acceptance of the work shall be contingent upon such compliance.

"Amend and Resubmit", which means the review as noted is valid, and a corrected submittal is required.

"Rejected", which means that deviations from the requirements of the contract exists in the submittal such that no work based on such drawings or submittal shall be constructed, fabricated, or manufactured. The CMAR shall revise the drawing in compliance with the Owner/Engineer's annotations and pursuant to all requirements of the contract and shall resubmit the drawing or submittal to the Owner/Engineer for another review.

The CMAR shall submit for review, a proposed schedule of submittals, shop drawings, working drawings, supplemental drawings, product data and samples as necessary to control the work

adequately. A partial, example list of submittals has been made for reference and the list may not be complete and may be revised from time to time as the project progresses, as follows:

1. Operation and Maintenance Manuals.
2. Names and Resumes of Superintendent and Staff.
3. CMAR's Construction Schedule due 10 calendar days after the Notice of Award.
4. Updated CMAR's Construction Schedule (due with each monthly progress payment application).
5. A Submittal Schedule (due 10 calendar days after the Notice of Award, and due monthly).
6. Material Status Report (due monthly).
7. Manpower Schedule (due monthly).
8. Record Drawings.
9. A Schedule of Values.*
10. CMAR's Emergency Name and Phone Number List (FAA Project Requirements)*
11. A List designating those portions of the work to be performed by Subcontractor's and the CMARs own forces.
12. A List of Subcontractors and Material Suppliers with an Experience Statement
13. A Lien Release documenting that all Subcontractors and Material Suppliers have been paid for the previous months work, monthly submission required.
14. Written Safety Program for the work.
15. Copy of all Subcontracts, including Material Suppliers.
16. Duplicate Original Certified Payroll Reports and Statement of Compliance, with sworn affidavits from the CMAR (submitted weekly).
17. A List of Proposed Construction Equipment (FAA Project Requirement)*
18. Construction Cost Information, as requested by the Owner/Engineer.
19. Three (3) week look ahead Project Schedule at Weekly Construction Meetings.
20. CMAR Certification that the Initial Verification of the Control Points established are acceptable.
21. CMAR Certification of Calculations and Measurements to fully support the derivation of all Monthly Pay Quantities.
22. A Barricade Plan and Traffic Control Plan. *
23. Shop Drawings for all Temporary Taxiway Signs.
24. A Construction Safety and Phasing Plan Compliance Document. *
25. CMAR's Quality Control Plan, to be submitted 5-days prior to the pre-construction

conference.

26. CMAR's Quality Control Records, including Daily Inspection Reports and Daily Test Reports, to be submitted daily.
27. National Pollutant Discharge Elimination System Site Construction Permittee Inspection Checklist
28. Storm Water Pollution Prevention Plan Notice of Termination.
29. A Letter of Certification stating that all Dowel Bars used meet the requirements of the Contract Documents.
30. A Certified Copy of the test reports for the Preformed Joint Sealer, and the Preformed Joint Sealer Lubricant (If Applicable).
31. CMAR's Affidavit Regarding Settlement of Claims.
32. Submit an original Affidavit acknowledging that all Subcontractors, Material Suppliers, Payrolls, Bills for Materials and Equipment, and other indebtedness connected with the work have been paid or otherwise satisfied.
33. An original Certificate evidencing that Insurance required by the General Conditions to the CMAR Contract is currently in effect and will not be canceled or allowed to expire until at least 30-days prior written notice has been given to the Owner.
34. A written statement that the CMAR knows of no reason that the insurance will not cover the period required by the General Conditions to the CMAR Contract.
35. A written consent of the Surety to Final Payment.
36. Record Drawings with a certification that the drawings are accurate and complete.
37. Five (5) sets of Operation and Maintenance manuals, index and bound, containing manufacturer's warranties, instructions for maintenance and operation of each item of equipment and apparatus.
38. An original, with notary signature, Full and Final Release and Waiver on Liens from the CMAR and for each Subcontractor and Material Supplier, that documents that they have been paid in full.
39. Certificate of Completion.
40. Written 1-year Warrantee, due at final completion.

*Indicates the submittal is due at the pre-construction conference.

Each submittal shall be numbered sequentially and shall be submitted in accordance with the above schedule, as amended from time to time, so as to cause no delay in the work schedule. The CMAR shall certify each submittal and shop drawing by providing an original letter (on CMAR's letterhead) to the Owner/Engineer that he has <u>reviewed and approved</u> the submittal

and that it conforms to the requirements of the contract documents. If this original certification is not included, the submittal and/or shop drawing will be returned without action. At the time of each submittal, the CMAR shall define and delineate in writing, separate from the certification, any deviations from the contract documents. If the Owner/Engineer accepts this deviation, he will authorize the deviation by issuing a change order or if the deviation is minor by endorsement to the letter.

The Owner/Engineer's review will be only for general conformance with the design concept of the work and for compliance with the information contained in the contract documents. The review of a specified item, as such, will not indicate review of the assembly or in which the item functions. Review by the Owner/Engineer will not relieve the CMAR from responsibility for any errors or omissions in the submittals or shop drawings nor from his responsibility for complying with the Contract Documents. The only exception is deviations accepted in accordance with the preceding paragraph.

END SECTION 30

SECTION 40

CONTROL OF WORK

40.01 DAMAGE TO EXISTING PROPERTY

CMAR will be held responsible for any damage to existing structures, work, materials, or equipment because of his operations and shall repair or replace any damaged structures, work, materials, or equipment to the satisfaction of, and at no additional cost to the Owner.

CMAR shall protect all existing structures and property from damage and shall provide bracing, shoring, or other work necessary for such protection. CMAR shall be responsible for all damage to street, roads, curbs, sidewalks, highways, shoulders, ditches, embankments, culverts, bridges, fences, or other public or private property, which may be caused by transporting equipment, materials, or men to or from the work. CMAR shall make satisfactory and acceptable arrangements with the agency having jurisdiction over the damaged property concerning its repair or replacement.

40.02 STORAGE OF MATERIALS AND EQUIPMENT

Equipment and stockpiled materials may be stored in areas on the project site provided they are kept below a maximum height of 8 feet and not within any safety areas or Part 77 surfaces. Airport Operations shall approve all areas of storage.

40.03 ACCESS ROADS

The CMAR shall establish and maintain permanent and temporary access roads to various parts of the site as required in the drawings or as required to complete the Project. Unless otherwise noted on the plans or approved by the Authority, temporary roads or vehicular traffic will not be permitted within the designated archaeologically sensitive areas. Such roads shall be available for the use of all others performing work or furnishing services in connection with the Project. In addition, they must be out of the areas of the project that are open to aviation traffic. Approval of the Owner/Engineer is required for all desired locations. **The CMAR is required to inspect and videotape all existing areas of work, access and haul roads anticipated to be used by the CMAR prior to the start of construction, with the accompany of the Owner or Resident Engineer.** The CMAR will be required to maintain all access and haul routes used during the course of the work during construction and return them to their original condition at the completion of construction.

40.04 FENCES

The CMAR shall maintain all existing fences and gates affected by the work until completion of the work. Fences and gates that interfere with construction operations shall not be relocated or dismantled until

written permission is obtained from the Owner, and the period the fence may be left relocated or dismantled as has been agreed upon. On completion of the work, the CMAR shall restore all fences, at their own expense, to their original or to a better condition and to their original location or as indicated on the drawings.

40.05 PARKING

The CMAR shall provide and maintain suitable parking areas for the use of all construction workers and others performing work or furnishing services in connection with the project, as required to avoid any need for parking personal vehicles where they may interfere with public traffic, Owner's operations, or construction activities. The CMAR's parking area will be located at the staging area upon approval of Airport Operations for security access. Vehicles with access into the Airport property require insurance as described in Article 11 of the *GENERAL CONDITIONS*.

40.06 DUST CONTROL

The CMAR shall take reasonable measures to prevent unnecessary dust. Earth surfaces subject to dusting shall be kept moist with water or by application of a chemical dust suppressant. Dusty materials in piles or in transit shall be covered to prevent blowing. Suitable dust screens shall protect existing or new machinery, motors, instrument panels or similar equipment. Proper ventilation shall be included with dust screens. County Dust permits are required and are a non-pay-item.

40.07 DRAINAGE PROVISIONS

The CMAR shall provide for the drainage of storm water and such water as may be applied or discharged on the site in performance of the work. Drainage facilities shall be adequate to prevent damage to the work, the site, and adjacent property. Existing drainage channels and conduits shall be cleaned, enlarged or supplemented as necessary to carry all increased runoff attributable to CMAR's operations. Dikes shall be constructed as necessary to divert increased runoff from entering adjacent property (except in natural channels), to protect Owner's facilities and the work, and to direct water to drainage channels or conduits. See Technical Specification P-156 for additional requirements.

40.08 EROSION CONTROL

CMAR shall prevent erosion of soil on the site and adjacent property resulting from his construction activities. Effective measures shall be initiated prior to the commencement of clearing, grading, excavation, or other operation that will disturb the natural protection. Work shall be scheduled to expose areas subject to erosion of the shortest possible time. Temporary storage and construction buildings shall be located, and construction traffic routed, to minimize erosion. See Technical Specification P-156 for additional requirements.

40.09 POLLUTION CONTROL

CMAR shall prevent the pollution of drains and watercourses by sanitary wastes, sediment, debris and other substances resulting from construction activities. No sanitary wastes will be permitted to enter any drain or watercourse other than sanitary sewers. No sediment, debris or other substance will be permitted to enter sanitary sewers and reasonable measures will be taken to prevent such materials from entering any drain or watercourse. See Technical Specification P-156 for additional requirements.

40.10 EXCESS MATERIAL

Unsuitable material, broken asphaltic concrete, construction debris, and broken Portland cement concrete resulting from the construction shall be removed from the project and disposed of at an offsite location (landfill) by the CMAR at the CMAR's expense.

40.11 CONSTRUCTION DEBRIS

The CMAR shall use his own forces and equipment to dispose of site refuse or construction debris at an offsite location (landfill).

40.12 CLEAN-UP

The CMAR shall upon completion of the work remove all temporary construction facilities, debris, and unused materials provided for in the work, and restore the site of the work and public right-of-way in a neat and clean condition.

40.13 WEEKLY PROGRESS MEETINGS

The Owner/Engineer will conduct weekly Progress Meetings at regularly scheduled times convenient for all parties involved. A three (3) week look-ahead schedule will be developed by the CMAR prior to the start of the meeting and will be discussed by the CMAR during a portion of the agenda. Additionally, discussions will address administrative and technical issues of concern, determining resolutions and development of deadlines for resolution within allowable time frames.

As may be required by the Owner/Engineer, in addition to representatives of the Phoenix-Mesa Gateway Airport Authority and the CMAR, each subcontractor, supplier or other entity concerned with current progress or involved in planning, coordination or performance of future activities may be represented at these meetings by individuals directly involved with the Contract and authorized to conclude matters relating to progress.

During the weekly construction meeting, there will be review and corrections (if any) and approve the meeting minutes of the previous progress meeting prepared by the Owner/Engineer. The meeting minutes may be tape recorded and will document issues of significance including submittals, schedules, quality control, issues encountered, and the assignment of responsibilities for future action. Other items of significance that could affect progress may be discussed, and the meeting will include topics for discussion as appropriate to the current status of the project, including:

Review progress since the last meeting. Determine where each activity is in relation to the CMAR's Construction Schedule, whether on time or ahead or behind schedule. Determine how construction behind schedule will be expedited; secure commitments from parties involved to do so. Discuss whether schedule revisions are required to ensure that current and subsequent activities will be completed within the Contract Time.

Review the present and future needs of each entity present, including such items as:

1. Work Schedule and Hours of Work
2. Quality and Work Standards

3. Access and Limitation
4. Submittal Status
5. Requests for Information
6. Non-Compliance Notices
7. Status on Certified Payroll Reports
8. Change Orders and/or Extra Work
9. Housekeeping

The Owner/Engineer may tape record the meeting and the Owner/Engineer will distribute a copy to the Owner and CMAR. The CMAR shall be responsible to distribute the meeting minutes to subcontractors, suppliers, and others affected by decisions or actions resulting from each meeting.

40.14 CONSTRUCTION SURVEYING LAYOUT

The CMAR shall set all construction stakes establishing lines, grades, and elevations to include necessary utilities and appurtenances and shall be responsible for their conformance with plans and specifications. The Owner/Engineer will establish or designate (within the plan sheets) a control line or benchmark of known location and elevation for use as a reference. The CMAR shall furnish all materials, personnel and equipment necessary to perform all surveying, staking and verification of the accuracy of all existing control points, which have been provided by the Owner/Engineer and/or Phoenix-Mesa Gateway Airport Authority. Included in this work shall be all calculations required for the satisfactory completion of the project in conformance with the plans and specifications. The work shall include establishing and marking “Record Drawings” coordinates and elevations on survey monuments and other designated locations. The work shall be done under the direction of a registered land surveyor employed by the CMAR. All survey crew chiefs shall be either a registered Civil Engineer, a registered Land Surveyor, an Engineer-in-Training, or a NICET Level III (or a higher NICET level) certified technician.

Materials and equipment shall include, but shall not necessarily be limited to, vehicles for transporting personnel and equipment, properly adjusted and accurate survey equipment, straightedges, stakes, flagging and all other devices necessary for checking, marking, establishing and maintaining lines, grades and layout to perform the work called for in the contract. The CMAR shall furnish a sufficient quantity of competent personnel to perform the survey work and layout.

The CMAR shall not employ nor engage the services of any person or persons in the employ of the Owner/Engineer or the Phoenix-Mesa Gateway Airport Authority for the performance of any work as described herein.

a. Field Books. The CMAR shall furnish and use bound field books for recording survey data and field notes. These books shall be available for inspection by the Owner/Engineer at any time and shall become property of the Owner upon completion of the work.

b. Initial Verification. Prior to setting any construction stakes the CMAR shall first verify the accuracy of the control points established by the Owner/Engineer. If errors are discovered during this verification process, and the control points do not agree with the geometry shown in the plans, the CMAR shall immediately notify the Owner/Engineer in writing, explaining the issue in detail. The Owner/Engineer will advise the CMAR within five (5) working days of any corrective actions, which may be deemed necessary. Secondly, upon completion of this verification process, the CMAR's registered Land Surveyor shall certify in writing, that all control points established by the Owner/Engineer are acceptable and adequate to allow the CMAR's construction staking to meet the accuracy requirements of the specifications.

c. General Description. After the CMAR's registered surveyor has submitted his written certification verifying the accuracy of the control points established by the Owner/Engineer, the CMAR shall set all stakes including, but not necessarily limited to: centerline stakes, offset stakes, reference point stakes, slope stakes, pavement lines, curb lines and grade stakes, stakes for sewers and waterlines, airfield drainage, pipe, underdrains, clearing, survey monuments, blue tops for subgrade, base and pavement courses, paint striping layouts, supplemental bench marks and permanent as-built elevation marks, as-built survey elevations of concrete pavement (all joints, corners of each panel) and asphalt base under concrete pavements at each concrete paving joint intersection, and the as-built elevations prior to placing the base course shall be obtained as well as all other horizontal or vertical controls necessary for complete and accurate layout of the construction work, and submitted to the Owner/Engineer.

d. Preservation. The CMAR shall exercise care in the preservation of stakes, references and benchmarks and shall reset them when any are damaged, lost, displaced or removed. Station and offset reference stakes shall be installed and maintained at all times on each side of the Taxiway and on each side of all connecting Taxiways at 100-feet intervals.

e. Discrepancies. Any discrepancies in the grade, alignment, quantities, locations or dimensions detected by the CMAR shall immediately be brought to the attention of the Owner/Engineer. Changes to the project plans will not be allowed without the written approval of the Owner/Engineer.

f. Random Inspections. The Owner/Engineer reserves the right to make inspections and random checks of any portion of the staking and layout work. If, in the Owner/Engineer's opinion, the work is not being performed in a manner that will assure proper controls and accuracy, he may order any or all of the staking and layout work re-done, or he can order

further staking to supplement the original work, both of which would be at no additional cost to the William Gateway Airport Authority.

g. Special Staking Requirements. Utility adjustments and Taxiway signs are a part of the Contract; therefore, the CMAR shall perform all layout work and set all control points, stakes and reference necessary for carrying out all such adjustments.

h. Monthly Pay Quantities. Measurement of all pay quantities will be the responsibility of the Owner/Engineer. However, the CMAR shall furnish the Owner/Engineer for each pay period, a certified set of calculations and measurements to fully support the derivation of all pay quantities.

i. Additional Work. If additional staking and layout are required as the result of additional work ordered by the Owner/Engineer, such work will be paid at the respective predetermined unit prices specified herein. The amount per hour for a two (2) person or three (3) person survey party, a survey manager and a registered land surveyor includes the cost of all work necessary to complete the extra work, including the CMAR's overhead, profit, bond, insurance and sales tax and extended general condition costs.

j. Measurement. Reference General Provisions Section 50-06 for measurement and payment.

40.15 SAMPLING AND TESTING

The Owner shall employ the official testing laboratory for acceptance testing. The CMAR shall employ the laboratory for quality control testing or plant calibration and it shall not be the same laboratory as the one employed by the Owner. The quality control measures by the CMAR shall be sufficient to produce materials of acceptable quality. The CMAR is required to provide and maintain a Quality Control Program, along with all the personnel, equipment, supplies and facilities necessary to obtain samples, perform tests, and otherwise assure the quality of the product(s). The Owner/Engineer may require the CMAR's technician to perform testing of samples to demonstrate an acceptable level of performance.

The CMAR shall utilize a statistical based procedure of random sampling that provides that all material being produced will have an equal chance of being selected for sampling and testing. The CMAR shall sample and test any material that appears inconsistent with similar material being sampled unless such material is voluntarily removed and replaced or corrected by the CMAR. All sampling shall be in accordance with standard AASHTO or ASTM procedures.

The CMAR is directed to General Provisions Section 50.06 for additional information, requirements, measurement and payment for Construction Survey and Staking.

40.16 RECORD DRAWINGS

The CMAR shall keep one or more copy of all specifications, plans (24x36 in size), any addenda issued during the bidding process, any modifications to the plans and contract documents during construction (i.e. ESI, RFI, etc.), working drawings and shop drawings at the site, and in good order. One set of 24x36 plans shall be continually annotated by the CMAR to show all changes made during the construction process as they occurred. Additionally, these plans shall be verified by a licensed land surveyor.

The Owner and/or Project Manager will review the completeness of the Record Drawings on a monthly basis prior to and as a condition of approval of the monthly progress payments.

Upon completion of the project and prior to submittal of the final application for payment, a single, complete, all-inclusive, annotated full set of plans showing all "As-Built" work together with any annotated working and Shop Drawings, RFI's, ESI's, and Change Orders of relevance shall be delivered to the Owner/Engineer for the Owner's record. At a minimum, the CMAR shall provide as-built elevations for each design grade that is shown on the plans. The CMAR shall provide stations and offsets for each handhole, manhole, light can/base, catch basin or other similar structure on the annotated set of record drawings. The "As-Built" set of plans must be sealed by a registered Arizona Surveyor.

END SECTION 40

SECTION 50

UTILITIES AND EXISTING FACILITIES

50.01 GENERAL

This item shall govern the field location of all underground existing utilities in areas to be improved, to avoid conflicts with proposed surface or underground improvement. Work under this section shall include, but not be limited to, the investigation and locating of all underground facilities. Underground facilities means any item that is buried or placed below ground for use in connection with the storage or conveyance of water, sewage, electronic, telephone or telegraphic communications, electric energy, oil, gas or other substances, and shall include, but not be limited to pipes, sewers, conduits, cables, valves, lines, wires, manholes, attachments and those portions of poles and their attachments below ground, including electrical and communication ducts, airfield lighting and control cables, fiber optic lines, storm drains, electrical and telephone lines. The CMAR shall employ a private utility location service to locate the existing Owner and non-Owner utilities prior to starting the work. The CMAR shall blue stake and pot hole and use prudent care when excavating and locating said utilities.

The CMAR shall, after October 1, 1988, comply with the State requirements regarding excavation and underground utilities per A.R.S., Chapter 2, Article 6.3. and other pertinent Sections of the Blue Stake Law. The Airport is not a member, but has distribution systems for gas, electrical, water, and sewer on the site. The CMAR shall be responsible for locating all Owner and non-Owner utilities.

The CMAR's attention is directed to the following Arizona Revised Statutes:

a. **ARS 40-360.22.** Excavations, determining location of underground facilities; providing information. This statute requires that no person shall begin excavation before the location and marking are complete or the excavator is notified that marking is unnecessary and requires that upon notification, the Owner of the facility shall respond as promptly as practical, but in no event later than two (2) working days. This section is not applicable to an excavation made during an emergency that involves danger to life, health or property if reasonable precautions are taken to protect underground facilities.

b. **ARS 40-360.23**. Making excavations in careful, prudent manner; liability for negligence. This statute states that obtaining information as required does not excuse any

person making any excavation from doing so in a careful and prudent manner no shall it excuse such persons from liability for any damage or injury resulting from his negligence.

c. ARS 40-360.28. Civil penalty; liability. If the Owner or operator fails to locate, or incorrectly locates the underground facility, pursuant to this article, the Owner or operator becomes liable for resulting damages, costs and expenses to the injured party.

50.02 EXISTING UTILITIES

The CMAR is hereby advised that the location of all utilities, as shown on the Plans, may not be complete nor exact and the CMAR shall satisfy himself as to the exact location of the utilities. The CMAR shall be responsible for any damage done to public or private property and shall be repaired at the CMAR's expense.

Location of any underground telephone lines may be field verified by calling the Blue Stake Center telephone number "Arizona 811". The CMAR is required by Blue Stake Center to call at least two (2) working days before digging. The CMAR shall locate all utilities that Blue Stake will not locate.

The following utilities companies may serve the Phoenix-Mesa Gateway Airport directly or can provide services as requested.

TABLE – Utility Companies for Existing Utilities and Flood Plain Information.

Utility	Description
Water	City of Mesa
Electrical	Salt River Project
Airport	Authority (Communications & Special Systems)
Telephone	Century Link and Cox (Telephone and Data)

Sanitary	City of Mesa
Drainage	Maricopa Flood Control District, (East Maricopa and Powerline Floodway)
Flood Plain	The project is within the 500-year flood plain.

The CMAR is to protect all existing facilities during construction. The CMAR shall notify the appropriate Utility Company or agency of any construction that may affect their facilities.

50.03 WATER FOR CONSTRUCTION PURPOSES

The CMAR, at their own expense, shall obtain and provide all water required for and in connection with the work to be performed. The CMAR shall remove all temporary waterlines installed by him, after completion of the work, if directed to do so by the Owner/Engineer.

It is the CMAR's responsibility to identify the water source, its compatibility, storage, and costs for all water requirements for this project. The CMAR must submit a water source and its intended use to the Owner/Engineer for approval. No direct payment will be made for construction water. The cost thereof shall be included in other items for which direct payment is made.

50.04 ELECTRICAL POWER

All power for lighting, operation of CMAR's plant or equipment, or for any other use as may be required in the execution of the work to be performed under the provision of these Contract Documents shall be provided by the CMAR at their expense. The CMAR shall remove all temporary electrical facilities installed by him, after completion of the work, if ordered to do so by the Owner/Engineer.

50.05 TELEPHONE SERVICE

The CMAR shall make all necessary arrangements with the telephone utility for telephones in his offices at the site and separate telephones, fax, high-speed internet, and a direct service

line in the office of the Owner/Engineer and shall pay all monthly charges therefore including long distance calls from the office of the Owner/Engineer. All CMARs and others performing work or furnishing services at the site shall be permitted to use the CMAR's telephone without charge for calls pertaining to the work.

50.06 SANITARY FACILITIES

CMAR shall furnish temporary sanitary facilities at the site, as provided herein, at their own expense, for the needs of all construction workers and other performing work or furnishing services on the Project. Sanitary facilities shall be of reasonable capacity, properly maintained throughout the construction period, and obscured from public view to the greatest practical extent. If toilets of the chemically treated type are used, at least one toilet will be furnished for each 20 men. CMAR shall enforce the use of such sanitary facilities by all personnel at the site.

END SECTION 50

SECTION 60

OPERATIONS, SAFETY AND SECURITY

The CMAR shall reference the Construction Safety and Phasing Plan for a comprehensive report of the safety procedures and requirements on this project.

60.01 DEFINITIONS

a. **Air Carrier Aircraft** - An aircraft with a seating capacity of more than 30 passengers that is being operated by an air carrier.

b. **Air Carrier Operation** - The takeoff and landing of an air carrier aircraft and includes the period of time from 15 minutes before and until 15 minutes after the takeoff or landing.

c. **Air Operations Area (AOA)** - Air operations area, paved or unpaved, is any area of the airport used for or intended for landing, takeoff, or surface maneuvering of aircraft including its associated runway, taxiway, or apron.

d. **Airfield Operations Specialist** – The Authority employee who monitors activities within the Airport Restricted Areas. Operations Specialists ensure a safe and secure operating environment is maintained on the airfield.

e. **Airport Marking Aids** - Marking used on runway and taxiway surfaces to identify a specific runway, a runway threshold, a centerline, a hold line, etc. A runway should be marked in accordance with its present usage such as: visual, non-precision instrument, precision instrument.

f. **Construction** - The presence and movement of construction-related personnel, equipment, and materials in any location that could infringe upon the movement of aircraft.

g. Escort - person authorized by the Authority to accompany CMAR personnel within the Airport Restricted Area. The escort shall accompany or monitor the activities of an individual(s) in a manner sufficient to take responsive action in a sized area approved by the Owner/Engineer. A proper escort is defined as maintaining visual monitoring, within reasonable voice range and being able to react to the actions of those under escort.

h. FAA - The Federal Aviation Administration, a branch of the U.S. Department of Transportation that regulates aviation and airport safety and certification.

i. FDC – Fire Department Connection.

j. FOD - Foreign Object Debris/Damage, meaning any object that is potentially hazardous to aircraft.

k. General Aviation - That portion of civil aviation which encompasses all facets of aviation except air carriers holding a certificate of public convenience and necessity from a Civil Aeronautics Board and Large aircraft commercial operators.

l. Haul Route - A specified path created for vehicles to maneuver within the Airport Restricted Area to/from a work site. Haul routes are subject to the approval of the Owner/Engineer in accordance with the contract documents.

m. Instrument Landing System (ILS) – An electronic visual approach guidance system used by aircraft during landing operations.

n. Movement Area - The runways, taxiways, and other areas of an airport that are used for taxiing or hover taxiing, air taxiing, takeoff, and landing of aircraft, exclusive of loading ramps and aircraft parking areas (reference 14 CFR part 139).

o. Navigational Aid (NAVAID) - An apparatus generally located within the AOA, serving as a guide to aircraft.

p. Obstruction - Any object/obstacle exceeding the obstruction standards specified by 14 CFR part 77, subpart C.

q. **Object Free Area (OFA)** - An area on the ground centered on the runway, taxiway, or taxilane centerline provided to enhance safety of aircraft operations by having the area free of objects except for those objects that need to be located in the OFA for air navigation or aircraft ground maneuvering purposes (see AC 150/5300-13, *Airport Design,* for additional guidance on OFA standards and wingtip clearance criteria).

r. **Obstacle Free Zone (OFZ)** - The airspace below 150 feet (45m) above the established airport elevation and along the runway and extended runway centerline that is required to be clear of all objects, except for frangible visual NAVAIDs that need to be located in the OFZ because of their function, in order to provide clearance protection for aircraft landing or taking off from the runway and for missed approaches (refer to AC 150/5300-13 for guidance on OFZs).

s. **Precision Approach Path Indicator (PAPI)** - An airport lighting facility providing vertical visual approach slope guidance to aircraft during approach to landing by radiating a directional pattern of high intensity red and white focused light beams which indicate to the pilot that he/she is "on path" if he sees red/white, "above path" if white/white, and "below path" if red/red.

t. **Restricted Area** – Areas that do not allow access to the general public. These are limited access areas that the Executive Director, the FAA, or commercial aviation business owners have elected to restrict for purposes of security or safety. It is enclosed by a perimeter fence and includes but is not limited to the AOA, perimeter roadways, haul routes, CMAR security gate and worksite.

u. **Runway** - A defined rectangular area on a land airport prepared for the landing and takeoff run of aircraft along its length. Runways are normally numbered in relation to their magnetic direction rounded off to the nearest 10 degrees; e.g., Runway 12 and Runway 30.

v. **Runway End Identifier Lights (REIL)** - Two synchronized flashing lights, one on each side of the runway threshold, which provides rapid and positive identification of the approach end of a particular runway.

w. **Runway Lights/Runway Edge Lights** - Lights having a prescribed angle of emission used to define the lateral limits of a runway. Runway lights are uniformly spaced and the intensity may be controlled or preset.

x. **Runway Safety Area (RSA)** - A defined surface surrounding the runway prepared or suitable for reducing the risk of damage to airplanes in the event of an undershoot, overshoot, or excursion from the runway, in accordance with AC 150/5300-13.

y. **Safety Area** - A designated area abutting the edges of a runway or taxiway intended to reduce the risk of damage to an aircraft inadvertently leaving the runway or taxiway.

z. **Taxi** - The movement of an airplane under its own power on the surface of an airport.

aa. **Taxiway** - A defined surface used by aircraft for transition/movement to and from aircraft parking areas/aprons to runways.

bb. **Taxiway Lights/Taxiway Edge Lights** - Lights having a prescribed angle of emission used to define the lateral limits of a taxiway and are blue in color.

cc. **Threshold Lights** - Fixed green lights arranged symmetrically left and right of the runway centerline, identifying the runway threshold.

dd. **TSA** – The Transportation Security Administration, a branch of the U.S. Department of Homeland Security that oversees aviation security.

ee. **Visual Flight Rules (VFR)** - Rules that govern the procedures for conducting flight under visual conditions. The term "VFR" is also used in the United States to indicate weather conditions that are equal to or greater than minimum VFR requirements.

ff. **Worksite** - Area in which work under contract is being performed, generally starting at the CMAR on-site trailer. Airport ID badges must be displayed within the worksite at all times.

60.02 AIRPORT SECURITY REQUIREMENTS

This project will be constructed both inside and outside of the sterile area of the Terminal (each side of the TSA checkpoint).

The airport is operated in strict compliance with Transportation Security Administration (TSA) and Federal Aviation Regulations (FAR), which prohibit unauthorized persons or vehicles in the Air Operations Area (AOA). Equipment and workmen will be restricted to the work area defined on the plans. Any violation by CMAR's personnel or subcontractors' personnel will subject the CMAR to penalties imposed by the TSA or the Authority.

The CMAR will assume all fines against the Authority assessed to them by the TSA for the CMAR's security violations. Typical fines are ten thousand dollars ($10,000.00) or more per incident.

The CMAR shall be responsible for the protection of the construction site, and all work, materials, equipment, and existing facilities thereon, against vandals and other unauthorized persons. Security measures shall include such additional security fencing, barricades, lighting, and other measures as the CMAR may deem necessary to protect the site.

The CMAR's responsibilities for work areas are as follows:

1. The CMAR shall be held responsible for controlling his employees, subcontractors, and their employees with regard to traffic and personnel movements.

2. The CMAR shall rebuild, repair, restore, and make good at his own expense all injuries or damages to any portion of the work occasioned by his use of these facilities before completion and acceptance of his work.

3. The CMAR shall submit to the Owner/Engineer in writing a detailed work plan for each construction phase. The work plan shall include, but not be limited to, temporary electrical facilities, installation sequence of underground electrical and storm sewer systems, paving sequence, and installation sequence of electrical items. **This plan shall be submitted 14 calendar days prior to the start of each construction phase.** No work within the construction phase may commence until the phase work plan is approved.

4. The following language shall be used in all solicitations, Contracts and subcontracts requiring the distribution of security badges to CMAR, subcontractor or material supplier employees:

a. AIRPORT ACCESS BADGES - All CMAR and/or subcontractor personnel performing work in accordance with this Contract shall obtain and properly display a Phoenix-Mesa Gateway Airport (IWA) airport security badge. The CMAR shall submit a Security Badge Application form to the Authority security office for each employee requiring unescorted access, along with the current fee for each badge. The fee must be paid for with cash or check. The Security Badge Application form and instructions are available via the Internet at www.gatewayairport.com.

A Company Principal of the CMAR must obtain and submit a "Company Security Media Authorization" form, which is to be submitted to the Authority Badging Office. The Company Security Media Authorization will identify those individuals employed by the CMAR who are authorized to approve and sign a Security Badge Application for other employees of the CMAR. The Company Security Media Authorization form and instructions are available via the Internet at www.gatewayairport.com

1. All CMAR and subcontractor personnel that are to be issued an Airport Identification Badge are required to attend and successfully complete a training class before being issued an identification badge. Fees for the security badge include attendance for the necessary training classes. Attendance at the security classes and issuance of the security badge may take 2 hours per person.

   The types of training required will be determined by the scope and location of the work involved. All personnel that will receive Airport badges shall attend the security training. Additionally, personnel operating vehicles or equipment within the Restricted Area of the airport will attend Airport Driver training, all personnel working near active movement areas will attend the Operational Safety on Airports training and any personnel acting as a Gate Guard/Crossing Guard will attend the Gate Guard/Crossing Guard training.

2. Additional information, including a "Frequently Asked Questions" is available via the Internet at www.gatewayairport.com or by contacting the Authority Badging Office at 480.988.7520 or via email to badgingoffice@gatewayairport.com

3. The CMAR should allow thirty (30) business days lead time for employee badges to be issued.

4. The CMAR shall immediately notify Airport Operations/Badging Office of any CMAR personnel whose employment status has changed.

5. The CMAR shall be responsible for retrieving all security badges and keys and return them to the Badging Office. A fee will be charged for each badge that is damaged, lost or not returned.

6. The Authority Badging Office will require the following from each badge applicant before a security badge is issued:

   Security Badge Application - All employees are required to complete a security badge application form. The security badge application is available via the Internet at www.gatewayairport.com.

   CMAR-Provided Escorts - The job superintendent and assistant superintendent will be responsible for escorting their non-badged employees, visitors, vendors, subcontractors and material suppliers while on the job site, assuring that no breeches of the Airport security program occur.

   Company Security Media Authorization - A Principal of the CMAR is required to complete and submit to the Authority Badging Office this form, which identifies authorized signatories for the CMAR.

   For current badging hours or any other questions pertaining to badging, please call the Badging Office at 480.988.7522.

Airport security badges are issued by the Authority Airport Operations and will be required when working within the Restricted Area. It is recommended that Superintendents, Foremen, Supervisors, or Leads be issued an airport security badge who then can provide the required escort for their work crew.

- Airport ID badges issued by the Airport are property of the Airport and must be surrendered upon the request of any Airport personnel.
- No person shall loan or provide airport ID badges to anyone other than to whom the badge was issued.

- Airport ID badges must be properly displayed on the outermost garment, above the waist, at all times while within the Restricted Area.
- Airport ID badges shall not be mutilated or altered from its original form in any way, nor shall any such media be reproduced or copied in such a manner as to degrade the security of the ID system.
- Airport ID badges are non-transferable.
- Damaged badges will be subject to a replacement fee.
- Contractors are required to wear the armband that accompanies the badge.
- The CMAR shall be assessed a fee for each lost/unreturned badge.
- The CMAR must immediately report to the Badging Office any lost badge or any employee who quits or is terminated, and the employee's badge must be returned to the Authority.

b. Access Control

Any time access is required within the Restricted Areas the CMAR shall be responsible for assuring that no breeches of airport security occur. Restricted areas are fenced and must remain fenced at all times. The gates will remain closed and locked or a guard will be provided at the CMAR's expense. The CMAR will furnish the guard with a roster of his personnel and ensure that each individual has adequate identification. The duplicate keys for each lock will be turned over to the airport authorities.

- No person shall enter the CMAR worksite without authorization. Any person found within the worksite without proper identification as describe herein shall be considered unauthorized and shall be removed from the worksite.
- All persons authorized access to the worksite shall display a valid Airport ID badge issued by the Authority or be under authorized escort.
- Persons authorized to provide escorts include the Authority staff and designated CMAR supervisors. The number of personnel being escorted shall not exceed ten (10) non-badged personnel; this includes vendors, subcontractors, visitors and part-time workers. Equipment Operators are not allowed to provide escort while operating equipment. **Failure to provide an escort can result in loss of escort privileges, fines, revocation of the security badge, or all three.**

c. Challenge Procedures

All personnel are responsible for challenging and reporting anyone in their work areas not displaying an Airport ID badge. Personnel shall contact Airport Operations and/or Mesa Police Department and detain person(s) if safe to do so.

60.03 AIRPORT SAFETY REQUIREMENTS

a. Operating Construction Vehicles on the Airport

No vehicle shall enter the CMAR worksite unless the following conditions are met:

- The driver is authorized to access the worksite (in possession of valid security badge with a driver endorsement).
- The driver possesses a valid driver's license.
- The vehicle is properly marked with the company name.
- Vehicle is marked with beacon or checkered flag or under escort.
- Transient haul truck drivers are not required to obtain an Airport ID badge but are required to check in with the CMAR security guard.
- All equipment operators are required to be badged when working within the Airport Restricted Area.

b. Prohibited Vehicles

The use of motorcycles, bicycles, two-wheeled motor scooters and privately owned vehicles within the worksite is strictly prohibited.

c. Vehicle Condition

Vehicles must be in good mechanical condition with operational lights, horn, brakes, and clear visibility from the driver's seat. Trailers and semi-trailers must be equipped with proper brakes so that when disengaged from a towing vehicle, neither aircraft engine blast nor wind will cause them to become free rolling.

d. Compliance

All traffic within the Airport Restricted Area and/or CMAR worksite must comply with any lawful order, signal or direction of any Airport employee. When such traffic is controlled by signs or pavement markings, such symbols shall be obeyed, unless otherwise directed by an officer or agent of the Airport Authority.

e. Night or Low Visibility Operations

All vehicle headlights, taillights, and running or clearance lights shall be in operational condition. Headlights shall be used at all times.

f. Construction Vehicle and Equipment Markings

All construction equipment and vehicles shall have flashing amber lights, mounted at the highest point, during the nighttime and a 3’ x 3’ orange and white checkered flag or a flashing amber beacon during the daytime. All vehicles and equipment on the construction site shall have company designations visibly displayed. No personal vehicles will be allowed in the work area. All construction vehicles and equipment must have the company name and/or logo and vehicle number at least four (4) inches in height on each side of the vehicle.

g. Operation of Vehicles

No vehicle shall operate within the Airport Restricted Area:

- Unless operated by an individual in possession of a valid Airport Identification Badge with a driver’s endorsement or, under the direct escort of someone who is.
- In a careless or negligent manner.
- With disregard of the rights and safety of others.
- At a speed or in a way which endangers persons or property.
- While the driver is under the influence of drugs or alcohol.
- If such vehicle is loaded or maintained as to endanger persons or property.

h. Speed Limits

The speed limit on the perimeter roads is 25 miles per hour. The speed limit on the haul route is 15 miles per hour.

i. Vehicle Accidents

Each operator of a motor vehicle involved in an accident on the airport that results in damage to property or personal injury shall first contact 9-1-1 and then report it fully to the Airport Operations Department as soon as possible after the accident. The

report must include the name and address of the person reporting. Copies of reports taken by City of Mesa are acceptable for incidents that occur in the public areas of the airport.

j. Hearing Protection

CMAR personnel working on or adjacent to the AOA are encouraged to wear hearing protection.

k. Worker Injuries

In the event of a serious injury requiring medical attention call **911**. If called from a cell phone, tell the emergency operator to connect to the City of Mesa Emergency Dispatch, otherwise the call will be routed to Maricopa County Dispatch and that will delay emergency response. All injuries must also be reported to Airport Operations as soon as possible.

l. After Hours Contacts

The CMAR shall submit to the Owner/Engineer a list of personnel who can be contacted 24 hours a day, seven (7) days a week and can respond in a reasonable time frame regarding any possible emergency on the work site. The list must include names, job title and phone numbers.

m. Daily Site Inspections

Prior to the CMAR leaving the worksite for the day, an inspection of the site shall be completed. All discrepancies noted in the inspection must be corrected to the satisfaction of the Owner/Engineer prior to the CMAR leaving the worksite.

n. Deliveries

All deliveries for the CMAR shall be received by the CMAR. Deliveries will not be accepted by anyone other than the CMAR. The Authority nor its authorized representatives will not accept or be responsible for deliveries.

o. Haul Routes

- The majority of the haul route is in the City of Mesa Public Right-of-Way and CMAR shall abide by City of Mesa Traffic regulations. CMAR shall maintain access in the

vicinity of the haul routes to provide access to the parking lot and the Authority vehicles.

- Placards will be issued to transient haul trucks (i.e. concrete) upon entry into the Restricted Area by the gate guard.

p. Cranes or Mobilized Equipment

All activities involving cranes or mobilized vehicles exceeding 20 feet in height on or near the AOA require 48-hour advance coordination with Airport Operations. The following information is required:

- Location of equipment
- Maximum extendable height
- Duration of use
- Daily hours of operation
- Whether or not the crane can be lowered when not in use

Equipment must be lowered to its stowed height when not in use or as otherwise directed. The **highest point** of each piece of equipment shall be marked by a 3' x 3' orange and white checkered flag. At night and during periods of low visibility, the highest point of the crane must be marked by a red obstruction light. Crews must be prepared to remove equipment promptly if so directed.

The CMAR is advised that it may take up to 12 weeks to obtain an airspace determination for construction equipment (such as a concrete batch plant if he elects to use one), and he must submit information required for inclusion into the FAA 7460 airspace evaluation submittal as soon as feasible after Notice of Award in order to not delay the project schedule. This review should be included in the CMAR's schedule.

q. Staging & Storage Area

All CMAR materials, equipment and supplies shall be within the CMAR's designated staging & storage area. All staging & storage areas shall be marked, debris boxes covered and area kept neat and clean of debris.

For equipment that must remain in the work area, the following conditions must be met:

- Be marked with lighted barricades around the equipment perimeter with a spacing of no more than 10 feet.
- Be coordinated at least 48 hours in advance with the Owner/Engineer.
- The highest point of the equipment marked and lit with a red flashing/steady burning omni-directional obstruction light.

r. Barricades & Lighting

The perimeters of the actual work areas, all uneven surfaces, mounds and excavations shall be adequately barricaded in accordance with the plans and contract documents including but not limited to vertical panel barricades, low level barricades and/or Type II barricades and lighted with omni-directional flashing red lights to prevent intrusion by taxiing aircraft, equipment, personnel and vehicles.

The CMAR shall provide and maintain all low-profile and vertical panel barricades and LED omni-directional lights, night and day. The lights for the low-level barricades shall be capable to be "screwed in" to the barricade. Low-profile barricades shall be orange and white in color and shall be a minimum of eight (6) feet in length and approximately ten (10) inches in height. All cones and other marking devices must be lighted or equipped with reflectors during periods of darkness as directed by Airport Operations.

All barricades, lights, flags and cones must be maintained and kept in proper working order by the CMAR day and night. All burned out lights must be replaced immediately. Barricades, lights, flags and cones must remain upright at all times.

The low-profile barricades must always be filled with water. In situations of adverse weather, the placement of sandbags on barricades may also be required. The CMAR must also keep an adequate supply of extra barricades and lights on site for replacement. Escorts for barricade maintenance must be provided by the CMAR or coordinated in advance with Airport Operations.

Only red, battery powered or approved solar powered, lights are acceptable at the airport.

s. Trenches and Excavations

CMARs shall close trenches located within active safety areas at the end of each workday. No open trenches or excavations will be allowed within the following active safety areas without prior coordination and approval with the Owner/Engineer:

- Open trenches not to exceed 500 feet in length at any one time.
- Spoils from excavations are to be placed closest to the trench.
- Spoils length not to exceed 500 feet in length at any one time.
- Spoil height is not to exceed 4 feet or any height that would cause a visual obstruction.
- Spoils not returned to the trench or removed from the worksite are to be properly marked with lighted barricades with a spacing of no more than 10' or that to properly delineate the trench.

t. Stockpiled Material

Stockpiled materials are allowed only within the CMAR's designated staging & storage areas.

u. CMAR Security Guards

The following procedures are for CMAR security guards controlling CMAR access gates into the Restricted Areas. CMAR is also responsible to:

- Use primary radio or back-up telephone equipment to contact Airport Operations and the CMAR Foreman of any security violation or threat to airport safety. Report any failure of radio or back-up equipment immediately.
- Assure that all authorized CMAR employees or suppliers use designated haul route and staging areas.
- Monitor the Restricted Area access gate at all times and NEVER leave a gate open, unsecured or unattended.

v. Deliveries

Delivery trucks must be properly escorted in order to proceed into any controlled area of the airport. The gate guard shall log down the date, driver name, and company. Advise the driver to wait at the gate until the escort arrives.

w. Haul Trucks

Transient haul truck drivers are required to check in with the CMAR security guard. The driver shall be issued an orange/white checkered flag to be mounted on the highest point of the truck; and shall be returned to the security guard upon check out. Advise the driver to remain on the marked haul route and follow the appropriate signs to the intended work area. At no time shall a driver unfamiliar with the worksite be allowed to deviate from the marked haul route.

x. Weapons

No person, except a peace officer, authorized air carrier employee, airport employee or a member of an armed force of the United States on official duty, shall carry any weapon, explosive, or inflammable material on or about his person, openly or concealed, in the Restricted Area of the airport without the written permission of the Airport Director, Deputy Director or Director of Operations and Maintenance. A weapon includes all those listed in Section 13-301, Arizona Revised Statutes. No person shall furnish, give, sell, or trade a weapon on airport property.

y. CMAR Responsibilities

- The CMAR must maintain and provide to the Owner/Engineer a log detailing the contract number, the airfield access point used, and all authorized and anticipated subcontractors and suppliers that will be requiring entry.
- The CMAR must furnish guards with a sufficient number of flags for transient vehicles such as concrete or asphalt trucks entering the Restricted Area.
- The CMAR must furnish guards a means of securing the access point should the guard have to leave the area in an emergency.

z. Construction Flagmen

Construction flagmen will be required at any crossings of taxiways by construction equipment.

60.04 MEASUREMENT AND PAYMENT

Measurement for Airfield Safety and Security shall be per lump sum and shall include full compensation for furnishing all labor, materials, checkered flags, warning lights, silt fence, traffic signs, airfield radios, crossing guards, escorts, power vacuum sweepers, furnishing and maintaining all barricades and lights day and night, vehicle and equipment markings, security

badges and training for all construction personnel, tools, equipment, flagmen, cell phones, SPCD acceptable to Airport Operations, installation and removal of temporary pavement markings and all other incidentals required to safely control traffic and provide the proper security for the Airport as identified in the phasing plans.

60.05 SCHEDULE OF FINES (AS APPLICABLE TO THIS PROJECT)

Due to both the safety and security precautions necessary at the airport, failure of the CMAR and subcontractors to adhere to the prescribed requirements/regulations has consequences that may jeopardize the health, welfare and lives of the customers and employees at the airport, as well as the CMAR's own employees. Therefore, if the CMAR is found to be in non-compliance with the security, airfield badging/licensing and airfield safety requirements by the Owner's personnel, the Owner may issue Notice of Violation (NOV). The CMAR may appeal the NOV, however appeals must be made in writing, and within four (4) calendar days of the offending incident, to the Authority Project Representative. The appeal shall state, in sufficient detail, why the NOV/circumstances is unwarranted. A final and binding decision on the appeal will be made by Airport Operations within ten (10) working days of receipt of the appeal, the CMAR will then be notified of this decision in writing. No further appeals to the specific NOV will be considered/accepted. Subsequent fines and/or requirements, if any, will be applied in accordance with the Schedule of Fines table (on the next page), and the applicable amount will be withheld from the CMAR's monthly payment application following the date of the violation. The CMAR shall be held financially responsible for all NOV's issued to their subcontractors, lower tier subcontractors, or material suppliers associated with this Contract.

DESCRIPTION OF FINES:	***1ST OFFENSE***	***2ND OFFENSE***	***3RD OFFENSE***
Parking in unauthorized areas.	$1,000	$2,500	$5,000
Not having proper and current Airport Security Badge or not properly displaying Airport Security Badge.	$1,000	$5,000	$15,000
Unauthorized access to AOA by construction personnel or access through construction gate by unauthorized personnel.	$1,000	$5,000	$15,000
Failure to Escort / be Escorted.	$1,000	$5,000	$15,000
Failure to secure an access gate / door when not in use, or failure to wait for an automated gate / door to close.	$5,000	$10,000	$15,000
Operating a vehicle or mobile construction equipment without a current Ramp Driver's permit.	$1,000	$5,000	$15,000
Failure to stop at a designated Stop, or exceeding the maximum speed limit, or deviating from designated service roadway or haul routes.	$2,500	$5,000	$15,000
Failure to yield to airside personnel or vehicles.	$1,000	$5,000	$15,000
Failure to yield to an aircraft and/or causing an aircraft to deviate from intended course.	$5,000	$10,000	$15,000
No logo on vehicle or logo is not correct in name and dimension.	$1,000	$5,000	$15,000
Runway incursion.	$15,000	$20,000	$25,000
Runway/Taxiway deviation of an active taxiway, or apron.	$10,000	$15,000	$20,000

Safety violation, such as insufficient barricades, or no flags or amber beacons on vehicle or equipment. Or no red obstruction lighting on cement silo, batch plants, cranes or other equipment with significant height.	$5,000	$10,000	$15,000
Non-compliance with the Authority's lock-out tag-out procedures.	$5,000	$10,000	$15,000
Failure to backfill open trenches within time specified.	$5,000	$10,000	$15,000
Failure to provide lighted barricades.	$5,000	$10,000	$15,000
Failure to provide functional temporary edge lighting.	$5,000	$10,000	$15,000
All other NOV not listed in this Table 1.	$1,000	$5,000	$15,000

END SECTION 60

END OF SPECIAL PROVISIONS

DIVISION V - TECHNICAL SPECIFICATIONS

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ITEM P-152 EXCAVATION AND EMBANKMENT

DESCRIPTION

152-1.1 This item covers excavation, disposal, placement, and compaction of all materials within the limits of the work required to construct a parking lot, drainage ditches, and other areas identified on the plans, building construction, parking, or other purposes in accordance with these specifications and in conformity to the dimensions and typical sections shown on the plans.

152-1.2 CLASSIFICATION. All material excavated shall be classified as defined below:

a. Unclassified Excavation. Unclassified excavation shall consist of the excavation, hauling, disposal off-site, or placement and compaction of all material, regardless of its nature, which is not otherwise classified and paid for.

b. Over-excavation of Unsuitable Materials. Over-excavation of Unsuitable Materials shall consist of the removal and disposal of deposits of any material containing vegetable or organic matter, such as muck, peat, organic silt, or sod considered unsuitable for foundation material or for use in embankment construction from the airport property, including hauling. Material, when approved by the Engineer as suitable to support vegetation, may be used on the embankment slope.

c. Imported Fill. Imported Fill shall consist of approved material required for the construction of embankment or for other portions of the work in excess of the quantity of usable material available from required excavations. Imported fill material may consist of material on airport property (outside the project limits) or material obtained from off-site the airport property. Hauling is also considered incidental

CONSTRUCTION METHODS

152-2.1 General. Before beginning excavation, grading, and embankment operations in any area, the area shall be completely cleared and grubbed in accordance with MAG Standard Specification 201. Measurement and payment for clearing and grubbing is identified in the Special Provisions Sections 80.04.7 and 90.01.1.

The suitability of material to be placed in embankments shall be subject to approval by Phoenix-Mesa Gateway Airport (PGMAA). Unsuitable material shall be disposed of off airport.

When the Contractor's excavating operations encounter artifacts of historical or archaeological significance, the operations shall be temporarily discontinued. At the direction of PMGAA, the Contractor shall excavate the site in such a manner as to preserve the artifacts encountered and allow for their removal. Such excavation will be paid for as extra work. See *General Conditions* Section 13.15 and *General Provisions* Section 70.21 for additional information.

Those areas outside of the pavement areas in which the top layer of soil material has become compacted, by hauling or other activities of the Contractor shall be scarified and disked to a depth of 4 inches (100 mm), in order to loosen and pulverize the soil.

If it is necessary to interrupt existing surface drainage, sewers or under-drainage, conduits, utilities, or similar underground structures the Contractor shall be responsible for and shall take all necessary precautions to preserve them or provide temporary services. When such facilities are encountered, the Contractor shall notify PMGAA, who shall arrange for their removal if necessary. The Contractor shall, at his/her own expense, satisfactorily repair or pay the cost of all damage to such facilities or structures which may result from any of the Contractor's operations during the period of the contract.

152-2.2 EXCAVATION. All suitable excavated material shall be used in the formation of embankment, subgrade, or for other purposes shown on the plans. All unsuitable material shall be disposed of as shown on the plans.

When the volume of the excavation exceeds that required to construct the embankments to the grades indicated, the excess shall be disposed of as directed as waste. When the volume of excavation is not sufficient for constructing the fill to the grades indicated, the deficiency shall be obtained from borrow area. If there is no borrow area available, material from an off-site location may be used as long as the material meets the standards set forth herein. All testing of borrow or off-site materials for suitability shall be considered incidental to the Imported Fill line item provided.

The grade shall be maintained so that the surface is well drained at all times. When necessary, temporary drains and drainage ditches shall be installed to intercept or divert surface water which may affect the work.

a. **Selective Grading.** When selective grading is indicated on the plans, the more suitable material as designated by PMGAA shall be used in constructing the embankment or in capping the pavement subgrade. If, at the time of excavation, it is not possible to place this material in its final location, it shall be stockpiled in approved areas so that it can be measured for payment for rehandling.

b. **Over-excavation of Unsuitable Materials.** Rock, shale, hardpan, loose rock, boulders, or other material unsatisfactory for the parking lot, subgrades, roads, or shoulders, shall be excavated to a minimum depth of 12 inches or to the depth specified by PMGAA, below the subgrade. Muck, peak, matted roots, or other yielding material, unsatisfactory for subgrade foundation, shall be removed to the depth specified by PMGAA. Unsuitable materials shall be disposed of at an off-site location by the Contractor, and the resultant excavated area shall be refilled with suitable material, obtained from the grading operations or borrow areas and thoroughly compacted by rolling.

c. **Not Used.**

d. **Removal of Utilities.** The removal of existing structures and utilities required to permit the orderly progress of work will be accomplished by the Contractor, unless otherwise shown on the plans. All existing foundations shall be excavated for at least 2 feet (6 cm) below the

top of subgrade or as indicated on the plans, and the material disposed of as directed. All foundations thus excavated shall be backfilled with suitable material and compacted as specified herein. Reference Section 50 within the *Special Provisions* for measurement, payment and further information.

e. **Compaction Requirements.** The subgrade under the parking lot and entrance road pavement, (Asphalt and Concrete), shall be scarified to a depth of 12 inches, moisture conditioned to optimum two percent (2%), and compacted to at least 95 percent of maximum density as determined by ASTM D 698. For subgrade under sidewalks, the compaction should be limited between 90 percent (%) minimum and 95 percent (%) maximum at an optimum moisture content of at least to three percent (3%) above. The material to be compacted shall be within -2 percent, +2 percent of optimum moisture content before rolling to obtain the prescribed compaction.

The in-place field density shall be determined in accordance with ASTM D 1556 or ASTM D 2167. Stones or rock fragments larger than 4 inches (100 mm) in their greatest dimension will not be permitted in top 6 inches (150 mm) of the subgrade. The finished grading operations, conforming to the typical cross section, shall be completed and maintained at least 1,000 feet (300 m) ahead of the paving operations or as directed by PMGAA.

In cuts, all loose or protruding rocks on the back slopes shall be bared loose or otherwise removed to line of finished grade of slope. All cut-and-fill slopes shall be uniformly dressed to the slope, cross section, and alignment shown on the plans or as directed by PMGAA.

Blasting will be not be permitted.

152-2.3 PREPARATION OF EMBANKMENT AREA. Where an embankment is to be constructed all sod and vegetable matter shall be removed from the surface upon which the embankment is to be placed, and the cleared surface shall be completely broken up by plowing or scarifying to a minimum depth of 12 inches (150 mm). This area shall then be moisture-conditioned to optimum (+/- 2%) and compacted to at least 95% of the maximum dry density as determined by ASTM D 698.

Where embankments are to be placed on natural slopes steeper than 3 to 1, horizontal benches shall be constructed as shown on the plans.

No direct payment shall be made for the work performed under this section. The necessary clearing and grubbing and the quantity of excavation removed will be paid for under the respective items of work or as previously identified.

152-2.4 FORMATION OF EMBANKMENTS. Embankments shall be formed in successive horizontal layers of not more than 8 inches (200 mm) in loose depth for the full width of the cross section, unless otherwise approved by PMGAA.

The grading operations shall be conducted, and the various soil strata shall be placed, to produce a soil structure as shown on the typical cross-section or as directed. Materials such as brush, hedge, roots, stumps, grass and other organic matter, shall not be incorporated or buried in the embankment.

Operations on earthwork shall be suspended at any time when satisfactory results cannot be obtained because of rain or other unsatisfactory conditions of the field. The Contractor shall drag, blade, or slope the embankment to provide proper surface drainage.

If imported fill is required, it shall have 100 percent (%) passing the 3 inch sieve and a combination of percent passing the 200 sieve and plasticity index that would result in a correlated R-value (per ADOT method) of equal to, or better than the 33 value. It should exhibit less than 1.5% swell potential when compacted to a 95 percent (%) of maximum dry density (per ASTM D 698) at a moisture content of two percent (2%) below optimum, confined under a 100 psf surcharge, and inundated. The material in the layer shall be within +/-2 percent of optimum moisture content before rolling to obtain the prescribed compaction.

Fill should be placed in horizontal lifts of 8 inch thickness where possible and compacted to the percent of maximum dry density per ASTM D 698 set forth as follows:

a. Minor Structures.

1. Below footing level	95

b. Pavement Subgrade or Fill.

1. All fills or under asphalt pavement	95
2. Within one foot (1') of finished subgrade (concrete sidewalks)	90min– 95max

c. Utility Trench Backfill.

1. More than two feet (2') below finish subgrade	95
2. Within two feet (2') of finished subgrade (non-granular)	95
3. Within two feet (2') of finished subgrade (granular)	100

d. Aggregate Base Course.

1. Below paving	100

e. Landscape Areas.

1. Miscellaneous fill	90
2. Utility trench – more than one foot (1') below finish grade	85
3. Utility trench – within one foot (1') of finish grade	90

The material in the layer shall be within +/-2 percent of optimum moisture content before rolling to obtain the prescribed compaction. In order to achieve uniform moisture content throughout the layer, wetting or drying of the material and manipulation shall be required when necessary. Should the material be too wet to permit proper compaction or rolling, all work on all of the affected portions of the embankment shall be delayed until the material has dried to the required moisture content. Sprinkling of dry material to obtain the proper moisture content shall be done with approved equipment that will sufficiently distribute the water. Sufficient equipment to furnish the required water shall be available at all times. Samples of all embankment materials for testing, both before and after placement and compaction, shall be taken by the Contractor for each 1,000 cubic yards. Based on the results of these tests, the Contractor shall make the necessary corrections and adjustments in methods, materials or moisture content in order to achieve the correct embankment density.

Rolling operations shall be continued until the embankment is compacted to not less than 95 percent (%) of maximum density as determined by ASTM D 698**.**

The in-place field density shall be determined in accordance with ASTM D 1556 or ASTM D 2167**.**

Compaction areas shall be kept separate, and no layer shall be covered by another until the proper density is obtained.

During construction of the embankment, the Contractor shall route his/her equipment at all times, both when loaded and when empty, over the layers as they are placed and shall distribute the travel evenly over the entire width of the embankment. The equipment shall be operated in such a manner that hardpan, cemented gravel, clay, or other chunky soil material will be broken up into small particles and become incorporated with the other material in the layer.

In the construction of embankments, layer placement shall begin in the deepest portion of the fill; as placement progresses, layers shall be constructed approximately parallel to the finished pavement grade line.

When rock and other embankment material are excavated at approximately the same, time, the rock shall be incorporated into the outer portion of the embankment and the other material shall be incorporated under the future paved areas. Stones or fragmentary rock larger than 4 inches (100 mm) in their greatest dimensions will not be allowed in the top 6 inches (150 mm) of the subgrade. Rockfill shall be brought up in layers as specified or as directed and every effort shall be exerted to fill the voids with the finer material forming a dense, compact mass. Rocks or boulders shall not be disposed of outside the excavation or embankment areas, except at places and in the manner designated by PMGAA.

When the excavated material consists predominantly of rock fragments of such size that the material cannot be placed in layers of the prescribed thickness without crushing, pulverizing or further breaking down the pieces, such material may be placed in the embankment as directed in layers not exceeding 2 feet (60 cm) in thickness. Each layer shall be leveled and smoothed with suitable leveling equipment and by distribution of spalls and finer fragments of rock. These type lifts shall not be constructed above an elevation 4 feet (120 cm) below the finished subgrade. Density requirements will not apply to portions of embankments constructed of materials which cannot be tested in accordance with specified methods.

There will be no separate measurement of payment for compacted embankment, and all costs incidental to placing in layers, compacting, disking, watering, mixing, sloping, and other necessary operations for construction of embankments will be included in the contract price for excavation or other items.

152-2.5 FINISHING AND PROTECTION OF SUBGRADE. After the subgrade has been substantially completed the full width shall be conditioned by removing any soft or other unstable material which will not compact properly. The resulting areas and all other low areas, holes or depressions shall be brought to grade with suitable select material. Scarifying, blading, rolling and other methods shall be performed to provide a thoroughly compacted subgrade shaped to the lines, grades, and densities shown on the plans and required by these specifications.

Grading of the subgrade shall be performed so that it will drain readily. The Contractor shall take all precautions necessary to protect the subgrade from damage. Contractor shall limit hauling over the finished subgrade to that which is essential for construction purposes.

All ruts or rough places that develop in a completed subgrade shall be smoothed and recompacted. Subgrade shall be finished to the plan lines and grades, and compacted to the required density and depth as shown on the plans.

No subbase, or surface course shall be placed on the subgrade until the subgrade has been approved by PMGAA.

152-2.6 HAUL. All hauling will be considered a necessary and incidental part of the work. Its cost shall be considered by the Contractor and included in the contract unit price for the pay of items of work involved. No payment will be made separately or directly for hauling on any part of the work.

152-2.7 TOLERANCES. In those areas upon which a subbase or base course is to be placed, the top of the subgrade shall be of such smoothness that, when tested with a 16-foot (4.8 m) straightedge applied parallel and at right angles to the centerline, it shall not show any deviation in excess of 1/2-inch (12 mm), or shall not be more than 0.05-foot (.015 m) from true grade as established by grade hubs or pins. Any deviation in excess of these amounts shall be corrected by loosening, adding, or removing materials; reshaping; and recompacting by sprinkling and rolling.

In parking lot, intermediate and other designated areas, the surface shall be of such smoothness that it will not vary more than 0.10 foot (0.03 m) from true grade as established by grade hubs. Any deviation in excess of this amount shall be corrected by loosening, adding or removing materials, and reshaping. Flowlines of ditches or swales shall not vary by more than 0.05-foot from true grade.

METHOD OF MEASUREMENT

152-3.1 Measurement for "Unclassified Excavation" shall include furnishing all materials, labor, equipment, tools, and incidentals necessary to complete the item, including excavation, hauling, construction of embankment, and removal of waste excavation from the airport. Unclassified Excavation outside of structural pavements sections shall include the excavation from the existing grade down to the top of finished grade compacted in-place, including construction of embankment. Measurement shall not include the quantity of materials excavated without authorization beyond normal slope lines, or the quantity of material used for purposes other than those directed.

Subgrade Preparation under pavements following completion of Excavation and Embankment construction as specified herein shall be measured and paid for under Special Provisions Item SP 90.01.1 *Subgrade Preparation.*

152-3.2 Measurement for "Imported Fill" shall include furnishing all materials, labor, equipment, tools, and incidentals necessary to complete the item, including hauling from an on-site stock pile or an off-site location, testing of the material, placement, construction of embankment, and compaction. Measurement shall be by the cubic yard compacted in-place.

152-3.3 **"**Over-Excavation and Replacement of Unsuitable Materials" shall be by the cubic yard measured from its original position of the surface prior to excavation of unsuitable material less the measured surface after excavation of unsuitable material when complete. Measurement shall include furnishing all materials, labor, equipment, tools, and incidentals necessary to excavate, remove, haul and properly dispose of the unsuitable material off-site, as well as the placement, compaction and finishing of the suitable material in its place including the hauling of any embankment. This is a Contingent item and measurement shall not include the quantity of materials excavated without prior Resident Engineer authorization, or the quantity of material used for purposes other than those directed.

152-3.4 For payment specified by the cubic yard, measurement for all excavation shall be computed by the average end area method except as noted below. The end area is that bound by the original ground line established by field cross sections and the final theoretical pay line established by excavation cross sections, are subject to verification by the Engineer. After completion of all excavation operations and prior to the placing of base or sub-base material, the final excavation shall be verified by the Engineer by means of field cross sections taken randomly at intervals not exceeding 500 linear feet. Measurement for Drainage Excavation will be measured and paid at plan quantities unless the following conditions are met:

a. Plan width of embankments or excavations are changed by more than plus or minus 2.0 feet; or

b. Plan elevations of embankments or excavations are changed by more than plus or minus 0.5 foot.

BASIS OF PAYMENT

152-4.1 For "Unclassified Excavation" payment shall be made at the contract unit price per cubic yard. This price shall be full compensation for furnishing all materials, labor, equipment, tools, and incidentals necessary to complete the item, including excavation, hauling, and placement and compaction or removal of waste excavation from the airport. Unclassified Excavation outside of structural pavements sections shall include the excavation from the existing grade down to the top of finished grade compacted in-place, including construction of embankment.

152-4.2 For "Imported Fill" payment shall include furnishing all materials, labor, equipment, tools, and incidentals necessary to complete the item, including hauling from an off-site location, placement, construction of embankment, and compaction. Measurement shall be by the cubic yard compacted in-place.

152-4.3 For "Over-Excavation and Replacement of Unsuitable Materials" payment shall be made at the contract unit price per cubic yard of all work as identified in Sections 152-2.2 (c) and 152-3.6 of this specification. This price shall be full compensation for furnishing all materials, labor, equipment, tools, and incidentals necessary to complete the item. Prior approval from the Engineer is required before this work can be performed.

Payment will be made under:

Item P-152-4.1 Unclassified Excavation – per Cubic Yard

Item P-152-4.2 Imported Fill – per Cubic Yard

Item P-152-4.3 Over-Excavation and Replacement of Unsuitable Material (Contingent Bid Item) – per cubic yard

TESTING REQUIREMENTS

ASTM D 698 Tests for Moisture-Density Relations of Soils and Soil-Aggregate Mixtures, Using 5.5-pound (2.5 kg) Rammer and 12-inch (300 mm) Drop

ASTM D 1556 Test for Density of Soil In-Place by the Sand Cone Method

ASTM D 698 Tests for Moisture-Density Relations of Soils and Soil-Aggregate Mixtures, Using 5.5-pound (24.5-N) Rammer and 12-inch (305 mm) Drop

ASTM D 2167 Test for Density of Soil In-Place by the Rubber Balloon Method.

END OF ITEM P-152

PARKING AND TRAFFIC CONTROL EQUIPMENT

PART 1 - GENERAL

1.1 Work Included

A. The work of this section shall include furnishing all material, equipment, labor, and supervision to install parking control and traffic control equipment, as specified herein and indicated on the drawings. Included will be the construction and installation of necessary conduit; and the supply, delivery, unloading, setting, anchoring, control wiring installation, wiring termination, and start-up of all parking, revenue control, access control equipment, and traffic control equipment (lane status lights).

1.2 Related Work

A. The Parking Equipment Vendor or an approved Electrical Subcontractor shall furnish and install all necessary conduit and power wiring in proper size and location to the parking control equipment and empty conduit for control wiring as needed. Conduit for power and communications (separate conduit) will be needed for all lane equipment.

B. Manufacturer of the parking control system shall provide those responsible for related work with:

1. Installation diagrams and details for setting indoor and outdoor mounted equipment.
2. Templates for setting indoor and outdoor mounted equipment.
3. Templates and cast-in inserts to anchor freestanding equipment to curbs and bases.
4. Electrical wiring diagrams and details.
5. Electrical installation requirements.
6. Electrical power requirements.

1.3 System Description

A. General

1. The parking access and revenue control equipment will be used to control parking in the Long Term parking lot located north of the airport terminal on Ray Road. The parking lot will be primarily used by transient parkers, but card/tag access will be provided for airport employees and terminal shuttle buses. Transient parkers will activate entrance gates by taking a plastic token (with a computer chip for encoding entrance and payment information) from a token dispenser and will exit upon inserting a properly paid token into an exit verifier. Transient parking payments will be made at automatic pay stations (pay-on-foot machines) located in the airport terminal and in the lot, by using an exit verifier (credit card payments only), or by using a pay-in-lane station. Card/tag access will be provided using proximity cards, radio frequency identification (RFID) tags, and card/tag readers. The proximity cards and readers must be compatible with the airport's existing access system (HID 5355 readers, HID cards, and Lenel OnGuard 2005 software).

2. The parking equipment will be online with a parking control computer that will be located in the airport terminal (Terminal Com Room).

3. The parking control equipment shall be supported by an intercom system tied back to the airport terminal and an on-site security station (per Owner).

B. Vehicle Entrance and Exit Locations

1. There are a total of three entrance lanes (Lanes A, B, and C). Lane A will allow entrance to terminal shuttle buses (RFID tags and reader) and card access parkers (proximity cards and reader). Lanes B and C will allow entrance to transient parkers only. There are a total of four exit lanes (Lanes D, E, F, and G). Initially, Lane D will allow only terminal shuttle buses to exit (RFID tags and reader). Lanes E, F, and G will allow transient parkers and card access parkers (proximity cards and reader) to exit. Access and revenue control equipment is already installed in Lanes A through F. Lane G is a new exit lane.

C. Dedicated Exit Lanes (Lanes E, F, and G)

1. Lanes E and F:

a. During regular operating hours, transient parkers shall proceed to an automatic pay station to pay the appropriate parking fee. The entrance time encoded in the token shall be read by the automatic pay station and the parking fee shall be computed automatically by the station based on programmable rate tables. The "out" time, date, and fee shall be encoded in the token and the fee shall be displayed on the fee display. The transient parker then inserts the fee (via cash, coin, or credit/debit card). Once the fee is paid, the automatic pay station will return the parking token to the customer. The exit lane gate shall automatically open upon the insertion of a properly paid parking token into an exit verifier. If the fee was not paid, or if additional funds are necessary, the exit verifier will be able to compute the fee and accept a credit or debit card for payment.

b. Card access parkers shall proceed to the exit gate. The utilization of a valid proximity card shall open the exit gate.

c. The exit lane shall close automatically after the vehicle has passed over the closing detector loop. The circuitry shall be such that the exit cycle of a vehicle shall be completed before the system will accept the exit of another vehicle through the same lane.

2. Lane G:

a. During regular operating hours, transient parkers shall proceed to the lane to pay the appropriate parking fee. The entrance time encoded in the token shall be read by the pay-in-lane station installed at the lane and the parking fee shall be computed automatically by the station based on programmable rate tables. The "out" time, date, and fee shall be encoded in the token and the fee shall be displayed on the fee

display. The transient parker then inserts payment (via cash, coin, or credit/debit card). Once the fee is paid, the pay-in-lane station will complete the transaction. The exit lane gate shall automatically open upon the completion of the transaction. If the fee was not paid, or if additional funds are necessary, the transaction will not be completed and the gate will remain down.

b. Card access parkers shall proceed to the exit gate. The utilization of a valid proximity card shall open the exit gate.

c. The exit lane shall close automatically after the vehicle has passed over the closing detector loop. The circuitry shall be such that the exit cycle of a vehicle shall be completed before the system will accept the exit of another vehicle through the same lane.

D. Count/Control System

1. The parking access and revenue control equipment shall be connected to and communicate with the airport's existing count/control system.

2. The count/control system shall maintain both differential and total counts (by lane) of transient parkers, RFID/card access parkers, and facility totals. Differential and total counts of illegal entries shall also be maintained. The parking equipment shall be monitored to identify the status of the equipment such as gates, token dispensers, exit verifiers, RFID and proximity readers, vehicle detector loops, lane status lights, etc.

3. The count/control system will also provide real-time equipment monitoring, revenue control and utilization reports, equipment programming, remote operation, and control of lane status lights.

1.4 Quality Control

A. Manufacturer of parking control system shall provide an experienced field representative to meet with the Parking Equipment Vendor and/or Electrical Subcontractor, before any rough-in work begins, to review relevant building plans/drawings as they relate to the parking control equipment, to explain details or precautions necessary to assure that all parking and revenue control equipment, and in particular, detector loops will work properly, and to determine that all required conduits and wiring are properly laid out.

B. Installer shall have previously worked successfully with the equipment manufacturer, and prior to being awarded a contract shall submit with bid to the Owner the names, locations, contacts, and telephone numbers for the five most recently installed, similar, completed projects. The list shall include any difference between material furnished then and materials to be furnished for this project.

C. Installers shall be approved in writing by the Parking Control System Manufacturer.

D. Installer shall service and maintain the parking control system and have an Owner approved equipment service center located to provide service within 24 hours.

E. Provide equipment service and maintenance as follows:

1. Use experienced, Manufacturer-trained personnel.

2. Assume total responsibility for proper installation and operation of all components within the system.

1.5 Submittals

A. Submit shop drawings for review and approval. Included are equipment wiring diagrams, equipment cut sheets and specifications, booth shop drawings, and equipment color charts.

B. Upon request submit for review and approval the names, locations, contacts, and telephone numbers for the five most recently installed completed projects.

C. Submit for record 30 days prior to installing the parking control equipment, procedures for testing electrical, mechanical, and program functions of the system.

D. Provide the Owner with two final copies of each of the following:

1. Maintenance Manual
2. Operating Manual
3. Equipment electrical circuitry diagram
4. As built equipment wiring diagram

E. Provide Owner with two sets of keys for each piece of equipment with locks and two sets of master keys. Each equipment type shall be master keyed including, but not limited to:

1. Cabinets for Gate
2. Pay-in-Lane Station

Keys shall be unique to the airport; they shall not fit any other equipment in the same city.

1.6 Transportation and Handling

A. Deliver equipment to the site packaged to prevent damage and marked for easy identification.

B. Store equipment in a clean, dry location protected from damage. Replace damaged materials at no cost to the Owner.

C. Deliver items required to be built into the concrete promptly to the site so they may be built in as the work progresses.

1.7 Operating Conditions

A. Equipment shall be designed, fabricated, and installed to operate effectively under the climate and exposure conditions to which the equipment will be exposed. All lane equipment is for exterior, exposed to weather use.

B. If parking and revenue control equipment self-contained heating and cooling devices do not operate to the Owners satisfaction within the Warranty period, they shall be repaired and/or replaced by the Manufacturer.

C. It is recognized that certain solid state and computer type parking and revenue control equipment may require special electrical power and grounding considerations. If required by the parking and revenue control equipment, the Manufacturer of the parking control system should:

1. Include in the bid amount, the cost to provide and install voltage stabilization modules or devices to protect each component from normal voltage variations.

2. Advise the Owner in writing at the time of the award of contract of any special electrical power and grounding requirements.

1.8 Warranty

A. Provide Manufacturer's Warranty

1. Warranty shall be for at least one year, covering all labor and materials.

2. Warranty shall commence when equipment is 100 percent operational and acceptable to the Owner, as approved in writing by the Owner and/or Owner's Consultant.

3. Maintain equipment during the warranty period such that, if defective, equipment will be serviced within eight business hours, following notification by the Owner. Business hours are 5 a.m. to 12 a.m. Monday through Sunday.

4. Warranty shall include preventative maintenance cleaning, testing, and minor repair no less than twice per year.

5. Warranty shall cover all equipment furnished under this specification section – both manufacture and installation, excluding misuse or vandalism.

PART 2 - PRODUCTS

2.1 General

A. All equipment colors shall be standard manufacturer colors except where specifically noted.

B. All parking control equipment must be compatible with the existing airport electrical system and the existing airport parking access and revenue control equipment/system.

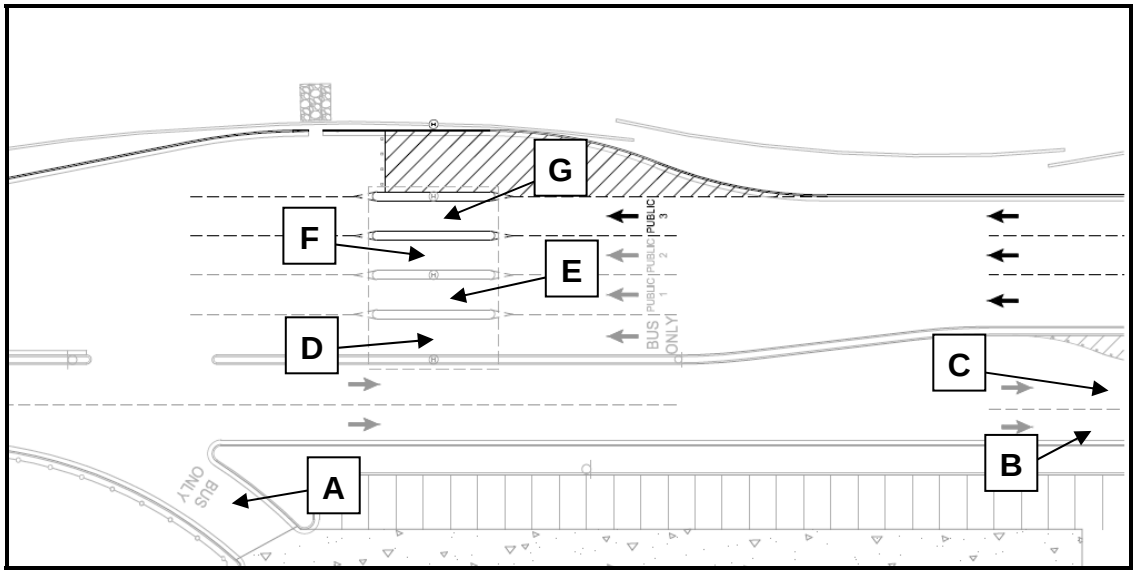
2.2 Equipment List

A. The following equipment list consists of basic system components. Provide auxiliary items required for the proper functioning of the system, whether mentioned or not, including but not limited to, heaters, coolers, conduit, wiring, transformers, relays, pedestals, etc. It is the SOLE RESPONSIBILITY of the Parking Control Equipment Vendor to provide every component necessary for a complete functioning system.

B. Locate equipment as indicated on the Drawings.

C. Equipment List

1. Provide parking control equipment for each lane as indicated:



2. Lane Types:

a.	Lane A – Terminal Shuttle Bus and Card Access Entrance Lane	(1 lane)
b.	Lane B – Transient Entrance Lane	(1 lane)
c.	Lane C – Transient Entrance Lane	(1 lane)
d.	Lane D – Terminal Shuttle Bus and Card Access Exit Lane	(1 lane)
e.	Lane E – Transient and Card Access Exit Lane	(1 lane)
f.	Lane F – Transient and Card Access Exit Lane	(1 lane)
g.	Lane G – Transient, Card Access, and Pay-in-Lane Exit Lane	(1 lane)

3. Equipment List:

Item		Quantity per Lane				Total Required
		D	E	F	G	
A	Gate with automatic safety reverse and 10' arm	0	0	0	1	1
B	Digital self-tuning vehicle detector	0	0	0	1	1
C	Detector loop - sawcut*	0	0	0	2	2
D	Pay-in-Lane Station	0	0	0	1	1
E	Proximity Card Reader	1	0	1	1	3
F	Lane Status Lights	0	0	0	1	1
G	Intercom	0	0	0	1	1

* Quantity and detector loop sizes to be determined by the system Manufacturer.

4. Office Equipment

a. Installer shall provide connection to existing control computer.

b. Lane G intercom shall connect to the existing master intercom (per Owner).

2.3 Pay-in-Lane Station

A. The pay-in-lane station shall have the ability to charge a computed programmable fee. The unit will accept a facility issued token (with integrated computer chip) from the transient parker, compute the appropriate fee, and then accept payment.

B. The pay-in-lane station shall be capable of computing both time variable and flat parking fees. The rate schedules shall be programmable from either the count/control computer or the pay-in-lane station.

C. The pay-in-lane station shall be capable of processing parking validations. Parking validations could include either pre-encoded tokens issued by airport departments, or validations provided by departments using a merchant validator device. The Owner will determine if parking validations are offered in the future.

D. The pay-in-lane station shall accept currency, coins, validations, and credit/debit cards for payment of the appropriate exit fee. The station will be capable of providing change when needed, including two bank note dispensers for two denominations.

E. The coin acceptor shall accept the following United States coins: nickels, dimes, quarters, and dollar coins. Up to two recycling coin hoppers shall be provided.

F. The currency acceptor shall accept the following United States currency: $1, $5, $10, $20, and $50 (at minimum).

G. A programmable electronic display shall be included with the station that is capable of displaying a welcome prompt, additional greetings, and basic instructions. The pay-in-lane station shall be capable of using English and Spanish languages.

H. The pay-in-lane station shall be capable of generating activity reports detailing cash, credit and validation transactions. Include any necessary printing equipment required to print activity reports.

I. The pay-in-lane station shall be constructed of heavy gauge steel, and shall be suitably tamper/theft/vandal resistant.

J. Receipts shall be issued automatically with the following information: facility name, date, time in, time out, amount, transaction number, and rate.

K. The pay-in-lane station shall function online with the existing count/control system. The station shall be capable of operating off-line when the count/control system is down, and shall record all transactions appropriately. All transactions recorded while the station is off-line shall be sent to the count/control system once it is operating properly.

L. The pay-in-lane station is to be mounted at a height that will be accessible and easy to use for all parking patrons from a seated position.

M. An intercom shall be included on the pay-in-lane station for customer questions.

N. Approved manufacturers are:

1. Scheidt and Bachmann, Burlington, MA. (USA office)

2.4 Parking Control Gates

A. The parking gates shall provide an effective barrier to one-way vehicles in the entrance and exit lanes. The barrier arms shall retract quickly in a vertical plane on a command signal from a token dispenser, exit verifier, proximity card reader, pay-in-lane station, or the control computer and return to the lower position upon a signal from a detector beyond the gate location. The parking gates shall be installed as located on drawings and shall incorporate in one housing all necessary components for the functioning of this unit. The assembly shall operate satisfactorily in the environmental conditions stated elsewhere in this specification.

B. The units shall include 10-foot straight or folding arms of wood construction. The barrier arms shall be a break-away design that can be easily and inexpensively replaced when broken. The height of the gate arms or the extended portion of folding arms shall be approximately 36 inches from drive level in the down position.

C. The gate arms shall have a down strike safety feature. This feature provides that should any object be struck by a gate arm during its descent, the arm shall immediately reverse and return to the up position without damage, and remain up from 2 to 60 seconds, until automatically reset by variable control. The sensory function shall be initiated by sensing the internal mechanical action.

The external mounting of tubes, wiring, and electrical devices on gate arms shall not be acceptable.

D. External key switches shall be provided at each gate to lock the gate into the up position for special event conditions in addition to the ability using the central computer to raise and lock the gates in the up position.

E. Gates shall be online with the control computer, but be capable of working off-line as necessary.

F. All gates shall be approved by Underwriters Laboratories, Inc. (UL)

G. Approved manufacturers are:

1. Scheidt and Bachmann, Burlington, MA. (USA office)

2.5 Proximity Card Readers

A. The proximity card readers shall be located in the exit lanes on the exit verifier (Lane F), the pay-in-lane station (Lane G), or using a pedestal stand (Lanes D, F, or G).

B. The access control system shall be an online system. If the central controller is not functional, the proximity card readers shall function off-line. Validity checks shall be made, but not anti-passback checks, when the control computer is down.

C. System shall be able to add proximity cards to memory with the ability to define where and when the cardholder may use the facility.

D. System shall be able to delete cards from memory as well as modify access control privileges of individual cards. The Owner will determine how many cards shall be provided in the base bid (if any).

E. System shall be able to select card-controlled areas that are to operate in an antipassback (APB) mode and select whether contact closure (e.g., gate up) is required to change antipassback status. APB shall include a forgive command which resets the sequence control to a neutral state. The antipassback status shall be restored within the access system when a card is next used in either entrance or exit reader. SOFT APB (printer lists the illegal use but control gate still opens) and HARD APB (printer lists the illegal use and control gate does not open) shall be selectively programmable.

F. All system activity messages to the operator shall be printed in plain language English text including cardholder name.

G. The card access system shall be capable of automatically scanning the card and sending the card number to the controller to verify status. Reading rejects shall not exceed one-half of one percent of proximity card presentations.

H. Card reader height and location shall be such that the card reader shall be within easy reach of seated driver.

I. Both housing and stand shall be treated for corrosion resistance and finished externally with two coats of acrylic enamel in same color as other equipment as selected by the Owner.

J. The proximity cards and readers must be compatible with the existing airport access control system (HID 5355 readers, HID cards, and Lenel OnGuard 2005 software).

K. Contractor shall install card readers per Manufacturer's recommendation.

L. Acceptable manufacturers are:

1. HID, Irvine, CA.

2.6 Lane Status Lights

A. Provide lane status lights mounted on the canopy as indicated on the drawings. The lane status lights shall provide parkers with the open/closed status of the exit lane (Lane G) using green (open) and red (closed) lights. The lane status lights shall be controlled by the control computer (both automatically and manually as needed). The lane status lights shall meet the following specifications:

1. Cabinet Dimensions:

   a. 14" H x 7" W x 9" D

2. Illumination Source:

   a. Super bright, wide viewing angle red and green LEDs with a life-span of approximately 100,000 hours.

3. Electrical:

   a. The lane status lights shall use the same voltage as the parking access and revenue control equipment.

4. Construction:

   a. Cabinet: Injection molded, impact resistant polycarbonate housing and hood.
   b. Raceway: .050 aluminum.
   c. Lens Material: Impact resistant tinted Lexan.
   d. Lens Colors: Red and green.
   e. Cabinet Color: Black.

B. Provide a mode key switch in the security booth for control of the lane status lights.

C. Approved manufacturers are:

1. Trans-Tech, Pittsburgh, PA – LED Traffic Signal TCILV
2. Other Approved Equivalent

2.7 Embedded Loops and Vehicle Detectors

A. The parking equipment detector loops shall be sawcut (maximum 3/4" depth) into the lane drive aisle.

B. Directional logic detection shall be provided by a count system. Provide loops as required for directional detection and counting.

C. Detectors shall be installed with the barrier gates.

2.8 Intercom System

A. Intercom shall be mounted on (or integrated in) the pay-in-lane station in Lane G, and shall include "Press for Assistance" engraved signs and push button operation. Intercom shall be capable of two-way communication with the dual master intercom station.

B. The intercom shall be connected to the master intercom located in the security station.

C. Approved manufacturers are:

1. Aiphone, Bellevue, WA.

2.9 Uninterruptible Power Supply (UPS)

A. Provide UPS system(s) for entrance and exit lane equipment (as well as the pay-in-lane station) as indicated on the Drawings.

B. The Manufacturer shall have been in the UPS business for at least 5 years.

C. The UPS shall consist of a power module, storage battery, and a battery disconnect switch.

D. The UPS shall be sized to provide 1250 VA output power rating, 120 input/output voltage (VAC) nominal.

E. The UPS shall have a lockable weather resistant UL designation suitable for outdoor mounting.

F. The storage battery shall be a ten-year low maintenance type, sealed lead calcium type cells (or similar technology) with an internal battery run time of at least 60 minutes.

G. Approved products are:

1. Novus P1250, Alpha Technologies, Inc., Bellingham, WA.

2. Other Approved Equivalent.

PART 3 - EXECUTION

3.1 Inspection

A. Inspect setting surfaces, power wiring, and conduit installation for equipment and report immediately in writing to the Owner or Owner's Consultant, any conditions of Related Work which are unsuitable for proper execution of this Work.

3.2 Installation

A. Install equipment in accordance with Manufacturer's recommendations and the approved shop drawings.

B. Installation shall be by factory-trained technicians experienced in installation of equipment of this type.

C. Provide all necessary conduit, pull power/communications wiring, and make final connections of all wiring.

3.3 Adjustment and System Start-Up

A. Adjust and tune the system as required to assure proper operation. After installation, test all functions of the parking and revenue control systems.

B. Demonstrate the satisfactory electrical and functional performance of the entire parking control system by the following operations:

1. Proper operation of all gates.

2. Proper operation of the pay-in-lane station, including (but not limited to): proper token acceptance, correct computation of parking fees, proper acceptance of fee payments, exact change is provided, proper issuance of receipts, and proper tracking of transactions/activity.

3. The successful use of a proximity access card to exit through appropriate parking gates, with all information recorded by the control computer. Proper operation of all proximity card readers.

4. The proper generation of end of day/monthly revenue and facility utilization reports.

5. The proper operation of, and connection to, the count control system, including directional counting feature.

6. The proper operation of parking control equipment and lane status lights during simulated facility full and equipment malfunction conditions.

7. The proper operation of the intercoms.

8. Proper operation of the gate opening switches.

C. Provide 4 hours of on-site training to Owner's personnel. Training shall include but not be limited to, programming of proximity cards, programming and maintenance of the automatic pay station, use and operation of the count/control system and differential counter, operation and maintenance of token dispenser and gates, and methods of controlling revenue and auditing tokens available with the system specified. Coordinate schedule with Owner.

D. The parking and revenue control systems will be considered acceptable after being 100 percent operational and after having performed satisfactorily for thirty (30) continuous business days with no down time.

PART 4 – Measurement and Payment

4.1 Measurement and Payment

A. This Item shall consist of furnishing and installing parking revenue and traffic control equipment in accordance with the project plans and these specifications and the Owner's approval of aesthetics. Measurement and payment for this item shall be made at the contract unit price per each of furnished and installed control gate, vehicle detector, detector loop, pay-in-lane station, proximity card reader, lane status light, and intercom. This price shall include full compensation for all labor, materials, and equipment necessary to complete the item as contain in this specification.

B. The PRCS Allowance item is provided to cover additional items that may be needed during installation of new PRCS equipment for compatibility with existing systems and PRCS equipment that is needed but not specifically identified on the plans. This item will require prior approval from PMGAA before it can be exercised.

Payment shall be made under:

Item PRCS-4.1 Control Gate – per Each

Item PRCS-4.2 Vehicle Detector – per Each

Item PRCS-4.3 Detector Loop – per Each

Item PRCS-4.4 Pay-in-Lane Station (Including Built-In Card Reader, Exit Verifier, and Intercom)– per Each

Item PRCS-4.5 Lane Status Lights – per Each

Item PRCS-4.6 UCS – per Each

Item PRCS-4.7 PRCS Allowance – per Allowance

END OF SECTION

DIVISION VII

SPECIAL PROVISIONS

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SECTION 32 80 00 IRRIGATION SYSTEM

DESCRIPTION

32 80 00-1.1 This item covers trenching, stockpiling excavation materials and refilling trenches; a complete system including but not limited to, piping, valves, fittings, emitters, wiring and final adjustments to insure complete coverage; water connections; replacement of unsatisfactory materials; clean up, inspection and approval; and tests.

REFERENCES

32 80 00-1.2 Perform Work in accordance with requirements of Conditions of the Contract and Division 1 - General Requirements as well as provisions of all applicable laws, codes, ordinances, rules and regulations. Conform to requirements of reference information listed below except where more stringent requirements are shown or specified in Contract Documents. American Society for Testing and Materials (ASTM) - Specifications and Test Methods specifically referenced in this Section. Underwriters Laboratories (UL) - UL Wires and Cables.

RELATED SECTIONS

32 80 00-1.3 Section 32 90 00 LANDSCAPING may contain requirements for irrigation.

SUBMITTALS

32 80 00-1.4 Prepare and make submittals in accordance with conditions of the Contract. Operation Instructions - Submit 3 written operating instructions, including start-up with cut sheets of products, and coordinate controller/watering operation with Gateway's maintenance personnel.

Do not prepare charts until record (as-built) drawings have been reviewed by Gateway's Representative.

Record Drawings (as-builts): At onset of irrigation installation secure reproducible copies of original irrigation design from Gateway's Representative. Make blueline or blackline prints as required. As-built blueprints shall be brought up to date at close of working day on every Friday by a qualified draftsperson. A print of record plan(s) shall be available at project site. Indicate zoning changes on weekly as-built drawings. Indicate non-pressure piping changes on as-builts. Upon completion of project, submit for review, prior to final acceptance, final set of as-built blueprints. Dimension, from two permanent points of reference (building corners, sidewalks, road intersections or permanent structures), location of following items: Connection to existing water lines, routing of irrigation pressure lines (dimension maximum 100 feet along routing), Control valves, drip line blow out stubs, new Controller, control wire routing, if not in mainline trench, other related equipment as directed.

Gateway's Representative will not certify any pay request submitted by the contractor if the record drawings are not current, and processing of pay request will not occur until record drawings are updated and current.

QUALITY ASSURANCE

32 80 00-1.5 Installer Qualifications - Installer shall have had considerable experience and demonstrate ability in the installation of irrigation system(s) of specified type(s) in a neat, orderly and responsible manner in accordance with recognized standards of workmanship with five (5) consecutive years of documented service.

Special Requirements include: Licensed and bonded plumber(s) shall execute work involving substantial plumbing for installation of copper piping and related Work. Secure a permit at least 48 hours prior to start of installation, tolerances - Specified depths of mains and laterals and pitch of pipes are minimums. Settlement of trenches is cause for removal of finish grade treatment, refilling, recompaction and repair of finish grade treatment, coordination With Other Contracts - Protect, maintain and coordinate Work with Work under other Sections, and damage to Other Improvements - Contractor shall replace or repair damage to grading, soil preparation, seeding, or planting done under other Sections during Work associated with installation of irrigation system at no additional cost to Gateway.

Pre-Construction Conference - Contractor shall schedule and conduct a conference to review in detail quality control and construction requirements for equipment, materials and systems used to perform the Work. Conference shall be scheduled not less than ten (10) days prior to commencement of Work. All parties required to be in attendance shall be notified no later than seven (7) days prior to date of conference. Contractor shall notify qualified representatives of each party concerned with that portion of Work to attend conference, including but not limited Gateway's Representative and installer. Minutes of conference shall be recorded and distributed by Contractor to all parties in attendance within five days of conference.

As part of the pre-construction conference, the contractor shall meet with the Gateway's Representative to identify the process and schedule for completing the work. A field review of the areas of work and equipment will be conducted as part of the conference. The contractor shall identify in the field review his proposed approach to completing the work and indicate evidence of coordination with other work on the project. The contractor will accept comments from the others on the proposed activities. Within three days of the meeting, the contractor shall provide a written schedule of the proposed work for the Gateway's Representative to review. Once a strategy and schedule are agreed upon, amend the schedule only as approved by the Gateway's Representative.

DELIVERY, STORAGE AND HANDLING

32 80 00-1.6 Deliver, unload, store and handle materials, packaging, bundling, and products in dry, weatherproof, waterproof condition in manner to prevent damage, breakage, deterioration, intrusion, ignition and vandalism. Deliver in original unopened packaging containers prominently displaying manufacturer name, volume, quantity, contents, instructions and conformance to local, state and federal law. Remove and replace cracked, broken or contaminated items or elements prematurely exposed to moisture, inclement weather, temperature extremes, fire and/or jobsite damage.

Handling of PVC Pipe - Exercise care in handling, loading and storing of PVC pipe. All PVC pipe shall be transported in a vehicle that allows length of pipe to lie flat so as not to subject it to undue bending or concentrated external loads. All sections of pipe that have been dented or damaged shall be discarded, and, if installed, shall be replaced with new piping.

JOB SITE CONDITIONS

32 80 00-1.7 Protection of Property: Preserve and protect all monuments, structures and paved areas from damage due to Work of this Section and as noted in Section 02310 SITE CLEARING. In the event damage does occur, all damage to inanimate items shall be completely repaired or replaced to satisfaction of Gateway's Representative. All costs of such repair shall be charged to and paid by Contractor.

Protect buildings, walks, walls and other property from damage. Flare and barricade open ditches. Damage caused to asphalt, concrete or other building material surfaces shall be repaired or replaced at no cost to Gateway. Restore disturbed areas to original condition.

Protection and Repair of Underground Lines. Request proper utility company to stake exact location (including depth) of all underground electric, gas or telephone lines. Take whatever precautions are necessary to protect these underground lines from damage, and, in the event damage does occur, contractor shall repair all damages. Contractor shall pay all costs of such repairs unless other arrangements have been made. Contractor is to request Gateway, in writing, to locate all private utilities (i.e., electrical service to outside lighting) before proceeding with excavation. If, after such request and necessary staking, private utilities that were not staked are encountered and damaged by Installer, Gateway shall repair them at no cost to Installer. If Contractor damages staked or located utilities, Contractor shall repair them unless other arrangements have been made.

Replacement of Paving and Curbs: Where trenches and lines cross-existing roadways, paths, curbing, etc., damage to these shall be kept to a minimum and shall be restored to original condition.

WARRANTY

32 80 00-1.8 Manufacturer shall warranty materials against defects for a period of one year from date of Substantial Completion. Installer(s) shall guarantee workmanship through the one (1) year Plant Establishment and Maintenance Period.

Settling of backfilled trenches that may occur during warranty period shall be repaired at no expense to Gateway, including complete restoration of damaged property.

Expenses due to vandalism before substantial completion shall be borne by Contractor.

Gateway will not maintain planting areas until after one (1) year warranty period.

MAINTENANCE

32 80 00-1.9 **F**urnish the following maintenance items to Gateway's Representative prior to Final Acceptance: Two sets of special tools required for removing, disassembling and adjusting each type of valve supplied on this Project.

MATERIALS

32 80 00-2.1 General Piping: Used pipe shall not be reused on the project. All components and practices must meet the requirements and standards governing agencies. Pressure Supply Lines (downstream of backflow prevention units) – per plans, non-pressure Lines - Per plans, emitter Tubing -

As recommended by emitter manufacturer. Plastic Pipe and Fittings: Identify all pipes with following indelible markings: Manufacturer's name, Nominal pipe size, Schedule of class, Pressure rating psi, NSF (National Sanitation Foundation) seal of approval, Date of extrusion.

Solvent Weld Pipe - Manufactured from virgin polyvinyl chloride (PVC) compound in accordance with ASTM D2241 and ASTM DI784; cell classification 12454-B, Type 1, Grade 1.

Fittings - Standard weight, Schedule 40, injection molded PVC; complying with ASTM DI784 and D2466, cell classification 12454-B. Threads - Injection molded type (where required) and tees and ells - Side gated. Threaded Nipples - ASTM D2464, Schedule 40 with molded threads. Joint Cement and Primer - type as recommended by manufacturer of pipe and fittings.

Low Pressure/Volume Systems: Drip Tubing - Manufactured of flexible polyvinyl chloride compound conforming to ASTM D1248, Type 1, Class C, Category 4, P14 and ASTM D3350 for PE 122111C. Fittings - Type and make recommended by tubing manufacturer. Drip Valve Assembly - type and size shown on Drawings. Wye Strainer – Per Plans. Control Valve – Per Plans. Pressure Reducing Valve – Per Plans. Emitter - Per plans.

Valve Boxes: Gate Valves, Drip Line Blow-out Stubs, and Wire Stub Box - Per plans. 3/4 Inch through 2 Inch Control Valves - Per plans. Drip Valve Assemblies - Per plans. Control Wiring Splices - Carson #910-12, Brooks #1100 or as shown on the plans. Electrical Control Wiring: Low Voltage: Electrical Control Wire - AWG UF UL approved No. 14 direct burial copper wire or larger, if required to operate system as designed. Control wire for restored irrigation system components shall match the existing wire or as approved. Wire Colors: Control Wires – Red, Common Wires – White, Master Valve or Fill Valve Wires – Blue, Spare Wires - Same color as control wires (labeled at terminations), Control wire connections and splices shall be made with 3M direct bury splice, Spears Pentite connectors, or similar dry splice method, High voltage - Type required by local codes and ordinances, of proper size to accommodate needs of equipment services, Irrigation Controller - type and size shown on Drawings.

INSPECTION

32 80 00-3.1 Examine areas and conditions under which Work of this Section is to be performed. Do not proceed with Work until unsatisfactory conditions have been corrected. Demolition and grading operations, with the exception of final grading, shall be completed and approved by Gateway's Representative before staking or installation of any irrigation system begins.

PREPARATION

32 80 00-3.2 Staking shall occur as follows: Mark, with powdered lime, routing of pressure supply line and flag heads for first few zones. Contact Gateway's Representative 48 hours in advance and request review of staking. Gateway's Representative will advise installer as to the amount of staking to be prepared. Gateway's Representative will review staking and direct changes if required. Review does not relieve installer from coverage problems due to improper placement of heads after staking.

If Project has significant topography, free-form planting beds, or other amenities that could require alteration of irrigation equipment layout as deemed necessary by Gateway's Representative, do not install irrigation equipment in these areas until Gateway's Representative has reviewed equipment staking.

Trenching - Trench excavation shall follow, as much as possible, layout shown on drawing. Dig trenches straight and support pipe continuously on bottom of trench. Trench bottom shall be clean and smooth with all rock and organic debris removed.

Clearances: Piping Smaller than 3 Inches - Trenches shall have a minimum width of 7 inches.

Line Clearance - Provide not less than 6 inches of clearance between each line, and not less than 12 inches of clearance between lines of other trades. Pipe and Wire Depth: Pressure Supply Piping - 18 inches from top of pipe and Control Wiring - Side of pressure main.

INSTALLATION

32 80 00-3.3 Locate other equipment as near as possible to locations designated. Gateway's Representative shall review any deviations to plans prior to installation.

PVC Piping - Snake pipe in trench as much as possible to allow for expansion and contraction. Do not install pipe when air temperature is below 40°F. When pipe laying is not in progress, or at end of each day, close pipe ends with tight plug or cap. Perform work in accordance with good practices prevailing in piping trades.

Solvent Weld PVC Pipe - Lay pipe and make all plastic to plastic joints in accordance with manufacturer's recommendations.

Drip Tubing: Install all drip tubing per the plans before installation of mulch. Install drip line blowout stubs at all dead ends of emitter laterals.

Control Wiring: Low Voltage Wiring: Bury control wiring between controller and electric valves in pressure supply line trenches, strung as close as possible to main pipe lines with such wires to be consistently located below and to one side of pipe, or in separate trenches. Bundle all 24-volt wires at 10-foot intervals and lay with pressure supply line pipe to one side of the trench. Provide an expansion loop at every pressure pipe angle fitting, every electric control valve location (in valve box), and every 500 feet. Form expansion loop by wrapping wire at least 8 times around a 3/4-inch pipe and withdrawing pipe. Make all splices and E.V.C. connections using Spears Pentite connectors or similar dry splice method. Install all control wire splices not occurring at control valve in a separate splice valve box. Install control wire for each control valve. Run 2 spare #14-1 wires from controller pedestal or electric control valve on each and every leg of mainline. Label spare wires at controller and wire stub box. High Voltage Wiring for Automatic Controller: Provide 120 volt power connection to automatic controller. All electric work shall conform to local codes, ordinances and authorities having jurisdiction. All high voltage electrical work shall be performed by licensed electrician.

Drip Emitters - Install all surface emitters as detailed and stake with acceptable tubing stakes.

Backfilling - Do not begin backfilling operations until required system tests have been completed. Leave trenches slightly mounded to allow for settlement after backfilling is completed. Trenches shall be finish graded prior to walk-through of system by Gateway's Representative. Materials - Excavated material is generally considered satisfactory for backfill purposes. Backfill material shall be free of rubbish, vegetable matter, and stone larger than 1 inch in maximum dimension. Do not mix subsoil with topsoil. Material not suitable for backfill shall be hauled away. Contractor shall be responsible for providing suitable backfill if excavated material is unacceptable or not sufficient to meet backfill, compaction and final grade requirements. Do not leave trenches open for a period of more than 48 hours. Open excavations shall be protected in accordance with OSHA regulations. Compact backfill to 90% maximum density, determined in

accordance with ASTM D155-7 utilizing the following methods: Mechanical tamping. Puddling or ponding. Puddling or ponding and/or jetting is prohibited within 20'-0" of building or foundation walls.

Piping Under Paving: Provide for a minimum cover of 18 inches between the top of the pipe and the bottom of the aggregate base for all pressure and non-pressure piping installed under asphaltic concrete or concrete paving. Piping located under areas where asphalt or concrete paving will be installed shall be bedded with sand (a layer 6 inches below pipe and 3 inches above pipe). Compact backfill material in 6 inch lifts at 90% maximum density determined in accordance with ASTM D155-7 using manual or mechanical tamping devices. Set in place, cap and pressure test all piping under paving, in presence of Gateway's Representative prior to backfilling and paving operations. Water Supply and Point of Connection - Water supply shall be extended as shown from water supply lines.

FIELD QUALITY CONTROL

32 80 00-3.4 Flushing - After piping, risers and valves are in place and connected, but prior to installation of emitter heads, thoroughly flush piping system under full head of water pressure from dead end fittings. Maintain flushing for 5 minutes through furthermost valves. Cap risers after flushing.

Testing - Notify Construction Manager in advance of all testing. Conduct tests in presence of Gateway's Representative for Project Site. Arrange for presence of Gateway's Representative 48 hours in advance of testing. Supply force pump and all other test equipment. After backfilling and installation of all control valves, fill pressure supply line with water and pressurize to 40 PSI over the designated static pressure or 120 PSI, whichever is greater, for a period of 2 hours. Leakage, Pressure Loss - Test is acceptable if no leakage or loss of pressure is evident during test period. Leaks - Detect and repair leaks. Retest system until test pressure can be maintained for duration of tests. Before final acceptance, pressure supply line shall remain under pressure for a period of 48 hours.

Pre-Maintenance Inspection: Arrange for Gateway's Representative's presence 48 hours in advance of walk-through. Entire system shall be completely installed and operational prior to scheduling of walk-through. Operate each zone in its entirety for Gateway's Representative at time of walk-through and open all valve boxes if directed. Generate a list of items to be corrected prior to Final Completion. Furnish all materials and perform all Work required to correct all inadequacies of coverage due to deviations from Contract Documents. During walk-through, expose all drip emitters under operations for observation by Gateway's Representative to demonstrate that they are performing and installed as designed; prior to placing of all mulch material. Schedule separate walk-through, if necessary.

Final Maintenance Inspection: Arrange for Gateway's Representative presence 48 hours in advance of walk-through. Show evidence to Gateway's Representative that Gateway has received all accessories, charts, record drawings, and equipment as required before Final Completion walk-through is scheduled. Operate each zone, in its entirety for Gateway's Representative at time of walk-through to insure correction of all incomplete items. Items deemed not acceptable by Gateway's Representative shall be reworked to complete satisfaction of Gateway's Representative. If after request to Gateway's Representative for walk-through for Final Completion of irrigation system, Gateway's Representative finds items during walk-through that have not been properly adjusted, reworked or replaced as indicated on list of incomplete items from previous walk-through, Contractor shall be charged for all subsequent walk-throughs. Funds will be withheld from final payment and/or retainage to Contractor, in amount equal to additional time and expenses required by Gateway's Representative to conduct and document further walk-throughs as deemed necessary to insure compliance with Contract Documents.

ADJUSTING

32 80 00-3.5 Upon completion of installation, "fine-tune" entire system by regulating valves, adjusting patterns and break-up arms, and setting pressure reducing valves at proper and similar pressure to provide optimum and efficient coverage.

If it is determined that irrigation adjustments will provide proper and more adequate coverage, make such adjustments prior to Final Acceptance, as directed, at no additional cost to Gateway. Adjustments may also include changes in control valve throttling.

Areas that do not conform to designated operation requirements due to unauthorized changes or poor installation practices shall be immediately corrected at no additional cost to the Gateway.

CLEANING

32 80 00-3.6 Maintain continuous cleaning operation throughout duration of Work. Dispose of, off-site at no additional cost to Gateway, all trash or debris generated by installation of irrigation system.

MEASUREMENT AND PAYMENT

32 80 00-4.1

ITEM 32 80 00 - 1 – FLUSH CAP ASSEMBLY

Payment for FLUSH CAP ASSEMBLY shall be made on a per each basis. Price bid shall include all labor, materials, equipment, and all other items necessary and incidental to providing and installing a flush cap assembly in accordance with the project plans and technical specifications.

ITEM 32 80 00 - 2 – CLASS 200 DRIP LATERAL

Payment for CLASS 200 DRIP LATERAL shall be made on a lineal foot basis. Price bid shall include all labor, materials, equipment, and all other items necessary and incidental to providing and installing class 200 drip lateral in accordance with the project plans and technical specifications.

ITEM 32 80 00 - 3 – DRIP EMITTER – SINGLE OUTLET

Payment for DRIP EMITTER – Single Outlet shall be made on a per each basis. Price bid shall include all labor, materials, equipment, and all other items necessary and incidental to providing and installing a single outlet drip emitter in accordance with the project plans and technical specifications.

END OF SECTION

32 80 00 IRRIGATION SYSTEM

SECTION 32 90 00 LANDSCAPING

SUMMARY

32 90 00-1.1 Section Includes: Supplying and installing shrub and cacti accents, soil amendments, rock mulch, salvaged surface select boulders, seed mix, landscape maintenance, and warranty of landscape.

REFERENCES

32 90 00-1.2 ANSI Z60.1 – American Standard for Nursery Stock; 2004. ANSI A300 PART 7– American National Standard for Tree Care Operations –- Tree, Shrub and Other Woody Plant Maintenance – Standard Practices; 2001. AJCHN-SPN: American Joint Committee on Horticultural Nomenclature "Standardized Plant Names", Second Edition, 1942. ANA: Arizona Nursery Association Growers Committee "Recommended Tree Specifications", latest edition. ASTM: American Society for Testing and Materials.

RELATED WORK

32 90 00-1.3 Section 32 80 00 IRRIGATION SYSTEMS contains requirements that may affect the work of this section.

SUBMITTALS

32 90 00-1.4 All submittals and samples shall be forwarded in a single package to the Gateway's Representative within 45 days before planting work begins.

Certification: Submit certificates of inspection as required by governmental authorities or as requested herein. Submit manufacturers or vendors certified analysis for materials in Part 2. Submit data substantiating that materials comply with specified requirements. File copies of certificates with Gateway's Representative after acceptance of material.

Planting Schedule: Submit planting schedule, indicating dates for each type of landscape work during landscape installation. Correlate with specified maintenance periods to provide maintenance from date of substantial completion. Once accepted, revise dates only as approved in writing, after documentation of reasons for delay.

Plant Nurseries: Submit list of nurseries that will be supplying plant material for the project.

Maintenance Instructions: Submit typewritten instructions recommending procedures to be established by the Gateway for maintenance of landscape work for one full year. Submit prior to substantial completion.

The Contractor to submit a five-pound sample of each Rock Mulch showing each gradation and color. Verify in writing to Gateway's Representative that there is sufficient supply from a single source to supply the project. Contractor to submit material certificate signed by material producer and Contractor, certifying that Rock Mulch complies with or exceeds specified requirements.

QUALITY ASSURANCE

32 90 00-1.5 Nursery Qualifications: Company specializing in growing and cultivating the plants with five (5) consecutive years of documented experience.
Installer Qualifications: Company specializing in installing and planting the plants with five (5) consecutive year's experience.
Gateway's Representative reserves the right to take and analyze samples of materials for conformity to specifications at any time. Contractor shall furnish samples upon request by the Gateway's Representative. Rejected materials shall be immediately removed from the site at Contractor's expense. Contractor shall pay cost of testing of materials not meeting specifications.
Plant Material: Provide plants of quantity, size, genus, species, and variety shown and scheduled for landscape work and complying with recommendations and requirements of the above references. Provide healthy, vigorous stock, grown in recognized nursery in accordance with good horticultural practice and free of disease, insects, eggs, larvae, and defects such as knots, sunscald, injuries, abrasions, or disfigurement.
Measure plant material with branches or trunks in their normal position for conformance with requirements with the above references. Do not prune to obtain required sizes. Measure main body of tree for height and spread dimensions.
Plants shall be sound, healthy, well branched and densely foliated when in leaf. They shall have healthy, well-developed root systems and shall be free from evidence of physical damage or adverse conditions that would prevent thriving growth.
Plants shall not be pruned before delivery.
Inspection: Gateway's Representative may inspect plant material either at place of growth or at site before planting, for compliance with requirements for genus, species, variety, size, and quality. Gateway's Representative retains right to further inspect plant material for size and condition of balls and root systems, insects, injuries and latent defects, and to reject unsatisfactory or defective material at any time during progress of work. Remove rejected plant material immediately from project site.

REGULATORY REQUIREMENTS

32 90 00-1.6 Perform work in accordance with all applicable laws, codes and regulations required by authorities having jurisdiction over such work. Provide for all inspections and permits required by Federal, State and local authorities in furnishing, transporting and installing materials as shown or for completing the work identified herein.
All plant material shall be certified that they are free of disease and hazardous insects.
An individual licensed to perform this work shall apply all pesticides and herbicides.

DELIVERY, STORAGE AND HANDLING

32 90 00-1.7 A temporary storage yard for plants or equipment used on the project may be placed at an on-site storage location, as approved by the Gateway's Representative. Should the Contractor elect to store plants and equipment on the site, he/she shall be responsible for enclosing the yard with a 6 foot chain link fence and meet all requirements for the protection of occupational and public health and safety by agencies having jurisdiction over such matters.

The storage area shall have a lockable gate for which the Gateway's Representative will be provided a workable key for the duration of the storage yard existence. No flammable fuels or explosives are permitted in the yard.
The Contractor shall be responsible for delivering water to the plants stored in the yard. The Gateway's Representative shall approve the watering methods used for the storage area.
The Contractor shall hold harmless the Gateway's Representative from potential claims arising from the use of the land, acts of vandalism, or delays resulting from theft or unauthorized removal of materials and equipment from the storage yard.
Packaged Materials: Deliver packaged materials in containers shall show the weight, analysis and name of manufacturer. Protect materials from deterioration during delivery and while stored at site. Protect products/materials from weather or other conditions that would damage or impair the effectiveness of the product material.
Shrubs: Do not prune prior to delivery unless otherwise approved by Gateway's Representative. Do not bend or bind-tie plant material in such manner as to damage bark, break branches or destroy natural shape. Provide protective covering during delivery. Provide adequate protection for root systems and balls from drying winds and sun.
Deliver plant material after preparations for planting have been completed and plant immediately. If planting is delayed more than six hours after delivery, set plants in shade, protect from weather and mechanical damage, and keep roots moist by an acceptable means of retaining moisture. Water as often as necessary to maintain root system in a moist condition.
Do not remove container-grown stock from container until planting time.

SOURCE QUALITY CONTROL

32 90 00-1.8 Ship materials with certificates of inspection required by governmental authorities. Comply with regulations applicable to materials herein.

Do not make substitutions. If specified landscape material is not obtainable, submit proof of non-availability from five sources to Gateway's Representative, together with proposal for use of equivalent material with corresponding adjustment of contract price.

SITE CONDITIONS

32 90 00-1.9 Water: Water will be provided by the Gateway through an accepted backflow preventer for the irrigation system (constructed as part of this project) for use in the landscape installation at no charge to the Contractor. Water will not be available on-site until tap is made for irrigation system and backflow preventer is installed, inspected, and approved.
Site Examination: The prospective Contractors are encouraged to examine the plans and visit the job site prior to bidding on this project and to satisfy their concerns as to the magnitude of the work involved, to become aware of the existing conditions and to understand any restrictions to the completion of the proposed work. Failure to visit the site and acquaint himself with the existing conditions shall in no way relieve the Contractor from any obligation with respect to his proposal.
Final Grade: The Contractor shall be responsible for finish grades shown on the plans.
Utilities: Determine location of underground utilities through Blue Stake and perform work in a manner that will avoid possible damage. Hand excavate, as required. Repair or replacement of damaged utilities

shall be made as directed by the Gateway's Representative. The costs of repairs or replacement of utilities damaged by the actions of the Contractor shall be borne by the Contractor.
Obstruction: If rock, underground construction or other obstructions are encountered in preparation during plant pit excavation, Contractor is to the notify Gateway's Representative. Instructions may be issued to direct removal of obstruction to a depth of not less than 6" below required planting depth. Proceed with work only after approval of Gateway's Representative.

SAMPLES AND TESTS

32 90 00-1.10 The Gateway's Representative reserves the right to take and analyze samples of materials for conformity to specifications at any time. Contractor shall furnish samples as identified in this Section and upon request by the Gateway's Representative. Rejected materials shall be immediately removed from the site at Contractor's expense. Contractor shall pay the cost of testing of materials not meeting specifications. Label each type of plant with a securely attached waterproof tag bearing legible designation of botanical and common name.

ENVIORNMENTAL REQUIREMENTS

32 90 00-1.11 Planting Seasons and Conditions: Planting shall not be done when the soil is muddy or conditions are otherwise unsuitable for planting. The Gateway's Representative will be the sole judge of the acceptability of the site soil for planting.

WARRANTY

32 90 00-1.12 Warranty all plant materials against defects due to any cause for a period of one (1) year from the Date of Substantial Completion and the commencement of the formal Landscape Establishment Period.
This warranty will not be enforced should plant material die due to vandalism, improper maintenance procedures (including over- or under- watering), over-fertilization, non-removal of braces/guy wires causing girdling of trunks, fire, flood or hail, or other similar circumstances beyond the control of the Contractor.
Replacements: Replace plant materials when they are no longer in satisfactory condition as determined by the Gateway's Representative during the warranty period. Make replacements within fourteen (14) days of notification by the Gateway's Representative. Plant replacement materials of same size and species as originally specified, planted in the next growing season, with a new warranty commencing on date of replacement. Remove dead plants within seven (7) days of notification. Replacements shall en made at no expense to the Gateway.

PLANT ESTABLISHMENT PERIOD

32 90 00-1.13 From the time any plants are planted until completion of the Ninety (90) Day Plant Establishment Period, the Contractor shall ensure that all plants are watered, trash and debris are removed weekly, weeds controlled, plant replacements made, plants pruned, and/or spraying for insects or disease completed. Traffic control, if required during the maintenance period, shall be included in the cost of contract items. Spray or dust appropriate insecticides, miticides and fungicides as necessary to

maintain plants in healthy and vigorous growing condition until accepted by the Gateway's Representative. Apply pest and disease control chemicals in accordance with manufacturer's instructions. Contractor will bear full responsibility for complete removal of weeds and grasses such as Dallas, Bermuda, Johnson and Nut from the project site resulting from the landscape installation. Make replacements of dead or unhealthy plants for any reason during the Ninety (90) Day Plant Establishment Period except for replacements resulting from the exclusions identified in PROJECT WARRANTY above. Plants damaged by frost shall be replaced during the maintenance period as directed by the Gateway's Representative; there shall be no limit to the replacements due to frost. Gateway's Representative shall approve replacement plants prior to planting. Provide a schedule of maintenance activities to the Gateway's Representative prior to starting work. Provide the Gateway's Representative weekly reports summarizing maintenance activities completed by the Contractor, including person hours expended to complete the tasks. The Plant Establishment and Maintenance Periods shall not be considered within the allotted contract time. Each day during which the Gateway's Representative determines that work under the Plant Establishment Period is required and the Contractor is so advised, and the Contractor fails to accomplish the required work, the subject days will not be used to reduce the total number of calendar days specified.

FINAL MAINTENANCE INSPECTION

32 90 00-1.14 At the end of the Ninety (90) Day Plant Establishment and Maintenance Period, a final maintenance inspection will be performed to accept the landscape installation. At the time of final maintenance inspection, the Contractor shall have all planting areas under this Contract free of weeds and neatly cultivated. All plants shall be alive and healthy, without signs of stress. If, after the inspection, the Gateway's Representative is of the opinion that all work has been performed as per the drawings and specifications and that all plant materials are in satisfactory growing condition, he will give the Contractor written notice of final acceptance of the landscape installation and commencement of the one (1) year warranty period. Work requiring corrective action or replacement in the judgment of the Gateway's Representative shall be performed within ten (10) days after the final inspection. Corrective work and materials replacement shall be in accordance with the drawings and specifications, and shall be made by the Contractor at no cost to the Project. Maintain corrected work until reinspected by Gateway's Representative. If the optimal planting period has passed without compliance with the acceptance criteria, the Contractor shall be responsible for replanting, weeding, maintaining the landscaping and taking remedial actions as required to complete the deficient work during the following growing season, or until accepted by the Gateway's Representative. The Gateway's Representative shall be the sole judge of the remedial actions to be taken by the contractor.

SHRUBS AND CACTI ACCENTS

32 90 00-2.1 Shrubs and cacti accents: Shall be nursery grown, plantation grown or collected stock from on/off-site, as noted on the plans, conforming to ANSI Z60-1 and shall be of the varieties specified in the plant list bearing botanical names listed in the AJCHN-SPN publication. Planting stock shall be well-branched and well-formed, sound, vigorous, healthy and free from disease, sunscald, windburn, abrasion and harmful insects or insect eggs and shall have healthy, normal, and unbroken root systems and shall bear evidence of conformance with the Arizona Native Plant Law.

The minimum acceptable sizes of all plants, measured before pruning and with branches in normal position, shall conform to the measurements indicated in the plans or noted references. Plants larger in size than specified may be used as approved. If larger plants are used, the spread of roots shall be increased in accordance with ANSI Z60.1.
Plants shall be dug and prepared for shipment in a manner that will not cause damage to branches, shape and future growth after planting.
Container grown plants shall have sufficient roof growth to hold the earth intact when removed from the containers but shall not be root bound.

SOIL AMENDMENT MATERIALS

32 90 00-2.2 Forest Mulch: Shall be well-composted, nitrogen-stabilized wood fiber mulch with a carbon to nitrogen ratio of 30:1 available from Western Agricultural Products, Phoenix, Arizona, or approved equivalent. Plant Tablets: Shall be Agriform 21 gram, 20-10-5 fertilizer tablets or approved equivalent. Soil Sulfur: Shall be a commercial-grade product produced for the intended use. Sulfur shall be approved prior to use on the project. Bactericide: Shall be applied in accordance with manufacturer's recommendations. Herbicides and Pesticides: Contact herbicides and pesticides use must comply with all applicable state and federal laws and be registered with the U.S. Environmental Protection Agency. Contact herbicides shall be quick acting and permit planting within 7-10 days of their use. Sand: Shall be commercial grade mortar sand.

SCHEDULE OF BACKFILL MIX

32 90 00-2.3 Backfill mix shall be 1 part forest mulch to 4 parts native soil excavated from the plant pits. Backfill mix for cacti and succulents shall be per landscape drawings.

ROCK MULCH

32 90 00-2.4 The rock mulch (R.M.) shall be type and size specified on landscape plans. The rock mulch shall meet MAG Section 795 and shall not contain lumps or balls of clay, caliche, organic matter or calcareous coating. Rock mulch shall be placed in all planting areas shown on plans. Provide documentation that sufficient quantity is available to complete the project from a single source.

SALVAGE SURFACE SELECT BOULDER

32 90 00-2.5 The surface select boulders shall be type and size specified on landscape plans.

SEED MIX

32 90 00-2.6 The species, variety, and strain of seed (designated elsewhere herein as contract-specified seed) shall be as shown on the plans or as specified herein. The contract specified seed shall be obtained from seed suppliers through harvesting of wildland collections, or field-grown seeds grown prior to or during the contract period.

Within 30 calendar days after the award of contract, the contractor shall submit the name of the seeding subcontractor to be used, along with written confirmation from seed suppliers and collectors, on their letterhead, that the source(s) for the contract specified seed has been secured. If any of the contract-specified seed is expected to not be available during the contract period prior to seeding, in accordance with Subsection 2.02(B) below, the contractor shall notify Gateway's Representative at this same time.

The seed shall be delivered to the project site unmixed in standard, sealed, undamaged containers for each seed species. Each container shall be labeled in accordance with the appropriate provisions of the Arizona Revised Statues and the U.S. Department of Agriculture rules and regulations under the Federal Seed Act. Labels shall indicate the variety or strain of seed, the percentage of germination, purity and weed content, the date of analysis which shall not be more than nine months prior to the delivery date, and testing information. A Certificate of Analysis from an accredited seed-testing laboratory, and conforming SP-102 of these Special Provisions, shall accompany each container of seed.

Unless otherwise approved by Gateway's Representative, weed content of the contract-specified seed mix shall not exceed 0.5 percent.

The contractor shall provide all seed tag labels to Gateway's Representative. No payment will be made for seed unless tag labels from all seed to be used on the project have been submitted as specified.

The contractor shall store seed under dry conditions, at temperatures of between 35 °F and 120 °F, and out of direct sunlight. Prior to using the seed, the contractor shall provide a certification letter to Gateway's Representative that the seed was stored as specified herein.

Legume seed shall be inoculated with appropriate bacteria cultures approved by Gateway's Representative, in accordance with the culture manufacturer's instructions.

Tetrazolium staining shall be acceptable to test for germination and hard seed. Cut or fill testing will not be allowed. As directed by Gateway's Representative, seeds with an expiration date past the acceptable test date or not meeting the specified conditions for storage shall be retested by the contractor. Gateway's Representative may perform random sampling of seeds throughout the project. Mixing of the specified seed at the project site shall be under the supervision of Gateway's Representative.

Application rates of seed as specified are for Pure Live Seed (PLS). PLS is determined by multiplying the sum of the percent germination of seeds, including hard or dormant seeds, by the percent purity.

Seed mix species and the Pure Live Seed (PLS) rates are shown in the Table 1-A

TABLE 1-A		
SEED MIX		
Botanical Name	Common Name	**PLS Rate (Pounds Per Acre)**
Aristida purpurea	Purple Three-Awn	2.0
Piantago insularis	Indian Wheat	3.0
Senna covesii	Desert Senna	2.0
Sphaeralcea ambigua	Desert Globe-Mallow	1.0
Sporbolus	Sand Dropseed	1.0
Acacia constricta	Whitethorn Acacia, Mescat	2.0
Encelia farinose	Brittlebush	1.5
Larrea tridentata	Creosote Bush, Greasewood	6.0
Acacia greggii	Cat's Claw Acacia	2.0
Baileya multiradiata	Desert Marigold	1.0
Bouteloua curtipendula	Sideoats Grama	2.0
Cercidium floridium	Blue Palo Verde	2.0
Eschscholtzia mexicana	Mexican Gold Poppy	1.0
Phacelia campanularia	Desert Canturbury Bells	2.0
Prosopis velutina	Velvet Mesquite	1.0
Psilostrophe cooperi	Paper Flower	1.0

Native Seed Substitution:

No substitution of the contract-specified seed will be allowed unless evidence is submitted documenting that the contractor has made a diligent effort to obtain the contract-specified seed, from either seed suppliers or collectors, and that the contract-specified seed will not become available prior to the time specified for native seeding in the contractor's approved construction schedule.

Should a substitution of the contract-specified seed be requested for one of the two reasons specified above, and the contractor's documentation is approved by Gateway's Representative, Gateway will specify an alternate seed within five working days of Gateway's Representative's approval of the contractor's documentation. The alternate seed will only be allowed when there is an insufficient quantity of the contract-specified seed for the areas to be seeded as called for herein or as required for erosion control. The contractor shall obtain and apply the alternate seed, as required, to all such remaining areas. Unless otherwise approved by Gateway's Representative, the approved alternate seed will only be allowed until such time that contract specified seed meeting the availability can be provided.

No additional adjustments will be made for substituting the alternate seed, the costs being considered as included in the contract item for native seeding.

No payment will be made for areas seeded with unapproved seed.

Wood Cellulose Fibers: Natural wood cellulose fiber mulch shall be from thermo-mechanically processed wood, processed to contain no growth germination inhibiting factors. The mulch shall be from virgin wood manufactured and processed so the fibers will remain in uniform suspension in water under agitation to form homogenous slurry. Paper products will not be considered as virgin wood. The wood fiber mulch shall have the properties shown in Table 2 below:

TABLE 2	
Virgin Wood Cellulose Fiber	90% min.
Recycled Cellulose Fiber	10% max.
Ash Content	0.8% +/-0.3%
PH	4.5 +/-1.0
Water Holding Capacity	10:1 (water:fiber)

A colored dye which is non-injurious to plant growth may be used. Wood cellulose fiber shall be delivered in undamaged, labeled containers bearing the name of the manufacturer and showing the air -dry water content.

Straw: Straw shall be from wheat and shall be free of noxious weeds, mold or other objectionable material. Straw mulch shall be from the current season's crop and shall be in an air -dry condition and suitable for placing with mulch blower equipment.

A letter of certification from the supplier shall be required stating that the straw was baled less than 12 months from the delivery date.

All wheat straw shall be free from noxious weeds in compliance with the standards and procedures of the North American Weed Management Association (NAWMA) or the Arizona Crop Improvement Association (ACIA). The contractor shall provide documentation, including a transit certificate and appropriate labels and/or marking twine, from the ACIA or NAWMA that wheat straw to be used for mulch is free of noxious weeds. The wheat straw shall be accompanied by the certification, labels and/or marking twine at the time of delivery to the project site. Wheat straw delivered to the project without such information will be rejected, and promptly removed from the project.

Rye straw and oat straw will not be acceptable.

Water: Water shall be free of oil, acid, salts or other substances which are harmful to plants. The source shall be as approved by Gateway's Representative prior to use.

Tacking Agent: Tacking agent shall be a naturally occurring organic compound and be non toxic. It shall be a product typically used for binding soil and mulch in native seeding or erosion control operations. Approved types shall consist of mucilage or gum by dry weight as active ingredient obtained from guar or plantago. The tacking agent shall be labeled indicating the type and mucilage purity.

The contractor shall have the tacking agent swell volume tested by an approved testing laboratory using the USP method. The standard swell volume shall be considered at 30 milliliters per gram. Material shall

have a swell volume of at least 24 milliliters per gram. Certified laboratory test results shall be furnished to Gateway's Representative for each shipment of homogenous consistency to be used on project areas or as directed by Gateway's Representative. Tacking agent rates shall be adjusted to compensate for swell volume variation. Material tested with lesser volume shall have the tacking agent rate increased by the same percentage of decrease in swell volume from the standard 30 milliliters per gram. Material tested with greater volume may reduce tacking agent rates by the same percentage of increase in swell volume from the standard 30 milliliters per gram. Tacking agent shall be pure material without other starches, bentonite, or other compounds that would alter the swell volume test results of mucilage, or the effectiveness of the tacking.

Chemical Fertilizer and Sulfur:

Chemical fertilizer shall be a standard commercial fertilizer conforming to the analysis and in the physical form specified in the Special Provisions. Chemical fertilizer shall be furnished in standard containers with the name, weight and guaranteed analysis of the contents clearly marked. When a mixed fertilizer is specified, such as 5-10-5, the first number shall represent the minimum percent of soluble nitrogen, the second number shall represent the minimum percent of available phosphoric acid and the third number shall represent the minimum percent of water soluble potash.

Fertilizer shall be composed of a mixture of one part sulfur-coated urea 25-4-8, one part monammonium phosphate 11-52-0, and one part methylene urea 38-0-0. The sulfur-coated urea, a blended fertilizer 25-4-8, shall have 80 percent of the nitrogen defined as slow release, and contain 5 percent Iron, 10 percent sulfur and trace amounts of zinc and manganese. The resulting 24-18-2 chemical blended fertilizer, as specified herein, shall be applied at the rate of 200 pounds per acre. In addition to the fertilizer mixture, agricultural sulfur compounds, comprised of between 80 percent and 96 percent sulfur, shall be applied at the rate of 200 pounds per acre.

Compost: Compost shall consist of composted organic vegetative materials. Prior to being furnished on the project, compost mulch samples shall be tested for the specified microbiological and nutrient conditions, including maturity and stability, by a testing laboratory approved for testing of organic materials. Written test results shall be submitted to Gateway's Representative for approval.

Compost material shall be dark brown in color with the parent material composted and no longer visible. The structure shall be a mixture of fine and medium size particles and humus crumbs. The maximum particle size shall be within the capacity of the contractor's equipment for application to the constructed slopes. The odor shall be that of rich humus with no ammonia or anaerobic odors.

EXAMINATION

32 90 00-3.1 Site Inspection and Review: Contractor is to verify site conditions and note any irregularities affecting his/her work of this section. Contractor is to report any irregularities to the Gateway's Representative prior to beginning work. Contractor shall verify that rough grading is complete and accepted by the Gateway's Representative. Beginning work of this section implies acceptance of existing conditions. Contractor is to verify locations of all underground utilities. Coordinate with Gateway's Representative, and contact Blue Stake as needed. Placement of electrical, irrigation, and

other underground utilities will be reviewed with the General Contractor and Landscape Contractor prior to commencement of work. Conflicts will be brought to the attention of the Gateway's Representative for resolution.

SHRUB PLANTING

32 90 00-3.2 Clearing and grading: All planting areas shall be free of construction material and subgrade elevations established to permit landscape construction. No planting shall be done when the soil is excessively wet in the opinion of the Gateway's Representative.
Excavation: Plant pits shall be dug to produce vertical sides and flat, uncompacted bottoms or as shown on the drawings. If pits are dug with an auger and the sides of the pits become glazed in the opinion of the Gateway's Representative, the glazed surface shall be scarified. Loosen hard subsoil in bottom of excavation.
If caliche is encountered the Contractor is to break through the caliche to provide drainage and/or bring to the attention of the Gateway for resolution. Plant tablet schedules for plants shall be per landscape plans.
Backfill Mix: Refer to the backfill mix requirements herein. To be acceptable the backfill shall have all stones greater than 1-inch diameter removed and without balls, clumps or layers of individual materials. Prior to the backfilling of holes, the Contractor shall provide a sample of the backfill for the Gateway's Representative to review. This sample shall be used as reference material for the backfill as the project proceeds.
Cut plastic or metal containers on 2 sides with a metal cutter. Do not use spade to cut cans. Do not handle container planter by foliage, branches or trunks. After removing plant from container, scarify side or rootball to eliminate root-bound condition. Remove all nursery-type plant labels from plants.
Watering: All watering shall be done in a manner which will provide uniform coverage but which will not cause erosion or damage to the finished surface.
Herbicide and Pesticide Application: Herbicides, insecticides and fungicides shall be applied as needed and in accordance with the manufacturer's recommendations.

INSTALLATION OF CACTI ACCENTS

32 90 00-3.3 Installation of Cacti Accents: Lay out individual Cacti and Succulents locations. Stake locations, outline areas and secure Gateway's Representative acceptance before start of planting work. Make minor adjustments as may be requested by Gateway's Representative.
Excavation: Excavate pits, as shown on drawings and schedules. Loosen hard subsoil in bottom of excavation. Refer to Part 1 for underground obstructions.
If caliche is encountered the Contractor is to break through the caliche to provide drainage and/or bring to the attention of the Gateway for resolution.
Preparation of Cacti Accents Backfill Mix: If the existing soil material removed from the plant pits results in a deficient soil quantity to produce adequate backfill, the Contractor shall collect additional existing surface soil to fulfill the quantities necessary to complete the work, at no additional cost to the project. The additional soil shall be collected from within the limits of the project site as approved by the Gateway's Representative.
Setting and Backfilling for Cacti Accents: Prior to delivery to the site and planting, the Contractor shall mark the original north exposed surface and calibration measurement points of all cacti using a method

acceptable to the Gateway's Representative. The mark or its installation process shall not damage or deface the cacti. The mark must be capable of withstanding poor weather and expected working conditions without the possibility of erasure or detachment throughout the duration of the contract.
All wounds and/or cuts made to the Cacti Accents shall be treated with bactericide as approved on the same day that the cut and/or wound was made.
All cut and/or damaged roots shall be treated with dusting sulfur as approved on the same day that the cut and/or wound was made.

ROCK MULCH

32 90 00-3.4 Rock mulch shall be wetted prior to placement over accepted subgrade to eliminate powdering and dry placement. The rock mulch shall not be mixed with, and shall be protected from contamination by, on-site soil materials and other undesirable materials prior to installation any time during the installation operation. Rock mulch that, in the opinion of the Gateway's Representative, has undesirable contaminants shall be removed from the project.
The areas on which the mock mulch is to be placed shall be graded according to the drawings prior to the placement of any rock mulch. The ground shall be reasonably smooth and firm and all deleterious material and rocks larger than 1" in diameter shall be removed and disposed of. The rock mulch shall be placed over the entire planting area as shown on the drawings including underneath all plant materials located within rock mulch areas.
The Contractor shall stake out all areas to receive rock mulch prior to placement. Rock mulch shall not be placed until after plant materials in the area have been planted and a pre-emergent herbicide applied.
After placing and grading the rock mulch, the Contractor shall water settle the rock mulch with light spray to remove fine material from the surface. Care shall be taken in the placement of the rock mulch not to disturb or damage any plant material. A second application of pre-emergent herbicide shall be applied to planting areas in accordance with the manufacturer's printed instructions. After each application of herbicide contractor to water in pre-emergent so that it saturates the rock mulch layer and into soil.

SALVAGE SURFACE SELECT BOULDER

32 90 00-3.5 The contractor shall coordinate to placement of all salvage boulder with the Gateway's Representative. Boulders shall be installed per detail.

SEED MIX

32 90 00-3.5 The contractor shall notify Gateway's Representative at least two days prior to commencing native seeding operations.

The equipment and methods used to distribute native seeding materials shall provide an even and uniform application of seed, mulch, and other materials at the specified rates.

Unless specified otherwise in the Special Provisions, native seeding operations shall not be performed on undisturbed soil outside the clearing and grubbing limits of the project or on steep rock cuts.

The contractor shall coordinate the native seeding operations with the grading operations to determine mobilization frequency as embankment and cut slopes are finished throughout the duration of the project. Native seeding shall be done during suitable weather and soil conditions for tillage and placement of materials. Native seeding operations shall not be performed when wind would prevent uniform application of materials or would carry native seeding materials into areas not designated to be seeded.

Tillage: Where equipment can operate, the area to be seeded shall be prepared with a ripper bar, chisel plow, or with other devices, which will provide thorough soil cultivation to the depth specified below. For areas too steep to be prepared for native seeding after the slope has been completed, as determined by Gateway's Representative, tillage shall be accomplished with appropriate equipment as the slope is being constructed. On slope areas, all tillage shall be directional along the contours of the areas involved. All areas, which are eroded, shall be restored to the specified condition, grade and slope as directed prior to native seeding.

On cut and fill slopes the operations shall be conducted in such a manner as to form minor ridges thereon to assist in retarding erosion and favor germination of the seed.

Cut slopes flatter than 3:1 (horizontal to vertical) shall be tilled a minimum of 12 inches in depth, and fill slopes flatter than 3:1 shall be tilled to a six-inch minimum depth. All slopes steeper than 3:1, and areas which could potentially be affected by underground utilities, shall be tilled to a minimum 6 inches in depth, and left in a roughened condition as they are constructed.

Care shall be taken during the native seeding operations to prevent damage to existing trees and shrubs in the native seeding area.

Tillage may require passing the equipment over the area several times to provide thorough soil cultivation. Furrows from tillage shall be no more than 12 inches apart. No work shall be done when the moisture content of the soil is unfavorable to tillage.

All competitive vegetation shall be uprooted prior to native seeding and the soil shall be left in a friable roughened condition free of clods or large stones over four inches in any dimension and other foreign material that would interfere with the native seeding operation. Exposed stones larger than four inches shall be removed and disposed of in an approved manner prior to grading and native seeding.

Regardless of the method of seeding application, all areas prepared with tilling shall have fertilizer and compost uniformly applied and incorporated into the soil at the specified rates per acre with final tillage and seeding. Slopes 3:1 and flatter shall have fertilizer and compost tilled into a minimum of the top four inches of the surface. Slopes steeper than 3:1 shall have fertilizer, soil amendments, and compost applied for incorporation into the soil as directed by Gateway's Representative.

For mini-benched slopes, fertilizer, compost, and soil amendments shall be applied to at the specified rates with no tillage or incorporation.

Seeding: Drill seeding with straw mulch shall be considered as the preferred method of seed application when practicable. Unless otherwise specified by Gateway's Representative, drill seeding shall be used for all areas with slopes of 3:1 or less.

Hydroseeding shall be the alternative method for seed distribution for slopes in excess of 3:1, and where drill seeding is not practicable or suitable for soil conditions and seed types, as determined by Gateway's Representative.

Straw mulch or wood fiber mulch shall be applied on drilled or hydroseeded areas with crimping and tacking, as specified herein or directed by Gateway's Representative, within 24 hours of seed application.

Unless otherwise specified in the Special Provisions, native seeding areas shall not be watered after planting.

Drill Method: After the tillage and incorporation of fertilizer and compost is completed and accepted by Gateway's Representative, seed shall be planted with a drill seeder capable of accurately metering the specific seed mix. Use of a drill seeder shall not damage the prepared seedbed, and shall provide a soil cover over the planted seed.

Seed shall be planted approximately 1/4 inch deep, with a maximum depth of 1/2 inch. The distance between the furrows produced using the drill process shall not be more than eight inches. If the furrow openers on the drill exceed eight inches, the area shall be drilled twice. Native seeding shall be done with grass seeding equipment with double disc openers, depth bands, packer wheels or drag chains, rate control attachments, seed boxes with agitators and separate boxes for small seed. Seed of different sizes shall be sowed from at least two separate boxes adjusted or set to provide the planting rate as specified.

Hydroseed Method: Areas and seed types not suitable for drill-seeding, as directed by Gateway's Representative, shall be hydroseeded with straw mulch or wood fiber mulch applied following application of the seed. The contract specified seed shall be applied in a slurry containing a minimum of 40 pounds tacking agent and 200 pounds of wood fiber mulch per acre. Seed shall not be in the slurry for more than 30 minutes. Seed planted by this method will not require covering with soil. Soil areas shall be tilled to produce loose and friable surfaces with crusted hard soils broken up prior to hydroseeding.

Applying Straw Mulch: Within 24 hours after each area is planted, straw mulch shall be uniformly applied at the minimum rate of 2 1/2 tons per acre for crimped and tacked areas and minimum 2 tons per acre for tacked-only areas. Unless otherwise specified by Gateway's Representative, straw mulch shall be applied to both drill seeded and hydroseeded areas.

During native seeding and mulching operations, care shall be exercised to prevent drift and displacement of materials. Mulch material which is placed upon trees and shrubs, roadways, structures and upon any areas where mulching is not specified or which is placed in excessive depths on mulching areas shall be removed as directed. Mulch materials which are deposited in a matted condition shall be loosened and uniformly spread, to the specified depth, over the mulching areas. Any unevenness in materials shall be immediately corrected by the contractor.

Except as specified in the next paragraph, straw mulch applied to drill seeded or hydroseeded areas shall be immediately affixed by crimping and tacking after application. No mulch shall be applied to native seeding areas which cannot be crimped and/or tacked by the end of each day. Any drifting or displacement of mulch before crimping and/or tacking shall be corrected by the contractor at no additional cost to Gateway.

Crimping shall not be required for areas that are steeper than 3:1. Crimping may also be waived, when specifically directed by Gateway's Representative, for drill seeded or hydroseeded areas with rocky conditions or other areas deemed unsuitable by Gateway's Representative for crimping. Straw mulch applied to such drill seeded or hydroseeded areas shall only be tacked, as specified below.

Prior to the application of a tacking agent, protective covering shall be placed on all structures and objects where stains would be objectionable. All necessary precautions shall be taken to protect the traveling public and vehicles from damage due to drifting spray.

Anchorage by Crimping: Except as specified above, crimping shall be required for all straw mulched areas. Straw mulch shall be anchored into the soil with a heavy disc. Discs shall be flat and serrated with at least 1/4 inch thickness having dull edges and spaced no more than nine inches apart. Straw mulch shall be anchored to a depth of at least two inches and shall not be covered with an excessive amount of soil. Anchoring operations shall be across the slopes where practical with no more than two passes of the anchoring equipment. Immediately following the crimping operation, the crimped area shall be tacked as specified below.

Anchorage by Tacking: Straw mulch shall be anchored by tacking using a slurry consisting of a minimum of 150 pounds of tacking agent, 500 pounds of wood fiber mulch, and 300 gallons of water per acre. The contractor may increase the quantities of components to ensure the stability of the straw mulch to provide erosion control during the 45 calendar-day maintenance period at no additional cost to Gateway.

Applying Wood Fiber Mulch with Tacking Agent: Areas seeded but not practical for straw mulch, as determined by Gateway's Representative, shall have wood fiber mulch with tacking agent applied at the variable rates shown in the Table 4 below.

TABLE 4		
Slope (H:V)	**Tacking agent (Pounds pure mucilage per acre)**	**Wood Fiber Mulch (Pounds per acre)**
Flat to 4:1	50	1,000
From greater than 4:1 to 3:1	100	2,000
From greater than 3:1 to 2:1	150	2,500
Greater than 2:1	200	3,000
Erosive Soil Slopes*	300	3,500
*As determined by Gateway Representative		

The Contractor shall submit a batch (tank) mix quantity schedule for seed application and the temporary erosion control mulch application for approval of Gateway's Representative prior to mixing seed, fertilizer, wood fiber mulch and tacking agent in a slurry. Batch mixing and coverage will be monitored throughout the native seeding operations. The contractor shall coordinate the mixing and application operations with Gateway's Representative in advance of all mixing.

Native Seeding Acceptance: After application Gateway's Representative will inspect seeded areas or sub-areas for conformance to the contract requirements. The contractor shall correct, to the satisfaction of Gateway's Representative, any areas not conforming to the specifications. The 45-day maintenance period will begin upon acceptance of the area by Gateway's Representative.

The contractor shall maintain and stabilize each area or sub-area, including shoulder build-up areas, for a minimum period of 45 calendar days after application of the seeding and mulching materials, and acceptance by Gateway's Representative. Any areas damaged from erosion, or that have less than 90 percent of applied mulch remaining, shall be re-seeded, re-mulched, and re-tacked at no additional cost to Gateway.

Except for landscape projects, native seeding shall be completed, including the 45 calendar-day maintenance period, before the end of the contract time or sooner if required in the SWPPP or elsewhere in the contract documents. Native seeding used as part of a landscape project shall be completed, including the 45 calendar day maintenance period, before the end of the Construction Phase.

Preservation of Seeded Areas: The contractor shall protect seeded areas from damage by traffic or construction equipment. Surfaces which are eroded or otherwise damaged following seeding and prior to final acceptance shall be repaired by regrading, reseeding, and remulching as directed by Gateway's Representative.

CLEAN-UP AND PROTECTION

32 90 00-3.6 During landscape work, keep pavements and work area in a clean, neat and orderly condition. Broom, scrub or hose affected areas as directed by Gateway's Representative. Soil deposits or compacted mud will not be allowed to remain on the roads or parking lot and shall be removed daily or more frequently as directed by the Gateway's Representative.
Protect landscape work and existing improvements from damage due to landscape installation, operations by other Contractors and trespassers. The Contractor assumes all responsibility for the portion or portions of the site under construction and shall provide and maintain safety devices and protective equipment as required by state and local laws, codes and ordinances. Maintain protection during installation and maintenance periods as required. Treat, repair or replace Contractor damaged work as directed by the Gateway's Representative at no cost to the Gateway's Representative. Remove all debris, trash and excess materials generated by the landscape installation and properly dispose of it.

MEASUREMENT AND PAYMENT

32 90 00-3.7

ITEM 32 90 00 - 1 – 5 GALLON SHRUB

Payment for 5 GALLON SHRUB shall be made on a per each basis. Price bid shall include all labor, materials, equipment, and all other items necessary and incidental to providing and installing a 5 gallon shrub in accordance with the project plans and technical specifications.

ITEM 32 90 00 - 2 – 5 GALLON CACTI ACCENT

Payment for 5 GALLON ACCENT shall be made on a per each basis. Price bid shall include all labor, materials, equipment, and all other items necessary and incidental to providing and installing a 5 gallon accent in accordance with the project plans and technical specifications.

ITEM 32 90 00 - 3 – SALVAGE SURFACE SELECT BOULDER

Payment for BOULDER shall be made on a per each basis. Price bid shall include all labor, materials, equipment, and all other items necessary and incidental to providing and installing a boulder in accordance with the project plans and technical specifications.

ITEM 32 90 00 - 4 – ROCK MULCH

Payment for ROCK MULCH shall be made on a square foot basis. Price bid shall include all labor, materials, equipment, and all other items necessary and incidental to providing and installing the rock mulch in accordance with the project plans and technical specifications.

ITEM 32 90 00 - 5 – SEED MIX

Payment for SEED MIX shall be made on a square foot basis. Price bid shall include all labor, materials, equipment, and all other items necessary and incidental to providing and installing the seed mix in accordance with the project plans and technical specifications.

ITEM 32 90 00 - 6 – 90-DAY MAINTENANCE PERIOD

Payment for 90- DAY MAINTENANCE PERIOD shall be made on a lump sum basis. Price bid shall include all labor, materials, equipment, and all other items necessary and incidental to providing landscape and irrigation maintenance in accordance with the project plans and technical specifications.

END OF SECTION

32 90 00 LANDSCAPING

ITEM P-160 PERMANENT SURFACE STABILIZATION

DESCRIPTION

160-1.1 This item shall consist of applying a surface stabilization product to soils that are disturbed by the Contractor's operations that will remain un-paved in order to either permanently stabilize the soil, for control dust, to protect erosion of slopes and embankments, for sediment control, and to uphold vehicle traffic that it may encounter. The material shall be in Maricopa County (MAG) approved products.

"Stabilized surface" referenced herein shall be as defined in the *Revision to Promulgation of Federal Implementation Plan for Arizona – Maricopa Nonattainment Area; PM-10; Final Rule* [40 CFR Part 52, FRL 6511-3, 12/21/99] (FIP) and supporting technical documents including requirements that may be defined in subsequent re-proposals or addendums to the FIP published prior to the date of the bid opening date.

Two types of Surface Stabilizations are identified for this project:

1. Dust Control in areas impacted by the Contractors Operations such as the Staging and Storage Areas, Haul Routes, etc., (Non-Pay Items, see Technical Specification P-101 *Mobilization* for more information).
2. Surface Stabilizations at airfield pavement shoulder grading limits and other areas that may experience vehicle traffic or as identified on the plans.

When surface stabilization is required for dust control only or as identified in Technical Specification P-101 *Mobilization*, it shall meet the requirements of MAG Standard Specification 792, and the application shall be in accordance with MAG Standard Specification 230. Product testing and verification will be required per MAG 230.2.1, as modified by this specification. There will be no separate measurement or payment for the surface stabilization of the items identified in P-101 *Mobilization* and all equipment, labor, and materials required to perform the work shall be considered incidental to the P-101 *Mobilization* Payment Line Item provided.

When surface stabilization is required at airfield pavement shoulders, other areas that may experience vehicle traffic, or as identified on the plans, it shall meet the requirements as outlined in this Technical Specification. Measurement and payment for surface stabilization for these items shall be made under the Payment Line Item provided in Section 160-10.1.

The Contractor shall provide separate material and method of installation submittals for review and approval of the Engineer.

GENERAL

160-2.1 PLACEMENT PROCEDURE (SCARIFICATION AND COMPACTION). The work shall include scarification, mixing, placement, and compaction of a palliative into the soil (minimum 6-inch depth), and other miscellaneous items of work required for the completion of the scarification, mixing, and compaction portion of the project. The dust palliative shall be applied using the mixing method that blends the product with surface material, (minimum 6-inch depth) and then compacted to provide a permanent stabilized, dust resistant surface course in accordance with the Taxiway 'P' and Compass Calibration Pad Technical Specification P-152.

160-2.3 PROGRESS SCHEDULE. Contractor shall submit proposed work progress schedule to Phoenix-Mesa Gateway Airport for approval at the pre-construction meeting in accordance with this document.

160-2.4 CONTRACTOR RESPONSIBILITY. The contractor will be responsible for all permits and review fees. The contractor is specifically reminded of the need to obtain the necessary environmental permits or file the necessary environmental notices. Copies of these permits and notices must be provided to Phoenix-Mesa Gateway Airport prior to beginning any work. This provision does not constitute an assumption by Phoenix-Mesa Gateway Airport of any obligation of any kind for violations of said permit or notice requirements. Contractor must comply with all requirements of Phoenix-Mesa Gateway Airport and associated "Best Management Practices," Pollution Prevention Plan, and Air Quality Permit.

Any costs associated with the permitting through governing agencies or testing of material or soil prior to and after the application of product for soil stabilization, will be considered incidental to this item.

MATERIALS

160-3.1 Dust Palliative shall be an Acrylic Polymer Type described as an Acrylic, acrylate, or acetate liquid polymers meeting the requirements of Table 1. The emulsion shall be stable, *i.e.*, should not break down when stored in clean closed containers at ordinary temperatures, excluding freezing or boiling, for a minimum of 3 months. It shall be miscible with water in all proportions. The sequestering agents shall make the preparation stable against hard water, thus permitting dilution of the emulsion with almost all types of water. The emulsion shall be non-corrosive to metal containers. The materials shall penetrate into the soil surface at least 1/8-inch and not form a skin at the surface.

TABLE 1. DUST PALLIATIVE REQUIREMENTS

Parameter	Requirements
Specific Gravity, 25C	1.0-1.15
Active Solids Content	Minimum 40 percent
pH	4.0-9.5
Odor Intensity	Slight
Solubility in water	Dilutable
Brookfield Viscosity, 25C	Max. 1500 cps

Vendor shall submit test results (report) with the proposal from an independent AASHTO accredited lab, signed and sealed by a Professional Engineer, registered in the state of Arizona, showing the California Bearing Ratio (CBR) value of untreated A-7 soil from Maricopa County and CBR values of that same soil at the optimum stabilizer content. **Results of treated soil should show a minimum 25% increase in CBR value over the untreated soil.** The test method used shall be a modified version of ASTM D 1883 Test Method for CBR (California Bearing Ratio) of Laboratory Compacted Samples. The following curing modification shall be used:

Curing – CBR specimens, after molding, shall be left in their mold, on their sides and cured in the laboratory air for 7 days prior to being immersed in water for 96 hours and then tested for CBR.

Moisture Content – CBR samples shall be compacted at the optimum moisture content, both treated and untreated (ASTM D 698, method C). Three-specimen average required. Surcharge weight shall be 10 Lbs.

The test report shall include all the information required by ASTM D 1883, Section 10 for both treated and untreated CBR samples. In addition, the penetration vs. stress plow for each test shall be included (ASTM D1883, Fig. 2).

ENVIRONMENTAL CRITERIA

160-3.1 All products must be approved by the environmental representative of Phoenix-Mesa Gateway Airport prior to application/use.

All testing performed on the product to verify compliance to these document criteria shall be performed on the undiluted concentrate of the product itself. Dilution of the product may only occur as determined by the laboratory performing the testing to accommodate laboratory equipment detection limits. The actual trade name of the product submitted shall be on all chain of custody documentation and test result documentation. Tests shall have been performed within 5 years of the date of the products intended use.

Products shall not contain or emit chlorinated fluorocarbons (CFCs, Freons). Products shall not contain greater than 1 gram per liter of volatile organic compounds (VOCs).

HMIS rating equal to or less than for each category: H=1; P=1; R=1; PPE=X

The Contractor shall provide adequate proof that storm water runoff from treated areas (as a result of application of the chemical dust palliative/stabilizer product) shall not contain concentrations that exceed benchmark values of the parameters designated in the National Pollutant Discharge Elimination System Storm Multi-Sector General Permit for Industrial Activities (see Table 2, page 160-5) or the Arizona Surface Water Quality Numeric Standards as defined in the Arizona Administrative Code, Title 18, Chapter 11. Adequate proof can be shown by providing both of the following:

1. Complete Whole Effluent Toxicity (WET) testing for lethal concentration at 50% (LC50). The test shall be performed on rainbow trout, fathead minnows, and Daphnia magna. Other similar animals may be substituted upon approval of the Environmental representative. The testing shall be performed as close to the undiluted concentrate product as possible and the test shall be been performed within 5 years of the date for its intended use. All original laboratory data must be submitted with the tested product's exact identifiable name on all result sheets.

2. Complete list of all individual chemical constituents (including all proprietary chemical information) and percentage of each in a given volume of pure chemical product.

Dust palliatives and their degradation products shall not contain constituents that are identified or listed as a hazardous waste under the Arizona Administrative Code R18-8-261; emit or off-gas during placement, use, or degradation of any hazardous air pollutant listed under Rule 370, Section 203 of the Maricopa County Air Pollution Control Regulations; be a hazardous chemical substance or mixture pursuant to Section 7 of the Federal Toxic Substances Control Act [15 U.S.C. 26061, be designated by rule an extremely hazardous chemical substance pursuant to the Arizona Environmental Quality Act, be

prohibited for use by the Arizona Department of Environmental Quality, the Environmental Protection Agency, or any applicable law, rule, or regulation.

Dust palliatives or their components and degradation products shall not be substances or composed of substances known to be, or reasonably anticipated to be, carcinogenic by the U.S. Department of Health and Human Services. Dust palliatives that are composed of recycled materials shall not be accepted for use due to the added residual components that otherwise would not be present nor contribute to the effectiveness of the binding characteristics of the dust palliative.

Contractor shall provide a copy of the current Material Safety Data Sheet (MSDS) for the product(s) proposed. The MSDS must include all chemical compounds present in concentrations greater than 0.1% for each product proposed. If additives are added to the acrylic-polymer-type product other than water, then complete MSDS's for the acrylic polymer base and each additive shall be provided. Phoenix-Mesa Gateway Airport reserves the right to request and obtain all original manufacturer MSDS's of the submitted product upon request.

Failure to provide adequate proof of conformance to the criteria shall be considered grounds for rejection of product and/or bid. Bidder shall provide any new or updated written or verbal information regarding product use to Phoenix-Mesa Gateway Airport as it is made available.

The certifications shall state as a minimum that the product complies with the specifications submitted with the bid. Hazardous Material Identification System (HMIS) and/or National Fire Protection Association (NFPA) ratings labels shall be exhibited on all containers.

TABLE 2 – PARAMETER BENCHMARK VALUES

(Source: Table 3 of NPDES Multi-Sector General Permitting, Fed. Reg. Vol. 65, p. 64767)

Parameter name	Benchmark Level	Source
Biochemical Oxygen Demand	30 mg/L	4
Chemical Oxygen Demand	120 mg/L	5
Total Suspended Solids	100 mg/L	7
Oil and Grease	15 mg/L	8
Nitrate + Nitrite Nitrogen	0.68 mg/L	7
Total Phosphorus	2.0 mg/L	6
pH	6.0-9.0 s.u.	4
Acrylonitrile	7.55 mg/L	2
Aluminum, Total (pH 6.5-9)	0.75 mg/L	1
Ammonia	19 mg/L	1
Antimony, Total	0.636 mg/L	9
Arsenic, Total (c)	0.16854 mg/L	9
Benzene	0.01 mg/L	10
Beryllium, Total (c)	0.13 mg/L	2
Butylbenzyl Phthalate	3 mg/L	3
Cadmium, Total (H)	0.0159 mg/L	9
Chloride	860 mg/L	1
Copper, Total (H)	0.0636 mg/L	9
Cyanide, Total	0.0636 mg/L	9
Dimethyl Phthalate	1.0 mg/L	11
Ethylbenzene	3.1 mg/L	3
Fluofanthene	0.042 mg/L	3
Fluoride	1.8 mg/L	6
Iron, Total	1.0 mg/L	12
Lead, Total (H)	0.0816 mg/L	1
Magnesium, Total	0.0636 mg/L	9
Manganese	1.0 mg/L	13
Mercury, Total	0.0024 mg/L	1
Nickel, Total (H)	1.417 mg/L	1
PCB-1016 (c)	0.000127 mg/L	9
PCB-1221 (c)	0.10 mg/L	10
PCB-1232 (c)	0.000318 mg/L	9
PCB-1242 (c)	0.00020 mg/L	10
PCB-1248 (c)	0.002544 mg/L	9
PCB-1254 (c)	0.10 mg/L	10
PCB-1260 (c)	0.000477 mg/L	9
Phenols, Total	1.0 mg/L	11
Pyrene (PAH,c)	0.01 mg/L	10
Selenium, Total (*)	0.2385 mg/L	9
Silver, Total (H)	0.0318 mg/L	9
Toluene	10.0 mg/L	3
Trichloroethylene	0.0027 mg/L	3
Zinc, Total (H)	0.117 mg/L	1

CONSTRUCTION METHODS

160-4.1 SCARIFICATION AND COMPACTION. In general, scarification and compaction shall be performed in accordance with the Taxiway 'P' and Compass Calibration Pad Technical Specification Item P-152. Scarification and compaction conducted in conjunction with the application of dust palliative includes removal and disposal of all material (vegetation, roots, glass, metal objects, etc.) other than soil or aggregate and the removal and disposal of rocks 3-inches and larger in the top 12-inches of surface. Aggregate may be reincorporated into the soil, provided the aggregate does not protrude more than 2-inches above the surface or cause depressions in the surface greater than 9 square inches x 1-inch deep. Depressions will not be allowed within 10 feet in any direction of any other depression. On-site crushing of material for reincorporating will not be permitted. All unsuitable material shall be transported off airport property, and disposed of in a legally accepted manner. The moisture content shall be brought to that required for optimum compaction by the addition of water, by the addition and blending of dry, suitable material or by the drying of existing material. **The soil shall be scarified/loosened, via an agricultural-type method, such as tilling, discing, ripping, or by other soil preparation method(s), which achieves the same result to a depth of 6-inches (minimum) for all operations except for Dust Control. Dust Control shall achieve the same result to a depth of 2-inches (minimum).** Sufficient grading shall be done to provide reasonable drainage within the limits of existing drainage patterns. The dust palliative shall be applied and incorporated into the soil thoroughly by blade mixing or tilling until a homogeneous mixture is obtained. This uniformity shall be consistent throughout the scarification depth of 6-inches minimum, (2-inches for Dust Control) at the concentration specified in Table 3. The material shall then be compacted to the relative specified density using both pneumatic and a minimum 10-ton steel roller drum compaction equipment. A topical application of dust palliative shall then be applied after the compaction process at the concentration specified in Table 3. Scarified and compacted soils shall be constructed to achieve a uniform soil structure having a 90% density when tested in accordance with ASHTO T-99, method A, and T-191 or ASTM D-2922 and D-3017 with the percent of density adjusted in accordance with the rock correction procedures for maximum density determination, (MAG Standard Detail), to compensate for the rock content larger than that which will pass a No. 4 sieve (4.75 millimeters or 0.187 inches).

TABLE 3. SCARIFICATION AND COMPACTION APPLICATION RATES*

Product	Treatment(1)	Dilution Ratio(2)	Application Rate(3) (Gal/SY)
Acrylic Polymer Type	Scarification and mixing process – per inch of depth	10:1 to 2:1 (Typical 4:1)	0.10 to 0.05
	Final Topical Application After Compaction	12:1 to 4:1 (Typical 8:1)	0.10 to 0.06

*Note that the minimum amount of undiluted concentrate is 0.36 gallons per square yard for the scarification and compaction process.

1. Topical application, (separate application than that stated above), rate shown is required to obtain a minimum 1/8-inch penetration into the soil.
2. The dilution ratio (water: product) is variable and shall be appropriate for the local soil and weather conditions, as proposed by the Contractor and agreed upon by the Engineer.
3. Application rate of undiluted concentrate.

106-4.2 DUST PALLIATIVE APPLICATION. The dust palliative shall be applied using a distribution vehicle equipped with computerized controls and calibrated to ensure a controlled application method. The maintenance and calibration of this vehicle shall be checked periodically. The record of maintenance and calibration shall be submitted to Phoenix-Mesa Gateway Airport for review upon request.

Application rates shall be as described in the application methods submittal. The minimum application rate/dilution ratio for any Topical Application Procedure shall be the same as those stated in Table 3. Rates may be adjusted in the field due to changes in soil or other conditions only upon approval by Phoenix-Mesa Gateway Airport. The contractor will not perform any application without prior approval of Phoenix-Mesa Gateway Airport.

Dust palliative material shall be discharged only in approved areas.

160-4.3 GRADING OF AREAS. The surface shall be graded and compacted to meet previous or final elevations (according to plans and the Taxiway 'P' and Compass Calibration Pad Technical Specification P-152) and ground contours.

160-4.4 PROTECTION OF EXISTING FACILITIES. The contractor shall exercise extreme caution to prevent debris from falling into manholes or other structures. This includes excess product that enters storm drain inlet(s). In the event that debris should fall into a structure it shall be immediately removed. If the debris cannot be removed, Phoenix-Mesa Gateway Airport must be contacted immediately.

160-4.5 PROTECTION OF EXISTING VEGETATION. Existing vegetation shall be protected. Equipment shall not be operated within the drip line of existing trees. Vegetation, landscape features and/or irrigation systems that are damaged, destroyed, or removed without consent of Phoenix-Mesa Gateway Airport shall be replaced in kind and size and guaranteed for one year at the contractor's expense. Maintenance shall include watering, pruning, and fertilizing as required to ensure the vegetation becomes established within the warranty period.

1**60-4.6 PARKING CHARGES, SPECIAL FLAGS OR LIGHTS.** The contractor will be responsible for any charges incurred for parking fees, special flag or lighting equipment for vehicles, special dust control procedures or storm runoff protection.

160-4.7 DEBRIS CONTROL. The construction area is subject to jet blasts equivalent to 75 to 90 miles per hour. The Contractor shall be responsible for taking continued action to prevent loose material or debris from blowing across the airfield. The Contractor shall provide and operate vacuum sweepers as required elsewhere in the contract documents.

160-4.8 EAR PROTECTION. The contractor shall be responsible for ensuring that all contractor personnel and/or subcontractors shall comply with industry standards for hearing protection. The noise level within the work areas may reach as high as 120 decibels.

160-4.9 COMMUNICATIONS PROCEDURE. The Contractor will be responsible to establish communications procedures to ensure contractor personnel and/or subcontractors immediately comply with instructions from the FAA tower, or Phoenix-Mesa Gateway Airport Operations staff.

TEST REPORTS AND CERTIFICATIONS

160-5.1 Product testing and verification will be required per MAG 230.2.1. Proof of conformance of materials to the criteria defined in this document shall be provided in the form of test reports and certifications. Each batch delivery of product used on the project shall be accompanied by a certification letter signed by the owner, partner, or corporate officer, stating that the shipment conforms to the criteria established in the Contract.

PERFORMANCE REQUIREMENTS

160-6.1 Application of the dust palliatives in accordance with this document and as described in the application methods submittal (provided by the Contractor), shall provide a stabilized surface to the specified depth and with the required increase in CBR value as defined herein and in accordance with the test methods provided in the FIP, for a minimum of 12-months from substantial completion (warranty period). Stabilization resulting in only a surface "skin" treatment will be deemed unacceptable. For the purpose of this contract, a "skin" on the surface will be a formation of any palliative on the surface that can be dislodged from the soil by winds (either weather or aircraft related) or stormwater run-off. Any formation of the palliative on the soil surface must adhere to the underlying soil to a minimum depth of 1/2-inch.

CONTRACTOR QUALITY CONTROL

160-7.1 The Contractor shall be responsible for developing and implementing a Contractor Quality Control Program including inspection and testing to assure compliance with the requirements of this section in accordance with this *General Provisions* Section 100.

REQUIRED SUBMITTALS

160-8.1 APPLICATION METHODS SUBMITTAL. The material and application method submittals shall clearly define the application procedures in accordance with the manufacturer's recommendations, and in accordance with this specification.

In addition to the requirements stated elsewhere, the application methods submittal shall include:

a. Applicator's qualifications.

b. Manufacturer's standard literature for dust palliative.

c. Curing time for each application method.

d. Application and dilution rates proposed for a soil defined by the following: medium grained, 0-50% passing Tyler Sieve No. 4, 12-50% passing Tyler Sieve No. 200. Note: This is a "typical" soil found on Airport property; however, other types/ranges of soil may be encountered.

e. Equipment to be used during all phases of application.

f. Description of any construction activities not specifically referenced in this document.

METHOD OF MEASUREMENT

160-9.1 There shall be no measurement or payment for soil stabilization but shall be considered to the item to which the work is associated, (i.e. Mobilization).

END OF ITEM P-160

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ELECTRICAL TECHNICAL SPECIFICATIONS

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Registered Professional Engineer (Electrical)
CERTIFICATE NO. 36696
CATHERINE M. ALCORN
Date Signed 12-12-12
ARIZONA, U.S.A.
EXP 9-30-13

SECTION 16000 GENERAL ELECTRICAL REQUIREMENTS

GENERAL

1.01 SCOPE OF WORK

A. It is the intent of this part of the Contract Documents to cover the work and materials necessary for erecting a complete electrical system, tested and ready for continuous use. The system shall be constructed in accordance with the Contract Documents, and Federal, State, and Local codes and regulations.

1.02 RELATED SECTIONS

A. The Contractor shall coordinate the work with other trades, and furnish and install the equipment in accordance with the manufacturers' requirements.

B. The Related Work can be found in other Divisions of these specifications, such as, but not limited to:

Division 0	Bidding Requirements, Contract Forms, and Conditions of the Contract
Division 1	General Requirements
Division 2	Trenching, back filling, and compacting
Division 3	Concrete formwork, reinforcement, and concrete material, mixing, placing, jointing, curing and finishing
Division 9	Painting and protective coatings
Division 11	Equipment
Division 13	Special Construction

1.03 GENERAL PROVISIONS

A. Minimum sizes of equipment, and electrical devices, are indicated but it is not intended to show every offset and fitting, nor every structural or mechanical difficulty that will be encountered during the installation of the work.

B. Work indicated on the Plans is approximately to scale. Actual dimensions and detailed Plans should be followed as closely as field conditions permit. Field verification of scaled dimensions on Plans is governed by field conditions. Installation of systems and equipment is subject to clarifications as indicated in reviewed shop drawings and field coordination.

C. Discrepancies indicated on different Plans, between Plans and actual field conditions, or between Plans and Contract Documents shall be promptly brought to the attention of the Engineer for clarification, prior to purchasing and installing equipment.

D. The alignment of equipment and conduit shall be adjusted to accommodate architectural changes, and coordinate with work of other trades, without extra expense to the Owner.

E. The Contractor shall furnish and install the parts and pieces necessary to the installation of equipment, in accordance with the best practice of the trade, and in conformance with the requirements of these Contract Documents and equipment manufacture's recommendations.

F. Items not specifically mentioned in these Contract Documents, or noted on the Plans, or indicated on reviewed shop drawings, but which are necessary to make a complete working installation, shall be deemed to be included herein.

G. The Contractor shall lay out and install electrical work prior to completion of floors and walls. Furnish and install sleeves and openings through floors and walls, required for installation of conduits. Sleeves shall be rigidly supported and suitably packed, or sealed, to prevent ingress of wet concrete. Spacers shall be installed in order to prevent conduit movement. Dimensions indicated for electrical equipment and their installation are minimum dimensions.

H. The Contractor shall furnish and install inserts and hangers required to support conduits and other electrical equipment. If the inserts, hangers, sleeves, or other mounting hardware are improperly placed, or installed, the Contractor shall do necessary work, at his/her own expense, to rectify the errors.

I. Electrical equipment shall be capable of operating successfully at full-rated load, without failure, at an ambient air temperature of 60 degrees C, and specifically rated for the altitude indicated on the Plans. Electrical equipment not rated for operation at that temperature shall be provided with air conditioning to meet the manufacturers' operating temperature.

J. If any contradictions, nonhomogeneity, or inconsistency appears, the most strict criteria noted and the collective requirements in any and all of the project documents shall apply.

K. The Contractor shall perform necessary saw cutting, core drilling, excavating, removal, shoring, backfilling, and other work required for the proper installation of conduits, whether inside, or outside of the buildings and structures. The Contractor shall repair and patch where demolition has taken place in a manner to match existing original structure.

1.04 REGULATIONS, CODES, AND STANDARDS

A. Electrical work, including connection to electrical equipment integral with mechanical equipment, shall be performed in accordance with the latest published regulations, codes, and standards, of the following:
   1. National Electrical Code (NEC)
   2. State and local codes
   3. Institute of Electrical and Electronic Engineers (IEEE)
   4. American National Standards Institute (ANSI)
   5. American Society for Testing and Materials (ASTM)
   6. Insulated Cable Engineers Association (ICEA)
   7. National Electrical Manufacturers Association (NEMA) Standards
   8. Federal Occupational Safety and Health Act (OSHA)
   9. National Fire Protection Association (NFPA)

B. When applicable, the material used in the performance of the electrical work shall be listed by the Underwriters' Laboratories, Inc. (UL) for the class of service for which they are intended.

1.05 SUBMITTALS

A. It is the obligation of the Contractor to organize his/her work, so that a complete electrical, instrumentation, and control system for the facility will be provided, and will be supported by accurate shop and record drawings, and O&M manuals.

B. The Contractor shall submit detailed shop drawings and data prepared and organized by the suppliers. The quantity of submittal sets required shall be as specified in the Contract Documents.

C. The submittals shall be neatly grouped and organized by specification section number, and sub-section. Related information shall be highlighted, and the specific product shall be indicated. All submittals shall be complete, and presented in one package. Incomplete submittals will be returned without review. If a portion of the project requires a fast track schedule, that portion only may be submitted earlier under a separate cover letter after securing the Engineer's written permission. The following shall be submitted to the Engineer and returned, reviewed to the Contractor before fabrication is started.

1. A complete list of the equipment and materials, including the manufacturer's name, product specification, descriptive data, technical literature, performance charts, catalog cuts, installation instructions, and spare part recommendations for each different item of equipment specified. The above shall clearly show all the specified requirements as described in the Specifications including but not limited to specific U.L. and NEMA rating, technical capabilities, test result verifications, and acceptance letters.

2. Drawings containing complete wiring and schematic diagrams, control diagrams, and any other details required to demonstrate that the system has been coordinated and will operate as intended. Drawings shall show proposed layout, anchoring, support, and appurtenances of equipment, and equipment relationship to other parts of the work including clearances for maintenance and operations.

3. Upon Project acceptance, the Contractor shall submit four sets of "Record Drawings" of the electrical, control, and instrumentation, along with step-by-step procedure manuals for the installation, operation start-up, and maintenance of the equipment. Each set shall include installation, operating, troubleshooting, maintenance and overhaul instructions in complete detail. It shall also include possible breakdowns and repairs, and troubleshooting guides, as well as simplified wiring and control diagrams of the system installed. This shall provide the Owner with comprehensive information on all systems and components to enable operation, service, maintenance and repair. Exploded, or other detailed views of all equipment, devices, assemblies, and accessory components shall be included, together with complete parts lists and ordering instructions.

4. Record Drawings:
   a. The Contractor shall maintain a marked up set of Contract Document Plans showing actual installed circuit numbers, conduit sizes, cable tray routing, number of conductors, conductor sizes (larger than #12 AWG), and all other deviations from the design Plans.
   b. Underground conduit and concealed items shall be dimensioned on the Plans from permanent, visible, building features.

c. The Contractor shall provide actual motor size, starter size, and overload heater size, along with all other protective equipment for all 480 V and 4160 V motor circuits as part of the one-line record drawings.

d. The Contractor shall revise all conductor identification and panel schedules to indicate as-built conditions.

PRODUCTS

2.01 GENERAL MATERIALS AND METHODS

A. Materials, equipment, and parts comprising any unit, or part thereof, specified or indicated on the Plans, shall be new and unused, of current manufacture, and of highest grade consistent with the state of the art. Damaged materials, equipment, and parts, are not considered to be new and unused, and will not be accepted.

B. Field verification of scaled dimensions on Plans is directed, since actual locations, distances, and levels will be governed by actual field conditions. The Contractor shall also review architectural, structural, yard, mechanical, and other Plans, and the accepted electrical and mechanical shop drawings, and shall adjust their work to conform to the conditions indicated therein.

C. The fabricator of major components, such as distribution panelboards, switchgear, and motor control centers, shall also be the manufacturer of the major devices therein.

D. Refer to various Division sections for individual equipment manufacturers. Indicated manufacturers are subject to strict compliance with the specifications and complete project documents. The reference to a particular manufacturer does not relieve the Contractor from conforming to the specified requirements.

2.02 NAMEPLATES

A. Where indicated elsewhere in these specifications, or on the Plans, the Contractor shall furnish and install nameplates, which shall be black laminate with white letters. The nameplates shall be fastened to the various devices with round head stainless steel screws. Each disconnect means for service, feeder, branch, or equipment conductors, shall have nameplates indicating its purpose.

2.03 SHOP WORK

A. The assembly of process control panels and/or modifications to equipment assemblies shall be done at a UL approved shop. The entire unit shall be completely assembled and tested prior to shipment to the project site. In addition, owner personnel shall be allowed to inspect the unit(s) prior to job-site shipping. This inspection shall not be construed as final acceptance of unit(s) by the owner.

2.04 LISTED EQUIPMENT ASSEMBLIES

A. Service Entrance equipment, Switchgear, Switchboards, Panelboards, Control and Distribution Panels, and other factory assembled electrical enclosures shall bear a UL label. Custom built electrical enclosures and control panels shall bear a UL508 label. Where UL listing is not available, CSA or ETL shall be considered during submittal review.

2.05 SUBSTITUTION OF MATERIAL AFTER AWARD OF CONTRACT

A. Any exceptions to these specifications shall be submitted to the Engineer, with the reasons for requesting such exceptions, with calculations and drawings for redesign of related components, including detailed drawings showing internal and assembly details, with installation instructions. Proposed layout changes showing any modifications or exceptions to related work made necessary by the(se) exception(s), with calculations and drawings showing such modifications or exceptions, shall also be included.

B. Items if material and equipment may be offered (at the Contractor's option) as alternates to specified items. Such offer shall be in writing under Bidder's letterhead.

C. Such alternate proposals shall be accompanied by full descriptive data on the proposed equipment. If alternate material proposals are considered, the Contractor shall submit a list of the proposed alternate substitution items in accordance with the requirements of "Review of Proposed Substitutions".

EXECUTION

3.01 INSTALLATION OF ELECTRICAL EQUIPMENT

A. Coordinate the installation of electrical equipment with other trades.
   1. Arrange for the building in of equipment during structure construction.
   2. Where equipment cannot be built-in during construction, arrange for sleeves, box-outs, and other openings, as required to allow installation of equipment after structure construction is complete.

B. Verify that equipment will fit support layouts indicated.

C. Equipment Dimensions and Clearances:
   1. Do not use equipment that exceeds the indicated dimensions. Except as approved in writing by the Engineer.
   2. Do not use equipment or arrangements of equipment that reduce required clearances or exceed the space allocation.

D. Install equipment in accordance with the manufacturer's instructions.

E. Equipment Access:
   1. Install equipment so it is readily accessible for operation and maintenance.
   2. Equipment shall not be blocked or concealed.
   3. Do not install electrical equipment such that it interferes with normal maintenance requirements of other equipment.

F. Equipment shall be installed plumb, square and true with the building construction, and shall be securely fastened.

G. Outdoor wall-mounted equipment, and indoor equipment mounted on earth, or water bearing walls, shall be provided with corrosion-resistant spacers to maintain ¼-inch separation between the equipment and the wall.

H. Screen or seal all openings in outdoor equipment to prevent the entrance of rodents and insects.

I. Equipment fabricated from aluminum shall not be imbedded in earth or concrete.

J. Provide all necessary anchoring devices and supports.
   1. Use supports as detailed on the Plans and as specified.
   2. Supports and anchoring devices shall be rated and sized based on dimensions and weights verified from approved equipment submittals.
   3. Hardware shall be stainless steel.
   4. Do not cut, or weld to, building structural members.
   5. Do not mount safety switches and external equipment to other equipment enclosures, unless enclosure mounting surface is properly braced to accept mounting of external equipment.

K. Contractor shall verify exact rough-in location and dimensions for connection to electrical items furnished by others.
   1. Shop drawings shall be obtained from those furnishing the equipment.
   2. Proceeding without proper information may require the Contractor to remove and replace work that does not meet the conditions imposed by the equipment supplied.
   3. Provide sleeves wherever openings are required through new concrete or masonry members. Place sleeves accurately and coordinate locations with the Engineer.
   4. Should any cutting and patching be required on account of failure of the Contractor to coordinate penetrations, such cutting and patching shall be done at the expense of the Contractor.
      a. The Contractor shall not endanger the stability of any structural member by cutting, digging, chasing, or drilling and shall not, at any time, cut or alter the work without the Engineer's written consent.
         1) Provide additional reinforcing if required.
         2) Cutting shall be done neatly using proper tools and methods.
      b. Subsequent patching to restore walls, ceilings, or floors to their original condition shall be done by the Contractor.

L. Provide concrete foundations or pads required for electrical equipment as indicated or specified. Floor-mounted equipment shall be mounted on a 4-inch concrete housekeeping pad. Pad shall be poured on top of the finished floor or slab.

3.02 CUTTING AND REPAIRING

A. Where it becomes necessary to cut into existing work for the purpose of making electrical installations, core drills shall be used for making circular holes. Other demolition methods for cutting or removing shall be reviewed by the Engineer prior to starting the work.

B. The Contractor shall repair damage caused by construction, or demolition work, and restore damaged areas to original condition.

3.03 CORROSION PROTECTION

A. Wherever dissimilar metals, except conduit and conduit fittings, come in contact, the Contractor shall isolate these metals, as required, with neoprene washers, 9 mil polyethylene tape, or gaskets. Where fastening conduit, electro plated, or equivalent fasteners and stainless steel bolts shall be used.

B. Factory finishes damaged during shipping, or construction, shall be restored to original new condition. Rust shall be removed, and bare metal surfaces shall be primed and painted to match the original surrounding finish.

C. Electrical panels, switchgear, motor control centers, and other electrical equipment, shall be shipped in sealed dust and moisture proof plastic sheet enclosures, and the seal maintained until units are installed. Said units shall be new and free of any dirt, dust, water, grease, rust, damaged parts or components. Relays, starters, circuit breakers, switches, contacts, insulators, mechanisms, and buses shall be free of dust, dirt, oil, moisture, metal shavings, and other debris before testing and energizing.

D. Once equipment is installed, it shall be protected at all times with plastic sheet covers until the area is free of dirt, dust, paint spray, water, and other trades. Heat shall be provided to eliminate condensation.

3.04 COORDINATION OF THE ELECTRICAL SYSTEM

A. The Contractor shall verify actual equipment, and motor full-load, and locked-rotor current ratings. The necessary minimum equipment, wire, and conduit sizes are indicated on the Plans. If the Contractor furnishes equipment of different ratings, the Contractor shall coordinate the actual current rating of equipment furnished with the branch circuit conductor size, the overcurrent protection, the controller size, the motor starter, and the branch circuit overcurrent protection. The branch circuit conductors shall have a current carrying capacity of not less than 125 percent of the actual full-load current rating.

3.05 TEST

A. The electrical work shall be free from improper grounds, and from short circuits. The correctness of the wiring shall be verified first by visual comparison of the conductor connections with connection diagrams. Next, individual circuit continuity checks shall be made by using electrical circuit testers. Last, the correctness of the wiring shall be verified by the actual electrical operation of the electrical and mechanical devices. Any deviation from the wiring indicated on the Plans, or accepted Drawings, shall be corrected and indicated on the record drawings.

B. Each conductor shall be identified as required by the Contract Documents. This identification shall be indicated on the record drawings to enable rapid, and accurate circuit tracing by maintenance personnel.

3.08 SINGLE LINE DIAGRAMS

A. Single line diagrams, as indicated on the Drawings, show circuit voltages, circuit protection rating, and other pertinent data. Where conflicts exist on the Drawings, the single line diagrams shall take precedence. Grounding conductors are not necessarily indicated. See grounding requirements specified elsewhere herein.

BASIS OF PAYMENT

4.01 Light Pole Base

A. Light pole base removal will be made at the contract unit price for cable installed in conduit or duct, through handholes, and light bases in place by the Contractor and accepted by the Owner. This price shall be full compensation for furnishing all materials and for all preparation and installation of these materials and for all labor, equipment, tools, and incidentals necessary to complete this Item. The unit price of each of these items shall also include the Contractor's overhead, profit and markup.

Payment will be made under:

Item 16000-4.1 Light Base removal – per each

END OF SECTION 16000

SECTION 16050 BASIC MATERIALS AND METHODS

GENERAL

1.01 DESCRIPTION

A. This section consists of general electrical materials and methods. Electrical materials that are a part of equipment specified under other sections shall meet the requirements of this section, unless part of larger factory-assembled equipment.

1.02 SUBMITTALS

A. Submit manufacturer's literature for raceways and fittings, boxes, wires and cables, wiring devices, nameplates, legend plates, labels, panelboards, and safety switches, service entrance equipment, control panels and any other electrical component utilized in this project.

1.03 QUALITY ASSURANCE

A. Refer to Section 16000.

1.04 SPARE PARTS

A. Provide spare components as indicated on plans and elsewhere herein.

PRODUCTS

2.01 BASIC MATERIALS

A. Electrical safety switches, distribution and control equipment shall be rated for heavy duty service.

B. Wiring devices shall be specifications grade.

2.02 MISCELLANEOUS METAL AND MOUNTING CHANNELS

A. Metal Framing:
   1. Unless otherwise shown, mounting channels shall be cold rolled from mild strip steel, 12-gauge, 1-5/8 inches by 1-5/8 inches, with a galvanized finish by Unistrut, Unistrut P-1000, as manufactured by Unistrut, or equal.
   2. Screws, bolts, washers and nuts shall be stainless steel. Parts and brackets for assembly of channels shall be hot dipped galvanized.

B. Miscellaneous Metal: Galvanized steel, unless otherwise shown.

2.03 NAMEPLATES, LEGEND PLATES, AND LABELS

A. Nameplates: Laminated sheet plastic, approximately 1/16 inch-thick, with engraved white letters on a black background, with adhesive backing and mounting screw holes. Stainless steel or brass screws, minimum height of letters, 5/16 inch. Card holders are not acceptable.

B. Legend Plates: Type KN-3 standard legend plates, Square D, or equal.

C. Control Wire Markers: Pressure-sensitive or heat shrink sleeve types, manufactured by W.H. Brady Company, or equal.

EXECUTION

3.01 BASIC MATERIALS

A. The completed installation shall conform to all applicable federal, state, and local code ordinances and regulations. Contractor shall obtain necessary permits and inspections required by the governing authorities. Work shall be done in a neat, workmanlike, finished and safe manner, according to the latest published N.E.C.A. standards of installation, under competent supervision. Install grounding as required by the National Electrical Code.

3.02 MISCELLANEOUS METAL AND MOUNTING CHANNELS

A. Install where electrical equipment is to be surface mounted to walls and where indicated on Plans. Where two or more devices are to be installed side by side, support on metal framing, bolt together, and brace as required to form a rigid structure.

B. Clean cuts and welds. Coat unpainted surfaces with cold application zinc galvanizing. Coat cuts and welds on painted surfaces with zinc chromate primer and finish to match existing paint.

3.03 NAMEPLATES, LEGEND PLATES, AND LABELS

A. Nameplates: Identify panels, switchgear, regulators, load-break junction boxes, disconnect switches, and component enclosures. Fasten nameplates with stainless steel, self-tapping screws or rivets.
   1. Panels: Identify panel number, voltage and amperage of panel bus.
   2. Switchgear: Identify equipment, voltage, amperage and phase and number of wires.
   3. Safety Switches and Relays: Identify equipment controlled and circuits from which they are fed.

B. Legend Plates: Install on selector switches, pushbuttons, pilot lights, starters, and other components.

C. Control Wire Markers: Install at both ends of each control wire interconnecting between such items as control panels, sensors, and control devices, and each end of control wires within control panels, and other such enclosures. Wiring markers shall correspond to control wire numbers on approved wiring diagrams.

4.01 BASIS OF PAYMENT

A. Payment for items described in this section will be made as part of payment for other system components as described in each section containing pay items.

END OF SECTION 16050

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SECTION 16111 CONDUITS

GENERAL

1.01 SCOPE OF WORK

A. Furnish and install conduits as required, and as shown on the Plans. Materials employed shall be as shown on the Plans.

1.02 SUBMITTALS

A. Submit product literature including manufacturer part number, model number, material, size, and specifications. Material shall not be installed until the Engineer has reviewed the submittal data.

B. Shop Drawings shall be submitted for review and acceptance showing routing, conduit size, and number and size of wires in each conduit before installation of conduit and any related work.

C. Proposed routing of conduits buried under floor slabs-on-grade.

D. Identify conduit by tag number of equipment served or by circuit schedule number.

E. Proposed routing and details of construction including conduit and rebar embedded in floor slabs, columns, etc. Identify conduit by tag number of equipment served or by circuit schedule number.

F. Proposed location and details of construction for openings in slabs and walls for raceway runs.

G. Refer to Section 16000 for further submittal requirements.

1.03 REFERENCES

A. American National Standards Institute (ANSI): C80.1, Rigid Steel Conduit - Zinc-Coated, and C80. 3, Electrical Metallic Tubing, Steel Galvanized.

B. National Electric Manufacturers Association (NEMA): RN-1, Polyvinyl-Chloride (PVC) Externally Coated Galvanized Rigid Steel Conduit, and FB-1, EMT Conduit Fittings.

C. Underwriters Laboratories Inc. (UL):
1. 1, Flexible Metal Conduit.
2. 6, Rigid Metal Conduit.
3. 360, Liquid-Tight Flexible Steel Conduit.
4. 467, Grounding and Bonding Equipment.
5. 514, Nonmetallic Outlet Boxes, Flush-Device Boxes and Covers, and 514B, EMT fittings.
6. 651, Schedule 40 and 80 Rigid PVC Conduit.
7. 870, Wireways, Auxiliary Gutters, and Associated Fittings.
8. 884, Underfloor Raceways and Fittings.
9. 886, Outlet Boxes and Fittings for Use in Hazardous (Classified) Locations.
10. 797, Electrical Metallic Tubing.

PRODUCTS

2.01 RACEWAYS

A. Exposed conduit in an unclassified or hazardous area shall be galvanized rigid steel (GRS) unless specifically indicated otherwise on the Plans. Conduits in the corrosive areas shall be PVC coated GRS unless otherwise indicated. Underground and/or concrete encased conduits shall be PVC, unless otherwise indicated. All wiring, except as otherwise noted, shall be in conduit. Conduit size shall not be less than the National Electrical Code (NEC) size required for the conductors therein and shall not be smaller than 3/4-inch. No underground conduit shall be less than one inch, unless otherwise indicated on Plans.

B. Condulet type fittings shall be Crouse-Hinds, Appleton, or equal with wedge nut covers. All condulets located outdoors or in wet locations shall be weathertight.

C. In unclassified areas, flexible conduit shall be grounding type, weatherproof, corrosion resistant, and watertight.

D. Couplings, connectors, and fittings shall be standard types specifically designed and manufactured for the purpose. They shall be installed to provide a firm mechanical assembly and electrical conductivity throughout.

E. Expansion fittings shall be OZ type AX with jumper for exposed locations and type DX at structural expansion joints, Spring City, or equal. Conduits shall have expansion fittings in accordance with NEC.

F. The conduits and fittings shall be supported per NEC requirements as a minimum.

2.02 GALVANIZED RIGID STEEL (GRS)

A. Conduit and couplings shall be hot-dipped galvanized with zinc coated threads and outer coating of zinc bichromate, in accordance with ANSI C80.1 standards, as manufactured by Jones & Laughlin Steel Corporation, Allied Tube & Conduit Corporation, Triangle PWC, or equal.

B. Steel conduit shall not be buried in earth without concrete encasement and additional corrosion protection. A half lapped rapping of 20 mil PVC based corrosion protection tape shall be used.

2.03 RIGID NONMETALLIC - PVC

A. Where specifically indicated on the Plans, or elsewhere specified, conduit may be high density Schedule 40, 90 degrees C, heavy-duty PVC. The conduit shall be manufactured from virgin polyvinyl chloride compound which meets ASTM D1784, NEMA TC-2, ANSI C33.91, and UL 651 standards. Smoke emissions shall be limited to less than 6 grams per 100 grams of material tested.

B. Where conduit concrete encasement is indicated on the Plans, conduit supports shall be installed at eight foot intervals. PVC conduit shall be manufactured by Carlon, Triangle Conduit & Cable, or equal.

2.04 LIQUIDTIGHT FLEXIBLE METAL CONDUIT

A. Liquidtight flexible metal conduit shall be liquid and vaportight, oil and ultraviolet ray resistant and manufactured in accordance with UL 360 standards. Liquidtight flexible metal conduit shall be formed of a continuous, spiral wound, galvanized steel core with an extruded PVC jacket. The PVC jacket shall be rated for high ambient heat applications, 90 degrees Celsius.

B. For corrosive locations, liquidtight flexible metal conduit shall be formed of a continuous, spiral wound, aluminum core with an extruded PVC jacket. The PVC jacket shall be impervious to corrosive liquids and vapors.

C. An external bonding conductor shall be required for flexible conduit connections containing circuits rated at 60 amps or greater and for sizes 1 1/2 " or larger. Flexible conduit and connectors for 1 1/4 " and smaller shall be listed for grounding.

D. Connectors for liquidtight flexible conduit shall be galvanized, furnished with a sealing ring and locknut, and suitable for wet locations.

2.05 ELECTRICAL METALLIC TUBING (EMT)

A. Conduit shall be galvanized Electrical Metallic Tubing (EMT) manufactured in accordance with UL 797 and as manufactured by Allied Tube & Conduit Corporation, or equal.

B. EMT shall be made of high grade mild steel for durability and shall be hot galvanized with a clear organic polymer top-coat for protection against corrosion.

C. Connectors with insulated throat and couplings for EMT shall be O-Z/Gedney or equal, compression type, UL file No. E35001, Zinc or galvanized for corrosion protection.

D. EMT shall only be installed inside structures where indicated on Contract Drawings and in accordance with the NEC and UL general information card #FJMX.

E. EMT shall not be installed in damp or corrosive locations or buried or encased in concrete.

EXECUTION

3.01 INSTALLATION

A. Conduit runs are schematic only, and shall be modified as required to suit field conditions, subject to review and acceptance by the Engineer.

B. Conduit shall run continuously between outlets and shall be provided with junction boxes where connections are made. Couplings, connectors, and fittings shall be acceptable types designed and manufactured for the purpose, and shall provide a firm mechanical assembly, and electrical conductivity throughout.

C. Conduit runs shall be straight and true. Elbows, offsets, and bends shall be uniform and symmetrical. Changes in direction shall be made with long radius bends, or with fittings of the condulet type.

D. Conduit runs in buildings and structures shall be exposed except as specifically noted, or accepted by the Engineer.

E. Conduit runs shall not interfere with the proper and safe operation of equipment, and shall not block or interfere with ingress or egress, including equipment removal hatches.

F. Exposed conduits shall be securely fastened with clamps, or straps, intended for conduit use. All exposed conduit shall be run on the walls and ceiling only and shall be parallel to the planes of the walls or ceiling. No diagonal runs will be permitted. Flexible conduit shall be used only for short lengths required to facilitate connections between rigid conduit to motors from junction boxes, or control equipment. The maximum length of flexible conduit shall be 3 feet.

G. Conduit runs on water-bearing walls shall be supported one inch away from the wall on an accepted channel. When channel galvanizing, or other coating, is cut or otherwise damaged, it shall be field coated to original condition. No conduit shall be run in water-bearing walls, unless specifically designated otherwise.

H. Conduit shall be thoroughly reamed to remove burrs. IMC or GRS shall be reamed during the treading process, and Rigid Nonmetallic PVC or EMT shall be reamed before applying fittings. A zinc rich cold galvanizing shall be used to restore corrosion protection on field cut threads. Bushings and lock nuts or hubs shall be used at conduit termination's. The total number of bends in any run between pull points shall not exceed 360 degrees. Junction boxes and pull boxes shall be installed at points acceptable to the Engineer. Conduit ends shall be plugged to prevent the entrance of moisture or debris during construction. All spare conduits shall be adequately capped and shall contain a suitable pull string.

I. Joints shall be set up tight. Hangers and fastenings shall be secure, and of a type appropriate in design, and dimensions, for the particular application.

J. Conduit runs shall be cleaned and internally sized (obstruction tested) so that no foreign objects, or obstructions remain in the conduit prior to pulling in conductors.

K. After installation of complete conduit runs 2 inches and larger, conduits shall be snaked with a conduit cleaner equipped with a cylindrical mandrel of a diameter not less than 85 percent of the nominal diameter of the conduit. Conduits through which the mandrel will not pass shall be prepared or replaced.

L. Expansion fittings shall be installed across all expansion joints and at other locations where necessary to compensate for thermal expansion and contraction.

M. Provide trenching, backfill, and compaction for conduits installed underground. Conduits shall be filled from the bottom left of the array upward, leaving the upper levels as spares as much as practical.

N. Trench bottoms for conduits with concrete slurry encasement shall be made to conform accurately to grade so as to provide uniform support for the conduit along entire length. When two or more conduits are installed in the same trench, the Contractor shall space them not less than 1-1/2 inches apart (measured from outside wall to outside wall) using spacers applicable to the type of duct. As the duct laying progresses, slurry not less than 3 inches thick shall be placed around the sides and top of the duct

bank. End bells or couplings shall be installed flush with the concrete handhole walls. Trenches shall be opened the complete length and the bottom of the trench shall be free of loose material and debris before slurry is laid is installed so that if any obstructions are encountered, proper provisions can be made to avoid them.

METHOD OF MEASUREMENT

4.01 UNDERGROUND CONDUITS

A. Underground conduits shall be measured by the linear feet of conduits. Encasement, locator tape, trenching and backfill designated, resolution, and for drain lines, the termination at the drainage structure, all measured in place, completed, and accepted shall be measured by the linear feet. Separate measurement shall be made for the various types and sizes.

BASIS OF PAYMENT

5.01 UNDERGROUND ELCTRICAL RACEWAYS.

A. Payment will be made at the contract unit price for each type and size of conduit and trench completed and accepted. This shall be full compensation for furnishing all materials including trench excavation, earth or slurry backfill (AKA Direct Burial = D.B.), and slurry encasement (S.E.), and for all labor, equipment, tools and incidentals necessary to complete these items. The unit price of each of these items shall include the Contractor's overhead, profit, and markup.

Payment will be made under:

Item 16111-5.1	Sch 40 PVC Conduit PVC – per lump sum
Item 16111-5.2	Trench and Backfill – Slurry Encased – per lump sum
Item 16111-5.3	Trench and Backfill – Direct Buried – per lump sum

END OF SECTION 16111

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SECTION 16118 CONCRETE PULL BOXES

GENERAL

1.01 SCOPE OF WORK

A. The Contractor shall furnish and install pre-cast concrete pull boxes in the locations indicated on the Plans and as required.

1.02 SUBMITTALS

A. Products shall be submitted for review prior to installation in accordance with the Contract Documents, and Section 16000.

PRODUCTS

A. The pull boxes shall be designed for traffic conditions, and the pull box and cover shall be designed for heavy traffic bridge loading unless otherwise noted. The pull boxes shall have dimensions indicated on the plans. The pull boxes shall be constructed of concrete.

B. The pull boxes shall be Quikset, Utility Vault Co., or equal, with covers. The covers shall be engraved "ELECTRICAL".

EXECUTION

3.01 INSTALLATION

A. The pull boxes shall be installed on 12 inches of compacted gravel and shall be installed in such a manner that the cover of the pull box will be flush with finished grade.

BASIS OF PAYMENT

4.01 CONCRETE PULLBOXES

A. Payment for new concrete pull boxes will be made at the contract unit price, including all structural excavation and backfilling, installed and accepted, which price and payment shall constitute full compensation for furnishing all materials and for all preparation and installation of these materials, and for all labor, equipment, tools, and incidentals necessary to complete the work. The unit price of each of these items shall also include the Contractor's overhead, profit, and markup.

Payment will be made under:

Item 16118-4.1	Pullbox Furnished and Installed #5 – per each
Item 16118-4.2	Existing pullbox adjusted to grade – per each

END OF SECTION 16118

SECTION 16123 600 VOLT CLASS CABLE

GENERAL

1.01 SCOPE OF WORK

A. This section covers the furnishing and installation of 600 Volt Class cables and conductors, terminations and splicing, and pulling lubricants.

1.02 SUBMITTALS

A. Products shall be submitted in accordance with Section 16000, and elsewhere in the Contract Documents, prior to installation.

1.03 REFERENCES

A. Insulated Cable Engineers Association/National Electrical Manufacturers Association (ICEA/NEMA):
1. S-68-516/WC 8, ethylene-propylene rubber-insulated wire and cable for the transmission and distribution of electrical energy.
2. S-61-402/WC 5, thermoplastic-insulated wire and cable for the transmission and distribution of electrical energy.
3. S-66-524/WC 7, cross-linked thermosetting-polyethylene-insulated wire and cable for transmission and distribution of electrical energy.

B. Underwriters Laboratory, Inc.
1. 44, rubber insulated wires and cables.
2. 83, thermoplastic-insulated wires and cables.
3. 486A, wire connectors and soldering lugs for use with copper conductors.
4. 486B, wire connectors for use with aluminum conductors.
5. 510, insulating tape.

C. National Electric Code

D. Insulated Cable Engineers Association

PRODUCTS

2.01 ACCEPTED MANUFACTURERS

A. Conductors and Multi Conductor Cables (MCC), subject to compliance with Contract Documents, the following manufacturers are acceptable: American Insulated Wire Corporation, Cablec Corporation, Okonite Company, Southwire Company, or equal.

2.02 CONDUCTORS

A. Wire sizes shall be American Wire Gauge (AWG) sizes with Class B stranded construction. Number 2 AWG and smaller shall be factory color coded with a separate color for each phase and neutral, which shall be

used consistently throughout the system. Larger cables shall be coded by the use of colored tape. Conductors sized No. 1 and larger shall be Type 2, rated for 90 degrees C. All circuit conductors, #6 or smaller shall be "THWN" stranded copper. All other conductors shall be "XHHW" stranded copper.

B. Individual or multiple conductor cables for power, control, and alarm circuits of 480 volts or less shall be insulated for not less than 600 volts and shall have insulation type as indicated on the Plans. "THWN" shall conform to ICEA S-61-402/NEMA WC 5 and UL 83 and "XHHW" shall conform to ICEA S-66-524/NEMA WC 7 and UL 44. Where wire size is not indicated, they shall be of the size required by the NEC, except that no wire external to panels and motor control centers shall be less than No. 12 AWG, unless specifically noted on the Plans. Panel control wiring shall not be less than No. 14 AWG. Where cable is indicated to be run in cable tray , said cable shall be UL listed for cable tray use.

C. All wiring shall be as indicated on the Plans. Wires shall be new and shall be soft drawn copper with not less than 97 percent conductivity. The wire and cable shall have size, grade of insulation, voltage, and manufacturer's name permanently marked on the outer covering at not more than 2-foot intervals. All wires shall conform to the latest Standards of the ASTM, and ICEA, and shall be tested for their full length by these Standards. Insulation thickness shall be not less than that specified by the National Electrical Code.

2.03 TERMINATIONS AND SPLICES

A. Cable shall be rated 600 volts. Other parts of cable systems such as splices and terminations shall be rated at not less than 600 volts. Splicing shall join conductors mechanically and electrically to provide a complete circuit prior to installation of insulation.

B. Splices in wires No. 10 AWG and smaller shall be made with an insulated, solderless, pressure type connector, Type I, Class 1, Grade B, Style G, or Type II, Class 1 of FS W-S-610 and conforming to the applicable requirements of UL 486A.

C. Splices in wires No. 8 AWG and larger shall be made with noninsulated, solderless, pressure type connector, Type II, Class 2 of FS W-S-610, conforming to the applicable requirements of UL 486A and UL 486B. They shall then be covered with an insulation and jacket material equivalent to the conductor insulation and jacket.

D. All splices below grade or in wet locations shall be sealed type conforming to ANSI C119.1 or shall be waterproofed by a sealant-filled, thick wall, heat shrinkable, thermosetting tubing or by pouring a thermosetting resin into a mold that surrounds the joined conductors.

E. Conductors, including grounding conductors, of different sizes shall be spliced and then soldered or welded. Splices in wet locations and all splices below grade shall be of the Exothermic type.

2.04 PULLING LUBRICANT

A. All cables shall be properly coated with pulling compound (Aqua Gel, CRC, or equal) before being pulled into conduits so as to prevent mechanical damage to the cables during installation. "Yellow 77" is not acceptable.

B. Other lubricants to be substituted must be accompanied by a statement from the cable manufacturer as to its acceptable use with the cable being installed.

2.05 IDENTIFICATION

A. All conductors shall be numbered with "tube sleeve" type tags with heat impressed letters and numbers.

B. Color code all wiring as follows:

1. Lighting and power wiring:

		120/208 VAC	480VAC	24V DC	120 VAC Control/ Power
a.	Phase 1	Black	Brown	Blue	Red
b.	Phase 2	RedOrange			
c.	Phase 3	Blue	Yellow		
d.	Neutrals	White	White		White
e.	Ground	Green	Green		

2. Color code ends of feeder phase conductors only.

EXECUTION

3.01 INSTALLATION

A. The pulling tension and side-wall pressures, as recommended by the cable manufacturer, shall not be exceeded. Additional pull boxes shall be installed, as required, to meet the cable manufacturer's recommendations.

B. As far as practical, all circuits shall be continuous from origin to termination without splices in intermediate pull boxes. Sufficient slack shall be left at the termination to make proper connections. In no case shall a splice be pulled into the conduit. Conductor splicing shall not be permitted without the Engineer's approval.

C. Install all cables in conduit.

D. Each feeder and branch circuit shall be installed in its own individual conduit unless combining feeder and branch circuits is permitted as defined in the following:

1. As specifically indicated on the Plans.
2. For lighting, multiple branch circuits may be installed in a conduit as allowed by the NEC and with the wire ampacity derated in accordance with the requirements of the NEC. Conduit fill shall not exceed the limits established by the NEC.
3. When field conditions dictate and written permission is obtained from the Engineer.

E. Feeder and branch circuits shall be isolated from each other and from all instrumentation and control circuits.

F. Control circuits shall be isolated from all other feeder, branch and instrumentation circuits, except as noted above.
   1. 12 V DC, 24 V DC and 48 V DC control circuits may be combined in common conduit.
   2. 125 V DC control circuits shall be isolated from all other DC and AC control circuits.
   3. 120 V AC control circuits shall be isolated from all DC control circuits.

G. Make splices only at pull or junction boxes.
   1. Crimp or indenter-type connectors are not allowed, except for control circuits landed on terminal strips.
   2. For wire smaller than #6 AWG: Use insulated conical spring type connectors, or "wirenuts".
   3. For #6 AWG and larger wire: Use solderless lugs and screw type connectors.

METHOD OF MEASUREMENT

4.01 CABLE

A. The footage of cable to be paid for shall be the number of linear feet of cable, including groundwire, measured in place, completed, ready for operation and accepted as satisfactory.

BASIS OF PAYMENT

5.01 CABLE PAYMENT

A. Cable Payment will be made at the contract unit price for cable installed in conduit or duct, through handholes, and light bases in place by the Contractor and accepted by the Owner. This price shall be full compensation for furnishing all materials and for all preparation and installation of these materials and for all labor, equipment, tools, and incidentals necessary to complete this Item. <u>The unit price of each of these items shall also include the Contractor's overhead, profit and markup.</u>

Payment will be made under:

Item 16123-5.1 Stranded Copper Wire – per lump sum

END OF SECTION 16123

SECTION 16140 OUTLET, SWITCH, PULL AND JUNCTION BOXES

GENERAL

1.01 SCOPE OF WORK

A. This section covers outlets, switches, pulls and junction boxes.

1.02 SUBMITTALS

A. Products shall be submitted in accordance with Section 16000, and elsewhere in the Contract Documents, prior to installation.

PRODUCTS

2.01 Subject to compliance with the Contract Documents, the boxes shall be manufactured by Crouse-Hinds, Appleton, Steel City or equal.

2.02 BOXES

A. Pull and junction boxes for wet areas shall be 14 GA steel with polyester power coating inside and out over phosphatized surfaces with seams continuously welded, ground smooth, no knockouts and stainless steel clamps on four sides and flat cover with oil resistant gasket. Boxes shall be NEMA 4 classification and UL listed.

B. Outlet and switch boxes shall be cadmium plated, cast, ferrous, metal, with threaded hubs and mounting tabs for exposed wiring. For concealed wiring, outlet and switch boxes shall be hot-dip galvanized steel with grounding screws, plaster rings and barriers between switches in boxes with 277 V switches on opposite phases.

EXECUTION

3.01 INSTALLATION

A. Install boxes in accordance with NEC rules and regulations.

B. Outlet and switch boxes for concealed wiring shall be mounted with manufactured or field fabricated brackets. Mounting brackets shall be submitted to the Engineer for review prior to installation.

BASIS OF PAYMENT

4.01 Payment for items described in this section will be made as part of payments of other system components as described in each section containing pay items. See pay items listed in sections 16141.

END OF SECTION 16140

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SECTION 16141 RECEPTACLES

GENERAL

1.01 SCOPE OF WORK

A. This section covers devices for the control and supply of electrical power.

1.02 SUBMITTALS

A. Products shall be submitted in accordance with Section 16000, and elsewhere in the Contract Documents, prior to installation.

1.03 REFERENCES

A. NEC

B. UL

PRODUCTS

2.01 MATERIALS

A. Ground fault circuit interrupter receptacle shall be straight blade, grounding type, specification grade, rated 20 A, 125 V AC, UL listed, with test and reset buttons. Wall plates shall be 304 stainless steel for indoors or weatherproof as required, feed-thru type. Restroom, exterior, and wet areas receptacles shall be GFCI type.

EXECUTION

3.01 INSTALLATION

A. Install receptacles in accordance with NEC rules and regulations (and ADA when applicable).

BASIS OF PAYMENT

4.01 RECEPATCLES

A. Payment for new receptacles will be made at the contract unit price, installed and accepted, which price and payment shall constitute full compensation for furnishing all materials and for all preparation and installation of equipment, tools, junction boxes, and incidentals necessary to complete the work. <u>The unit price of each of these items shall also include the Contractor's overhead, profit, and markup.</u>

Payment will be made under:

Item 16141-4.1 20A GFCI WP Duplex Receptacle – per each

END OF SECTION 16141

SECTION 16170 GROUNDING

GENERAL

1.01 SCOPE OF WORK

A. A ground grid system consisting of the indicated configuration of copper wires, and ground rods, or concrete encased grounding electrodes ("UFERs") shall be provided to minimize station potential gradient irregularities and drain leakage and fault currents to earth.

B. Whether indicated on the Plans or not, neutral conductors, cable shields, metallic conduits, cable terminations, junction boxes, poles, surge arresters, and other noncurrent-carrying metallic parts of equipment shall be grounded.

1.02 SUBMITTALS

A. Products shall be submitted in accordance with Section 16000, and elsewhere in the Contract Documents, prior to installation.

1.03 REFERENCES

A. National Electrical Code (NEC) Article 250

PRODUCTS

2.01 GENERAL REQUIREMENTS

A. A resistance of not greater than 25 ohms shall be provided, unless otherwise specified. Ground resistances shall be measured as herein described. Resistances of systems requiring separate ground rods shall be measured separately before bonding below grade. The combined ground resistance of separate systems bonded together below grade may be used to meet the specified ground resistance, but the minimum number of rods indicated must still be provided.

2.02 GROUND RODS

A. Ground rods shall be copper-clad steel conforming to UL 467, 3/4 inch in diameter by 10 feet in length. Unless otherwise indicated, ground rods shall be driven into the ground until tops of rods are approximately 6 inches below finished grade. Where the specified ground resistance cannot be met with the indicated number of ground rods, additional ground rods, longer ground rods, or deep-driven sectional rods shall be installed and connected until the specified resistance is obtained, except that not more than three additional ground rods shall be required at any one installation. Ground rods shall be spaced as evenly as possible at least 6 feet apart and connected below grade.

2.03 CONNECTIONS

A. Connections above grade shall be made with bolted solderless connectors, and those below grade shall be made by a fusion-welding process. In lieu of a fusion-welding process, a compression ground grid

connector of a type which uses a hydraulic compression tool to provide the correct circumferential pressure may be used. Tools and dies shall be as recommended by the manufacturer. An embossing die code or other standard method shall provide visible indication that a connector has been adequately compressed on the ground wire.

2.04 GROUNDING ELECTRODE CONDUCTOR

A. Service entrance ground wires shall be sized in accordance with NEC Table 250-66, unless otherwise indicated on the Plans. After being located to provide maximum physical protection, exposed ground wires shall be securely attached to structural supports at not more than 2-foot intervals with suitable fasteners. Bends greater than 45 degrees in ground wires are not permitted. Routing of ground conductors through concrete should be avoided, except where specifically called for in these Documents. When concrete penetration is necessary, nonmetallic conduit shall be cast flush with the points of concrete entrance and exit, so as to provide an opening for the ground wire. The opening shall be sealed with a suitable compound after installation of the ground wire.

2.05 EQUIPMENT GROUNDING CONDUCTOR

A. Neutral conductors shall be grounded where indicated. Equipment grounding conductors shall be sized in accordance with NEC Table 250-122, unless otherwise indicated. Ground wires shall be protected by conduit, where such wires run exposed above grade in nonfence-enclosed areas, or are run through concrete construction. Where concrete penetration is necessary, nonmetallic conduit shall be cast flush with the points of concrete entrance and exit, so as to provide an opening for the ground wire. The opening shall be sealed with a suitable compound after installation of the ground wire. Bends greater than 45 degrees in ground wire connections to the ground rods are not permitted.

2.06 EQUIPMENT GROUNDING

A. Equipment frames of motor housings, metallic tanks, metallic equipment enclosures, metal splicing boxes, and other metallic noncurrent-carrying metal items, shall be grounded. Connections to earth shall be made in the same manner as required for system grounding. Equipment or devices operating at less than 750 volts may be connected to secondary neutral grounding electrodes.

2.07 SURGE ARRESTER GROUNDING

A. Surge arresters shall be grounded. Resistance to ground for intermediate-class arresters shall be not more than 10 ohms and for distribution-class arresters shall be not more than 25 ohms. Ground wire connections shall be not less than No. 4 AWG for distribution arresters and No. 1/0 AWG for intermediate arresters. Connections to earth shall be made in the same manner as required for neutral conductors. Surge arrester grounds may use the same ground wires provided for equipment operating at more than 750 volts. Surge arrester and secondary neutral grounds shall be separate from and independent of each other but both grounds shall be bonded together below grade at the ground rods or may utilize a common counterpoise.

2.08 LIGHTING POLE GROUNDING

A. Base of lighting poles shall be connected to a concrete encased grounding electrode (minimum 20' #6 AWG) coiled 2" from the bottom of foundation as indicated on Plans. A ground connection from poles back to neutral ground points shall also be provided utilizing the equipment grounding conductor.

2.09 METALLIC STRUCTURES

A. Metallic structures and buildings shall be grounded per NEC.

2.10 GROUNDING RINGS

A. When required, grounding rings shall be installed using 4.0 bare copper cable with ground rods at least 25 feet intervals using exothermic weld connecting means as indicated on the plans in accordance with NEC requirements.

EXECUTION

3.01 INSTALLATION

A. It is the intent of these Contract Documents that all device and equipment grounds shall be run as a separate conductor in the conduit from the equipment to the distribution panels or system ground. Wireways and enclosures shall be properly bonded and grounded, and ground conductors shall be run for all circuits.

B. Equipment cases and devices shall be grounded. Ground rods shall be driven, and concrete encased conduits installed, before a building, or structure is built, and ground conductors brought through the concrete to accessible points for grounding equipment. These systems shall be installed at each structure, where transformers, switchboards, panelboards, and MCCs are installed.

C. Duct banks shall contain a concrete encased system bare copper ground conductor. The system ground conductors shall run continuously in duct banks, through handholes and other raceway boxes. The system ground shall be connected to the structure grounding systems to provide a continuous grounding system. Each metallic raceway, panel, switchboard, and other metallic devices associated with the electrical and control systems shall be bonded to this grounding system.

D. Ground rod shall be installed not less than 6 inches below grade. Equipment, neutral, and surge arrester ground wires shall be connected to the ground grid as indicated.

3.02 TESTS

A. Pre-Energization Tests

Pre-energization tests shall include, but shall not be limited to tests that the equipment engineer is required to perform under paragraph "GENERAL REQUIREMENTS." No part of the electrical system shall be energized until all station grounding system components have been tested and demonstrated to comply with the requirements specified, and until associated test reports have been submitted and approved.

B. Operating Test

After the installation is completed, the Contractor shall conduct an operating test for approval. Equipment shall be demonstrated to operate in accordance with the requirements herein. Tests shall be performed in the presence of the Engineer. The Contractor shall furnish instruments and personnel required for the test.

C. Ground-Resistance Measurements

Ground-resistance measurements of each ground rod shall be taken and certified by the Contractor to the Engineer. No part of the electrical distribution system shall be energized prior to the resistance testing of that system's ground rods and grounding system and submission of test results to the Engineer. Test reports shall indicate the location of the ground rod and grounding system and the resistance and the soil conditions at the time the test was performed. When the building water service is used as a ground or part of the grounding system, ground-resistance measurements shall also be made of this connection. Ground-resistance measurements shall be made in normally dry weather, not less than 48 hours after rainfall, and with the ground under test isolated from other grounds. The resistance to ground shall be measured using the fall-of-potential method described in IEEE Std 142 and Std 81.

3.03 TEST RESULTS

A. The Contractor shall perform the above tests and complete the following report:

GROUNDING REPORT

1. Pre-Energization Tests
   a.
   b.
   c.
2. Operating Test
   a.
   b.
   c.
3. Ground-Resistance Measurements
   a.
   b.
   c.

BASIS OF PAYMENT

4.01 PAYMENT

A. Payment for items described in this section will be made as part of payments of other system components as described in each section containing pay items. See pay items in sections 16423, 16461, 165000 and 16470.

END OF SECTION 16170

SECTION 16195 ELECTRICAL IDENTIFICATION

GENERAL

1.01 SCOPE OF WORK

A. Electrical identification work specified in this section covers the following:
   1. Buried cable warnings
   2. Electrical power, control and communication conductors
   3. Operational instructions and warnings
   4. Danger signs
   5. Equipment/system identification signs

1.02 SUBMITTALS

A. Submittals to the engineer shall include the following:
   1. Manufacturers data on electrical identification materials and products
   2. Samples of each color, lettering style and other graphic representation required for each identification material or system

1.03 MANUFACTURERS

A. Subject to compliance with requirements, manufacturers offering electrical identification products maybe incorporated in the work include, but not limited to, the following:
   1. Brady, W.H. Co.
   2. Ideal Industries, Inc.
   3. Panduit Corp.
   4. Equivalent

1.04 QUALITY COMPLIANCE

A. Comply with applicable requirements of UL Std. 969, "Marking and Labeling Systems", pertaining to electrical identification systems.

B. Comply with applicable requirements of NEMA Std. No's WC-1 and WC-2 pertaining to identification of power and control conductors.

PRODUCTS

2.01 GENERAL

A. Except as otherwise indicated, provide manufacturer's standard products of categories and types required for each application. Where more than single type is specified for an application, selection is Installer's option, but provide single selection for each application.

2.02 COLOR-CODED CONDUIT MARKERS

A. Provide manufacturer's standard pre-printed, flexible or semi-rigid, permanent, plastic-sheet conduit markers, extending 360 degrees around conduits; designed for attachment to conduit by adhesive, adhesive lap joint of marker, matching adhesive plastic tape at each end of marker, or pretensioned snap-on. Except as otherwise indicated, provide lettering which indicates voltage of conductor(s) in conduit. Provide 8" minimum length for 2" and smaller conduit, 12" length for larger conduit.

B. Unless otherwise indicated or required by governing regulations, provide white markers with black letters.

2.03 CABLE AND CONDUCTOR WIRE MARKERS

A. Cable and conductor wire markers shall be self laminating vinyl on white background, printed using a BRADY XC PLUS printer, or equal. Handwritten wire markers are not acceptable.

2.04 SELF-ADHESIVE PLASTIC SIGNS

A. Provide manufacturer's standard, self-adhesive or pressure-sensitive, pre-printed, flexible vinyl signs for operational instructions or warnings; of sizes suitable for application areas and adequate for visibility, with proper wording for each application, e.g., 208V, EXHAUST FAN, RECTIFIER.

B. Unless otherwise indicated or required by governing regulations, provide white signs with black lettering.

2.05 LETTERING AND GRAPHICS

A. Coordinate names, abbreviations and other designations used in electrical identification work, with corresponding designations shown, specified or scheduled. Provide numbers, lettering and wording as indicated or, if not otherwise indicated, as recommended by manufacturers or as required for proper identification and operation/maintenance of electrical systems and equipment. Comply with ANSI A13.1 pertaining to minimum sizes for letters and numbers.

EXECUTION

3.01 INSTALLATION

A. Install electrical identification products as indicated, in accordance with manufacturer's written instructions, and requirements of NEC.

B. Where identification is to be applied to surfaces which require finish, install identification after completion of painting.

C. Comply with governing regulations and requests of governing authorities for identification of electrical work.

3.02 CONDUIT IDENTIFICATION

A. Where electrical conduit is exposed in spaces with exposed mechanical piping which is identified by a color-coded method, apply color-coded identification on electrical conduit in manner similar to piping identification. Except as otherwise indicated, use white as coded color for conduit.

3.03 CABLE/CONDUCTOR IDENTIFICATION

A. Apply cable/conductor identification, including voltage, phase and feeder number, on each cable/conductor in each box/enclosure/cabinet where wires of more than one circuit or communication/signal system are present, except where another form of identification (such as color-coded conductors) is provided. Match identification with marking system used in panelboards, shop drawings, contract documents, and similar previously established identification for project's electrical work.

3.04 EQUIPMENT/SYSTEM IDENTIFICATION

A. Install engraved plastic-laminate sign on each major unit of electrical equipment in building; including central or master unit of each electrical system including communication-control-signal systems, unless unit is specified with its own self-explanatory identification or signal system. Except as otherwise indicated, provide single line of text, 1/2" high lettering on 1-1/2" high sign (2" high where 2 lines are required), white lettering in black field. Provide text matching terminology and numbering of the contract documents and shop drawings. Provide signs for each unit of the following categories of electrical work:
   1. Panelboards, electrical cabinets and enclosures.
   2. Access panel/doors to electrical facilities.
   3. Major electrical switchgear.

B. Install signs at locations indicated or, where not otherwise indicated, at location for best convenience of viewing without interference with operation and maintenance of equipment. Secure to substrate with brass or stainless steel screws, except use adhesive where screws should not or cannot penetrate the substrate.

3.05 CIRCUIT IDENTIFICATION

A. The 3-phase wires shall be identified at the switchgear, panelboards and motor control centers as Phases A, B, and C. At 277/480V, Phase A shall be brown, Phase B shall be orange, and Phase C shall be yellow. The neutral shall be grey.

B. In addition to color coding all conductors, each conductor shall be identified in each pull box, manhole, panelboard, cable tray, or termination with circuit identification markers. This identification is applicable to all power, control, alarm, and instrumentation conductors and these markings shall be recorded on the Record Documents. Markers shall be slip-on PVC sleeve type as manufactured by Brady, Seaton, or equal.

C. Markers for other cabling shall be B-292 vinyl as manufactured by Brady, Seaton, or equal.

D. Exposed medium voltage conduits shall be labeled at 50 foot intervals with 1 inch letters stating the voltage - example - "12,470 volts". Labels shall be vinyl plastic as manufactured by Brady, Seton, or equal.

3.06 CONDUCTOR FASTENERS

A. Glue-on type conductor fasteners shall not be used in any panels, panelboards, switchboards, switchgear, motor control centers, or other enclosures containing electrical devices and/or conductors.

BASIS OF PAYMENT

4.01 PAYMENT

A. Payment for items described in this section will be made as part of payments of other system components as described in each section containing pay items. See pay items listed in sections 16123, 16124, and 16470.

END OF SECTION 16195

SECTION 16470 PANELBOARDS

GENERAL

1.01 SCOPE OF WORK

A. This section covers electrical panelboards.

1.02 SUBMITTALS

A. Products shall be submitted in accordance with Section 16000, and the Contract Documents, prior to installation.

B. Panel layout with alphanumeric designation, branch circuit breaker sizes and types, AIC rating, bus sizes, and other characteristics.

1.03 QUALITY ASSURANCE

A. NEMA PB-1, Panelboards

B. NEC

C. UL67, Panelboards

PRODUCTS

2.01 PANELBOARDS

A. Dead-front panelboards, including lighting distribution and control panels, shall be furnished and installed as indicated on the Plans. Buses shall be copper. Mounting and type of enclosures shall be as indicated on the Plans. Where not indicated on the plans, indoor enclosures shall be NEMA 12 and outdoor enclosures shall be NEMA 3R. The minimum interrupting capacity of any device shall be as indicated on the Plans.

B. Protective devices shall be bolt on type and replaceable without disturbing adjacent units. Wire connectors shall be suitable for wire sizes indicated. Branch circuits shall be numbered as indicated on the Plans, and a complete typed circuit schedule shall be furnished under a transparent cover, and affixed to the panel. Phase busing shall be full height without reduction. Full size neutral bars shall be included, and shall have suitable lug for each outgoing circuit requiring neutral connection. Spaces for future protective devices provided in lighting panels shall be bused for the maximum device that can be fitted into them.

C. Panelboards shall be finished with a primer, rust resistant phosphate undercoat and two coats of oven baked enamel with finish ANSI grey. They shall be sized to provide a minimum of 4 inches of gutter space on all sides. Doors shall not uncover any live parts, and shall be hinged and have latches that require no tool to operate. Panelboard doors shall be lockable. Lock and two keys shall be furnished.

D. Each panelboard shall have, on the outside of the door, a lamicoid nameplate with 3/4 inch letters as specified elsewhere in these Contract Documents.

E. Panelboards shall be as manufactured by Square D, General Electric, Cutler-Hammer, or equal.

F. Panelboards shall be service entrance rated where required, and as shown on the Plans.

EXECUTION

3.01 INSTALLATION

A. Panelboards shall be installed as indicated on the plans and according to manufacturer's instructions.

B. Provide grounding per NEC, and Section 16170.

C. Contractor shall verify all NEC clearance requirements prior to installation.

METHOD OF MEASUREMENT

4.01 The installation shall include: furnishing a new 100A, 120/240V, single phase, 3W, 30 circuit panelboard, with a 80A/2 pole main circuit breaker installed in a NEMA 3R, unmetered pedestal with a 40A, 2 pole main circuit breaker. Pedestal shall be installed on a 4 inch concrete pad.

BASIS OF PAYMENT

5.01 SYSTEM COMPONENT

A. Payment will be made at the contract unit price for each complete system component listed below, installed in place by the Contractor and accepted by the Owner. This price shall be full compensation for furnishing and installation of all materials, labor, equipment, tools, incidentals and for all preparation, assembly and installation necessary to complete this item in accordance with construction documents. The unit price for these items shall also include Contractor's overhead, profit and markup.

Payment will be made under:

Item 16470-5.1 NEMA 3R Panelboard – per each

END OF SECTION 16470

SECTION 16476 LOW VOLTAGE (600V AND BELOW) CIRCUIT BREAKERS

GENERAL

1.01 SCOPE OF WORK

A. The Contractor shall furnish and install, low voltage circuit breakers, as indicated on the Plans and specified herein.

1.02 SUBMITTALS

A. Products shall be submitted in accordance with Section 16000, and elsewhere in the Contract Documents, prior to installation.

PRODUCTS

2.01 GENERAL

A. Circuit breakers shall be as manufactured by Square D, Cutler-Hammer, General Electric, or equal.

B. Circuit breaker frame, trip, short circuit, and interruption ratings shall be as indicated on the Plans, except that they shall be coordinated with the ratings of the equipment actually furnished, and shall be modified where necessary to suit the equipment. Circuit breakers to be used in motor control centers shall be as indicated on the Plans. Where no indication of type is given on the Plans circuit breakers protecting motors shall be motor circuit protectors, and other circuit breakers shall be molded case type.

C. Circuit breaker for mounting in motor control centers, or for separate mounting shall be of the air-break type, quick-make and quick-break, voltage rated, with number of poles as indicated on the Plans.

D. Each pole of the circuit breaker shall provide inverse time delay, and instantaneous circuit protection.

E. The breakers shall be operated by a handle, and shall have a switching mechanism that is mechanically trip free from the handle, so that the contacts cannot be held closed against short circuits, and abnormal currents. Tripping due to overload, or short circuit shall be clearly indicated by the handle automatically assuming a position between the manual ON and OFF positions. Latch surfaces shall be ground and polished. Poles shall be constructed so that they open, close, and trip simultaneously.

F. Breakers must be completely enclosed in a molded case. Non-interchangeable trip breakers shall have their covers sealed; interchangeable trip breakers shall have the trip unit sealed to prevent tampering. Ampere ratings shall be clearly visible. Contacts shall be non-welding silver alloy. Arc extinction must be accomplished by means of arc chutes. The minimum interrupting ratings of the circuit breakers shall be at least equal to the available short circuit current at the line terminals.

G. Circuit breakers shall conform to the applicable requirements of NEMA Standards Publication No. AB1.

H. Molded case circuit breakers shall be ambient temperature compensating that provides inverse time delay overload and instantaneous short circuit protection by means of a thermalmagnetic element.

Compensation shall be accomplished by a secondary bi-metal that will allow the breaker to carry rated current between 25 degrees C and 50 degrees C with tripping characteristics that are approximately the same throughout this temperature range.

I. On breakers with interchangeable, thermal, adjustable magnetic trip, the accessibility and position of the adjustment knob shall not be changed from those on the standard breaker.

J. Unless mounted in a switchboard, or panelboard, circuit breakers shall be housed in a NEMA rated enclosure as described elsewhere in these specifications.

K. Provide circuit breakers with shunt trip mechanisms where shown on the Plans.

L. Circuit breakers for mounting inside panelboards shall be bolt-on type with a short circuit rating equal to or greater than the bracing of the panelboard bus.

M. Circuit breakers for mounting inside existing panelboards shall match existing circuit breaker type and shall have circuit rating equal to or greater than the bracing of the panelboard bus.

N. Circuit breakers dedicated for feeding fluorescent and High Intensity Discharge (HID) lighting systems shall be UL listed HID circuit breakers.

EXECUTION

3.01 INSTALLATION

A. Circuit breakers shall be installed as indicated on the plans and per manufacturer's instructions.

BASIS OF PAYMENT

4.01 Payment for items described in this section will be made as part of payment for other system components as described in each section containing pay items. See pay items in section 16470.

END OF SECTION 16476

SECTION 16485 LIGHTING CONTACTORS

GENERAL

1.01 SCOPE OF WORK

A. Lighting contactors shall have the ampacity, number of poles, and AIC rating as indicated on the plans.

1.02 RELATED WORK SPECIFIED ELSEWHERE

PRODUCTS

2.01 LIGHTING CONTACTORS – MULTIPOLE, ELECTRICALLY HELD

A. Lighting contactors shall be electrically and magnetically held. The operating coil voltage shall be suitable for the control circuitry indicated on the plans. Auxiliary (holding) contacts shall be provided as required.

B. They shall be rated for ballast, tungsten and general purpose loads. Their contacts shall be silver-cadmium-oxide double break.

C. Lighting contactors shall be as manufactured by Square D, General Electric, Cutler Hammer, or equal.

EXECUTION

3.01 INSTALLATION

A. Install lighting contactors as indicated on the plans and per manufacturer's instructions.

B. Lighting contactors to be mounted inside control cabinets shall be open type.

C. Unless mounted in a control cabinet, or other specified enclosure, lighting contactors shall be housed in a NEMA rated enclosure as described elsewhere in these specifications.

BASIS OF PAYMENT

4.01 Payment for items described in this section will be made as part of payment for other system components as described in each section containing pay items. See pay items in sections 16500.

END OF SECTION 16485

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SECTION 16500 LIGHTING

GENERAL

1.01 SCOPE OF WORK

A. The Contractor shall provide all labor, materials, equipment and incidentals as shown, specified and required to furnish and install lighting fixtures.

1.02 QUALITY ASSURANCE

A. Reference Standards:
1. National Electrical Code (NEC)
2. UL Standard #1598, Electric Lighting Fixtures
3. UL Standard #8750, Light Emitting Diode (LED)
4. Illuminating Engineering Society (IES)
5. All applicable local lighting ordinances

B. Miscellaneous:
1. Lamps are identified for each luminaire in the Lighting Fixture Schedule on the Plans.
2. Lighting fixtures and electrical components:
   a. UL labeled, complete with lamps.
   b. Rated for area classification as indicated.
3. Location of lighting fixtures on Plans are intended to be used as a guide.
   a. Field conditions may affect actual locations.
   b. Coordinate with other trades to avoid conflicts in mounting of fixtures and other equipment.
4. The quality standard is established by the fixture listed in the Lighting Fixture Schedule.
   a. This quality standard includes, but is not necessarily limited to construction features, materials of construction, finish, and photometrics.

1.03 SUBMITTALS

A. The following shall be submitted to the Engineer for review:
1. Acknowledgment that products submitted meet requirements of standards referenced.
2. Manufacturer's technical information on products to be used including photometric performance curves for the fixture and ballast data.
3. Acknowledgment that products submitted are UL or ETL listed.
4. When general data sheets constitute part of the submittal, identify the products to be used on this project.
5. Manufacturer's installation instructions.
6. Identification of fixtures by Lighting Fixture Schedule.
7. UL nameplate data (Voltage, wattage, etc.).
8. Finishes, colors, and mounting type.
9. Pole, fixture, and accessories.
10. Pole wind loading.

B. Contractor shall submit shop drawings, manufacturer's data sheets, and a complete wiring diagram detailing all connections to the electrical system in accordance with Section 16000, and other requirements of the Contract Documents.

PRODUCTS

2.01 MANUFACTURERS

A. Lamps shall be manufactured by General Electric, North American/Phillips, Sylvania, or equal.

B. Lighting fixtures shall be provided as indicated on the Lighting Fixture Schedule on the Plans.

C. Lighting ballasts shall be manufactured by General Electric, Advance, Jefferson, Universal, Bodine, Lithonia, or equal.

D. Light poles shall be as indicated on the Plans. Include base template, galvanized steel anchor bolts and hardware, and pole grounding lug, handhole, anchor base and bolt covers. Pole foundations shall be as indicated on the Plans.

2.02 MATERIALS

A. General:
1. Lamps:
   a. See lighting fixture schedule on Plans for wattage, voltage and number required.

2. All Fixtures:
   a. There shall be no live parts normally exposed to contact.
   b. When intended for use in wet area:
      (1) Mark fixtures “suitable for wet locations.”
   c. When intended for use in damp areas:
      (1) Mark fixtures “suitable for damp locations” or “suitable for wet locations.”
   d. In wet or damp area, install fixtures so that water cannot enter or accumulate in the wiring compartment, lampholder, or other electrical parts.
   e. Gasket seals: Urethane foam
   f. Diffusers: UV stabilized acrylic plastic

3. Underground wiring:
   a. Provide all wiring runs with separate green grounding conductor.
   b. Ground all pole bases.

4. Pole wiring from base to ballast:
   a. No. 12 type XHHW.
   b. Each phase shall be protected by a 30A, 600V, type Tron waterproof fuseholder, Bussman “Limitron” type fuse, size rating 3-times load current.

B. Fluorescent Lamps:
1. Rapid start

2. Cool white (F32T8/41K-85CRI)
3. Energy efficient or standard as noted on the lighting fixture schedule.

C. Light Emitting Diodes (LED)
1. Colour Temperature 4,100k
2. 80,000 lamp life

D. Furnish a minimum of 2 lamps, or ten percent spare lamps of each type and wattage, whichever is greater.

2.03 FIXTURES

A. Fluorescent Lighting Fixtures:
1. Ballast:
   a. Rapid start, high efficiency, high frequency electronic
   b. CBM/ETL certified
   c. Sound rating A
   d. 10% THD maximum

2. Internal wiring: AWM, TFN or THHN

3. Channel and end plates: 22 GA steel

4. Steel door frame and socket track: 20 GA steel

5. Channel cover: 24 GA steel

B. Light Emitting Diode (LED) Fixtures:
1. Drivers for Light emitting Diode (LED) fixtures:
   a. Type: Solid State
   b. Operates at 50-60Hz with a power factor greater than 95%
   c. 9Kv surge suppression
   d. Power supply shall operate between -40°F to +140°F.
   e. Vibration test to ANSI C136.31-2001 for Roadway Luminaire Vibration.
   f. Salt fog tested to ASTM B117 for a minimum of 1,000 hours.
   g. Intrusion Protection 66
   h. Integral heat sink
   i. Optical system (Full cut-off)
   j. Dual driver (175mA/525mA)

C. FAA L-810 LED Obstruction Light:
1. Drivers for Light emitting Diode (LED) fixtures:
   a. Type: Solid State
   b. 120VAC
   c. Weather/corrosion resistant lamp assembly and housing
   d. Self contained wiring compartment

EXECUTION

3.01 INSTALLATION

A. Install lamps in all luminaires.

B. Replace all failed fluorescent, and led lamps with new lamps prior to final acceptance by Owner.

C. Surface and flush mounted fixtures shall be solidly connected to a junction box. Suspended fixtures shall be hung utilizing pendant mounting or stainless steel chains and hooks. Each suspended fixture, shall be electrically connected by a length of Type SO flexible cord, 3 conductor No. 14 AWG, minimum, with a twist-lock receptacle mounted in an individual junction box. Plugs and receptacles shall be as manufactured by Hubbell, General Electric Company, or equal.

D. Provide mounting brackets and/or structural mounting support for fixtures.
   1. Do not support fixture from conduit system.
   2. Do not support fixture from outlet boxes.

E. Install with approved mounting hardware following manufacturer's recommendations.

F. Pole mounted fixtures shall be mounted on steel or aluminum poles as indicated on the Plans. All metal poles shall be bonded to the facility ground system. Poles shall have adequate handholes and weatherproof receptacles where indicated.

G. All anchor bolts and nuts shall be galvanized rigid steel. Contractor shall paint all steel poles with aluminum paint or other color in accordance with these Contract Documents.

H. Fixture mounting heights and locations indicated on the Plans are approximate and are subject to revision in the field where necessary to avoid conflicts and obstructions.

3.02 ADJUSTING AND CLEANING

A. Wipe all lighting fixture reflectors, lenses, lamps, and trims clean after installation and prior to acceptance of Project by Owner.

METHOD OF PAYMENT

4.01 The quantity of each payment item under this section shall include the following:

A. For each pole mounted lighting fixture(s) - pole base, pole, ALL lighting fixtures for that pole location, bulbs, grounding, and other incidentals necessary for a complete installation in accordance with construction documents.

B. For each Bus Shelter mounted lighting fixture(s) – lighting fixture, buld(s), necessary supports, conduit, grounding, lighting contactor and controls, and other incidentals necessary to complete installation in accordance with construction documents.

C. For each Pole mounted lighting fixture(s) with obstruction light – lighting fixture, bulb(s), L-810 obstruction light, any necessary supports, conduit, grounding, and any other incidentals necessary for a complete installation in accordance with construction documents.

BASIS OF PAYMENT

5.01 System Components

A. Payment will be made at the contract unit price for each complete system component listed below installed in place by the Contractor and accepted by the Owner or Owner's Representative. This price shall be full compensation for furnishing all materials and for all preparation, assembly, and installation of these materials, and for all labor, equipment, tools, and incidentals necessary to complete this item. The unit price for these items shall also include Contractor's overhead, profit, and markup.

Payment will be made under:

Item 16500-5.1	Lighting Contactor, 30A, 4 pole — per each
Item 16500-5.2	Lighting Fixture Schedule Item "A" (LED) — per each
Item 16500-5.3	Lighting Fixture Schedule Item "D" (LED) — per each
Item 16500-5.4	Lighting Fixture Schedule Item "E" — per each
Item 16500-5.5	Spare Light Fixture only Schedule Item "A" – per each
Item 16500-5.6	Spare Light Fixture only Schedule Item "D" – per each
Item 16500-5.7	Spare Light Fixture only Schedule Item "E" – per each

END OF SECTION 16500

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DIVISION 27

COMMUNICATIONS

27 05 00 Common Work Results for Communications
27 05 00 General Provisions
27 05 26 Grounding and Bonding for Communications Systems

27 06 00 Schedules of Communications
27 06 10 Schedules for Data Communications Equipment

27 13 00 Communications Backbone Cabling
27 13 00 Communications Backbone Cabling
27 15 00 Communications Horizontal Cabling

DIVISION 28

ELECTRONIC SAFETY AND SECURITY

28 05 00 Common Work Results for Electronic Safety and Security
28 05 00 General Provisions
28 05 01 Scope of Work
28 23 00 Video Surveillance

Registered Professional Engineer (Electrical)
CERTIFICATE NO.
37828
GERALD E.
KATAFIASZ
Date Signed 12/19/12
ARIZONA, U.S.A.
EXPIRES: 09/30/14

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SECTION 27 05 00

GENERAL PROVISIONS

PART 1 GENERAL

1.1 SUMMARY

A. Types of data/communication cable systems specified in this section include the following:

1. Fiber-optic cable systems.
2. Voice communication cable system.
3. Data communication cable system.
4. Associated conduit raceway distribution and equipment rack/cabinet system.

B. The Contractor shall furnish, install and test conduit system, cable and conduit support system, fire-stopping, fiber-optic, voice, data and CATV cables, associated connectors, patch panels, equipment racks, grounding system, patch cords, etc., as indicated on the drawings and in these specifications.

C. The Contractor shall include all work shown on the drawings and in the specifications. The drawings and specifications are intended to agree with each other. Any discrepancies shall be brought to the attention of the Engineer for correction. No omission from any drawing shall release the Contractor from furnishing equipment, materials or services required by these documents.

D. The Contractor, the cable manufacturer, the connectivity manufacturer and the distributor shall collaborate and work in partnership with one another so as to provide the Owner with UL or ETL independently verified cabling installation that is guaranteed to perform at levels above and beyond the proposed EIA/TIA 568B.1 Standards, as per the minimum acceptable full channel performance specification contained herein. The partnership shall make available optional UL or ETL independent testing and verification of the completed installation. The partnership shall provide full written certification of the installation to the Owner upon completion.

E. Any deviation, alteration or substitution from the drawings and specifications shall be fully documented by the Contractor and <u>submitted as a voluntary alternate to the base bid with the amount of deduct to the base bid specified</u>. Approval of requests for substitution of products, processes or procedures other than those specified shall be contingent upon submission of fully acceptable documentation to the Engineer.

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F. Products that are submitted for substitution must be electrically and mechanically interchangeable with the specified product. Substitutions shall only be allowed with written approval from the Engineer. Samples of proposed substitutions must be submitted prior to approval, at the discretion of the Engineer. Any substitutions without the written approval of the Engineer are done so at the risk of the Contractor. Substitutions unacceptable to the Engineer shall be rejected without explanation or appeal.

G. The Contractor shall also be responsible for protecting any and all equipment and materials from damage during his installation process. Any equipment, material and/or facilities damaged by the Contractor during, due to, or in the performance of his contract, shall be replaced or repaired at the expense of the Contractor, as directed by the Engineer.

1.2 QUALITY CONTROL

A. Manufacturer Qualifications: Firms regularly engaged in manufacture of communication cabling system equipment whose products have been in satisfactory use in similar service for not less than five years.

B. Installer Qualifications:

1. Installers shall be fully capable and experienced in communication cabling system specified. This Contractor and all subcontractors engaged in this communication cabling installation shall have experience in this business for not less than five years and shall have successfully completed a minimum of five projects of similar size.
2. The Contractor shall specify, in his bid, all subcontractors who shall be utilized in this project. Subcontractors' company name, contact and responsibilities shall be listed.
3. The Contractor shall employ a Registered Communication Distribution Designer (RCDD) who shall be responsible to the Engineer, Architect and Owner for all work performed by the Contractor and his subcontractors. The RCDD shall have the authority of the Contractor to make immediate decisions regarding implementation of changes to the project as directed by the Engineer or Architect.
4. If, in the opinion of the Engineer, Architect or Owner, the RCDD does not possess or demonstrate adequate qualifications to support the project, the Owner reserves the right to require the Contractor to assign an RCDD who, in the Owner's opinion, possesses the skill necessary to complete the project.

1.3 ON-SITE PROJECT MANAGER (PROJECT FOREMAN)

A. The Project Manager shall report directly to the RCDD, Engineer, Architect and Owner for quality of installation and compliance with these documents.

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B. The Project Manager shall be a manufacturer certified and a BICSI, registered cabling installation technician, NJATC installer technician, BICSI RCDD or Engineer-approved equal and have a minimum of two years experience.

C. The Project Manager shall maintain all documentation in accordance with these specifications.

D. Journeymen and Apprentices performing work under this specification shall be enrolled in or have completed the BICSI, registered cabling installation technician, NJATC installer technician, or Engineer-approved equal course.

1.4 REQUEST FOR INFORMATION

A. Request for Information:

1. A request for information is a document submitted by the Contractor requesting clarification of a portion of the Contract Documents, hereinafter referred to as an RFI.
2. A properly prepared RFI shall include a detailed written statement that indicates the specific drawings or specification in need of clarification and the nature of the clarification requested.

   a. Drawings shall be identified by drawing number and location on the drawing sheet.
   b. Specifications shall be identified by section number, page and paragraph.

B. Improper RFI's:

1. Improper RFI’s are RFI's that are not properly prepared.
2. Improper RFI's will be processed by the Architect/Engineer at the Architect/Engineer's standard hourly rate. The Architect/Engineer will charge the Owner and such costs will be deducted from monies still due the Contractor. The Contractor will be notified by the Architect/Engineer prior to the processing of improper RFI's.

C. Frivolous RFI's:

1. Frivolous RFI’s are RFI's requesting information that is clearly shown on the Contract Documents.
2. Frivolous RFI's may be returned unanswered or may be processed by the Architect/Engineer at the Architect/Engineer's standard hourly rate. The Architect/Engineer will charge the Owner and such costs will be deducted from monies still due the Contractor. The Contractor will be notified by the Architect/Engineer prior to the processing of frivolous RFI's.

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1.5 RECORD DRAWINGS

A. Record Prints: Maintain one set of marked-up paper copies of the Contract Drawings, Submittals and Shop Drawings.

1. Preparation: Mark record prints to show the actual installation where installation varies from that shown originally. Include underground and overhead piping. Require individual or entity who obtained record data, whether individual or entity is Installer, subcontractor, or similar entity, to provide information for preparation of corresponding marked-up record prints.

a. Give particular attention to information on concealed elements that would be difficult to identify or measure and record later.
b. Include dimensions both horizontally and vertically to permanent points of reference accurate within 6 inches. Include descriptors such as “below slab”, “above ceiling”, etc.
c. Record data daily or as soon as possible after obtaining it.
d. Record and check the markup before enclosing concealed installations.

2. Mark the Contract Drawings, Submittals and Shop Drawings completely and accurately. Utilize personnel proficient at recording graphic information in production of marked-up record prints.
3. Mark record sets with erasable, red-colored pencil. Use other colors to distinguish between changes for different categories of the Work at same location.
4. Note Construction Change Directive numbers, alternate numbers, Change Order numbers, and similar identification, where applicable.

1.6 EXISTING MATERIALS AND EQUIPMENT

A. Disposition: With the exception of items that are to be reused or retained by the Owner, all other materials indicated to be removed shall be removed and disposed of by the Contractor. Items that are indicated to be retained or returned to the Owner and shall be delivered to a storage area designated by the Owner.

B. Exterior Services: The Contractor shall be responsible for maintaining communication and control service to the existing building during the construction period. Existing services are to be retained until such a time that the new services, if any, are completely installed and ready for use. Scheduling of service interruptions is to be coordinated with the Engineer and Owner.

C. Disconnect, demolish, and remove communication systems, equipment, and components that are indicated to be removed.

1. Conduit to be Removed: Remove portion of piping indicated to be removed and cap or plug remaining piping with same or compatible piping

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material. Patch insulation, as required, to match adjacent areas.

2. Conduit to be Abandoned In Place: Drain piping and cap or plug piping with same or compatible piping material.
3. Equipment to be Removed: Disconnect services and remove equipment.
4. Equipment to be Removed and Reinstalled: Disconnect and remove, clean, and store equipment; when appropriate, reinstall, reconnect, and make equipment operational.
5. Equipment to be Removed and Salvaged: Disconnect and remove equipment and deliver to Owner.

D. Rerouting and Relocation of Existing Low Voltage Communication Equipment and Services in Existing Building:

1. General: Contractor shall reroute, relocate all existing materials which are in conflict with the building alterations and which are required to be maintained in use.
2. Existing Raceways and Conductors: Where applicable, existing material may be reused in their original location unless otherwise indicated.

E. Testing: All existing services affected by the new construction and which are to remain in operation shall be returned to their original condition. The existing services shall be tested as new, as described in other sections of these specifications. If for any reason these requirements cannot be met, the Contractor shall immediately notify the Engineer.

1.7 ALTERNATE MATERIALS AND EQUIPMENT

A. Refer to Division 1 for description of alternate material and equipment.

B. Refer to Division 1 for substitution request requirements.

1.8 SHOP DRAWINGS

A. Submit all shop drawings and data in accordance with Division 1, and at one time for all equipment provided under this Division. The complete communication shop drawings shall all be bound in one PDF electronic format indexed to this Division.

B. Processed shop drawing submittals are not change orders. The purpose of shop drawing submittals by the Contractor is to demonstrate that the Contractor understands the design concept; he demonstrates his understanding by indicating which equipment and material he intends to furnish and install and by detailing the fabrication and installation methods he intends to use. If deviations, discrepancies, or conflicts between shop drawings and specifications are discovered, either prior to or after shop drawing submittals are processed, the design drawings and specifications shall control and shall be followed.

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C. Manufacturers' data and dimension sheets shall be submitted, giving all pertinent physical and engineering data including weights, cross-sections and maintenance instructions. Standard items of equipment such as receptacles, switches, plates, etc., which are cataloged items, shall be listed by manufacturer.

D. Index all submittals and reference to these specifications.

1.9 EQUIPMENT PURCHASES

A. Arrange for purchase and delivery of all materials and equipment within 20 days after acceptance of submittal. All materials and equipment shall be ordered in ample quantities for delivery at the proper time. If items are not on the project in time to expedite completion, the Owner may purchase said equipment and materials and deduct the cost from the Contract Sum.

B. Provide all materials of similar class or service by one manufacturer.

1.10 WORK AND MATERIALS

A. All electrical materials and equipment shall be new and of the type and quality specified, and shall be listed by UL and bear their label where standards have been established, in compliance with the applicable standards of NEC (NFPA 70), NFPA, ANSI, IEEE, IPCEA and NEMA. Replace or repair any nonconforming, damaged, or defective items at no extra cost to the Owner.

B. Perform all labor in a thorough and workmanlike manner, to the satisfaction of the Architect. The Contractor shall staff the project with sufficient skilled workmen, including a fully qualified superintendent, to complete the work in the time allotted. The Superintendent shall be qualified to supervise all of the work of this Division.

C. Materials provided under the contract for which the UL label is not normally available shall be mounted in separate enclosures and wired to the labeled units in an acceptable manner.

1.11 COOPERATIVE WORK

A. Cooperative work includes:

1. General supervision and responsibility for proper location and size of work related to this Division, but provided under other sections of these specifications.
2. Installation of sleeves, inserts, and anchor bolts for work under each section in this Division.

B. Correct without charge any work requiring alteration due to lack of proper supervision or failure to make proper provision in time. Correct without charge any damage to adjacent work caused by the alteration.

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PART 2 PRODUCTS (NOT USED)

PART 3 EXECUTION

3.1 RECORD DRAWINGS

A. Recording: Post changes and modifications to project record documents as they occur; do not wait until the end of Project.

B. Maintenance of Record Documents and Samples: Store record documents in the field office apart from the Contract Documents used for construction. Do not use project record documents for construction purposes. Maintain record documents in good order and in a clean, dry, legible condition, protected from deterioration and loss. Provide access to project record documents for Engineer's reference during normal working hours.

3.2 VERIFICATION OF DIMENSIONS

A. Scaled and figured dimensions are approximate only. Before proceeding with work, carefully check and verify dimensions at site, and be responsible for properly fitting equipment and materials together and to the structure in spaces provided.

B. Drawings are diagrammatic and many offsets, bends, special fittings and exact locations are not indicated. Carefully study drawings and premises in order to determine best methods, exact locations, routes, building obstructions, and install apparatus and equipment in available locations. Install apparatus and equipment in manner and in locations to avoid obstructions, preserve headroom, and keep openings and passageways clear.

3.3 CUTTING AND PATCHING

A. Cut work and patch per Division 01 as necessary to properly install the new work. As the work progresses, coordinate necessary openings, holes, chases, etc., in their correct location. If the required openings, holes and chases are not in their correct locations, make the necessary corrections at no cost to the Owner. Avoid excessive cutting and do not cut structural members without the consent of the Engineer. Include as a part of the work all structural framing required by penetrations through the roof and necessary steel to support ducts and pipes between structural steel unless shown on the structural drawings.

3.4 CLOSING-IN OF UNFINISHED WORK

A. Cover no work until inspected, tested and approved. Where work is covered before inspection and test, uncover it, and when inspected, tested and approved, restore all work to original proper condition.

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3.5 EXCAVATION AND BACKFILL

A. Perform all necessary excavation, shoring and backfilling required for the proper laying of all raceways, ducts, and conduits inside the building and premises, and outside as may be necessary. Remove all excess excavated materials from the site or dispose of on site as directed by General Contractor.

B. Excavate all trenches open cut, keep trench banks as nearly vertical as practicable, and sheet and brace trenches where required for stability and safety. Excavate trenches true to line and make bottoms not less than 18" wide but no wider than necessary to provide ample work room. Grade trench bottoms accurately to provide uniform bearing and support for each section of pipe on undisturbed soil along its entire length. Dig "bell" holes after the trench bottom has been graded. Machine grade only to the top line of the raceways, doing the balance by hand. Do not cut any trench near or under footings without first consulting the Engineer. Comply with OSHA requirements.

C. Provide not less than 4 inches of granular material as pipe bedding prior to laying pipe in trench to continuously support pipe and maintain required slope. Granular material shall be pea gravel or sand per MAG Standards.

D. Provide backfilling and compaction in accordance with provisions of these specifications and under the direction of the Engineer to the required density.

E. Provide not less than 4 inches of granular material, same as piping bedding, all around pipe. Make the first 2 feet of fill in 6 inch layers, each thoroughly compacted as directed, and free from rocks, large clods of earth, leaves, branches, and debris. Compact the rest of the backfill as directed, using in the backfill no rocks larger than 4 inches in diameter, and using no rock in the top 12 inches.

3.6 EQUIPMENT ROUGH-IN

A. Rough-in only (unless otherwise designated on the drawings) shall include providing all services as indicated and required, including all conduit and conductors. Cap all conduit stub-outs. Cap all conduits stub-outs in a manner suitable for future extension.

3.7 EQUIPMENT FINAL CONNECTIONS

A. Provide all final connections for the following:

1. All equipment furnished under this Division.
2. Communications equipment furnished under other sections of the specifications (except as otherwise designated).
3. Owner-furnished equipment as shown on the drawings.

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3.8 OWNER-FURNISHED AND OTHER EQUIPMENT

A. Rough-in only for all Owner-furnished equipment reference Division 01 and all equipment furnished under other sections of the specifications, except as otherwise specified and/or noted on the drawings.

1. Rough-in only (unless otherwise designated on the drawings) shall include providing all services as indicated and required, including all conduit and conductors. Cap all conduit stub-outs. Cap all conduits stub-outs in a manner suitable for future extension.

3.9 CLEANUP

A. In addition to cleanup specified under Division 01, thoroughly clean all parts of the equipment. Where exposed parts are to be painted, thoroughly clean off any splattered construction materials and remove all oil and grease spots. Wipe the surface carefully and scrape out all cracks and corners.

B. During the progress of the work, keep the premises clean and free of debris.

3.10 PAINTING

A. Except as otherwise specified or indicated in the architectural drawings and/or specifications, paint all exposed unfinished metal with one coat of rust-inhibiting primer. Galvanized ductwork and factory painted equipment shall be considered as having primed surface.

B. Damage and Touch-Up: Repair marred and damaged factory-painted finishes with materials and procedures to match original factory finish.

C. Finished painting is specified under Division 09.

3.11 TESTING

A. Upon completion of the communication work, the entire installation shall be tested and demonstrated to be operating satisfactorily. Tests and documentation shall be in accordance with EIA/TIA Acceptance Testing Specifications for Communication Equipment and Systems.

B. Additional equipment-specific testing is described in the equipment's respective section of this Division.

C. Furnish a written report of testing to the Architect. At a minimum, the report shall include:

1. Testing Contractor's letterhead
2. Testing technician's name and signature.
3. Date and time that test was performed.

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4. Ambient temperature and weather conditions.
5. Test equipment manufacturer, model number, and last calibration date.
6. The manufacturer, model number, and, as applicable, trip unit model number and available adjustments of tested equipment.
7. Statement of "As Left" conditions.
8. Pass/Fail statement.
9. Recommendations if any.

D. The Contractor shall submit the testing schedule to the Architect two weeks prior to initiation of testing activity.

END OF SECTION

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SECTION 27 05 26

GROUNDING & BONDING FOR COMMUNICATIONS SYSTEMS

PART 1 GENERAL

1.1 SUMMARY

A. This section outlines the requirements of the telecommunication grounding work as indicated on the drawings and in the contract documents.

1.2 RELATED DOCUMENTS

A. Division 26 shall apply to work of this section.

B. Division 26 grounding shall apply in conjunction with this section, for a complete system.

1.3 QUALITY CONTROL

A. Manufacturers: Firms regularly engaged in the manufacture of electrical connectors, terminals and fittings, of types an ratings required, and ancillary grounding materials including stranded cable, copper braid and bus, ground rods and plate electrodes, whose products have been in satisfactory use in similar service for not less than three years.

B. NEC Compliance: Comply with NEC requirements as applicable to materials and installation of data/telecommunication grounding systems, associated equipment and wiring. Provide grounding products which are UL listed and labeled.

C. UL Compliance: Comply with applicable requirements of UL Standard Numbers 467 and 869, pertaining to data/telecommunication grounding and bonding.

D. TIA/EIA Compliance: Comply with TIA/EIA-607 Standards and the BICSI Telecommunications Distribution Methods Manual (TDMM) for the installation of data/telecommunication grounding and bonding system.

1.4 SUBMITTALS

A. Submit all shop drawings and data in accordance with Division 1, and at one time for all equipment provided under this Division.

B. Processed shop drawing submittals are not change orders. The purpose of shop drawing submittals by the Contractor is to demonstrate that the Contractor understands the design concept; he demonstrates his understanding by indicating which equipment and material he intends to furnish and install and by detailing the fabrication and installation methods he intends to use. If deviations,

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discrepancies, or conflicts between shop drawings and specifications are discovered, either prior to or after shop drawing submittals are processed, the design drawings and specifications shall control and shall be followed.

C. Manufacturer's data and dimension sheets shall be submitted, giving all pertinent physical and engineering data including weights, cross-sections and maintenance instructions. Standard items of equipment such as receptacles, switches, plates, etc., which are cataloged items, shall be listed by manufacturer.

PART 2 PRODUCTS

2.1 TELECOMMUNICATION GROUNDING SYSTEM

A. Provide a low impedance telecommunication grounding system with a stable ± 0 volt to ground signal reference point for communication system equipment and infrastructures.

B. Telecommunication bonding backbone (TBB) shall be sized per NEC Table 250-66 (based on largest service entrance conductor or equivalent area for parallel conductors, minimum of a #2 AWG copper conductor.

C. All bonding conductors shall be minimum #6 AWG, insulated (green jacket), stranded copper.

D. In multi-story buildings requiring two or more vertical TBB's, the TBB's shall be bonded together at the top and bottom floors, with a minimum of every third floor when the building exceeds four floors.

E. System connections shall be irreversible compression-type connectors or exothermic welding with bronze bolt, star washer and nut connection hardware.

F. Zinc-clad or nickel-plated steel hardware is not acceptable.

G. Set screw, box lug, and split-bolt connectors are not acceptable.

H. Where required by local code, the data/telecommunication grounding system backbone cable conductor shall be a bare stranded copper conductor in lieu of an insulated conductor when installed in open cable trays and/or exposed in a return air plenum space or riser rated space. The Contractor shall verify requirements and coordinate with the Engineer.

I. Two-hole compression lugs shall be utilized for backbone cable terminations of #2 AWG and larger. One-hole compression lugs may be utilized for cable terminations of #6 AWG up to #2 AWG.

PART 3 EXECUTION

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3.1 INSTALLATION

A. Bonding and grounding conductors installed in ferrous metallic conduit shall be bonded at each end of conduit, utilizing a minimum #6 AWG copper conductor and bond bushings. Conduits less than 3'-0" in length shall be bonded at one end. Bond bushing lug shall be replaced with a compression-type ground lug, bolted to bushing with bronze machine screw and star washer.

B. Bonding and grounding conductor splices shall be kept to a minimum. All splices shall be located in the telecommunication spaces only and shall be fully accessible.

C. Bonding conductors shall be individually routed to each piece of equipment.

D. Conductors shall terminate onto dedicated grounding lugs, one conductor per termination.

E. All conductors shall be maintained as short and as straight as possible.

F. Conductors shall be free from loops and coils; no bends shall be greater than 90 degrees.

G. The data/telecommunication grounding system shall be extended to and through data/communication raceways such as cable trays, cable channels, ladder systems, metallic surface-mounted raceways, etc., by means of extending a #6 AWG minimum bonding conductor through the length of the raceway system and bonding to each section of raceway, lugging at 10 foot maximum intervals along the length of the raceway, and lugging to any section of raceway greater than 3 feet in length, in lieu of the installation of individual bonding jumpers between each raceway section.

H. Where a bare copper TBB conductor or bonding conductor is routed through a cable tray system, the conductor shall be tied down and anchored to the cable tray 36" maximum on center, utilizing a UL listed wire fastener as required.

I. The data/telecommunication grounding system shall meet the requirements of NEC Articles 250 and 800. The Contractor shall bond individual electronic components and equipment to the grounding system per the equipment manufacturer's recommendations and instructions.

J. Each telecommunication bonding conductor shall be labeled. Labels shall be located on conductors, as close as practicable to their point of termination. Label shall be non-metallic and include the following information: "WARNING – IF THIS CONNECTOR OR CABLE IS LOOSE OR MUST BE REMOVED, PLEASE CALL THE BUILDING TELECOMMUNICATION MANAGER."

K. Items to be bonded to the data/telecommunication grounding system at the ground distribution bus bars shall include, but not be limited to, the following:

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1. Telephone equipment (e.g. PBX's, KSU's, ISDN equipment, etc.).
2. CATV equipment.
3. Equipment racks and cabinets.
4. Cable ladders, trays, and channels.
5. Surface-mounted metallic raceways and wireways.
6. Metallic conduit systems.
7. Service entrance protected terminals.
8. Telecommunications and fiber-optic splice enclosures.
9. Inter-building cable sheaths and messengers.
10. Coupled bonding conductors.

3.2 SYSTEM TESTING

A. Upon completion of the installation of the data/telecommunication grounding system and/or servicing of the existing grounding systems, the Contractor shall perform approved standard ground resistance tests with an Engineer-approved ground resistance test unit (i.e., stakeless clamp-on ground resistance tester, three-point fall of potential tester), using approved procedures as noted in this specification.

B. The Contractor shall perform telecommunication grounding system testing as follows:

1. Measure ground current and ground resistance readings on all TBB conductors at each telecommunications main grounding bus bar.
2. Measure ground current and ground resistance readings on all bonding jumpers at each telecommunications main grounding bus bar.
3. Record all readings in a Test Report.
4. Where test results indicate a ground current of 1 amp or greater, the Contractor shall take appropriate action to identify and reduce the ground current to less than 1 amp. The Contractor shall notify the Engineer in writing of the excessive ground current, the source, and the action taken to reduce the current.

C. The Contractor shall demonstrate to the Owner or Owner's representative, by testing, that the data/telecommunication ground system to earth resistance value is 5 ohms or less, utilizing a "clamp-on" or three-point fall of potential tester.

D. The Contractor shall be able to demonstrate to the Owner or Owner's representative, by test, that the data/telecommunication grounding system resistance from any grounded non-current-carrying conductor in the system to the electrical service entrance neutral/ground bonding conductor is less than 0.1 ohms.

E. The Contractor shall record the test results in a Test Report, and provide a description of the testing procedures for submission to the Engineer for approval.

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F. The Contractor shall include copies of the completed and approved Test Report in the Instruction Manuals.

END OF SECTION

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SECTION 27 06 10

SCHEDULES FOR DATA COMMUNICATIONS EQUIPMENT

PART 1 GENERAL

1.1 RELATED DOCUMENTS

A. Telecommunications

PRODUCT	MANUFACTURER	PRODUCT NUMBER	DESCRIPTION	APPROVEDEQUAL MANUFACTURER
Patch Panel	Panduit	DP48688TGY	48 Port Patch Panel, 6-Port Modules, 19”	
Terminations Blocks	Panduit	GPBW24-X	96 Pair Termination Block	
Jumper Trough	Panduit	P11OJTW-X	110 Jumper Trough	
Wire Basket Tray “Accessories”	Cablofil	CF105/450 E290 KIT FASP CH450 Insert 450	18”W x 4”H Cable Tray, black finish 90 Degree and T-Bend Kit Hanger Bracket Solid Tray Insert	Cooper B-Line “Flex-Tray”
Horizontal Organizer	Panduit	WMPH2E	Horizontal Cable Manager (2U)	
Vertical Organizer	Panduit	WMPV45E/WMPVSMK	Vertical Organizer-Dual hinge covers-large openings	
Data Rack 23”	Panduit	CMR4P84CN	Gray Rack, 7’-6” High 4 Post Rack with Extension Bars for 19” Mounting	
Ladder Rack	Panduit	10250-712	Black 12” Wide Ladder Tray	
Rack-To-Runway Mounting	Panduit	NFL-RB	Steel Mounting Plate	
Ladder Rack Splice Kits	Chatsworth	11301-001 11302-001	Butt-Splice Kit, Gold Junction-Splice Kit, Gold	
Wall Angle Support Kit	Chatsworth	11421-712	12” Wall Angle Support	
Fire Rated Pathway	STI	Series 44 E-Z Path	4” x 4-5/8”	HILTI “CP” Series Sleeve
Grounding Lug	Panduit	LCD6-14A-L	Two-Hole Copper Lug, Standard Barrel	
Ground Bus Bar	Panduit	GB4B0624TPI-1	20” x 4” x 1/4” Copper Bar with Stand Off	

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MDF/Equipment Room			Brackets	
Rack Radius Drop	Panduit	CMR4PWF	For Use with Double Sided Vertical Cabling Section	
Building Entrance Protection	CIRCA	1880 ECA1-100G	Service Entrance 110 Block Protection With C4B1FS-BAL Solid State Premium Series Surge Protection Modules	

NOTE: NO DEVIATIONS TO SPECIFICATIONS UNLESS APPROVED BY OWNER.

THIS SCHEDULE REPRESENTS STANDARD PRODUCT FOR PHOENIX MESA GATEWAY AIRPORT. NOT ALL PRODUCT LISTED MAY BE SHOWN/USED ON THIS PROJECT.

END OF SECTION

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SECTION 27 06 20

SCHEDULES FOR DATA COMMUNICATIONS

PART 1 GENERAL

1.1 RELATED DOCUMENTS

A. Telecommunications

PRODUCT	MANUFACTURER	PRODUCT NUMBER	DESCRIPTION	APPROVED EQUAL
Backbone Fiber Between Buildings	Berk-Tek		50 Pair Cat 3 Plenum Rated	
Backbone Cable Between MDF/IDF	Superior Essex Corning	09-065-02 024E8P-31131-A*	50 Pair PE-89 #22 AWG 24 Strand SM Fiber- Loose Tube-Indoor/Outdoor Plenum Rated OFNP/FT-6 Interlock Armor.	
Fiber Jumper	Corning	050502R5120002M	3 Meter SC-SC SM Fiber Jumper (receive fiber must stay on left)	
Horizontal Cable	Berk-Tek	LanMark 1000	Cat 6 Copper Cable, 4-Pair	
Fiber Enclosure	Corning	CCH-04U CCH-CP-56	Closet Connector Housing SC Closet Connector Panel SC Connectors Single Mode, Fusion Spliced Leads	Panduit
Fiber Optic Warning Tags	Panduit	PST-FO	Fiber Optic Warning Tag	
Patch Cords	Panduit	UTPSP3YBU UTPSP7YBU UTPSP3YRD UTPSP7YRD UTPSP3YYL UTPSP74YL UTPSP3YYL UTPSP7YYL	Blue Cat 6 3' – 7' Workstations Red Cat 6 3' – 7' Fire Alarm, Conference Rooms. Yellow Cat 6 1M-3M Network Printers Purple Cat 6 1M-3M Projectors Blue Cat 6,7Workstations Blue Cat 6, 90 Workstations	

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Horizontal Cable Outside Plant	Berk-Tek	LanMark-6 OSP UTP	Category 6 Outside Plant – 4 pair	

NOTE: NO DEVIATIONS TO SPECIFICATIONS UNLESS APPROVED BY OWNER.

END OF SECTION

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SECTION 27 13 00

COMMUNICATIONS BACKBONE CABLING

PART 1 GENERAL

1.1 RELATED DOCUMENTS

A. Drawings and general provisions of the Contract, including General and Supplementary Conditions and Division 01 Specification Sections, apply to this Section.

1.2 SUMMARY

A. Section Includes:

1. Pathways.
2. UTP cable.
3. Coaxial cable.
4. Cable connecting hardware, patch panels, and cross-connects.
5. Cabling identification products.
6. Single Mode Fiber.

1.3 DEFINITIONS

A. Basket Cable Tray: A fabricated structure consisting of wire mesh bottom and side rails.

B. BICSI: Building Industry Consulting Service International.

C. Channel Cable Tray: A fabricated structure consisting of a one-piece, ventilated-bottom or solid-bottom channel.

D. Consolidation Point: A location for interconnection between horizontal cables extending from building pathways and horizontal cables extending into furniture pathways.

E. Cross-Connect: A facility enabling the termination of cable elements and their interconnection or cross-connection.

F. EMI: Electromagnetic interference.

G. IDC: Insulation displacement connector.

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H. Ladder Cable Tray: A fabricated structure consisting of two longitudinal side rails connected by individual transverse members (rungs).

I. LAN: Local area network.

J. NECA: National Electrical Contractors Association.

K. Outlet/Connectors: A connecting device in the work area on which horizontal cable or outlet cable terminates.

L. RCDD: Registered Communications Distribution Designer.

M. Trough or Ventilated Cable Tray: A fabricated structure consisting of longitudinal side rails and a bottom having openings for the passage of air.

N. UTP: Unshielded twisted pair.

O. Owner: Phoenix Mesa Gateway Airport.

1.4 BACKBONE CABLING DESCRIPTION

A. Backbone cabling system shall provide interconnections between communications equipment rooms, main terminal space, and entrance facilities in the telecommunications cabling system structure. Cabling system consists of backbone cables, intermediate and main cross-connects, mechanical terminations, and patch cords or jumpers used for backbone-to-backbone cross-connection.

B. Backbone cabling cross-connects may be located in communications equipment rooms or at entrance facilities. Bridged taps and splitters shall not be used as part of backbone cabling.

1.5 PERFORMANCE REQUIREMENTS

A. General Performance: Backbone cabling system shall comply with transmission standards in TIA/EIA-568-B.1, when tested according to test procedures of this standard.

1.6 SUBMITTALS

A. Product Data: For each type of product indicated.

1. Refer to Division 27, Section 27 05 00 “General Provisions”.
2. Include the following installation data for each type used:

a. Nominal OD.

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b. Minimum bending radius.
c. Maximum pulling tension.

B. Shop Drawings:

1. System Labeling Schedules: Electronic copy of labeling schedules, in software and format selected by Owner.
2. Cabling administration drawings and printouts.
3. Cross-connects and patch panels. Detail mounting assemblies, and show elevations and physical relationship between the installed components.

C. Source quality-control reports.

D. Field quality-control reports.

E. Maintenance Data: For splices and connectors to include in maintenance manuals.

F. Testing Documentation

1. Provide three hard copies and one electronic copy (CD-rom) of test reports for horizontal UTP cables, coaxial cables, and fiber-optic cables. Test reports provided in electronic format shall include a shareware copy of the appropriate software for managing the reports in CSV format.
2. Documentation (printed form) shall be submitted to the Architect within five working days of the completion of each testing phase (e.g., subsystem, cable type, area, floor, etc.).

1.7 QUALITY CONTROL

A. Installer Qualifications: Cabling Installer must have personnel certified by BICSI on staff.

1. Installation Supervision: Installation shall be under the direct supervision of Registered Technician who shall be present at all times when Work of this Section is performed at Project site.
2. Testing Supervisor: Currently certified by BICSI as an RCDD to supervise on-site testing.

B. Electrical Components, Devices, and Accessories: Listed and labeled as defined in NFPA 70, by a qualified testing agency, and marked for intended location and application.

C. Telecommunications Pathways and Spaces: Comply with TIA/EIA-569-A.

D. Grounding: Comply with ANSI-J-STD-607-A.

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1.8 DELIVERY, STORAGE, AND HANDLING

A. Test cables upon receipt at Project site.

1. Test optical fiber cable while on reels. Use an optical time domain reflectometer to verify the cable length and locate cable defects, splices, and connector, including the loss value of each. Retain test data and include the record in maintenance data.
2. Test each pair of UTP cable for open and short circuits.
3. Cable shall be stored according to manufacturers' recommendations as a minimum. In addition, cable must be stored in a location protected from vandalism and weather. Air temperature at cable storage location shall not exceed 50°F minimum, 130°F maximum. Storage location shall be well ventilated to prevent condensation. If necessary, cable shall be stored offsite at the Contractor's expense.

1.9 PROJECT CONDITIONS

A. Environmental Limitations: Do not deliver or install cables and connecting materials until wet work in spaces is complete and dry, and temporary HVAC system is operating and maintaining ambient temperature and humidity conditions at occupancy levels during the remainder of the construction period.

B. Cable shall be stored according to manufacturer's recommendations as a minimum. In addition, cable must be stored in a location protected from vandalism and weather. Air temperature at cable storage location shall not exceed 50°F minimum, 130°F maximum. Storage location shall be well ventilated to prevent condensation. If necessary, cable shall be stored offsite at the Contractor's expense.

1.10 COORDINATION

A. Coordinate layout and installation of telecommunications pathways and cabling with Owner's telecommunications and LAN equipment and service suppliers.

B. Coordinate layout and install of telecommunication pathway and cabling with other trades (Electrical, Civil, Landscape, Etc.)

PART 2 PRODUCTS

2.1 UTP CABLE HARDWARE

A. Manufacturers: Subject to compliance with requirements, provide products by:

1. Panduit.

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B. General Requirements for Cable Connecting Hardware: Comply with TIA/EIA-568-B.2, IDC type, with modules designed for punch-down caps or tools. Cables shall be terminated with connecting hardware of same category or higher.

C. Connecting Blocks: 110-style IDC for Category 5e or Category 6 New Construction. Provide blocks for the number of cables terminated on the block, plus 25 percent spare. Integral with connector bodies, including plugs and jacks where indicated.

D. Cross-Connect: Modular array of connecting blocks arranged to terminate building cables and permit interconnection between cables.

1. Number of Terminals per Field: One for each conductor in assigned cables.

E. Patch Panel: Modular panels housing multiple-numbered jack units with IDC-type connectors at each jack for permanent termination of pair groups of installed cables.

1. Number of Jacks per Field: One for each four-pair UTP cable indicated.

F. Jacks and Jack Assemblies: Modular, color-coded, eight-position modular receptacle units with integral IDC-type terminals.

G. Patch Cords: Factory-made, 4-pair cables in 36-inch (900-mm) or 48-inch (1200-mm)] lengths; terminated with 8-position modular plug at each end or as directed by OWNER.

1. Patch cords shall have bend-relief-compliant boots and color-coded icons to ensure Category 6 performance. Patch cords shall have latch guards to protect against snagging.
2. Patch cords shall have color-coded boots for circuit identification.

2.2 OPTICAL FIBER CABLE

A. Manufacturers: Subject to compliance with requirements, provide products by one of the following:

1. Corning Cable Systems.

B. Description: Singlemode, 8/125-micrometer, tight buffer and optical fiber cable.

1. Comply with ICEA S-83-596 for mechanical properties.
2. Comply with TIA/EIA-568-B.3 for performance specifications.
3. Listed and labeled by an NRTL acceptable to authorities having jurisdiction as complying with UL 444, UL 1651, and NFPA 70 for the following types:

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a. General Purpose, Nonconductive: Type OFN or OFNG.
b. Plenum Rated, Nonconductive: Type OFNP, complying with NFPA 262.
c. Riser Rated, Nonconductive: Type OFNR complying with UL 1666.
d. General Purpose, Conductive: Type OFC or OFCG.
e. Plenum Rated, Conductive: Type OFCP complying with NFPA 262.
f. Riser Rated, Conductive: Type OFCR complying with UL 1666.

4. Conductive cable shall be aluminum armored type.
5. Maximum Attenuation: 3.50 dB/km at 1310 nm; .2 dB/km at 1550 nm.
6. Minimum Modal Bandwidth: 160 MHz-km at 850 nm; 500 MHz-km at 1300 nm.
7. Jacket Color: Yellow for single mode cable.
8. Cable cordage jacket, fiber, unit, and group color shall be according to TIA/EIA-598-B.
9. Imprinted with fiber count, fiber type, and aggregate length at regular intervals not to exceed 40 inches (1000 mm).

2.3 OPTICAL FIBER CABLE HARDWARE

A. Manufacturers: Subject to compliance with requirements, provide products by one of the following:

1. Corning Cable Systems.
2. Panduit.

B. Cross-Connects and Patch Panels: Modular panels housing multiple-numbered, duplex cable connectors.

1. Number of Connectors per Field: One for each fiber of cable or cables assigned to field, plus spares and blank positions adequate to suit specified expansion criteria.

C. Patch Cords: Factory-made, dual-fiber cables in 36-inch (900-mm) lengths or lengths as directed by OWNER.

D. Cable Connecting Hardware:

1. Comply with Optical Fiber Connector Intermateability Standards (FOCIS) specifications of TIA/EIA-604-2, TIA/EIA-604-3-A, and TIA/EIA-604-12. Comply with TIA/EIA-568-B.3.
2. Quick-connect, simplex and duplex, UNICAM connectors. Insertion loss not more than 0.75 dB.

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2.4 IDENTIFICATION PRODUCTS

A. Comply with TIA/EIA-606-A and UL 969 for a system of labeling materials, including label stocks, laminating adhesives, and inks used by label printers.

2.5 SOURCE QUALITY CONTROL

A. Testing Agency: Engage a qualified testing agency to evaluate cables.

B. Factory test cables on reels according to TIA/EIA-568-B.1.

C. Factory test UTP cables according to TIA/EIA-568-B.2.

D. Factory test multimode and single mode optical fiber cables according to TIA/EIA-526-14-A and TIA/EIA-568-B.3.

E. Cable will be considered defective if it does not pass tests and inspections.

F. Prepare test and inspection reports.

PART 3 EXECUTION

3.1 WIRING METHODS

A. Wiring Method: Install cables in raceways and cable trays. Conceal raceway and cables except in unfinished spaces.

1. Install plenum cable in environmental air spaces, including plenum ceilings.
2. Comply with requirements for raceways and boxes specified in Division 26 Section "Raceway and Boxes for Electrical Systems."

B. Wiring Method: Conceal conductors and cables in accessible ceilings, walls, and floors where possible.

C. Wiring within Enclosures: Bundle, lace, and train cables within enclosures. Connect to terminal points with no excess and without exceeding manufacturer's limitations on bending radii. Provide and use lacing bars and distribution spools.

3.2 INSTALLATION OF CABLES

A. Comply with NECA 1.

B. General Requirements for Cabling:

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1. Comply with TIA/EIA-568-B.1.
2. Comply with BICSI ITSIM, Ch. 6, "Cable Termination Practices."
3. Install 110-style IDC termination hardware unless otherwise indicated.
4. Terminate all conductors; no cable shall contain unterminated elements. Make terminations only at indicated outlets, terminals, cross-connects, and patch panels.
5. Cables may not be spliced. Cabling shall be installed in continuous runs from cross-connect fields to cross-connect fields, to patch panels, workstation outlets, etc. Cabling shall be free from splices, taps, splitters, baluns and any other in-line connections.
6. Secure and support cables at intervals not exceeding 30 inches (760 mm) and not more than 6 inches (150 mm) from cabinets, boxes, fittings, outlets, racks, frames, and terminals.
7. Unsupported cable spans shall not exceed 12" horizontally, 24" vertically.
8. All cables shall be new and as specified on the drawings. Cables shall be shipped on 1,000 ft. reels or boxed. Coiled cables are not acceptable. Factory shorts and/or factory seconds, salvaged, leftover and reused cables are not acceptable. Cables of a given type shall be of a single manufacturer and part number. All unapproved or unacceptable cable shall be removed and replaced at the Contractor's expense.
9. A maximum of 36 (three groups of 12) cables shall be supported in a single hanger with a spacing of 48" on center. Cables shall be loosely bundled.
10. Install lacing bars to restrain cables, to prevent straining connections, and to prevent bending cables to smaller radii than minimums recommended by manufacturer.
11. Bundle, lace, and train conductors to terminal points without exceeding manufacturer's limitations on bending radii, but not less than radii specified in BICSI ITSIM, "Cabling Termination Practices" Chapter. Use lacing bars and distribution spools.
12. Do not install bruised, kinked, scored, deformed, or abraded cable. Do not splice cable between termination, tap, or junction points. Remove and discard cable if damaged during installation and replace it with new cable.
13. Cold-Weather Installation: Bring cable to room temperature before dereeling. Heat lamps shall not be used for heating.
14. In the communications equipment room, install a 10-foot- (3-m-) long service loop on end of cable. Provide 3-foot service loop at device.
15. Pulling Cable: Comply with BICSI ITSIM, Ch. 4, "Pulling Cable." Monitor cable pull tensions.
16. Cables requiring additional length shall be stored in an extended loop or in a "Figure 8" configuration. Do not store additional length in bundled loops. Each individual loop shall be tagged with cable number.
17. The Contractor shall make certain that during the installation and upon completion, all cables have been installed in good condition, free from jacket cuts or tears, kinks, twist, knots, sharp bends, etc., or any other physical damage. During the installation, the Contractor shall not allow the cables to be exposed to foot, vehicle or equipment traffic, or be

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exposed to any other form of abuse which shall cause damage to cables, altering the electrical characteristics. Cables exhibiting such damage or an attempt by the Contractor to correct, hide or otherwise conceal such damage, shall result in cables being replaced at the Contractor's expense.

18. Cable pulls shall not exceed 100 feet in length. Cables shall be neatly coiled in a figure "8" pattern at the completion of a pull in preparation for the next pull.
19. Data/telecommunication and fiber-optic cables shall not be stored or installed in an unheated building where the temperature is less than 40°F. The structure and the cable must be brought to a minimum 50°F ambient for a minimum of 48 hours prior to installation of the cables. Failure to observe this precaution may result in damage to the cable and shall result in the cable being replaced at the Contractor's expense.

C. UTP Cable Installation:

1. Comply with TIA/EIA-568-B.2.
2. Do not untwist UTP cables more than 1/2 inch (12 mm) from the point of termination to maintain cable geometry.
3. Maximum of 12" and minimum of 6" of cable shall be stored in back box or raceway. Slack shall be coiled in the box without exceeding the bend radius.
4. Bend radiuses of the horizontal cable shall not be less than four times the outside diameter of the cable.
5. Cable jacket shall be maintained to within 1" of termination points.

D. Optical Fiber Cable Installation:

1. Comply with TIA/EIA-568-B.3.
2. Cable may be terminated on connecting hardware that is rack or cabinet mounted.

E. Open-Cable Installation:

1. Install cabling with horizontal and vertical cable guides in telecommunications spaces with terminating hardware and interconnection equipment.
2. Suspend UTP cable not in a wireway or pathway, a minimum of 8 inches (200 mm) above ceilings by cable supports not more than 48 inches (1524 mm) apart.
3. Cable shall not be run through structural members or in contact with pipes, ducts, or other potentially damaging items.

F. Group connecting hardware for cables into separate logical fields.

G. Separation from EMI Sources:

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1. Comply with BICSI TDMM and TIA/EIA-569-A recommendations for separating unshielded copper voice and data communication cable from potential EMI sources, including electrical power lines and equipment.
2. Separation between open communications cables or cables in nonmetallic raceways and unshielded power conductors and electrical equipment shall be as follows:

    a. Electrical Equipment Rating Less Than 2 kVA: A minimum of 5 inches (127 mm).
    b. Electrical Equipment Rating between 2 and 5 kVA: A minimum of 12 inches (300 mm).
    c. Electrical Equipment Rating More Than 5 kVA: A minimum of 24 inches (610 mm).

3. Separation between communications cables in grounded metallic raceways and unshielded power lines or electrical equipment shall be as follows:

    a. Electrical Equipment Rating Less Than 2 kVA: A minimum of 2-1/2 inches (64 mm).
    b. Electrical Equipment Rating between 2 and 5 kVA: A minimum of 6 inches (150 mm).
    c. Electrical Equipment Rating More Than 5 kVA: A minimum of 12 inches (300 mm).

4. Separation between communications cables in grounded metallic raceways and power lines and electrical equipment located in grounded metallic conduits or enclosures shall be as follows:

    a. Electrical Equipment Rating Less Than 2 kVA: No requirement.
    b. Electrical Equipment Rating between 2 and 5 kVA: A minimum of 3 inches (76 mm).
    c. Electrical Equipment Rating More Than 5 kVA: A minimum of 6 inches (150 mm).

5. Separation between Communications Cables and Electrical Motors and Transformers, 5 kVA or HP and Larger: A minimum of 48 inches (1200 mm).
6. Separation between Communications Cables and Fluorescent Fixtures: A minimum of 5 inches (127 mm).

3.3 IDENTIFICATION

A. Identify system components, wiring, and cabling complying with TIA/EIA-606-A. Comply with requirements for identification specified in Division 26 Section "Identification for Electrical Systems."

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1. Administration Class 4.
2. Color-code cross-connect fields and apply colors to voice and data service backboards, connections, covers, and labels.

B. See Division 27 Section "Communications Horizontal Cabling" for additional identification requirements. See Evaluations for discussion about TIA/EIA standard as it applies to this Section.Paint and label colors for equipment identification shall comply with TIA/EIA-606-A for Class 4 level of administration including optional identification requirements of this standard.

C. Comply with requirements in Division 27 Section "Communications Horizontal Cabling" for cable and asset management software.

D. Cable Schedule: Install in a prominent location in each equipment room and wiring closet. List incoming and outgoing cables and their designations, origins, and destinations. Protect with rigid frame and clear plastic cover. Furnish an electronic copy of final comprehensive schedules for Project.

E. Cable and Wire Identification:

1. Label each cable within 4 inches (100 mm) of each termination and tap, where it is accessible in a cabinet or junction or outlet box, and elsewhere as indicated.
2. Label each terminal strip and screw terminal in each cabinet, rack, or panel.

   a. Individually number wiring conductors connected to terminal strips and identify each cable or wiring group being extended from a panel or cabinet to a building-mounted device with name and number of particular device as shown.
   b. Label each unit and field within distribution racks and frames.

3. Identification within Connector Fields in Equipment Rooms and Wiring Closets: Label each connector and each discrete unit of cable-terminating and connecting hardware. Where similar jacks and plugs are used for both voice and data communication cabling, use a different color for jacks and plugs of each service.

F. Labels shall be preprinted or computer-printed type with printing area and font color that contrasts with cable jacket color but still complies with requirements in TIA/EIA 606-A, for the following:

1. Cables use flexible vinyl or polyester that flexes as cables are bent.

3.4 FIELD QUALITY CONTROL

A. Perform tests and inspections.

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B. Tests and Inspections:

1. Visually inspect UTP and optical fiber jacket materials for NRTL certification markings. Inspect cabling terminations in communications equipment rooms for compliance with color-coding for pin assignments, and inspect cabling connections for compliance with TIA/EIA-568-B.1 and Addenda.
2. Visually inspect cable placement, cable termination, grounding and bonding, equipment and patch cords, and labeling of all components.
3. Test UTP copper cabling for DC loop resistance, shorts, opens, intermittent faults, and polarity between conductors. Test operation of shorting bars in connection blocks. Test cables after termination but not cross-connection.

    a. Test instruments shall meet or exceed applicable requirements in TIA/EIA-568-B.2. Perform tests with a tester that complies with performance requirements in "Test Instruments (Normative)" Annex, complying with measurement accuracy specified in "Measurement Accuracy (Informative)" Annex. Use only test cords and adapters that are qualified by test equipment manufacturer for channel or link test configuration.

4. Optical Fiber Cable Tests:

    a. Multi-Mode (62.5 / 125 UM) and Single-Mode (8.7 / 125 UM) Fiber-Optic Cable:

        1) All fiber-optic cables shall be fully tested for continuity and attenuation, utilizing a fiber-optic power motor and fiber-optic LED/laser light source. The fiber-optic test equipment shall be capable of testing multi-mode and/or single-mode fiber cable.
        2) The fiber-optic test equipment shall be an electronic micro-controller with automatic self-testing and data storage. The Contractor shall provide shop drawings, catalog cut sheets and operational procedures describing the test equipment proposed to be utilized, for the Architect's review and approval.
        3) Fiber conductor shall be tested with the cable completely installed and in final placement, with connector installed and polished out. The "ST" and/or "SC" connectors shall be inspected for proper termination techniques, workmanship, labeling, etc., and verified by the Contractor to be free from any visual defects, such as scratches and chips. All connector installations exhibiting any defected and/or improper assembly procedures shall be replaced at the Contractor's expense.

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b. Each fiber shall be tested in both directions, with both readings recorded. The worst-case reading shall be utilized to determine acceptability of the fiber.

c. Attenuation shall be recorded for each fiber at 850 and 1,300 nm for multi-mode fiber-optic cable, and at 1,310 nm and 1,550 nm for single-mode fiber-optic cable. Fiber-optic cable link test procedures shall be based upon EIA/TIA-568A Annex "H" Standard procedures. The technician performing the fiber-optic verification tests should periodically check and verify the reference dB loss. All fiber-optic "ST" and/or "SC" connectors and couplers shall be thoroughly cleaned before and after testing, and dust caps installed after the test procedures have been completed.

d. The fiber-optic cable test report shall provide the following information:

1) Contractor's name.
2) Test Equipment Identification: Manufacturer, model number, and serial number.
3) Client/Owner identification.
4) Date test performed.
5) Cable manufacturer and part number.
6) Cable identification number.
7) Cable location (i.e., building - from/to).
8) Cable description (i.e., number of fibers, S/M, M/M).
9) Name, signature and date of signature of the technician performing the tests.
10) Cable length.
11) Proper conductor termination verification, both ends.
12) Link attenuation (loss) measurement in dB per fiber.
13) Reference dB.
14) Visual connector (both ends) inspection verification.
15) Calculated fiber loss based on fiber length and factory OTDR readings.
16) Calculated optical attenuation per connector pair (fiber link attenuation loss measurement), less the calculated fiber loss, less the reference dB, equals optical attenuation per connector pair.
17) Test results (i.e., pass/fail).

e. Maximum optical attenuation per connector pair for multi-mode fiber connectors shall be 0.5 dB or less when measured at 850/1,300 nm in accordance with ANSI/EIA/TIA-526-14A, Method A.1. Maximum optical attenuation per connector pair for single-mode fiber connectors shall be 0.5 dB or less when measured at 1,310/1,550 nm in accordance with ANSI/EIA/TIA-526-7, Method B. (NOTE: It is recognized by the Engineer that this specification is much more stringent than the EIA/TIA-568A Annex "H" Standard.) Reflection shall be ≥ 45 dB.

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C. Data for each measurement shall be documented. Data for submittals shall be printed in a summary report that is formatted similar to Table 10.1 in BICSI TDMM, or transferred from the instrument to the computer, saved as text files, and printed and submitted.

D. Remove and replace cabling where test results indicate that they do not comply with specified requirements.

E. End-to-end cabling will be considered defective if it does not pass tests and inspections.

F. Prepare test and inspection reports.

END OF SECTION

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SECTION 27 15 00

COMMUNICATIONS HORIZONTAL CABLING

PART 1 GENERAL

1.1 RELATED DOCUMENTS

A. Drawings and general provisions of the Contract, including General and Supplementary Conditions and Division 01 Specification Sections, apply to this Section.

1.2 SUMMARY

A. Section Includes:

1. Pathways.
2. UTP cabling.
3. Coaxial cable.
4. Cable connecting hardware, patch panels, and cross-connects.
5. Telecommunications outlet/connectors.
6. Cabling system identification products.
7. Cable management system.

B. Related Sections:

1. Division 27 Section 27 13 00 "Communications Backbone Cabling" for voice and data cabling associated with system panels and devices.
2. Divisions 27 05 26 “Grounding & Bonding for Communications Systems”, 27 05 28 “Pathways for Communications Systems”, 27 06 10 “Schedules for Structured Cabling & Enclosures”.

1.3 DEFINITIONS

A. Basket Cable Tray: A fabricated structure consisting of wire mesh bottom and side rails.

B. BICSI: Building Industry Consulting Service International.

C. Channel Cable Tray: A fabricated structure consisting of a one-piece, ventilated-bottom or solid-bottom channel.

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D. Consolidation Point: A location for interconnection between horizontal cables extending from building pathways and horizontal cables extending into furniture pathways.

E. Cross-Connect: A facility enabling the termination of cable elements and their interconnection or cross-connection.

F. EMI: Electromagnetic interference.

G. IDC: Insulation displacement connector.

H. Ladder Cable Tray: A fabricated structure consisting of two longitudinal side rails connected by individual transverse members (rungs).

I. LAN: Local area network.

J. NECA: National Electrical Contractors Association.

K. Outlet/Connectors: A connecting device in the work area on which horizontal cable or outlet cable terminates.

L. RCDD: Registered Communications Distribution Designer.

M. UTP: Unshielded twisted pair.

N. Owner: Phoenix Mesa Gateway Airport.

1.4 HORIZONTAL CABLING DESCRIPTION

A. Horizontal cable and its connecting hardware provide the means of transporting signals between the telecommunications outlet/connector and the horizontal cross-connect located in the communications equipment room. This cabling and its connecting hardware are called "permanent link," a term that is used in the testing protocols.

1. Horizontal cabling shall contain no transition point or consolidation point between the horizontal cross-connect and the telecommunications outlet/connector.
2. Bridged taps and splices shall not be installed in the horizontal cabling.
3. Splitters shall not be installed as part of the optical fiber cabling.

B. The maximum allowable horizontal cable length is 295 feet (90 m). This maximum allowable length does not include an allowance for the length of 16 feet (4.9 m) to the workstation equipment. The maximum allowable length does not include an allowance for the length of 16 feet (4.9 m) in the horizontal cross-connect.

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1.5 PERFORMANCE REQUIREMENTS

A. General Performance: Horizontal cabling system shall comply with transmission standards in TIA/EIA-568-B.1, when tested according to test procedures of this standard.

1.6 SUBMITTALS

A. Product Data: For each type of product indicated.

1. Refer to Division 27 Section 27 05 13 “Communication Services”.
2. Include the following installation data for each type used:

   a. Nominal OD.
   b. Minimum bending radius.
   c. Maximum pulling tension.

B. Shop Drawings:

1. System Labeling Schedules: Electronic copy of labeling schedules, in software and format selected by Owner.
2. System Labeling Schedules: Electronic copy of labeling schedules that are part of the cabling and asset identification system of the software.
3. Cabling administration drawings and printouts.
4. Cross-connects and patch panels. Detail mounting assemblies, and show elevations and physical relationship between the installed components.

C. Qualification Data: For Installer, qualified layout technician, installation supervisor, and field inspector including BICSI Certification.

D. Source quality-control reports.

E. Field quality-control reports.

F. Maintenance Data: For splices and connectors to include in maintenance manuals.

G. Testing Documentation

1. Provide three hard copies and one electronic copy (CD-rom) of test reports for horizontal UTP cables, coaxial cables, and fiber-optic cables. Test reports provided in electronic format shall include a shareware copy of the appropriate software for managing the reports in CSV format.
2. Documentation (printed form) shall be submitted to the Architect within five working days of the completion of each testing phase (e.g., subsystem, cable type, area, floor, etc.).

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1.7 QUALITY CONTROL

A. Installer Qualifications: Cabling Installer must have personnel certified by BICSI on staff.

1. Installation Supervision: Installation shall be under the direct supervision of Registered Technician, who shall be present at all times when Work of this Section is performed at Project site.
2. Testing Supervisor: Currently certified by BICSI as an RCDD to supervise on-site testing.

B. Surface-Burning Characteristics: As determined by testing identical products according to ASTM E 84 by a qualified testing agency. Identify products with appropriate markings of applicable testing agency.

1. Flame-Spread Index: 25 or less.
2. Smoke-Developed Index: 450 or less.

C. Electrical Components, Devices, and Accessories: Listed and labeled as defined in NFPA 70, by a qualified testing agency, and marked for intended location and application.

D. Telecommunications Pathways and Spaces: Comply with TIA/EIA-569-A.

E. Grounding: Comply with ANSI-J-STD-607-A.

1.8 DELIVERY, STORAGE, AND HANDLING

A. Test cables upon receipt at Project site.

1. Test each pair of UTP cable for open and short circuits.
2. Delivery and receipt of products shall be at the site described in the Scope section.
3. Cable shall be stored according to manufacturers' recommendations as a minimum. In addition, cable must be stored in a location protected from vandalism and weather. Air temperature at cable storage location shall not exceed 50°F minimum, 130°F maximum. Storage location shall be well ventilated to prevent condensation. If necessary, cable shall be stored offsite at the Contractor's expense.

1.9 PROJECT CONDITIONS

A. Environmental Limitations: Do not deliver or install cables and connecting materials until wet work in spaces is complete and dry, and temporary HVAC system is operating and maintaining ambient temperature and humidity conditions at occupancy levels during the remainder of the construction period.

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B. Cable shall be stored according to manufacturer's recommendations as a minimum. In addition, cable must be stored in a location protected from vandalism and weather. Air temperature at cable storage location shall not exceed 50°F minimum, 130°F maximum. Storage location shall be well ventilated to prevent condensation. If necessary, cable shall be stored offsite at the Contractor's expense.

1.10 COORDINATION

A. Coordinate layout and installation of telecommunications pathways and cabling with Owner's telecommunications and LAN equipment and service suppliers.

B. Coordinate telecommunications outlet/connector locations with location of power receptacles at each work area.

C. Refer to Division 27 Section 27 05 13 "Communication Services".

PART 2 PRODUCTS

2.1 UTP CABLE

A. Manufacturers: Subject to compliance with requirements, provide products by:

1. Berk-Tek; a Nexans company.

B. Description: 100-ohm, 4-pair UTP, covered with a blue thermoplastic jacket.

1. Comply with ICEA S-90-661 for mechanical properties.
2. Comply with TIA/EIA-568-B.1 for performance specifications.
3. Comply with TIA/EIA-568-B.2, Category 6.
4. Listed and labeled by an NRTL acceptable to authorities having jurisdiction as complying with UL 444 and NFPA 70 for the following types:

   a. Communications, Plenum Rated: Type CMP, complying with NFPA 262.
   b. Communications, Riser Rated: Type CMR, complying with UL 1666.
   c. Communications, Limited Purpose: Type CMX.
   d. Multipurpose: Type MP or MPG.
   e. Multipurpose, Plenum Rated: Type MPP, complying with NFPA 262.
   f. Multipurpose, Riser Rated: Type MPR, complying with UL 1666.

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2.2 UTP CABLE HARDWARE

A. Manufacturers: Subject to compliance with requirements, provide products by one of the following:

1. Panduit.

B. General Requirements for Cable Connecting Hardware: Comply with TIA/EIA-568-B.2, IDC type, with modules designed for punch-down caps or tools. Cables shall be terminated with connecting hardware of same category or higher.

C. Patch Panel: Modular panels housing multiple-numbered jack units with IDC-type connectors at each jack for permanent termination of pair groups of installed cables.

1. Number of Jacks per Field: One for each four-pair UTP cable indicated.

D. Jacks and Jack Assemblies: Modular, color-coded, eight-position modular receptacle units with integral IDC-type terminals.

E. Patch Cords: Factory-made, four-pair cables in 48-inch Length as directed by Airport Authority; terminated with eight-position modular plug at each end.

1. Patch cords shall have bend-relief-compliant boots and color-coded icons to ensure Category 6 performance. Patch cords shall have latch guards to protect against snagging.
2. Patch cords shall have color-coded boots for circuit identification.

2.3 IDENTIFICATION PRODUCTS

A. Comply with TIA/EIA-606-A and UL 969 for labeling materials, including label stocks, laminating adhesives, and inks used by label printers.

B. Comply with requirements in Division 26 Section "Identification for Electrical Systems."

C. Cable identification shall be by means of permanently applied, pre-printed, wraparound wire markers (i.e., "Brady-Wrap" B-292, LAT-18, or LAT-19 self-laminating markers). These labels must withstand the requirements of UL 969 as outlined in the EIA/TIA-606 Standard.

D. Patch panel labels shall be pre-printed and enclosed in self-adhesive clear strips (Panduit, Ortronics or as accepted by the Engineer).

E. Data/Telecommunications Outlet Face Plates: Permanent, clear, pre-printed laminated label with black lettering (Brady Label #CL-311-621 or LAT-7-722-10, or as accepted by the Engineer).

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2.4 SOURCE QUALITY CONTROL

A. Factory test UTP on reels according to TIA/EIA-568-B.1.

B. Factory test UTP cables according to TIA/EIA-568-B.2.

C. Factory-sweep test coaxial cables at frequencies from 5 MHz to 1 GHz. Sweep test shall test the frequency response, or attenuation over frequency, of a cable by generating a voltage whose frequency is varied through the specified frequency range and graphing the results.

D. Cable will be considered defective if it does not pass tests and inspections.

E. Prepare test and inspection reports. Provide software to read original test results on disc provided to owner.

PART 3 EXECUTION

3.1 WIRING METHODS

A. Wiring Method: Install cables in raceways and cable trays except within consoles, cabinets, desks, and counters and except in accessible ceiling spaces. Conceal raceway and cables except in unfinished spaces.

1. Install plenum cable in environmental air spaces, including plenum ceilings.
2. Comply with requirements for raceways and boxes specified in Division 26 Section "Raceway and Boxes for Electrical Systems."

B. Wiring Method: Conceal conductors and cables in accessible ceilings, walls, and floors where possible.

C. Wiring within Enclosures: Bundle, lace, and train cables to terminal points with no excess and without exceeding manufacturer's limitations on bending radii. Provide and use lacing bars and distribution spools.

3.2 INSTALLATION OF CABLES

A. Comply with NECA 1.

B. General Requirements for Cabling:

1. Comply with TIA/EIA-568-B.1.
2. Comply with BICSI ITSIM, Ch. 6, "Cable Termination Practices."
3. Install 110-style IDC termination hardware unless otherwise indicated.

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4. Terminate all conductors; no cable shall contain unterminated elements. Make terminations only at indicated outlets, terminals, cross-connects, and patch panels.
5. Cables may not be spliced. Cabling shall be installed in continuous runs from cross-connect fields to cross-connect fields, to patch panels, etc. Cabling shall be free from splices, taps, splitters, baluns and any other in-line connections.
6. Secure and support cables at intervals not exceeding 30 inches (760 mm) and not more than 6 inches (150 mm) from cabinets, boxes, fittings, outlets, racks, frames, and terminals.
7. Unsupported cable spans shall not exceed 12" (305 mm) horizontally, 24" (607 mm) vertically.
8. All cables shall be new and as specified on the drawings. Cables shall be shipped on 1,000 ft. reels or boxed. Coiled cables are not acceptable. Factory shorts and/or factory seconds, salvaged, leftover and reused cables are not acceptable. Cables of a given type shall be of a single manufacturer and part number. All unapproved or unacceptable cable shall be removed and replaced at the Contractor's expense.
9. Cables routed above a suspended ceiling in exposed space, and not installed in a conduit system, shall be supported by a cable tray, channel or hangers.
10. Cables shall not be supported from ceiling support wires, lighting fixture support wires, ductwork, plumbing line, fire suppression systems, mechanical systems or electrical conduits. Cables shall not come in contact with ductwork or piping, or lay on top of ceiling systems and lighting fixtures.
11. A maximum of 36 (three groups of 12) cables shall be supported in a single hanger with a spacing of 48" on center. Cables shall be loosely bundled.
12. Install lacing bars to restrain cables, to prevent straining connections, and to prevent bending cables to smaller radii than minimums recommended by manufacturer.
13. Bundle, lace, and train conductors to terminal points without exceeding manufacturer's limitations on bending radii, but not less than radii specified in BICSI ITSIM, "Cabling Termination Practices" Chapter. Use lacing bars and distribution spools.
14. Do not install bruised, kinked, scored, deformed, or abraded cable. Do not splice cable between termination, tap, or junction points. Remove and discard cable if damaged during installation and replace it with new cable.
15. Cold-Weather Installation: Bring cable to room temperature before de-reeling. Heat lamps shall not be used for heating.
16. In the communications equipment room, install a 10-foot- (3-m-) long service loop on each end of voice cable.
17. Pulling Cable: Comply with BICSI ITSIM, Ch. 4, "Pulling Cable." Monitor cable pull tensions.

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18. Cables requiring additional length shall be stored in an extended loop or in a "Figure 8" configuration. Do not store additional length in bundled loops. Each individual loop shall be tagged with cable number.
19. The Contractor shall make certain that during the installation and upon completion, all cables have been installed in good condition, free from jacket cuts or tears, kinks, twist, knots, sharp bends, etc., or any other physical damage. During the installation, the Contractor shall not allow the cables to be exposed to foot, vehicle or equipment traffic, or be exposed to any other form of abuse which shall cause damage to cables, altering the electrical characteristics. Cables exhibiting such damage or an attempt by the Contractor to correct, hide or otherwise conceal such damage, shall result in cables being replaced at the Contractor's expense.
20. Cable pulls shall not exceed 100 feet in length. Cables shall be neatly coiled in a figure "8" pattern at the completion of a pull in preparation for the next pull.
21. Data/telecommunication and fiber-optic cables shall not be stored or installed in an unheated building where the temperature is less than 40°F. The structure and the cable must be brought to a minimum 50°F ambient for a minimum of 48 hours prior to installation of the cables. Failure to observe this precaution may result in damage to the cable and shall result in the cable being replaced at the Contractor's expense.

C. UTP Cable Installation:

1. Comply with TIA/EIA-568-B.2.
2. Do not untwist UTP cables more than 1/2 inch (12 mm) from the point of termination to maintain cable geometry.

D. Group connecting hardware for cables into separate logical fields.

E. Separation from EMI Sources:

1. Comply with BICSI TDMM and TIA/EIA-569-A for separating unshielded copper voice and data communication cable from potential EMI sources, including electrical power lines and equipment.
2. Separation between open communications cables or cables in nonmetallic raceways and unshielded power conductors and electrical equipment shall be as follows:

    a. Electrical Equipment Rating Less Than 2 kVA: A minimum of 5 inches (127 mm).
    b. Electrical Equipment Rating between 2 and 5 kVA: A minimum of 12 inches (300 mm).
    c. Electrical Equipment Rating More Than 5 kVA: A minimum of 24 inches (610 mm).

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3. Separation between communications cables in grounded metallic raceways and unshielded power lines or electrical equipment shall be as follows:

   a. Electrical Equipment Rating Less Than 2 kVA: A minimum of 2-1/2 inches (64 mm).
   b. Electrical Equipment Rating between 2 and 5 kVA: A minimum of 6 inches (150 mm).
   c. Electrical Equipment Rating More Than 5 kVA: A minimum of 12 inches (300 mm).

4. Separation between communications cables in grounded metallic raceways and power lines and electrical equipment located in grounded metallic conduits or enclosures shall be as follows:

   a. Electrical Equipment Rating Less Than 2 kVA: No requirement.
   b. Electrical Equipment Rating between 2 and 5 kVA: A minimum of 3 inches (76 mm).
   c. Electrical Equipment Rating More Than 5 kVA: A minimum of 6 inches (150 mm).

5. Separation between Communications Cables and Electrical Motors and Transformers, 5 kVA or HP and Larger: A minimum of 48 inches (1200 mm).
6. Separation between Communications Cables and Fluorescent Fixtures: A minimum of 5 inches (127 mm).

3.3 FIRESTOPPING

A. Comply with requirements in Division 07 Section "Penetration Firestopping."

B. Comply with TIA/EIA-569-A, Annex A, "Firestopping."

C. Comply with BICSI TDMM, Chapter 11 "Firestopping Systems" Article.

3.4 IDENTIFICATION

A. Identify system components, wiring, and cabling complying with TIA/EIA-606-A. Comply with requirements for identification specified in Division 26 Section "Identification for Electrical Systems."

   1. Administration Class: 4.
   2. Color-code cross-connect fields. Apply colors to voice and data service backboards, connections, covers, and labels.

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B. Using cable management system software specified in Part 2, develop Cabling Administration Drawings for system identification, testing, and management. Use unique, alphanumeric designation for each cable and label cable, jacks, connectors, and terminals to which it connects with same designation. At completion, cable and asset management software shall reflect as-built conditions.

C. Comply with requirements in Division 09 Section 09 91 23 "Interior Painting" for painting backboards. For fire-resistant plywood, do not paint over manufacturer's label.

D. Paint and label colors for equipment identification shall comply with TIA/EIA-606-A for Class 4 level of administration.

E. Cable Schedule: Post in prominent location in each equipment room and wiring closet. List incoming and outgoing cables and their designations, origins, and destinations. Protect with rigid frame and clear plastic cover. Furnish an electronic copy of final comprehensive schedules for Project.

F. Cabling Administration Drawings: Show building floor plans with cabling administration-point labeling. Identify labeling convention and show labels for telecommunications closets, backbone pathways and cables, entrance pathways and cables, terminal hardware and positions, horizontal cables, work areas and workstation terminal positions, grounding buses and pathways, and equipment grounding conductors. Follow convention of TIA/EIA-606-A. Furnish electronic record of all drawings, in software and format selected by Owner.

G. Cable and Wire Identification:

1. Label each cable within 4 inches (100 mm) of each termination point.
2. Exposed Backbone Cables and Cables in Cable Trays and Wire Troughs: Label each cable at intervals not exceeding 15 feet (4.5 m).
3. Label each terminal strip and screw terminal in each cabinet, rack, or panel.

    a. Individually number wiring conductors connected to terminal strips, and identify each cable or wiring group being extended from a panel or cabinet to a building-mounted device shall be identified with name and number of particular device as shown.
    b. Label each unit and field within distribution racks and frames.
4. Identification within Connector Fields in Equipment Rooms and Wiring Closets: Label each connector and each discrete unit of cable-terminating and connecting hardware. Where similar jacks and plugs are used for both voice and data communication cabling, use a different color for jacks and plugs of each service.

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H. Labels shall be preprinted or computer-printed type with printing area and font color that contrasts with cable jacket color but still complies with requirements in TIA/EIA-606-A.

1. Cables use flexible vinyl or polyester that flex as cables are bent.

3.5 FIELD QUALITY CONTROL

A. Testing Agency: Installing Contractor to perform tests and inspections.

B. Perform tests and inspections.

C. Tests and Inspections:

1. Visually inspect UTP and optical fiber cable jacket materials for NRTL certification markings. Inspect cabling terminations in communications equipment rooms for compliance with color-coding for pin assignments, and inspect cabling connections for compliance with TIA/EIA-568-B.1.
2. Visually confirm Category 5e or Category 6, marking of outlets, cover plates, outlet/connectors, and patch panels.
3. Visually inspect cable placement, cable termination, grounding and bonding, equipment and patch cords, and labeling of all components.
4. Test UTP backbone copper cabling for DC loop resistance, shorts, opens, intermittent faults, and polarity between conductors. Test operation of shorting bars in connection blocks. Test cables after termination but not cross-connection.

   a. Test instruments shall meet or exceed applicable requirements in TIA/EIA-568-B.2. Perform tests with a tester that complies with performance requirements in "Test Instruments (Normative)" Annex, complying with measurement accuracy specified in "Measurement Accuracy (Informative)" Annex. Use only test cords and adapters that are qualified by test equipment manufacturer for channel or link test configuration.

5. UTP Performance Tests:

   a. Test for each outlet. Perform the following tests according to TIA/EIA-568-B.1 and TIA/EIA-568-B.2:

      1) Wire map.
      2) Length (physical vs. electrical, and length requirements).
      3) Insertion loss.
      4) Near-end crosstalk (NEXT) loss.
      5) Power sum near-end crosstalk (PSNEXT) loss.
      6) Equal-level far-end crosstalk (ELFEXT).
      7) Power sum equal-level far-end crosstalk (PSELFEXT).

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8) Return loss.
9) Propagation delay.
10) Delay skew.

6. Coaxial Cable Tests: Conduct tests according to Division 27 Section "Master Antenna Television System."

D. Document data for each measurement. Data for submittals shall be printed in a summary report that is formatted similar to Table 10.1 in BICSI TDMM, or transferred from the instrument to the computer, saved as text files, and printed and submitted.

E. End-to-end cabling will be considered defective if it does not pass tests and inspections. Minimum acceptable level above testing standard is 3dBA. Although test equipment may “pass” a cable based on standard valves, Airport Authority reserves the right to reject any cable test report indicating 3.0 dBA or less. Contractor shall repair or replace unaccepted cable at their expense.

F. Prepare test and inspection reports.

END OF SECTION

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SECTION 28 05 00

GENERAL PROVISIONS

PART 1 GENERAL

1.1 SCOPE

A. Provisions of this section apply to all work specified in all sections under Division 28.

B. In addition, work in Division 28 is governed by the provisions of the Bidding Requirements, Contract Forms, General Conditions, and all sections under Division 01.

1.2 DEFINITIONS

A. Exposed, not concealed.

B. Finished Spaces: Spaces other than mechanical, electrical, and communication equipment rooms, furred spaces, pipe and duct shafts, unheated spaces immediately below roof, spaces above ceilings, unexcavated spaces, crawlspaces, and utility tunnels.

C. Exposed, Interior Installations: Exposed to view indoors. Examples include un-finished spaces, mechanical, electrical, and communication equipment rooms.

D. Exposed, Exterior Installations: Exposed to view outdoors or subject to outdoor ambient temperatures and weather conditions. Examples include rooftop locations and equipment yards.

E. Concealed, Interior Installations: Concealed from view and protected from physical contact by building occupants. Examples include above ceilings and in duct shafts.

F. Concealed, Exterior Installations: Concealed from view and protected from weather conditions and physical contact by building occupants but subject to outdoor ambient temperatures. Examples include installations within unheated shelters.

G. Unfinished Space: A room or space that is ordinarily accessible only to building maintenance personnel, a room noted on the "Finish Schedule" with exposed and unpainted construction for walls, floor or ceilings, or specifically mentioned as "unfinished."

1.3 EXAMINATION OF PREMISES

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A. Visit the site, verify all measurements and job conditions, and pay all costs necessary to perform the work.

1.4 REGULATIONS, PERMITS, FEES, CHARGES, INSPECTIONS

A. Regulations: Comply with all applicable codes, rules and regulations.

B. Fees and Permits: Pay all connection, installation, use, development, etc., fees and/or charges. Obtain and pay for all required permits and licenses. Refer to Division 01.

C. Inspections: All work must be inspected and approved by local authorities. Prior to final approval, furnish the Engineer with certificates of inspections and approvals by the local authorities in accordance with Division 01.

1.5 DRAWINGS AND SPECIFICATIONS

A. If a conflict exists on the drawings or between the drawings and specifications, promptly notify the Engineer.

1.6 SUBMITTALS

A. Submittals are for information and coordination only. The Engineer will diligently review the submittals and attempt to verify compliance with the project requirements. Such review, however, does not constitute approval or disapproval of obligation to comply with all project requirements. The submittals are not to be construed to be contract documents. Any failure by the Engineer to note a point of non-compliance shall not be construed to be acceptance or approval of the discrepancy.

B. Product Information Sheets: Provide manufacturer's literature which includes the information required by the Product Data paragraph of the applicable Specification Section. Where Product Information Sheets show multiple models or options, clearly mark the model and options to be provided.

C. Assembly: Assemble all required submittal information for each specification section and submit in PDF formats**.**

1. Assemble PDF submittals in one PDF file for each Division. Separate and order sections within each file by corresponding specification number. Provide bookmarks at the first page of each section and label each bookmark with the specification number and name to allow for easy navigation of the submittal.

2. Partial submittals will be returned without review.Identification and Information:
3. Name the PDF file with the Project name, Division number and sequential submittal number. (I.E. The first submittal shall be No. 1, the second submittal shall be No. 2.)

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4. Provide a cover sheet at the front of each submittal with the following information:

   a. Project name.
   b. Date.
   c. Name of Engineer.
   d. Name of Contractor.
   e. Name of subcontractor.

5. Provide a cover sheet at the front of each submittal section with the following information:

   a. Name of supplier.
   b. Name of manufacturer.
   c. Number and title of appropriate Specification Section.
   d. Drawing number and detail references, as appropriate.
   e. Other necessary identification.

D. Options:

1. Identify options requiring selection by the Engineer.
2. Indentify options included with submittal item.

E. Deviations: Identify deviations from the Contract Documents on submittals

1.7 REQUEST FOR INFORMATION

A. Request for Information:

1. A document submitted by the Contractor requesting clarification of a portion of the Contract Documents, hereinafter referred to as RFI.
2. A properly prepared request for information shall include a detailed written statement of the clarification, apparent conflict, or information requested that indicates the specific drawings or specification in need of clarification and the nature of the clarification requested.

   a. Drawings shall be identified by drawing number and location on the drawing sheet.
   b. Specifications shall be identified by section number, page, and paragraph.

3. Include a proposed solution, where appropriate, based upon the field conditions and best knowledge of the Contractor.

B. Improper or Frivolous RFIs: RFIs which are not properly prepared or that request information which is clearly shown in the contract documents will be returned unanswered. Processing time for multiple submissions of improper or frivolous RFIs will be billed at the Engineer's standard hourly rate to the Owner who may deduct an equal amount from the monies due the Contractor.

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1.8 RECORD DRAWINGS

A. Record Prints: Maintain one set of marked-up paper copies of the Contract Drawings, Submittals and Shop Drawings.

1. Preparation: Mark record prints to show the actual installation where installation varies from that shown originally. Include underground and overhead piping. Require individual or entity who obtained record data, whether individual or entity is Installer, subcontractor, or similar entity, to provide information for preparation of corresponding marked-up record prints.

a. Give particular attention to information on concealed elements that would be difficult to identify or measure and record later.
b. Include dimensions both horizontally and vertically to permanent points of reference accurate within 6 inches. Include descriptors such as “below slab”, “above ceiling”, etc.
c. Record data daily or as soon as possible after obtaining it.
d. Record and check the markup before enclosing concealed installations.

2. Mark the Contract Drawings, Submittals and Shop Drawings completely and accurately. Utilize personnel proficient at recording graphic information in production of marked-up record prints.
3. Mark record sets with erasable, red-colored pencil. Use other colors to distinguish between changes for different categories of the Work at same location.
4. Note Construction Change Directive numbers, alternate numbers, Change Order numbers, and similar identification, where applicable.

B. Format: Identify and date each record Drawing; include the designation "PROJECT RECORD DRAWING" in a prominent location.

1. Record Prints: Organize record prints and newly prepared Record Drawings into manageable sets. Bind each set with durable paper cover sheets. Include identification on cover sheets.
2. Identification: As follows:

a. Project name.
b. Date.
c. Designation "PROJECT RECORD DRAWINGS."
d. Name of Engineer.
e. Name of Contractor.

3. Remove or obscure Engineer’s seal from Record Drawings.

1.9 OPERATION AND MAINTENANCE MANUAL

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A. Prior to completion of the project, compile a complete equipment, operation and maintenance manual for all equipment supplied under Division 28.

B. Schedule:

1. Submit a preliminary copy of the manual not less than 30 days prior to substantial completion for review and comment.
2. Submit the final version the manual not more than four weeks after substantial completion of the project.

C. Format: Submit manuals in both of the following formats:

1. PDF electronic file. Assemble each manual into a composite electronically-indexed file. Submit on digital media acceptable to Engineer.

   a. Name each indexed document file in composite electronic index with applicable item name. Include a complete electronically-linked operation and maintenance directory.
   b. Enable inserted reviewer comments on draft submittals.
   c. Provide one final copy to Engineer and two copies to Owner.

2. Three paper copies. Include a complete operation and maintenance directory. Enclose title pages and directories in clear plastic sleeves. Engineer will return three copies.

D. Provide operating and maintenance manuals for all systems, subsystems, and equipment that requires operation and regular maintenance, or has replaceable parts.

E. Content: For each system, subsystem, and piece of equipment not part of a system, include source information, product data, manufacturers' maintenance documentation, maintenance procedures, maintenance and service schedules, spare parts list and source information, maintenance service contracts, and warranty and bond information, as described below. In addition to requirements in this Section, include operation and maintenance data required in individual Specification Sections.

F. Source Information: List each system, subsystem, and piece of equipment included in manual, identified by product name and arranged to match manual's table of contents. For each product, list name, address, and telephone number of Installer or supplier and maintenance service agent, and cross-reference Specification Section number and title in Project Manual.

G. Product Data: Include the following information:

1. System, subsystem, and equipment descriptions. Use designations for systems and equipment indicated on Contract Documents.
2. Approved submittals.

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3. Include the following if not shown on approved submittals:

   a. Product name and model number. Use designations for products indicated on Contract Documents.
   b. Manufacturer's name.
   c. Equipment identification with serial number of each component.
   d. Equipment function.
   e. Operating characteristics.
   f. Limiting conditions.
   g. Performance curves.
   h. Engineering data and tests.

H. Operating Procedures: Include the following, as applicable:

1. Startup procedures.
2. Equipment or system break-in procedures.
3. Routine and normal operating instructions.
4. Regulation and control procedures.
5. Instructions on stopping.
6. Normal shutdown instructions.
7. Seasonal and weekend operating instructions.
8. Required sequences for electric or electronic systems.
9. Special operating instructions and procedures. Including precautions against improper use.
10. Operating logs.

I. Wiring Diagrams: Diagram of factory installed wiring including any options as well as any field modifications.

J. Systems and Equipment Controls: Describe the sequence of operation, and diagram controls as installed.

K. Manufacturers' Maintenance Documentation: Manufacturers' maintenance documentation including the following information for each component part or piece of equipment:

1. Standard maintenance instructions and bulletins.
2. Drawings, diagrams, and instructions required for maintenance, including disassembly and component removal, replacement, and assembly.
3. Identification and nomenclature of parts and components.
4. List of items recommended to be stocked as spare parts.

L. Maintenance Procedures: Include the following information and items that detail essential maintenance procedures:

1. Test and inspection instructions.
2. Troubleshooting guide.
3. Precautions against improper maintenance.

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4. Disassembly; component removal, repair, and replacement; and reassembly instructions.
5. Aligning, adjusting, and checking instructions.
6. Demonstration and training video recording, if available.

M. Maintenance and Service Schedules: Include service and lubrication requirements, list of required lubricants for equipment, and separate schedules for preventive and routine maintenance and service with standard time allotment.

N. Spare Parts List and Source Information: Include lists of replacement and repair parts, with parts identified and cross-referenced to manufacturers' maintenance documentation and local sources of maintenance materials and related services.

O. Maintenance Service Contracts: Include copies of maintenance agreements with name and telephone number of service agent.

P. Licenses: Include copies of any licenses with requirements including inspection and renewal dates.

Q. Warranties and Bonds: Include copies of warranties and bonds and lists of circumstances and conditions that would affect validity of warranties or bonds.

R. Test and Balance Report: Include a final, approved copy of the Test and Balance Report.

1.10 WORK AND MATERIALS

A. Unless otherwise specified, all materials must be new and of the quality specified. The workmanship shall be of a quality that is acceptable to the Architect, Engineer, and Owner, and is equal to the standards of the trades. Contractor must staff the project with sufficient skilled workmen, including a fully qualified construction superintendent, to complete the work in the time allotted. The superintendent must be qualified to supervise all of the work in his work category.

B. Uniformity: Unless otherwise specified, provide all equipment and products of same type or classification by the same manufacturer.

1.11 APPROVALS OF MATERIALS AND EQUIPMENT

A. Refer to Division 01 for description of material and equipment for prior approvals and substitutions.

1.12 COOPERATIVE WORK

A. Correct without charge any work requiring alteration due to lack of proper supervision or failure to make proper provision in time. Correct without charge any damage to adjacent work caused by the alteration. See Division 01 for

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additional requirements.

B. Cooperative Work Includes:

1. General supervision and responsibility for proper location, rough-in, and size of work related to Division 28 but provided under other divisions of these specifications.
2. Installation of sleeves, inserts and anchors bolts for work under sections in Division 28.

1.13 EXISTING MATERIALS AND EQUIPMENT

A. Disposition: With the exception of items that are to be reused or retained by the Owner, all other materials indicated to be removed shall be removed and disposed of by the Contractor. Items that are indicated to be retained or returned to the Owner and shall be delivered to a storage area designated by the Owner.

B. Unused Materials: All unused raceways, conductors, boxes, equipment, and miscellaneous materials shall be removed by the Contractor except where located within walls, below or above existing construction which is not being altered and would require removal and replacement of this existing construction. All visible raceways, conductors, boxes, equipment, and miscellaneous materials shall be removed and sealed or capped within wall, below floor unless noted otherwise.

C. Exterior Services: The Contractor shall be responsible for maintaining fire alarm service to the existing building during the construction period. Existing services are to be retained until such a time that the new services, if any, are completely installed and ready for use. Scheduling of service interruptions is to be coordinated with the Engineer and Owner.

D. Disconnect, demolish, and remove fire alarm systems, equipment, and components that are indicated to be removed.

1. Conduit to be Removed: Remove portion of piping indicated to be removed and cap or plug remaining piping with same or compatible piping material. Patch insulation, as required, to match adjacent areas.
2. Conduit to be Abandoned In Place: Drain piping and cap or plug piping with same or compatible piping material.
3. Equipment to be Removed: Disconnect services and remove equipment.
4. Equipment to be Removed and Reinstalled: Disconnect and remove, clean, and store equipment; when appropriate, reinstall, reconnect, and make equipment operational.
5. Equipment to be Removed and Salvaged: Disconnect and remove equipment and deliver to Owner.

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E. Continuity of Services in Existing Building: Contractor shall permanently reroute existing fire alarm services or provide temporary connection as required to maintain service to existing fixtures in building which are to remain in service.

F. Testing: All existing services affected by the new construction and which are to remain in operation shall be returned to their original condition. The existing services shall be tested as new, as described in other sections of these specifications. If for any reason these requirements cannot be met, the Contractor shall immediately notify the Engineer.

1.14 CONSTRUCTION FACILITIES

A. General: Under this division of the specifications, execute all work in a manner to provide safe and lawful ingress and egress to the Owner's establishment and such facilities shall be kept clear of materials or equipment. Refer to Division 01 for additional requirements.

B. Furnish and maintain from the beginning to the completion of all work all lawful and necessary guards, railings, fences, canopies, lights, and warning signs. Take all necessary precautions required by city and state laws to avoid injury or damage to any and all persons and property.

1.15 GUARANTEE

A. Guarantee all material, equipment, installation and workmanship for all sections under Division 28 in writing to be free from defects of material and workmanship for one year from date of final acceptance as outlined in Division 01. Equipment warranties shall be a minimum of one year from date of substantial completion or as specified elsewhere. Replace without charge any material or equipment proving defective during this period. The guarantee shall include performance of the equipment under all conditions of load, installing any additional items of control and/or protective devices as required and the replacing of any refrigerant lost.

PART 2 PRODUCTS

2.1 CONCRETE

A. Where used for structures to be provided under the contract such as bases, etc., concrete work and associated reinforcing shall be as specified under that Division.

B. See other sections for additional requirements for underground vaults, cable ducts, etc.

2.2 FRAMING CHANNEL

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A. The framing channel shall be a cold-rolled, high-quality, carbon steel channel with factory-applied, hot-dipped-after-fabrication finish. Utilize factory-built interconnecting components, mounting straps, connectors, etc., designed for use with the framing channel supplied. Channel nuts shall be spring type and shall utilize standard US threads. Provide heavy zinc paint for field touch-up. B-Line "B" series, Unistrut "P" series, or as accepted by the Architect.

2.3 ANCHORS

A. Anchors shall be expandable lead type, as manufactured by Ackerman-Johnson, Pierce, Diamond, Hilti, or as accepted by the Architect.

B. Adjustable concrete hanger inserts shall be as manufactured by Grinnell or as accepted by the Architect.

PART 3 EXECUTION

3.1 SUBMITTALS

A. Prepare submittals as directed for review by the Contractor, Owner**,** and Engineer.

B. Submit one copy of PDF submittals via email, project website or other electronic media.

3.2 RECORD DRAWINGS

A. Recording: Post changes and modifications to project record documents as they occur; do not wait until the end of Project.

B. Maintenance of Record Documents and Samples: Store record documents in the field office apart from the Contract Documents used for construction. Do not use project record documents for construction purposes. Maintain record documents in good order and in a clean, dry, legible condition, protected from deterioration and loss. Provide access to project record documents for Engineer's reference during normal working hours.

3.3 OPERATION AND MAINTENANCE MANUALS

A. Prepare Operation and Maintenance Manuals as directed for review by the Contractor, Owner**,** Architect, and Engineer.

B. Make corrections and resubmit as required.

3.4 VERIFICATION OF DIMENSIONS

A. Scaled and figured dimensions are approximate only. Before proceeding with work, carefully check and verify dimensions at site, and be responsible for

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properly fitting equipment and materials together and to the structure in spaces provided.

B. Drawings are diagrammatic and many offsets, bends, special fittings and exact locations are not indicated. Carefully study drawings and premises in order to determine best methods, exact locations, routes, building obstructions, and install apparatus and equipment in available locations. Install apparatus and equipment in manner and in locations to avoid obstructions, preserve headroom, and keep openings and passageways clear.

3.5 CUTTING AND PATCHING

A. Cut work and patch per Division 01 as necessary to properly install the new work. As the work progresses, coordinate necessary openings, holes, chases, etc., in their correct location. If the required openings, holes and chases are not in their correct locations, make the necessary corrections at no cost to the Owner. Avoid excessive cutting and do not cut structural members without the consent of the Engineer. Include as a part of the work all structural framing required by penetrations through the roof and necessary steel to support ducts and pipes between structural steel unless shown on the structural drawings.

3.6 CLOSING-IN OF UNFINISHED WORK

A. Cover no work until inspected, tested and approved. Where work is covered before inspection and test, uncover it, and when inspected, tested and approved, restore all work to original proper condition.

3.7 PRODUCT AND EQUIPMENT INSTALLATION - COMMON REQUIREMENTS

A. All equipment, valves, sensors, dampers, detectors, etc., shall be installed in strict conformance with the manufacturer's recommendations and all codes.

B. Install equipment to allow maximum possible headroom unless specific mounting heights are not indicated.

C. Install equipment level and plumb, parallel and perpendicular to other building systems and components in exposed interior spaces, unless otherwise indicated.

D. Do not install any equipment in an application not recommended by the manufacturer.

3.8 EQUIPMENT ROUGH-IN

A. Rough in all equipment and fixtures as designated on the drawings and in the specifications. The drawings indicate only the approximate location of rough-ins. The exact rough-in locations must be determined from large-scale certified drawings. The Contractor shall obtain all certified rough-in

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information before progressing with any work for rough-in final connections.

B. Be responsible for providing all outlets and services of proper size at the required locations.

C. Minor changes in the contract drawings shall be anticipated and provided for under this Division.

1. Rough-in only (unless otherwise designated on the drawings) shall include providing all services as indicated and required, including all conduit and conductors. Cap all conduit stub-outs. Cap all conduits stub-outs in a manner suitable for future extension.

3.9 EQUIPMENT FINAL CONNECTIONS

A. Provide all final connections for the following:

1. All equipment furnished under this Division.
2. Owner-furnished equipment as shown on the drawings.

3.10 OWNER-FURNISHED AND OTHER EQUIPMENT

A. Rough-in only for all Owner-furnished equipment reference Division 01 and all equipment furnished under other sections of the specifications, except as otherwise specified and/or noted on the drawings.

3.11 EQUIPMENT SUPPORTS

A. Erection of Metal Supports and Anchorages:

1. Refer to Division 05 for structural steel.
2. Cut, fit, and place miscellaneous metal supports accurately in location, alignment, and elevation to support and anchor fire alarm materials and equipment. Neatly fabricate and erect steel work with burrs and welding spatter ground off. Paint after fabrication with a rust-inhibitive primer.
3. Field Welding: Comply with AWS D1.1.

3.12 CLEANUP

A. In addition to cleanup specified under Division 01, thoroughly clean all parts of the equipment. Where exposed parts are to be painted, thoroughly clean off any splattered construction materials and remove all oil and grease spots. Wipe the surface carefully and scrape out all cracks and corners.

B. During the progress of the work, keep the premises clean and free of debris.

3.13 TESTING

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A. Upon completion of the fire alarm work, the entire installation shall be tested and demonstrated to be operating satisfactorily. Tests and documentation shall be in accordance with NFPA 72 Acceptance Testing Specifications for Fire Alarm Equipment and Systems.

B. Additional equipment-specific testing is described in the equipment's respective section of this Division.

C. Furnish a written report of testing to the Architect. At a minimum, the report shall include:

1. Testing Contractor's letterhead
2. Testing technician's name and signature.
3. Date and time that test was performed.
4. Ambient temperature and weather conditions.
5. Test equipment manufacturer, model number, and last calibration date.
6. The manufacturer, model number, and, as applicable, trip unit model number and available adjustments of tested equipment.
7. Statement of "As Left" conditions.
8. Pass/Fail statement.
9. Recommendations if any.

D. The Contractor shall submit the testing schedule to the Architect two weeks prior to initiation of testing activity.

END OF SECTION

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SECTION 28 05 01

SCOPE OF WORK

PART 1 GENERAL

1.1 SUMMARY

A. The work under this Division includes furnishing all labor, material and equipment necessary for the installation and placing into operation of the electrical systems as indicated on the drawings.

B. The work shall also include the completion of such minor details of electrical work not mentioned or shown which are necessary for the successful operation of all systems described on the drawings or required by these specifications.

1.2 SCOPE

A. The work includes, but is not necessarily limited to, furnishing and installing the following:

1. Complete access control and video surveillance and all accessories, branch circuits, etc.
2. All equipment and materials specified in this Division.
3. All other items and/or work indicated on the drawings.
4. Equipment lists and maintenance manuals.

1.3 AS-BUILT DRAWINGS

A. The Electrical Division shall maintain as-built drawings as specified in Division 1 requirements.

B. Drawings shall show locations of all concealed and exposed conduit runs, giving the number and size of conduit and wire. Underground ducts shall be shown with cross-section elevations. Any pipe, conduit or lines of other trades shall be included.

C. See Division 1 for additional requirements.

PART 2 PRODUCTS (NOT USED)

PART 3 EXECUTION (NOT USED)

END OF SECTION

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SECTION 28 23 00

VIDEO SURVEILLANCE

PART 1 GENERAL

1.1 SUMMARY

A. Section includes a video surveillance system consisting of cameras, digital video recorder, data transmission wiring, and a control station with its associated equipment.

B. Video surveillance system shall be integrated with existing Lenel Access Control monitoring and control system.

1.2 SUBMITTALS

A. Product Data: For each type of product indicated. Include dimensions and data on features, performance, electrical characteristics, ratings, and finishes.

B. Shop Drawings: For video surveillance. Include plans, elevations, sections, details, and attachments to other work.

1. Detail equipment assemblies and indicate dimensions, weights, loads, required clearances, method of field assembly, components, and location and size of each field connection.
2. Functional Block Diagram: Show single-line interconnections between components for signal transmission and control. Show cable types and sizes.
3. Dimensioned plan and elevations of equipment racks, control panels, and consoles. Show access and workspace requirements.
4. Wiring Diagrams: For power, signal, and control wiring.

C. Equipment List: Include every piece of equipment by model number, manufacturer, serial number, location, and date of original installation.

1.3 CLOSEOUT SUBMITTALS

A. Operation and maintenance data. Refer to Division 1 for additional information.

1.4 QUALITY ASSURANCE

A. Electrical Components, Devices, and Accessories: Listed and labeled as defined in NFPA 70, by a qualified testing agency, and marked for intended location and application.

B. Comply with NECA 1.

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C. Comply with NFPA 70.

D. Electronic data exchange between video surveillance system with an access-control system shall comply with SIA TVAC.

1.5 PROJECT CONDITIONS

A. Environmental Conditions: Capable of withstanding the following environmental conditions without mechanical or electrical damage or degradation of operating capability:

1. Exterior Environment: System components installed in locations exposed to weather shall be rated for continuous operation in ambient temperatures of minus 30 to plus 122 deg F (minus 34 to plus 50 deg C) dry bulb and 20 to 90 percent relative humidity, condensing. Rate for continuous operation when exposed to rain as specified in NEMA 250, winds up to 85 mph (137 km/h). Use NEMA 250, Type 4X enclosures.
2. Security Environment: Camera housing for use in high-risk areas where surveillance equipment may be subject to physical violence.

1.6 WARRANTY

A. Special Warranty: Manufacturer's standard form in which manufacturer agrees to repair or replace components of cameras, equipment related to camera operation, and control-station equipment that fail in materials or workmanship within specified warranty period.

1. Warranty Period: two years from date of Substantial Completion.

PART 2 PRODUCTS

2.1 SYSTEM REQUIREMENTS

A. Video-signal format shall comply with motion JPEG standard, composite interlaced video. Composite video-signal termination shall be Category 6.
B. Surge Protection: Protect components from voltage surges entering through power, communication, signal, control, or sensing leads. Include surge protection for external wiring of each conductor's entry connection to components.

1. Minimum Protection for Communication, Signal, Control, and Low-Voltage Power Connections: Comply with requirements in Section 264313 "Transient-Voltage Suppression for Low-Voltage Electrical Power Circuits" as recommended by manufacturer for type of line being protected.

2.2 IP BASED CAMERAS

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A. Basis-of-Design Product: Subject to compliance with requirements, provide product indicated on Drawings:

B. Automatic Day/Night Camera: Assembled and tested as a manufactured unit, containing dome assembly, color camera, motorized pan and tilt, zoom lens, and receiver/driver.
   1. Comply with UL 639.
   2. Pickup Device: two (2) megapixels.
   3. Resolution: Minimum 1280x960.
   4. Sensitivity: Camera shall provide usable images in low-light conditions, delivering an image at a scene illumination of 0.8 lux at 30 IRE F1.6 color, 0.04 lux at 30 IRE F1.6.
   5. Video Compression: Motion JPEG.
   6. Pan and Tilt (where applicable): Direct-drive motor, 360-degree rotation angle, and 180-degree tilt angle. Pan-and-tilt speed shall be controlled by operator. Movement from preset positions shall be not less than 300 degrees per second.

2.3 POWER SUPPLIES

A. Low-voltage power supplies matched for voltage and current requirements of cameras and accessories, and of type as recommended by manufacturer of camera and lens.

   1. Installed in an enclosure as indicated on the drawings.

2.4 CAMERA-SUPPORTING EQUIPMENT

A. Basis-of-Design Product: Subject to compliance with requirements, provide product indicated on Drawings:

B. Minimum Load Rating: Rated for load in excess of the total weight supported times a minimum safety factor of two.

C. Mounting Brackets for Fixed Cameras: Type matched to items supported and mounting conditions. Include manual pan-and-tilt adjustment.

D. Protective Housings for Fixed and Movable Cameras: IP 66 Rated aluminum enclosures with internal camera mounting and connecting provisions that are matched to camera/lens combination and mounting and installing arrangement of camera to be housed.

   1. Camera Viewing Window: Polycarbonate window, aligned with camera lens.
   2. Sun shield shall not interfere with normal airflow around the housing.
   3. Mounting bracket and hardware for pole mounting of the housing. Bracket shall be of same material as the housing; mounting hardware shall be stainless steel.

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4. Finish: Housing and mounting bracket shall be factory finished using manufacturer's standard finishing process suitable for the environment.
5. Enclosure Rating: Insert NEMA 4X.

2.5 NETWORK VIDEO RECORDERS

A. Basis-of-Design Product: Subject to compliance with requirements, provide product indicated on Drawings:

B. Internal 250-GB hard disk drive for operating system.

1. Video and audio recording over TCP/IP network.
2. Video recording of MJPEG and MPEG-4 streams.
3. Duplex Operation: Simultaneous recording and playback.
4. Continuous and alarm-based recording.
5. Full-Featured Search Capabilities: Search based on camera, time, or date.
6. Automatic data replenishment to ensure recording even if network is down.
7. Digital certification by watermarking.
8. Internal RAID storage or non-RAID storage of up to 1500 GB.
9. Full integration with LAN, Intranet, or Internet through standard Web browser or video management software.
10. Integrated Web server FTP server functionality.
11. Supports up to 64 devices.

2.6 DIGITAL SWITCHERS

A. Basis-of-Design Product: Subject to compliance with requirements, provide product indicated on Drawings

2.7 IP VIDEO SYSTEMS

A. Manufacturers: Subject to compliance with requirements, provide products by one of the following available manufacturers offering products that may be incorporated into the Work include, but are not limited to, the following:

B. Basis-of-Design Product: Subject to compliance with requirements, provide product indicated on Drawings Insert manufacturer's name; product name or designation or comparable product by one of the following:

C. Description:

1. System shall provide high-quality delivery and processing of IP-based video, audio, and control data using standard Ethernet-based networks.
2. System shall have seamless integration of all video surveillance and control functions.

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3. Graphical user interface software shall manage all IP-based video matrix switching and camera control functions, alarm monitoring and control, and recording and archive/retrieval management. IP system shall also be capable of integrating into larger system environments.
4. System design shall include all necessary compression software for high-performance, dual-stream, MJPEG/MPEG-4 video. Unit shall provide connections for all video cameras, camera PTZ control data, discreet sensor inputs, and control system outputs.
5. All camera signals shall be compressed, encoded, and delivered onto the network for processing and control by the IP video-management software.
6. Camera system units shall be ruggedly built and designed for extreme adverse environments, complying with NEMA Type environmental standards.
7. Encoder/decoder combinations shall place video, audio, and data network stream that can be managed from multiple workstations on the user's LAN or WAN.

2.8 CONTROL STATIONS

A. Existing Control Station is located in PMGA Facility Building.

2.9 SIGNAL TRANSMISSION COMPONENTS

A. Cable: Communication cabling system shall comply with Division 27."

PART 3 EXECUTION

3.1 WIRING

A. Comply with requirements in Section 260533 "Raceways and Boxes for Electrical Systems."

B. Wiring Method: Install cables in raceways unless otherwise indicated.

C. Wiring within Enclosures: Bundle, lace, and train conductors to terminal points with no excess and without exceeding manufacturer's limitations on bending radii. Provide and use lacing bars and distribution spools.

D. Splices, Taps, and Terminations: For power and control wiring, use numbered terminal strips in junction, pull, and outlet boxes; terminal cabinets; and equipment enclosures. Tighten electrical connectors and terminals according to manufacturer's published torque-tightening values. If manufacturer's torque values are not indicated, use those specified in UL 486A-486B.

E. For LAN connection and fiber-optic and copper communication wiring, comply with Section 271300 "Communications Backbone Cabling" and Section 271500 "Communications Horizontal Cabling."

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F. Grounding: Provide independent-signal circuit grounding recommended in writing by manufacturer.

3.2 VIDEO SURVEILLANCE SYSTEM INSTALLATION

A. Install cameras with 84-inch- (2134-mm-) minimum clear space below cameras and their mountings. Change type of mounting to achieve required clearance.

B. Set pan-and-tilt unit stops to suit final camera position and to obtain the field of view required for camera. Connect all controls and alarms, and adjust.

C. Avoid ground loops by making ground connections only at the control station.

D. Identify system components, wiring, cabling, and terminals according to Section 260553 "Identification for Electrical Systems."

3.3 FIELD QUALITY CONTROL

A. Perform tests and inspections.

1. Manufacturer's Field Service: Engage a factory-authorized service representative to inspect components, assemblies, and equipment installations, including connections, and to assist in testing.

B. Tests and Inspections:

1. Inspection: Verify that units and controls are properly installed, connected, and labeled, and that interconnecting wires and terminals are identified.
2. Pretesting: Align and adjust system and pretest components, wiring, and functions to verify that they comply with specified requirements. Conduct tests at varying lighting levels, including day and night scenes as applicable. Prepare video-surveillance equipment for acceptance and operational testing as follows:

   a. Verify operation of auto-iris lenses.
   b. Set back-focus of fixed focal length lenses. At focus set to infinity, simulate nighttime lighting conditions by using a dark glass filter of a density that produces a clear image. Adjust until image is in focus with and without the filter.
   c. Set back-focus of zoom lenses. At focus set to infinity, simulate nighttime lighting conditions by using a dark glass filter of a density that produces a clear image. Additionally, set zoom to full wide angle and aim camera at an object 50 to 75 feet (17 to 23 m) away. Adjust until image is in focus from full wide angle to full telephoto, with the filter in place.

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d. Set and name all preset positions; consult Owner's personnel.
e. Set sensitivity of motion detection.
f. Connect and verify responses to alarms.
g. Verify operation of control-station equipment.

3. Test Schedule: Schedule tests after pretesting has been successfully completed and system has been in normal functional operation for at least 14 days. Provide a minimum of 10 days' notice of test schedule.
4. Operational Tests: Perform operational system tests to verify that system complies with Specifications. Include all modes of system operation.

C. Video surveillance system will be considered defective if it does not pass tests and inspections.

D. Prepare test and inspection reports.

3.4 DEMONSTRATION

A. Engage a factory-authorized service representative to train Owner's maintenance personnel to adjust, operate, and maintain video-surveillance equipment.

END OF SECTION

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Memorandum

To: J. Brian O'Neill, A.A.E., Executive Director, CEO

From: Bob Draper, PE, Director Engineering & Facilities
through Scott Brownlee, Deputy Director, COO

CC: Rich Adams, Project Manager Engineering & Facilities

Date: Thursday, March 31, 2022

Re: Project 1421 N Economy Parking Lot Expansion Change Order #1

Project 1421 N Economy Parking Lot Expansion was awarded to Nesbitt Construction as a CMAR via Board Resolution 22-07 on March 15th, 2022. This contract is funded with Non-Grant PFC funds. Construction started March 21st, 2022.

Attached for approvals are documents for Change Order #1

The original contract amount, as approved by the Board for early procurement of materials and schedule constraints, was for a total of: **$561,497.25**

Change Order #1 for balance of the work increases the contract amount by: $2,755,361.31 The new contract amount after Change Order #1 is: **$3,316,858.56**

Phoenix-Mesa Gateway Airport

Engineering & Facilities
5835 South Sossaman Road
Mesa, Arizona 85212
Telephone 480-988-7628
FAX 480-988-2315

CHANGE ORDER

Change Order No.:	1	Project Number/Name:	N Economy Parking Expansion
Change Order Date:	March 30, 2022	Notice to Proceed Date:	March 29, 2022
Is This Change Order Grant Eligible?	No	FAA Grant No.:	
Are Additional Grant Funds Requested?	No	ADOT Grant No.:	
Contract/Completion Implications - # of days:	0	Contract Date:	March 29, 2022
Contractor:	Nesbitt Contracting	Exhibit A Date:	
Contract No.:	20220236	Purchase Order No.:	N/A

This Contract is changed as follows:

This Change Order includes the remainder of the work included in the contract documents that were not included in the early procurement GMP 1. GMP 1 was approved based on procurement of long lead items and schedule constraints. The result of this change order will be the complete GMP for the Ray Road Parking Lot Expansion Project.

This Change Order shall constitute a final settlement of all matters relating to the change in the Work which 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.

	Cost excl. taxes	Taxes	Cost incl. Taxes
The original *Contract Sum* was	$ 532,755.11	$ 28,742.14	$ 561,497.25
Net change by previously authorized Change Orders:	$ -	$ -	$ -
The *Contract Sum* prior to this Change Order was:	$ 532,755.11	$ 28,742.14	$ 561,497.25
The Sum of this Change Order	$ 2,614,318.81	$ 141,042.50	$ 2,755,361.31
The new *Contract Sum*, including this Change Order is	$ 3,147,073.92	$ 169,784.64	$ 3,316,858.56

Approvals

Contractor:

Sign: Joe Chaver
Print: JOE CHAVEZ
Title: PRESIDENT
Date: 3/30/22

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
An Arizona Joint Powers Airport Authority

Sign: Rich Adams — Digitally signed by Rich Adams Date: 2022.03.30 17:02:14-07'00'
Date:
Print: Rich Adams
Title: Project Manager

Sign: Bob Draper, PE — Digitally signed by Bob Draper, PE DN: C=US, E=bdraper@gatewayairport.com, O=PMGAA, CN="Bob Draper, PE" Date: 2022.03.31 08:40:15-07'00'
Date:
Print: Bob Draper
Title: Engineering & Facilities Director

Sign:
Date:
Print: J Brian O'Neill
Title: Executive Director/CEO

GATEWAY AIRPORT NORTH PARKING LOT - GMP 2 ALTERNATE

	Unit	Quantity	Unit Price	Amount
A. Direct Costs (Per Job Order)				
Mobilization	LS	1	$45,500.00	$45,500.00
Contractor Q/C (Base Bid)	LS	1	$25,000.00	$25,000.00
Survey	LS	1	$25,000.00	$25,000.00
Location of U/G Utilities	AL	1	$4,460.00	$4,460.00
Remove Exist Rip Rap	CY	59	$28.50	$1,681.50
Traffic Rated Box Over Exist Curb Stop	EA	1	$1,000.00	$1,000.00
Sawcut AC Pavement	LF	1305	$1.00	$1,305.00
Sawcut & Remove PCCP	LF	401	$3.60	$1,443.60
Remove Exist AC Pavement	SY	551	$7.90	$4,352.90
Remove Conc Single Curb	LF	1452	$4.40	$6,388.80
Remove Conc Curb & Gutter	LF	85	$7.30	$620.50
Rem/Salv Chain Link Fence	LS	1	$4,900.00	$4,900.00
Oblit Exist Pavement Markings	LS	21	$1.00	$21.00
Subgrade Prep (Base Bid)	SY	48583	$2.45	$119,028.35
Crushed Aggregate Base (MAG)	CY	8468	$57.10	$483,522.80
Bituminous Surface Course	TN	5830	$87.25	$508,667.50
Single Curb MAG 222-A	LF	1625	$18.50	$30,062.50
Curb & Gutter MAG 220-1-A	LF	498	$29.70	$14,790.60
Conc Valley Gutter MAG 240 (Mod)	LF	908	$38.50	$34,958.00
Precast Safety Curb MAG 150-B-2	LS	1	$2,320.00	$2,320.00
Precast Safety Curb MAG 150-B-3	LS	1	$3,360.00	$3,360.00
6' Chain Link Fence MAG 160 (Mod w/o Barbed Wire)	LS	1	$54,750.00	$54,750.00
6' x 26' Chain Link Vehicular Access Gate	LS	1	$5,520.00	$5,520.00
4' x 26' Chain Link Vehiculat Access Gate	LS	1	$6,100.00	$6,100.00
4' Chain Link Fence w/o Barbed Wire MAG 160	LS	1	$36,900.00	$36,900.00
4" White Striping	LS	1	$4,370.00	$4,370.00
4" Yellow Striping	LS	1	$830.00	$830.00
Fire Lane Curb Marking COM FPD503.3-1	LS	1	$380.00	$380.00
ADA Handicap Symbol	LS	1	$1,200.00	$1,200.00
ADA Handicap Parking Sign	LS	1	$9,000.00	$9,000.00
Sign Per Detail SA	LS	1	$6,400.00	$6,400.00
Sign Per Detail SX	LS	1	$2,100.00	$2,100.00
Sign Per Detail SL	LS	1	$3,150.00	$3,150.00
Sign "Bus Stop Number" Special Detail	LS	1	$300.00	$300.00
Relocate Exist Bus Stop Sign	LS	1	$600.00	$600.00
PMGAA Vehicle Access Gate Sign	LS	1	$600.00	$600.00
24" RGRCP CL III	LF	313	$135.00	$42,255.00
18" RGRCP CL III	LF	30	$145.00	$4,350.00
Conc Headwall MAG 501-1 U	EA	2	$2,670.00	$5,340.00
Riprap w/Filter Fabric (D50=6")	CY	1023	$110.00	$112,530.00
Cutoff Wall w/Filter Fabric	LF	282	$195.00	$54,990.00
Rock Mulch	SF	32350	$0.40	$12,940.00
Light Base Removal	LS	1	$1,785.00	$1,785.00
Pulbox #5	LS	1	$36,800.00	$36,800.00
Adjust Exist Pullbox to Grade	LS	1	$4,420.00	$4,420.00
Stranded Copper Wire	LS	1	$76,616.00	$76,616.00
Lighting Fixture Shedule Item "A"	LS	1	$84,400.00	$84,400.00
Lighting Fixture Shedule Item "D"	LS	1	$234,700.00	$234,700.00
Inner Duct - Maxcell (1) 2" 3 Cell	LS	1	$14,720.00	$14,720.00
Temporary Lot Lighting (Allowance)	AL	1	$50,000.00	$50,000.00
A.1 Direct Cost				$2,186,429.05
A.2 Approved Allowance				$0.00
			TOTAL DIRECT COSTS	**$2,186,429.05**
B. General Conditions on Direct Costs only				**$165,000.00**
			SUBTOTAL 1 (Cost of the Work)	**$2,351,429.05**
C. JOC Fee on Cost of Work only	***G&A**	***Profit**	**Total %**	**Total Fee**
9% Fee	4.00%	5.00%	9.00%	$211,628.61
	*** May vary per project. Total fee does not vary.**			
			SUBTOTAL 2	**$2,563,057.66**
D. Bonds and Insurance Allowances				
D.1 Bonds			1.00%	$25,630.58
D.2 Insurance			1.00%	$25,630.58
			TOTAL BONDS & INSURANCE ALLOWANCE	**$51,261.15**
			SUBTOTAL 3	**$2,614,318.81**
E. Sales Tax				
E.1 Sales Tax			5.3950%	$141,042.50
E.2 Tax Credits				
			TOTAL SALES TAX	**$141,042.50**
			TOTAL GMP PROPOSAL	**$2,755,361.31**

COST REPORT ALTERNATE

Cost Report

Activity Resource	Desc	Pcs	Quantity	Unit	Unit Cost	Labor	Perm Material	Constr Matl/Exp	Equip Ment	Sub-Contract	Total
BID ITEM = 10											
Description =	Mobilization				Unit =	LS	Takeoff Quan:		1.000	Engr Quan:	1.000
10	**Mobilization**				**Quan:**	**1.00 LS**	**Hrs/Shft:**	**8.00**	**Cal: 508**	**WC: AZ5506**	
4ELEC	Electrical Sub	1.00	1.00	LS	24,000.000					24,000	24,000
4FENCE	Fencing Sub	1.00	1.00	LS	2,500.000					2,500	2,500
4SGNSTR	Sign & Stripe Sub	1.00	1.00	LS	3,200.000					3,200	3,200
$29,700.00					[ ]					29,700	29,700
1610	**Transport**				**Quan:**	**160.00 HR**	**Hrs/Shft:**	**8.00**	**Cal: 508**	**WC: AZ5506**	
[[Crew Notes: Truck, trailer, driver]]											
TRANS	Transport			160.00 CH	**Prod:**	**0.0000**	Lab Pcs:		1.00	Eqp Pcs:	1.00
8TTRANSPORT	Equip Transport	1.00	160.00	HR	50.000				8,000		8,000
O1	Operator Group 1	1.00	160.00	MH	50.340	8,624					8,624
$16,623.85	1.0000 MH/HR		160.00	MH	[50.34]	8,624			8,000		16,624
=====> Item Totals:	**10**	**- Mobilization**									
$46,323.85	160.0000 MH/LS		160.00	MH	[8054.4]	8,624			8,000	29,700	**46,324**
46,323.850	1 LS					8,623.85			8,000.00	29,700.00	46,323.85
BID ITEM = 30											
Description =	Contractor Q/C (Base Bid)				Unit =	LS	Takeoff Quan:		1.000	Engr Quan:	1.000
30	**Contractor Q/C (Base Bid)**				**Quan:**	**1.00 LS**	**Hrs/Shft:**	**8.00**	**Cal: 508**	**WC: AZ5506**	
4TEST	Matls Testing Sub	1.00	1.00	LS	25,000.000					25,000	25,000
BID ITEM = 40											
Description =	Survey				Unit =	LS	Takeoff Quan:		1.000	Engr Quan:	1.000
40	**Survey**				**Quan:**	**1.00 LS**	**Hrs/Shft:**	**8.00**	**Cal: 508**	**WC: AZ5506**	
4SURV	Survey Sub	1.00	1.00	LS	25,000.000					25,000	25,000
BID ITEM = 50											
Description =	Location of U/G Utilities				Unit =	AL	Takeoff Quan:		1.000	Engr Quan:	1.000
3004	**Pothole Utilities**				**Quan:**	**1.00 LS**	**Hrs/Shft:**	**8.00**	**Cal: 508**	**WC: AZ5506**	
VACTOR	Vactor Trailer for Potholes			40.00 CH	**Prod:**	**0.2000 US**	Lab Pcs:		2.00	Eqp Pcs:	2.00
8PU	Pickup truck	1.00	40.00	HR	10.000				400		400
8VACTOR	Vacuum Trailer for Pot	1.00	40.00	HR	15.000				600		600
LP	Pipe Laborer	1.00	40.00	MH	30.450	1,304					1,304
O2	Operator Group 2	1.00	40.00	MH	50.340	2,156					2,156
$4,460.07	80.0000 MH/LS		80.00	MH	[3231.6]	3,460			1,000		4,460
=====> Item Totals:	**50**	**- Location of U/G Utilities**									
$4,460.07	80.0000 MH/AL		80.00	MH	[3231.6]	3,460			1,000		**4,460**
4,460.070	1 AL					3,460.07			1,000.00		4,460.07

Cost Report

Activity Resource	Desc	Quantity Pcs	Quantity Unit	Unit Cost	Labor	Perm Material	Constr Matl/Exp	Equip Ment	Sub-Contract	Total
BID ITEM = 60										
Description =	Remove Exist Rip Rap			Unit = CY	Takeoff Quan:		59.000	Engr Quan:		59.000
60001	**Remove Riprap**			**Quan: 59.00 CY**	**Hrs/Shft: 8.00**		**Cal: 508**	**WC: AZ5506**		
DEMO3	322R Removal Crew		4.00 CH	**Prod:**	**0.0000**		Lab Pcs: 2.00		Eqp Pcs:	1.00
8H322	CAT 322 Rubber Tire Ho	1.00	4.00 HR	112.580				450		450
LG	General Laborer	1.00	4.00 MH	30.450	130					130
O3	Operator Group 3	1.00	4.00 MH	50.340	216					216
$796.33	0.1355 MH/CY		8.00 MH	[5.477]	346			450		796
60002	**Haul Riprap**			**Quan: 8.00 LD**	**Hrs/Shft: 8.00**		**Cal: 508**	**WC: AZ5506**		
4HHR	Hauling Sub - Hour	1.00	8.00 HR	110.000					880	880
=====> Item Totals:	**60**	**- Remove Exist Rip Rap**								
$1,676.33	0.1355 MH/CY		8.00 MH	[5.477]	346			450	880	**1,676**
28.412	59 CY				5.86			7.63	14.92	28.41
BID ITEM = 70										
Description =	Traffic Rated Box Over Exist Curb Stop			Unit = EA	Takeoff Quan:		1.000	Engr Quan:		1.000
70001	**Traffic Rated Box Over Exist Curb Stop**			**Quan: 1.00 EA**	**Hrs/Shft: 8.00**		**Cal: 508**	**WC: AZ5506**		
3CURBBOX	Curb Box	1.00	1.00 EA	1,000.000			1,000			1,000
=====> Item Totals:	**70**	**- Traffic Rated Box Over Exist Curb Stop**								
$1,000.00				[ ]			1,000			**1,000**
1,000.000	1 EA						1,000.00			1,000.00
BID ITEM = 80										
Description =	Sawcut AC Pavement			Unit = LF	Takeoff Quan:		1,305.000	Engr Quan:		1,305.000
2000	**Saw Cut AC**			**Quan: 1,305.00 LF**	**Hrs/Shft: 8.00**		**Cal: 508**	**WC: AZ5506**		
SAW	Concrete-Asphalt power saw		16.00 CH	**Prod:**	**81.5625 UH**		Lab Pcs: 1.00		Eqp Pcs:	2.00
8PU	Pickup truck	1.00	16.00 HR	10.000				160		160
8SAW-	Concrete Saw	1.00	16.00 HR	30.000				480		480
LC	Concrete Laborer	1.00	16.00 MH	37.700	646					646
$1,285.85	0.0122 MH/LF		16.00 MH	[0.462]	646			640		1,286
=====> Item Totals:	**80**	**- Sawcut AC Pavement**								
$1,285.85	0.0122 MH/LF		16.00 MH	[0.462]	646			640		**1,286**
0.985	1305 LF				0.49			0.49		0.99
BID ITEM = 90										
Description =	Sawcut & Remove PCCP			Unit = LF	Takeoff Quan:		401.000	Engr Quan:		401.000
2010	**Sawcut Flat Concrete**			**Quan: 401.00 LF**	**Hrs/Shft: 8.00**		**Cal: 508**	**WC: AZ5221**		
SAW	Concrete-Asphalt power saw		8.00 CH	**Prod:**	**50.1250 UH**		Lab Pcs: 1.00		Eqp Pcs:	2.00
8PU	Pickup truck	1.00	8.00 HR	10.000				80		80
8SAW-	Concrete Saw	1.00	8.00 HR	30.000				240		240

Cost Report

Activity Resource	Desc	Pcs	Quantity	Unit	Unit Cost	Labor	Perm Material	Constr Matl/Exp	Equip Ment	Sub-Contract	Total
BID ITEM = 90											
Description =	Sawcut & Remove PCCP				Unit =	LF	Takeoff Quan:	401.000	Engr Quan:		401.000
LC	Concrete Laborer	1.00	8.00	MH	37.700	316					316
$636.11	0.0199 MH/LF		8.00	MH	[0.752]	316			320		636
2040	**Remove PCCP**				**Quan: 401.00 SF**	**Hrs/Shft: 8.00**		**Cal: 508**	**WC: AZ5506**		
DEMO3	322R Removal Crew		2.00	CH	**Prod: 200.5000 UH**			Lab Pcs: 2.00		Eqp Pcs: 1.00	
8H322	CAT 322 Rubber Tire Ho	1.00	2.00	HR	112.580				225		225
LG	General Laborer	1.00	2.00	MH	30.450	65					65
O3	Operator Group 3	1.00	2.00	MH	50.340	108					108
$398.17	0.0099 MH/SF		4.00	MH	[0.403]	173			225		398
1231	**Haul Off Concrete**				**Quan: 1.00 LD**	**Hrs/Shft: 8.00**		**Cal: 508**	**WC: AZ5506**		
2FDEBRIS	Dump Fees (DEBRIS)	1.00	1.00	LOAD	200.000		200				200
4HHR	Hauling Sub - Hour	1.00	2.00	HR	110.000					220	220
$420.00					[ ]		200			220	420
=====> Item Totals: 90 - Sawcut & Remove PCCP											
$1,454.28	0.0299 MH/LF		12.00	MH	[1.155]	489	200		545	220	**1,454**
3.627	401 LF					1.22	0.50		1.36	0.55	3.63
BID ITEM = 100											
Description =	Remove Exist AC Pavement				Unit =	SY	Takeoff Quan:	551.000	Engr Quan:		551.000
2070	**Remove Existing AC**				**Quan: 551.00 SY**	**Hrs/Shft: 8.00**		**Cal: 508**	**WC: AZ5506**		
DEMO3	322R Removal Crew		8.00	CH	**Prod: 68.8750 UH**			Lab Pcs: 2.00		Eqp Pcs: 1.00	
8H322	CAT 322 Rubber Tire Ho	1.00	8.00	HR	112.580				901		901
LG	General Laborer	1.00	8.00	MH	30.450	261					261
O3	Operator Group 3	1.00	8.00	MH	50.340	431					431
$1,592.65	0.0290 MH/SY		16.00	MH	[1.173]	692			901		1,593
107	**Haul Off Asphalt**				**Quan: 5.00 LD**	**Hrs/Shft: 8.00**		**Cal: 508**	**WC: AZ5506**		
2FDEBRIS	Dump Fees (DEBRIS)	1.00	5.00	LOAD	200.000		1,000				1,000
4HHR	Hauling Sub - Hour	1.00	16.00	HR	110.000					1,760	1,760
$2,760.00					[ ]		1,000			1,760	2,760
=====> Item Totals: 100 - Remove Exist AC Pavement											
$4,352.65	0.0290 MH/SY		16.00	MH	[1.173]	692	1,000		901	1,760	**4,353**
7.900	551 SY					1.26	1.81		1.63	3.19	7.90
BID ITEM = 110											
Description =	Remove Conc Single Curb				Unit =	LF	Takeoff Quan:	1,452.000	Engr Quan:		1,452.000
2030	**Remove Single Curb**				**Quan: 1,452.00 LF**	**Hrs/Shft: 8.00**		**Cal: 508**	**WC: AZ5506**		
DEMO3	322R Removal Crew		16.00	CH	**Prod: 90.7500 UH**			Lab Pcs: 2.00		Eqp Pcs: 1.00	
8H322	CAT 322 Rubber Tire Ho	1.00	16.00	HR	112.580				1,801		1,801
LG	General Laborer	1.00	16.00	MH	30.450	522					522
O3	Operator Group 3	1.00	16.00	MH	50.340	862					862
$3,185.31	0.0220 MH/LF		32.00	MH	[0.89]	1,384			1,801		3,185

Cost Report

Activity Resource	Desc	Pcs	Quantity	Unit	Unit Cost	Labor	Perm Material	Constr Matl/Exp	Equip Ment	Sub-Contract	Total
BID ITEM = 110											
Description =	Remove Conc Single Curb				Unit = LF	Takeoff Quan:		1,452.000	Engr Quan:		1,452.000
2030T	**Haul Off Concrete**				**Quan: 7.00 LD**	**Hrs/Shft:**		**8.00 Cal: 508 WC: AZ5506**			
2FDEBRIS	Dump Fees (DEBRIS)	1.00	7.00	LOAD	200.000		1,400				1,400
4HHR	Hauling Sub - Hour	1.00	16.00	HR	110.000					1,760	1,760
$3,160.00					[ ]		1,400			1,760	3,160
=====>	**Item Totals: 110 - Remove Conc Single Curb**										
$6,345.31	0.0220 MH/LF		32.00	MH	[0.89]	1,384	1,400		1,801	1,760	**6,345**
4.370	1452 LF					0.95	0.96		1.24	1.21	4.37
BID ITEM = 120											
Description =	Remove Conc Curb & Gutter				Unit = LF	Takeoff Quan:		85.000	Engr Quan:		85.000
2030	**Remove Curb & Gutter**				**Quan: 85.00 LF**	**Hrs/Shft:**		**8.00 Cal: 508 WC: AZ5506**			
DEMO3	322R Removal Crew			1.00	CH	**Prod:**	**85.0000 UH**	Lab Pcs:	2.00	Eqp Pcs:	1.00
8H322	CAT 322 Rubber Tire Ho	1.00	1.00	HR	112.580				113		113
LG	General Laborer	1.00	1.00	MH	30.450	33					33
O3	Operator Group 3	1.00	1.00	MH	50.340	54					54
$199.08	0.0235 MH/LF		2.00	MH	[0.95]	87			113		199
2030T	**Haul Off Concrete**				**Quan: 1.00 LD**	**Hrs/Shft:**		**8.00 Cal: 508 WC: AZ5506**			
2FDEBRIS	Dump Fees (DEBRIS)	1.00	1.00	LOAD	200.000		200				200
4HHR	Hauling Sub - Hour	1.00	2.00	HR	110.000					220	220
$420.00					[ ]		200			220	420
=====>	**Item Totals: 120 - Remove Conc Curb & Gutter**										
$619.08	0.0235 MH/LF		2.00	MH	[0.95]	87	200		113	220	**619**
7.283	85 LF					1.02	2.35		1.32	2.59	7.28
BID ITEM = 130											
Description =	Rem/Salv Chain Link Fence				Unit = LS	Takeoff Quan:		1.000	Engr Quan:		1.000
130	**Rem/Salv Chain Link Fence**				**Quan: 1.00 LS**	**Hrs/Shft:**		**8.00 Cal: 508 WC: AZ5506**			
4FENCE	Fencing Sub	1.00	1.00	LS	4,900.000					4,900	4,900
BID ITEM = 140											
Description =	Oblit Exist Pavement Markings				Unit = LS	Takeoff Quan:		1.000	Engr Quan:		1.000
140	**Oblit Exist Pavement Markings**				**Quan: 1.00 LS**	**Hrs/Shft:**		**8.00 Cal: 508 WC: AZ5506**			
4SGNSTR	Sign & Stripe Sub	1.00	1.00	LS	21.000					21	21
BID ITEM = 160											
Description =	Subgrade Prep (Base Bid)				Unit = SY	Takeoff Quan:		48,583.000	Engr Quan:		48,583.000

Cost Report

Activity Resource	Desc	Pcs	Quantity	Unit	Unit Cost	Labor	Perm Material	Constr Matl/Exp	Equip Ment	Sub-Contract	Total
BID ITEM = 160											
Description =	Subgrade Prep (Base Bid)				Unit =	SY	Takeoff Quan:	48,583.000	Engr Quan:		48,583.000
8100	**Finegrade**				**Quan: 48,583.00 SY**		**Hrs/Shft:**	**8.00**	**Cal: 508**	**WC: AZ5506**	
BLDPL	Blade crew with 613 & RTR		192.00	CH	**Prod:**		**253.0365 UH**	Lab Pcs:	5.00	Eqp Pcs:	4.00
8B140	140H, Etc	1.00	192.00 HR		107.070				20,557		20,557
8RTR	Rubber Tired Roller	1.00	192.00 HR		70.530				13,542		13,542
8S613	CAT 613 Scraper	1.00	192.00 HR		139.050				26,698		26,698
8TH2O3800	3800 Gal Water Truck	1.00	192.00 HR		25.000				4,800		4,800
LGC	Laborer grade checker	1.00	192.00 MH		43.500	8,942					8,942
O1	Operator Group 1	2.00	384.00 MH		50.340	20,697					20,697
O2	Operator Group 2	1.00	192.00 MH		50.340	10,349					10,349
O3	Operator Group 3	1.00	192.00 MH		50.340	10,349					10,349
$115,933.76	0.0197 MH/SY		960.00 MH		[0.968]	50,337			65,597		115,934
8218	**Parkway Grade**				**Quan: 5,000.00 SY**		**Hrs/Shft:**	**8.00**	**Cal: 508**	**WC: AZ5506**	
BFMISC	(Mod) Miscellaneous Backfill		10.00	CH	**Prod:**		**0.0000**	Lab Pcs:	4.00	Eqp Pcs:	2.00
8LS	Skip Loader/Gannon	1.00	10.00 HR		36.070				361		361
8TH2O3800	3800 Gal Water Truck	1.00	10.00 HR		25.000				250		250
LG	General Laborer	2.00	20.00 MH		30.450	652					652
O1	Operator Group 1	2.00	20.00 MH		50.340	1,078					1,078
$2,340.74	0.0080 MH/SY		40.00 MH		[0.323]	1,730			611		2,341
=====> Item Totals:	**160**		**- Subgrade Prep (Base Bid)**								
$118,274.50	0.0205 MH/SY		1,000.00 MH		[1.001]	52,067			66,208		**118,275**
2.434	48583 SY					1.07			1.36		2.43
BID ITEM = 170											
Description =	Crushed Aggregate Base (MAG)				Unit =	CY	Takeoff Quan:	7,568.000	Engr Quan:		7,568.000
8400	**Buy ABC (delivered)**				**Quan: 14,000.00 TON**		**Hrs/Shft:**	**8.00**	**Cal: 508**	**WC: AZ5506**	
2BA	ABC |1	1.00	14,000.00 TON		19.450		272,300				272,300
8410	**Place ABC**				**Quan: 14,000.00 TON**		**Hrs/Shft:**	**8.00**	**Cal: 508**	**WC: AZ5506**	
BLDPL	Blade crew with 613 & RTR		96.00	CH	**Prod:**		**1,166.6667 US**	Lab Pcs:	5.00	Eqp Pcs:	4.00
8B140	140H, Etc	1.00	96.00 HR		107.070				10,279		10,279
8RTR	Rubber Tired Roller	1.00	96.00 HR		70.530				6,771		6,771
8S613	CAT 613 Scraper	1.00	96.00 HR		139.050				13,349		13,349
8TH2O3800	3800 Gal Water Truck	1.00	96.00 HR		25.000				2,400		2,400
LGC	Laborer grade checker	1.00	96.00 MH		43.500	4,471					4,471
O1	Operator Group 1	2.00	192.00 MH		50.340	10,349					10,349
O2	Operator Group 2	1.00	96.00 MH		50.340	5,174					5,174
O3	Operator Group 3	1.00	96.00 MH		50.340	5,174					5,174
$57,966.88	0.0342 MH/TON		480.00 MH		[1.679]	25,168			32,798		57,967
8420	**Finegrade ABC**				**Quan: 48,583.00 SY**		**Hrs/Shft:**	**8.00**	**Cal: 508**	**WC: AZ5506**	
BLDPL	Blade crew with 613 & RTR		192.00	CH	**Prod:**		**24.0000 S**	Lab Pcs:	5.00	Eqp Pcs:	4.00
8B140	140H, Etc	1.00	192.00 HR		107.070				20,557		20,557
8RTR	Rubber Tired Roller	1.00	192.00 HR		70.530				13,542		13,542
8S613	CAT 613 Scraper	1.00	192.00 HR		139.050				26,698		26,698
8TH2O3800	3800 Gal Water Truck	1.00	192.00 HR		25.000				4,800		4,800
LGC	Laborer grade checker	1.00	192.00 MH		43.500	8,942					8,942
O1	Operator Group 1	2.00	384.00 MH		50.340	20,697					20,697

Cost Report

Activity Resource	Desc	Pcs	Quantity	Unit	Unit Cost	Labor	Perm Material	Constr Matl/Exp	Equip Ment	Sub-Contract	Total
BID ITEM = 170											
Description =	Crushed Aggregate Base (MAG)				Unit = CY	Takeoff Quan:		7,568.000	Engr Quan:		7,568.000
O2	Operator Group 2	1.00	192.00	MH	50.340	10,349					10,349
O3	Operator Group 3	1.00	192.00	MH	50.340	10,349					10,349
$115,933.76	0.0197 MH/SY		960.00	MH	[0.968]	50,337			65,597		115,934
=====> Item Totals:	**170**	**- Crushed Aggregate Base (MAG)**									
$446,200.64	0.1902 MH/CY		1,440.00	MH	[9.318]	75,505	272,300		98,395		**446,201**
58.959	7568 CY					9.98	35.98		13.00		58.96
BID ITEM = 180											
Description =	Bituminous Surface Course				Unit = TN	Takeoff Quan:		5,060.000	Engr Quan:		5,060.000
7000	**Buy MAG R-3/4**				**Quan: 5,060.00 TON Hrs/Shft: 8.00 Cal: 508 WC: AZ5506**						
2A01MAGR3/4	AC MAG R-3/4	1.00	5,060.00	TN	78.350		396,451				396,451
7030	**Place AC**				**Quan: 5,060.00 TON Hrs/Shft: 8.00 Cal: 508 WC: AZ5506**						
[[Crew Notes: Paver, 2 St rollers,flat rack,2 rakers,2 lab,Spec Super]]											
1055	Pave with CAT Paver			40.00 CH	**Prod: 126.5000 UH**			Lab Pcs:	10.00	Eqp Pcs:	6.00
8LS	Skip Loader/Gannon	1.00	40.00	HR	36.070				1,443		1,443
8PCAT	Caterpillar Paver	1.00	40.00	HR	288.290				11,532		11,532
8PU	Pickup truck	1.00	40.00	HR	10.000				400		400
8RST2	Large Steel Roller	2.00	100.00	HR	90.850				9,085		9,085
8TFR	Flat Rack	1.00	40.00	HR	10.000				400		400
LA	Asphalt Laborer	2.00	80.00	MH	30.450	2,608					2,608
LG	General Laborer	2.00	80.00	MH	30.450	2,608					2,608
O2	Operator Group 2	5.00	220.00	MH	50.340	12,362					12,362
SS	Specialty Super	1.00	40.00	MH	105.000	4,497					4,497
$44,934.49	0.0830 MH/TON		420.00	MH	[4.081]	22,075			22,859		44,934
=====> Item Totals:	**180**	**- Bituminous Surface Course**									
$441,385.49	0.0830 MH/TN		420.00	MH	[4.081]	22,075	396,451		22,859		**441,385**
87.230	5060 TN					4.36	78.35		4.52		87.23
BID ITEM = 190											
Description =	PCCP (7 Inches)				Unit = SY	Takeoff Quan:		6,390.000	Engr Quan:		6,390.000
6300	**Buy Concrete**				**Quan: 1,320.00 CY Hrs/Shft: 8.00 Cal: 508 WC: AZ5506**						
2CAA	MAG AA	1.00	1,320.00	CY	170.000		224,400				224,400
6880	**Set Forms**				**Quan: 4,000.00 LF Hrs/Shft: 8.00 Cal: 508 WC: AZ5506**						
CHAND	Hand placing concrete			96.00 CH	**Prod: 12.0000 S**			Lab Pcs:	12.00	Eqp Pcs:	3.00
8LS	Skip Loader/Gannon	1.00	96.00	HR	36.070				3,463		3,463
8PU	Pickup truck	1.00	96.00	HR	10.000				960		960
8TFR	Flat Rack	1.00	96.00	HR	10.000				960		960
LC	Concrete Laborer	5.00	480.00	MH	37.700	19,375					19,375
LF	Concrete Finisher	5.00	480.00	MH	43.500	22,356					22,356
O1	Operator Group 1	1.00	96.00	MH	50.340	5,174					5,174
SS	Specialty Super	1.00	96.00	MH	105.000	10,793					10,793
$63,081.30	0.2880 MH/LF		1,152.00	MH	[13.472]	57,699			5,383		63,081

Cost Report

Activity Resource	Desc	Pcs	Quantity	Unit		Unit Cost	Labor	Perm Material	Constr Matl/Exp	Equip Ment	Sub-Contract	Total
BID ITEM = 190												
Description =	PCCP (7 Inches)				Unit =	SY	Takeoff Quan:		6,390.000	Engr Quan:		6,390.000
6384	**Buy Single Dowels**				**Quan:**	**2,550.00 EA**	**Hrs/Shft:**		**8.00 Cal: 508 WC: AZ5506**			
2CRDOWEL	SINGLE DOWELS	1.00	2,550.00	EA		4.941		12,600				12,600
6885	**Saw & Seal**				**Quan:**	**1.00 LS**	**Hrs/Shft:**		**8.00 Cal: 508 WC: AZ5506**			
4SAWSEAL	Saw & Seal Sub	1.00	1.00	LS		45,795.000					45,795	45,795
6881	**Place Concrete**				**Quan:**	**1,320.00 CY**	**Hrs/Shft:**		**8.00 Cal: 508 WC: AZ5506**			
CHAND	Hand placing concrete			96.00	CH	**Prod:**	**13.7500 UH**		Lab Pcs: 12.00		Eqp Pcs: 3.00	
8LS	Skip Loader/Gannon	1.00	96.00	HR		36.070				3,463		3,463
8PU	Pickup truck	1.00	96.00	HR		10.000				960		960
8TFR	Flat Rack	1.00	96.00	HR		10.000				960		960
LC	Concrete Laborer	5.00	480.00	MH		37.700	19,375					19,375
LF	Concrete Finisher	5.00	480.00	MH		43.500	22,356					22,356
O1	Operator Group 1	1.00	96.00	MH		50.340	5,174					5,174
SS	Specialty Super	1.00	96.00	MH		105.000	10,793					10,793
$63,081.30	0.8727 MH/CY		1,152.00	MH		[40.825]	57,699			5,383		63,081
6882	**Strip Forms**				**Quan:**	**4,000.00 LF**	**Hrs/Shft:**		**8.00 Cal: 508 WC: AZ5506**			
CHAND	Hand placing concrete			64.00	CH	**Prod:**	**8.0000 S**		Lab Pcs: 12.00		Eqp Pcs: 3.00	
8LS	Skip Loader/Gannon	1.00	64.00	HR		36.070				2,308		2,308
8PU	Pickup truck	1.00	64.00	HR		10.000				640		640
8TFR	Flat Rack	1.00	64.00	HR		10.000				640		640
LC	Concrete Laborer	5.00	320.00	MH		37.700	12,917					12,917
LF	Concrete Finisher	5.00	320.00	MH		43.500	14,904					14,904
O1	Operator Group 1	1.00	64.00	MH		50.340	3,450					3,450
SS	Specialty Super	1.00	64.00	MH		105.000	7,195					7,195
$42,054.18	0.1920 MH/LF		768.00	MH		[8.981]	38,466			3,588		42,054
=====> Item Totals:	**190**	**- PCCP (7 Inches)**										
$451,011.33	0.4807 MH/SY		3,072.00	MH		[22.489]	153,863	237,000		14,354	45,795	**451,011**
70.581	6390 SY						24.08	37.09		2.25	7.17	70.58
BID ITEM = 210												
Description =	Single Curb MAG 222-A				Unit =	LF	Takeoff Quan:		1,625.000	Engr Quan:		1,625.000
6030	**Hand Placed Vertical Curb**				**Quan:**	**226.00 LF**	**Hrs/Shft:**		**8.00 Cal: 508 WC: AZ5506**			
CHAND	Hand placing concrete			16.00	CH	**Prod:**	**113.0000 US**		Lab Pcs: 12.00		Eqp Pcs: 3.00	
8LS	Skip Loader/Gannon	1.00	16.00	HR		36.070				577		577
8PU	Pickup truck	1.00	16.00	HR		10.000				160		160
8TFR	Flat Rack	1.00	16.00	HR		10.000				160		160
LC	Concrete Laborer	5.00	80.00	MH		37.700	3,229					3,229
LF	Concrete Finisher	5.00	80.00	MH		43.500	3,726					3,726
O1	Operator Group 1	1.00	16.00	MH		50.340	862					862
SS	Specialty Super	1.00	16.00	MH		105.000	1,799					1,799
$10,513.55	0.8495 MH/LF		192.00	MH		[39.741]	9,616			897		10,514
6032	**Mach Placed Vertical Curb**				**Quan:**	**1,399.00 LF**	**Hrs/Shft:**		**8.00 Cal: 508 WC: AZ5506**			
CSLIP	Slipform Crew			16.00	CH	**Prod:**	**699.5000 US**		Lab Pcs: 9.00		Eqp Pcs: 3.00	
8COMMANDER	Commander 3 Curb Machi	1.00	16.00	HR		139.530				2,232		2,232

Cost Report

Activity Resource	Desc	Pcs	Quantity	Unit	Unit Cost	Labor	Perm Material	Constr Matl/Exp	Equip Ment	Sub-Contract	Total
BID ITEM = 210											
Description =	Single Curb MAG 222-A				Unit = LF	Takeoff Quan:		1,625.000	Engr Quan:		1,625.000
8PU	Pickup truck	1.00	16.00	HR	10.000				160		160
8TFR	Flat Rack	1.00	16.00	HR	10.000				160		160
LC	Concrete Laborer	2.00	32.00	MH	37.700	1,292					1,292
LF	Concrete Finisher	5.00	80.00	MH	43.500	3,726					3,726
O2	Operator Group 2	1.00	16.00	MH	50.340	862					862
SS	Specialty Super	1.00	16.00	MH	105.000	1,799					1,799
$10,231.37	0.1029 MH/LF		144.00	MH	[5.126]	7,679			2,552		10,231
6300	**Buy MAG A Concrete**				**Quan: 54.00 CY**	**Hrs/Shft: 8.00**		**Cal: 508**	**WC: AZ5506**		
2CA	MAG A	1.00	54.00	CY	155.000		8,370				8,370
6030	**STS & Forms**				**Quan: 1,625.00 LF**	**Hrs/Shft: 8.00**		**Cal: 508**	**WC: AZ5506**		
3FMCVC	Vertical Curb Forms |1	1.00	1,625.00	LF	0.250			406			406
3STSCURB	STS - CURBING |1	1.00	1,625.00	LF	0.250			406			406
$812.50					[ ]			813			813
=====> Item Totals: 210 - Single Curb MAG 222-A											
$29,927.42	0.2067 MH/LF		336.00	MH	[9.94]	17,295	8,370	813	3,450		**29,927**
18.417	1625 LF					10.64	5.15	0.50	2.12		18.42
BID ITEM = 220											
Description =	Curb & Gutter MAG 220-1-A				Unit = LF	Takeoff Quan:		498.000	Engr Quan:		498.000
6010	**Hand Placed 220A**				**Quan: 182.00 LF**	**Hrs/Shft: 8.00**		**Cal: 508**	**WC: AZ5506**		
CHAND	Hand placing concrete			8.00	CH **Prod: 182.0000 US**			Lab Pcs: 12.00		Eqp Pcs:	3.00
8LS	Skip Loader/Gannon	1.00	8.00	HR	36.070				289		289
8PU	Pickup truck	1.00	8.00	HR	10.000				80		80
8TFR	Flat Rack	1.00	8.00	HR	10.000				80		80
LC	Concrete Laborer	5.00	40.00	MH	37.700	1,615					1,615
LF	Concrete Finisher	5.00	40.00	MH	43.500	1,863					1,863
O1	Operator Group 1	1.00	8.00	MH	50.340	431					431
SS	Specialty Super	1.00	8.00	MH	105.000	899					899
$5,256.78	0.5274 MH/LF		96.00	MH	[24.674]	4,808			449		5,257
6012	**Machine Placed 220A**				**Quan: 316.00 LF**	**Hrs/Shft: 8.00**		**Cal: 508**	**WC: AZ5506**		
CSLIP	Slipform Crew			8.00	CH **Prod: 316.0000 US**			Lab Pcs: 9.00		Eqp Pcs:	3.00
8COMMANDER	Commander 3 Curb Machi	1.00	8.00	HR	139.530				1,116		1,116
8PU	Pickup truck	1.00	8.00	HR	10.000				80		80
8TFR	Flat Rack	1.00	8.00	HR	10.000				80		80
LC	Concrete Laborer	2.00	16.00	MH	37.700	646					646
LF	Concrete Finisher	5.00	40.00	MH	43.500	1,863					1,863
O2	Operator Group 2	1.00	8.00	MH	50.340	431					431
SS	Specialty Super	1.00	8.00	MH	105.000	899					899
$5,115.69	0.2278 MH/LF		72.00	MH	[11.348]	3,839			1,276		5,116
6300	**Buy MAG A Concrete**				**Quan: 498.00 LF**	**Hrs/Shft: 8.00**		**Cal: 508**	**WC: AZ5506**		
2CA	MAG A	1.00	27.00	CY	155.000		4,185				4,185
6010	**STS & Forms**				**Quan: 498.00 LF**	**Hrs/Shft: 8.00**		**Cal: 508**	**WC: AZ5506**		
3FMCCG	Curb & Gutter Forms |1	1.00	498.00	LF	0.250			125			125

Cost Report

Activity Resource	Desc	Pcs	Quantity	Unit	Unit Cost	Labor	Perm Material	Constr Matl/Exp	Equip Ment	Sub-Contract	Total
BID ITEM = 220											
Description =	Curb & Gutter MAG 220-1-A				Unit = LF	Takeoff Quan:		498.000	Engr Quan:		498.000
3STSCURB	STS - CURBING |1	1.00	498.00	LF	0.250			125			125
$249.00					[ ]			249			249
=====> Item Totals: 220 - Curb & Gutter MAG 220-1-A											
$14,806.47	0.3373 MH/LF		168.00	MH	[16.218]	8,648	4,185	249	1,725		**14,806**
29.732	498 LF					17.36	8.40	0.50	3.46		29.73
BID ITEM = 240											
Description =	Conc Valley Gutter MAG 240 (Mod)				Unit = LF	Takeoff Quan:		908.000	Engr Quan:		908.000
6300	**Buy Concrete (MAG A)**				**Quan: 85.00 CY**	**Hrs/Shft: 8.00 Cal: 508 WC: AZ5506**					
2CA	MAG A |0.0247	1.00	85.00	CY	155.000		13,175				13,175
6070	**FPS Valley Gutter**				**Quan: 2,724.00 SF**	**Hrs/Shft: 8.00 Cal: 508 WC: AZ5506**					
CHAND	Hand placing concrete		32.00	CH	**Prod: 85.1250 UH**			Lab Pcs: 12.00		Eqp Pcs: 3.00	
8LS	Skip Loader/Gannon	1.00	32.00	HR	36.070			1,154			1,154
8PU	Pickup truck	1.00	32.00	HR	10.000			320			320
8TFR	Flat Rack	1.00	32.00	HR	10.000			320			320
LC	Concrete Laborer	5.00	160.00	MH	37.700	6,458					6,458
LF	Concrete Finisher	5.00	160.00	MH	43.500	7,452					7,452
O1	Operator Group 1	1.00	32.00	MH	50.340	1,725					1,725
SS	Specialty Super	1.00	32.00	MH	105.000	3,598					3,598
$21,027.09	0.1409 MH/SF		384.00	MH	[6.594]	19,233			1,794		21,027
6070	**STS (flatwork)**				**Quan: 2,724.00 SF**	**Hrs/Shft: 8.00 Cal: 508 WC: AZ5506**					
3STSFLAT	STS - FLATWORK	1.00	2,724.00	SF	0.300			817			817
=====> Item Totals: 240 - Conc Valley Gutter MAG 240 (Mod)											
$35,019.29	0.4229 MH/LF		384.00	MH	[19.783]	19,233	13,175	817	1,794		**35,019**
38.568	908 LF					21.18	14.51	0.90	1.98		38.57
BID ITEM = 245											
Description =	Bus Stop Pad Det C-1.9				Unit = EA	Takeoff Quan:		3.000	Engr Quan:		3.000
8350	**Grade for Misc Slabs**				**Quan: 2,160.00 SF**	**Hrs/Shft: 8.00 Cal: 508 WC: AZ5506**					
GRCONC	(Mod) Grading for conc subgrade		6.00	CH	**Prod: 360.0000 UH**			Lab Pcs: 3.00		Eqp Pcs: 2.00	
8LS	Skip Loader/Gannon	1.00	6.00	HR	36.070			216			216
8TH2O3800	3800 Gal Water Truck	1.00	6.00	HR	25.000			150			150
LGC	Laborer grade checker	1.00	6.00	MH	43.500	279					279
O1	Operator Group 1	2.00	12.00	MH	50.340	647					647
$1,292.66	0.0083 MH/SF		18.00	MH	[0.401]	926			366		1,293
6300	**Bus Stop Material Buy**				**Quan: 3.00 EA**	**Hrs/Shft: 8.00 Cal: 508 WC: AZ5506**					
2CA	MAG A	1.00	30.00	CY	155.000		4,650				4,650
2KCONDUIT	PVC Conduit	1.00	120.00	LF	8.000		960				960
2TDOME	Truncated Domes	1.00	36.00	SF	25.000		900				900
$6,510.00					[ ]		6,510				6,510

Cost Report

Activity Resource	Desc	Pcs	Quantity	Unit	Unit Cost	Labor	Perm Material	Constr Matl/Exp	Equip Ment	Sub-Contract	Total
BID ITEM = 245											
Description =	Bus Stop Pad Det C-1.9				Unit = EA	Takeoff Quan:		3.000	Engr Quan:		3.000
6102	**FPS Bus Stop Pad**				**Quan: 2,160.00 SF**	**Hrs/Shft:**		**8.00**	**Cal: 508**	**WC: AZ5506**	
CHAND	Hand placing concrete		24.00	CH	**Prod:**	**90.0000 UH**		Lab Pcs:	12.00	Eqp Pcs:	3.00
8LS	Skip Loader/Gannon	1.00	24.00 HR		36.070				866		866
8PU	Pickup truck	1.00	24.00 HR		10.000				240		240
8TFR	Flat Rack	1.00	24.00 HR		10.000				240		240
LC	Concrete Laborer	5.00	120.00 MH		37.700	4,844					4,844
LF	Concrete Finisher	5.00	120.00 MH		43.500	5,589					5,589
O1	Operator Group 1	1.00	24.00 MH		50.340	1,294					1,294
SS	Specialty Super	1.00	24.00 MH		105.000	2,698					2,698
$15,770.32	0.1333 MH/SF		288.00 MH		[6.237]	14,425			1,346		15,770
6102	**STS (flatwork)**				**Quan: 2,160.00 SF**	**Hrs/Shft:**		**8.00**	**Cal: 508**	**WC: AZ5506**	
3STSFLAT	STS - FLATWORK	1.00	2,160.00 SF		0.200			432			432
=====> Item Totals:	**245**	**- Bus Stop Pad Det C-1.9**									
$24,004.98	102.0000 MH/EA		306.00 MH		[4779.08]	15,351	6,510	432	1,712		**24,005**
8,001.660	3 EA					5,116.96	2,170.00	144.00	570.70		8,001.66
BID ITEM = 250											
Description =	Precast Safety Curb MAG 150-B-2				Unit = LS	Takeoff Quan:		1.000	Engr Quan:		1.000
250	**Precast Safety Curb MAG 150-B-2**				**Quan: 1.00 LS**	**Hrs/Shft:**		**8.00**	**Cal: 508**	**WC: AZ5506**	
4SGNSTR	Sign & Stripe Sub	1.00	1.00 LS		2,320.000					2,320	2,320
BID ITEM = 260											
Description =	Precast Safety Curb MAG 150-B-3				Unit = LS	Takeoff Quan:		1.000	Engr Quan:		1.000
260	**Precast Safety Curb MAG 150-B-3**				**Quan: 1.00 LS**	**Hrs/Shft:**		**8.00**	**Cal: 508**	**WC: AZ5506**	
4SGNSTR	Sign & Stripe Sub	1.00	1.00 LS		3,360.000					3,360	3,360
BID ITEM = 270											
Description =	6' Chain Link Fence MAG 160 (Mod w/o Bar				Unit = LS	Takeoff Quan:		1.000	Engr Quan:		1.000
270	**6' Chain Link Fence MAG 160 (Mod w/o Bar**				**Quan: 1.00 LS**	**Hrs/Shft:**		**8.00**	**Cal: 508**	**WC: AZ5506**	
4FENCE	Fencing Sub	1.00	1.00 LS		54,750.000					54,750	54,750
BID ITEM = 280											
Description =	6' x 26' Chain Link Vehicular Access Gat				Unit = LS	Takeoff Quan:		1.000	Engr Quan:		1.000
280	**6' x 26' Chain Link Vehicular Access Gat**				**Quan: 1.00 LS**	**Hrs/Shft:**		**8.00**	**Cal: 508**	**WC: AZ5506**	
4FENCE	Fencing Sub	1.00	1.00 LS		5,518.140					5,518	5,518

Cost Report

Activity Resource	Desc	Quantity Pcs	Quantity Unit	Unit Cost	Labor	Perm Material	Constr Matl/Exp	Equip Ment	Sub-Contract	Total
BID ITEM = 290										
Description =	4' x 26' Chain Link Vehiculat Access Gat			Unit =	LS	Takeoff Quan:		1.000	Engr Quan:	1.000
290	**4' x 26' Chain Link Vehiculat Access Gat**			**Quan:**	**1.00 LS**	**Hrs/Shft:**	**8.00**	**Cal: 508**	**WC: AZ5506**	
4FENCE	Fencing Sub	1.00	1.00 LS	6,107.200					6,107	6,107
BID ITEM = 300										
Description =	4' Chain Link Fence w/o Barbed Wire MAG			Unit =	LS	Takeoff Quan:		1.000	Engr Quan:	1.000
300	**4' Chain Link Fence w/o Barbed Wire MAG**			**Quan:**	**1.00 LS**	**Hrs/Shft:**	**8.00**	**Cal: 508**	**WC: AZ5506**	
4FENCE	Fencing Sub	1.00	1.00 LS	36,900.000					36,900	36,900
BID ITEM = 310										
Description =	4" White Striping			Unit =	LS	Takeoff Quan:		1.000	Engr Quan:	1.000
310	**4" White Striping**			**Quan:**	**1.00 LS**	**Hrs/Shft:**	**8.00**	**Cal: 508**	**WC: AZ5506**	
4SGNSTR	Sign & Stripe Sub	1.00	1.00 LS	4,369.500					4,370	4,370
BID ITEM = 320										
Description =	4" Yellow Striping			Unit =	LS	Takeoff Quan:		1.000	Engr Quan:	1.000
320	**4" Yellow Striping**			**Quan:**	**1.00 LS**	**Hrs/Shft:**	**8.00**	**Cal: 508**	**WC: AZ5506**	
4SGNSTR	Sign & Stripe Sub	1.00	1.00 LS	827.100					827	827
BID ITEM = 330										
Description =	Fire Lane Curb Marking COM FPD503.3-1			Unit =	LS	Takeoff Quan:		1.000	Engr Quan:	1.000
330	**Fire Lane Curb Marking COM FPD503.3-1**			**Quan:**	**1.00 LS**	**Hrs/Shft:**	**8.00**	**Cal: 508**	**WC: AZ5506**	
4SGNSTR	Sign & Stripe Sub	1.00	1.00 LS	381.900					382	382
BID ITEM = 340										
Description =	ADA Handicap Symbol			Unit =	LS	Takeoff Quan:		1.000	Engr Quan:	1.000
340	**ADA Handicap Symbol**			**Quan:**	**1.00 LS**	**Hrs/Shft:**	**8.00**	**Cal: 508**	**WC: AZ5506**	
4SGNSTR	Sign & Stripe Sub	1.00	1.00 LS	1,200.000					1,200	1,200
BID ITEM = 350										
Description =	ADA Handicap Parking Sign			Unit =	LS	Takeoff Quan:		1.000	Engr Quan:	1.000

Cost Report

Activity Resource	Desc	Quantity Pcs	Quantity Unit	Unit Cost	Labor	Perm Material	Constr Matl/Exp	Equip Ment	Sub-Contract	Total
BID ITEM = 350										
Description =	ADA Handicap Parking Sign			Unit = LS	Takeoff Quan:		1.000	Engr Quan:		1.000
350	**ADA Handicap Parking Sign**			**Quan: 1.00 LS**	**Hrs/Shft:**		**8.00**	**Cal: 508**	**WC: AZ5506**	
4SGNSTR	Sign & Stripe Sub	1.00	1.00 LS	9,000.000					9,000	9,000
BID ITEM = 360										
Description =	Sign Per Detail SA			Unit = LS	Takeoff Quan:		1.000	Engr Quan:		1.000
360	**Sign Per Detail SA**			**Quan: 1.00 LS**	**Hrs/Shft:**		**8.00**	**Cal: 508**	**WC: AZ5506**	
4SGNSTR	Sign & Stripe Sub	1.00	1.00 LS	6,400.000					6,400	6,400
BID ITEM = 370										
Description =	Sign Per Detail SX			Unit = LS	Takeoff Quan:		1.000	Engr Quan:		1.000
370	**Sign Per Detail SX**			**Quan: 1.00 LS**	**Hrs/Shft:**		**8.00**	**Cal: 508**	**WC: AZ5506**	
4SGNSTR	Sign & Stripe Sub	1.00	1.00 LS	2,100.000					2,100	2,100
BID ITEM = 380										
Description =	Sign Per Detail SL			Unit = LS	Takeoff Quan:		1.000	Engr Quan:		1.000
380	**Sign Per Detail SL**			**Quan: 1.00 LS**	**Hrs/Shft:**		**8.00**	**Cal: 508**	**WC: AZ5506**	
4SGNSTR	Sign & Stripe Sub	1.00	1.00 LS	3,150.000					3,150	3,150
BID ITEM = 390										
Description =	Sign "Bus Stop Number" Special Detail			Unit = LS	Takeoff Quan:		1.000	Engr Quan:		1.000
390	**Sign "Bus Stop Number" Special Detail**			**Quan: 1.00 LS**	**Hrs/Shft:**		**8.00**	**Cal: 508**	**WC: AZ5506**	
4SGNSTR	Sign & Stripe Sub	1.00	1.00 LS	300.000					300	300
BID ITEM = 410										
Description =	Relocate Exist Bus Stop Sign			Unit = LS	Takeoff Quan:		1.000	Engr Quan:		1.000
410	**Relocate Exist Bus Stop Sign**			**Quan: 1.00 LS**	**Hrs/Shft:**		**8.00**	**Cal: 508**	**WC: AZ5506**	
4SGNSTR	Sign & Stripe Sub	1.00	1.00 LS	600.000					600	600
BID ITEM = 420										
Description =	PMGAA Vehicle Access Gate Sign			Unit = LS	Takeoff Quan:		1.000	Engr Quan:		1.000

Cost Report

Activity Resource	Desc	Pcs	Quantity	Unit	Unit Cost	Labor	Perm Material	Constr Matl/Exp	Equip Ment	Sub-Contract	Total
BID ITEM = 420											
Description =	PMGAA Vehicle Access Gate Sign				Unit =	LS	Takeoff Quan:	1.000	Engr Quan:		1.000
420	**PMGAA Vehicle Access Gate Sign**				**Quan:**	**1.00 LS**	**Hrs/Shft:**	**8.00**	**Cal: 508**	**WC: AZ5506**	
4SGNSTR	Sign & Stripe Sub	1.00	1.00	LS	600.000					600	600
BID ITEM = 430											
Description =	24" RGRCP CL III				Unit =	LF	Takeoff Quan:	313.000	Engr Quan:		313.000
3002	**Buy RGRCP**				**Quan:**	**320.00 LF**	**Hrs/Shft:**	**8.00**	**Cal: 508**	**WC: AZ5506**	
2DRCP243	24" RCP CL III	1.00	320.00	LF	52.000		16,640				16,640
3060	**Buy ABC**				**Quan:**	**80.00 TON**	**Hrs/Shft:**	**8.00**	**Cal: 508**	**WC: AZ5506**	
2BA	ABC |1	1.00	80.00	TON	19.450		1,556				1,556
31180	**Exc, Place, Backfill (mainline)**				**Quan:**	**313.00 LF**	**Hrs/Shft:**	**8.00**	**Cal: 508**	**WC: AZ6306**	
P350	(Mod) Place pipe with 350L		32.00	CH	**Prod:**	**9.7813 UH**	Lab Pcs:	9.00	Eqp Pcs:		4.00
8H322	CAT 322 Rubber Tire Ho	1.00	32.00	HR	112.580			3,603			3,603
8L950	CAT 950 Loader	1.00	32.00	HR	76.720			2,455			2,455
8RTRENCH	Trench Roller (Raygo,	1.00	32.00	HR	25.000			800			800
8TH2O3800	3800 Gal Water Truck	1.00	32.00	HR	25.000			800			800
LG	General Laborer	2.00	64.00	MH	30.450	2,046					2,046
LGC	Laborer grade checker	1.00	32.00	MH	43.500	1,461					1,461
LP	Pipe Laborer	2.00	64.00	MH	30.450	2,046					2,046
O1	Operator Group 1	1.00	32.00	MH	50.340	1,691					1,691
O2	Operator Group 2	2.00	64.00	MH	50.340	3,383					3,383
O3	Operator Group 3	1.00	32.00	MH	50.340	1,691					1,691
$19,976.21	0.9201 MH/LF		288.00	MH	[37.486]	12,319			7,658		19,976
3002T	**Haul Pipe Spoils**				**Quan:**	**15.00 LD**	**Hrs/Shft:**	**8.00**	**Cal: 508**	**WC: AZ5506**	
4HHR	Hauling Sub - Hour	1.00	32.00	HR	110.000					3,520	3,520
=====> Item Totals:	**430**	**- 24" RGRCP CL III**									
$41,692.21	0.9201 MH/LF		288.00	MH	[37.486]	12,319	18,196		7,658	3,520	**41,692**
133.202	313 LF					39.36	58.13		24.47	11.25	133.20
BID ITEM = 435											
Description =	18" RGRCP CL III				Unit =	LF	Takeoff Quan:	30.000	Engr Quan:		30.000
3002	**Buy RGRCP**				**Quan:**	**32.00 LF**	**Hrs/Shft:**	**8.00**	**Cal: 508**	**WC: AZ5506**	
2DRCP183	18" RCP CL III	1.00	32.00	LF	38.000		1,216				1,216
3060	**Buy ABC**				**Quan:**	**8.00 TON**	**Hrs/Shft:**	**8.00**	**Cal: 508**	**WC: AZ5506**	
2BA	ABC |1	1.00	8.00	TON	19.450		156				156
31180	**Exc, Place, Backfill (mainline)**				**Quan:**	**30.00 LF**	**Hrs/Shft:**	**8.00**	**Cal: 508**	**WC: AZ6306**	
P350	(Mod) Place pipe with 350L		4.00	CH	**Prod:**	**7.5000 UH**	Lab Pcs:	9.00	Eqp Pcs:		4.00
8H322	CAT 322 Rubber Tire Ho	1.00	4.00	HR	112.580			450			450

Cost Report

Activity Resource	Desc	Quantity Pcs	Quantity Unit	Unit Cost	Labor	Perm Material	Constr Matl/Exp	Equip Ment	Sub-Contract	Total
BID ITEM = 435										
Description =	18" RGRCP CL III			Unit = LF	Takeoff Quan:		30.000	Engr Quan:		30.000
8L950	CAT 950 Loader	1.00	4.00 HR	76.720				307		307
8RTRENCH	Trench Roller (Raygo,	1.00	4.00 HR	25.000				100		100
8TH2O3800	3800 Gal Water Truck	1.00	4.00 HR	25.000				100		100
LG	General Laborer	2.00	8.00 MH	30.450	256					256
LGC	Laborer grade checker	1.00	4.00 MH	43.500	183					183
LP	Pipe Laborer	2.00	8.00 MH	30.450	256					256
O1	Operator Group 1	1.00	4.00 MH	50.340	211					211
O2	Operator Group 2	2.00	8.00 MH	50.340	423					423
O3	Operator Group 3	1.00	4.00 MH	50.340	211					211
$2,497.04	1.2000 MH/LF		36.00 MH	[48.888]	1,540			957		2,497
3002T	**Haul Pipe Spoils**			**Quan: 2.00 LD**	**Hrs/Shft: 8.00**		**Cal: 508**	**WC: AZ5506**		
4HHR	Hauling Sub - Hour	1.00	4.00 HR	110.000					440	440
=====> Item Totals: 435 - 18" RGRCP CL III										
$4,308.64	1.2000 MH/LF		36.00 MH	[48.888]	1,540	1,372		957	440	**4,309**
143.621	30 LF				51.33	45.72		31.91	14.67	143.62
BID ITEM = 440										
Description =	Conc Headwall MAG 501-1 U			Unit = EA	Takeoff Quan:		2.000	Engr Quan:		2.000
8140	**Excavate**			**Quan: 2.00 EA**	**Hrs/Shft: 8.00**		**Cal: 508**	**WC: AZ5506**		
DEMO2	(Mod) Backhoe removal crew		2.00 CH	**Prod: 0.0000**			Lab Pcs: 2.00		Eqp Pcs:	1.00
8H426	CAT 426 Backhoe	1.00	2.00 HR	44.520				89		89
LG	General Laborer	1.00	2.00 MH	30.450	65					65
O2	Operator Group 2	1.00	2.00 MH	50.340	108					108
$262.05	2.0000 MH/EA		4.00 MH	[80.79]	173			89		262
6340	**Buy Concrete**			**Quan: 3.00 CY**	**Hrs/Shft: 8.00**		**Cal: 508**	**WC: AZ5506**		
2CA	MAG A	1.00	3.00 CY	155.000		465				465
6340	**F,P,S Concrete**			**Quan: 3.00 CY**	**Hrs/Shft: 8.00**		**Cal: 508**	**WC: AZ5506**		
[[Crew Notes: catch basins,headwalls,sm walls, etc]]										
CBCREW	Small Structure Crew		16.00 CH	**Prod: 0.0000**			Lab Pcs: 5.00		Eqp Pcs:	2.00
8PU	Pickup truck	1.00	16.00 HR	10.000				160		160
8TFR	Flat Rack	1.00	16.00 HR	10.000				160		160
FC	Carpenter Foreman	1.00	16.00 MH	95.000	1,627					1,627
JC	Journeyman Carpenter	1.00	16.00 MH	43.500	745					745
LC	Concrete Laborer	1.00	16.00 MH	37.700	646					646
LF	Concrete Finisher	1.00	16.00 MH	43.500	745					745
LG	General Laborer	1.00	16.00 MH	30.450	522					522
$4,605.38	26.6666 MH/CY		80.00 MH	[1334.133]	4,285			320		4,605
8150	**Backfill**			**Quan: 4.00 CY**	**Hrs/Shft: 8.00**		**Cal: 508**	**WC: AZ5506**		
DEMO2	(Mod) Backhoe removal crew		0.00 CH	**Prod: 0.0000**			Lab Pcs: 2.00		Eqp Pcs:	2.00
8H426	CAT 426 Backhoe	1.00	0.00 HR	44.520						
8JJACK	Jumping Jack	1.00	0.00 HR	5.000						
LG	General Laborer	1.00	0.00 MH	30.450						
O2	Operator Group 2	1.00	0.00 MH	50.340						
$0.00				[ ]						

Cost Report

Activity Resource	Desc	Pcs	Quantity	Unit	Unit Cost	Labor	Perm Material	Constr Matl/Exp	Equip Ment	Sub-Contract	Total
BID ITEM = 440											
Description =	Conc Headwall MAG 501-1 U				Unit = EA	Takeoff Quan:		2.000	Engr Quan:		2.000
=====> Item Totals:	**440**	**- Conc Headwall MAG 501-1 U**									
$5,332.43	42.0000 MH/EA		84.00	MH	[2081.99]	4,458	465		409		**5,332**
2,666.215	2 EA					2,229.20	232.50		204.52		2,666.22
BID ITEM = 450											
Description =	Riprap w/Filter Fabric (D50=6")				Unit = CY	Takeoff Quan:		1,023.000	Engr Quan:		1,023.000
2560	**Buy Riprap**				**Quan: 1,600.00 TN**	**Hrs/Shft:**		**8.00 Cal: 508 WC: AZ5506**			
2BA0246	Riprap 6"	1.00	1,600.00	TN	50.000		80,000				80,000
89001	**Buy Fabric**				**Quan: 2,050.00 SY**	**Hrs/Shft:**		**8.00 Cal: 508 WC: AZ5506**			
2GFABFILTER	Filter Fabric	1.35	2,767.50	SY	1.200		3,321				3,321
89002	**Grade for Riprap**				**Quan: 2,050.00 SY**	**Hrs/Shft:**		**8.00 Cal: 508 WC: AZ5506**			
ZZ	(Mod) Crew on the fly		16.00	CH	**Prod:**	**0.0000**		Lab Pcs:	3.00	Eqp Pcs:	2.00
8HGRADALL	Grade-All	1.00	16.00	HR	90.470				1,448		1,448
8TH2O3800	3800 Gal Water Truck	1.00	16.00	HR	25.000				400		400
LGC	Laborer grade checker	1.00	16.00	MH	43.500	745					745
O3	Operator Group 3	1.00	16.00	MH	50.340	862					862
T3	Water truck Driver	1.00	16.00	MH	42.660	731					731
$4,185.93	0.0234 MH/SY		48.00	MH	[1.065]	2,338			1,848		4,186
89003	**Place Fabric**				**Quan: 2,050.00 SY**	**Hrs/Shft:**		**8.00 Cal: 508 WC: AZ5506**			
ZZ	(Mod) Crew on the fly		32.00	CH	**Prod:**	**0.0000**		Lab Pcs:	4.00	Eqp Pcs:	2.00
8H426	CAT 426 Backhoe	1.00	32.00	HR	44.520				1,425		1,425
8TFR	Flat Rack	1.00	32.00	HR	10.000				320		320
LG	General Laborer	2.00	64.00	MH	30.450	2,087					2,087
LGC	Laborer grade checker	1.00	32.00	MH	43.500	1,490					1,490
O2	Operator Group 2	1.00	32.00	MH	50.340	1,725					1,725
$7,046.40	0.0624 MH/SY		128.00	MH	[2.415]	5,302			1,745		7,046
89004	**Place Riprap**				**Quan: 1,023.00 CY**	**Hrs/Shft:**		**8.00 Cal: 508 WC: AZ5506**			
ZZ	(Mod) Crew on the fly		56.00	CH	**Prod:**	**18.2679 UH**		Lab Pcs:	3.00	Eqp Pcs:	2.00
8HGRADALL	Grade-All	1.00	56.00	HR	90.470				5,066		5,066
8L950	CAT 950 Loader	1.00	56.00	HR	76.720				4,296		4,296
LG	General Laborer	1.00	56.00	MH	30.450	1,826					1,826
O2	Operator Group 2	1.00	56.00	MH	50.340	3,018					3,018
O3	Operator Group 3	1.00	56.00	MH	50.340	3,018					3,018
$17,225.10	0.1642 MH/CY		168.00	MH	[7.178]	7,862			9,363		17,225
=====> Item Totals:	**450**	**- Riprap w/Filter Fabric (D50=6")**									
$111,778.43	0.3362 MH/CY		344.00	MH	[14.153]	15,503	83,321		12,955		**111,778**
109.265	1023 CY					15.15	81.45		12.66		109.27
BID ITEM = 460											
Description =	Cutoff Wall w/Filter Fabric				Unit = LF	Takeoff Quan:		282.000	Engr Quan:		282.000
8140	**Excavate**				**Quan: 150.00 CY**	**Hrs/Shft:**		**8.00 Cal: 508 WC: AZ5506**			

Cost Report

Activity Resource	Desc	Pcs	Quantity	Unit	Unit Cost	Labor	Perm Material	Constr Matl/Exp	Equip Ment	Sub-Contract	Total
BID ITEM = 460											
Description =	Cutoff Wall w/Filter Fabric				Unit = LF	Takeoff Quan:		282.000	Engr Quan:		282.000
DEMO3	322R Removal Crew		16.00		CH	**Prod:**	**0.0000**	Lab Pcs:	2.00	Eqp Pcs:	1.00
8H322	CAT 322 Rubber Tire Ho	1.00	16.00	HR	112.580				1,801		1,801
LG	General Laborer	1.00	16.00	MH	30.450	522					522
O3	Operator Group 3	1.00	16.00	MH	50.340	862					862
$3,185.31	0.2133 MH/CY		32.00	MH	[8.618]	1,384			1,801		3,185
6340	**Buy Forms**				**Quan: 1,974.00 SF**	**Hrs/Shft:**		**8.00 Cal: 508 WC: AZ5506**			
3FM	FORMING MATLS	1.00	1,974.00	SF	3.000			5,922			5,922
6340	**Buy Concrete**				**Quan: 35.00 CY**	**Hrs/Shft:**		**8.00 Cal: 508 WC: AZ5506**			
2CA	MAG A	1.00	35.00	CY	155.000		5,425				5,425
6340	**F,P,S Concrete**				**Quan: 35.00 CY**	**Hrs/Shft:**		**8.00 Cal: 508 WC: AZ5506**			
CHAND	(Mod) Hand placing concrete		80.00		CH	**Prod:**	**10.0000 S**	Lab Pcs:	8.00	Eqp Pcs:	3.00
8LS	Skip Loader/Gannon	1.00	80.00	HR	36.070				2,886		2,886
8PU	Pickup truck	1.00	80.00	HR	10.000				800		800
8TFR	Flat Rack	1.00	80.00	HR	10.000				800		800
LC	Concrete Laborer	3.00	240.00	MH	37.700	9,688					9,688
LF	Concrete Finisher	3.00	240.00	MH	43.500	11,178					11,178
O1	Operator Group 1	1.00	80.00	MH	50.340	4,312					4,312
SS	Specialty Super	1.00	80.00	MH	105.000	8,994					8,994
$38,657.20	18.2857 MH/CY		640.00	MH	[911.863]	34,172			4,486		38,657
8150	**Backfill**				**Quan: 115.00 CY**	**Hrs/Shft:**		**8.00 Cal: 508 WC: AZ5506**			
DEMO2	(Mod) Backhoe removal crew		16.00		CH	**Prod:**	**0.0000**	Lab Pcs:	2.00	Eqp Pcs:	2.00
8H426	CAT 426 Backhoe	1.00	16.00	HR	44.520				712		712
8JJACK	Jumping Jack	1.00	16.00	HR	5.000				80		80
LG	General Laborer	1.00	16.00	MH	30.450	522					522
O2	Operator Group 2	1.00	16.00	MH	50.340	862					862
$2,176.35	0.2782 MH/CY		32.00	MH	[11.24]	1,384			792		2,176
=====> Item Totals:	**460**		**- Cutoff Wall w/Filter Fabric**								
$55,365.86	2.4964 MH/LF		704.00	MH	[122.342]	36,940	5,425	5,922	7,079		**55,366**
196.333	282 LF					130.99	19.24	21.00	25.10		196.33
BID ITEM = 520											
Description =	Rock Mulch				Unit = SF	Takeoff Quan:		32,350.000	Engr Quan:		32,350.000
52001	**Rock Mulch**				**Quan: 32,350.00 SF**	**Hrs/Shft:**		**8.00 Cal: 508 WC: AZ5506**			
BFMISC	(Mod) Miscellaneous Backfill		40.00		CH	**Prod:**	**0.0000**	Lab Pcs:	5.00	Eqp Pcs:	3.00
2BMULCH	Rock Mulch ~1	1.00	40.00	TN	50.000		2,000				2,000
8LS	Skip Loader/Gannon	1.00	40.00	HR	36.070				1,443		1,443
8TH2O3800	3800 Gal Water Truck	1.00	40.00	HR	25.000				1,000		1,000
8WACKER	Wacker/Tamper	1.00	40.00	HR	5.000				200		200
LG	General Laborer	3.00	120.00	MH	30.450	3,912					3,912
O1	Operator Group 1	2.00	80.00	MH	50.340	4,312					4,312
$12,867.06	0.0061 MH/SF		200.00	MH	[0.237]	8,224	2,000		2,643		12,867
=====> Item Totals:	**520**		**- Rock Mulch**								
$12,867.06	0.0061 MH/SF		200.00	MH	[0.237]	8,224	2,000		2,643		**12,867**
0.398	32350 SF					0.25	0.06		0.08		0.40

Cost Report

Activity Resource	Desc	Quantity Pcs	Quantity Unit	Unit Cost	Labor	Perm Material	Constr Matl/Exp	Equip Ment	Sub-Contract	Total
BID ITEM = 540										
Description =	Light Base Removal			Unit =	LS	Takeoff Quan:	1.000	Engr Quan:		1.000
540	**Light Base Removal**			**Quan:**	**1.00 LS**	**Hrs/Shft:**	**8.00**	**Cal: 508**	**WC: AZ5506**	
4ELEC	Electrical Sub	1.00	1.00 LS	1,785.000					1,785	1,785
BID ITEM = 580										
Description =	Pulbox #5			Unit =	LS	Takeoff Quan:	1.000	Engr Quan:		1.000
580	**Pulbox #5**			**Quan:**	**1.00 LS**	**Hrs/Shft:**	**8.00**	**Cal: 508**	**WC: AZ5506**	
4ELEC	Electrical Sub	1.00	1.00 LS	36,800.000					36,800	36,800
BID ITEM = 590										
Description =	Adjust Exist Pullbox to Grade			Unit =	LS	Takeoff Quan:	1.000	Engr Quan:		1.000
590	**Adjust Exist Pullbox to Grade**			**Quan:**	**1.00 LS**	**Hrs/Shft:**	**8.00**	**Cal: 508**	**WC: AZ5506**	
4ELEC	Electrical Sub	1.00	1.00 LS	4,420.000					4,420	4,420
BID ITEM = 600										
Description =	Stranded Copper Wire			Unit =	LS	Takeoff Quan:	1.000	Engr Quan:		1.000
600	**Stranded Copper Wire**			**Quan:**	**1.00 LS**	**Hrs/Shft:**	**8.00**	**Cal: 508**	**WC: AZ5506**	
4ELEC	Electrical Sub	1.00	1.00 LS	76,616.000					76,616	76,616
BID ITEM = 630										
Description =	Lighting Fixture Shedule Item "A"			Unit =	LS	Takeoff Quan:	1.000	Engr Quan:		1.000
630	**Lighting Fixture Shedule Item "A"**			**Quan:**	**1.00 LS**	**Hrs/Shft:**	**8.00**	**Cal: 508**	**WC: AZ5506**	
4ELEC	Electrical Sub	1.00	1.00 LS	84,400.000					84,400	84,400
BID ITEM = 640										
Description =	Lighting Fixture Shedule Item "D"			Unit =	LS	Takeoff Quan:	1.000	Engr Quan:		1.000
640	**Lighting Fixture Shedule Item "D"**			**Quan:**	**1.00 LS**	**Hrs/Shft:**	**8.00**	**Cal: 508**	**WC: AZ5506**	
4ELEC	Electrical Sub	1.00	1.00 LS	234,700.000					234,700	234,700
BID ITEM = 650										
Description =	Inner Duct - Maxcell (1) 2" 3 Cell			Unit =	LS	Takeoff Quan:	1.000	Engr Quan:		1.000

North Economy Parking Lot Expansion
GMP 2 Bidder Evaluation Form

ELECTRICAL WORK PACKAGE

	RURAL ELECTRIC	HORIZONTAL BORING	ROADWAY ELECTRIC	CONTRACTORS WEST
BASE BID AMOUNT	$ 477,441.00	NO BID	NO BID	NO BID
TOTAL BID AMOUNT	$ 477,441.00	-	-	-

Initating Documents/Events:

01 - Electrical Work Package
Addendum No. 1 & 2

Electrical Work Package was due 3/22/22. Out of the three, only one provided a bid. Rural Electric bid was determined to be responsive and Nesbitt recommends Rural Electric for Electrical Work Package.

RURAL ELECTRIC
BUILDING POWERFUL CONNECTIONS

9502 East Main Street
Mesa, AZ 85207

Licensed Contractor
ISO 9001:2015 Registered

Office (480) 986-1488
Fax (480) 984-0319

To:	Nesbitt Contracting Company, Inc.	**Contact:**	Casey Horn
Address:	100 S. Price Rd.	**Phone:**	(480) 423-7600
	Tempe, AZ 85281-3118	**Fax:**	(480) 423-7680
Project Name:	103 Mesa Gateway N. Economy Parking Lot - GMP2	**Bid Number:**	
Project Location:		**Bid Date:**	3/18/2022
Addendum #:	1, 2		

Item #	Item Description	Estimated Quantity	Unit	Total Price
001	Mobilization	1.00	LS	$24,000.00
002	Light Base Removal	1.00	LS	$1,785.00
006	Pull Box Furnished And Installed #5	1.00	LS	$36,800.00
007	Existing Pullbox #5 Adjusted To Grade	1.00	LS	$4,420.00
008	Stranded Copper Wire	1.00	LS	$76,616.00
011	Lighting Fixture Schedule Item "A"	1.00	LS	$84,400.00
012	Lighting Fixture Schedule Item "D"	1.00	LS	$234,700.00
013	Inner Duct - Maxcell (1) 2" 3 Cell	1.00	LS	$14,720.00

Total Bid Price: $477,441.00

Notes:

- AZ LICENSE #075367 & 074573
- **Scope of Work Includes:**
  - Remove electrical conductors, (3) lighting poles and light fixtures - Pole base foundation removal by others
  - Provide & install (25) #5 traffic rated pulboxes and (1) #7 traffic rated pullbox
  - Adjust (5) existing #5 pullboxes as shown on drawings
  - Provide & install conductors for power circuits as shown on drawings
  - Provide & install (3) GFCI receptacles at bus stations as shows on drawings
  - Provide & install (12) Type A Light Pole/Fixture with obstruction light
  - Provide (12) 2' x 12-6" concrete pole foundation
  - Provide & install (37) Type D Light Pole/Fixture assemblies as shown on drawings
  - Provide (37) 2' x 9' concrete pole foundation
  - Provide & install 3,000 LF of 2" 3-Cell Maxcell Innderduct
  - Proposal is based on one mobilization

Spec Sections:

- None - as shown on electrical plans

Plan Sheets:

- Electrical plan sheets for base bid only

- **Excludes:**
    - Taxes, permits, fees or allowances
    - Utility company permits, fees or allowances
    - Temporary power or lighting
    - Traffic control, barricades, flaggers or off-duty officers
    - Sawcutting, removal or patching of asphalt or concrete
    - Finished grading
    - Engineering, design, surveying, and staking for line and / or grade are excluded. Elevations must be provided where required
    - QA/QC or 3rd party testing
    - Spoils from trench or excavation work will be placed trench side to be removed or spread by others. All concrete and asphalt removal and disposal by others
    - All electrical equipment, panelboards, circuit breakers or lighting control - Future GMP
    - All communication cables, fiber optic cable - Future GMP
    - Any/All work for the Toll Plaza Expansion
    - Any/All work for the Gate/Exit Lanes
    - Any/All equipment for the Security, CCTV or Access Control systems
    - Conduit system installed during GMP1
    - Dumpsters or Haul-off
- Bonding is NOT included in these bid amounts. If a bond is requested, it will be billed outside the contract value and will become due and payable immediately upon presentation of bond. Our bond rate for this project is 1.20%.
- Hard dig is excluded. Upon discovery of hard digging conditions that a standard 420F Caterpillar backhoe is unable to excavate, GC will excavate, remove rock and Rural will complete trench and backfill (Rural will provide credit for normal excavation)
- All Division 1 requirements are to be furnished by the Prime Contractor or others. This includes but is not limited to preparation of construction schedules, contractor quality control program, QA and QC testing, temporary construction trailers or facilities, construction lighting and power, maintenance of site access, site dust control, temporary site environmental protection, permits and/ or fees, and builders-risk or all risk insurance policies.
- Where the electrical drawings and electrical specifications conflict with other contract documents, our pricing is based on the electrical drawings.
- Rural Electric is not responsible for unmarked landscaping facilities.
- Prime contractor is to furnish a source for construction water at no cost to the subcontractor.
- Pay when paid clauses will not be accepted.
- Rural Electric, Inc. maintains its own job documentation system. Any additional requirements by the GC to complete job documentation on GC supplied forms will require additional subcontractor administration time and additional cost. This proposal excludes the use of GC supplied documents (i.e. Special GC daily reports, RFIs, certified payrolls, submittal/transmittal forms, etc.).
- This proposal is made with the understanding that we will enter into a mutually acceptable subcontract agreement. We will not accept any terms or conditions that are less favorable to Rural than those imposed in the Prime contract by the Owner. The conditions of this proposal must be attached or incorporated into our subcontract agreements.
- Prices quoted herein are those in effect today, and are predicated on immediate release for manufacture and shipment. These prices are subject to adjustment for changes in the base price of commodity items such as: Copper, Steel, Lead, Aluminum, or Resins), which may occur between the date of quotation and the date(s) shipments are made.
- Our Quote is valid for 30 days
- Rural shall not be liable for any losses, damages or delays due to causes beyond our reasonable control, including without limitations, acts of God, epidemics, extreme weather events, fire, delays by others, or any acts, conduct, or omission from unrelated third-parties outside of our direct control
- Liquidated damages (if applicable) shall be limited to the proportion of our subcontract to the General Contract.
- Retention shall be reduced by 50% upon substantial completion and released once beneficial occupancy or final acceptance has been received.
- If a subcontract payment bond is requested of Rural, then providing monthly lien releases shall not be a condition precedent for payment and all payment will be made to Rural as single party checks.

Payment Terms:

Net payment is expected within 30 days.

ACCEPTED:	**CONFIRMED:**
The above prices, specifications and conditions are satisfactory and are hereby accepted.	**Rural Electric, Inc.**
Buyer: _____	
Signature: _____	**Authorized Signature:** _____
Date of Acceptance: _____	**Estimator:** Daniel Ross danielr@ruralelectric.com

WORK PACKAGE BID FORM & STIPULATIONS

Construction Services for the North Economy Parking Lot Expansion
PMGAA No. 1241
Nesbitt Project No. 122038

North Economy Parking Lot Expansion Electrical Package

Bid Proposal of (Firm Legal Name): Rural Electric, Inc.

Bidder acknowledges receipt of the following Addenda: 1 & 2

Bidder agrees to perform all work within this Work Package as it appears below, including all applicable direct and overhead costs, profit, taxes, and all costs associated with the Project.

SCOPE:

Awarded Subcontractor shall furnish and install, complete and in-place all labor, materials, tools, equipment, supplies, and supervision for the proper and complete performance and acceptance of the electrical work specified in the drawings and specifications for the North Economy Parking Lot Expansion.

PLANS & SPECIFICATIONS:

Bidders acknowledge the following listed specifications and plans have been considered in this Proposal. This list is *not* to be considered inclusive. Bidder is responsible for reviewing all project documents and becoming familiar with all information related to this work package and pricing accordingly.

Specifications:	**Plans:**
Ray Road Parking Lot Phase III PMGAA Solicitation No. 2013-020-IFB PMGAA Project No. 779	Ray Road Parking Lot Phase III PMGAA Solicitation No. 2013-020-IFB PMGAA Project No. 779

ATTACHMENTS:

A. Selected Plan Sheets
B. Preliminary Baseline Schedule

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STIPULATIONS:

1) Bidder is advised that the scope has been changed from the project documents provided. The reduced scope consists of:
   a. **ALL** Base Bid Toll Plaza electrical is descoped from this work package.

   b. **ALL** Alt 1 and Alt electrical is excluded from this work package

   c. **ALL** Base bid Bus Stop Shelter Canopies are descoped from this work package. However, the Subcontractor shall provide and install conduits ONLY for ALL communication and electrical to the bus pad.

   d. **ALL** Base bid Special Systems are descoped from this work package. However, the Subcontractor shall provide and install conduits ONLY for communication and electrical for future special systems.

   e. **ALL** Base Bid Special Systems are descoped from this work package. except for items noted below "Special Systems Bid No." The Subcontractor shall provide and install

      Electrical Scope INCLUDES (Ref. Plan Sheet 7 of 89):
      Bid Item No. 88-95 and 100-13
      ***Exclude Item No. 96 - Nema 3R Panel Board

      Special Systems Scope INCLUDES (Ref. Plan Sheet 7 of 89):
      Bid Item No. 104,114-115 and 122

2) Plan Sheet 7 of 89 provided has been marked-up to reflect the current scope. ALL other current plans and specifications provided have not been revised to show the changes described above. Bidder shall bid accordingly.

3) This will be a Lump Sum Contract.

4) This Subcontractor shall provide the work under this work package in accordance with the Contractor's current schedule, attached Attachment B. Currently, this schedule does not provide detail regarding the electrical work activities. As part of this work package, this Subcontractor shall cooperate with the Contractor to incorporate electrical work activities into the Contractor's schedule.

5) Furnish ALL submittals as required per the Contract Specifications. All submittals shall begin transmitting to the Contractor within fourteen (14) calendar days from the date of contract execution. If needed, re-submittals shall be transmitted within seven (7) calendar days from the rejection notice.

6) Subcontractor is responsible for purchasing, procuring, and supplying all materials needed to complete the work, including all design and/or permits.

7) Subcontractor is advised that this Project has special conditions to schedule, and 660 parking stalls shall be available to the owner by June 28th, 2022.

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8) Contractor will provide a small storage area adjacent to Contractor laydown yard for material and equipment storage. Subcontractor shall keep material in an organized manner and keep it free of trash and debris. See Attachment C.

9) Contractor will provide a small parking area adjacent to Contractor laydown area for subcontractor parking. Subcontractor employees will park at their own risk. See Attachment C.

10) The Subcontractor shall comply with the Contractor's approved SWPP developed for the Project.

11) Subcontractor is responsible for providing fall protection, personal protective equipment (P.P.E), and meeting all applicable safety requirements for its own employees.

12) Subcontractor is responsible for its own dust control and shall remove dust and debris from all work areas at the end of the shift.

13) Subcontractor is responsible for the protection of existing facilities, pedestrians, and vehicles from its own work.

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SCHEDULE OF VALUES:

Bid Proposal of (Firm Legal Name): **Rural Electric, Inc.**

The Proposer shall furnish a price for each line item in the table below. Do NOT leave any line item blank. Should the total proposed price be blank, the Proposal may be considered non-responsive unless the proposed price total can be calculated from the information available. Mathematical errors will be corrected if, and only if, the solution is self-evident.

Item No.	Description	Qty.	U.O.M.	Unit Price	Total
1	Mobilization	1	LS	$ 35,200.00	$ 35,200.00
2	Light Base Removal	1	LS	$ 1,785.00	$ 1,785.00
3	Sch 40 PVC Conduit	1	LS	$ 77,875.00	$ 77,875.00
4	Tench and Backfill – Slurry Encased	1	LS	$ 135,020.00	$ 135,020.00
5	Trench and Backfill – Direct Buried	1	LS	$ 0.00	$ 0.00
6	Pullbox Furnished and Installed #5	1	LS	$ 36,800.00	$ 36,800.00
7	Existing Pullbox #5 adjusted to grade	1	LS	$ 4,420.00	$ 4,420.00
8	Stranded Copper Wire	1	LS	$ 76,616.00	$ 76,616.00
9	20A GFCI Duplex Receptacle	1	LS	$ 0.00	$ 0.00
10	Lighting Fixture Schedule Item “E”	1	LS	$ 0.00	$ 0.00
11	Lighting Fixture Schedule Item “A”	1	LS	$ 84,400.00	$ 84,400.00
12	Lighting Fixture Schedule Item “D”	1	LS	$ 234,700.00	$ 234,700.00
13	Inner Duct – Maxcell (1) 2” 3 Cell	1	LS	$ 14,720.00	$ 14,720.00
14	Axis Q 6035-C	1	LS	$ 0.00	$ 0.00
15	Axis Q1755	1	LS	$ 0.00	$ 0.00
16	Code Blue CB-8	1	LS	$ 0.00	$ 0.00
	Total Lump Sum Price:		L.S.		$ **701,536.00**

Total Lump Sum Price amount used as the basis for determining the value of this bid proposal.

Note - Bid items 9, 10, 14, 15 & 16 are excluded. The conduits for this items are included in bid item 3. These conduits area stubbed into UG pull boxes.

North Economy Parking Lot Expansion
GMP 2 Bidder Evaluation Form

CONCRETE WORK PACKAGE

	NESBITT	RGG	McNeil Brothers
BASE BID AMOUNT		NO BID	NO BID
TOTAL BID AMOUNT		-	-

Initating Documents/Events:

02 - Concrete Work Package

Concrete Work Package was due 3/22/22. Out of the two contractor's, neither contractor provided a bid. Nesbitt will self perform the Concrete Work Package.

North Economy Parking Lot Expansion
GMP 2 Bidder Evaluation Form

SIGNAGE & STRIPING WORK PACKAGE

	FALCON CONTRACTING	ACCURATE STRIPING	PMI	MOYERS CONTRACTING
BASE BID AMOUNT	$ 37,829.50	NO BID	NO BID	NO BID
TOTAL BID AMOUNT	$ 37,829.50	-	-	-

Initating Documents/Events:

03 - Signage & Striping Work Package

Signage & Striping Work Package was due 3/22/22. Out of the four, only one provided a bid. Falcon Contracting bid was determined to be responsive and Nesbitt recommends Falcon Contracting for Signage & Striping Work Package.

Quotation

11030 N. 21st Ave. Phoenix, AZ 85029
602-944-3614
ROC168973 & ROC277976

Project: North Economy Parking Lot Expansion PMGAA
Company Name: Nesbitt
ATTN: Estimating Department
Date: 3/22/2022
Scope of Work: Onsite pavement markings and signage.

DESCRIPTION	QUANTITY	UNIT TYPE	UNIT PRICE	AMOUNT
Obliteration of Existing Pavement Markings	21	LF	$ 1.00	$ 21.00
Precast Safety Curb per MAG Std Det 150, Type B-2	29	EA	$ 80.00	$ 2,320.00
Precast Safety Curb per MAG Std Det 150, Type B-3	42	EA	$ 80.00	$ 3,360.00
4" White Striping	9710	LF	$ 0.45	$ 4,369.50
4" Yellow Striping	1838	LF	$ 0.45	$ 827.10
Fire Lane Curb Marking per COM Std Det FPD 503.3-1	402	LF	$ 0.95	$ 381.90
ADA Symbols	16	EA	$ 75.00	$ 1,200.00
ADA Handicap Parking Sign	24	EA	$ 375.00	$ 9,000.00
Sign Per Detail SA	32	EA	$ 200.00	$ 6,400.00
Sign Per Detail SX	14	EA	$ 150.00	$ 2,100.00
Sign Per Detail SL	9	EA	$ 350.00	$ 3,150.00
Sign "Bus Stop Number" per Special Detail	3	EA	$ 100.00	$ 300.00
Relocated Existing Bus Stop Sign	2	EA	$ 300.00	$ 600.00
PMGAA Vehicular Access Gate Sign	4	EA	$ 150.00	$ 600.00
Mobilization - Paint	1	EA	$ 1,000.00	$ 1,000.00
Mobilization - Obliteration	1	EA	$ 2,200.00	$ 2,200.00
			TOTAL	$ 37,829.50

EXCLUSIONS: Traffic control, survey, as-built drawings, special cleaning, bonds, permits, micro seal/slurry seal/seal coat after obliteration, water supply/dump site, night/weekend work, and materials not listed above.

BID CLARIFICATIONS:

Quote is based off the following drawing sheets:G1.6,C3.4 Dated: 12/20/2012

***ADD OPTION: Red Curb, FIRE LANE NO PARKING Legends, and Fire Lane Signage(city spec). Pricing available on request.
***Paint and steel pricing has been continuously increasing monthly during 2021, and as a result, Falcon reserves the right to review pricing prior to contract acceptance.

DISCLAIMER: Taxes are excluded. Standard State of Arizona insurance is provided. Davis Bacon/Prevailing Wages are not acknowledged. Addendums acknowledged: N/A. Unit pricing prevails. Retention will not be held for projects under $10,000. Quote is valid for 30 days.

Customer Acceptance Signature: Date:

PO Number:

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

Board Action Item

Re: Resolution 22-17

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:	**ARFF Services IGA**
Date:	**April 19, 2022**

Proposed Motion

To authorize the Intergovernmental Agreement (IGA) with the City of Mesa for Aircraft Rescue and Firefighting Services, in an amount not to exceed $1,556,752 for one-year effective July 1, 2022, with two optional one-year renewals not to exceed $1,633,872 and $1,714,826 respectively each year.

Narrative

The Phoenix-Mesa Gateway Airport Authority (PMGAA or Airport) contracts with the City of Mesa (Mesa or Mesa Fire) to provide aircraft rescue and fire-fighting services. Both entities have determined that it is mutually beneficial for Mesa Fire to provide aircraft rescue and firefighting services (ARFF) for PMGAA for one year with two optional one-year renewals.

Arizona Revised Statute (A.R.S.), 11-951 et seq., authorizes Mesa and the Airport to enter into intergovernmental agreements for the provision of services, or for joint or cooperative actions. The agreement shall commence on July 1, 2022, and shall continue until June 30, 2023, unless terminated, cancelled, or extended pursuant to the provisions of the Agreement.

Fiscal Impact

This agreement was included in the FY23 operating budget and is funded under Contractual Services: Fire.

Attachment(s)

IGA

RESOLUTION NO. 22-17

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

WHEREAS the Authority desires to authorize the Intergovernmental Agreement (IGA) with the City of Mesa for Aircraft Rescue and Firefighting Services, in an amount not to exceed $1,556,752 for one-year effective July 1, 2022, with two optional one-year renewals not to exceed $1,633,872 and $1,714,826 respectively each year.

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

> **The Board of Directors of the Authority hereby authorizes the Intergovernmental Agreement (IGA) with the City of Mesa for Aircraft Rescue and Firefighting Services, in an amount not to exceed $1,556,752 for one-year effective July 1, 2022, with two optional one-year renewals not to exceed $1,633,872 and $1,714,826 respectively each year. 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 19th day of April, 2022.

John Giles, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

THE CITY OF MESA AND THE PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
INTERGOVERNMENTAL AGREEMENT
FOR
AIRCRAFT RESCUE AND FIREFIGHTING (ARFF) SERVICES

This Intergovernmental Agreement ("Agreement") is entered into this ___ day of _____, 2022. between the City of Mesa, an Arizona municipal corporation (the "City"), and Phoenix-Mesa Gateway Airport Authority, an Arizona joint powers airport authority ("PMGAA") (individually, a "Party" and, jointly, the "Parties").

RECITALS

WHEREAS, Arizona Revised Statutes, Sections 11-951 et seq., authorizes PMGAA and the City to enter into intergovernmental agreements for the provision of services, or for joint or cooperative actions; and

WHEREAS, the Parties have determined that it would be mutually beneficial for City to provide Aircraft Rescue and Firefighting services for the PMGAA,

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements contained in this Agreement, the Parties hereby agree as follows:

SECTION 1 – TERM AND TERMINATION

1.1 Term. The term of this Agreement ("Term") shall be one (1) year commencing on July 1, 2022 and continuing until June 30, 2023, unless sooner terminated pursuant to the provisions hereof. The Term may be extended for two additional one-year periods by PMGAA providing written notice of its desire to extend the Agreement at least ninety (90) days prior to expiration of the Term and the Parties' written and signed agreement to such extension.

1.2 Termination.

a. Without Cause. Either the City or PMGAA may terminate this Agreement without cause by providing at least 180 days written notice to the non-terminating Party.

b. For Cause. In the event of a material breach of any of the provisions of this Agreement, the non-breaching Party may terminate this Agreement by delivering written notice to the Party in breach specifically stating the nature of the breach. Upon receipt of such notice, the Party in breach shall have 60 days in which to cure said breach. If said breach has not been cured within this 60-day time period, this Agreement shall be terminated on expiration of the 60-day time period without further action.

c. Cease or Reduction of Air Carrier Operations. In the event that air carrier scheduled operations, as defined in Federal Aviation Regulation Part 139, cease, PMGAA may terminate this Agreement with 30 days written notice. In the event that air carrier scheduled operations are reduced thereby affecting the Index Requirements, the terms of this

Agreement may be renegotiated to implement any appropriate reduction in required firefighting services under this Agreement at PMGAA's request with 30 days written notice.

SECTION 2 – DEFINITIONS

2.1 Agreement. As used herein, the term Agreement includes the exhibits attached hereto and incorporated herein by this reference.

2.2 Airport. Phoenix-Mesa Gateway Airport in Mesa, Arizona.

2.3 Airport Property – Airport Property is that property owned and operated by PMGAA and further depicted and described on the map attached as Exhibit C hereto. The term "Airport Property" is interchangeable with the terms "on the Airport" or "at the Airport".

2.4 ARFF certified – Personnel who have received training by a qualified trainer to comply with, at a minimum, the ARFF qualifications and training requirements of the Federal Aviation Administration ("FAA"), Federal Aviation Regulations ("FAR") set forth in Part 139 of the Code of Federal Regulations. Airfield Driver and Security Identification Display Area training specific to Phoenix-Mesa Gateway Airport is also required.

2.5 ARFF Certified Firefighter/ARFF Certified Captain – a City Firefighter or City Captain who has undergone ARFF Certification as well as training requirements of the National Fire Prevention Association standards and the City's standards for fire fighters.

2.6 Center of the Airport – The Center of the Airport is noted in Exhibit C as the "IWA VORTAC" and shall be used to determine a five-mile radius of the Airport.

2.7 Dedicated ARFF equipment - ARFF equipment that is acquired by PMGAA. At a minimum, this equipment shall remain on the Airport Property at all times unless (i) it is being used to respond to an Alert III (aircraft crash) within a five-mile radius of the Center of the Airport, (ii) it is being sent in for maintenance as described in the most current Intergovernmental Agreement for Fire Vehicles and Equipment Maintenance Services.

2.8 Dedicated ARFF personnel – One (1) ARFF certified Captain and one (1) certified Firefighter who are assigned to ARFF duties at Phoenix-Mesa Gateway Airport. A minimum of two (2) ARFF certified firefighters shall be present on the Airport Property at all times unless responding to an Alert III (aircraft crash) within a five-mile radius of the Center of the Airport.

2.9 Fiscal Period – A time period beginning on July 1 and ending June 30, during each 12 month period.

2.10 Index Requirements - The requirements for the Airport under the current ARFF Index under FAR Part 139.

2.11 PMGAA Director – Operations and Maintenance – The Director – Operations and Maintenance of PMGAA or his/her designee.

SECTION 3 – RESPONSIBILITIES AND OBLIGATIONS

3.1 Responsibilities and Obligations of PMGAA:

a. PMGAA shall acquire and maintain sufficient ARFF firefighting vehicles at the Airport to meet the Index Requirements.

b. PMGAA shall pay, in twelve equal installments, a rate that is equivalent to the salaries, benefits, training, and overhead for a minimum of three full-time equivalent (3 FTE) ARFF certified Captains and four point five full-time equivalent (4.5 FTE) ARFF certified firefighters, all of which are current in basic emergency medical services to provide 24-hour coverage at the Airport. Rates are established and set forth in Exhibit A and are payable as follows:

(i) During the period from July 1, 2022 to June 30, 2023, PMGAA shall pay the City the total sum of $1,556,752 (personnel costs plus training costs) in twelve equal installments of one hundred twenty-nine thousand seven hundred twenty-nine dollars and thirty-three cents ($129,729.33) for ARFF services.

(ii) For fiscal periods subsequent to June 30, 2023, the amounts set forth in Exhibit A may be increased by an amount equal to that authorized by the City for annual salary increases, but in no case may exceed 5% per year, unless otherwise amended in writing by the parties hereto. All such requested increases shall be documented in writing by City prior to the commencement of the new fiscal period.

(iii) In the event that commercial airline passenger service or FAA regulations change to affect the Index Requirements, the Parties agree to amend this Agreement to reflect such changed requirements.

c. PMGAA shall communicate any changes in the Index Requirements to the City Fire Department promptly upon determination of any such change.

d. PMGAA shall pay the City for all ARFF training, as required under FAR Part 139, for dedicated ARFF personnel. The flat fee of the training is set forth in Exhibit B.

e. PMGAA shall acquire and maintain one (1) aviation radio for each ARFF firefighting vehicle based at the Airport and replace such radios as necessary to maintain them in working order.

3.2 Responsibilities and obligations of the City:

a. The City shall provide Dedicated ARFF personnel, as provided in Section 2.8, based at Phoenix-Mesa Gateway Airport, covering 24 hours per day.

b. The City shall provide or obtain the necessary ARFF training and certification for its personnel, as provided in Section 2.4 hereof, prior to assigning a firefighter to ARFF duties at the Airport.

c. Dedicated ARFF personnel and equipment shall respond to:

i. Dispatched actual and/or potential aircraft alerts, crashes, fires or medical assistance on the Airport Property;
ii. Aircraft crashes within a five-mile radius of the Center of the Airport;
iii. Triennial Full Scale Exercises and periodic response drills, including planning, coordinating, and participating;
iv. Spills of fuel or hazardous materials on the Airport Property; and
v. Any other emergency on the Airport Property, when requested to do so by the PMGAA Director– Operations and Maintenance, their designee, or the air traffic control tower staff or as required by the City's Fire Department Alarm Room.

d. The City shall maintain accurate and complete records of all training given to each ARFF certified firefighter, in the manner required by FAR Part 139. Additionally, the City shall maintain records of, including but not limited to, all accidents, incidents, safety inspections and safety violations related to ARFF at the Airport. Such records, including investigative analysis, shall be made available to PMGAA staff and the FAA upon request.

d. The City shall immediately notify the PMGAA Director – Operations and Maintenance or their designee any time it is anticipated or determined that the requirements of this Agreement may not be, or are not being, complied with.

e. In the event that an emergency incident at the airport causes PMGAA to temporarily fall below the Index Requirements and an operation requiring said Index is scheduled, the City shall make reasonable efforts to provide additional equipment for the duration of that operation as required pursuant to FAR Part 139. Requests for additional ARFF equipment above the Airport Index Requirements shall be fulfilled if equipment is available and reimbursed according to the published rates outlined in the most current Intergovernmental Agreement for Fire Vehicles and Equipment Maintenance Services.

f. In the event the Airport utilizes City equipment to maintain the published ARFF Index or to provide enhanced ARFF Index services in support of aircraft operations, PMGAA shall reimburse the City as described in the most current Intergovernmental Agreement for Fire Vehicles and Equipment Maintenance Services.

g. The City shall immediately notify the PMGAA Director - Operations and Maintenance, or their designee, when dedicated ARFF personnel and/or equipment have been dispatched off-airport as contemplated by Section 3.2b(ii) hereof.

h. The City is responsible for acquiring and maintaining one City dual band radio in each ARFF vehicle based at the Airport.

SECTION 4 – INSURANCE AND INDEMNIFICATION

4.1. Insurance. The City shall, at its sole cost and expense, purchase and maintain the following types and limits of insurance, in the form specified below:

a. Coverage Requirements:

i. Comprehensive Automobile Liability insurance in an amount not less than $5,000,000 combined single limit, covering all owned, non-owned and hired vehicles operated on the Airport that are assigned to or used in the performance of its activities or are operated within the air operations area (AOA) of the Airport.

ii. Workers' Compensation insurance as required by-law, and Employer's Liability insurance in an amount not less than $1,000,000 covering work-related injuries to City employees assigned to or working at or on the Airport.

iii. General Commercial Liability insurance in an amount not less than $5,000,000 per occurrence, to cover any claim arising from negligence or misconduct of its employees in providing the services and related activities described herein.

b. Form. Each insurance policy obtained pursuant to this Section 4.1, except for Workers' Compensation and Employer's Liability policies, shall: (i) name PMGAA as an additional named insured; (ii) contain a provision that written notice of cancellation or modification thereof shall be given to PMGAA not less than THIRTY (30) days before such cancellation or modification takes effect (TEN (10) days in case of nonpayment of premium); and (iii) contain a waiver of subrogation in favor of PMGAA. City shall not permit any insurance policy to be canceled or modified without PMGAA's written consent unless equivalent replacement policies are issued with no lapse in coverage. All policies shall be obtained from insurance companies licensed to do business in the State of Arizona and possessing a rating of at least A – VII or higher from the A.M. Best Company, or an equivalent rating and approved by PMGAA.

c. Certificates in Insurance. City shall deliver a certificate of insurance for each policy to PMGAA, in standard Acord format, prior to the Effective Date and continue to provide such certificate throughout the term of this Agreement

d. Blanket and Self-Insurance. City's insurance obligations under this Agreement may be satisfied by means of "blanket" or excess policies, or through self-insurance. If any or all limits of coverage, as specified in Section 4.1.1 herein, are provided via self-insurance, the City shall provide PMGAA a written acknowledgement of such self-insurance, and its responsibility to hold PMGAA harmless from acts and/or omissions of City's personnel up to and including the limits of such declared self-insurance coverage.

4.2. Indemnification.

a. To the fullest extent permitted by law, the City hereby agrees to defend, indemnify and hold harmless PMGAA and its members, elected or appointed officials, agents, contractors, subcontractors, boards, commissions and employees (hereinafter referred to collectively as "PMGAA" for purposes of this Section 4.2) for, from and against any and all claims, causes of action, liability, suits, litigation (including reasonable attorney's fees and other costs of investigation and litigation), actions, losses, damages or claims of any nature whatsoever which arise out of or in connection with (i) any negligent act or omission of the City or its agents, employees, contractors, or subcontractors (hereinafter referred to collectively as the "City" for purposes of this Section 4.2) in connection with the City's operations hereunder and which result directly or indirectly in the injury to or death of any persons or the damage to or loss of any property, or (ii) the failure of the City to comply with any provisions of this

Agreement. This indemnification shall exclude responsibility for any consequential damages of PMGAA and for claims arising by reason of the negligent or wrongful act of PMGAA or its employees, contractors or agents.

b. PMGAA shall defend, indemnify, and hold harmless the City, its officers, agents, employees, elected officials, and volunteers, for, from, and against any and all claims, causes of action, liability, suits, litigation (including reasonable attorney's fees and other costs of investigation and litigation), actions, losses, damages or claims of any nature whatsoever which arise out of or in connection with (i) any negligent act or omission or willful misconduct of PMGAA while performing this Agreement, or (ii) the failure of PMGAA to comply with any provisions in this Agreement. PMGAA shall continue in effect during the term of this Agreement, an Airport Liability insurance policy in an amount approved by the PMGAA Board of Directors, including premises liability, bodily injury, and property damage, and shall name the City of Mesa as Named Insured under this policy.

SECTION 5 - MISCELLANEOUS

5.1 Funding. Each Party shall have the separate and independent responsibility for budgeting for and funding its own participation in this Agreement, and this Agreement is subject to the availability of funds either appropriated, budgeted, or made available to the Parties hereto. In the event of a lack of funds being available, either Party may terminate this Agreement as is set forth in Section 1.

5.2 A.R.S. §38-511. As provided in Section 38-511 of the Arizona Revised Statutes, the City or PMGAA may cancel any contract to which it is a party within three (3) years after the execution thereof without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the Party so canceling is, at any time while the contract or any extension thereof is in effect, an employee or agent of the other Party to the contract in any capacity or a consultant to the other Party to the contract with respect to the subject matter of the contract.

5.3 Filing. An executed copy of this Agreement shall be filed with the Maricopa County Recorder.

5.4 Entire Agreement. This Agreement constitutes the entire agreement between PMGAA and the City with respect to the subject matter hereof and supersedes the Intergovernmental Agreement entered into by the parties on July 1, 2019. This Agreement further supersedes any other oral or written representations, understandings or agreements relating to the subject matter hereof.

5.5 Amendments. This Agreement may be modified only by a written amendment approved by the City Council and Board of Directors of PMGAA pursuant to A.R.S. 11-952.

5.6 Assignment. Neither Party shall assign or otherwise transfer this Agreement, in whole or in part, without the prior written consent of the other Party. Any such assignment or other transfer, either voluntary or by operation of law, without such consent is void.

5.7 Waiver. The parties agree that no waiver of any default or breach of any of the terms or conditions of this Agreement shall be construed to be a waiver of any other or succeeding breach or default.

5.8 Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Arizona, both as to interpretation and performance. Any action at law, suit in equity or judicial proceeding for the enforcement of this Agreement or any provision thereof shall be instituted only in the Federal or state courts in the State of Arizona.

5.9 Severability. If any term, covenant, condition or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of this Agreement shall, to the extent possible, remain in full force and effect and shall in no way be affected, impaired or invalidated.

5.10 Non-Discrimination. The City and PMGAA agree to comply with all provisions of applicable Federal, state, and local laws related to nondiscrimination and equal employment opportunity, including the Americans with Disabilities Act.

5.11 E-Verify Requirements. To the extent applicable under Ariz. Rev. Stat. § 41-4401, the Parties warrant compliance with all federal immigration laws and regulations that relate to their employees and compliance with the E-Verify requirements under Ariz. Rev. Stat. § 23-214(A). Either Party's failure to comply with such warranty shall be deemed a material breach of this Agreement and may result in the termination of this Agreement by the other Party.

5.12 **[Reserved]**

5.13 No Partnership. Nothing contained in this Agreement shall create any partnership, joint venture or common enterprise between the Parties. Except as specifically provided herein, each Party shall at all times be an independent operator and shall not at any time purport to act as the agent of the other Party, or any of its officers or agents.

5.14 Force Majeure. Either Party shall be excused for delay or failure to perform its obligations pursuant to this Agreement, in whole or in part, if and to the extent such delay or failure is a result of causes beyond the reasonable control and without the fault or negligence of the Party unable to perform. Such causes include, without limitation, acts of God, acts of the public enemy, terrorism, acts of the United States government, floods, epidemics, quarantine restrictions or embargoes, and shortages of labor or materials.

5.15 Surviving Provisions. The obligations contained in Section 4 (Insurance) shall survive the expiration or other termination of this Agreement.

5.16 All notices to be given pursuant to this Agreement shall be in writing and shall be delivered in person or sent by regular mail as follows:

MESA: City Manager's Office
City of Mesa
20 East Main Street, Suite 750
P.O. Box 1466
Mesa, AZ 85211-1466

PHOENIX-MESA
GATEWAY: Executive Director
Phoenix-Mesa Gateway Airport Authority
5835 S. Sossaman Road
Mesa, AZ 85212- 0919

All notices shall be deemed to be received upon actual receipt or five (5) working days after the notice has been deposited with a U.S. post office for delivery to the address set forth above, whichever occurs first.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date and year first written above.

CITY OF MESA,
A Municipal Corporation

_____
Christopher J. Brady
City Manager

Phoenix-Mesa Airport Authority,
An Arizona joint powers airport authority

_____
J. Brian O'Neill
Executive Director

ATTEST:

_____
City Clerk

In accordance with A.R.S. § 11-952, this Agreement has been reviewed by the undersigned attorneys who have determined that it is in proper form and within the power and authority granted under the laws of the State of Arizona to the respective public entities they represent.

_____
Mesa City Attorney

_____
Date

_____
Phoenix-Mesa Gateway
Airport Authority

_____
Date

STATE OF ARIZONA)
) ss.
County of Maricopa)

On this, the ____ day of _____20__, before me, the undersigned Notary, Christopher J. Brady, the City Manager of the City of Mesa, being duly authorized to do so, executed the foregoing agreement for the purposes therein stated.

_____
Notary Public

My Commission Expires:

_____

STATE OF ARIZONA)
) ss.
County of Maricopa)

On this, the ____ day of _____, 2022, before me, the undersigned Notary, J. Brian O'Neill, the Executive Director of Phoenix-Mesa Gateway Airport Authority, being authorized to do so, executed the foregoing agreement for the purposes therein stated.

_____
Notary Public

My Commission Expires:

_____

Exhibit A

Personnel Cost

Total FY 2023 (July 1, 2022 – June 30, 2023) Personnel Cost: $ 1,520,852.

Personnel Cost consists of Salary and Benefits plus the estimated hourly cost to backfill ARFF staffing absences during training and personnel time off (aka: minimum staffing backfill).

Annual Pay Increase:
All such requested increases shall be documented in writing by City prior to the commencement of the new fiscal period.

For fiscal periods subsequent to June 30, 2023, salary amounts increase by an amount equal to that authorized by the City for annual salary increases, but in no case may exceed 5% per year, unless otherwise amended in writing by the parties hereto.

Salary and Benefits – (budgetary estimate of 5% increase after FY2022)
FY23: 1,373,126
FY24: 1,441,782
FY25: 1,513,871

Minimum Staffing Backfill – (budgetary estimate of 5% increase after FY2022)
FY23: 147,726
FY24: 155,112
FY25: 162,868

Exhibit B

Initial and Annual Live Burn Training Cost Estimate (as required by FAR 139)

Total FY 2022 (July 1, 2022 – June 30, 2023) Training cost $ 35,900.00

Training costs to include the initial and annual live burn trainings. Constant staffing for this training is covered in exhibit A. Required training consists of local live burn and training at a certified live burn facility in alternating years for Dedicated ARFF Personnel and up to 2 alternates for constant staffing purposes. Training costs include expenses for travel to live burn facilities located out-of-state.

For fiscal periods subsequent to June 30, 2023, the amounts set forth in this exhibit may be increased by the 12-month percentage change of the Consumer Price Index for all items as of June 1 in each fiscal period, not to exceed 3 percent. All such requested increases shall be documented in writing by City prior to the commencement of the new fiscal period.

Exhibit C

Center of Airport

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

Management Information Report

To: **Board of Directors**
From: **Chuck Odom, Chief Financial Officer**
Through: **J. Brian O'Neill, A.A.E., Executive Director/CEO**
Re: Solicitation Notification
Date: **April 19, 2022**

This report is to provide notification of the active and upcoming solicitations to help ensure compliance with the Phoenix-Mesa Gateway Airport Authority procurement transparency clause. The active activities include the following:

Active/Pending Solicitations

Type Solicitation	Number	Title	Anticipated Contract Award (Board Action)
Request for Proposals	2022-014--RFP	Revenue Parking Operations	April 2022
Request for Qualifications	2022-020-RFQ	CMAR for Rental Car Care Facility Improvements	April 2022
Request for Qualifications	2022-013-RFQ	On-Call Cultural / Archeological Services	May 2022
Request for Proposals	2022-015-RFP	Herbicide Application Services	May 2022
Request for Proposals	2022-016-RFP	Landscape Maintenance Services	May 2022

Future Solicitations

Type Solicitation	Number	Title	Scheduled for Release	Anticipated Contract Award (Board Action)
Invitation for Bid	2022-004-IFB	Taxiway W Rehabilitation	April 2022	June 2022
Invitation for Bid	2022-017-IFB	Rwy 12C/30C Reconstruct	April 2022	June 2022
Invitation for Bid	2022-022-IFB	Taxiway Connectors & Access Road & Utilities	April 2022	June 2022
Request for Proposals	2022-023-RFP	Security Services	April 2022	July 2022
Invitation for Bid	2022-021-IFB	Alpha Apron Phase IV	May 2022	July 2022
Request for Qualifications	2022-005-RFQ	Fabrication and Installation of Signs	May 2022	July 2022

Fiscal year totals from sales of decommissioned / nonworking equipment total $7,350.

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

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

Management Information Report

To: Board of Directors
From: Chuck Odom, Chief Financial Officer
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Re: February 2022 Financials
Date: April 19, 2022

Attached is the monthly Financials Report for February 2022.

Phoenix-Mesa Gateway Airport Authority
AIRPORT - All Operations P&L
February, 2022

	Month of February 2022				Y-T-D as of February 2022			
	February FY21 Actual	February FY22 Actual	YOY Variance	B/(W)	YTD FY21 Actual	YTD FY22 Actual	Y-T-D Variance	B/(W)
Aeronautical Operating Revenues								
Aircraft Parking	21,028	20,064	(964)	-5%	152,304	154,890	2,586	2%
Fuel Flowage Fees	52,014	79,506	27,492	53%	462,113	425,544	(36,569)	-8%
Landing Fees	101,933	126,699	24,766	24%	885,274	997,310	112,036	13%
Lease Income Aero	203,838	257,907	54,069	27%	1,794,471	2,246,098	451,627	25%
Fuel Sales	463,582	436,230	(27,352)	-6%	3,491,501	3,392,419	(99,082)	-3%
Services Sold - Aero	403,085	684,821	281,736	70%	3,833,082	3,344,762	(488,320)	-13%
Sub-total Aero Operating Revenues	1,245,480	1,605,227	359,747	29%	10,618,745	10,561,023	(57,722)	-1%
Non-Aeronautical Operating Revenues								
Concessions	58,489	93,149	34,660	59%	413,182	708,128	294,946	71%
Lease Income Non-Aero	106,579	119,105	12,526	12%	850,696	959,314	108,618	13%
Parking	138,427	247,523	109,096	79%	1,659,668	2,797,631	1,137,963	69%
Rental Car Fees	164,215	278,833	114,618	70%	738,884	1,350,577	611,693	83%
Svcs Sold - Non Aero	7,244	2,439	(4,805)	-66%	34,574	29,901	(4,673)	-14%
Sub-total Non-Aero Operating Revenues	474,954	741,049	266,095	56%	3,697,004	5,845,551	2,148,547	58%
Total Operating Revenues	**1,720,434**	**2,346,276**	**625,842**	**36%**	**14,315,749**	**16,406,574**	**2,090,825**	**15%**
Operating Expenses								
Costs of Goods Sold	266,822	277,715	(10,893)	-4%	1,895,837	2,254,717	(358,880)	-19%
Personnel	704,398	745,123	(40,725)	-6%	5,765,931	6,227,891	(461,960)	-8%
Comm & Utilities	51,079	41,800	9,279	18%	574,779	588,525	(13,746)	-2%
Contractual Services	360,076	423,999	(63,923)	-18%	3,111,367	3,547,026	(435,659)	-14%
Insurance	42,526	46,339	(3,813)	-9%	362,849	383,586	(20,737)	-6%
Other	10,559	210,098	(199,539)	-1890%	97,941	326,147	(228,206)	-233%
Repair & Maintenance	75,231	53,962	21,269	28%	327,468	436,226	(108,758)	-33%
Supplies & Materials	43,552	76,329	(32,777)	-75%	498,503	678,558	(180,055)	-36%
Air Service Incentives [2,000,000]	-	-	-	0%	-	-	-	0%
Operating Contingency [2,353,258]	-	-	-	0%	-	-	-	0%
Total Operating Expenses	**1,554,243**	**1,875,365**	**(321,122)**	-21%	**12,634,675**	**14,442,676**	**(1,808,001)**	-14%
Operating Income (Loss) Before Depreciation	**166,191**	**470,911**	**304,720**	183%	**1,681,074**	**1,963,898**	**282,824**	17%
	9.7%	20.1%			11.7%	12.0%		
Depreciation		1,411,245				11,308,691		

ARPA Act Recovery	$	6,814,581	
CRRSAA Act Recovery		4,177,264	CRRSAA Act Fully Drawn
CARES Act Recovery		20,530,277	Cares Act Fully Drawn
Total Recovery-to-Date	$	31,522,122	

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

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: **Project 1098, Cell Phone and Terminal Employee Parking Lots Change Orders**
Date: **April 19, 2022**

On June 15, 2021, the Board approved a contract for the Cell Phone and Terminal Employee Parking Lots project with Ace Asphalt of Arizona, now doing business as Sunland Asphalt, resolution #21-24, in the amount of $604,733.79. The total available budget is $700,000. Since the project has been underway, Airport staff has issued two change orders against the contract for required modifications.

Change order #1: addition $ 6,507.16

Way finding signs added to the scope of work in order to get Airport customers, taxi drivers, and TNCs directed to the new location. Electrical boring needed due to unforeseen issues with a crushed conduit intended for use. Entry/Exit devices removed to not conflict with the PARCS project.

Change order #2: addition $40,357.99

Installation of an additional light pole for safety, relocation of Airforce remediation temporary fence to acquire more parking spaces, installed signage needed to direct employees, relocation of parking stops as well as the removal of any broken parking stops.

Total Revised Project Amount $651,598.94

The current remaining budget unencumbered for the project after all charges and the above change orders is $28,760.54. This project has been completed and closed by Airport staff.

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

Management Information Report

To: **Board of Directors**
From: **J. Brian O'Neill, A.A.E., Executive Director/CEO**
Re: **Weighted Voting Rights Related to the Amended and Restated Joint Powers Airport Authority Agreement**
Date: **April 19, 2022**

The Voting Rights (Section 8) of the Phoenix-Mesa Gateway Airport Authority Amended and Restated Joint Powers Airport Authority Agreement (Agreement) defines Member Government (Member) voting rights and weighted voting rights. Per the Agreement, each Member is entitled to a weighted vote equal to that Member's *cumulative investment* as a percentage of the total investment made by all current Members since 1993.

When utilizing a weighted vote, should any one Member's weighted vote calculated under the Voting Rights Section exceed 50%, then the weighted vote for that Member shall be deemed equal to the sum of the weighted vote of all the other Members combined. However, the weighted votes of all the Members combined must be adjusted so that the total weighted vote calculation equals 100%. As an example, if a Member's weighted vote is calculated at 68%, that Member's weighted vote would then be deemed to be 50%, with the remaining Members holding a proportionate share of the remaining 50% of the total weighted vote.

Based on the above criteria, the weighted vote calculation for fiscal year 2023 is as follows:

Member Government	Unweighted	Weighted
City of Mesa	64.76%	50.00%
City of Phoenix	17.34%	24.60%
Gila River Indian Community	7.99%	11.33%
Town of Gilbert	6.83%	9.69%
Town of Queen Creek	1.99%	2.83%
City of Apache Junction	1.09%	1.54%
Total	**100.00%**	**100.00%**

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

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Phoenix-Mesa Gateway Airport Authority and to the public that the Phoenix-Mesa Gateway Airport Authority will hold a meeting open to the public on **Tuesday, May 17, 2022 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 Phoenix-Mesa Gateway Airport Authority may attend either in person or by telephone. The Board may vote to hold an executive session for the purpose of obtaining legal advice from the Board's attorney on any matter listed on the agenda pursuant to A.R.S. § 38-431.03 (A)(3)&(4).

The agenda for the meeting is as follows:

1. **Call to Order** (Mayor John Giles, Chair)
   Members of the Phoenix-Mesa Gateway Airport Authority will attend either in person or via videoconference.

2. **Roll Call** (Mayor John Giles, Chair)

3. **Pledge of Allegiance**

4. **Motion to convene into Executive Session**
   Pursuant to A.R.S. § 38-431-03 (A)(7), the Board of Directors may convene into executive session for the purpose of discussion and consideration regarding the purchase, sale, or lease of real property and discussion and consideration of a real estate lease transaction.

5. **Motion to Reconvene into Regular Session**

6. **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.

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

8. **Gulfstream Presentation** – Shea Joachim, Business Development Director

9. **Consent Agenda**

   a) **Minutes** of the Board Meeting held on April 19, 2022.

   b) **Resolution No. 22-18 –** Authorizing a contract with **Artistic Land Management, Inc.** for landscape maintenance services in an amount not to exceed $900,440.64 for five years which includes (2) one-year renewal options.

   c) **Resolution No. 22-19 –** Authorizing a contract with **AZ Weed King, Inc.** for herbicide application services in an amount not to exceed $425,773.24 for five years which includes (2) one-year options.

   d) **Resolution No. 22-20 –** Authorizing the First Amendment to the Land Lease dated November 1, 2018 with **L37, LLC** for lot #37 in order to add approximately 37,825.6 square feet to the Premises.

Consideration and Possible Approval of:

10. **Resolution No. 22-21 –** Authorizing a land lease with **Gulfstream Product Support Corporation** for a lot of land consisting of approximately 18.62 acres. The Initial Term is forty (40) years, commencing on May 17, 2022, with two (2) five-year Renewal Terms**.**

    Authorizing the Chair or the Executive Director/CEO to execute any and all other documents and instruments necessary and appropriate, in order to consummate the lease transaction and the Lessee's financing in conjunction therewith according to the terms and conditions set forth in the lease, including a consent to assignment and assumption and an owner's affidavit.

11. **Resolution No. 22-22 –** Authorizing an increase in the Airport Car Rental Customer Facility Charge (CFC) from $2.50 to $3.50 per vehicle per rental day effective August 1, 2022.

12. **Resolution No. 22-23 –** Authorizing a Professional Service Agreement for On-Call Cultural and Archaeological Services with **SWCA Environmental Consultants, Inc.** (SWCA), for the length of the base term of three years with two optional one-year extensions for various grant and non-grant projects**.**

13. **Resolution No. 22-24 –** Authorizing a contract with Republic Parking Systems, LLC (Republic Parking) to provide parking operations at a fixed management fee, in an amount not to exceed $1,571,468, for the length of the base term of three years, with two optional one-year extensions not to exceed $534,224 and $542,751 respectively. This amount does not include labor, which is a variable amount based on demand. Hourly labor rates, which include fringe benefits, for year one of the contract are below and will be adjusted on an annual basis:

Supervisors:	$26.77
Shuttle Drivers:	$24.98
Customer Service Representatives:	$21.19
Parking Attendants:	$21.19

14. **Board Member Comments/Announcements**

15. **Next Meeting: Tuesday, June 21, 2022 at 9:00 a.m.**

16. **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. Requests should be made as early as possible to allow time to arrange the accommodation.

Phoenix-Mesa Gateway Airport

- New Air Traffic Control Tower Exterior Complete
- Two Important Infrastructure Projects Getting Underway
- Gateway Airport Sets All-Time Passenger Activity Record
- PMGAA to Update Planning for East Side Commercial Passenger Terminal

Executive Director's Report

May 2022

Financial Snapshot

OPERATING INCOME	March		Month Variance	FYTD Comparison		FYTD Variance
	2021	2022		FY21	FY22	
Revenues	$2,040,061	$2,558,102	**$518,041**	$16,355,805	$18,965,333	$2,609,528
Less Expenses	$1,626,991	$1,984,011	**$357,020**	$14,261,664	$16,425,464	$2,163,800
Operating Income *(Before Depreciation)*	**$413,070**	**$574,091**	**$161,021**	**$2,094,141**	**$2,539,869**	**$445,728**

Investment Fund Balances: As of March, the Local Governmental Investment Pool (LGIP) 700 = $18,739,322; Wells Fargo; Collateralized Money Market = $244,826 and Collateralized CD's = $49,307,938; Total $68,292,086.

Finance and Accounting

Phoenix-Mesa Gateway Airport Authority (PMGAA) reported a net operating income of $574,091 in March 2022, and a fiscal-year-to-date 2022 (FYTD22) net operating income of $2,539,869. Aeronautical revenues in March were 18% higher than in March 2021. Overall, Aeronautical and Non-Aeronautical revenues continue to perform well compared to last year due to increased passenger activity and related revenues.

This winter, Phoenix-Mesa Gateway Airport (Airport, Gateway Airport) had five airlines offering nonstop service to approximately 60 destinations across the U.S. and Canada. In March, the Airport welcomed just shy of 240,000 total passengers, an all-time record high for commercial passenger activity at the Airport.

March 2022 operating expenditures exceeded budget estimates by 8%. Increased Cost of Goods Sold for fuel accounted for the full variance. FYTD expenditures are 5% under budgeted amounts.

PMGAA has been awarded an $8,222,781 grant from the American Rescue Plan Act (ARPA). To date, PMGAA has submitted reimbursement requests for $7,845,997.

	Month of March 2022	Per EPAX (All)	Month of March 2021	Per EPAX (All)	FY22 YTD 7/1/21 - 3/31/22	Per EPAX (All)	FY21 YTD 7/1/20 - 3/31/21	Per EPAX (All)
Non-Airline Revenue:								
Parking	$295,029	$2.48	$197,977	$2.43	$2,918,082	$4.35	$1,742,496	$4.09
Rental Car	$297,134	$2.50	$191,278	$2.35	$1,647,710	$2.46	$930,161	$2.18
Food & Beverage	$39,975	$0.34	$22,588	$0.28	$274,470	$0.41	$119,272	$0.28
Retail	$38,702	$0.33	$32,027	$0.39	$282,470	$0.42	$161,358	$0.38
Related Revenues	$670,840	$5.64	$443,870	$5.45	$5,122,732	$7.64	$2,953,287	$6.93

Steady Increase in Total Non-Airline Revenue and Revenue Per Enplaned Passenger During FY22

PMGAA Solicitations

Active/Pending Solicitations

TYPE OF SOLICITATION	Number	Title	Anticipated Contract Award
Request for Proposals	2022-014-RFP	Revenue Parking Operations	May 2022
Request for Qualifications	2022-013-RFQ	On Call Cultural/Archeological Services	May 2022
Request for Proposals	2022-015-RFP	Herbicide Application Services	May 2022
Request for Proposals	2022-016-RFP	Landscape Maintenance	May 2022
Request for Qualifications	2022-024-RFQ	CMAR for Fuel Farm Expansion	June 2022
Invitation for Bid	2022-022-IFB	Taxiway Connectors, Access Road, and Utilities	June 2022
Invitation for Bid	2022-017-IFB	Runway 12C/30C Reconstruct	June 2022
Invitation for Bid	2022-004-IFB	Taxiway W Rehabilitation	June 2022
Request for Proposals	2022-023-RFP	Unarmed Security Services	June 2022
Request for Qualifications	2023-001-RFQ	East Side Terminal Analysis	July 2022

Future Solicitations

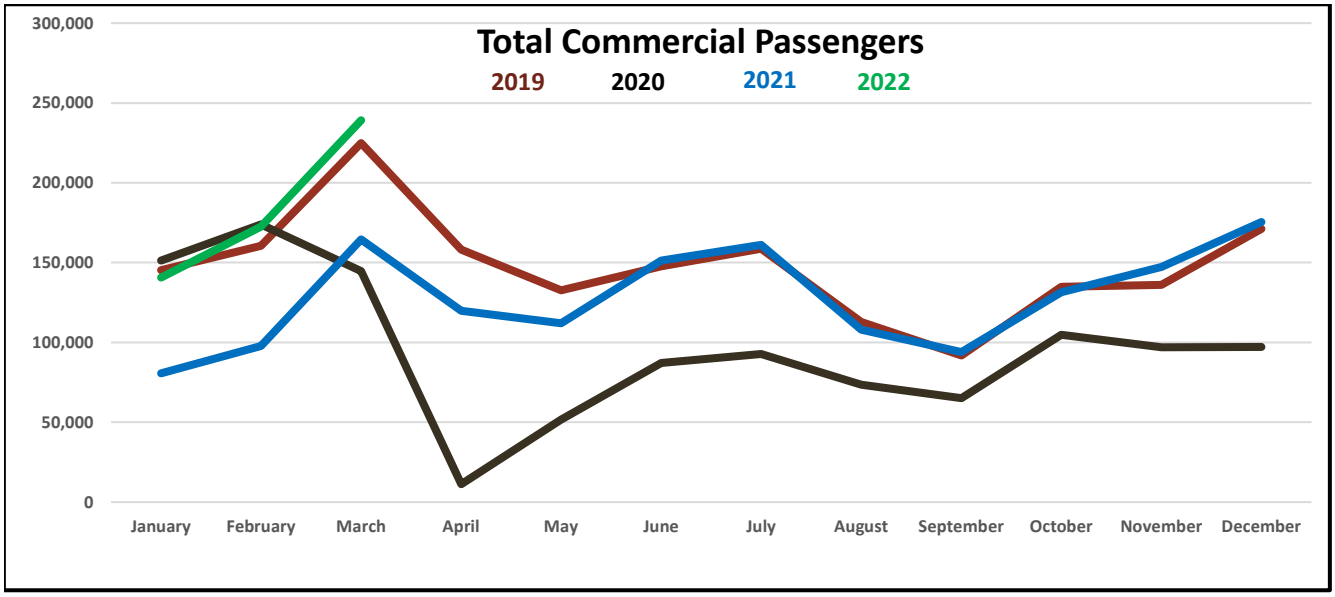
TYPE OF SOLICITATION	Number	Title	Scheduled for Release
Invitation for Bid	2022-021-IFB	Alpha Apron Phase IV	May 2022
Request for Proposals	2023-002-RFP	Banking Services	June 2022
Request for Qualifications	2023-003-RFQ	Fabrication and Installation of Signs	June 2022

Airport Operations

ADOT Completing Pavement Condition Index (PCI) Evaluation at Gateway Airport

The Arizona Department of Transportation (ADOT) is updating its Airport Pavement Management System (APMS) at airports across the State. As part of this program, ADOT is conducting Pavement Condition Index (PCI) evaluations on all airside pavements – taxiways, runways, and other movement and non-movement areas. PCI is a numerical index between 0 and 100, which is used to indicate the general condition of pavement. The PCI is widely used by states, municipalities, and authorities to measure and calculate the performance of airfield infrastructure. PCI is a visual survey of the number, types, and severity of distresses in airfield pavement.

Gateway Airport Experiencing Record-Setting Commercial Passenger Activity



Winter is generally a very busy time at Gateway Airport, as sun-seeking visitors flock to the greater Phoenix Area for some much-needed respite from cold weather and snowy conditions back home. Cactus League baseball, golf, and hiking are just a few of the activities drawing record numbers of people to the Valley.

Operations Statistics

PASSENGER COUNTS		March		% Change	FYTD		% Change
		2021	2022		FY21	FY22	
Passengers	TOTAL	164,453	239,160	45%	873,532	1,369,504	57%
	Deplaned	83,005	120,144	45%	447,535	699,042	56%
	Enplaned	81,448	119,016	46%	425,997	670,462	57%
Allegiant	Scheduled	162,907	221,601	36%	869,855	1,308,726	50%
WestJet	Scheduled	0	2,226	100%	0	6,642	100%
Swoop	Scheduled	0	5,920	100%	1,698	19,827	1,068%
Flair	Scheduled	0	4,090	100%	0	8,421	100%
Avelo	Scheduled	0	0	0%	0	4,873	100%
Sun Country	Scheduled	0	5,224	100%	0	19,177	100%
Elite/Swift	Charter	1,546	99	-94%	1,979	1,838	-7%

OPERATIONS	March		% Change	FYTD		% Change
	2021	2022		FY21	FY22	
Air Carrier	1,653	1,657	0%	9,105	10,677	17%
Military	452	319	-29%	2,964	3,617	22%
General Aviation	22,073	23,980	9%	185,122	167,164	-10%
TOTAL	**24,178**	**25,956**	**7%**	**197,191**	**181,458**	**-8%**

PMGAA Team Member Spotlight

Employee Name: **Mike Hanas**
Employee Title: **Project Coordinator**
PMGAA Department: **Engineering and Facilities**
Years with PMGAA: **17**

What are your job responsibilities for PMGAA? I am responsible for providing oversight of capital improvement and tenant construction projects from concept development, through design and construction, and into project closeout. I am directly involved in the growth of the Airport which is quite exciting and have frequent interactions with other PMGAA staff members, Serco air traffic controllers, the City of Mesa, and the FAA.

What is your most memorable Gateway Airport moment? I was once tasked with providing information and a site tour to the U.S. Secret Service in preparation for a visit by President Obama in 2012. It was quite exciting to assist in planning a Presidential visit. A very close second has been the privilege of being a team member on the new Air Traffic Control Tower project, an opportunity I will not forget.

What is something people may not know about you? I am an avid rail fan and have had a fascination for railroads as long as I can remember. In 2015, I was fortunate enough to get a ride with my dad in the lead engine cab of the Royal Gorge Route Railroad in Colorado, a memory I will cherish forever.

Engineering and Planning

New Air Traffic Control Tower Exterior Complete

PMGAA continues to make great progress on the construction of its new Air Traffic Control Tower (Tower, ATCT). The exterior elevator, scaffolding, and blue construction barrier have all been removed and the impressive monument for the Phoenix East Valley has finally been unveiled. The new ATCT is approximately 50% taller than the current Tower and its cab is 100% larger, with eight controller positions.

Site work, FAA equipment installation, and interior finishes are still ongoing. The new Tower is scheduled to be completed later this summer, with its commissioning occurring in the fall of 2022.

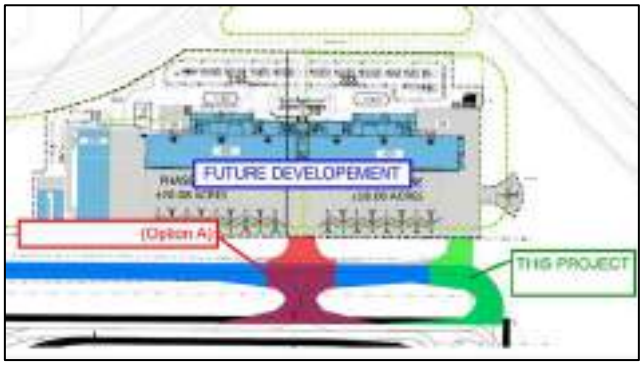
Conceptual Design

During Construction

Exterior Complete

Two East Side Infrastructure Projects Currently Underway

Gateway Blvd. and Aviation Way Design



Gulfstream Taxiway Connector Design

As a flurry of private development continues on the west side of the airfield, two important infrastructure projects are getting underway that are designed to unlock the east side of the Airport for future development. The first project is being completed by the City of Mesa and consists of 1,000 linear feet of a new "spine road" named Gateway Blvd. that bisects the 700-acre site, a box culvert over the Ellsworth Channel at the new Williams Field Road/Ellsworth Road intersection, and a variety of utilities.

The second project, which is the responsibility of PMGAA, is a taxiway connector from Taxiway Charlie into the new Gulfstream Aerospace site. This improvement project will provide airfield access for Gulfstream's new 225,000 SF West Coast Service Center.

PMGAA to Update Planning for East Side Commercial Passenger Terminal

In June 2012, PMGAA released a document called **Gateway 2030,** a planning exercise that included PMGAA member communities and other key stakeholders that focused on the eventual development of the east side of Gateway Airport. The goal was to set a big, shared vision for what the Airport could become in the future. Well, much has changed during the past decade – the continued transformation of Gateway Airport, planning for the new Gateway***East*** master development, and tremendous residential and commercial growth across the entire Phoenix East Valley. Although a relocation to the east side may still be outside the next 5 – 10-year planning horizon, PMGAA believes there is value in validating and updating our planning for an east side commercial passenger terminal. What needs to be built? What's it going to cost? How do we pay for it? Is a move to the east side feasible?

PMGAA is launching a new planning initiative called **Gateway Tomorrow**. This inclusive, long-range planning exercise will consider, refocus, and build upon past planning efforts using recent data and updated information about the region, Gateway Airport, the aviation industry, and current global economic conditions. The PMGAA Board of Directors, staff, member communities, and key stakeholders will once again be invited and encouraged to participate during every step of the process. The goal of **Gateway Tomorrow** is to reset our shared vision, establish expectations, and identify the important operational and financial metrics that could trigger development of a new commercial passenger terminal on the east side of the Airport.

Gateway Aviation Services

Airport Pumps Over Two Million Gallons of Aviation Fuel During March!

For only the fourth time in the Airport's history, Gateway Aviation Services (GAS), the PMGAA owned and operated fixed base operator (FBO), pumped over two million gallons (2,127,570) of aviation fuel during the month. FYTD22, GAS has pumped 14,875,237 gallons of fuel into a variety of commercial, corporate, military, cargo, and general aviation aircraft; a 3% increase over the same time period last year.

The U.S. Forest Service is ramping up activity ahead of this year's wildfire season in Arizona. GAS is ready to provide fuel, aircraft parking, and other services to assist these brave aerial firefighters as they work to combat wildfires, save lives, and protect vulnerable structures across the region.

FUEL (Gallons)	March			FYTD		
	2021	2022	% Change	FY21	FY22	% Change
AvGas	53,209	42,660	-20%	481,828	336,969	-30%
Retail Jet A	45,669	63,905	40%	347,293	379,903	9%
Contract	342,203	361,315	6%	3,334,964	2,846,029	-15%
Commercial	1,738,666	1,659,690	-5%	10,218,100	11,312,336	11%
TOTAL	2,179,747	**2,127,570**	-2%	14,382,185	14,875,237	3%

Community Noise Report

During the month of March 2022, PMGAA received aircraft noise calls from a total of 11 area residents, compared to the 20 received from callers during March 2021. Growing airports can generate aircraft noise concerns within the regions they serve. Gateway Airport works closely with elected officials, homeowners, and homeowner's associations (HOA) to answer questions and address issues raised regarding the Airport's operation.

CALLERS	March		FYTD	
	2021	2022	FY21	FY22
Total	20	11	137	109

AIRCRAFT TYPE	March		FYTD	
	2021	2022	FY21	FY22
	Callers	Callers	Callers	Callers
Commercial	9	6	54	66
GA Total	5	1	33	12
Helicopter	5	0	35	5
Military	1	4	15	26
Total	20	11	137	109

LOCATION	March		FYTD	
	2021	2022	FY21	FY22
Mesa	6	6	43	40
Gilbert	6	3	49	55
Gold Canyon	1	0	12	1
Queen Creek	4	2	18	8
Queen Valley	1	0	6	3
San Tan Valley	1	0	1	0
Apache Junction	0	0	0	1
Chandler	1	0	8	1
TOTAL	20	11	137	109

Business Development

Gulfstream's Temporary Service Center at Gateway Airport

Gulfstream Expands Gateway Airport Presence

Gulfstream Aerospace Corporation has selected a contractor and plans to begin construction on their new 225,000 SF West Coast Service Center later in May. An industry leader in the business jet market, Gulfstream has leased a 50,000 SF hangar on the south end of Gateway Airport's airfield so they can begin servicing Gulfstream aircraft and hiring Arizona team members while their new facility is under construction. Welcome to the PMGAA family Gulfstream!

PMGAA Travels the Country Meeting with Companies Interested in Gateway Airport

Getting an existing company to relocate part or all of its operation to Gateway Airport is gratifying and an important part of regional economic sustainability. If successful in recruitment efforts, these companies bring high-wage jobs and new opportunities to the greater Phoenix area.

Each year, PMGAA staff travels the country meeting with prospective companies interested in learning more about Gateway Airport. These companies want to know about the local, regional, and state economy; the pipeline of qualified employees; and incentives being offered to make the relocation more attractive.

The State of Arizona does a good job promoting a "team approach" to corporate recruitment. Often times, PMGAA staff are joined by representatives from the Arizona Commerce Authority (ACA), the Greater Phoenix Economic Council (GPEC), and economic development professionals from area communities when making their Gateway Airport pitch.

PMGAA would like to thank all our business development partners for their continued efforts and support.

Promotional Materials Highlighting Opportunities for Companies Interested in Relocating to Gateway Airport

MINUTES OF PUBLIC MEETING OF THE
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
BOARD OF DIRECTORS | April 19, 2022

A public meeting of the Phoenix-Mesa Gateway Airport Authority (PMGAA) was convened on Tuesday, April 19, 2022, 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 John Giles, Mesa
Councilmember Jim Waring, Phoenix (*via videoconference*)
Mayor Brigette Peterson, Gilbert
Mayor Chip Wilson, Apache Junction
Lt. Governor Monica Antone, Gila River Indian Community (*via videoconference*)
Mayor Gail Barney, Queen Creek *

** 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 Giles, Chair)

2. **Roll Call**

3. **Pledge of Allegiance**

4. **Call to the Public**
   There were no public comments.

5. **Executive Director's Report** – J. Brian O'Neill, A.A.E., Executive Director/CEO
   Executive Director O'Neill provided a briefing on PMGAA financial performance, passenger activity, the community noise report, and various Airport projects.

   - Fiscal Year-to-Date 2022 (FYTD22) Net Operating Income is $1,963,898.
   - Phoenix-Mesa Gateway Airport (Airport, Gateway Airport) welcomed 172,575 commercial passengers during February 2022; a 77% increase in passengers compared to February 2021.
   - The Authority is conducting a Classification and Compensation Study to remain competitive in recruiting and retaining top talent. The last study was completed in 2014-2015.
   - Customer Facility Charge (CFC) funds are fees assessed to passengers renting cars at the Airport. The CFC amount is $2.50 per rental day. These funds go into a dedicated account and can only be used to improve the infrastructure and facilities for rental car operations. The Rental Car Return Lot and the Rental Car Care Center are two upcoming projects that will deplete the funds in the CFC account in addition to having the Airport loan money to this account to complete the projects. In May the Board will be asked to consider an increase to the CFC charges from $2.50 to $3.50 per rental day.
   - The Authority appreciates the exemplary service of Mesa Fire and Medical. On today's agenda, the Board is asked to consider extending the Intergovernmental Agreement with the City of

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Mesa for Aircraft Rescue and Fire Fighting (ARFF) services for one year at over $1.5MM. The Authority will begin exploring all its options for providing (ARFF) services. This is a financial exercise to ensure PMGAA is getting the best deal for services rendered. Options include entering into a longer-term agreement with the City of Mesa, bringing ARFF services in house, or contracting with a 3rd party contractor or another area fire department at an annual fee of less than the $1.5MM.

- Gulfstream Aerospace Corporation (Gulfstream) is currently leasing a 50,000 SF hangar at the Airport while their new facility is being constructed. Negotiations continue on a land lease agreement with Gulfstream. This agreement is anticipated to be presented to the Board for their consideration at the May Board meeting.
- Gateway***East*** is a 400-acre mixed use non-aeronautical master development opportunity located on the east side of the Airport. The Boyer Company from Salt Lake City, Utah is working with the City of Mesa and the Authority on infrastructure needs to unlock the site. PMGAA is working with the developer to finalize negotiations on a master lease and master development agreement for the property. These agreements are anticipated to be presented to the Board for their consideration at the May Board meeting.
- Three hangars totaling 183,000 SF are under construction in the Gateway Executive Airpark located at the north end of the airfield. The first hangar will be available for lease later this summer. One company has expressed interest in taking all three hangars. If negotiations between the owner and the interested party are successful, hangars two and three will be built to meet the specific needs of the tenant.
- SkyBridge Arizona has received the necessary permits from the City of Mesa for their 127-room dual-brand hotel along Sossaman Road. SkyBridge Arizona hopes to begin construction during the spring/summer of 2022. Design for SkyBridge Arizona's horizontal infrastructure –taxi lane extension, entrance roadways, sewer, water, fiber, and other utilities – continues. The master development agreement with SkyBridge requires substantial completion of horizontal infrastructure by year seven. They are currently in year four of that agreement. SkyBridge Arizona is designing two additional industrial buildings. These two flex industrial buildings will be approximately 200,000 SF and 250,000 SF respectively. SkyBridge Arizona anticipates breaking ground on these two buildings in the fall of 2022.
- The exterior of the Air Traffic Control Tower (ATCT) is at substantial completion. Interior construction continues. Federal Aviation Administration (FAA) technicians have been onsite installing the cabling and equipment. The ATCT is on-track to be commissioned at the end of summer 2022.
- PMGAA staff has submitted a Bipartisan Infrastructure Law (BIL) grant application for the new 30,000 SF, five-gate terminal addition. PMGAA is hoping to secure a $20MM - $25MM grant from the Terminal Modernization Program to complete the important project.
- Director O'Neill acknowledged and thanked the City of Mesa for their partnership and their infrastructure investment of approximately $40MM to unlock the developable aeronautical and non-aeronautical land on the east side. The City is working closely with the Boyer Company and the GatewayEast development, and with Gulfstream for their 225,000 SF West Coast Service Center adjacent to Ellsworth Road. The first 1,000' of Gateway Boulevard and the interior road, Aviation Way will bring infrastructure and utilities to the east side of the Airport. PMGAA committed to construct a taxiway connector from Taxiway Charlie to the Gulfstream site.
- PMGAA has expanded aircraft parking opportunities for larger/heavier aircraft at the south end of the airfield. Alpha Apron Phase III is complete and in use. The Alpha Apron is located

adjacent to the U.S. Forest Service, who plans to use the new aircraft parking area during the 2022 wildfire season.

- The BIL also includes much-needed funding for other important Airport projects. PMGAA has received an additional $4.4MM for reconstruction of a portion of its Center Runway. PMGAA is working closely with its partners at the FAA to try and complete the runway reconstruction project in one year.
- PMGAA is improving the Rental Car Return Lot - re-designing traffic flow, expanding capacity, adding new facilities for the car rental companies, and erecting shade structures for customer convenience. PMGAA is also investing more than $5MM in CFC funds to improve the Rental Car Care Facility where all rental vehicles are maintained, washed, and vacuumed. These two projects will deplete the funds in the CFC account in addition to having the Airport loan money to the project. The requested increase to the CFC charges from $2.50 to $3.50 per rental day will help to quickly replenish this account and build a reserve for future projects.
- Unique circumstances this year including the fuel pipeline from California to Arizona shutting down, the fuel rack in Phoenix having periods of closure, and fuel trucking disruptions have led to challenges getting aviation fuel deliveries. PMGAA is expanding its fuel storage capacity to try and avert any negative impacts of future fuel delivery disruptions. Last month the Board approved Resolution 22-09 for the fuel farm expansion design. Current fuel storage is 250,000 gallons which is a 3-day supply and is susceptible to fuel delivery disruptions. The additional 4-day, 300,000 gallons in tank storage will provide a 7-day supply of 550,000 gallons to protect against operational failures due to fuel delivery disruptions.
- The Ray Road Economy Parking Lot Expansion is under construction. An additional 1300 parking spaces will be completed for the busy July travel period with ample parking going into this year's holiday season.

6. Allegiant Presentation – Michael Graci, Allegiant Manager of Airport Affairs

Mr. Graci provided a brief update on their business model as a leisure travel airline.

- Allegiant has placed an order for 50 Boeing 737 MAX aircrafts with options for 50 additional airplanes. The first ten will arrive in 2023 with the remainder being integrated into the fleet by the end of 2025. There is currently a combination of the Airbus A-319 and the A-320 totaling 108 in the fleet. Some of the Airbus planes have reached end of life and will be taken out of use.
- In December 2021, Allegiant and Viva Aerobus announce proposed plans for a fully integrated commercial alliance agreement. The expected timeline is subject to regulatory approval. The alliance will enable Allegiant, which does not currently fly to Mexico, to offer flights to Mexican leisure hotspots. Viva Aerobus will be able to add several routes to popular destinations in the U.S. where Allegiant has a strong presence. The two airlines will begin flying north and south of the border in January of 2023 pending Department of Transportation (DOT) approval. Allegiant will identify cities and airports for international travel. If it is a city that currently does not have a Federal Inspection Station (FIS), Mr. Graci will be speaking with the airport staff about the possibility for putting one in.
- Allegiant chairman and CEO Maurice Gallagher will hand the chief executive role to company president John Redmond on June 1st. Mr. Gallagher will continue as executive chairman, while Mr. Redmond will hold the CEO position alongside his title as president.

7. Consent Agenda

a) Minutes of the Board Meeting held on **March 15, 2022.**

b) **Resolution No. 22-10 –** Authorizing an increase for FY22 **City of Mesa Fire Aircraft Rescue and Fire Fighting** services in an amount not to exceed $28,434.

c) Resolution No. 22-11 – Approving an unscheduled 5% **cost of living adjustment** for the PMGAA Executive Director/CEO.

d) Resolution No. 22-12 – Authorizing the filing of **grant applications** including agreeing to all understandings and assurances contained therein; and, authorizing the acceptance and execution of any Federal Aviation Administration (FAA) or other Federal agency, State of Arizona, Arizona County or Arizona Local Municipal grant offer(s), applied for or received between July 1, 2022 and June 30, 2023 by the Chair of the Authority, the Executive Director/CEO, Deputy Director/COO or Chief Financial Officer/CFO.

e) Resolution No. 22-13 – Authorizing the procurement of wireless network equipment and software from **Enterprise Networks Solutions (ENS)** in an amount not to exceed $74,000.

f) Resolution No. 22-14 – Approving the amended and restated Phoenix-Mesa Gateway Airport Authority **Personnel Rules**.

g) Resolution No. 22-15 – Authorizing an increase to the annual contractual authority by $8,000 per year to cover the safety enhancements and the potential addition of Airport buildings not currently covered under the contract to the **Fire Protection Systems** in Airport Facilities.

Mayor Brigette Peterson moved to approve the Consent Agenda.
Mayor Chip Wilson seconded the motion.
The motion was carried unanimously.

Consideration and Possible Approval of:

8. Resolution No. 22-16 – Authorizing a change order for the final phase of the North Economy Parking Lot Expansion Construction Manager at Risk (CMAR) construction services contract with **Nesbitt Contracting Co.,** in an amount not to exceed $2,755,361.31.

Mayor Chip Wilson moved to approve Resolution No. 22-16.
Mayor Brigette Peterson seconded the motion.
The motion was carried unanimously.

9. Resolution No. 22-17 – Authorizing the Intergovernmental Agreement (IGA) with the **City of Mesa for Aircraft Rescue and Fire Fighting Services**, in an amount not to exceed $1,556,752 for one-year effective July 1, 2022, with two optional one-year renewals not to exceed $1,633,872 and $1,714,826 respectively each year**.**.

Mayor Brigette Peterson moved to approve Resolution No. 22-17.
Mayor Chip Wilson seconded the motion.
The motion was carried unanimously.

10. **Board Member Comments/Announcements.**
    There were no comments or announcements.

11. **Next Meeting: Tuesday, May 17, 2022** 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 Phoenix-Mesa Gateway Airport Authority may attend either in person or by telephone/videoconference.

12. **Adjournment.**
    The meeting adjourned at 9:44 a.m.

Dated this _____ day of _____ 20___.

_____
Misty Johnson, Clerk of the Board

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

Board Action Item

Re: Resolution 22-18

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:	**Landscape Services**
Date:	**May 17, 2022**

Proposed Motion
To authorize a contract with Artistic Land Management, Inc. for landscape maintenance services in an amount not to exceed $900,440.64 for five years which includes (2) one-year renewal options.

Narrative
A primary function of Operations and Maintenance is to ensure an aesthetically pleasing environment for passengers, visitors, tenants and staff of the Airport. This contract covers landscape services for a total of 77.06 acres of Airport property including:

35.81 acres of Sossaman Rd median, parkways, PMGAA entryway, and the west retention area;
16.75 acres of parking lot areas;
5.9 acres of the Charles L. Williams terminal complex;
13.86 acres of tenant leased or potential tenant leased property;
2.96 acres of the General Aviation Center, Park and Administration Building;
1.78 acres comprising of the Fuel Farm & Air Traffic Control Tower

Request for Proposals 2022-016-RFP for Landscape Maintenance Services was issued on February 15, 2022. The RFP was advertised in the Arizona Business Gazette on February 17 and 24 and March 3 and 10, 2022 as well as emailed to a list of prospective respondents. In addition, the RFP was posted on the Arizona Airports Association and Airports Council International-North American websites.

PMGAA received proposals by the RFP deadline. The Evaluation Committee reviewed all proposals and determined the proposal from Artistic Land Management, Inc. best satisfied the detailed requirements of the RFP based on the award criteria. Artistic Land Management, Inc's experience, qualifications, and approach to the project offers the best overall service for PMGAA. In addition, Artistic Land Management offered the least expensive proposal.

Fiscal Impact
This contract was included in the FY23 operating budget for the Operations and Maintenance Department.

Attachment(s)
Contract

RESOLUTION NO. 22-18

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

WHEREAS the Authority desires to authorize a contract with Artistic Land Management, Inc. for landscape maintenance services in an amount not to exceed $900,440.64 for five years which includes (2) one-year renewal options.

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

> **The Board of Directors of the Authority hereby authorizes a contract with Artistic Land Management, Inc. for landscape maintenance services in an amount not to exceed $900,440.64 for five years which includes (2) one-year renewal options. This resolution also authorizes the Chair or Executive Director/CEO to execute such Contract, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.**

Passed and adopted by the Authority this 17th day of May, 2022.

John Giles, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY

AND

Artistic Land Management, Inc.

FOR

LANDSCAPE MAINTENANCE SERVICES

CONTRACT NUMBER 20220269

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

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Phoenix-Mesa Gateway Airport Authority, a joint powers airport authority authorized by the State of Arizona ("PMGAA") desires performance of the services more fully described in this **Contract Number C-20220269** ("Contract") and the attached exhibits. Artistic Land Management, Inc., an Arizona S Corporation ("Vendor"), with its principal offices located at 506 E. Boston Circle, Chandler, Arizona, 85225, desires to perform these services.

Recitals

A. PMGAA requires the services as described in this Contract, including any and all exhibits and amendments, and Vendor is willing to provide these and other services under this Contract; and

B. PMGAA desires to contract with Vendor to provide services as noted herein.

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

SECTION I – VENDOR SERVICES

The services to be performed by Vendor are specified in this Contract. PMGAA will not pay Vendor for any services that have not been authorized under the Contract. There is no guarantee of a minimum purchase of services.

The anticipated services to be provided by Vendor under this Contract shall generally include, but not be limited to, the following: Landscape Maintenance Services, as more specifically described in the detailed scope of services attached as **EXHIBIT A**, "Scope of Services & Fee Schedule."

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

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

SECTION II – PMGAA RESPONSIBILITIES

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

A. Access to copies of readily available maps, records, as-built drawings, benchmarks or other data pertinent to work assignments affiliated with this Contract. This does not, however, relieve Vendor of the responsibility of searching records for additional information, for requesting specific information or for verification of that information provided. PMGAA does not warrant the accuracy or comprehensiveness of any information or documents provided to Vendor.

B. In PMGAA's discretion and upon Vendor's reasonable request, access to staff for consultation with Vendor during the performance of this contract in order to identify the problems, needs, and other functional aspects of the work.

C. Prompt review of and feedback on Vendor's deliverables. PMGAA will advise Vendor concerning progress of PMGAA's review of the work, as needed.

SECTION III – PERIOD OF SERVICE

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

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

The term of this Contract shall commence on July 1, 2022 and ends on June 30, 2025 ("Base Term"), unless terminated, canceled or extended as provided in this Contract.

This Contract has two (2) optional one-year extensions that PMGAA may exercise at its sole discretion. Prior to the expiration of the Contract Base Term, PMGAA may elect to extend the Contract. If PMGAA exercises such right, all terms, conditions and provisions of the original Contract shall remain the same and apply during the extended

period with the possible exception of price. All fees for the optional renewal terms are provided for in **EXHIBIT A**, "Scope of Services & Fee Schedule.". Any extension of this Contract shall require an amendment signed by both parties.

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

SECTION IV – KEY PERSONNEL

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

SECTION V – PAYMENTS TO THE VENDOR

Vendor will be paid for work performed under this Contract plus any adjustments that have been approved in writing by PMGAA in accordance with PMGAA's Procurement Policy. Payments will be made in accordance with **EXHIBIT D**, "Compensation."

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

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

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

SECTION VI – ALTERATION IN SCOPE OF SERVICES

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

SECTION VII – WORK ASSIGNMENT COMPLETION

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

SECTION VIII – OWNERSHIP OF DOCUMENTS

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

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

SECTION IX – COMPLIANCE WITH LAWS

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

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

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

SECTION X – GENERAL CONSIDERATIONS

A. The failure of either party to enforce any of the provisions of this Contract or require performance of the other party of any of the provisions hereof shall not be construed to be a waiver of the provisions, nor shall it affect the validity of this Contract or the right of either party to enforce each and every provision.

B. The fact that PMGAA has accepted or approved Vendor's work shall in no way relieve Vendor of responsibility for the work under this Contract.

C. This Contract shall be governed by the laws of the state of Arizona, both as to interpretation and performance. Any action at law, suit in equity, or judicial proceeding for the enforcement of this Contract, or any provision thereof, shall be instituted only in the courts of the state of Arizona.

D. All exhibits to this Contract and any amendments to the Contract are incorporated into it.

SECTION XI – NO KICK-BACK CERTIFICATION

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

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

SECTION XII – SUSPENSION OF SERVICES

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

SECTION XIII – TIMES OF PAYMENTS

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

SECTION XIV – TIMELY REVIEW

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

SECTION XV – DISPUTE RESOLUTION

All disputes between PMGAA and Vendor arising out of or relating to this Contract will be subject to the Dispute Resolution provisions as set forth in **EXHIBIT F**, "PMGAA Standard Terms and Conditions", attached hereto and incorporated herein by reference.

PMGAA and Vendor shall include a similar dispute resolution provision in all contracts with other vendors retained for the Project and shall require all other independent contractors and vendors to include a similar dispute resolution provision in all contracts with subcontractors, suppliers or fabricators retained by them.

SECTION XVI – LIABILITY OF VENDOR

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

SECTION XVII – LAWS AND REGULATIONS

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

SECTION XVIII – ARCHAEOLOGICAL RESOURCE PROTECTION

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

SECTION XIX INSURANCE REQUIREMENTS

A. Vendor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Vendor, its agents, representatives, or employees.

B. All insurance policies required by this Contact, except *Workers Compensation* and *Professional Liability*, shall name PMGAA, its agents, representatives, officers, directors, officials and employees as Additional Insured.

C. Minimum Scope and Limits of Insurance. Coverage shall be at least as broad as:

   i. Commercial General Liability: Insurance Services Office Form CG 00 01 covering Bodily Injury and Property Damage on an "occurrence" basis, including personal & advertising injury with limits no less than $1,000,000 per occurrence, $2,000,000 General Aggregate.
   ii. Auto Liability: ISO Form CA 00 01 covering any auto (Symbol 1), or if Vendor has no owned autos, hired, (Symbol 8) and non-owned autos (Symbol 9), with limit no less than $1,000,000 Combined Single limit per accident for bodily injury and property damage ($5,000,000 if operating in the Air Operations Area of the Airport).
   iii. Workers' Compensation: Statutory Limits as required by the state of Arizona, and Employer's Liability Insurance with limit of no less than $1,000,000 per accident for bodily injury or disease.

D. If the Vendor maintains higher limits than the minimums shown above, PMGAA requires and shall be entitled to coverage for the higher limits maintained by the Vendor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to PMGAA.

E. Additional insurance provisions. The insurance policies shall provide, or be endorsed to include, the following provisions:

   i. Notice of Cancellation: Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to PMGAA.
   ii. Waiver of Subrogation: Vendor waives any right to subrogation. Vendor shall obtain an endorsement necessary to affect this waiver of subrogation from the insurer for all lines of coverage required by this Contract, except *Workers Compensation* and *Professional Liability,* for claims arising out of the Vendor's work or service.
   iii. Primary Coverage: For all claims related to this Contract, all of Vendor's insurance policies will be primary and non-contributory. Any insurance or self-insurance maintained by PMGAA, its officers, officials, employees, or volunteers will be in excess of Vendor's insurance and will not contribute with it.
   iv. Deductibles and Self-Insured Retentions: Any deductibles or self-insured retentions must be declared to and approved by PMGAA. PMGAA may require the Vendor to provide proof of ability

to pay losses and related investigations, claim administration, and defense expenses within the retention.

v. Acceptability of Insurers: Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A, VII, unless otherwise acceptable to PMGAA.

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

a) The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.

b) Insurance must be maintained, and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.

c) If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Vendor must purchase "extended reporting" coverage for a minimum of five (5) years after completion of work.

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

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

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

SECTION XX NOTICES

Any notice, report or information which may be or is required to be given under this Contract will be in writing and shall be sent by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

TO PMGAA: Phoenix-Mesa Gateway Airport Authority
Attn: Operations & Maintenance Director
5835 South Sossaman Road
Mesa, Arizona 85212

TO VENDOR: Artistic Land Management, Inc.
Attn: Jose Hernandez
506 E. Boston Circle
Chandler, AZ 85225

or to such other person(s) or address(es) as any such Party may designate from time to time by notice to the other Parties in accordance with this Section.

SECTION XXI – COOPERATIVE USE OF CONTRACT

This contract may be extended for use by other municipalities, school districts and government agencies (participating agency) in the State of Arizona. Any such usage by other participating agencies must be in accordance with the statutes, codes, ordinances, charter and/or procurement rules and regulations of the respective participating agency.

Other participating agencies will be responsible for entering into separate cooperative use agreements with the Vendor.

Payment for purchase(s) made under this contract will be the sole responsibility of each participating agency. PMGAA shall not be responsible for any disputes arising out of transactions made by other agencies. Vendor shall be responsible for correctly administering these contracts in accordance with all terms, condition, requirements and approved pricing to any eligible participating agency.

SECTION XXII – LIQUIDATED DAMAGES

PMGAA's expectation is that landscape and grounds maintenance performed by the Vendor will result in the Airport's landscape maintenance locations looking well-groomed and clean. If tasks are omitted or not satisfactory completed, public safety and appearance of PMGAA's facilities, medians and right of ways are compromised. The Vendor and PMGAA agree upon the following schedule of liquidated damages to be deducted from monies due or to become due to the Vendor. These sums are fixed and agreed upon, not as a penalty, but because the parties agree that the actual loss to PMGAA and to the public caused by the omission of work or substandard performance is impractical and extremely difficult to ascertain.

SITUATION	Liquidated Damages Amount
A. Failure to respond to emergency calls within the specified time limits.	$100 per site/emergency
B. Failure to repair irrigation system problems in a timely manner or with acceptable quality.	$100 per site/day
C. Failure to correct deficiencies within the time allowed in the Correction Time Limit Schedule.	$100 per site/day
D. Failure to start "Extra Work" within forty-eight (48) hours, or on the date agreed or withdrawing from the job prior to completion without authorization from PMGAA.	$100 per day plus the City has the right to re-award and charge any increased difference to the Contractor.
E. Failure to start and satisfactorily complete routine work within the scheduling requirements.	$100 per site/day
F. Illegal or non-conforming waste disposal.	$100 per site/day
G. Failure to submit schedules and work plans within the dates and times required.	$100 per site/day
H. Field supervisor performing labor without PMGAA's authorization or not being available during working hours to address problems, do field inspections, and/or meet with PMGAA representatives.	$100 per occurrence
I. Failure to wear a uniform bearing the Vendor's name or to bear individual photo identification.	$100 per occurrence
J. Failure to comply with Parking Restrictions on Arterial and Major Collector Streets, and/or failure to provide alternative pedestrian route around work areas when parking on or blocking sidewalks.	$100 per occurrence
K. Failure to return PMGAA issued badges of past employees.	$100 per incident/employee
L. Failure to comply with List of Employees requirements.	$100 per occurrence
M. Failure to comply with environmental regulations.	$100 per occurrence

Executed as of the Commencement Date.

VENDOR
Artistic Land Management, Inc., an Arizona S Corporation

By: _____

Name: _____

Title: _____

Date: _____

PMGAA
PHOENIX 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: _____

EXHIBIT A – SCOPE OF SERVICES & FEE SCHEDULE

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

SCOPE OF SERVICES

1. General Instructions

Vendor must provide their own labor, tools, equipment, fertilizers, pesticides/herbicides, transportation, and other necessary materials to provide landscaping services to meet the Scope of Services contained herein. Preferred equipment includes propane or battery powered mowers, edging or trimming devices. PMGAA will not provide storage space for the Vendor's equipment. The Vendor will dispose of all trimmings and dead growth at the day of service to an off-site location. Environmentally approved vegetation killers are permissible in all areas to the extent that they do not adversely affect the plants and trees which have been planted but, these must be approved by PMGAA prior to application.

The PMGAA sites and acreage designated under this Contract can be found in Exhibits B and C.

The Vendor will provide MSDS sheets for all fertilizers, herbicides and pesticides used on PMGAA property. Pesticide and herbicide applications shall be made by certified pesticide applicators.

2. Condition of Landscape Areas at Beginning and End of Contract

Condition of Landscape at Beginning of Contract: Vendor shall perform an inspection of all properties/locations covered under this Contract within two (2) weeks of the Contract's start date for identification of preexisting conditions that would prevent or adversely affect completion of any normal routine maintenance activities.

Upon completion of inspections, the Vendor shall prepare a list of specific deficiencies found at each contract area and submit the list to the Operations and Maintenance Director or authorized PMGAA representative for review. If no deficiencies are found, written documentation must be submitted stating such. PMGAA will evaluate each problem listed to determine if extra compensation is warranted for repair work prior to starting routine maintenance.

PMGAA may authorize the Vendor to make extra work repairs or may determine that the items listed represent normal conditions that might be expected at any time during the contract period. The determination and disposition of all items listed shall be the responsibility of PMGAA and PMGAA's decision shall be final and binding upon the Vendor. All repairs to preexisting conditions deemed necessary and authorized by PMGAA, shall be made within thirty (30) days of approval.

Condition of Landscape at End of Contract: Approximately six (6) weeks prior to the Contract being terminated, PMGAA and Vendor will make a final inspection to determine the condition of all landscape areas. Items found to be improperly maintained by Vendor will be fully corrected at no cost to PMGAA, prior to the last two (2) weeks of the Contract. If not fully corrected within two (2) weeks of the end of the contract, PMGAA will arrange for repairs to be made and the costs for making repairs to the areas will be deducted from final payment(s) to Vendor. The same terms and conditions will apply even if the Vendor has been awarded a new contract for the same areas. The last payment shall be that which is due for all work completed during the final forty-five (45) days of the contract.

3. Performance Standards

The specifications listed below are the minimum requirements and are intended to govern, in general, the requirements desired. These requirements are not intended to replace or supersede the latest industry

standards or material and equipment manufacturer's recommendations. PMGAA reserves the right to evaluate variations from these specifications.

a) Mowing

All turf areas shall be inspected and policed for litter and debris and disposed of prior to each mowing. Mowing shall occur as often as necessary to keep all turf areas looking crisp, clean and well-groomed. Lift mower height, as seasonal growth requires, preventing scalping of the lawn. Make every effort to position and operate equipment such that cutting and debris picked up by rotating assemblies will be directed away from vehicles and buildings. Mowing direction will alternate with each visit to the site.

b) Edging

All sidewalks curb lines, concrete slabs, bed edges and the immediate high visual areas shall be mechanically edged as needed to maintain a neat, clean appearance. Mechanical edgers will be used at all possible locations.

c) Trimming or Weed Eating

Trimming shall be performed around all road signs, guard posts, trees, shrubs, utility poles and other obstacles paying special care not to damage trees and shrubs. The grass to be trimmed shall not be trimmed to less than the desired height of cut determined by the mowing operation

d) Turf Fertilization

Turf shall be fertilized with a well-balanced slow release fertilizer. Notify the OPM Program Manager prior to application so that we can water the lawn thoroughly after applying the fertilizer. Only irrigated areas with established turf grass will be fertilized.

e) Weed Control

Pre-emergent for control of weeds shall be applied as necessary. All precautions shall be taken in the handling and application of all sprays as stated on the herbicide label. One application with follow up applications as required to attain a kill of 90% of broadleaved weeds shall be required. All irrigation valve boxes are to be kept grass and weed free.

f) Debris Removal

Vendor shall remove grass clippings from walk, curbs and paving. Grass clippings are to be removed from lawns if in wind rows or if unsightly clumps are left on the lawn (normally created by the inability to mow on schedule because of rain). Fallen limbs or branches shall be removed from sidewalks and lawn areas. Blowers must be turned off when pedestrians are in vicinity. Vendor may be asked by PMGAA employees to cease operation of any equipment in certain areas when needed. Resume when instructed or area is clear.

g) Tree and Shrub Care

Maintain trees and shrubs in a healthy, growing condition by following accepted horticultural practices and performing all necessary operations including, but not limited to, the following:

i. Fertilizing
Fertilizing of all shrubs, ground cover and other ornamentals to be done once a year with a well-balanced slow release fertilizer. Notify Landscape Specialist prior to application so that proper water may be applied.

ii. Pruning of Trees

All cuts shall be made clean and outside the branch collar leaving no stubs or tearing bark. Remove branches touching buildings, and those blocking pedestrian and vehicular traffic. Trees shall be trimmed to maintain an 8 foot clearance over sidewalks and 14 foot clearance over vehicular traffic. Remove dead branches. All suckers are to be continually removed from trees. All major pruning shall take place in the dormant season.

iii. Pruning of Ornamental and Desert Plants

Minimal pruning shall be done to enhance natural growth. All major pruning shall be done during the plants dormant season unless an early flowering plant, then prune immediately after flowering. Dead, damaged and diseased portions of the plant will be removed. Pruned shrubbery to maintain proper size in relationship to adjacent plantings and intended function. Prune groundcover plantings as required to restrain perimeter growth to within planting beds areas where adjacent to walks and curbs. Tip prune selected branches of low growing shrub or groundcover masses to maintain even overall heights and promote fullness. Perennials should be cut back after going dormant and trimmed periodically through growing season to maintain manicured look and avoid woody growth. Ornamental grasses shall be pruned back once per year in the dormant season prior to spring growth. Remove growth protruding over sidewalks.

iv. Clearance and Visibility

Trees and shrubs shall be pruned in such a way to avoid blocking the clear view of signs, illumination by light fixtures, the flow of air vents and air conditioner compressors as well as pedestrian and vehicular traffic. Remove lower limbs when obstructing vehicular or pedestrian clearances.

v. Staking

Maintain tree alignment, provided by guying or staking, in sound condition; periodically check all ties to ensure against injury to the cambium layer. Remove tree stakes and guys when the trees are able to support themselves, typically after a year. Reset and stake trees that have been windblown and are leaning.

vi. Weed Control

Keep basins and shrub beds free of weeds. Avoid excessive soil cultivation which destroys shallow roots and contributes to soil erosion. Bed edges are to be kept clean and weed defined. Control of weed and undesirable grasses shall occur through mechanical means and post-emergence chemicals.

vii. Debris, Litter & Trash

Litter will be removed from landscape areas, sidewalks and parking lots on each visit. All debris, litter and trash will be disposed of by the use of dumpsters on site, when available. Fallen limbs and branches should be removed from landscaped areas and sidewalks.

h) Rock Refresh, Tree Planting and Irrigation Repairs

Vendor shall submit proposals to include hourly rate and materials costs for granite (rock) refresh and vegetation replacements. This would be completed upon written request by PMGAA with areas to be defined.

i) Emergency Response

The Vendor shall be prepared to respond to irrigation system and landscape emergency calls on a twenty-four (24) hour, seven (7) day per week basis. "Emergency Response Work" shall mean any work PMGAA requests the Vendor to perform which is in response to an immediate hazard or other emergency as determined by PMGAA. The Vendor must commence work within one (1) hour of receiving PMGAA's request. Failure to respond shall be considered a default of Contract.

The Vendor shall provide the names and phone numbers of employees who will be assigned to respond to after-hour "Emergency" situations. PMGAA shall also be kept informed of the name of the specific person assigned to respond on any given day.

The Vendor shall respond to the site where the emergency exists within one (1) hour of receiving notification from PMGAA. During "off duty" hours, the Vendor's employee assigned to respond to the emergency, shall only take those actions that will enable the problem to be downgraded from an emergency. However, in no case shall a hazardous condition be left uncorrected.

Payment for "Emergency Response" shall comply with the Vendors hourly labor and equipment rates submitted in Attachment B, Price Proposal. However, if the emergency was caused by the Vendor's failure to adequately perform "Routine" or "Extra" maintenance work, no compensation shall be made for responding to the emergency. PMGAA shall make the determination whether or not payment is due after reviewing the work performed.

j) Inspections

Vendor's on-site supervisor shall conduct weekly inspections of all areas to ensure compliance with the required scope of work and shall maintain written records of these inspections. A copy of the inspection report shall be furnished to the Operations & Maintenance Supervisor personnel weekly.

k) Extra Work

All "Extra Work" ordered in the contracted area shall be compensated for in accordance with Exhibit A. Vendor shall not perform any Extra Work until written authorization is obtained from PMGAA. All extra work shall commence within forty-eight (48) hours or on a date agreed, except Emergency Response Work that requires a one (1) hour response/commencement. Extra Work performed without authorization may not be paid. The Vendor is not guaranteed full or exclusive right to perform Extra Work that may be required. PMGAA reserves the right to obtain competitive quotations or otherwise select the most appropriate Vendor for performing Extra Work.

l) Work Corrections

In the event Vendor fails to perform services or fails to perform services to meet the Scope of Services, PMGAA shall notify Vendor. Upon notification, Vendor shall perform the requested services within the times listed below:

Correction Time Limit Schedule (Time starts upon receipt of notification)	
Emergency Response Work	1 Hour response – Complete ASAP
Daily Cleaning	2 Working Hours
Detailed Maintenance	1 Working Day
Mowing	1 Working Day
Irrigation/Sprinkler System Maintenance, Repairs, or Controller Programming Issues	1 Working Day
Submission of Schedules, Work Plans and/or Daily Reports	1 Working Day
Extra Work	2 Working Days
Weed Control	1 Working Day
Fertilization	5 Working Days
Replanting	5 Working Days

m) Badging

Airport Access Badges are required of Vendor's and/or subcontractor's supervisors and lead personnel performing work functions in accordance with this Contract. Vendor and/or subcontractor personnel shall obtain and properly display a PMGAA airport security badge while on the airport. Airport Security Access Badge applications may be downloaded at www.gatewayairport.com under the General Information/Documents and Forms Link. Vendor is responsible for all badging fees.

n) List of Employees

Vendor shall supply PMGAA with a current list of Supervisors and Spray Technicians assigned under this Contract to PMGAA. The list must include: full names, driver's license number with expiration date, job title, and where applicable, certifications (pesticide applicator's license number and expiration date, International Society of Arboriculture (ISA), or any other pertinent or required certifications or registrations). The list shall be kept current, changes to contract assignments must be submitted in writing to PMGAA within two (2) workdays after implementation. Failure to submit current list and changes shall be subject to liquidated damages as set forth in Section XXII. Repeated failures may result in a Notice of Default.

4. Schedule

Vendor shall, at a minimum, perform the Scope of Services according to the following schedules. Vendor may, upon written approval from PMGAA adjust the schedule.

Weekly Schedule to Comple Work

Day	Site	Work to be Performed
MONDAY	Charles L. Williams Terminal Frontage, Courtyard & Parking Areas	Cleaning, mowing, litter pick up, blowing, of sidewalks and curbs. Inspect tree stakes and elevate trees.
TUESDAY	General Aviation Center Park & Administrative Building	Cleaning, litter pick up, blowing, of sidewalks and curbs. Inspect tree stakes and elevate trees.
TUESDAY	Texas Road Parking Lot	Cleaning, litter pick up, blowing, of sidewalks and curbs. Inspect tree stakes and elevate trees.
WEDNESDAY & THURSDAY	Sossman Road Medians Ray Road Parking Lot	Cleaning, litter pick up, blowing, of sidewalks and curbs. Inspect tree stakes and elevate trees.
FRIDAY	Air Traffic Control Tower & FAA Facility Building 1095 Building 5950 Fuel Farm Hanger 31, 32 & 37	Cleaning, litter pick up, blowing, of sidewalks and curbs. Inspect tree stakes and elevate trees.
MONDAY THROUGH FRIDAY	All Sites	Trash and litter pick up will be performed daily to all sites
MONDAY THROUGH FRIDAY	High Profile Areas: Passenger Terminal Daily parking lot Hourly lot Rental Ready lot Rental return lot Administration building & parking lot Gateway Aviation Center building & lot LPK park	ALM will perform trash and litter pick up at these high profile sites twice a day to ensure they are clean and safe for the general public. ALM will pay attention to any spills on sidewalks that may pose a safety concern. Rocks will be cleaned off sidewalks.

Weekly Schedule

Landscape Service Location	M	T	W	TH	F
Airport Entrance	X				
Ray Road Economy Parking Lot	X				
Cell Phone Parking Lot		X			
Retention Basin		X			
Multi-Tenant Hangar (5755 S Sossaman Rd)		X			
General Aviation Center & Park		X			
PMGAA Administration			X		
Rental Car Ready Lot	X				
Terminal			X		
Rental Car Return Lot			X		
ATC			X		
Airport Maintenance Facility			X		
Retention Basin				X	
F/F Facility					X
Rental Car Wash Facility					X
Airport Employee Parking Lot					X
6145 S Kent Street					X
Airport Tenant Hanger (6229 S Sossaman Rd)					
Street Right-Of-Way & Medians (S Sossaman Rd)				X	X

Task Frequency Schedule

Task	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Frequency	Notes
Mowing, Edging, Trimming	X	X	X	X	X	X	X	X	X	X	X	X	Weekly	To be done Tuesdays
Turf Fertilization			X		X		X	X		X			3 times	As needed for desired results
Pre- Emergent			X							X			Twice yearly	By licensed applicator
Post- Emergent	X	X	X	X	X	X	X	X	X	X	X	X	As needed	By licensed applicator
Trash/Litter Removal/ Branch Removal	X	X	X	X	X	X	X	X	X	X	X	X	Daily	Twice daily for high profile areas
Tree Trimming	X	X	X	X	X	X	X	X	X	X	X	X	As needed for clearance	Our Arborist will train & supervise
Fertilizing Trees			X										Once Yearly	Well-balanced slow release fertilizer
Fertilizing Plants			X										Once Yearly	Well-balanced slow release fertilizer
Pruning Desert Plants	X												As required	To remove dead parts or rejuvinate growth as needed
Pruning Ornamental Plants	X												As required	
Pruning for Clearance and Visibility	X	X	X	X	X	X	X	X	X	X	X	X	Weekly as needed	High priority
Tree Staking	X	X	X	X	X	X	X	X	X	X	X	X	As needed	
Winter Rye Overseeding										X			Yearly	End of Sept. early Oct. depending on night temperatures.

FEE SCHEDULE

For the services provided herein, PMGAA agrees to pay Vendor the not to exceed amount of $174,504.00 for the first year of the Contract. Vendor may increase pricing beginning the second year of the Contract up to the percentage increase noted below and if Vendor notifies PMGAA at least 45 days prior to the beginning of year two of the Contract.

The prices stated below are all inclusive and includes all pertinent fees normally associated with the services provided under this Contract. This shall include, but not limited to, environmental fees, shop supplies, clean-up, transportation, etc. No additional charges beyond the prices listed below (except applicable sales tax) shall be allowed unless authorized, in writing by PMGAA, prior to the services being performed.

Attachment B
Price Proposal

Landscape service locations may be added or removed during the contract term.

Year 1 of Contract:

No.	Landscape Service Location	Monthly Price
1	Airport Entrance	$ 603.00
2	Ray Road Economy Parking Lot	$ 1064.00
3	Cell Phone Parking Lot	$ 230.00
4	Retention Basin	$ 355.00
5	Multi-Tenant Hangar (5755 S. Sossaman Rd.)	$ 461.00
6	General Aviation Center & Park	$ 308.00
7	PMGAA Administration	$ 942.00
8	Rental Car Ready Lot	$ 615.00
9	Terminal	$ 1845.00
10	Rental Car Return Lot	$ 308.00
11	ATC	$ 490.00
12	Airport Maintenance Facility	$ 615.00
13	Retention Basin	$ 462.00
14	F/F Facility	$ 308.00
15	Rental Car Wash Facility	$ 308.00
16	Airport Employee Parking Lot	$ 230.00
17	6145 S. Kent Street	$ 615.00
18	Airport Tenant Hangar (6229 S. Sossaman Rd.)	$ 923.00
19	Street Right-Of-Way & Medians (S. Sossaman Road)	$ 3859.00
20	**Year One Total Monthly Price** *(line 1 thru line 19)*	$ 14,542.00
21	**Year One Total Annual Price** *(line 20 x 12)*	$ 174,504.00

Offeror may submit a proposed "not to exceed" increase for subsequent fiscal years if desired:

Year 2: ___4___%

Year 3: _____%

Year 4 (optional extension) _____%

Year 5 (optional extension) _____%

Attachment B - Continued
Price Proposal

Contractor's Hourly Rates (Labor & Equipment) for Year One

Technician: $ 35.00 **per hour**

Arborist: $ 85.00 **per hour**

Irrigation Specialist: $ 45.00 **per hour**

Tree Trim Crew: $ 195.00 **per hour**

Other:

Licensed Spray Technician: $ 45.00 **per hour**

_____: $ _____ **per hour**

_____: $ _____ **per hour**

_____: $ _____ **per hour**

Please explain how you calculate properties if added during the contract term.

Pricing is based on number of trees/plants, turf granite and square footage.

Attachment B - Continued
Price Proposal

Prompt Payment Discount
The price(s) quoted herein can be discounted by 0 % if payment is made within 30 days.

Exceptions / Clarifications to Price Proposal submitted:

No Exceptions.

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

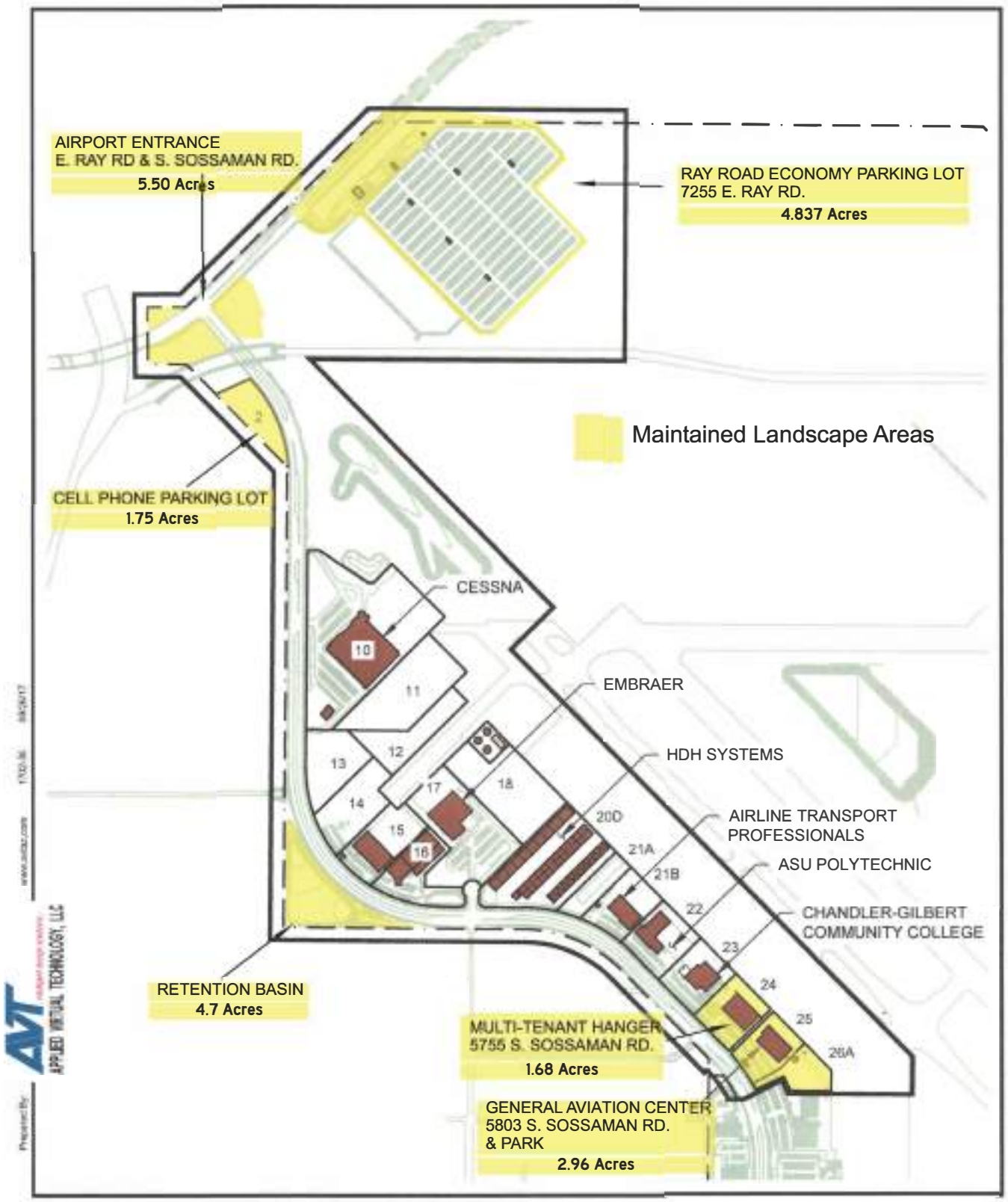
Jose Hernandez
Printed Name

Signature

EXHIBIT B - SERVICE LOCATIONS MAPS

PhxMesa Gateway Airport

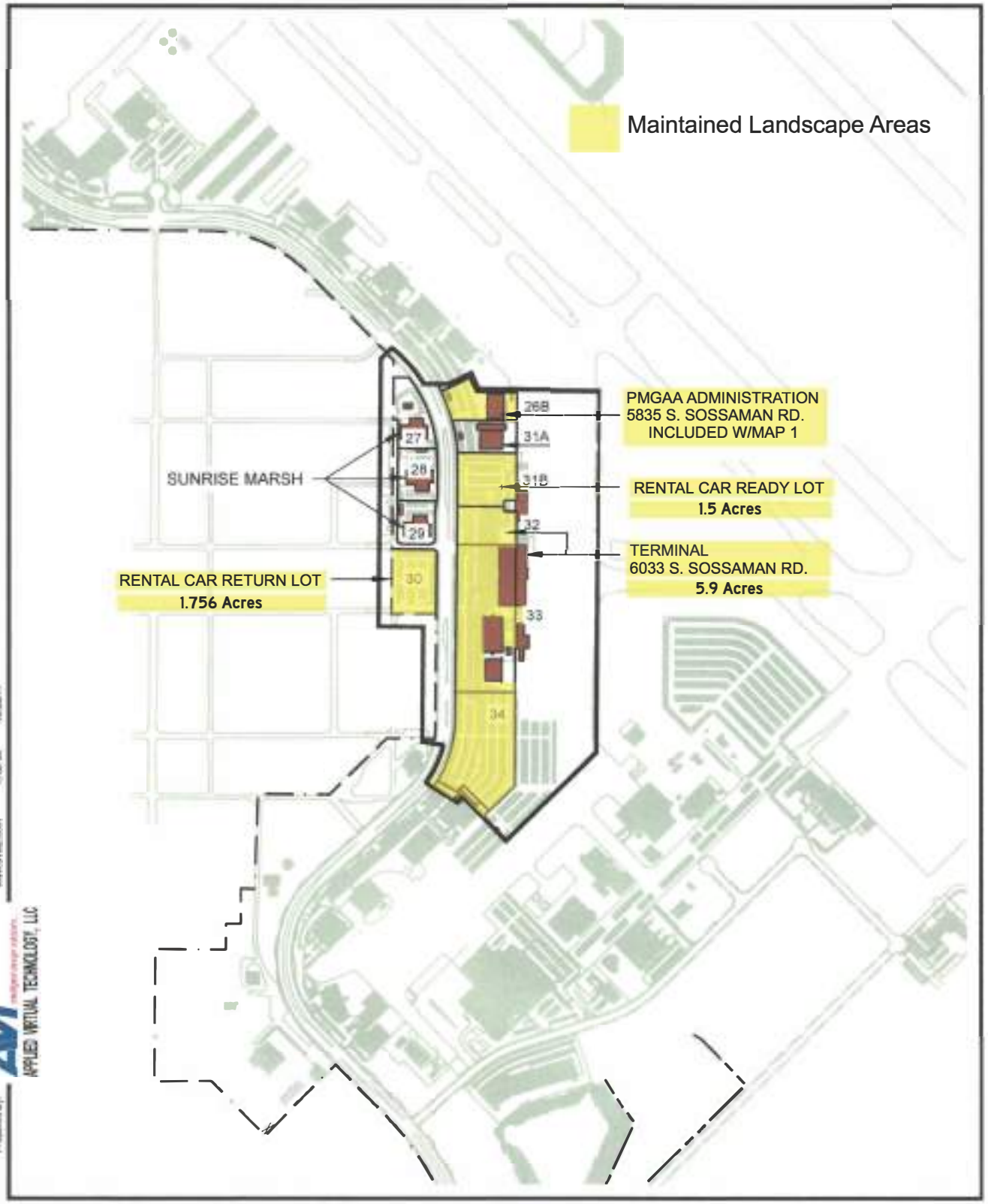
Airport Landscape Maintenance Map 1 Detail



PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
5835 South Sossaman Road, Mesa, Arizona, 85212 (480)-988-7600

SHEET 1 OF 1

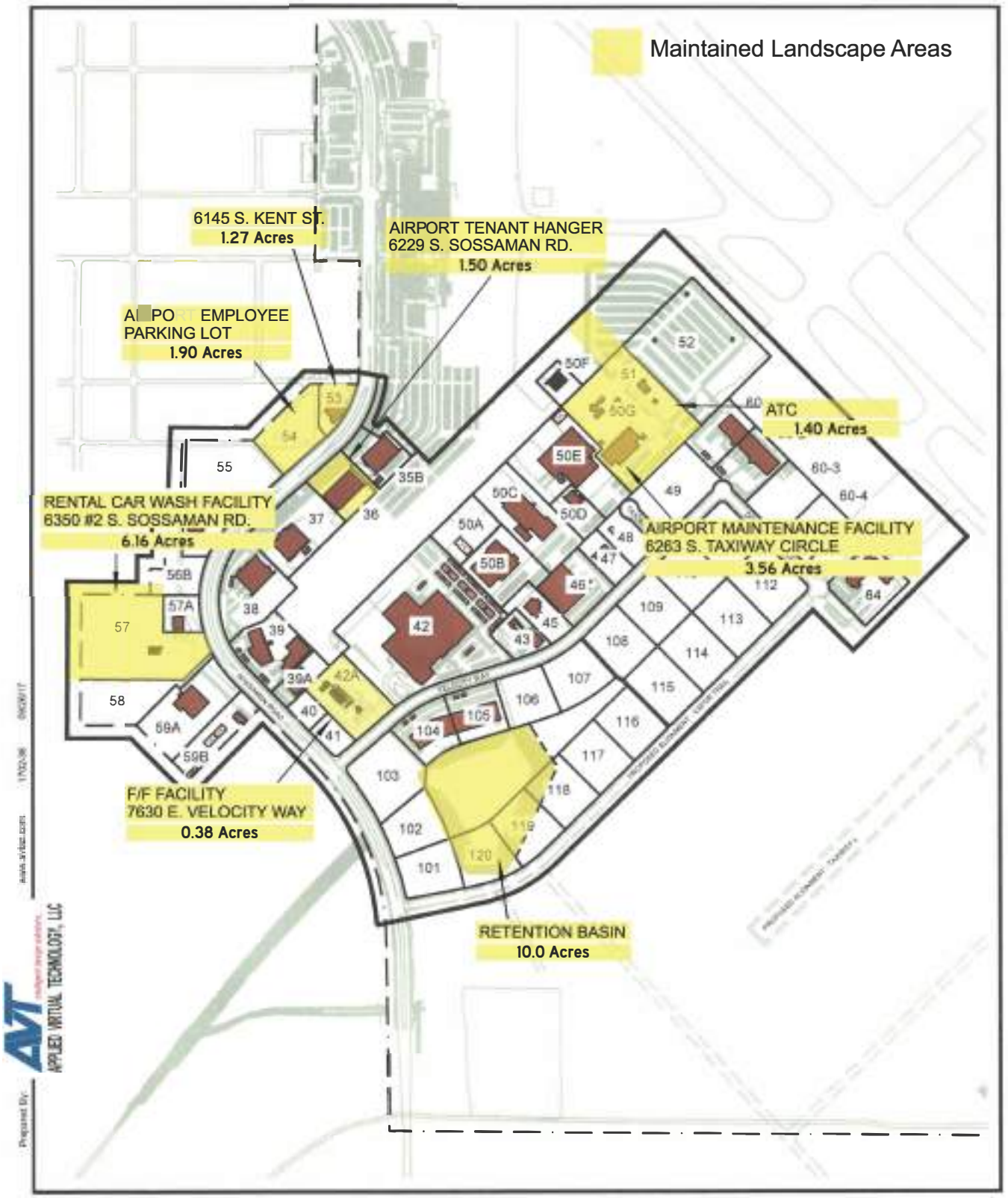
Airport
Landscape Maintenance
Map 2 Detail



PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
5835 South Sossaman Road, Mesa, Arizona, 85212 (480)-988-7600

SHEET 1 OF 1

Airport
Landscape Maintenance
Map 3 Detail



PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
5835 South Sossaman Road, Mesa, Arizona, 85212 (480)-988-7600

SHEET 1 OF 1

Airport Landscape Maintenance
Map 4A Detail

STREET RIGHT-OF-WAY & MEDIANS, S. SOSSAMAN RD.

See Map 4C Detail for total acres

Airport Landscape Maintenance
Map 4B Detail

STREET RIGHT-OF-WAY & MEDIANS, S. SOSSAMAN RD.

See Map 4C Detail for total acres

Airport Landscape Maintenance
Map 4C Detail

STREET RIGHT-OF-WAY & MEDIANS, S. SOSSAMAN RD.

Total acres for map 4A,4B & 4C: 20.31 acres

EXHIBIT C – SERVICE LOCATIONS ACREAGE SUMMARY

No.	Landscape Service Location	Acres
1	Airport Entrance	5.50
2	Ray Road Economy Parking Lot	4.837
3	Cell Phone Parking Lot	1.75
4	Retention Basin	4.70
5	Multi-Tenant Hangar (5755 S. Sossaman Rd.)	1.68
6	General Aviation Center & Park	2.96
7	PMGAA Administration	*
8	Rental Car Ready Lot	1.5
9	Terminal	5.9
10	Rental Car Return Lot	1.756
11	ATC	1.40
12	Airport Maintenance Facility	3.56
13	Retention Basin	10.00
14	F/F Facility	0.38
15	Rental Car Wash Facility	6.16
16	Airport Employee Parking Lot	1.90
17	6145 S. Kent Street	1.27
18	Airport Tenant Hangar (6229 S. Sossaman Rd.)	1.50
19	Street Right-Of-Way & Medians (S. Sossaman Road)	20.31
	Total Landscape Service Location Acreage	77.06

**Included in line no. 6 (Map 2)*

EXHIBIT D– COMPENSATION

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

1. Fees to be Specified in Contract

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

2. Method of Payment

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

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

3. Vendor Responsibilities for Compensation

Vendor shall prepare monthly invoices and/or progress reports in accordance with terms specified in the Contract. Progress reports will clearly indicate the progress to date and the amount of compensation due by virtue of that progress. All invoices for payment shall be for work completed unless otherwise agreed to by PMGAA. Invoices/requisitions for payment for services subject to funding by the FAA and/or ADOT shall include the documentation requirements of the FAA and/or ADOT, which are outlined in the *Airport Improvement Program (AIP) Handbook* dated September 30, 2014, or most current version.

4. PMGAA Responsibilities for Compensation

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

5. Billing Address

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

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

EXHIBIT E - SPECIAL PROVISIONS

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

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

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

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

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

b. Nondiscrimination – The contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR Part 21.

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

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

e. Sanctions for Noncompliance – In the event of a contractor's noncompliance with the Nondiscrimination provisions of this contract, the Recipient will impose such contract sanctions as it or the FAA may determine to be appropriate, including, but not limited to:

i) Withholding of payments to the contractor under the contract until the contractor complies, and/or;
ii) Cancellation, termination, or suspension of the Contract, in whole or in part.

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

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

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

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

4. <u>Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion</u>

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

5. <u>Project Security</u>

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

a. <u>Secured Area Access</u> – All Vendor personnel who require unescorted access to the secured area of the Airport, prior to the issuance of an Airport Identification badge, must successfully complete the Security Badge Application and Security Badge Authorization forms.

b. Employee Security Badges – If deemed necessary by PMGAA Vendor and/or subcontractor personnel performing work functions in accordance with this Contract shall obtain and properly display an Airport security badge. Vendor shall submit a Security Badge Application form to the PMGAA security office for each employee requiring unescorted access, along with the current fee for each badge. Badge fees are identified on the current *Airport Fees, Services and Rental Rates* available via the Airport website at www.gatewayairport.com and are subject to change.

i. All fees must be paid to PMGAA by cash or check.
ii. Airport Security Badge Application forms and instructions are available via the Airport website at www.gatewayairport.com.
iii. An authorized representative of Vendor must also obtain and submit a Security Media Authorization form, which is to be submitted to the PMGAA badging office. The Security Media Authorization form and instructions are available via the Airport website at www.gatewairport.com.
iv. A training class on aviation security must be successfully completed before individuals are issued a badge. Fees for the security badge include attendance for the necessary training classes. Attendance at the security classes and issuance of the security badge may take two hours per person.
v. Additional information, including a "Frequently Asked Questions" is available via the Airport website at www.gatewairport.com or by contacting the PMGAA Badging Office at (480) 988-7522. The Badging Office is located at 5803 S. Sossaman Road, Mesa AZ 85212.
vi. Vendor shall immediately notify the PMGAA Badging Office of any Vendor personnel whose employment status has changed.
vii. Vendor shall retrieve all security badges and keys and return them to the PMGAA Badging Office. A fee, as indicated on the most current *Airport Rates and Charges Schedule*, will be charged for each badge that is damaged, lost or not returned.
viii. The PMGAA Badging Office will require a completed Security Badge Application from each Vendor employee so certified by Vendor as requiring such before a Security Badge is issued.
ix. Under certain circumstances and out of control of PMGAA, security measures may change on short notice. No deviations from any security measure shall be allowed at any time.
x. At all times, aircraft shall have the right-of-way over all vehicle traffic.

c. Fines – Due to both the safety and security precautions necessary at the Airport, any failure of the Vendor to adhere to prescribed Airport requirements/regulations has consequences that may jeopardize the health, welfare and lives of Airport customers and employees, as well as the Vendor's own employees. Therefore, if Vendor is found to be in non-compliance with any security, airfield badging/licensing and airfield safety requirement, a Notice of Violations (NOV) may be issued. A current listing of fines is available by contacting the PMGAA Badging Office.

6. Standard Terms & Conditions

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

7. Federal and State Guidelines and Regulations

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

Vendor shall perform the services as described in approved Contract in accordance with the applicable requirements imposed by PMGAA, ADOT, FAA and any other applicable sponsoring agencies. Vendor and its subconsultants/subcontractors, if any, shall comply with any and all applicable laws, regulations, executive orders, policies, guidelines, and any other requirements for FAA Airport Improvement Program (AIP) projects. Vendor shall provide PMGAA all information, reports, documents, and/or certifications requested by PMGAA for the satisfaction of any grant requirements for the reimbursement of services, including, without limitation, identifying

the specific services provided by Vendor and the billing period(s) during which services were or are to be provided. Nothing herein shall be construed as making the FAA or ADOT a party to this Contract.

8. Right to Contract With Other Firms

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

9. Independent Contractor Status

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

EXHIBIT F – PMGAA STANDARD TERMS & CONDITIONS

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

2. **Termination of Contract.**

   a. PMGAA reserves the right to cancel this Contract in whole or in part due to failure of Vendor to carry out any term, promise, or condition of the Contract. At least ten (10) business days before terminating the Contract, PMGAA will issue a written notice of default specifying one of the following reasons. PMGAA shall, at all times during the term of the Contract or any extension term thereto, have the sole authority to determine if the default has been cured to its satisfaction.

      (1) Vendor has provided personnel that do not meet the requirements of the Contract.

      (2) Vendor has failed to perform adequately the stipulations, conditions or services/specifications required in this Contract.

      (3) Vendor has attempted to impose on PMGAA personnel or materials, products, or workmanship of unacceptable quality.

      (4) Vendor has failed to furnish the required service(s) and/or product(s) within the time stipulated in the Contract or associated Authorization of Services.

      (5) Vendor has failed to make progress in the performance of the requirements of the Contract or Authorization of Services, or Vendor fails to give PMGAA adequate assurance the Vendor will perform the Contract in full and on time.

      (6) Each payment obligation of PMGAA created hereby is conditioned on the availability of PMGAA, state, or federal funds appropriated for payment of the obligation. If funds are not available or allocated by PMGAA for continuance of service under this Contract, then PMGAA may terminate the Contract. PMGAA shall promptly notify Vendor regarding the service that may be affected by a shortage of funds. No penalty accrues to PMGAA if this provision is exercised, and PMGAA shall not be liable for any future payments due or for any damages as a result of termination under this paragraph.

   b. This Contract may be terminated at any time by mutual written consent or by PMGAA - with or without cause - provided the terminating party gives forty-five (45) calendar days' advance written notice to the other party. PMGAA may terminate this Contract, in whole or in part, for PMGAA's convenience and with fourteen (14) days' written notice. If this Contract is terminated, then PMGAA is liable only for services rendered and material received, certified, and approved by PMGAA under the Contract before the termination effective date.

3. **Dispute Resolution**.

   a. **Negotiations**. If a dispute arises out of or relates to this Contract or its breach, the parties to this Contract shall endeavor to settle the dispute through direct discussions as a condition precedent to mediation or binding dispute resolution.

   b. **Mediation**. Should the parties to this Contract be unable to resolve their dispute through direct negotiations, the parties to this Contract, upon the written request of either, shall engage in mediation, to be administered privately by a mediator and according to rules mutually agreed upon by the parties to this Contract, or, the absence of such mutual agreement, by a mediator appointed by JAMS and

administered by JAMS in accordance with its then-current mediation rules. The fees and costs of mediation shall be split equally by the parties to this Contract, but subject to reallocation following binding dispute resolution.

c. **Binding Dispute Resolution**. Should the parties to this Contract be unable to resolve their dispute through direct negotiations or mediation, either party may, within the time limitations for bringing claims under Arizona law and this Contract, commence formal dispute resolution proceedings. Both parties to this Contract consent to binding arbitration administered by JAMS according to its then current arbitration rules, provided, however, that (i) in the event both parties agree, the arbitration may be administered privately by an arbitrator and according to rules mutually agreed upon by the parties to this Contract, and (ii) in the event any party seeks relief against the other party or against a non-party which cannot fully be granted in arbitration, by reason of non-joinder or otherwise, the parties to this Contract are excused from this arbitration requirement and the parties to this Contract shall proceed in the state or federal courts of competent jurisdiction and located in Maricopa County, Arizona. In any arbitration or litigation, the prevailing party shall be entitled to an award of its reasonable attorneys' fees and costs as determined by the arbitrator or court as applicable.

4. **Independent Contractor.** At all times, each party acts in its individual capacity not as agent, employee, partner, joint venturer, or associate of the other party. An employee or agent of one party may not be deemed or construed to be the employee or agent of the other party for any purpose whatsoever. Neither Vendor nor any of its employees are entitled to compensation from PMGAA in the form of salaries, paid vacation, or sick days. PMGAA will not provide any insurance to Vendor, including *Workers' Compensation* coverage. PMGAA will not withhold FICA, taxes, or any similar deductions from PMGAA's payments under this Contract.

5. **Affirmative Action.** Vendor shall abide by all the federal and state of Arizona provisions for equal opportunity in the work place.

6. **Human Relations**. Vendor shall abide by all the federal and state of Arizona provisions against discrimination of disadvantaged business enterprises in applicable PMGAA contracts.

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

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

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

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

11. **Applicable Law.** This Contract shall be governed by, and PMGAA and Vendor shall have, all remedies afforded each by the *Uniform Commercial Code*, as adopted in the state of Arizona, except as otherwise provided in this Contract or in laws pertaining specifically to PMGAA. This Contract shall be governed by

the laws of the state of Arizona, and suits pertaining to this Contract shall be brought only in federal or state courts in the state of Arizona.

12. **Contract**. This Contract is based on and the result of a negotiated Scope of Work and Proposal, Bid or Statement of Qualifications submitted by Vendor under this RFP, IFB or RFQ. The Contract contains the entire agreement between PMGAA and Vendor. No prior oral or written agreements, contracts, proposals, negotiations, purchase orders, or master agreements (in any form) are enforceable between the parties.

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

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

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

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

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

18. **Subcontracts.** Vendor shall not assign any rights or interest nor enter into any subcontract with any other party to furnish any of the materials, goods or services specified herein without the prior written permission of PMGAA. PMGAA may, at its sole discretion, accept or reject proposed subcontractors or assignment. PMGAA shall notify Vendor of its acceptance or rejection within forty-five (45) days or written request by Vendor. All subcontracts shall comply with federal and state laws and regulations applicable to the materials, goods or services covered by the subcontract and shall include all the terms and conditions set forth herein, which shall apply with equal force to the subcontract, as if the subcontractor were the Vendor referred to herein. Vendor is responsible for Contract performance whether subcontractors are used.

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

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

21. **Indemnification.** To the fullest extent permitted by law, Vendor shall defend, save, indemnify, and hold harmless PMGAA, its agents, representatives, officers, directors, officials, and employees (collectively the "Indemnitees"), for, from and against all claims, damages, losses and expenses, including but not limited to

attorney fees, court costs, expert witness fees, and the cost of appellate proceedings, relating to, arising out of, or alleged to have resulted from the Vendor's acts, errors, omissions, or mistakes relating to Vendor's services under this Contract.

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

23. **Advertising.** Vendor shall not advertise or publish information concerning this Contract without prior written consent of PMGAA.

24. **Right to Inspect.** PMGAA may, at reasonable times, and at PMGAA's expense, inspect the place of Vendor's or any of Vendor's subcontractor's business, which is related to the performance of this Contract or related subcontract.

25. **Force Majeure.** 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 Contract to be performed by such party ("Required Act"), and such delay or hindrance is due to causes entirely beyond its control such as riots, insurrections, martial law, civil commotion, war, fire, flood, earthquake, or other casualty or acts of God ("Force Majeure Event"), 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 delay. For purposes of this Contract, the financial inability of Vendor to perform any Required Act, including, without limitation, failure to obtain adequate or other financing shall not be deemed to constitute a Force Majeure Event. A Force Majeure Event shall not be deemed to commence until ten (10) days before the date on which the party who asserts some right, defense, or remedy arising from or based upon such Force Majeure Event gives written notice thereof to the other party. If abnormal adverse weather conditions are the basis for a claim for an extension of time due to a Force Majeure Event, the written notice shall be accompanied by data substantiating (a) that the weather conditions were abnormal for the time and could not have been reasonably anticipated and (b) that the weather conditions complained of had a significant adverse effect on the performance of a Required Act. To establish the extent of any delay to the performance of a Required Act due to abnormal adverse weather, a comparison will be made of the weather for the time of performance of the Required Act with the average of the preceding ten (10) years' climatic range based on the National Weather Service statistics for the nearest weather reporting station to the Premises. No extension of time for or excuse for a delay in the performance of a Required Act will be granted for rain, snow, wind, cold temperatures, flood, or other natural phenomena of normal intensity for the locality where the Premises are located.

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

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

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

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

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

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

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

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

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

35. **E-Verify Requirements.** To the extent applicable under A.R.S. § 41-4401, Vendor and its subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees, and compliance with the E-Verify requirements under A.R.S. §23-214(A). Vendor's or its subcontractors' failure to comply with such warranty shall be deemed a material breach of this Contract and may result in the termination of this Contract by PMGAA. PMGAA shall have the right to inspect the papers of Vendor's and any of Vendor's subcontractor's employee who works on this Contract to ensure the Vendor is complying with this paragraph.

EXHIBIT G – VENDOR'S RFP SUBMITTAL

Vendor's Proposal in response to Phoenix-Mesa Gateway Airport Authority's Solicitation 2022-016-RFP dated March 17, 2022, is hereby incorporated herein and made part of this Contract.

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

Board Action Item

Re: Resolution 22-19

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:	**Herbicide Application Services**
Date:	**May 17, 2022**

Proposed Motion
To authorize a contract with AZ Weed King, Inc. for herbicide application services in an amount not to exceed $425,773.24 for five years which includes (2) one-year renewal options.

Narrative
A primary function of Operations and Maintenance is to ensure a safe and compliant surface for aircraft operations. This includes the elimination of wildlife attractants and maintaining Safety Areas and drainage clear of surface variations and vegetation. Additionally, an aesthetically pleasing environment for passengers, visitors, tenants, and staff of the Airport is beneficial. This contract covers herbicide application services for a total of approximately 269 acres of Airport property including:

67.66 acres of Taxiways
8.92 acres of Fence Line
144.79 acres of Runways
23.63 acres of Detention Basins
16.84 acres of Service Roads
7.71 acres of Misc. Buildings, Equipment & Storage

Request for Proposals 2022-015-RFP for Herbicide Application Services was issued on February 10, 2022. The RFP was advertised in the Arizona Business Gazette on February 10, 17, and 24, 2022 and March 3, 2022, as well as emailed to a list of prospective respondents. In addition, the RFP was posted on the Arizona Airports Association and Airports Council International-North American websites.

PMGAA received proposals by the deadline. The Evaluation Committee reviewed all proposals and determined the proposal from AZ Weed King, Inc. best satisfied the detailed requirements of the RFP based on the award criteria. AZ Weed King, Inc.'s experience, qualifications and approach to the project offers the best overall service for PMGAA. In addition, AZ Weed King, Inc. offered the least expensive proposal.

Fiscal Impact
This contract was included in the FY23 operating budget for the Operations and Maintenance Department.

Attachment(s)
Contract

RESOLUTION NO. 22-19

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

WHEREAS the Authority desires to authorize a contract with AZ Weed King, Inc. for herbicide application services in an amount not to exceed $425,773.24 for five years which includes (2) one-year renewal options.

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

> **The Board of Directors of the Authority hereby authorizes a contract with AZ Weed King, Inc. for herbicide application services in an amount not to exceed $425,773.24 for five years which includes (2) one-year renewal options. This resolution also authorizes the Chair or Executive Director/CEO to execute such Contract, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.**
>
> Passed and adopted by the Authority this 17th day of May, 2022.

John Giles, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY

AND

Arizona Weed King, Inc.

FOR

HERBICIDE APPLICATION SERVICES

CONTRACT NUMBER 20220256

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

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Phoenix-Mesa Gateway Airport Authority, a joint powers airport authority authorized by the State of Arizona ("PMGAA") desires performance of the services more fully described in this **Contract Number C-20220256** ("Contract") and the attached exhibits. Arizona Weed King, Inc., an Arizona Corporation ("Vendor"), with its principal offices located at 11423 N. Cave Creek Rd., Phoenix, AZ, 85020, desires to perform these services.

Recitals

A. PMGAA requires the services as described in this Contract, including any and all exhibits and amendments, and Vendor is willing to provide these and other services under this Contract; and

B. PMGAA desires to contract with Vendor to provide services as noted herein.

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

SECTION I – VENDOR SERVICES

The services to be performed by Vendor are specified in this Contract. PMGAA will not pay Vendor for any services that have not been authorized under the Contract. Services will be performed on an as needed basis. There is no guarantee of a minimum purchase of services.

The anticipated services to be provided by Vendor under this Contract shall generally include, but not be limited to, the following: Herbicide Application Services, as more specifically described in the detailed scope of services attached as **EXHIBIT A**, "Scope of Services & Fee Schedule."

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

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

SECTION II – PMGAA RESPONSIBILITIES

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

A. Access to copies of readily available maps, records, as-built drawings, benchmarks or other data pertinent to work assignments affiliated with this Contract. This does not, however, relieve Vendor of the responsibility of searching records for additional information, for requesting specific information or for verification of that information provided. PMGAA does not warrant the accuracy or comprehensiveness of any information or documents provided to Vendor.

B. In PMGAA's discretion and upon Vendor's reasonable request, access to staff for consultation with Vendor during the performance of this contract in order to identify the problems, needs, and other functional aspects of the work.

C. Prompt review of and feedback on Vendor's deliverables. PMGAA will advise Vendor concerning progress of PMGAA's review of the work, as needed.

SECTION III - PERIOD OF SERVICE

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

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

The term of this Contract shall commence on July 1, 2022 and ends on June 30, 2025, unless terminated, canceled or extended as provided in this Contract.

This Contract has two (2) optional one-year extensions that PMGAA may exercise at its sole discretion. Prior to the expiration of the Contract Base Term, PMGAA may elect to extend the Contract. If PMGAA exercises such right, all terms, conditions and provisions of the original Contract shall remain the same and apply during the extended period with the possible exception of price. All fees for the optional renewal terms are provided for in **EXHIBIT A**,

"Scope of Services & Fee Schedule.". Any extension of this Contract shall require an amendment signed by both parties.

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

SECTION IV – KEY PERSONNEL

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

SECTION V - PAYMENTS TO THE VENDOR

Vendor will be paid for work performed under this Contract plus any adjustments that have been approved in writing by PMGAA in accordance with PMGAA's Procurement Policy. Payments will be made in accordance with **EXHIBIT D**, "Compensation."

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

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

PMGAA shall pay Vendor in agreed upon installments for services authorized and rendered under this Contract at the completion of each work assignment, provided Vendor has satisfactorily completed the requested work.

SECTION VI - ALTERATION IN SCOPE OF SERVICES

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

SECTION VII - WORK ASSIGNMENT COMPLETION

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

SECTION VIII - OWNERSHIP OF DOCUMENTS

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

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

SECTION IX - COMPLIANCE WITH LAWS

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

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

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

SECTION X - GENERAL CONSIDERATIONS

A. The failure of either party to enforce any of the provisions of this Contract or require performance of the other party of any of the provisions hereof shall not be construed to be a waiver of the provisions, nor shall it affect the validity of this Contract or the right of either party to enforce each and every provision.

B. The fact that PMGAA has accepted or approved Vendor's work shall in no way relieve Vendor of responsibility for the work under this Contract.

C. This Contract shall be governed by the laws of the state of Arizona, both as to interpretation and performance. Any action at law, suit in equity, or judicial proceeding for the enforcement of this Contract, or any provision thereof, shall be instituted only in the courts of the state of Arizona.

D. All exhibits to this Contract and any amendments to the Contract are incorporated into it.

SECTION XI - NO KICK-BACK CERTIFICATION

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

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

SECTION XII – SUSPENSION OF SERVICES

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

SECTION XIII – TIMES OF PAYMENTS

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

SECTION XIV – TIMELY REVIEW

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

SECTION XV – DISPUTE RESOLUTION

All disputes between PMGAA and Vendor arising out of or relating to this Contract will be subject to the Dispute Resolution provisions as set forth in **EXHIBIT F**, "PMGAA Standard Terms and Conditions", attached hereto and incorporated herein by reference.

PMGAA and Vendor shall include a similar dispute resolution provision in all contracts with other contractors and Vendors retained for the Project and shall require all other independent contractors and Vendors to include a similar dispute resolution provision in all contracts with subcontractors, suppliers or fabricators retained by them.

SECTION XVI - LIABILITY OF VENDOR

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

SECTION XVII - LAWS AND REGULATIONS

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

SECTION XVIII – ARCHAEOLOGICAL RESOURCE PROTECTION

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

SECTION XIX INSURANCE REQUIREMENTS

A. Vendor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Vendor, its agents, representatives, or employees.

B. All insurance policies required by this Contact, except *Workers Compensation* and *Professional Liability*, shall name PMGAA, its agents, representatives, officers, directors, officials and employees as Additional Insured.

C. Minimum Scope and Limits of Insurance. Coverage shall be at least as broad as:

i. Commercial General Liability: Insurance Services Office Form CG 00 01 covering Bodily Injury and Property Damage on an "occurrence" basis, including personal & advertising injury with limits no less than $1,000,000 per occurrence, $2,000,000 General Aggregate.

ii. Auto Liability: ISO Form CA 00 01 covering any auto (Symbol 1), or if Vendor has no owned autos, hired, (Symbol 8) and non-owned autos (Symbol 9), with limit no less than $1,000,000 Combined Single limit per accident for bodily injury and property damage ($5,000,000 if operating in the Air Operations Area of the Airport).

iii. Workers' Compensation: Statutory Limits as required by the state of Arizona, and Employer's Liability Insurance with limit of no less than $1,000,000 per accident for bodily injury or disease.

iv. Pollution Legal Liability: Insurance with a combined single limit, or the equivalent, of not les than 2,000,000 for each occurrence and $2,000,000 aggregate.

D. If the Vendor maintains higher limits than the minimums shown above, PMGAA requires and shall be entitled to coverage for the higher limits maintained by the Vendor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to PMGAA.

E. Additional insurance provisions. The insurance policies shall provide, or be endorsed to include, the following provisions:

i. Notice of Cancellation: Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to PMGAA.

ii. Waiver of Subrogation: Vendor waives any right to subrogation. Vendor shall obtain an endorsement necessary to affect this waiver of subrogation from the insurer for all lines of coverage required by this Contract, except *Workers Compensation* and *Professional Liability,* for claims arising out of the Vendor's work or service.

iii. Primary Coverage: For all claims related to this Contract, all of Vendor's insurance policies will be primary and non-contributory. Any insurance or self-insurance maintained by PMGAA, its officers, officials, employees, or volunteers will be in excess of Vendor's insurance and will not contribute with it.

iv. Deductibles and Self-Insured Retentions: Any deductibles or self-insured retentions must be declared to and approved by PMGAA. PMGAA may require the Vendor to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.

v. Acceptability of Insurers: Insurance is to be placed with insurers with a current A.M. Best's rating

of no less than A, VII, unless otherwise acceptable to PMGAA.

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

a) The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.

b) Insurance must be maintained, and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.

c) If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Vendor must purchase "extended reporting" coverage for a minimum of five (5) years after completion of work.

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

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

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

SECTION XX NOTICES

Any notice, report or information which may be or is required to be given under this Contract will be in writing and shall be sent by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

TO PMGAA: Phoenix-Mesa Gateway Airport Authority
Attn: Operations & Maintenance Director
5835 South Sossaman Road
Mesa, Arizona 85212

TO VENDOR: Arizona Weed King, Inc.
Attn: Lance Robinson
11423 N. Cave Creek Road
Phoenix, AZ 85020

or to such other person(s) or address(es) as any such Party may designate from time to time by notice to the other Parties in accordance with this Section.

SECTION XXI – COOPERATIVE USE OF CONTRACT

This contract may be extended for use by other municipalities, school districts and government agencies (participating agency) in the State of Arizona. Any such usage by other participating agencies must be in accordance with the statutes, codes, ordinances, charter and/or procurement rules and regulations of the respective participating agency.

Other participating agencies will be responsible for entering into separate cooperative use agreements with the Vendor.

Payment for purchase(s) made under this contract will be the sole responsibility of each participating agency. PMGAA shall not be responsible for any disputes arising out of transactions made by other agencies. Vendor shall be responsible for correctly administering these contracts in accordance with all terms, condition, requirements and approved pricing to any eligible participating agency.

Executed as of the Commencement Date.

VENDOR
Arizona Weed King, Inc., an Arizona Corporation

By: Arizona Weed King, Inc.
Name: Carl Jackson
Title: President
Date: 5-3-2022

PMGAA
PHOENIX 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: _____

EXHIBIT A – SCOPE OF SERVICES & FEE SCHEDULE

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

SCOPE OF SERVICES

1. Product and Service Requirements

The Airport consists of approximately two hundred sixty nine (269) acres of river rock, dirt, and gravel covered areas in and around runways, taxiways, and fence lines. They require a pre and post emergent herbicide application.

Vendor shall furnish all labor, materials (except water), equipment, tools, supplies, supervisors, and transportation necessary to provide herbicide application service in accordance with the specifications contained herein.

Vendor shall apply a pre-emergent twice annually with the first application beginning in July and the second commencing in December. Each application, whether pre-emergent or spot spraying, shall begin with a "Written Notice of Intent", notifying the PMGAA representative no less than five (5) calendar days prior to the intended spraying activity. Once the work has begun, the Vendor shall have a **MAXIMUM** of eight (8) business days to complete that particular project.

There may be occasions when the Vendor may have to exit certain areas that are next to the runway while an aircraft operation takes place. Airport Operations personnel will work closely with the application crews to schedule the work that takes place in these critical areas during the late night hours when aircraft typically do not operate. These types of delays are possible but should be very minimal.

During application, the operator shall not be allowed to exit the vehicle while in the vicinity of any taxiways or runways.

The Vendor shall be responsible to have the label and MSDS in plain view of anyone approaching the vehicle. The Vendor shall also have all of the personal protective gear required at all times.

The Vendor shall email the spray logs to the designated PMGAA representative within two (2) business days of completing the contract work. The logs must contain, at a minimum, the date of application, what areas were treated, product that was used, dilution of final formula sprayed , weather conditions, and name and license number of applicator.

The applicable PMGAA representative shall show the Vendor where they may retrieve water. Only one (1) place shall be designated for this.

All runways, taxiways, taxiway edges, fence lines, and designated pocket areas shall be treated with the following products, dictated by temperature. Vendor may suggest product substitutions to PMGAA, prior to use, however all such substitutions must be approved in writing by PMGAA prior to use.

<u>Diuron 4L</u> (pre- and post-emergent)
This product must be watered in for full effectiveness. Product to be used as follows:

- Temperatures near or over seventy degrees Fahrenheit (70° F).
- Eight (8) quarts per acre with non-ionic surfactant added as last ingredient.
- Sixteen (16) ounces of blue marker per one hundred (100) gallons of water.

- Applied with largest nozzle available with lowest pressure allowed for proper coverage.

DO NOT apply near shrubs, trees, or turf. **DO NOT** apply over any tree root zones or where run-off is possible.

The above product shall NOT be used in any retention basin.

Isoxaben (pre-emergent only)

This product must be watered in for full effectiveness. Product to be used as follows:

- Temperature under seventy degrees Fahrenheit (70° F).
- One and thirty-three one hundredths (1.33) pounds active ingredient per acre (ai/A).

Glysophate (non-selective herbicide, spot treatment only, year-round use)

Product to be used as follows:

- Two percent (2%) solution per label.
- Sixteen (16) ounces blue marker per one hundred (100) gallons water required with product.
- Silicon (only) surfactant required with this product (per product label).

Diquant (non-selective herbicide, spot treatment only)

This product is targeted to top kill plant use only. Product to be used as follows:

- Per label mixture.
- Sixteen (16) ounces blue marker per one hundred (100) gallons water required with product.
- Silicon (only) surfactant required with this product (per product label).

Upon completion, the Vendor shall provide documentation of work completed at specified rates to the designated PMGAA representative. The spray report forms established by the Structural Pest Control Commission shall suffice.

Under **NO** circumstances shall the site be sprayed when people are present.

All products supplied by the Vendor shall meet any and all federal, state, local, ANSI, and O.S.H.A. laws, rules, and regulations pertaining to the products covered under the scope of this contract.

The Vendor shall have sufficient personnel and equipment to complete all work requests, as defined in this Contract, in the time frame required by PMGAA.

The Vendor shall protect and prevent damage to wires, cable, structures, fences, vehicles, airplanes, trees, plants, and other artifacts. Damage to any property shall be corrected by repair or replacement by the Vendor at his or her own expense to the satisfaction of the property owner or PMGAA.

Vendor shall be in compliance with all federal, state, local, ANSI, and O.S.H.A. laws rules and regulations, and all other applicable regulations for the term, and any extension thereof, of this Contract.

Vendor, without additional expense to PMGAA, shall be responsible for obtaining and maintaining any necessary licenses and permits required in connection with the completion of the required services herein.

2. Warranty Requirements

For all workmanship and materials provided under the Scope of Services, Vendor shall guarantee and warranty a weed-free environment for all areas treated for a **MINIMUM** period of one (1) year after treatment.

Vendor shall respond to a request for re-treatment of weed growth breakthrough within three (3) business days after initial contact. Call-outs will be made for any pre-treated area that experiences more than one-hundred square feet (100 ft^2) of weed growth within the warranty period. All call-outs (warranty work) for re-treatment during the warranty period shall be done at no cost to PMGAA.

Upon all herbicide applications, Offeror shall provide to PMGAA, in a method agreed to by both parties, the date of application, what areas were treated, product that was used, dilution of final formula sprayed, weather conditions, and name and license number of Applicator.

3. Supervisors and Crews

The Vendor's Supervisor(s) shall have the full authority to act on behalf of the Vendor in any situation.

The Vendor's Supervisor(s) and crews shall be monitored by PMGAA for their effectiveness interacting with PMGAA personnel, citizens, and ability to maintain a written schedule.

Vendor must, at a minimum, provide a fully staffed crew for services at PMGAA The actual crew size shall be the responsibility of the Vendor to establish in order to meet the Scope of Services detailed herein. A fully staffed crew shall be defined as a **minimum** of the following:

- One (1) Supervisor who is conversant in the English Language
- One (1) vehicle capable of performing the required work as indicated by applicable PMGAA representative at the time of service request.
- Additional crew members as required to complete the required work as indicated by applicable PMGAA representatives at the time of service request.

4. Vehicle and Equipment Requirements

All vehicles and equipment used for the performance of work under the scope of this Contract, shall be maintained in a safe operating condition, and shall comply with all applicable federal, state, local, ANSI, and O.S.H.A. laws, rules, and regulations.

<u>Vehicles:</u>
The Vendor shall only use trucks and vehicles licensed for use on public streets (when applicable). All vehicles shall have signage as required by the Arizona Structural Pest Control Commission. Prior to use, PMGAA shall authorize all equipment used on any Airport sites.

All vehicles used in the performance of work under the scope of this contract shall be equipped with an amber/yellow light bar OR amber/yellow light which can be clearly seen from a **minimum** distance of five hundred feet (500') in all directions. Applicable PMGAA representative shall be the sole determinant as to whether equipment warning lights are sufficient.

All Vendor vehicles used in the performance of the Scope of Services shall contain signage which includes a **minimum** of the Vendor Company name; and /or logo. Vehicle signage shall be sufficient, in the opinions

of the applicable PMGAA representative, to make it apparent to others, as to the nature of the business and the occupants of the vehicle. Vehicle signage shall appear on a **minimum** of the right and left sides of the vehicle. Applicable PMGAA representative will approve proper identification of vehicles during the term of the contract.

Equipment:
The **MINIMUM** requirements of Vendor's application equipment shall be as follows:

- Three hundred (300) gallon truck-mounted water tank.
- No hand wands or handguns will be allowed in any open areas, Hand wands or handguns will be allowed along the Airport boundaries and in some areas designated by the applicable PMGAA representative.
- Application guidance spray system calibrated for the nozzle kit on the unit.
- Computer generated printout of flow metered material. Printed report shall contain gallons of water used and herbicide application rate.
- GPS tracking system is desirable to enable the Vendor to verify the areas that were treated.

Vendor's equipment to be used for the performance of this Contract is included in Vendor's Proposal that was submitted to PMGAA under solicitation 2022-015-RFP and is made part of this Contract.

5. Employee Badging, Identification, and Work Apparel

Airport Security Access Badges are required of all Vendor personnel performing work functions in accordance with this Contract. Vendor personnel shall obtain and properly display a PMGAA airport security badge in plain view while on the Airport. Airport Security Access Badge applications may be downloaded at www.gatewayairport.com under the About Us | Policies, Documents and Forms link. Vendor is responsible for all badging fees.

All Vendor employees performing work under the scope of this contract shall wear conservative style uniform shirts that will have sewn on or embossed identification labels of the Vendor's company name, and/or logo and will appear on the front area of the shirt near chest height of the shirt. Shirts may also have the company name or logo appear on the backside of the shirt. PMGAA will approve proper identification of uniforms during the term of the contract.

Any apparatus which may impede hearing or sight is not allowed. Earplugs and/or safety glasses are exempt.

Vendor's employees shall wear uniform style pants or shorts in durable denim, canvas, or woven fabric in a slacks, utility, cargo or Bermuda style. Cut-offs and short-shorts are not acceptable wearing apparel.

Outlandish styles, patterns, hats, colors of wearing apparel, verbiage imprinted on apparel, etc. worn by Vendor's employees that may promote negativity in the work place or advertise any product other than the Vendor's company name and/or logo will not be allowed.

Sandals, flip-flops, open-toed shoes are not acceptable footwear.

PMGAA shall be the sole determinant of the appropriateness of all work apparel.

Vendor will provide a roster of his employees that will be performing work under the scope of this contract. Vendor will be required to update roster monthly to notify PMGAA representative of all changes made in personnel.

6. Inspections

The Vendor shall meet with the applicable PMGAA representative, on a regular basis as established by PMGAA, to ensure proper performance of the Scope of Services.

FEE SCHEDULE

For the services provided herein, PMGAA agrees to pay Vendor the not to exceed amount of $80,336.68 for the first year of the Contract. Vendor may increase pricing on an annual basis up to the percentage increase noted below and if Vendor notifies PMGAA at least 45 days prior to the beginning of the next years anniversary date. Anniversary date is July 1 of each year.

The prices stated below are all inclusive and includes all pertinent fees normally associated with the services and are on an annual basis. This shall include, but not limited to, environmental fees, shop supplies, clean-up, transportation, etc. No additional charges beyond the prices listed below (except applicable sales tax) shall be allowed unless authorized, in writing by PMGAA, prior to the services being performed.

Phoenix-Mesa Gateway Airport

Attachment B
Price Proposal

The prices stated below are all inclusive and includes all pertinent fees normally associated with the service. This shall include, but not limited to, environmental fees, shop supplies, clean-up, transportation, etc. No additional charges beyond the prices listed below (except applicable sales tax) shall be allowed unless authorized, in writing by PMGAA, prior to the services being performed.

DESCRIPTION	QTY	PER ACRE UNIT COST	EXTENDED COST
Uniform spraying per specifications of Solicitation 2022-015-RFP	269 Acres	$ 298.04	$ 80,336.68
Spot Spraying, on an as needed basis, for any areas in addition to the two hundred sixty-nine (269) specified Airport acres listed herein.			$ 0.012 **Per Sq. FT.**

Offeror may submit a proposed "not to exceed" increase for subsequent fiscal years if desired:

2ND Year 2 % **4TH Year (optional extension)** 5 %

3RD Year 2 % **5TH Year (optional extension)** 5 %

Prompt Payment Discount:
The price(s) quoted herein can be discounted by 1.5 % if payment is made within 10 days.

Exceptions / Clarifications:

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

Carol Jackson
Printed Name

Signature

Solicitation 2022-015-RFP

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EXHIBIT B – AIRPORT ACREAGE & APPLICATION

Vendor shall complete the Scope of Services for the following areas.

AREA	SQ FT	ACRES
TAXIWAYS Thirty-five feet (35') from concrete edge (BT1 & BT2 sprayed inside the boxed area)	2,947,269.60	67.66
FENCE LINE Four feet (4') on both sides of fence	388,555.00	8.92
RUNWAYS Seventy-five feet (75') both sides full length	6,307,052.40	144.79
DETENTION BASINS Twenty-Five (25') on slope	1,029,148.56	23.63
SERVICE ROADS Forty feet (40) center of road	733,681.08	16.84
MISC. BUILDINGS, EQUIPMENT & STORAGE Twenty-Five (25') around perimeter	335,848	7.71
APPROXIMATE TOTAL ACREAGE		**269.55**

Refer to Herbicide Application Maps for additional detail

Acreage amounts are approximate

EXHIBIT C - HERBICIDE APPLICATION M APS

Vendor shall complete the Scope of Services for the following areas

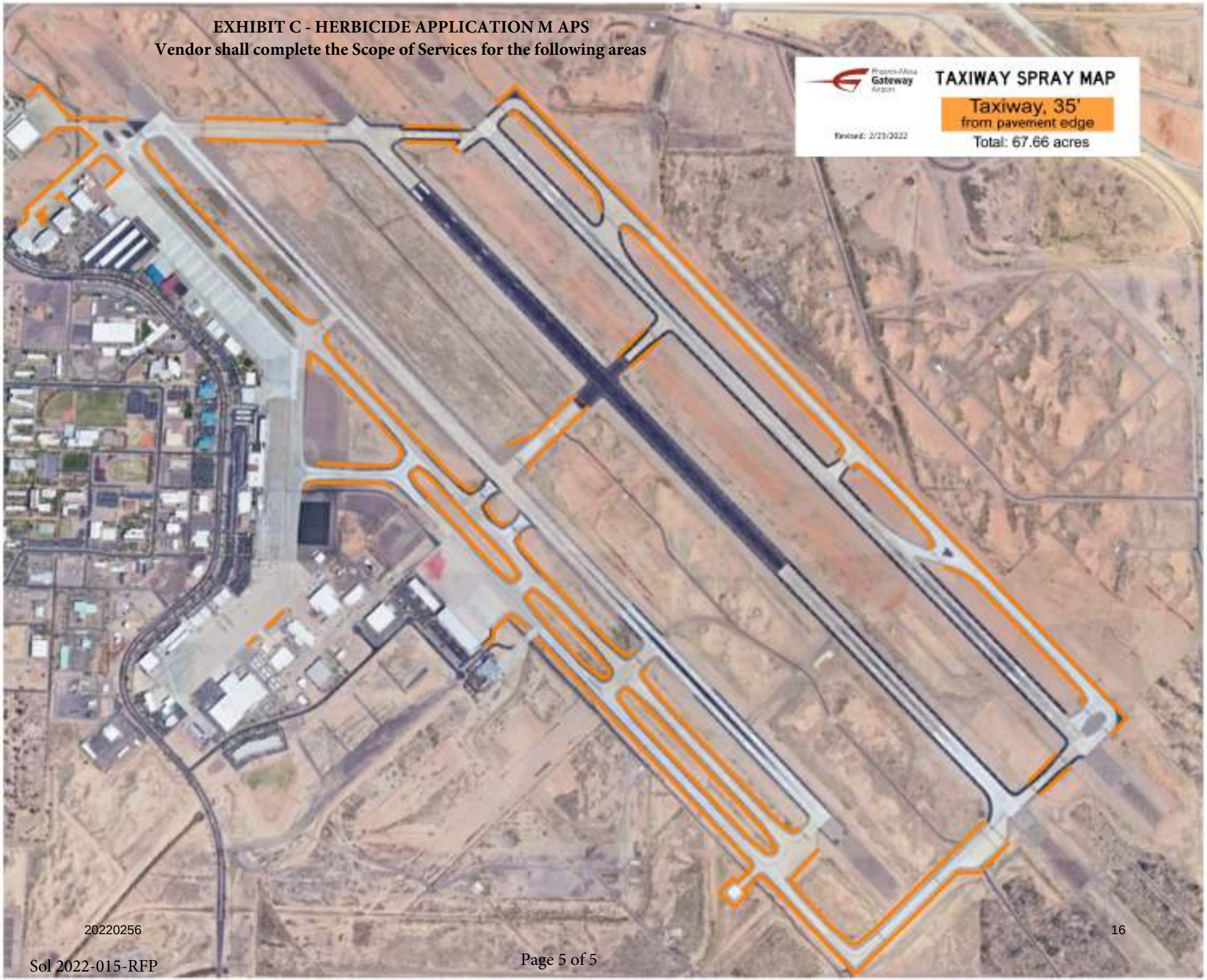

Exhibit C (Continued)

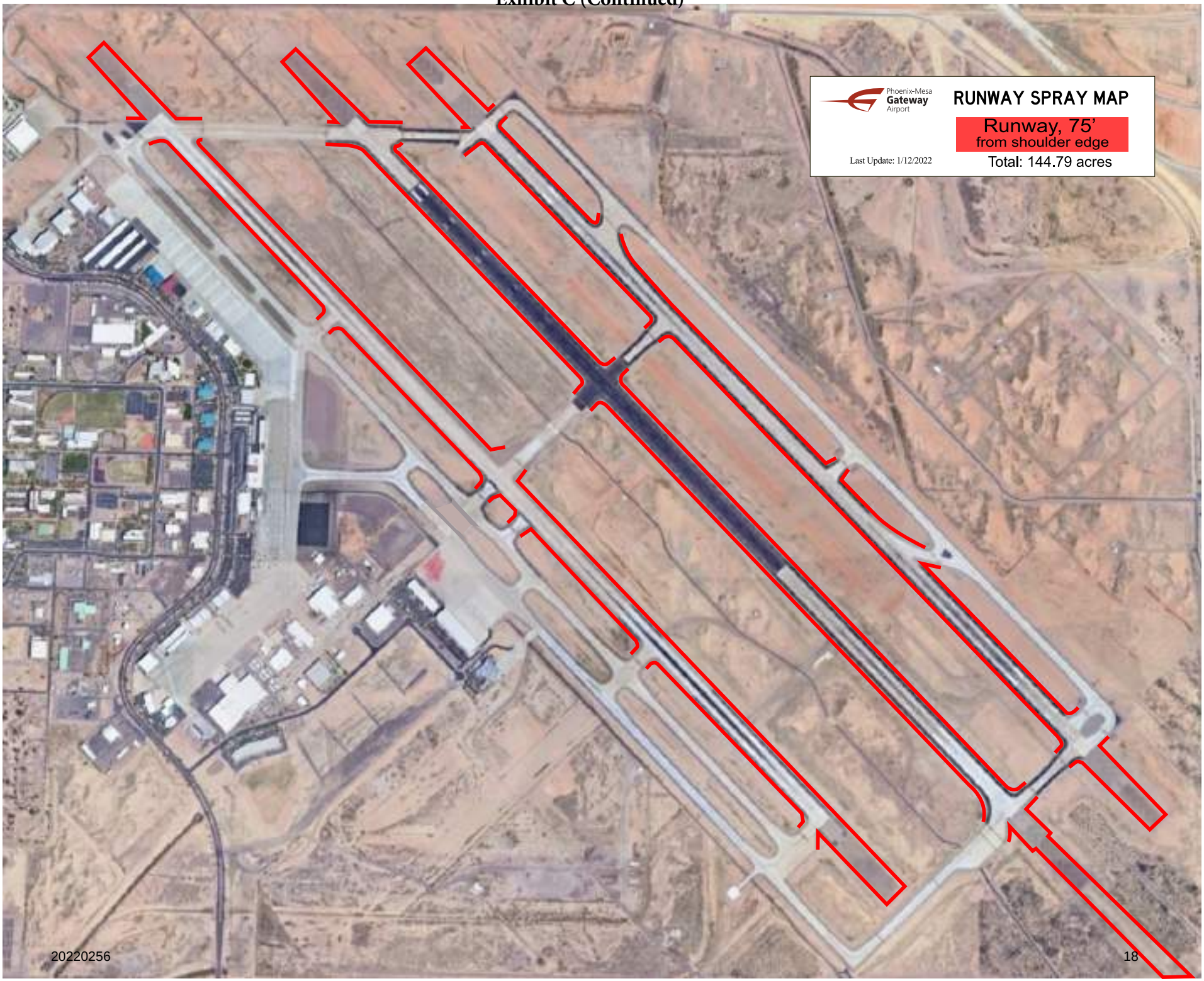
Phoenix-Mesa Gateway Airport
RUNWAY SPRAY MAP
Runway, 75'
from shoulder edge
Total: 144.79 acres
Last Update: 1/12/2022
20220256
18

Exhibit C (Continued)

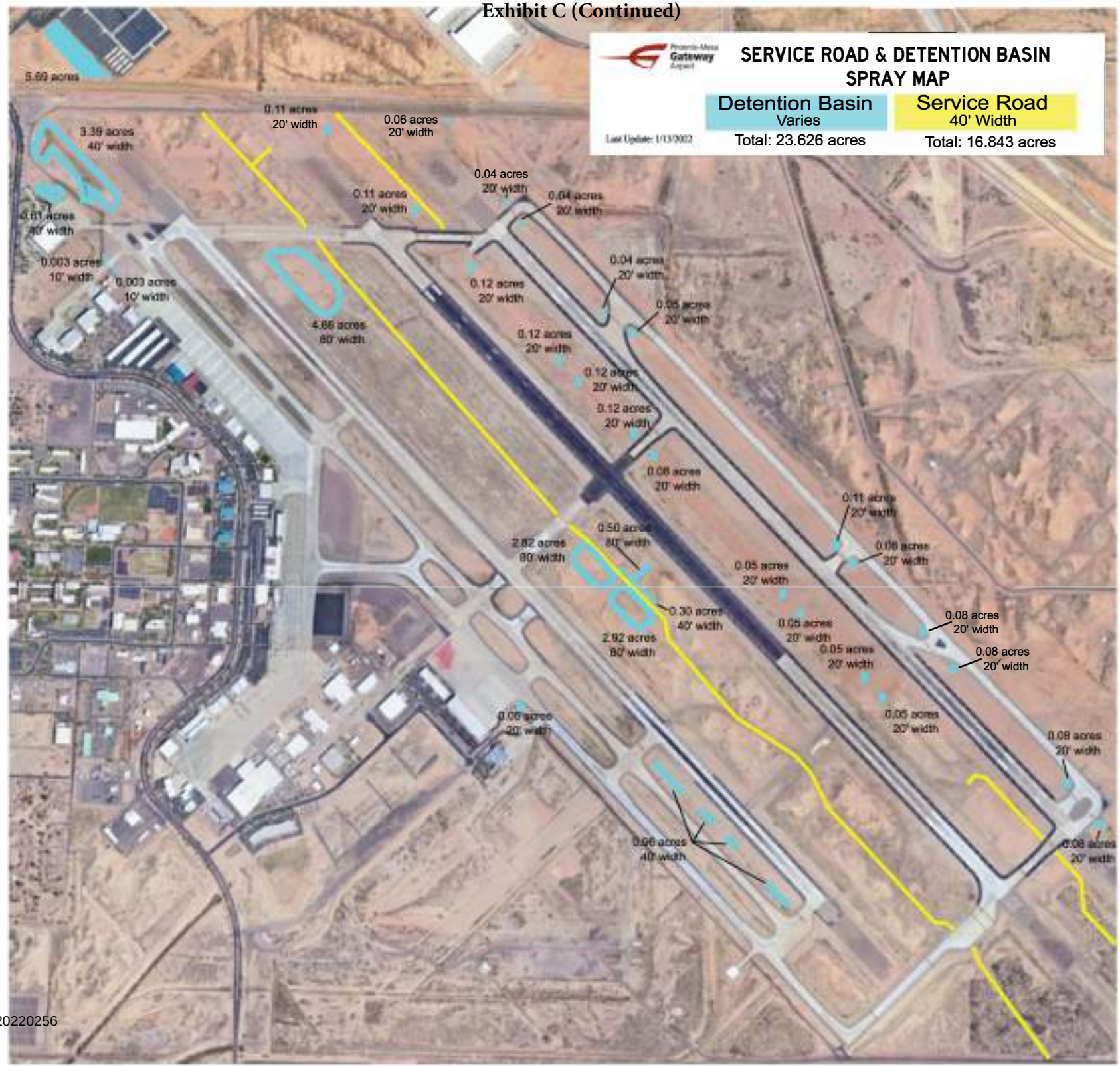

Exhibit C (Continued)

EXHIBIT D - COMPENSATION

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

1. Fees to be Specified in Contract

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

2. Method of Payment

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

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

3. Vendor Responsibilities for Compensation

Vendor shall prepare monthly invoices and/or progress reports in accordance with terms specified in the Contract. Progress reports will clearly indicate the progress to date and the amount of compensation due by virtue of that progress. All invoices for payment shall be for work completed unless otherwise agreed to by PMGAA. Invoices/requisitions for payment for services subject to funding by the FAA and/or ADOT shall include the documentation requirements of the FAA and/or ADOT, which are outlined in the *Airport Improvement Program (AIP) Handbook* dated September 30, 2014, or most current version.

4. PMGAA Responsibilities for Compensation

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

5. Billing Address

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

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

EXHIBIT E - SPECIAL PROVISIONS

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

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

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

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

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

b. Nondiscrimination – The contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR Part 21.

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

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

e. Sanctions for Noncompliance – In the event of a contractor's noncompliance with the Nondiscrimination provisions of this contract, the Recipient will impose such contract sanctions as it or the FAA may determine to be appropriate, including, but not limited to:

i) Withholding of payments to the contractor under the contract until the contractor complies, and/or;
ii) Cancellation, termination, or suspension of the Contract, in whole or in part.

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

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

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

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

4. <u>Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion</u>

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

5. <u>Project Security</u>

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

a. <u>Secured Area Access</u> – All Vendor personnel who require unescorted access to the secured area of the Airport, prior to the issuance of an Airport Identification badge, must successfully complete the Security Badge Application and Security Badge Authorization forms.

b. <u>Employee Security Badges</u> – If deemed necessary by PMGAA all Vendor and/or subcontractor personnel performing work functions in accordance with this Contract shall obtain and properly display

an Airport security badge. Vendor shall submit a Security Badge Application form to the PMGAA security office for each employee requiring unescorted access, along with the current fee for each badge. Badge fees are identified on the current *Airport Fees, Services and Rental Rates* available via the Airport website at www.gatewayairport.com and are subject to change.

i. All fees must be paid to PMGAA by cash or check.
ii. Airport Security Badge Application forms and instructions are available via the Airport website at www.gatewayairport.com.
iii. An authorized representative of Vendor must also obtain and submit a Security Media Authorization form, which is to be submitted to the PMGAA badging office. The Security Media Authorization form and instructions are available via the Airport website at www.gatewairport.com.
iv. A training class on aviation security must be successfully completed before individuals are issued a badge. Fees for the security badge include attendance for the necessary training classes. Attendance at the security classes and issuance of the security badge may take two hours per person.
v. Additional information, including a "Frequently Asked Questions" is available via the Airport website at www.gatewairport.com or by contacting the PMGAA Badging Office at (480) 988-7522. The Badging Office is located at 5803 S. Sossaman Road, Mesa AZ 85212.
vi. Vendor shall immediately notify the PMGAA Badging Office of any Vendor personnel whose employment status has changed.
vii. Vendor shall retrieve all security badges and keys and return them to the PMGAA Badging Office. A fee, as indicated on the most current *Airport Rates and Charges Schedule*, will be charged for each badge that is damaged, lost or not returned.
viii. The PMGAA Badging Office will require a completed Security Badge Application from each Vendor employee so certified by Vendor as requiring such before a Security Badge is issued.
ix. Under certain circumstances and out of control of PMGAA, security measures may change on short notice. No deviations from any security measure shall be allowed at any time.
x. At all times, aircraft shall have the right-of-way over all vehicle traffic.

c. Fines – Due to both the safety and security precautions necessary at the Airport, any failure of the Vendor to adhere to prescribed Airport requirements/regulations has consequences that may jeopardize the health, welfare and lives of Airport customers and employees, as well as the Vendor's own employees. Therefore, if Vendor is found to be in non-compliance with any security, airfield badging/licensing and airfield safety requirement, a Notice of Violations (NOV) may be issued. A current listing of fines is available by contacting the PMGAA Badging Office.

6. Standard Terms & Conditions

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

7. Federal and State Guidelines and Regulations

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

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

8. Right to Contract With Other Firms

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

9. Independent Contractor Status

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

EXHIBIT F – PMGAA STANDARD TERMS & CONDITIONS

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

2. **Termination of Contract.**

   a. PMGAA reserves the right to cancel this Contract in whole or in part due to failure of Vendor to carry out any term, promise, or condition of the Contract. At least ten (10) business days before terminating the Contract, PMGAA will issue a written notice of default specifying one of the following reasons. PMGAA shall, at all times during the term of the Contract or any extension term thereto, have the sole authority to determine if the default has been cured to its satisfaction.

      (1) Vendor has provided personnel that do not meet the requirements of the Contract.

      (2) Vendor has failed to perform adequately the stipulations, conditions or services/specifications required in this Contract.

      (3) Vendor has attempted to impose on PMGAA personnel or materials, products, or workmanship of unacceptable quality.

      (4) Vendor has failed to furnish the required service(s) and/or product(s) within the time stipulated in the Contract or associated Authorization of Services.

      (5) Vendor has failed to make progress in the performance of the requirements of the Contract or Authorization of Services, or Vendor fails to give PMGAA adequate assurance the Vendor will perform the Contract in full and on time.

      (6) Each payment obligation of PMGAA created hereby is conditioned on the availability of PMGAA, state, or federal funds appropriated for payment of the obligation. If funds are not available or allocated by PMGAA for continuance of service under this Contract, then PMGAA may terminate the Contract. PMGAA shall promptly notify Vendor regarding the service that may be affected by a shortage of funds. No penalty accrues to PMGAA if this provision is exercised, and PMGAA shall not be liable for any future payments due or for any damages as a result of termination under this paragraph.

   b. This Contract may be terminated at any time by mutual written consent or by PMGAA - with or without cause - provided the terminating party gives forty-five (45) calendar days' advance written notice to the other party. PMGAA may terminate this Contract, in whole or in part, for PMGAA's convenience and with fourteen (14) days' written notice. If this Contract is terminated, then PMGAA is liable only for services rendered and material received, certified, and approved by PMGAA under the Contract before the termination effective date.

3. **Dispute Resolution**.

   a. **Negotiations**. If a dispute arises out of or relates to this Contract or its breach, the parties to this Contract shall endeavor to settle the dispute through direct discussions as a condition precedent to mediation or binding dispute resolution.

   b. **Mediation**. Should the parties to this Contract be unable to resolve their dispute through direct negotiations, the parties to this Contract, upon the written request of either, shall engage in mediation, to be administered privately by a mediator and according to rules mutually agreed upon by the parties to this Contract, or, the absence of such mutual agreement, by a mediator appointed by JAMS and

administered by JAMS in accordance with its then-current mediation rules. The fees and costs of mediation shall be split equally by the parties to this Contract, but subject to reallocation following binding dispute resolution.

c. **Binding Dispute Resolution**. Should the parties to this Contract be unable to resolve their dispute through direct negotiations or mediation, either party may, within the time limitations for bringing claims under Arizona law and this Contract, commence formal dispute resolution proceedings. Both parties to this Contract consent to binding arbitration administered by JAMS according to its then current arbitration rules, provided, however, that (i) in the event both parties agree, the arbitration may be administered privately by an arbitrator and according to rules mutually agreed upon by the parties to this Contract, and (ii) in the event any party seeks relief against the other party or against a non-party which cannot fully be granted in arbitration, by reason of non-joinder or otherwise, the parties to this Contract are excused from this arbitration requirement and the parties to this Contract shall proceed in the state or federal courts of competent jurisdiction and located in Maricopa County, Arizona. In any arbitration or litigation, the prevailing party shall be entitled to an award of its reasonable attorneys' fees and costs as determined by the arbitrator or court as applicable.

4. **Independent Contractor.** At all times, each party acts in its individual capacity not as agent, employee, partner, joint venturer, or associate of the other party. An employee or agent of one party may not be deemed or construed to be the employee or agent of the other party for any purpose whatsoever. Neither Vendor nor any of its employees are entitled to compensation from PMGAA in the form of salaries, paid vacation, or sick days. PMGAA will not provide any insurance to Vendor, including *Workers' Compensation* coverage. PMGAA will not withhold FICA, taxes, or any similar deductions from PMGAA's payments under this Contract.

5. **Affirmative Action.** Vendor shall abide by all the federal and state of Arizona provisions for equal opportunity in the work place.

6. **Human Relations**. Vendor shall abide by all the federal and state of Arizona provisions against discrimination of disadvantaged business enterprises in applicable PMGAA contracts.

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

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

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

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

11. **Applicable Law.** This Contract shall be governed by, and PMGAA and Vendor shall have, all remedies afforded each by the *Uniform Commercial Code*, as adopted in the state of Arizona, except as otherwise provided in this Contract or in laws pertaining specifically to PMGAA. This Contract shall be governed by

the laws of the state of Arizona, and suits pertaining to this Contract shall be brought only in federal or state courts in the state of Arizona.

12. **Contract**. This Contract is based on and the result of a negotiated Scope of Services and Proposal, Bid or Statement of Qualifications submitted by Vendor under this RFP, IFB or RFQ. The Contract contains the entire agreement between PMGAA and Vendor. No prior oral or written agreements, contracts, proposals, negotiations, purchase orders, or master agreements (in any form) are enforceable between the parties.

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

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

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

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

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

18. **Subcontracts.** Vendor shall not assign any rights or interest nor enter into any subcontract with any other party to furnish any of the materials, goods or services specified herein without the prior written permission of PMGAA. PMGAA may, at its sole discretion, accept or reject proposed subcontractors or assignment. PMGAA shall notify Vendor of its acceptance or rejection within forty-five (45) days or written request by Vendor. All subcontracts shall comply with federal and state laws and regulations applicable to the materials, goods or services covered by the subcontract and shall include all the terms and conditions set forth herein, which shall apply with equal force to the subcontract, as if the subcontractor were the Vendor referred to herein. Vendor is responsible for Contract performance whether subcontractors are used.

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

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

21. **Indemnification.** To the fullest extent permitted by law, Vendor shall defend, save, indemnify, and hold harmless PMGAA, its agents, representatives, officers, directors, officials, and employees (collectively the "Indemnitees"), for, from and against all claims, damages, losses and expenses, including but not limited to

attorney fees, court costs, expert witness fees, and the cost of appellate proceedings, relating to, arising out of, or alleged to have resulted from the Vendor's acts, errors, omissions, or mistakes relating to Vendor's services under this Contract.

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

23. **Advertising.** Vendor shall not advertise or publish information concerning this Contract without prior written consent of PMGAA.

24. **Right to Inspect.** PMGAA may, at reasonable times, and at PMGAA's expense, inspect the place of Vendor's or any of Vendor's subcontractor's business, which is related to the performance of this Contract or related subcontract.

25. **Force Majeure.** 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 Contract to be performed by such party ("Required Act"), and such delay or hindrance is due to causes entirely beyond its control such as riots, insurrections, martial law, civil commotion, war, fire, flood, earthquake, or other casualty or acts of God ("Force Majeure Event"), 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 delay. For purposes of this Contract, the financial inability of Vendor to perform any Required Act, including, without limitation, failure to obtain adequate or other financing shall not be deemed to constitute a Force Majeure Event. A Force Majeure Event shall not be deemed to commence until ten (10) days before the date on which the party who asserts some right, defense, or remedy arising from or based upon such Force Majeure Event gives written notice thereof to the other party. If abnormal adverse weather conditions are the basis for a claim for an extension of time due to a Force Majeure Event, the written notice shall be accompanied by data substantiating (a) that the weather conditions were abnormal for the time and could not have been reasonably anticipated and (b) that the weather conditions complained of had a significant adverse effect on the performance of a Required Act. To establish the extent of any delay to the performance of a Required Act due to abnormal adverse weather, a comparison will be made of the weather for the time of performance of the Required Act with the average of the preceding ten (10) years' climatic range based on the National Weather Service statistics for the nearest weather reporting station to the Premises. No extension of time for or excuse for a delay in the performance of a Required Act will be granted for rain, snow, wind, cold temperatures, flood, or other natural phenomena of normal intensity for the locality where the Premises are located.

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

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

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

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

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

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

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

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

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

35. **E-Verify Requirements.** To the extent applicable under A.R.S. § 41-4401, Vendor and its subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees, and compliance with the E-Verify requirements under A.R.S. §23-214(A). Vendor's or its subcontractors' failure to comply with such warranty shall be deemed a material breach of this Contract and may result in the termination of this Contract by PMGAA. PMGAA shall have the right to inspect the papers of Vendor's and any of Vendor's subcontractor's employee who works on this Contract to ensure the Vendor is complying with this paragraph.

EXHIBIT G – VENDOR'S RFP SUBMITTAL

Vendor's Proposal in response to Phoenix-Mesa Gateway Airport Authority's Solicitation 2022-015-RFP dated March 16, 2022, is hereby incorporated herein and made part of this Contract.

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

Board Action Item

Re: Resolution 22-20

To: Board of Directors
From: Shea Joachim, CEcD, Business Development Director
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: L37, LLC – First Amendment to Land Lease
Date: May 17, 2022

Proposed Motion
To authorize the First Amendment to the Land Lease dated November 1, 2018, with L37, LLC for lot #37 in order to add approximately 37,825.6 square feet to the Premises.

Narrative
L37, LLC has leased Lot #37 and constructed improvements pursuant to the terms outlined within the Land Lease dated November 1st, 2018. L37, LLC has requested to add approximately 37,825.6 square feet to the Premises.

Agreement Term and Rate
The First Amendment to Land Lease adds an additional 37,825.6 square feet to the Premises ("RS2"), payable at an annual rate of $31,788.96 ("RS2 Base Rent").

All other terms and conditions within the Lease remain the same.

Attachment(s)
Amendment 1

RESOLUTION NO. 22-20

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

WHEREAS the Authority desires to authorize the First Amendment to the Land Lease dated November 1, 2018, with L37, LLC for lot #37 in order to add approximately 37,825.6 square feet to the Premises.

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

> **The Board of Directors of the Authority hereby authorizes the First Amendment to the Land Lease dated November 1, 2018, with L37, LLC for lot #37 in order to add approximately 37,825.6 square feet to the Premises. 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 17th day of May, 2022.

John Giles, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

Phoenix-Mesa Gateway Airport

Phoenix-Mesa Gateway Airport Authority
FIRST AMENDMENT TO LAND LEASE

This FIRST AMENDMENT TO LAND LEASE ("Amendment 1") is executed to be effective as of the FIRST (1st) day of JUNE 2022 ("Amendment 1 Effective Date") by and between the **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY**, a joint powers airport authority authorized and existing under the laws of the State of Arizona ("Lessor"), and **L37, LLC,** a Delaware limited liability company authorized to do business in the state of Arizona ("Lessee"). Lessee and Lessor may be referred to jointly as "Parties," and each separately may be referred to as a "Party."

RECITALS:

A. Lessor and Lessee are parties to that certain Land Lease Agreement dated and effective the FIRST (1st) day of NOVEMBER 2018 and assigned pursuant to the Assignment and Assumption of Land Lease dated and effective MARCH 20, 2019 (collectively, the "Lease"), with respect to that certain real property at the Airport located at 6253 South Sossaman Road, Mesa, AZ 85212, and commonly described as LOT 37, which real property is more particularly described in the Lease as the "Premises".

B. The Parties desire to enter into this AMENDMENT 1 in order to add additional airside apron serving the Premises on the southeast of LOT 37, consisting of approximately 37,825.6 square feet and more particularly described on Exhibit "1" attached hereto, resulting in a total of 198,999.24 square feet (4.57 acres) of land in the Premises.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this AMENDMENT 1 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. The above recitals are hereby confirmed as true and correct and are reaffirmed herein.

2. Each capitalized term used in this Amendment 1 and not defined herein shall be deemed to have the same meaning ascribed to it in the Lease.

3. The contents of **EXHIBIT "A"** are hereby deleted in their entirety and replaced with the attached **EXHIBIT "A"**.

4. The third **WHEREAS** is hereby deleted in its entirety and replaced with the following:

   WHEREAS, Lessor desires to lease to Lessee, and Lessee desires to lease from Lessor, that certain real property at the airport located at 6253 South Sossaman Road, Mesa, Arizona, 85212 and described as Lot 37, consisting of approximately ONE HUNDRED SIXTY-ONE THOUSAND, ONE HUNDRED SEVENTY-THREE AND 64/100 (161,173.64) square feet (individually, "RS1"), and existing airside apron consisting of approximately THIRTY-SEVEN THOUSAND, EIGHT HUNDRED AND FORTY-FOUR (37,825.6) square feet (individually, "RS2"), as set forth in **Exhibit A** attached hereto (collectively, the "Premises"); and

5. The provisions of Section 4.1 are hereby deleted in their entirety and replaced with the following:

DW

4.1 Base Rent. Lessee agrees to pay Lessor RS1 Base Rent (as defined below) and RS2 Base Rent (as defined below) for the use of the Premises. Collectively, the RS1 Base Rent and RS2 Base Rent is defined and referred to herein as the "Base Rent." The Base Rent shall be payable in advance, without any prior demand therefor and without any abatement, deductions or set-offs whatsoever, and tendered in lawful currency of the United States, either by check or electronic transfer.

4.1.1 RS1. Lessee agrees to pay Lessor an annual rental for the use of RS1 in the amount of EIGHTY-FIVE THOUSAND, FOUR HUNDRED AND SIXTY-SEVEN AND 12/100 dollars ($85,467.12), payable in equal monthly installments of SEVEN THOUSAND, ONE HUNDRED AND TWENTY-TWO AND 26/100 dollars ($7,122.26) (the "RS1 Base Rent").

4.1.2 RS2. From and after the Amendment 1 Effective Date, Lessee agrees to pay Lessor an annual rental for the use of RS2 in the amount of THIRTY-ONE THOUSAND, SEVEN HUNDRED AND EIGHTY-EIGHT AND 96/100 dollars (31,788.96), payable in equal monthly installments of TWO THOUSAND, SIX HUNDRED AND FORTY-NINE AND 08/100 dollars ($2,649.08) (the "RS2 Base Rent").

6. Lessee warrants and represents to Lessor that: (i) all necessary actions have been taken to authorize the execution of this AMENDMENT 1 by Lessee; (ii) the persons who have executed this AMENDMENT 1 on behalf of Lessee are duly authorized to do so; and (iii) this AMENDMENT 1 constitutes a legal, valid and binding obligation of Lessee, enforceable against Lessee in accordance with its terms and the terms of the Lease.

7. In all other respects the Lease shall remain unchanged and in full force and effect. The Lease, as amended by this AMENDMENT 1 shall continue to be binding upon Lessor and Lessee and their permitted successors and assigns.

8. All of the Recitals set forth above are incorporated into this AMENDMENT 1 by this reference.

bw

Executed as of the Amendment 1 Effective Date.

FOR LESSOR:

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, an Arizona joint powers Authority.

By:_____

Name: J. Brian O'Neill, A.A.E.
Executive Director/CEO

Date:

FOR LESSEE:

L37, LLC
a Delaware limited liability company.

By: Wetta Ventures, LLC, an Arizona limited liability company, its Manager

By: _____

Name: David Wetta
Manager

Date: 5.4.22

Exhibit "1"

Legal Description of RS2

PARCEL NO. 2:

That portion of the Phoenix-Mesa Gateway Airport property, as described in Deed recorded in Document No. 1998-0364178, records of Maricopa County, Arizona, bounded on the Northwesterly side by the Southeasterly line of a 20.50 foot wide Public Utility and Facility Easement, (PUFE) as shown on the Maps of Dedication for Sossaman Road Phase III, according to Book 528 of Maps, Page 49, and Sossaman Road Phase II, according to Book 528 of Maps, Page 47, and located in a portion of the Northeast quarter of Section 31, Township 1 South, Range 7 East of the Gila Salt River base and Meridian, Maricopa County, Arizona, and being more particularly described as follows:

Commencing at the Southeast corner of said Section 31 as shown on said Map of Dedication for Sossaman Road Phase III;

THENCE North 00 degrees 46 minutes 11 seconds West, along the centerline of Sossaman Road, according to said Map of Dedication for Sossaman Road Phase III, a distance of 1111.17 feet to the beginning of a tangent curve, concave Southwesterly and having a radius of 1550.00 feet;

THENCE Northwesterly along said centerline and the arc of said curve, through a central angle of 43 degrees 43 minutes 22 seconds a distance of 1182.82 feet to a point of tangency;

THENCE North 44 degrees 29 minutes 34 seconds West, continuing along said centerline, a distance of 676.37 feet to the beginning of a curve, the radius of which bears North 45 degrees 30 minutes 46 seconds East, a distance of 603.00 feet;

THENCE Northerly, along said centerline and the arc of said curve, through a central angle of 92 degrees 35 minutes 19 seconds, a distance of 974.43 feet to a point of tangency;

THENCE South 41 degrees 53 minutes 55 seconds East, leaving said centerline, along a radial line, a distance of 61.00 feet to a point on said Southeasterly line of a 20.50 foot wide PUFE, as shown on said Map of Dedication for Sossaman Road Phase III;

THENCE North 48 degrees 06 minutes 05 seconds East, along said easement line, a distance of 439.37 feet;

THENCE South 44 degrees 34 minutes 50 seconds East, leaving said easement line, a distance of 329.39 feet to the POINT OF BEGINNING;

THENCE continuing South 44 degrees 34 minutes 50 seconds East 80.00 feet;

THENCE South 45 degrees 27 minutes 16 seconds West 472.82 feet;

THENCE North 44 degrees 45 minutes 33 seconds West 80.00 feet;

THENCE North 45 degrees 27 minutes 16 seconds East 473.07 feet to the POINT OF BEGINNING.

RW

EXHIBIT A

Description of the Premises (RS1)

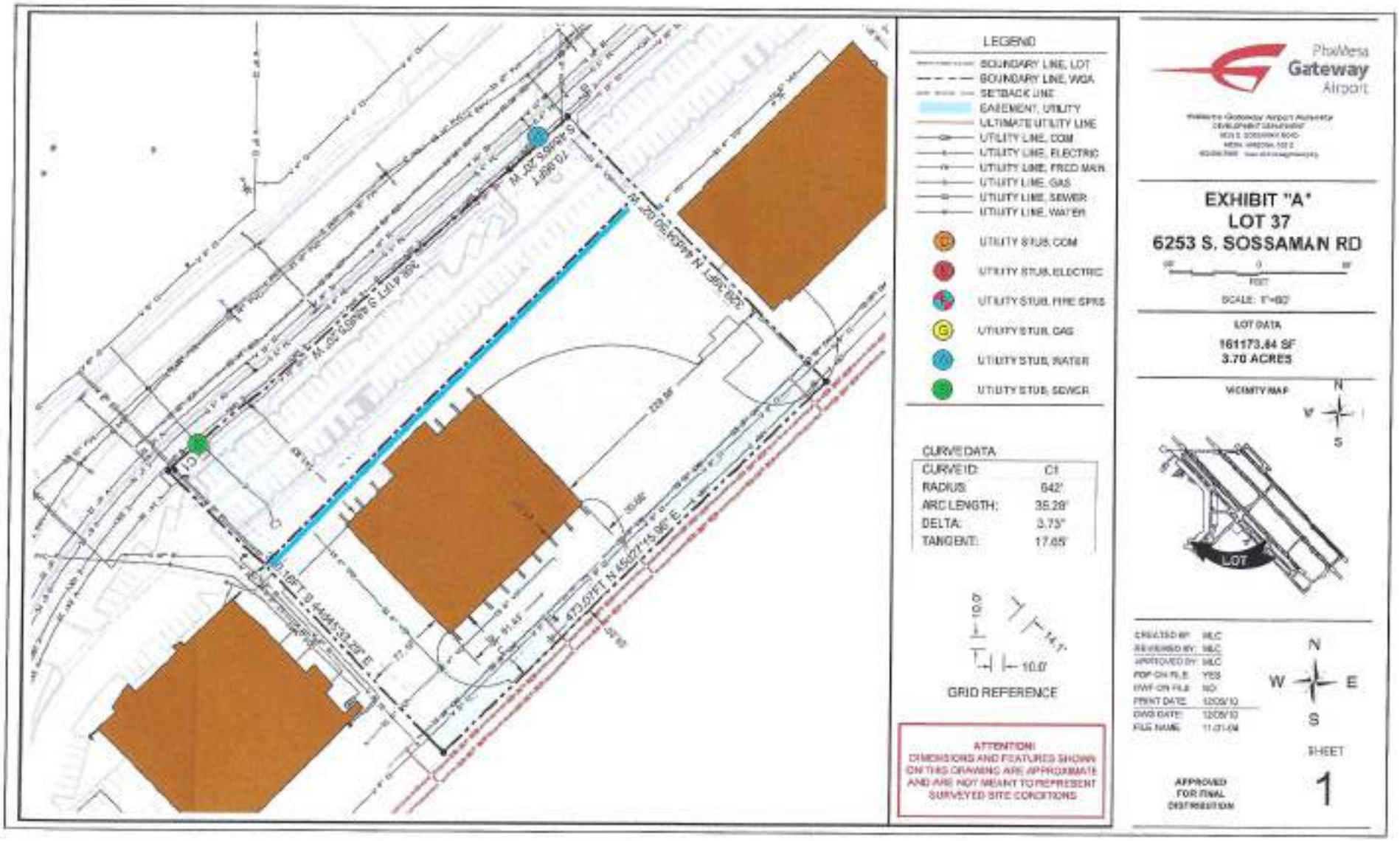

EXHIBIT A

Description of the Premises (Continued) (RS2)

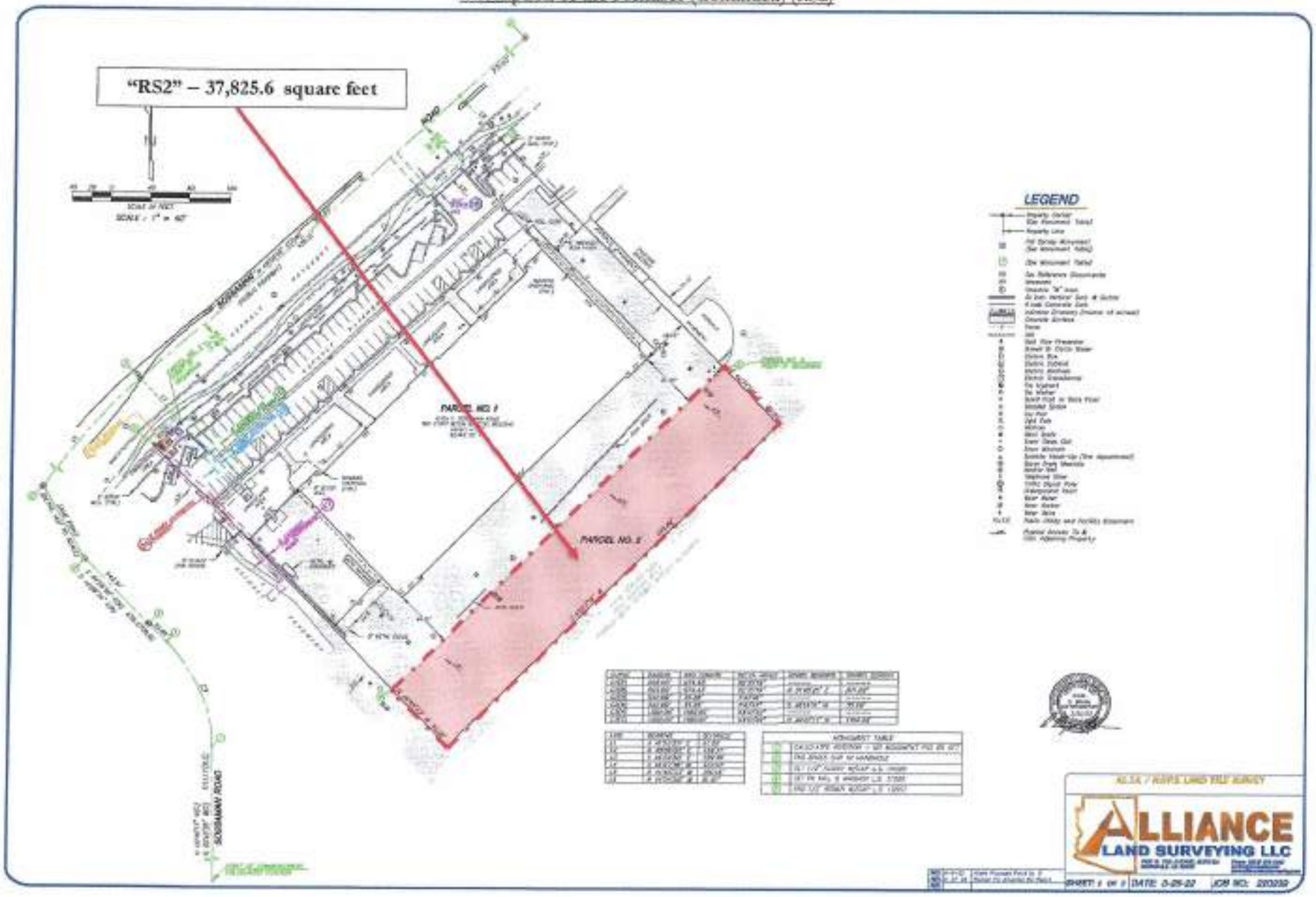

EXHIBIT A

Description of the Premises (Continued) (RS2)

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

Board Action Item

Re: Resolution 22-21

To: Board of Directors
From: Shea Joachim, CEcD, Business Development Director
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: Land Lease – Gulfstream Product Support Corp.
Date: May 17, 2022

Proposed Motion

To authorize a land lease with Gulfstream Product Support Corporation for a lot of land consisting of approximately 18.62 acres. The Initial Term is forty (40) years, commencing on May 17, 2022, with two (2) five-year Renewal Terms.

To authorize the Chair or the Executive Director/CEO to execute any and all other documents and instruments necessary and appropriate, in order to consummate the lease transaction and the Lessee's financing in conjunction therewith according to the terms and conditions set forth in the lease, including a consent to assignment and assumption and an owner's affidavit.

Narrative

In November 2021, Gulfstream Product Support Corporation ("Lessee") announced its intentions to develop a brand new 225,000 SF maintenance, repair, and overhaul (MRO) facility on the east side of the Airport. Since the November announcement Lessee has leased the entire hangar located at 6253 S. Sossaman Road, hired staff, and initiated maintenance, repair, and overhaul operations at the Airport.

The Airport has offered Lessee approximately 18.62 acres of vacant land on the eastside of the Airport (the "Premises"). The Premises is generally located at the southwest corner of Ellsworth and Williams Field Roads. Lessee will construct a state-of-the-art MRO facility and ancillary office space with a combined square footage of approximately 225,000 square feet under roof and a capital investment of approximately $80-100 Million (the "Phase I Improvements"). Lessee has an Option to Lease an adjacent 21.06 acres to facilitate any future expansion they may need. There are several Offsite Improvements that are required to be constructed to facilitate the Phase I Improvements that both the Airport and the City of Mesa are actively pursuing.

Agreement Term and Rate

The initial Base Rent is $37,179.45 per month (or $446,153.40 annually) for the Premises. The Initial Term of the lease is forty (40) years with two (2) five-year Renewal Terms.

To facilitate design, site preparation, and construction of the Phase I Improvements the Rent Commencement Date of the lease is on the earlier of: (i) six (6) months following the date on which Lessee receives a Certificate of Occupancy ("CofO") or its equivalent from the City of Mesa for the Phase I Improvements ("Date of

Substantial Completion"); or (ii) thirty (30) months from the Effective Date of this Lease (the "Rent Commencement Date").

Attachment(s)
Land Lease Agreement

RESOLUTION NO. 22-21

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

WHEREAS the Authority desires to authorize a land lease with Gulfstream Product Support Corporation for a lot of land consisting of approximately 18.62 acres. The Initial Term is forty (40) years, commencing on May 17, 2022, with two (2) five-year Renewal Terms.

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

The Board of Directors of the Authority hereby authorizes a land lease with Gulfstream Product Support Corporation for a lot of land consisting of approximately 18.62 acres. The Initial Term is forty (40) years, commencing on May 17, 2022, with two (2) five-year Renewal Terms. 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.

The Board of Directors of the Authority hereby authorizes the Chair or the Executive Director/CEO to execute any and all other documents and instruments necessary and appropriate, in order to consummate the lease transaction and the Lessee's financing in conjunction therewith according to the terms and conditions set forth in the lease, including a consent to assignment and assumption and an owner's affidavit.

Passed and adopted by the Authority this 17th day of May, 2022.

John Giles, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

Phoenix-Mesa Gateway Airport Authority

LAND LEASE

with

Gulfstream Product Support Corporation

Effective Date: May 17, 2022

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Phoenix-Mesa Gateway Airport Authority

LAND LEASE

This Land Lease (the "**Lease**") is executed to be effective the SEVENTEENTH (17TH) day of MAY 2022 (the "**Effective Date**") between the **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY**, a joint powers airport authority authorized and existing under the laws of the State of Arizona ("**Lessor**"), and **GULFSTREAM PRODUCT SUPPORT CORPORATION**, a Delaware Corporation ("**Lessee**"). Lessor and Lessee may be referred to jointly as "**Parties**," and each separately may be referred to as a "**Party**."

WITNESSETH:

WHEREAS, Lessor is the owner and operator of the Phoenix-Mesa Gateway Airport generally located at the intersection of Ray Road and Sossaman Road, City of Mesa, Maricopa County, Arizona (the "**Airport**"); and

WHEREAS, Lessor has the right to lease, license and grant the use of property and facilities on the Airport and has full power and authority to enter into this Lease in respect thereof; and

WHEREAS, Lessor desires to lease to Lessee, and Lessee desires to lease from Lessor, that certain real property at the Airport located at the intersection of Ellsworth Road and Williams Field Road, consisting of Eight Hundred Eleven Thousand and One Hundred Eight-Eight (811,188) square feet of land (approximately 18.62 acres) as set forth in **EXHIBIT A** and depicted on **EXHIBIT A-1,** each exhibit attached hereto, together with all easements or access agreements and right of ways required for ingress and egress (collectively, the "**Premises**"); and

WHEREAS, Lessor desires to lease the Premises to Lessee on the terms and conditions set forth herein;

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

1. LEASE

Lessor hereby leases the Premises to Lessee, subject to all easements and rights of way that encumber the Premises, and further subject to all applicable operational and use restrictions and other terms and conditions set forth in this Lease. This Lease shall commence upon the Effective Date hereof (the "**Lease Commencement Date**").

1.1 Right to Use Premises. Lessor agrees that so long as no Event of Default shall have occurred and is continuing, Lessee shall peaceably have and enjoy the use of and access to the Premises without hindrance from Lessor and those claiming through Lessor. Subject to the completion of the Offsite Improvements, as described in SECTION 7 herein, Lessee specially acknowledges that Lessee has inspected the Premises prior to entering into this Lease and agrees to accept the Premises in an "**as is, where is**" condition without any warranty or representation from Lessor, either express or implied, of any kind or nature whatsoever with respect to the Premises, including, but not limited to, any warranty of merchantability, habitability, or fitness for any particular or specific purpose, and all such warranties are hereby disclaimed, except for those representations

and warranties contained in this Lease. Should Lessee desire any inspection report, environmental assessment, survey (other than a topographical survey), drainage report, or any similar study, Lessee shall be responsible for the same at Lessee's sole expense, subject to Lessor's duty to cooperate with Lessee (at no or nominal cost to Lessor) in connection with such activities and undertakings. Notwithstanding anything herein to the contrary, Lessor represents and warrants that, to its actual knowledge as of the Effective Date and without any duty of inquiry, the Premises are in compliance with all applicable Environmental Laws, zoning and other laws, statutes, ordinances, regulations, laws, and codes. In the event the foregoing representation and warranty that, to its actual knowledge, the Premises are in compliance with applicable laws proves to be untrue, in addition to any remedies available to Lessee at law or in equity, subject to the terms of SECTION 15 herein, Lessor shall, at its sole cost and expense, promptly make any repairs and alterations or perform any remediation necessary in order to comply with such laws and ordinances, including but not limited to such Environmental Laws, provided that such repairs, alterations and/or remediation shall be done at such times and in such manner so as to minimize interference with Lessee's use of and/or access to the Premises. In the event that Lessor fails to complete the work described in this SECTION 1.1 to Lessee's reasonable satisfaction on or before thirty (30) days after receiving notice thereof, Lessee shall have the right, but not the obligation to perform such maintenance, repairs or replacements on behalf of Lessor. In the event Lessee performs any such maintenance, repairs or replacements on behalf of Lessor in accordance with this paragraph, the costs thereof shall be due and payable by Lessor within thirty (30) days after written demand from Lessee, which demand shall be accompanied by invoices or receipts evidencing such costs. Failure of Lessor to reimburse Lessee on or before the expiration of such thirty-day period shall entitle Lessee to deduct the costs thereof from the Base Rent (as hereinafter defined in SECTION 4) next due hereunder.

1.2 Access. Lessee is granted the right of reasonable access to and from the Premises via such portions of the Airport as are or may be necessary to allow Lessee to conduct its business operations permitted herein at and on the Premises and the Airport. Lessor reserves the right to designate the location of such access and to change its location from time to time, as Lessor deems reasonably necessary and appropriate; provided such changes do not materially interfere with Lessee's use of and/or access to the Premises.

1.3 Permitted Uses. Subject to the provisions of SECTION 1.5 herein, Lessee may use the Premises for the maintenance, repair, and overhaul of Gulfstream aircraft ("**MRO**"); completions of Gulfstream aircraft; office space, shop space, warehousing of materials, supplies and tools, and vehicular parking facilities and loading areas; ramp and aircraft parking areas; aircraft storage; fueling/defueling services and associated fuel farm for Lessee and Lessee's customers subject to the requirements of SECTION 1.6 below; construction and use of aircraft run-up pads for Lessee's exclusive use; and other aviation uses permitted under the MRO or manufacturing designations, and any other aeronautical uses permitted by law that are consistent with Lessor's Airport Master Plan. Lessee and any of its assignees or subtenants shall have the sole and exclusive use of all parking spaces within the Premises throughout the Term (as hereinafter defined), including any Renewal Term, (as hereinafter defined) if exercised. In addition, Lessee may use, at no expense to Lessee, any existing run-up pad or any future designated run-up pad in common with other Airport users or tenants, or Lessee may construct a run-up pad for Lessee's exclusive use at Lessee's sole expense. Lessee's use of the Premises and operation of its business at and on the Airport and the Premises is subject to all applicable laws, rules and regulations of any governmental authority, including Lessor, and to Lessee's compliance with applicable provisions of the Airport Rules and Regulations and Minimum Standards. Lessee may discontinue its operations at the Premises at any time or from time to time, and Lessee shall be permitted, in its sole discretion, to vacate all or a portion of the Premises, provided Lessee continues to pay Base Rent (as hereinafter defined) as and when due and continues to perform all obligations of Lessee under this Lease, including without limitation, all insurance, repair and maintenance obligations.

1.4 Fueling Activities. Subject to the requirements of SECTION 8 herein and compliance with the applicable rules, regulations, laws, Airport Rules and Regulations and Minimum Standards, Lessee may install fueling facilities and provide oil products and fuel to Lessee's aircrafts, and to Lessee's service center customer aircrafts; provided, however, that customer aircraft fueling is performed only as a result of said aircraft

having undergone maintenance service or repair at the Premises and at the time such service or repair is performed. Furthermore, regardless of the status of an on-site or off-site fuel farm, Lessor may provide Lessee with the option to utilize existing on-site aircraft fueling and de-fueling services to support Lessee's maintenance operations, with such services provided using Airport owned equipment under a separate pre-negotiated agreement.

1.5 Fixed Based Operator. Lessee is not a Fixed Based Operator as defined in the Airport Minimum Standards and is not authorized to be a Fixed Based Operator at the Airport.

1.6 Lessee Reporting Requirements. Lessee shall furnish to Lessor on or before the twentieth (20th) day of the each month a written statement, and fuel manifests or delivery slips issued by the supplier, setting forth (1) the total number of gallons of fuel delivered to the Premises (other than fuel delivered by Lessor) during the preceding month and (ii) the total number and Maximum Gross Landing Weight (as certified by the manufacturer) of all aircraft which are subject to landing fees and which utilized the Premises during the preceding month. Lessee shall remit to Lessor the fuel flowage and landing fees determined to be owing for each month at the same time Lessee delivers the monthly written statement therefor. Lessor reserves the right to require a specific format for reporting.

1.7 Books and Records. Lessee shall keep and maintain adequate books and records to establish and verify the accuracy of the fuel volumes and landed weight information reported to Lessor. Lessor shall have the right, upon reasonable notice, to examine, inspect or audit Lessee's books and records for the purpose of verifying the accuracy of the information reported by Lessee. In the event such examination reveals that there is a deficiency in the volumes or amounts reports equal to or less than five percent (5%) or more of the volumes or amounts that should have been reported, Lessee agrees to promptly pay the additional fees owing. In the event such examination reveals that there is a deficiency in the volumes or amounts reported equal to five percent (5%) or more of the volumes or amounts that should have been reported, Lessee agrees to promptly pay the additional fees owing, plus interest at the rate of one and one-half percent (1.5%) per month from the date the fees should have been paid, plus any costs incurred by Lessor in connection with such examination, including fees and expenses of third parties used to conduct such examination.

1.8 Prohibited Activities. Lessee shall not use or permit its agents, employees, contractors, invitees, licensees or customers to use the Premises or the Airport for any use that is in violation of the Airport Rules and Regulations, the Airport Minimum Standards, any matters of record, or applicable laws, rules, regulations and operating policies of any governmental authority, including Lessor, or for any other activity or operation not specified in SECTION 1.3 herein, or that does not have advance, written approval of Lessor's Executive Director, which shall not be unreasonably withheld, conditioned, or delayed.

1.9 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 during normal business hours, and otherwise as required by the Airport Minimum Standards, as applicable.

1.10 Lessee Acknowledgement. Lessee acknowledges and agrees that its obligations to pay Base Rent and all other charges due and owing under the terms hereof shall be absolute and unconditional, and shall not be affected by any circumstances whatsoever, including, without limitation:, any insolvency, bankruptcy, reorganization or similar proceedings by or against Lessee, or any other person; or 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 at the times provided herein.

2. TERM

2.1 Initial Term. The initial term of this Lease shall be for a period of FORTY (40) years, commencing on the Date of Substantial Completion, as defined in SECTION 4.2 below (the "**Initial Term**").

2.2 Renewal Term(s). Provided no Event of Default has occurred and is continuing, Lessee shall have the option of extending the Initial Term for TWO (2) consecutive, additional periods of FIVE (5) years each (each, individually, a "**Renewal Term**"). Lessee may exercise a Renewal Term 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 Initial Term, or then current Renewal Term, as applicable. Lessee's option to exercise a Renewal Term shall be transferable to any Permitted Transfer (as hereinafter defined). All references herein to the "**Term**" shall include the Initial Term and any Renewal Term(s), to the extent Lessee has properly notified Lessor of its desire to exercise a Renewal Term.

2.2.1 Upon the commencement of any Renewal Term, if exercised, the Base Rent shall be increased (but never decreased) to the fair market value of the improved Premises. Lessor's written determination of such fair market base rental rate for the Premises shall be delivered to Lessee no later than ONE-HUNDRED TWENTY (120) calendar days prior to the commencement of a Renewal Term. If Lessee disputes Lessor's determination of such fair market base rental rate, Lessee shall deliver written notice of such dispute, together with Lessee's determination of such fair market base rent rate, to Lessor within FORTY-FIVE (45) calendar days of Lessee's receipt of Lessor's determination. The Parties shall then attempt in good faith to agree upon such fair market base rental rate. If the Parties fail to agree within FIFTEEN (15) business days, they shall, within SEVEN (7) calendar days thereafter, mutually appoint an appraiser to determine the fair market base rental rate. Said appraiser shall have at least FIVE (5) years of full-time commercial appraisal experience and be a member of the Appraisal Institute or comparable professional organization. If the Parties are unable to agree upon an appraiser within such SEVEN (7) calendar days, they shall, within FIVE (5) business days thereafter, apply to the president of the local Board of Realtors for the selection of an appraiser. The president of the Board of Realtors shall, within FIFTEEN (15) business days, select an appraiser with the above qualifications who has not acted in any capacity for either Party within the prior TWO (2) years. Within SEVEN (7) calendar days of the appointment (either by agreement or selection) of the appraiser, the Parties shall submit to the appraiser their respective determinations of the fair market base rental rate and any/all substantiated information. Within TWENTY (20) business days thereafter, the appraiser shall review each Party's submittal (and such other information as the appraiser deems necessary) and shall select one Party's submittal as representing the most reasonable approximation of such fair market base rental rate, and the appraiser's fees and expenses shall be paid by the Party whose submittal was not selected.

3. NONEXCLUSIVE RIGHTS

Lessee shall have the exclusive right to occupy and use the Premises while in compliance with the terms and conditions of this Lease. Except as otherwise provided, all other rights granted to Lessee under this Lease are nonexclusive. Lessor may, in its sole discretion and at any time, permit third parties to conduct any and all business activities at the Airport that Lessor deems appropriate, or conduct such activities itself, provided that such activities do not require or materially interfere with Lessee's use of and/or access to the Premises.

4. RENT

4.1 Base Rent. Lessee agrees to pay Lessor annual rental for the use of the Premises at a rate of fifty-five cents ($0.55) per square foot of land, in the amount of FOUR HUNDRED FORTY-SIX THOUSAND ONE HUNDRED TWENTY-ONE AND 00/100 DOLLARS ($446,121.00), payable in equal monthly installments of THIRTY-SEVEN THOUSAND ONE HUNDRED SEVENTY-SIX AND 75/100 DOLLARS ($37,176.75) (the "**Base Rent**"). The Base Rent shall be payable in advance, without any prior demand therefor and, except as otherwise expressly set forth in this Lease in SECTIONS 1.1, 8.7, 8.8, 15.13,

15.17, and 35.1, without any abatement, deductions or set-offs whatsoever, and tendered in lawful currency of the United States, either by check or electronic transfer.

4.2 Rent Commencement. Base Rent shall become due and payable on the earlier of: (i) six (6) months following the date on which Lessee receives a Certificate of Occupancy ("**CofO**") or its equivalent from the City of Mesa for the Phase I Improvements (as defined in SECTION 8.1) ("**Date of Substantial Completion**"); or (ii) thirty (30) months from the Effective Date of this Lease (the "**Rent Commencement Date**").

4.3 Base Rent Adjustments. During the Initial Term, the annual Base Rent paid by Lessee shall be increased (but never decreased) on every FIVE (5) year anniversary of the Rent Commencement Date of this Lease by Seven and one half (7.5) percent.

4.4 Security Deposit. None. Lessee shall not be required to post any security deposit.

4.5 Airport Rates and Charges Schedule. Lessee or its subtenants, as applicable and including its contractors and agents, shall pay all applicable 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, or unless otherwise expressly agreed to between Lessor and Lessee pursuant to a separate agreement, if any. The current *Airport Rates and Charges Schedule* and/or *Airport Fees, Services and Rental Rates Schedule* is included as **EXHIBIT B** and is subject to change with prior written notice but without approval of Lessee. Subject to the express terms of any separate agreement between Lessor and Lessee, or unless specifically outlined in this Lease, 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, and that no fee shall apply to the use of the Premises or access to the Premises.

4.6 Payment.

4.6.1 Unless otherwise specified herein, the first payment of Base Rent shall be paid to Lessor within ten (10) business days after the Rent Commencement Date, prorated on the basis of the number of such days to the total number of days in said month that the Rent Commencement Date occurs. Thereafter, all Base Rent payments shall be paid in monthly installments, in advance, on the first day of each calendar month (the "**Base Rent Due Date**"). On each such date, Lessee shall pay the 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:

Phoenix-Mesa Gateway Airport Authority
Attn.: Department of Finance (Accounts Receivable)
5835 S. Sossaman Road
Mesa, Arizona 85212-6014
or such other address specified in writing by Lessor to Lessee.

4.7 Finance Charges and Late Fees. If Lessee fails to pay any installment of Base Rent or any other charge due and owing to Lessor on or before the applicable due date, Lessee shall be responsible for interest on the unpaid installment at the rate of EIGHTEEN PERCENT (18%) per annum from the due date

until payment in full is made. In addition, in the event any installment of Base Rent or other charges owing to Lessor is paid more than TEN (10) days after the due date, a late penalty of TEN PERCENT (10%) of the amount of such delinquent Base Rent installment or other charge shall be due and payable in addition thereto.

4.8 Taxes. Lessee shall pay any leasehold tax, sales tax, personal property tax, transaction privilege tax, license or permit fee, or any other tax assessed as the result of its occupancy of Premises or conduct of any activity at the Airport under authority of this Lease, including any such tax assessable on Lessor as a result of this Lease. In the event that laws or judicial decisions result in the imposition of a real property tax or any other form of tax or imposition on the interest of Lessor, such tax shall also be paid by Lessee for the period this Lease is in effect, to the extent such taxes are reasonably attributable to the Premises or a portion thereof or the operation of Lessee's business.

4.9 Other Fees Any additional costs or fees, including (but not limited to) fuel flowage fees, stormwater fees, and airport usage fees, are to be in amounts at least as favorable as those being offered to any other purchaser or tenant of similar services under generally similar terms and conditions.

4.10 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 other than non-default termination events expressly permitted by and set forth in this Lease, including SECTIONS 8.7 or 8.8.

5. EXPANSION PREMISES

5.1 Expansion Premises. As of the Effective Date hereof, Lessor shall reserve an additional NINE HUNDRED SEVENTEEN THOUSAND FIVE HUNDRED EIGHTEEN (917,518) square feet of property (approximately 21.06 acres) immediately adjacent to the Premises ("**Expansion Premises**"), as depicted in **EXHIBIT D**, to facilitate Lessee's potential future expansion.

5.2 Option. Provided no Event of Default has occurred and is continuing, Lessee shall have the exclusive option to lease the Expansion Premises, exercisable at any time during the FIVE (5) year period following the Date of Substantial Completion ("**Option Period**"). As of the Effective Date hereof and throughout the Option Period, Lessor shall not market for sale or lease the Expansion Premises. To effectuate the option, Lessee shall notify Lessor, in writing, of its intentions to lease the Expansion Premises on or prior to the expiration of the Option Period. Lessee's written notification shall indicate whether Lessee has elected, in its sole discretion, to add the Expansion Premises to the Premises leased under this Lease or to enter into a new lease agreement between Lessor and Lessee, which shall be consistent with the terms and conditions of this Lease, including, without limitation, the Base Rent payable under this Lease, at the per-square-foot rate then in effect, and the Term. Lessee shall have ONE HUNDRED TWENTY (120) calendar days, after Lessor's receipt of Lessee's written notice to lease the Expansion Premises (the "**Due Diligence Period**"), to conduct any and all due diligence deemed necessary by Lessee, including but not limited to title search, survey, soils testing, environmental testing, site planning, and permitting. Lessor and Lessee agree to work together in good faith to resolve any matters related to the Expansion Premises, including, but not limited to design budgets, anticipated project hard and soft costs and permitted title exceptions, which the Parties agree will be finalized prior to the expiration of the Due Diligence Period. If Lessee determines for any reason or for no reason that the Expansion Premises is not suitable for Lessee's intended purpose, then Lessee may terminate its election to lease the Expansion Premises by giving written notice to Lessor on or prior to the expiration of the Due Diligence Period. If Lessee does not terminate its election to lease the Expansion Premises on or prior to the expiration of the Due Diligence Period, then the Parties shall within SIXTY (60) calendar days following the expiration of the Due Diligence Period, either amend the Lease to add the Expansion Premises or enter into a new lease for the Expansion Premises. Rent for the Expansion Premises, subject to an Unavoidable Delay and/or delays caused by Lessor shall commence upon the earlier to occur of: (i) the date of substantial completion of the improvements on the Expansion Premises, or (ii) TWENTY-FOUR (24) months after Lessor's and Lessee's execution of either an amendment to this Lease, or a new lease agreement, as applicable.

5.3 Option Fee. In consideration for Lessee's exclusive option to lease the Expansion Premises, on the Date of Substantial Completion and on each subsequent anniversary thereof during the Option Period, Lessee shall pay Lessor $50,463.49 to maintain its exclusive option to lease the Expansion Premises ("**Option Fee").** If Lessee fails to pay Lessor the Option Fee within ten (10) business days after receipt of written notice from Lessor that such Option Fee is due, Lessor may terminate Lessee's exclusive option in its sole and absolute discretion, unless otherwise agreed to in writing by the Parties. To the extent Lessee has paid Lessor the Option Fee for the Expansion Premises, and Lessee, in the same one-year period, exercises its election to lease the Expansion Premises, Lessee shall be entitled to a refund of a pro rata portion of the Option Fee applicable to the one-year period.

5.4 Right Of First Refusal. Provided no Event of Default has occurred and is continuing , upon the expiration of the Option Period, Lessor shall provide Lessee with a right of first refusal ("**ROFR**") on the Expansion Premises for a period of FIVE (5) years thereafter ("**ROFR Period**"). The Parties agree the ROFR will be exclusive to Lessee at no additional cost to Lessee. During the ROFR Period, Lessor may market for sale or lease the Expansion Premises.

5.4.1 If, at any time while the ROFR is in effect, Lessor receives a written offer ("**Offer**") from a third party ("**Offeror**") to lease all or any portion of the Expansion Premises ("**Offered Space**"), and Lessor intends to accept the offer, Lessor will transmit a copy of the Offer to Lessee ("**Offer Notice**"). The submission of an Offer Notice by Lessor to Lessee shall constitute an offer by Lessor to lease the Offered Space to Lessee and Lessee shall have the first right to lease the Offered Space from Lessor in accordance with the terms of the Offer by notifying Lessor, in writing, of Lessee's intent to lease the Offered Space in accordance with the terms of the Offer within fifteen (15) calendar days of the Offer Notice ("**Acceptance Notice**"). The Acceptance Notice shall indicate whether Lessee desires to add the Offered Space to Premises or enter into a new lease which shall be consistent with the terms and conditions of this Lease. If (a) Lessee fails to deliver a complete Acceptance Notice to Lessor within fifteen (15) calendar days after receipt of the Offer Notice, or (b) Lessee notifies Lessor that it does not desire to lease the Offered Space, then Lessee's rights to the Offered Space shall terminate unless Lessor fails to enter into a lease of the Offered Space on the terms set forth in the Offer Notice with such third party, whereupon thereafter Lessee shall again have the ROFR. If Lessee delivers an Acceptance Notice and then Lessee fails to execute the necessary amendment or lease to effectuate the Acceptance Notice within sixty (60) calendar days after delivering the Acceptance Notice, then Lessee's rights to the Offered Space shall terminate.

6. AIRPORT OPERATING AGREEMENT

If and to the extent that Lessee, including its subtenants, contractors, agents, etc., operates aircraft for a commercial purpose at or on the Airport, Lessee shall be required to enter into an operating agreement with Lessor. If any subtenant, contractor or agent of Lessee conducting activities on or at the Premises operates aircraft at the Airport, all shall be subject to the provisions of the Airport Operating Agreement, which Lessor may enforce directly against such subtenant, contractor or agent, but Lessee shall have no direct liability or responsibility with respect to such matters; except, however, Lessee shall be responsible for compliance by its subtenants, contractors and/or agents with the Airport Rules and Regulations and Minimum Standards, as appropriate.

7. OFFSITE IMPROVEMENTS TO BE CONSTRUCTED

7.1 Lessor shall, either directly or in partnership and by agreement with the City of Mesa, construct the following off-site and airfield improvements as described below ("**Offsite Improvements**") in accordance with SECTION 7.2 of this Lease. A draft schedule for the installation of the Offsite Improvements is set forth on **EXHIBIT I-1** attached to this Lease, and the Parties acknowledge that Lessor shall commence the Offsite Improvements generally in accordance with such schedule, but that such dates may change. Lessor shall

communicate any changes (either to the dates and/or in the scope) in a timely manner and as and when Lessor determines any changes.

7.1.1 Sewer Line. A new sewer line in Gateway Blvd (also referred to as the Spine Road) with an outfall to the existing sewer line at Hawes Road and Ray Road(the "**Sewer Line**");

7.1.2 Intersection. A new signalized intersection at Ellsworth Road and the realigned Williams Field Road (future Gateway Blvd);

7.1.3 Culvert and Road. Construct a new box culvert and road across the Ellsworth channel with associated water and sewer lines thereby connecting the "**Intersection**" to Airport property and approximately one thousand linear feet of roadway designed as a 4 + 1 Major Collector extending west into Airport property from the western edge of the Intersection;

7.1.4 Circulatory Road. A new circulatory road (Aviation Way) from the southernmost culvert into Airport property along Ellsworth Road connecting to the Culvert and Road project. The circulatory road will run adjacent to the Premises. Lessee has received the design plans for the circulatory road and acknowledges it is sufficient for Lessee's purposes. Lessor will build the circulatory road to the published City of Mesa standards and achieve the acceptance of the road by the City of Mesa. Once the circulatory road has been accepted, Lessee acknowledges that Lessor has no further responsibility for the road.

7.1.5 Utilities. Lessor will install a 8" PVC sewer pipe and a 16" DIP water line ("**Wet Utility Infrastructure**") within the boundaries of the circulatory roadway and stubbed to the Premises. Lessee has received the design plans for the Wet Utility Infrastructure and acknowledges it is sufficient for Lessee's purposes. Lessor will build the Wet Utility Infrastructure specified in this SECTION 7.1.5 to the published standards of the applicable utility service provider (City of Mesa) and achieve acceptance of the Wet Utility Infrastructure by the applicable utility service provider. Once the Wet Utility Infrastructure has been accepted, Lessee acknowledges that Lessor has no further responsibility for the Wet Utility Infrastructure. Lessor will install conduit ("**Dry Utility Infrastructure**") within the boundaries of the circulatory roadway and stubbed to the Premises to accommodate dry utility providers (electric, gas, telecom, etc.) based on plans provided by Lessee and its dry utility providers so long as Lessee provides Lessor with the plans by June 1, 2022. Lessee acknowledges that Lessor has no further responsibility for the Dry Utility Infrastructure once it is installed.

7.1.6 Taxiway Connector. A single airfield connection from Taxiway Charlie to the Premises apron built to FAA standards and in accordance with the Airport's Master Plan. The design of the Taxiway Connector will consider a future parallel taxiway between the Premises and Taxiway Charlie. Lessee has received the design plans for the Taxiway Connector and has acknowledged it is sufficient for Lessee's purposes.

7.1.7 Relocation of the Remote Transmission Facility ("**RTR**"). An existing communications facility at the Airport will be relocated to a new location. This includes the demolition of the existing RTR building located on the Expansion Premises, as applicable in accordance with a construction schedule that is mutually agreed upon by the Parties. In addition, Lessor shall use commercially reasonable efforts to clear any related title exceptions, including but not limited to removal of any power easements on the Premises or the Expansion Premises, as applicable.

7.2 Construction Milestone. Lessor shall, either directly or in partnership with the City of Mesa, complete construction of the Offsite Improvements by April 1, 2023, with the exception of conduit for electrical power, which shall be completed as soon as reasonably possible, subject to City of Mesa and Salt River Project approval.

7.3 Intergovernmental Agreement. Lessor and the City of Mesa have entered into an Intergovernmental Agreement (IGA) for the development of some of the Offsite Improvements. The IGA is attached as **EXHIBIT G**.

8. LESSEE IMPROVEMENTS

8.1 Construction by Lessee. Lessee shall, at its sole cost and expense, construct improvements on the Premises that generally shall consist of an approximately 130,000 square foot hangar, office and backshop/support complex, associated aircraft and exclusive vehicle parking facilities, aircraft run-up pad, a fuel farm (if desired by Lessee), and such other improvements as Lessee shall reasonably require in connection with its business, with an estimated cost of approximately $50 million, as generally depicted in **EXHIBIT E** (the "**Phase I 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 utility improvements and connections within the Premises necessary to connect the Offsite Improvements including, without limitation, electrical, gas, water, sewer, cable and telephone utilities, and Lessee shall be responsible for the long-term cost and expense associated with maintenance of such utilities only to the extent of the lease boundary lines of the Premises; (iii) installing all utility meters and water and sewer lines to service all improvements constructed on the Premises; and (iv) with the exception of the taxiway connector described in SECTION 7.1.5, constructing all improvements necessary to connect the Premises to existing taxiways or taxilanes in accordance with and if allowable under all Airport and FAA rules, regulations and other requirements. Lessor acknowledges and agrees that Lessee shall not be responsible for the Wet Utility Infrastructure or the Dry Utility Infrastructure from the Premises to the applicable source of all such utilities. The parties acknowledge and agree that Lessee will be constructing and installing certain improvements outside the boundary of the Premises in locations as generally depicted on Exhibit A-2, which improvements and installations consist of (i) a storm drain and related improvements that outfalls into what is commonly known as the Ellsworth Channel (the "**Storm Drain**"), and (ii) fencing (the "**Fencing**"). Lessor hereby grants Lessee a license for non-exclusive access to and use of the property upon which the aforementioned Storm Drain and Fencing will be located for the purpose of installing, constructing and maintaining the same, and once installed, such license shall remain in place for the Term of this Lease with respect to the Storm Drain only, but not for the Fencing, it being the intent of the parties hereto that Lessor, and not Lessee, shall have the obligation to maintain the Fencing for the remainder of the Term once installed and accepted by Lessor.

8.2 Construction Milestones. Lessee shall construct Phase I Improvements in accordance with the following schedule (each of which events are herein called a "**Construction Milestone**"):

8.2.1 Lessee shall submit its Phase I Improvements plans to Lessor for review and approval no later than February 15, 2022, Lessor shall review Lessee's Phase I Improvements plans and advise Lessee of its approval or disapproval, with its reasons therefor, within ten (10) business days of Lessee's submission to Lessor. Such process shall continue until Lessor approves of such plans and specifications. As long as Lessee's Phase I Improvements design plans for the exterior of the Phase I Improvements are similar to Lessee's like-investments in North America then in no event shall Lessor have the right to disapprove of Lessee's plans and specifications based on design aesthetics. Lessee, or its general contractor and/or architect, shall be responsible for preparing all plans and specifications required for permitting and construction of the Phase I Improvements. Notwithstanding the foregoing, Lessor agrees to support Lessee to the best of its ability in expediting any review and/or permitting process with any applicable government entities, including but not limited to the State of Arizona and the City of Mesa.

8.2.2 Lessee shall submit its Phase I Improvements construction plans to the City of Mesa for a permit for full building design no later than February 15, 2022, which dates shall be extended in the event Lessor has not approved Lessee's plans in accordance with SECTION 8.2.1 above.

8.2.3 Subject to delays caused by Lessor, Lessee shall use good faith and reasonable efforts to commence construction of the Phase I Improvements 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. For purposes of this section "**commence construction**" shall be the date on which Lessee has obtained it permits, has executed a contract for construction of the Phase I Improvements and has commenced work, such as grading or pouring of footings.

8.2.4 Lessee desires to substantially complete construction of the Phase I Improvements and occupy the Premises, on or about December 31, 2023, subject to an Unavoidable Delay.

8.2.5 Reserved.

8.3 No Alterations. Subject to the terms of Subsection 8.2.1 above, Lessee may not make improvements to the Premises ("**Lessee Improvements**") during the Term of this Lease without the prior written consent of Lessor, which shall not be unreasonably withheld, conditioned or delayed and, if and to the extent applicable, without the approval by Lessor's Design Review Committee. Lessee shall provide Lessor with electronic as-built drawings (or their equivalent) when any improvement or alteration is completed for which such drawings are reasonably required. Notwithstanding the foregoing, Lessee may, at its own expense and without Lessor's consent and, if applicable, without the approval by Lessor's Design Review Committee, make non-structural Lessee Improvements to the Premises, so long as such Lessee Improvements do not adversely impact the mechanical systems, structural integrity of the Premises, or affect any exterior portions of the Premises. All such Lessee Improvements shall be made in a good and workmanlike manner in accordance with all applicable laws and ordinances. No supervision or overhead fee or charge shall be payable to Lessor with respect to any Lessee Improvements performed by Lessee. At the expiration or sooner termination of this Lease, Lessor agrees to accept the Premises with the Lessee Improvements and the Phase I Improvements in place, which improvements shall thereafter become Lessor's property, and Lessee shall not be required to restore the Premises to the condition existing prior to the making of such Phase I Improvements or Lessee Improvements at the commencement of the Initial Term; provided, however, if Lessee elects in its sole discretion to remove any Lessee Improvements, Lessee shall, prior to the expiration of the Term or earlier termination of this Lease, restore the Premises to their condition prior to the making of such Lessee Improvements. Notwithstanding anything herein to the contrary, in no event shall Lessee be required to remove any portion of the Phase I Improvements, nor shall Lessee be required to remove any portion of any Lessee Improvements at the expiration of the Term or earlier termination of this Lease unless Lessor has indicated to Lessee in writing that Lessor requires such removal at the time that Lessor reviews for its approval in accordance with the terms hereof the plans for any Lessee Improvements.

8.4 Title to Alterations and Improvements. Title to the Phase I Improvements and any Lessee Improvements shall remain vested in Lessee during the Term of this Lease. Subject to SECTION 8.3 above, Title to all Phase I Improvements and Lessee Improvements on the Premises (but not personal property or trade fixtures) shall vest in Lessor upon the expiration or termination of this Lease, and Lessee agrees to execute and deliver to Lessor, within Ten (10) business days after Lessor's request therefor, a quitclaim deed confirming that title to such Phase I Improvements and Lessee Improvements is vested in Lessor.

8.5 Mechanics' Liens. Lessee shall keep the Premises and all improvements constructed by Lessee thereon free of any mechanic or materialmen's liens. In the event that any such lien is filed, Lessee shall, at its sole cost, cause such lien to be removed from the Premises by bonding over such lien or take other steps acceptable to Lessor that remove such lien or stay enforcement thereof within thirty (30) calendar days of notice thereof.

8.6 Permit Required. Lessee shall be responsible for determining whether it is subject to local building/construction codes or permit requirements, and for compliance with them to the extent they are applicable. All structural, electrical, plumbing or mechanical construction or reconstruction shall conform to City of Mesa (the "**City**") construction and technical codes. No such work shall be commenced without first submitting required plans and obtaining required permits from the City. All such work shall be permitted, inspected and approved by the City prior to concealment or use, as and if required by law. Lessee shall provide to Lessor a contemporaneous copy of Lessee's permit application and the associated plans and specifications

8.7 Damage or Destruction. Lessee shall maintain insurance on all of Lessee's improvements to the Premises. In the event that all or any portion of the Premises, Phase I Improvements, or Lessee's improvements are damaged or destroyed in whole or in part by fire or other casualty of any kind or nature, then Lessee shall give Lessor notice thereof within thirty (30) calendar days after such casualty occurs. To the extent such damage or destruction renders unusable fifty percent (50%) or more of the square footage of the Phase I Improvements, or such smaller percentage thereof if the damage has occurred in a vital (as determined in Lessee's reasonable good faith discretion) portion of the Premises for the operation of Lessee's business, then Lessee shall have the option to re-build or not to re-build in Lessee's sole discretion. Lessee shall notify Lessor in writing within sixty (60) days of the casualty occurrence of Lessee's decision of whether or not to re-build. If Lessee elects not to re-build, then the Lease shall terminate on the thirty-first (31st) day following Lessee's election, provided that Lessee shall leave the Premises and improvements thereon in a safe, usable condition upon termination, and any compromised vertical improvements shall be demolished and removed. On or before such termination, Lessee shall pay Lessor a sum equal to fifty percent (50%) of the total ground rent that would have otherwise been due for the unexpired portion of the Initial Term (and any Renewal Term, if exercised).

8.8 Condemnation. In the event that the whole of the Premises shall be permanently taken, condemned or title thereto acquired by the exercise of the power of eminent domain (hereinafter referred to as a "**Proceeding**") by any person or corporation, municipal, public, private or otherwise, during the Term hereof, then and in that event, the Term of this Lease shall terminate from the date when possession of the Premises shall be required for such use or purpose. If, during the Term of the Lease, less than the entirety of the Premises shall be taken in any such Proceeding, Lessee shall, nevertheless, continue to perform and observe all of the terms, covenants and conditions of this Lease upon the part of Lessee to be performed and observed, as though such taking had not occurred, except that from and after the date of vesting of title, a just and appropriate part of the Rent, inclusive of Base Rent, according to the nature and extent of the taking, shall be equitably adjusted; provided, however, that in the event less than the entirety of the Premises shall be permanently taken in any such Proceeding, and such portion taken through such Proceeding is a vital (as determined Lessee's reasonable good faith discretion after consultation with Lessor) portion of the Premises for the operation of Lessee's business, then Lessee shall also have the option to terminate this Lease as set forth herein. Lessor and Lessee shall each be entitled to seek their own separate awards from the condemning authority in the Proceeding unless the condemning authority shall refuse to grant separate awards and, in such event, the net proceeds of any such award shall be equitably divided between Lessor and Lessee, as their interests may appear. Any award arising from the condemnation of the Phase I Improvements and any Lessee Improvements shall be negotiated, adjusted, settled, applied, held and/or disbursed to Lessee and its lender, pursuant to agreements between them.

9. MAINTENANCE

9.1 Lessee Responsibilities. Lessee shall, at its sole cost and expense, keep the Premises in a clean condition and in good order, condition and repair throughout the Term, reasonable wear and tear excepted. Lessee's maintenance of the Premises shall consist of, as reasonably necessary, the inspection, servicing and repair of all Phase I Improvements and Lessee Improvements, including pest control, landscaping and grounds maintenance.

9.2 Damage to Lessor Property. Any real or personal property of Lessor damaged or destroyed by Lessee as a result of Lessee's use or occupancy of the Premises shall be promptly repaired or replaced by Lessee to the reasonable satisfaction of Lessor. In lieu of such repair or replacement, Lessee may elect to pay to Lessor an amount sufficient to compensate for the loss sustained by Lessor.

9.3 Trash Removal. Lessee shall at all times keep the Premises in a neat, clean, safe, sanitary and orderly condition and shall keep such area free of all trash and debris. Lessee shall 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.

9.4 Emergency Contact. Within FIFTEEN (15) days of the Effective Date hereof, Lessee shall provide Lessor with a list of names and telephone numbers for 24-hour emergency contact for the Premises. Lessee shall thereafter provide Lessor with updated lists and changes as necessary.

10. ASSIGNMENT, SUBLETTING AND OTHER TRANSFERS

10.1 Transfer of Lease Interest. In the event Lessee desires to transfer, assign, encumber, pledge or hypothecate any portion of its interest in this Lease or any right or interest hereunder (including, but not limited to as part of a mortgagor deed of trust or an assignment by means of a foreclosure or trustee's sale thereunder)(individually and collectively, "**Transfer**"), or sublet the Premises or any part thereof, Lessee must obtain the prior written consent of Lessor, which such consent shall not be unreasonably withheld, conditioned, or delayed. Where Lessor approves in writing of such Transfer, Lessor shall be entitled to request and acquire written financial assurances, including, but not limited to financial statements, business plans and other information related to the financial condition and plans of any proposed transferee. Lessor shall release Lessee from on-going liability in the event that the transferee assumes all obligations of Lessee hereunder and has a net worth equal to or greater than Lessee's as of the date of this Lease. Lessee understands and agrees to these terms and conditions regarding any proposed Transfer, and that any violation of this SECTION 10, may irreparably harm Lessor as the requirements set forth herein are directly related to PMGAA's (and any Lessee's) legal and financial obligations to the Federal Aviation Administration. This SECTION 10 shall remain valid and enforceable even in the event of amendment to or repeal of FAA regulations, so long as this SECTION 10 does not directly conflict therewith.

10.1.1 Notwithstanding the foregoing, Lessee may, without Lessor's consent (but with prior notice to Lessor), assign this Lease or sublease all or any portion of the Premises to an Affiliate, or to any business entities directly or indirectly, controlling, controlled by, or under common control with Lessee, or to successors to Lessee by merger, consolidation, realignment, reorganization or purchase of Lessee, or to a purchaser of all of substantially all of the assets of Lessee used in the operation of Lessee's business, or in connection with financing obtained by Lessee, but subject to compliance with the terms of SECTION 23 hereof (each, a "**Permitted Transfer**" and such entity, a "**Permitted Transferee**"). For purposes of this SECTION 10.1.1, "**Affiliate**" means any person or entity that, directly or indirectly, controls, is controlled by or is under common control with Lessee. For purposes of this definition, "**control**" shall mean possessing the power to direct or cause the direction of the management and policies of the entity by the ownership of a majority of the voting securities of the entity. Lessee's option to exercise a Renewal Term shall be transferable to any Permitted Transfer.

10.2 Lessee's Required Advance Notice to Lessor of Proposed Transfer. In order for Lessor to consider a Transfer, Lessee must: (i) notify Lessor in writing at least thirty (30) calendar days prior to such proposed transfer, including with respect to a Permitted 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, provided that no such approval right shall apply to a Permitted Transfer); and (iii) the transferee (including a Permitted 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 except as set forth in SECTION 10.1 above.

10.3 Subletting. Lessee may sublease all or a portion of the Premises if the following conditions are met:

10.3.1 The sublease and any amendments or modifications thereto are approved in advance and in writing by Lessor, or are in a form which shall have been previously approved in writing (except for changes that do not materially impact Lessor's rights and interests) by Lessor. If a pre-approved form is used, Lessor's advance approval of the actual sublease and any amendments or modifications thereto is not required, nor shall this Subsection 10.3.1 apply to a Permitted Transfer.

10.3.2 Rent for subleased premises shall not be less than fair market value for the subleased premises unless otherwise approved in writing be Lessor.

10.3.3 The sublease(s) and sublessee(s) shall at all times be subject to the terms and conditions of this Lease.

10.3.4 The permitted uses of the Premises under any sublease shall be the same as that permitted under this Lease. Sublessees shall agree in the sublease not to engage in any prohibited activity, as described in SECTION 1.5 herein.

10.3.5 The term of any sublease shall not extend beyond the stated expiration of this Lease.

10.3.6 Except for the payment of a security deposit, if any, the sublessee under such sublease shall not pay rent more than SIX (6) months in advance of its due date under the sublease.

10.4 Non-Disturbance and Attornment. Upon request from Lessee and/or any sublessee, Lessor shall enter into a Non-Disturbance and Attornment Agreement (in form and substance reasonably acceptable to Lessor, Lessee, sublessee and any applicable Mortgagee (as hereinafter defined) of Lessee or sublessee) so long as (i) the conditions of SECTION 10.3 above have been met; (ii) the sublessee is not then in default beyond an applicable notice and cure period under the sublease and there is no existing Event of Default under this Lease; and (iii) the sublessee does not have a history of five (5) or more documented events of noncompliance with the Airport Rules and Regulations or Airport Minimum Standards. All reasonable legal fees incurred by Lessor in connection with any reasonably necessary third-party legal counsel review and approval of a Non-Disturbance and Attornment Agreement shall be paid by in advance by Lessee or sublessee. This Section 10.4 shall not apply to a Permitted Transfer.

10.5 Security Clearance. Lessee shall not permit any sublessee unescorted access to the secured areas of the Airport unless and until the sublessee has obtained its own valid Airport security clearance and media from Lessor. Lessee acknowledges that it may take THIRTY (30) calendar days or more to process sublessee for security clearance and media.

10.6 Copy of Sublease. Lessee shall submit a copy of each fully executed sublease to Lessor as soon as possible, but no later than FIFTEEN (15) business days after execution.

10.7 Use of Premises by Third Parties. Notwithstanding anything herein to the contrary, Lessee shall be permitted in the ordinary course of its business to allow its clients and/or subcontractors to occupy portions of the Premises in connection with work such clients and/or subcontractors are performing on behalf of Lessee without notice to or consent of Lessor.

10.8 No Recapture. Lessor shall not have the ability to recapture any such sublease space during the Term of this Lease.

10.9 No Sharing of Profits. Lessee shall retain one hundred percent (100%) of any profits derived from any assignment or sublease.

10.10 Transferability. Any subleasing or assignment by Lessee shall not affect the right to exercise a Renewal Term as set forth in the Lease. All rights of Lessee under this Lease may, in Lessee's discretion, be transferred to any assignee and/or Permitted Transferee, including, without limitation, in connection with Lessee's option to exercise a Renewal Term.

11. IDENTIFICATION SIGNS

Lessee, at its own cost and expense, may install on the Premises, a sign or signs identifying its business on the exterior of the Premises, including both monument signage at the entrance, as well as building signage, which will be visible from the runway for approaching aircraft and in addition, directional signage on Airport property leading to the Premises; provided, however, that the general type, size, and location of such sign(s) shall conform to Lessor's Comprehensive Sign Plan, be approved in writing by Lessor in advance of installation (such approval not to be unreasonably withheld, conditioned or delayed) and be subject to any signage rules, codes and/or regulations of any governmental authority.

12. DEFAULT; TERMINATION BY LESSOR

12.1 Events of Default. Each of the following shall constitute a material default of this Lease by Lessee (an "**Event of Default**"): `

12.1.1 Failure to pay any installment of Base Rent or other amount due from Lessee hereunder, provided that Lessee does not cure such failure within TEN (10) calendar days after delivery by Lessor of a written notice of such failure.

12.1.2 Failure to perform any of its other obligations under this Lease, provided that Lessee does not cure such failure within THIRTY (30) calendar days after delivery by Lessor of a written notice of such default; provided, however, if a cure of the default reasonably requires more than THIRTY (30) calendar days to complete, then the time to cure shall be extended so long as the cure is being diligently pursued.

12.1.3 The filing of any mechanic's, materialmen's or other lien or any kind against the Premises because of any act or omission of Lessee which lien is not discharged, by bonding or take other steps acceptable to Lessor that remove such lien or stay enforcement thereof within THIRTY (30) calendar days of receipt of actual notice thereof by Lessee.

12.1.4 The Transfer or attempted transfer of any interest in the Lease to any transferee which is not in accordance with SECTION 10 and SECTION 23 hereof.

12.2 Lessor's Remedies. Upon the occurrence of an Event of Default under this Lease, Lessor may, without prejudice to any other rights and remedies available to a Lessor at law, in equity or by statute, but subject to the provisions of this Lease, including but not limited to SECTIONS 10, 23 and 24 herein, exercise one or more of the following remedies, all of which shall be construed and held to be cumulative and non-exclusive:

12.2.1 Terminate this Lease and re-enter and take possession of the Premises; or

12.2.2 Without terminating this Lease, re-enter and take possession of the Premises; or

12.2.3 Without such re-entry, recover possession of the Premises in the manner prescribed by any statute relating to summary process, and any demand for Base Rent, re-entry for condition broken; or

12.2.4 With or without terminating this Lease, Lessor may re-let the Premises or any portion thereof.

12.3 No Implied Termination. Lessor shall not be deemed to have terminated this Lease unless Lessor shall have notified Lessee in writing that it has so elected to terminate this Lease. For the period commencing upon the occurrence and during the continuance of an Event of Default until such time as the Event of Default is cured and possession is revested in or delivered to Lessee, Lessee hereby waives all claims based on Lessor's reentering and taking possession of the Premises, or removing and storing the property of Lessee, and shall save Lessor harmless from all losses, costs or damages occasioned thereby. No such reentry shall be considered or construed to be a forcible entry by Lessor.

12.4 Lessor's Current Damages. 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 reasonably 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 THIRTY (30) calendar days after receipt of Lessor's statement, together with copies of invoices and supporting documentation. If Lessor exercises any of the remedies stated above, Lessor shall be entitled to recover from Lessee all actual damages incurred by Lessor by reason of the Event of Default, which shall include, without limitation, (i) the equivalent of the amount of the present value of Base Rent and all other payments which would be payable under this Lease by Lessee for the remainder of the Term as if this Lease were still in effect, less (ii) the net proceeds of any re-letting by Lessor after deducting all of Lessor's reasonable expenses in connection with such re-letting, which shall include, without limitation, repossession costs, repairs, redecorating, refurbishments or improvements to the Premises, brokerage commissions, reasonable attorneys' fees, and reasonable legal expenses. Lessee shall pay such current damages to Lessor, in the amount set forth in the preceding sentence ("**Deficiency**"), in monthly installments on the days on which the Base Rent would have been payable under this Lease as if this Lease were still in effect. In no event shall Lessee be liable for punitive, consequential or speculative damages under this Lease. Lessor agrees to satisfy its obligations to mitigate its damages and to, in all instances, comply with applicable law.

12.5 Lessor's Final Damages. At any time after an Event of Default, whether or not Lessor shall have collected any monthly Deficiency as set forth above, Lessor shall be entitled to recover (without duplication or in excess of Lessor's total damages arising out of this Lease) 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 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.

12.6 No Waiver by Lessor. No waiver by Lessor of any breach or Event of Default by Lessee in the performance of its obligations under this Lease shall be deemed to be a waiver of any subsequent Event of 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.

12.7 Content of Default Notice. Any notice for an Event of Default tendered to Lessee hereunder shall be deemed to be sufficient if it is reasonably calculated to put Lessee on inquiry as to the nature and extent of such default and is made in accordance with SECTION 20 herein.

12.8 Limitation on Exercise of Termination Remedy by Lessor. Notwithstanding anything to the contrary in SECTION 12.2 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 12 shall limit the exercise of any such other remedy.

12.9 Waiver of Landlord's Lien. Lessor hereby waives all statutory or common law landlord's lien rights with respect to personal property located on the Premises.

13. RESERVED.

14. INDEMNIFICATION

14.1 Lessee's Indemnity. Except for the negligent acts or omissions and intentional misconduct of Lessor and its agents, contractors, employees, managers and representatives, to the fullest extent permitted by law, Lessee hereby agrees to defend, indemnify and hold harmless Lessor and its members, elected or appointed officials, agents, boards, commissions and employees 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 (collectively, "**Liabilities**") to the extent caused by or arising out of (i) violations of the Airport Security plan, security directives, security bulletins, or notifications about Airport security ("**Security Communications**") provided that the portions of the Security Communications applicable to Lessee and Lessees' operations have been delivered to Lessee in advance and in writing, (ii) any breach of any representation or warranty of Lessee under this Lease or Event of Default of Lessee in the performance of any covenant or agreement on the part of Lessee to be performed pursuant to the terms of the Lease, and (iii) any and all negligent acts or omissions and intentional misconduct of Lessee, its agents, employees, and contractors. This indemnification shall exclude responsibility for any damages and for claims arising by reason of the negligent acts or omissions and intentional misconduct of Lessor or its employees, managers, representatives, contractors, subcontractors, or agents. Lessor's members, elected or appointed officials, agents, boards, commissions and employees are third-party beneficiaries of this Section 14.1.

14.2 Lessor's Indemnity. Except for the negligent acts and omissions and intentional misconduct of Lessee and its agents, contractors, employees, managers and representatives, to the fullest extent permitted by law, Lessor hereby agrees to defend, indemnify and hold harmless Lessee and its members, elected or appointed officials, agents, boards, commissions and employees from and against any and all third-party Liabilities to the extent caused by or arising out of (i) Lessor's ownership, occupancy, use or conduct of business on the Premises, (ii) any breach of any representation or warranty of Lessor under this Lease or default of Lessor in the performance of any covenant or agreement on the part of Lessor to be performed pursuant to the terms of this Lease, and (iii) any and all negligent acts or omissions and intentional misconduct of Lessor, its agents, employees, and contractors on or about the Premises. This indemnification shall exclude responsibility for any damages and for claims arising by reason of the negligent acts or omissions and intentional misconduct of Lessee or its employees, managers, representatives, contractors, subcontractors, or agents. Lessee's members, elected or appointed officials, agents, boards, commissions an employees are third-party beneficiaries of this Section 14.2.

14.3 Lessor's Damage to Improvements. Lessor shall be responsible and liable for any damage to any improvements or alterations on the Premises, including but not limited to the Phase I Improvements

and Lessee Improvements, to the extent caused by Lessor or its agents, employees, and contractors, and Lessor shall promptly repair any damage caused by Lessor or its agents, employees, and contractors.

14.4 Lessee's Damages to Improvements. Lessee shall be responsible and liable for any damage to any improvements or alterations on the Airport, to the extent caused by Lessee or its agents, employees, and contractors, and Lessee shall promptly repair any damage caused by Lessee or its agents, employees, and contractors.

15. ENVIRONMENTAL PROTECTION

15.1 Definitions. Unless the context shall clearly require otherwise, the terms defined in this SECTION 15.1 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:

15.1.1 *Environmental Laws.* The term "**Environmental Law**" shall mean any one or all of the following, as the same are amended from time to time: the Comprehensive Environmental Response, Compensation, and Liability Act, 42 USC Section 9601 et seq.; the Resource Conservation and Recovery Act, 42 USC Section 6901, et seq.; the Toxic Substances Control Act, 15 USC Section 2601 et seq.; the Safe Drinking Water Act, 42 USC Section 300f et seq.; the Clean Water Act, 33 USC Section 1251 et seq.; the Clean Air Act, 42 USC Section 7401 et seq.; the Arizona Hazardous Waste Management Act, A.R.S. Section 49-921 et seq. the Arizona Environmental Quality Act, A.R.S. Title 49, as amended; and all regulations thereunder and any other laws, regulations and ordinances (whether enacted by the local, state or federal government) now in effect or hereafter enacted that deal with the regulation or protection of the environment, including the ambient air, ground water, surface water, and land use, including substrata land, or that govern the use of hazardous materials, hazardous waste and hazardous substances and petroleum products.

15.1.2 *Hazardous Material.* The term "**Hazardous Material**" shall mean any toxic or hazardous material, substance or waste, or any pollutant or contaminant as defined or regulated pursuant to any Environmental Law and petroleum products. For purposes of this definition, petroleum includes petroleum-based substances comprised of a complex blend of hydrocarbons derived from crude oil through processes of separation, conversion, upgrading and finishing (e.g., distillate fuel oils, petroleum solvents and used oils).

15.1.3 *Environmental Conditions.* The term "**Environmental Conditions**" shall mean any adverse condition relating to surface water, ground water, drinking water supply, land, surface or subsurface strata, or the ambient air, and includes, without limitation, air, land and water pollutants, noise, vibration, light, and odors, which may result in a claim of liability under any Environmental Laws, and which shall include Offsite Migration. For purposes hereof, "**Offsite Migration**" shall mean the migration of any Environmental Condition on or under the Premises originating from land other than the Premises, which Lessee proves to Lessor's reasonable satisfaction was not caused or exacerbated (as opposed to the mere discovery or uncovering of) by Lessee or any of its agents, employees, or contractors.

15.2 Environmental Compliance and Lessor Representations.

15.2.1 Lessee shall, at the Lessee's own expense, comply with all enacted Environmental Laws, including any amendments thereto (but as to any violations of laws existing as of the date of this Lease, such compliance obligation shall not transfer to Lessee by virtue of Lessee's tenancy under this Lease), affecting Lessee's activities on and property interest in the Premises during the Term of this Lease and shall not in the use and occupancy of the Premises or otherwise, cause any Environmental Condition on or about the Premises. To the extent that Lessor, or any Lessor's employees, agents or contractors, conducts any activities on or about the Premises during the Term of this Lease, Lessor shall, at Lessor's own expense, comply with all present and

hereafter Environmental Laws, including any amendments thereto, affecting any of Lessor's activities on the Premises, and Lessor shall not cause any Environmental Condition on or about the Premises. Lessee may elect, in its sole discretion, to cleanup, remediate, remove, and/or restore any matters of non-compliance not caused by Lessee, its agents, employees, or contractors, and in such instance, Lessor shall use commercially reasonable efforts to enforce all obligations of the United States Government and all other tenants and/or users at the Airport.

15.2.2 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, or contractors in violation of any Environmental Law, except that the Parties recognize and agree that Lessee may bring on or about the Premises and Airport and use Hazardous Material that is ordinarily and customarily used in the conduct of Lessee's permitted use and activities under this Lease, provided that such use shall comply fully with all applicable Environmental Laws. Except in connection with Lessor's delivery of fuel to the Premises requested by Lessee in the ordinary course of its business, Lessor shall not cause or permit any Hazardous Material to be brought upon, kept, or used on the Premises by Lessor's agents, employees, or contractors for any activity Lessor conducts on the Premises during Lessee's occupancy, without prior written notification to and written approval by Lessee (which may be withheld in Lessee's sole discretion), and any such use or presence shall be in compliance with Environmental Law.

15.3 Indemnification.

15.3.1 Lessee's Indemnity. To the fullest extent permitted by law, Lessee shall indemnify, defend (with counsel reasonably acceptable to Lessor), protect and hold harmless Lessor and its employees and agents for, from and against any and all liability, loss, damage, expense, penalties and legal and investigation fees or costs, arising from or related to any claim or action for injury, liability, or damage to persons or property and any and all claims or actions brought by any person, entity or governmental body, alleging or arising in connection with contamination of the environment or violation of any Environmental Law or other statute, ordinance, rule, regulation, judgment or order of any government or judicial entity, or arising in connection with an Environmental Conditions (collectively, "**Environmental Damages**") which are incurred or assessed as a result of any of Lessee'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. Lessee's obligations and liabilities under this SECTION 15.3.1 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. Provided however, this SECTION 15.3.1 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 in, on, under, or from the Premises on or prior to the Effective Date hereof, or the mere discovery of any Hazardous Materials in, on, under or from the Premises as a result of Lessee's construction and completion of the Phase I 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.

15.3.2 Lessor's Indemnity. To the fullest extent permitted by 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 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 15.3.2 shall survive the termination of this Lease. Lessee reserves the right to seek injunctive relief as may be permitted under law and in equity. In addition,

Lessee may elect, in its sole discretion, to cleanup, remediate, remove, and/or restore any such site conditions, and in such instance, Lessor shall use commercially reasonable efforts to enforce all obligations of the United States Government to reimburse the costs of the same.

15.4 Remediation. Subject to the provisions in SECTION 15.3 above, 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 hereof results in any Release (as defined below) on the Airport or Premises in violation of any Environmental Law, or if a known contamination is exacerbated as a result of Lessee's construction and completion of the Phase I Improvements and/or any other Lessee Improvements, 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 be unreasonably withheld, conditioned or delayed, so long as such actions would not potentially have any material adverse long-term effect on the Airport and Lessee is not under administrative or court order related to such remediation action (and which shall not be required in the event of an emergency). Notwithstanding Lessor's approval pursuant to this SECTION 15.4, Lessor is not responsible for directing or managing any remediation action. For purposes of this SECTION 15.4, the term "**Release**" means any releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, disposing, or dumping. Lessee shall have no responsibility for any remediation that may be required due to conditions set forth in that certain Phase I environmental report dated October 27, 2021 unless such conditions are exacerbated by Lessee or its employees, agents, or contractors.

15.5 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. Subject to the provisions in SECTION 1.1 and SECTION 15.3 above, should the Government determine that a site characterization, site assessment and/or cleanup plan should be prepared and/or that a cleanup should be undertaken because of any spills or discharges of Hazardous Material by reasons of Lessee's activities or actions at the Airport which occur during the Term of this Lease, then Lessee shall, at the Lessee's own expense, prepare and submit the required plans and financial assurances, and carry out the approved plans.

15.6 Information Sharing. Lessee shall promptly notify Lessor of any of the following: (i) Lessee's receipt of any written notification from any governmental entity either charging or informing Lessee that it will be charged with a significant violation of Environmental Law (as defined below), and (ii) any significant change in Lessee's activities on the Premises that is reasonably likely to adversely change Lessee's obligations or liabilities under the Environmental Laws. In addition, upon written request by Lessor, Lessee agrees to provide Lessor with non-privileged copies of documents, if any, reflecting the physical condition of the Premises, including but not limited to, environmental testing of soils and groundwater, and existing, non-privileged information reasonably requested by Lessor to determine the applicability of the Environmental Laws to the Premises, or to assist in the response to any governmental investigation or claim of liability by third parties which is related to environmental contamination of the Premises, to the extent that such investigations or claims are related to Lessee's activities thereon. A "**significant violation of Environmental Law**" shall be any violation that requires more than ONE HUNDRED EIGHTY (180) calendar days to resolve.

15.7 Sublease. Lessee shall insert provisions substantially identical to the provisions of this SECTION 15 in any sublease agreement or contract by which it grants a right or privilege to any person, firm, corporation or other entity under this Lease.

15.8 Actions of Lessee. The activities or actions of Lessee under this SECTION 15 shall include the activities or actions of Lessee's officers, directors, employees, agents, contractors, invitees and successors.

15.9 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.

15.10 Protective Devices and Plans. If Lessee is required by the City to estimate the possible constituents of sanitary sewer discharges in order that the City may define certain discharge limitations for the Premises, Lessee shall complete and return an Industrial Wastewater Discharge Questionnaire ("**Questionnaire**") to the City and upon written request of Lessor, Lessee shall provide Lessor with updates, if any to the Questionnaire as they arise. Also, if the City so requires, in accordance with applicable law, 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 is reasonably likely to pollute the Airport's storm water discharge or disrupt operations at the sewage treatment plant serving the Premises. Lessee shall ensure that Lessee's designated employees are trained with regard to the spill protection plan hereinafter referenced in SECTION 15.15 below. Lessee also shall provide Lessor with prompt notice of any spill under said SECTION 15.15 to Lessee's actual knowledge.

15.11 Right to Enter Premises. In addition to the rights afforded to Lessor in SECTION 19 below, this Lease specifically includes the right of the United States Government, the Environmental Protection Agency (the EPA), ADEQ, Lessor, and the Arizona Department of Occupational Safety and Health (ADOSH), subject to compliance with applicable laws, to enter the Premises upon reasonable notice to Lessee and subject to Lessee's rights under this Lease, for purposes of: (i) inspecting Lessee's compliance with environmental, occupational safety and health laws and regulations, whether or not such party is responsible for enforcing such laws; (ii) conducting environmental investigation or remediation, including, without limitation, performing tests and surveys, drillings, test-pitting, borings, compiling data and/or records, and other activities related to environmental investigation; and (iii) carrying out remedial or removal actions as required or necessary under applicable laws, including, without limitation, installing monitoring wells, pumping wells and/or treatment facilities. Lessee shall have no claim against Lessor for any entries by the United States, EPA, ADEQ, Arizona ADOSH, or any officer, agent, employee or contractor thereof.

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

15.12.1 The Parties assume no liability or responsibility for environmental impacts and Environmental Damages or claims of any kind whatsoever caused by or resulting from the U.S. Air Force's use of Hazardous Material on any portion of the Airport, including the Premises, prior to the Effective Date hereof, 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 hereof. Further, the Parties have no obligation or liability 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 15.12.1, "**defense**" or "**environmental response, remediation, or cleanup**" shall include liability and responsibility for the costs of damage, penalties, legal and investigative services relating to such use or release. The term "**use**" in this SECTION 15.12.1 shall mean any activity or presence (in or upon) such portion of, or such building, facility or other improvement on the Premises.

15.12.2 Pursuant to Section VII.E.3 of the Deed (as defined herein), the U.S. Air Force warrants and covenants that all remedial action necessary to protect human health and the environment with respect to Hazardous Material 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. To the extent permissible without the consent of the United States of America, the U.S. Air Force, or the Federal Aviation Administration, and on a non-exclusive basis, Lessor hereby assigns to Lessee, as beneficiary only and without any obligations or covenants by Lessee, the right to enforce the obligations of the U.S. Air Force, jointly and severally with Lessor, pursuant to the terms of Section VII.E.3 of the Deed.

15.13 Cleanup Requirements. Except as otherwise provided in this Lease, including but not limited to SECTIONS 1.1, 14.2, 15.3.2, and 15.17, 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. Except as otherwise provided in SECTIONS 1.1, 14.2 , 15.3.2, and 15.17, 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 and/or Lessor, as applicable agree 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 any governmental authorities or Lessor shall, to the extent practicable, be coordinated with representatives designated by Lessee. Lessor covenants and agrees to comply with any directives, orders and or requirements imposed upon Lessor, whether imposed by law, regulatory agencies, or the U.S. Air Force or Department of Defense. Notwithstanding anything contained herein to the contrary, in the event the cleanup requirements as described in this SECTION 15.14 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 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.

15.14 Spill Protection Plan. In the event Lessee undertakes any type of manufacturing, maintenance or other activities on the Premises involving the use or generation of any Hazardous Material regulated by Environmental Laws, then if required by applicable law, Lessee shall have a plan for responding to Hazardous Material, fuel, and other chemical spills ("**Spill Protection Plan**") prior to commencement of Lessee's activities on the Premises and other approved Airport locations. Such Spill Protection Plan shall comply with all applicable requirements of Environmental Law, which Spill Protection Plan shall be updated from time to time or as may be required to comply with changes in site conditions or applicable requirements, and shall be approved by all agencies that are obligated by law to approve such plan. Such Spill Protection Plan shall be independent of Lessor's spill prevention and response plans, if any. Lessee shall not rely on use of Lessor or Lessor personnel or equipment in execution of its Spill Protection Plan. Lessee shall file a copy of the Spill Protection Plan and any Lessee amendments thereto with Lessor's Environmental and Safety Coordinator within THIRTY (30) calendar days of receipt of a CofO from the City. Notwithstanding the foregoing, should Lessor provide any personnel or equipment, whether for initial fire response and/or spill containment, on the request of Lessee, or because Lessee was not, in the reasonable opinion of Lessor, conducting firefighting, containment or timely cleanup actions, Lessee agrees to reimburse Lessor for its actual reasonable costs in accordance with all applicable laws and regulations, except to the extent that Lessor was responding to conditions caused by events occurring at the Airport (not including the Premises) or by the negligence or omission of Lessor or its employees, agents or contractors.

15.15 Wells. Lessee shall not install any drinking water or other wells in any location on the Premises without the prior written approval of Lessor, which shall not be unreasonably withheld, conditioned, or delayed.

15.16 Surface Disturbances. After construction of Lessee's improvements on the Premises, if any, either in the future or as otherwise provided herein, Lessee shall not conduct any subsurface excavation, digging, drilling or other disturbance of the surface other than what is usual and customary for the anticipated uses without the prior written approval of Lessor, which shall not be unreasonably withheld, conditioned or delayed.

15.17 Later Discovered Hazmat. If any Hazardous Material is newly discovered on a portion of the Premise after the Effective Date that: (a) (i) were not placed on the Premises by Lessee or exacerbated as a result of Lessee's construction and completion of the Phase I Improvements and/or any other Lessee Improvements, and (ii) were present on the Premises on or prior to the Effective Date, or that migrated in, on, under or from the Premises (collectively, "**Later-Discovered, Pre-Existing Hazmat**"); and (b) such Later-Discovered, Pre-Existing Hazmat will cause Unavoidable Delay in the construction of the Phase I Improvements, Lessee shall promptly notify Lessor and cease development activity in the impacted area of the Premises, and Lessee shall have the right to either (1) conduct such investigations and remedial actions as necessary under applicable Environmental Law and continue development activity as the remedial process allows (and reserve any rights it may have to seek whatever compensation it is entitled to recover), if Lessor does not agree within SEVEN (7) business days of receiving Lessee's notice to promptly investigate and remediate the detected Hazardous Material in accordance with Environmental Law, at its sole cost, and on a schedule and in a manner that does not interfere with Lessee's development, use or construction plans, or (2) terminate this Lease upon written notice to Lessor without any further obligations in connection herewith except for those accruing prior to termination or which expressly survive termination of this Lease.

In the event Lessee elects to take any investigative and/or remedial actions in connection with any Later-Discovered, Pre-Existing Hazmat, Lessor agrees to reimburse Lessee for the actual, reasonable, out-of-pocket third-party costs thereof, not to exceed ONE MILLION DOLLARS ($1,000,000.00), which amount shall be due and payable by Lessor within thirty (30) days after written demand from Lessee, which demand shall be accompanied by reasonable supporting documentation, including without limitation environmental studies and reports, and invoices or receipts evidencing such costs. If Lessor does not reimburse Lessee on or before the expiration of such thirty-day period, Lessee shall be entitled to deduct the costs thereof from the Base Rent (as hereinafter defined in SECTION 4) next due hereunder.

16. PROTECTION OF WETLANDS

Lessee shall minimize the destruction, loss, or degradation by Lessee or its employees, agents, and contractors of any known wetlands located on the Premises. Lessor represents and warrants that, to its actual knowledge, there are no wetlands existing on the Premises as of the Effective Date. However, before locating new construction in wetlands, if any exist, Lessee shall contact Lessor and the United States Army Corps of Engineers and obtain a permit or waivers under Section 404 of the Clean Water Act. For purposes of this SECTION 16, the term, "**new construction**," includes structures, facilities, draining, dredging, channeling, filling, diking, impounding, and related activities.

17. INSURANCE

17.1 Coverage Required. Lessee shall procure and maintain, or cause to be procured and maintained, the following types and amounts of insurance with respect to the Premises:

17.1.1 ***Airport Premises Liability.*** Airport Premises Liability insurance in the amount of $10,000,000 per occurrence, covering third party bodily injury and property damage, and including coverage for "**premises/operations**," "**products and completed operations**," "**professional**," "**host liquor**," and "**blanket contractual liabilities**."

17.1.2 ***Comprehensive/Commercial Automobile Liability***. Comprehensive/Commercial Automotive Liability insurance in the amount of $5,000,000 combined single limit, covering all owned, non-owned, and hired vehicles operated on the Airport that are assigned to or used in the performance of commercial activities, or are operated within the AOA.

17.1.3 ***Environmental Impairment Liability***. Environmental Impairment Liability (or Pollution Legal Liability) insurance in the amount of $1,000,000 per occurrence and $2,000,000 aggregate, covering third party bodily injury and property damage associated with hazardous material storage facilities, tanks, piping, ancillary equipment and containment systems or structures that are used, controlled, constructed, or maintained on the Airport, and including expenses for defense, release mitigation, and off- and on-site remediation.

17.1.4 ***Hangarkeeper's Liability.*** Hangarkeeper's Liability insurance in the amount of $10,000,000 per occurrence (or the value of the largest aircraft operator can accommodate, whichever is greater), covering aircraft and related damage to owned and non-owned aircraft stored by or otherwise in the operator's care, custody or exclusive control. Coverage may be "**ground**" (if no test flying or other related airborne/aircraft powered operations (e.g., ferrying, ground taxiing) are conducted) or "**air**," and is required anytime aircraft are "**moved**" by the operator, irrespective of whether or not a physical hangar facility is involved.

17.1.5 ***Property Insurance.*** Property insurance in an amount equal to the full insurable value of the operator's essential personal property and all improvements made to buildings or facilities within the operator's premises, if any, including all replacements and/or additions thereto, on an All Risks, replacement-cost basis. Such shall require an ISO Special Causes of Loss Form or equivalent.

17.1.6 ***Builder's Risk Insurance***. Builder's Risk insurance covers the insured's premises and all replacements and/or additions thereto for their full insurable value on a "**replacement cost**" basis, and requires an ISO Special Causes of Loss form or equivalent. Coverage pertains only to new construction and major premises renovation projects (greater than $10,000) and is required only until project completion. Required if project involves excavation or erecting a vertical structure.

17.1.7 ***Workers Compensation.*** Workers' Compensation and Employer's Liability insurance, the former in amounts specified by law and the latter in the amount of $1,000,000 per occurrence, covering work-related injuries to the operator's employees and others permitted to conduct business activities on the operator's premises.

17.2 Form. Each insurance policy obtained pursuant to this SECTION, except for Worker's Compensation and Employer's Liability policies, shall: (i) name Lessor as a certificate holder 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) days in case of nonpayment of premium); and (iii) contain a waiver of subrogation in favor of Lessor. Lessee shall not permit any insurance policy to be canceled or modified without Lessor's written consent unless equivalent replacement policies are issued with no lapse in coverage. All policies shall be obtained from insurance companies licensed to do business in the State of Arizona and possessing a rating of at least A – VII or higher from the A.M. Best Company, or an equivalent rating and approved by Lessor.

17.3 Certificates of Insurance. Lessee shall deliver a certificate of insurance for each policy required along with an endorsement naming Phoenix-Mesa Gateway Airport Authority as additional insured, herein to Lessor, in standard Acord or equivalent form, prior to the Effective Date and shall continue to provide such certificates throughout the term of this Lease.

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

17.5 Insurance by Lessor. In the event Lessee shall fail to procure any insurance required hereunder, Lessor may, upon written notice to, and a reasonable opportunity to cure by, Lessee, procure and maintain any or all of the insurance required of Lessee under this SECTION 17 in its reasonable discretion. 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 THIRTY (30) business days after Lessor advises Lessee of the cost thereof.

17.6 Lessor Coverage Required. Lessor shall procure and maintain, or cause to be procured and maintained, the following types and amounts of insurance with respect to the Airport:

17.6.1 ***Airport General Liability.*** Airport General Liability insurance in the amount of $200,000,000 per occurrence, covering third party bodily injury and property damage, and including coverage for "**premises/operations**," "**products and completed operations**," "**professional**," "**host liquor**," and "**blanket contractual liabilities**."

17.6.2 ***Comprehensive/Commercial Automobile Liability***. Comprehensive/Commercial Automotive Liability insurance in the amount of $1,000,000 combined single limit, covering all owned, non-owned, and hired vehicles operated on the Airport that are assigned to or used in the performance of commercial activities, or are operated within the AOA.

17.6.3 ***Environmental Impairment Liability***. Environmental Impairment Liability (or Pollution Legal Liability) insurance in the amount of $3,000,000 aggregate, covering third party bodily injury and property damage associated with hazardous material storage facilities, tanks, piping, ancillary equipment and containment systems or structures that are used, controlled, constructed, or maintained on the Airport, and including expenses for defense, release mitigation, and off- and on-site remediation.

17.6.4 ***Property Insurance.*** Property insurance in an amount equal to the full insurable value of the operator's essential personal property and all improvements made to buildings or facilities within the operator's premises, if any, including all replacements and/or additions thereto, on an All Risks, replacement-cost basis. Such shall require an ISO Special Causes of Loss Form or equivalent.

17.6.5 Lessor's insurance policies shall contain a waiver of claim and subrogation in favor of Lessee for loss or damage to property, both real and personal, caused by or resulting from casualties customarily insurable.

18. SURRENDER OF POSSESSION

18.1 Condition of Property. 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 excepting (a) normal wear and tear, (b) subject to Lessee's obligations pursuant to SECTION 8.7 hereof, damage from fire or other casualty, condemnation and/or (c) acts or omissions of Lessor and its agents, employees, contractors, or representatives. All trade fixtures, equipment, and other personal property installed or placed by Lessee on the Premises which are not permanently affixed thereto (collectively, "**Personal Property**") shall remain the property of Lessee, and Lessee shall have the right at any time during the Term of this Lease, to remove the same from the Airport and Lessee shall repair, at its sole cost, any damage caused by such removal. Any such Personal Property not removed by Lessee on or prior to the termination of this Lease, or revocation of Lessee's right to occupy the Premises, shall become a part of the Premises, and ownership thereof shall vest in Lessor. Unless otherwise agreed to by the Parties, 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 such Personal Property formerly belonging to Lessee and not otherwise removed from the Premises, as provided herein, and shall remit to Lessor payment for such costs within THIRTY (30) calendar days of Lessee's receipt of Lessor's invoice therefor, together with supporting documentation.

18.1.1 At the expiration or sooner termination of this Lease, Lessor agrees to accept the Premises with all alterations, additions and improvements made by Lessee in accordance with SECTION 8.3, which improvements shall thereafter become Lessor's property, and Lessee shall not be required to restore the Premises to the condition existing at the commencement of the Initial Term.

18.2 Holding Over. Lessee shall not remain in possession of the Premises after the expiration or earlier termination of the Term without the express written consent of Lessor. Should Lessee hold over without the express written consent of Lessor, such tenancy shall be at the sufferance of Lessor and not a renewal of the Term. In such case, the Base Rent and all other charges due pursuant to this Lease shall be payable at ONE HUNDRED FIFTY PERCENT (150%) of the amount payable during the last year of the Term, and such tenancy at sufferance shall be subject to every other term, covenant and provision of this Lease. In the event Lessee holds over for more than three (3) months, Lessee shall be liable for all of Lessor's direct and consequential damages, which shall include, without limitation, costs, fees, expenses, damages and attorneys' fees incurred by Lessor as a result of Lessee's holding over, and damages and expenses incurred by Lessor for its inability to deliver possession of the Premises to a new lessee.

19. INSPECTION BY LESSOR

Lessor acknowledges and agrees that (i) the portion of the Phase I Improvements consisting of approximately 30,000 square feet of office space on the second and/or third floors of the Premises has been designated by Lessee as a sensitive information facility due to the highly confidential nature of the use thereof; and (ii) Lessee shall have the right from time to time to reasonably and in good faith designate additional portions of the Phase I Improvements and other portions of the Premises as "**Designated Secured Areas**." Upon FIVE (5) business days' advance written notice to Lessee (herein, an "**Entry Request**"), and provided Lessor complies with the entry requirements established by Lessee from time to time and does not unreasonably interfere with Lessee's use of the Premises, Lessee shall permit Lessor and its agents to enter upon the Premises (other than the Designated Secure Areas), subject to any safety, security, and/or confidentiality requirements of Lessee and provided that Lessee or its agent is present, for the purpose of inspecting the same (other than the Designated Secure Areas). In the case of an emergency in which Lessor is required under applicable law to immediately enter, no prior notice to Lessee is required (but notice reasonable under the circumstances shall be given), but Lessor shall nevertheless be subject to Lessee's confidentiality requirements and agreement. Without limiting the generality of the foregoing, Lessee may implement (and from time to time modify) and Lessor and its agents, employees, and contractors shall comply with, commercially reasonable rules, systems and procedures for the security and safety of the Premises and its contents and Lessee's employees, agents, guests and invitees, which systems and procedures may include, among other things, continuously monitored video surveillance, roving security guards/patrols, lobby attendants, security lighting, key-card systems, access gates, the right to escort Lessor and any third parties while the same are on the Premises, the right to prohibit photographs of any portion of the Premises designated by Lessee without Lessee's prior written consent (which consent may be withheld in Lessee's sole and absolute discretion); the right to require Lessor and/or any of Lessor's designees to deliver to Lessee its then current commercially reasonable confidentiality/non-disclosure agreement prior to any entry onto the Premises; reasonable and good faith designation by Lessee of sensitive areas of the Premises that are wholly restricted from entry by Lessor, any of the Lessor's employees, contractors, and agents or any of their designees except as otherwise expressly provided herein (the "**Designated Secure Areas**"); and the right to restrict access by any visitor whom Lessor intends to bring on the Premises who is a competitor, as determined by Lessee in its sole and absolute discretion (collectively, "**Lessee's Security Systems**"). Lessor shall take reasonable steps to avoid interrupting or disrupting the conduct of business of Lessee on the Premises.

20. NOTICES

20.1 All notices required or permitted under this Lease shall not be effective unless personally delivered or mailed by certified mail, return receipt requested, postage prepaid, or by reputable commercial overnight courier service, to the following addresses:

TO LESSOR:	Phoenix-Mesa Gateway Airport Authority Attn: Business Development Department 5835 South Sossaman Road Mesa, Arizona 85212
TO LESSEE:	Gulfstream Aerospace Corporation Attn.: James Whalen, Director, Real Estate & Facilities 500 Gulfstream Road, M/S E-02 Savannah, GA 31408
With a copy to:	Gulfstream Aerospace Corporation Attn: Kandice Harvey, Senior Contract Manager 500 Gulfstream Road, M/S E-02 Savannah, GA 31408
And to:	Jenner & Block LLP Attn: Michelle McAtee 353 N. Clark Street Chicago, IL 60654

20.2 Any notice shall be deemed to have been received Two (2) business days after the date of mailing, if given by certified mail, or upon actual receipt if personally delivered or if given by reputable commercial overnight courier service. Any Party may designate in writing a different address for notice purposes pursuant to this Section.

21. SEVERABILITY

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

22. 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.

23. LIENS AND MORTGAGES

23.1 Fee Mortgagees. Lessor may mortgage its fee interest in the Premises; provided, however, that any mortgagee under a fee mortgage shall, prior to execution and recordation of such fee mortgage, acknowledge and recognize in a writing, in form and substance satisfactory to the Leasehold Mortgagee (as defined hereinafter), that the fee mortgage is in all respects subject to the rights and remedies of the Leasehold Mortgagee under the Leasehold Mortgage and under any consent of the Lessor to an assignment of this Lease.

23.2 Mortgaging of the Leasehold.

23.2.1 Definitions. "**Leasehold Mortgage**" shall mean any 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 assignments, extensions, modifications, amendments, replacements, supplements, renewals, refinancing, and consolidation thereof. "**Leasehold Mortgagee**" shall mean the holder of a Leasehold Mortgage approved in accordance with SECTION 23.2.2.

23.2.2 Leasehold Mortgage. Lessee, and any of its Permitted Transferees, may encumber its interest in this Lease with Lessor's prior written consent, not to be unreasonably withheld, conditioned, or delayed, under any one or more Leasehold Mortgages, provided that all rights acquired under the Leasehold Mortgage(s) shall be subject to the provisions in this Lease and to all rights and interests of the Lessor herein. Lessee shall reimburse Lessor for all legal fees reasonably incurred by Lessor in connection with legal counsel review and approval of Lessee's Leasehold Mortgage and associated documents.

23.2.3 Consent to Leasehold Mortgage. Lessee, and any of its permitted successors and assigns, may encumber its interest in this Lease with Lessor's prior written consent, not to be unreasonably withheld, conditioned, or delayed, under any one or more Leasehold Mortgages, provided that all rights acquired under the Leasehold Mortgage(s) shall be subject to the provisions in this Lease and to all rights and interests of the Lessor herein. In accordance with the foregoing, Lessor hereby consents to Lessee's encumbrance of its interest in this Lease pursuant to a Leasehold Mortgage in favor of Sumitomo Mitsui Banking Corporation ("**Approved Leasehold Mortgage**") which shall secure outstanding principal indebtedness of no more than ONE HUNDRED ELEVEN MILLION FIVE HUNDRED THOUSAND and 00/100 Dollars ($111,500,000.00). If, from time to time thereafter, Lessee or Lessee's permitted successors or assigns encumbers this Lease with a Leasehold Mortgage, and if the Leasehold Mortgagee delivers to Lessor: (a) an executed counterpart of such Leasehold Mortgage; (b) any assignment thereof; (c) written notice of the Leasehold Mortgagee's name and address; and (d) 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 23 shall apply. Upon Lessee's written request, Lessor shall execute and deliver an estoppel certificate to the Leasehold Mortgagee under any Leasehold Mortgage consented to by Lessor, which estoppel certificate shall be in form and substance reasonably satisfactory to such Leasehold Mortgagee. There shall be no material modification in the Leasehold Mortgage or related documentation without Lessor's prior written consent, which consent shall not be unreasonably withheld, conditioned, or delayed.

23.3 Termination of Lease. There shall be no cancellation, surrender, or modification of this Lease by Lessor or Lessee without the prior written consent of Leasehold Mortgagee. Notwithstanding the foregoing (but subject to Leasehold Mortgagee's rights set forth in SECTION 23.6 and SECTION 23.7 hereof), nothing herein shall be deemed to prohibit Lessor from terminating this Lease in accordance with its terms.

23.4 Notices to Leasehold Mortgagees. If serving Lessee with any notice of default or termination, Lessor shall simultaneously send a copy of such notice to Leasehold Mortgagee. Leasehold Mortgagee may remedy or cause to be remedied Lessee's default under this Lease and Lessor shall accept performances by, or at the instigation of, Leasehold Mortgagee as if it had been done by Lessee. 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 23.2 hereof.

23.5 Curative Rights of Leasehold Mortgagees. Leasehold Mortgagee shall have an additional period of thirty (30) days to remedy or cause to be remedied any default of which it receives notice pursuant to SECTION 23.4, provided such Leasehold Mortgagee shall reimburse Lessor, at the time of so remedying the

default, for all reasonable costs and expenses of Lessor for maintaining, protecting, insuring, and operating the Premises during the additional thirty (30)-day period

23.6 Limitation Upon Termination Rights of Lessor. If Lessor elects to terminate this Lease because of an Event of Default, Leasehold Mortgagee may postpone and extend the date of termination for not more than three (3) months after the timing specified in SECTION 23.5 hereof if the Leasehold Mortgagee: (a) has cured, or has caused to be cured, any then-existing monetary or non-monetary Event of Default (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. Leasehold Mortgagee shall take steps necessary to acquire Lessee's interest and estate in this Lease by foreclosure of its Leasehold Mortgage, or otherwise, and shall prosecute such action to completion with diligence. If at the end of the period identified in this SECTION 23.6 Leasehold Mortgagee shall be actively engaged and diligently pursuing foreclosure or other action to acquire Lessee's interest in the Lease, and all Events of Default have been cured (with the exception of Lessee's non-monetary Events of Default of such a personal nature that they cannot be cured by Leasehold Mortgagee), the time for Leasehold Mortgagee to comply with the provisions of this SECTION 23.6 shall be extended for such period as shall be reasonably necessary to acquire Lessee's interest in the Lease with reasonable diligence and continuity. 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.

23.7 Mortgagee Lease. Lessor agrees that if this Lease is terminated based on any Event of Default, or if Lessee rejects the Lease in a bankruptcy proceeding, subject to the rights herein granted to Leasehold Mortgagee, Lessor will enter into a 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, however, notwithstanding the foregoing, if, at the time of such Event of Default or bankruptcy, Lessee is an affiliate of the Leasehold Mortgagee, Lessor shall have no obligation to enter into a Mortgagee Lease; and further provided:

23.7.1 Leasehold Mortgagee shall request Lessor execute such a Mortgagee Lease within [thirty (30)] days after the date of termination and shall, within [thirty (30)]days after its receipt from Lessor of a written statement of all 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);

23.7.2 Leasehold Mortgagee shall pay to Lessor at the time of the execution and delivery of the Mortgagee 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;

23.7.3 Leasehold Mortgagee shall remedy any matters that Lessee was obligated to perform under the terms of this Lease; and

23.7.4 Leasehold Mortgagee, as replacement Lessee under the Mortgagee 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.

23.8 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 23, in form and substance reasonably satisfactory to Leasehold Mortgagee and Lessor.

23.9 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 remain liable for such obligations and covenants only while it remains the owner of said leasehold estate.

23.10 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.

24. GOVERNING LAW; ATTORNEY 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 lie in Maricopa County, Arizona.

25. RULES AND REGULATIONS

Lessee shall at all times comply with all Federal, state and local laws, ordinances, rules, and regulations which are applicable to its activities on the Airport, the Premises itself (including but not limited to the *Americans with Disabilities Act*), or the operation, management, maintenance, or administration of the Airport, including all laws, ordinances, rules and regulations adopted after the Effective Date hereof. Lessor shall at all times comply with all such laws, ordinances, rules, and regulations applicable to Lessor. Lessee shall at all times comply with the Airport *Minimum Standards* and *Airport Rules and Regulations*, as the same may be amended from time to time. Copies of the current Airport *Minimum Standards* and *Airport Rules and Regulations* are attached hereto as **EXHIBIT C**. Lessee acknowledges and agrees that Lessor may amend the Airport *Minimum Standards* and *Airport Rules and Regulations* at any time in Lessor's sole discretion. Lessee shall be responsible for controlling and preventing disruptive pedestrian and vehicle traffic associated with its activities on the Premises and at the Airport. Lessee also shall display to Lessor any permits, licenses, or other evidence of compliance with laws upon request.

26. CORPORATE AUTHORIZATION

In executing this Lease, both Lessor and Lessee represent and warrant to the other that each is a valid entity, and each has obtained and been granted the full right, power and authority to enter into this Lease.

27. UTILITY LINES AND SERVICE CHARGES

27.1 Connections and Services. Subject to SECTION 7 herein, 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 reasonably 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, Lessee and other Airport tenants, and provided such rights-of-way do not interfere with Lessee's use of and/or access to the Premises. Lessor agrees that, to the extent the City of Mesa is responsible for certain areas and/or utilities that run from other Airport land to the Premises, Lessor shall enforce all such obligations of the City of Mesa and shall cause the City of Mesa to perform such obligations, all at no cost or expense to Lessee.

27.2 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.

27.3 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 sole discretion, including but not limited to, any utility easements on the Premises; provided, however, that, except in the event of an emergency when notice as is reasonable under the circumstances is given, such access must be requested in advance by Lessor and consented to by Lessee, and thereafter, Lessor shall conduct such repairs in such a manner and at such times as to not unreasonably interfere with Lessee's activities thereon.

28. RESERVATIONS TO LESSOR. The Premises are accepted "**as is, where is**" by Lessee, subject to any and all existing easements or other encumbrances. Lessor reserves the right to grant reasonable easements, rights-of-way, and permits, over, on, or across any portions of the Premises for commercially reasonable purposes; provided, that Lessor and the grantee, as applicable, shall not exercise such rights so as to unreasonably interfere with or disrupt Lessee's activities on the Premises, including the development of the Premises, to be determined in the reasonable judgment of Lessor and Lessee, and all such interference shall be minimized. Lessor shall provide Lessee reasonable notice of any plan to undertake the activities contemplated under this Section and shall coordinate with Lessee regarding the execution of such plans to minimize any interference with Lessee's or any subtenant's activities on the Premises. 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 28, 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.

29. FEDERAL AVIATION ADMINISTRATION (FAA) PROVISIONS

29.1 Lessee agrees that in the event improvements are constructed, maintained, or otherwise operated on the Premises for a purpose for which a Department of Transportation (DOT) program or activity is intended, or for another purpose involving the providing of similar services or benefits, Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, *Nondiscrimination in Federally Assisted Programs of the Department of Transportation,* as it may be amended.

29.2 Lessee agrees that: (i) no person shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination on the grounds of race, color, creed, disability, age, sex or national origin in the use of the Premises; (ii) that in the construction of any improvements on, over, or under the Premises and the furnishing of services thereon, no person shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination on the grounds of race, color, or national origin; and (iii) that Lessee shall use the Premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, as it may be amended.

29.3 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.

29.4 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 however, such development or improvement shall not unduly interfere with Lessee's use of and/or access to the Premises.

29.5 Lessor shall maintain and keep in repair the landing area of the Airport and all publicly owned facilities of the Airport, together with the right to reasonably direct 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.

29.6 This Lease shall be subordinate to the provisions and requirements of any existing or future agreement between Lessor and the United States relative to the development, operation or maintenance of the Airport. Lessor agrees to reasonably consult with Lessee prior to executing or entering into any agreement that could reasonably be expected to have a material or adverse effect on the Premises or access thereto, or on Lessee or its subtenants, or on any of Lessee's permitted uses, with the stated purpose of attempting in good faith to avoid any interference with, disruption of, or restriction or limitation on Lessee's intended use and development of the Premises in accordance with this Lease. Provided however, if any modification to said agreement with the United States has a material and adverse impact on Lessee's use of and/or access to the Premises, then Lessee shall have the right to terminate this Lease upon ninety (90) days written notice to Lessor.

29.7 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.

29.8 Lessee agrees to comply with the notification and review requirements covered in 14 CFR Part 77, if applicable, 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.

29.9 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, following reasonable written notice and a reasonable opportunity to Lessee to remedy the same, under the circumstances.

29.10 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, following reasonable written notice and a reasonable opportunity to Lessee to remedy the same, under the circumstances.

29.11 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).

29.12 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 (collectively, "**Assumption**"). In the event an Assumption substantially restricts the conduct of Lessee's use of and/or access to the Premises for a period of thirty (30) calendar days or more; Lessee shall have the right to terminate this Lease upon thirty (30) days written notice to Lessor.

29.13 To the extent that Lessee conducts or engages in any aeronautical activity for furnishing services to the public at the Airport, Lessee shall furnish its services on a reasonable and not unjustly discriminatory basis to all users and charge reasonable and not unjustly discriminatory prices for each unit or service; except, however, that Lessee may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar type of price reductions to volume purchasers.

29.14 Lessee shall conform to Lessor and FAA safety and security rules and regulations regarding use of the Airport air operations area including runways, taxiways, taxilanes and aircraft aprons by vehicles, employees, customers, visitors, etc., in order to prevent security breaches and avoid aircraft incursions and vehicle/pedestrian deviations; complete and pass an airfield safe driving instruction program when offered or required by Lessor; and be subject to penalties as prescribed by Lessor for violations of Airport safety and security requirements applied in a non-discriminatory manner.

30. TITLE VI

30.1 Lessee agrees to comply with pertinent statues, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color or national origin, sex, age or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. Lessee understands and acknowledges that the FAA requires inclusion of and adherence to the terms and conditions of Title VI 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.

30.2 During the Term, Lessee agrees as follows:

30.2.1 Compliance with Regulations: Lessee will comply with the Title VI List of Pertinent Nondiscrimination Acts and Authorities ("**Nondiscrimination Acts and Authorities**"), as they may be amended from time to time, which are herein incorporated by reference and made a part of this Lease.

30.2.2 Non-discrimination: Lessee, with regard to the work performed by Lessee during the Term of the Lease, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. Lessee will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR Part 21.

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

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

30.2.5 Sanctions for Noncompliance: In the event of Lessee's noncompliance with the nondiscrimination provisions of this Lease, Lessor may impose such default remedies as the Federal Aviation Administration determines to be appropriate, including, but not limited to:

(i) withholding payments, if any, to Lessee under the Lease until Lessee complies; and/or

(ii) cancelling, terminating, or suspending the Lease, in whole or in part.

30.2.6 Incorporation of Provisions: Lessee will include the provisions subsections 30.2.1 through 30.2.5 in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Nondiscrimination Acts and Authorities, and the regulations and directives issued pursuant thereto. Lessee will take action with respect to any subcontract or procurement as the sponsor or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if Lessee becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, Lessee may request Lessor to enter into any litigation to protect the interests of Lessor. In addition, Lessee may request the United States to enter into the litigation to protect the interests of the United States.

30.3 Lessee, for itself and its successors in interests and assigns, as a part of the consideration hereof, does hereby covenant and agree that (1) no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of Lessee's facilities, (2) that in the construction of any improvements on, over, or under the Premises, and the furnishing of services thereon, no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that Lessee will use the Premises in compliance with all other requirements imposed by or pursuant to the Nondiscrimination Acts and Authorities.

30.4 During the performance of this Lease, Lessee, for itself, its assignees and successors in interest agrees to comply with the following non-discrimination statutes and authorities; including but not limited to the following (which Lessor is required to disclose and include in such Lease and other agreements, pursuant to FAA regulation):

30.4.1 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);

30.4.2 49 CFR Part 21 (Non-discrimination In Federally-Assisted Programs of The Department of Transportation—Effectuation of Title VI of The Civil Rights Act of 1964);

30.4.3 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);

30.4.4 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;

30.4.5 The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 *et seq*.) (prohibits discrimination on the basis of age);

30.4.6 Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);

30.4.7 The Civil Rights Restoration Act of 1987 (PL 100-209) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "**programs or activities**" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);

30.4.8 Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 CFR parts 37 and 38;

30.4.9 The Federal Aviation Administration's Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);

30.4.10 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;

30.4.11 Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);

30.4.12 Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et *seq.*).

30.5 Lessee agrees that in the event improvements are constructed, maintained, or otherwise operated on the Premises for a purpose for which a Department of Transportation (DOT) program or activity is intended, or for another purpose involving the providing of similar services or benefits on the Premises, Lessee shall maintain and operate such facilities and services on the Premises 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.

31. FEDERAL FAIR LABOR STANDARDS ACT

This Lease incorporates by reference the provisions of 29 CFR Part 201, the Federal Fair Labor Standards Act (FLSA), with the same force and effect as if given in full text. Lessee has full responsibility to monitor compliance to the referenced statue 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.

32. OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970

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

33. INCORPORATION OF QUITCLAIM DEED

Lessor owns the Airport pursuant to a Quitclaim Deed from the United States Government dated April 14, 1998 and recorded in the Official Records of Maricopa County Recorder on April 30, 1998 as instrument no. 98-354787 (the "**Deed**"), and the terms of the Deed are 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 and Lessor agree to be bound by all the terms, covenants and conditions of the Deed, including the following:

33.1 That this Lease is subject to all terms and conditions of the Deed; and

33.2 That in case of any conflict between the Deed and this Lease, the Deed shall control.

34. REQUIRED PROVISIONS OF QUITCLAIM DEED

34.1 Section VI (A)(5)(c) of the Deed requires that the following provisions be included in this Lease:

34.1.1 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.

34.1.2 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.

34.2 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.

34.3 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.

35. AIRPORT SECURITY

35.1 Airport Security Plan.

35.1.1 Lessor's Operations Department maintains an approved Airport Security Plan, which is applicable to all Airport tenants ("**Security Plan**"), and the non-confidential terms of which and/or summaries of, shall be provided to Lessee in writing prior to or simultaneous with Lessor's execution of this Lease, 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, followed by written notification within FORTY-EIGHT (48) hours, existing now or in the future and which are in accordance with the Security Plan provided that Lessee has received the terms of such Security Plan or additional directives.

35.1.2 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 in accordance with the Security Plan.

35.1.3 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 the 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 written explanation of the deficiencies. Lessee shall be given a reasonable period of time (under the circumstances) to correct such deficiencies.

35.1.4 Reserved.

35.1.5 Lessee shall conduct and document all self-audits and self-inspections as required by Transportation Security Administration ("**TSA**") or the Security Plan make such audits available for inspection by Lessor upon written notice to Lessee.

35.1.6 Lessee shall designate a primary security coordinator to receive security related briefings, bulletins and sensitive security information.

35.1.7 Lessor reserves the right to reasonably modify the Security Plan from time to time, as necessary or as directed by TSA. Lessor's Operations Department shall notify the Lessee and Lessee's security coordinator in writing regarding modifications that effect Lessee in advance of the application thereof to Lessee. Provided however, such modifications shall not interfere with Lessee's use of and/or access to the Premises and shall apply to all Airport tenants.

35.2 Airport Security Badge.

35.2.1 Lessee's employees and contractors that require a badge shall be obligated to complete all training and comply with all reasonable security requirements and directives issued by Lessor's Operations Department, TSA or other entity having security jurisdiction at the Airport. Lessee, its 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 FORTY-EIGHT (48) hours of Lessor's confiscation of any security badges, Lessor shall provide Lessee and Lessee's security coordinator with a reasonably-detailed and written explanation of the violations that caused Lessor to confiscate the security badges.

35.2.2 Subject to SECTION 19 herein, Lessee, its employees and contractors shall cooperate with all reasonable security related audits, inspections, and screenings conducted by the Lessor's Operations Department in accordance with the Security Plan.

35.2.3 Lessee will promptly return badges to the Lessor's badging office when badge holders employment is terminated, the badge is no longer needed or the employee/contractor is on an extended leave for more than NINETY (90) days.

35.3 Misuse of a badge or security procedures will bring about action, including, but not limited to, retraining, suspension or revocation of one or all misused badges.

36. DEFAULT BY LESSOR

In the event of any alleged breach by Lessor of its covenants contained in this Lease, Lessee shall have available all rights and remedies provided at law or in equity, subject to the terms and conditions of this Lease; provided, however, Lessee may not exercise any such right or remedy unless Lessee has notified Lessor by written notice of such alleged default, and Lessor has not cured such default within the THIRTY (30) calendar day period subsequent to receipt of such notice or, in the event such alleged default is of such a nature that it cannot reasonably be cured within such THIRTY (30) calendar day period, Lessor has failed to cure such alleged

default with all due diligence. Except as expressly provided in this Lease in SECTIONS 1.1, 8.7, 8.8, 15.13, 15.17, 28.6, 28.12, and 35.1, 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 to Lessor hereunder.

36.1 Notwithstanding anything contained herein to the contrary, if Lessor defaults in the performance of any of its maintenance and repair obligations under the Lease with respect to the Premises, the taxiway connector (between the Premises and Taxiway Charlie) referenced in SECTION 7.1.6 , and any future parallel taxiway serving the Premises or Taxiway Charlie, then following the notice and cure periods described in this SECTION 36 (except in the event of an emergency in which case Lessee shall provide notice as soon as practical), Lessee may, at its option and in addition to all other rights and remedies available to Lessee, cure the same on behalf of Lessor, whereupon the reasonable cost of such cure shall be due and payable to Lessee from Lessor after THIRTY (30) days written demand therefor by Lessee. Failure of Lessor to reimburse Lessee within THIRTY (30) days after Lessor's receipt of an invoice setting forth such costs, shall entitle Lessee to deduct the costs thereof (together with interest thereon at the default rate) from the Base Rent next due hereunder, unless Lessor timely disputes such costs. In no event shall any reimbursement to Lessee hereunder be subject to any procurement procedures, including but not limited to any City, State or Federal procurement procedures.

37. 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 reasonably 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.

38. SALE BY LESSOR

Lessee agrees to look solely to Lessor's interest in the Premises (or any sale proceeds therefrom) for the recovery of any judgment from Lessor, it being agreed that neither Lessor nor the holders of the equity interests of Lessor, nor the members, partners, officers, directors or shareholders of Lessor shall be personally liable for any such judgment. In the event of any sale or other conveyance by Lessor of its interest in the Premises, Lessor shall be 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 provided that any purchaser, transferee, successor, or assignee assumes all obligations of the Lessor hereunder.

39. ESTOPPEL CERTIFICATE

Lessee shall, without charge, at any time and from time to time hereafter, within FIFTEEN (15) business days after written request of Lessor to do so, certify, by written instrument duly executed and acknowledged by Lessee and certified to Lessor and to any prospective lender or purchaser: (i) as to whether this Lease has been supplemented or amended, and if so, the substance and manner of such supplement or amendment; (ii) as to the existence of any Event of Default hereunder to Lessee's actual knowledge; (iii) as to the date on which Lessee was obligated to commence paying Base Rent and all other charges hereunder and the expiration date of the Term; (iv) as to whether the Lessee has assigned or transferred its interests or any portion thereof in this Lease; and (v) as to any other matters as may be reasonably requested in a standard form of estoppel. Lessor and any prospective purchaser or lender to whom the same was certified may rely upon any such certificate.

Lessor shall, without charge, at any time and from time to time hereafter, within FIFTEEN (15) business days after written request of Lessee to do so, certify, by written instrument duly executed and

acknowledged by Lessor and certified to Lessee and to any prospective lender or assignee: (i) as to whether this Lease has been supplemented or amended, and if so, the substance and manner of such supplement or amendment; (ii) as to the existence of any Event of Default hereunder to Lessor's actual knowledge; (iii) as to the date through which Base Rent and other charges have been paid and the expiration date of the Term; and (iv) as to any other matters as may be reasonably requested in a standard form of estoppel. Lessee and any prospective purchaser or lender to whom the same was certified may rely upon any such certificate.

40. 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 provided, however, Unavoidable Delay shall not excuse the payment of Base Rent or other charges due hereunder. 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 Phase I Improvements or any provision or requirement of this Lease which by its nature prohibits the Phase I Improvements from being commenced, continued and/or completed, (c) a Party not receiving a governmental permit, license, approval or inspection in time to meet a contractual time period imposed hereunder provided that Party, in good faith, was diligent in the application or request for and prosecution of the process to obtain that permit, license, approval or inspection, (d) flood, (e) epidemic or 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) a delay caused by the discovery, presences or actions necessary to investigate or remediate Hazardous Material under SECTION 15 herein (but excluding Hazardous Material attributable to the Party claiming Unavoidable Delay), (t) shipping or construction delays caused by unusual delay in transportation or delivery caused by supply chain issues, material shortages, or any other similar act or condition, including weather delays, (u) state or federal mandates, or (v) 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 TWENTY (20) business days after knowledge of such Unavoidable Delay is obtained or should have been obtained, and provided further, that Unavoidable Delay shall not excuse the payment of Base Rent.

41. MISCELLANEOUS

41.1 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.

41.2 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.

41.3 Non-Waiver of Rights. No waiver or default by either Party of any of the terms, conditions, covenants or agreements hereof to be performed, kept or observed by the other Party 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 the Parties, and neither Party shall be restricted from later enforcing any of the terms and conditions of this Lease.

41.4 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 and executed by persons with full and complete authority to bind both Parties.

41.5 Litigation Expenses. In the event of litigation between Lessor and Lessee, the prevailing Party shall be entitled to recover its reasonable attorneys' fees and all reasonable costs and expenses of litigation, including witness fees, expert witness fees, and court costs.

41.6 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.

41.7 Entire Agreement. This Lease, including its exhibits attached hereto and made a part hereof, 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.

41.8 Memorandum of Lease. Upon the request by one Party upon the other, Lessor and Lessee will execute for purposes of recordation in the appropriate recording office a memorandum of lease substantially in the form attached hereto as **EXHIBIT F** containing the names of the Parties, a description of the Premises, the Term and a description of the easements granted to Lessee pursuant to this Agreement (the "**Memorandum**") upon finalization of the easements. The cost and expenses of recording the Memorandum shall be borne by the Party asking for the Memorandum to be recorded. Each Party agrees that it will not record this Lease in its entirety. Upon request following expiration or earlier termination of this Lease, Lessee shall promptly execute for purposes of recordation a form of termination of the Memorandum. This obligation shall survive expiration or termination of this Lease.

41.9 Reserved.

41.10 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 H** attached hereto.

41.11 Reserved.

41.12 GatewayEast. Lessee acknowledges Lessor's oversight and efforts related to GatewayEast and related development at the Airport. Lessor shall provide the on-going opportunity to Lessee, throughout the Term, to provide input to Lessor regarding the approved uses of the property immediately adjacent to the what is commonly known as the "**Gateway East**" Premises.

42. INCORPORATION OF RECITALS

The recitals set forth herein are acknowledged by the Parties to be true and correct and are incorporated herein by this reference.

IN WITNESS WHEREOF, the Parties have executed this Lease the day and year first above written.

EXECUTED to be effective on the date specified above.

LESSOR:

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, an Arizona joint powers airport authority

By:
J. Brian O'Neill, A.A.E.
Executive Director/CEO

STATE OF ARIZONA)
) ss.
County of Maricopa)

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me this ___ day of _____, 2022, by J. Brian O'Neill, in his capacity as the Executive Director/CEO of the Phoenix-Mesa Gateway Airport Authority.

_____
Notary Public

My Commission Expires:

_____

LESSEE:

GULFSTREAM PRODUCT SUPPORT CORPORATION, a Delaware Corporation

By:
Ira P. Berman, Secretary

STATE OF GEORGIA)
) ss.
County of Chatham)

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me this ___ day of _____, 2022, by Ira P. Berman, in his capacity as Secretary, Gulfstream Product Support Corporation, a Delaware Corporation, for and on behalf of said Corporation

_____
Notary Public

My Commission Expires:

_____

EXHIBIT A

LEGAL DESCRIPTION OF THE PREMISES

A portion of the Northeast quarter of Section 33, Township 1 South, Range 7 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows;

Commencing at the Southeast corner of said Section 33, a brass cap in hand hole at the intersection of Ellsworth Road and Pecos Road, from which the Northeast corner of said Section 33, a brass cap in hand hole, bears North 01 degrees 10 minutes 27 seconds West, a distance of 5,281.85 feet;

Thence North 01 degrees 10 minutes 27 seconds West, along the East line of said Section 33, a distance of 3,311.63 feet;

Thence departing said East line, South 88 degrees 49 minutes 33 seconds West, a distance of 948.39 feet to the **POINT OF BEGINNING;**

Thence North 44 degrees 34 minutes 14 seconds West, a distance of 932.00 feet;

Thence North 45 degrees 25 minutes 46 seconds East, a distance of 305.50 feet;

Thence North 44 degrees 34 minutes 14 seconds West, a distance of 3.00 feet;

Thence North 45 degrees 25 minutes 46 seconds East, a distance of 291.23 feet;

Thence South 44 degrees 34 minutes 14 seconds East, a distance of 59.41 feet;

Thence North 45 degrees 25 minutes 46 seconds East, a distance of 248.99 feet;

Thence South 44 degrees 34 minutes 14 seconds East, a distance of 679.26 feet to the beginning of a curve to the left, having a radius of 340.00 feet;

Thence along said curve to the left, through a central angle of 11 degrees 37 minutes 52 seconds, an arc length of 69.02 feet;
Thence South 45 degrees 25 minutes 46 seconds West, a distance of 80.21 feet to the beginning of a curve to the left, having a radius of 34.50 feet;

Thence along said curve to the left, through a central angle of 90 degrees 00 minutes 00 seconds, an arc length of 54.19 feet;

Thence South 44 degrees 34 minutes 14 seconds East, a distance of 91.60 feet to the beginning of a curve to the right, having a radius of 70.50 feet;

Thence along said curve to the right, through a central angle of 90 degrees 00 minutes 00 seconds, an arc length of 110.74 feet;

Thence South 45 degrees 25 minutes 46 seconds West, a distance of 128.50 feet;

Thence South 47 degrees 33 minutes 50 seconds West, a distance of 128.56 feet;

Thence South 45 degrees 25 minutes 46 seconds West, a distance of 120.00 feet;

Thence North 44 degrees 34 minutes 06 seconds West, a distance of 64.03 feet;

Thence South 45 degrees 25 minutes 46 seconds West, a distance of 290.54 feet to the **POINT OF BEGINNING.**

Containing 790,537.19 square feet (18.15 ac.) more or less.

AND

A portion of the Northeast quarter of Section 33, Township 1 South, Range 7 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows;

Commencing at the Southeast corner of said Section 33, a brass cap in hand hole at the intersection of Ellsworth Road and Pecos Road, from which the Northeast corner of said Section 33, a brass cap in hand hole, bears North 01 degrees 10 minutes 27 seconds West, a distance of 5,281.85 feet;

Thence North 01 degrees 10 minutes 27 seconds West, along the East line of said Section 33, a distance of 3,261.51 feet;

Thence departing said East line, South 88 degrees 49 minutes 33 seconds West, a distance of 759.31 feet to the **POINT OF BEGINNING;**

Thence North 14 degrees 34 minutes 14 seconds West, a distance of 29.00 feet;

Thence North 75 degrees 25 minutes 46 seconds East, a distance of 5.00 feet;

Thence North 14 degrees 34 minutes 14 seconds West, a distance of 78.43 feet;

Thence North 44 degrees 34 minutes 14 seconds West, a distance of 75.79 feet;

Thence North 45 degrees 25 minutes 46 seconds East, a distance of 69.00 feet;

Thence South 44 degrees 34 minutes 14 seconds East, a distance of 75.79 feet;

Thence South 74 degrees 34 minutes 14 seconds East, a distance of 78.43 feet;

Thence North 15 degrees 25 minutes 46 seconds East, a distance of 5.00 feet;

Thence South 74 degrees 34 minutes 14 seconds East, a distance of 29.00 feet;

Thence South 15 degrees 25 minutes 46 seconds West, a distance of 64.48 feet;

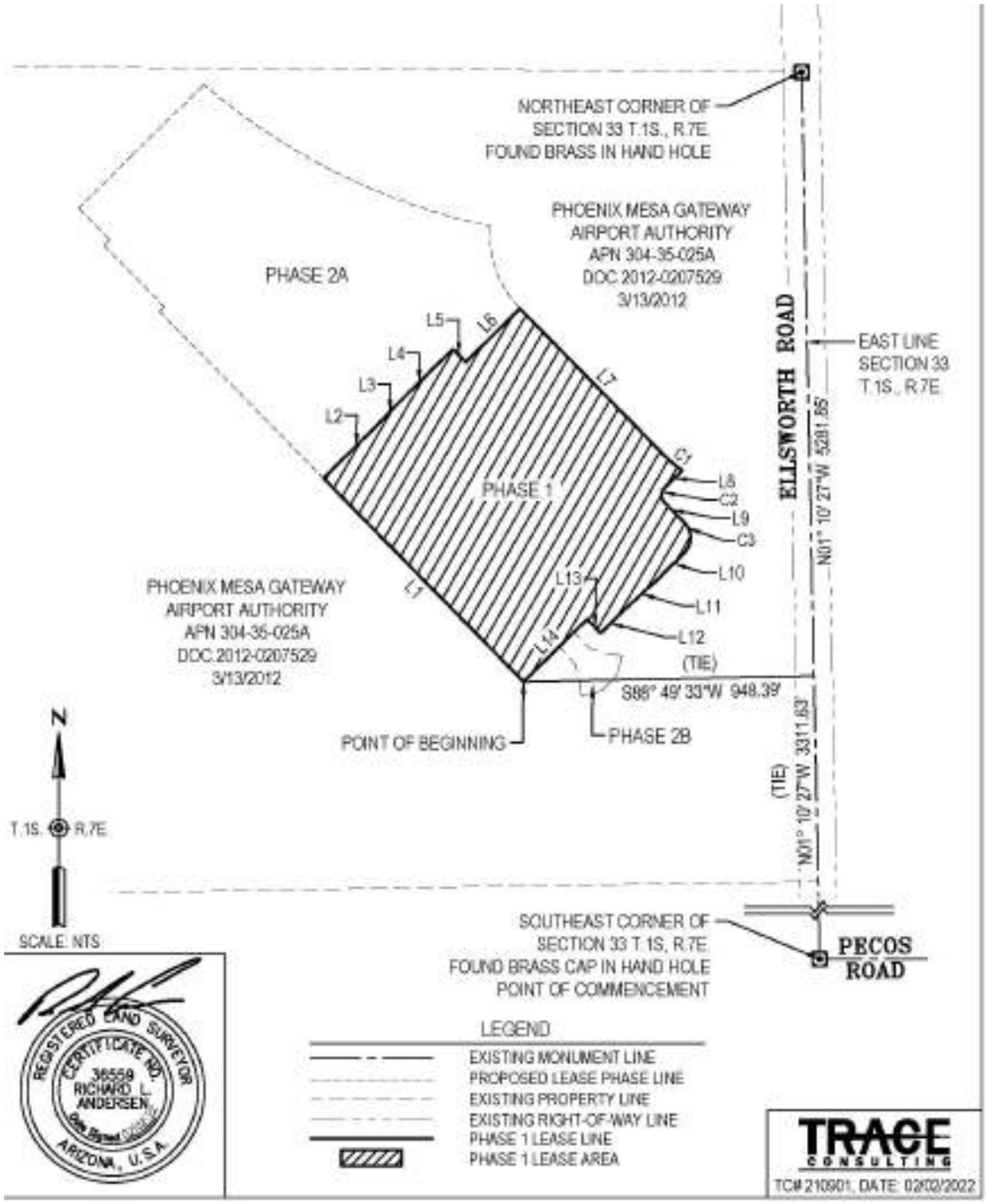
Thence South 45 degrees 25 minutes 46 seconds West, a distance of 73.41 feet;

Thence South 75 degrees 25 minutes 46 seconds West, a distance of 64.48 feet to the POINT

OF BEGINNING. Containing 20,651.22 square feet (0.47 ac.) more or less.

EXHIBIT A-1

DEPICTION OF THE PREMISES



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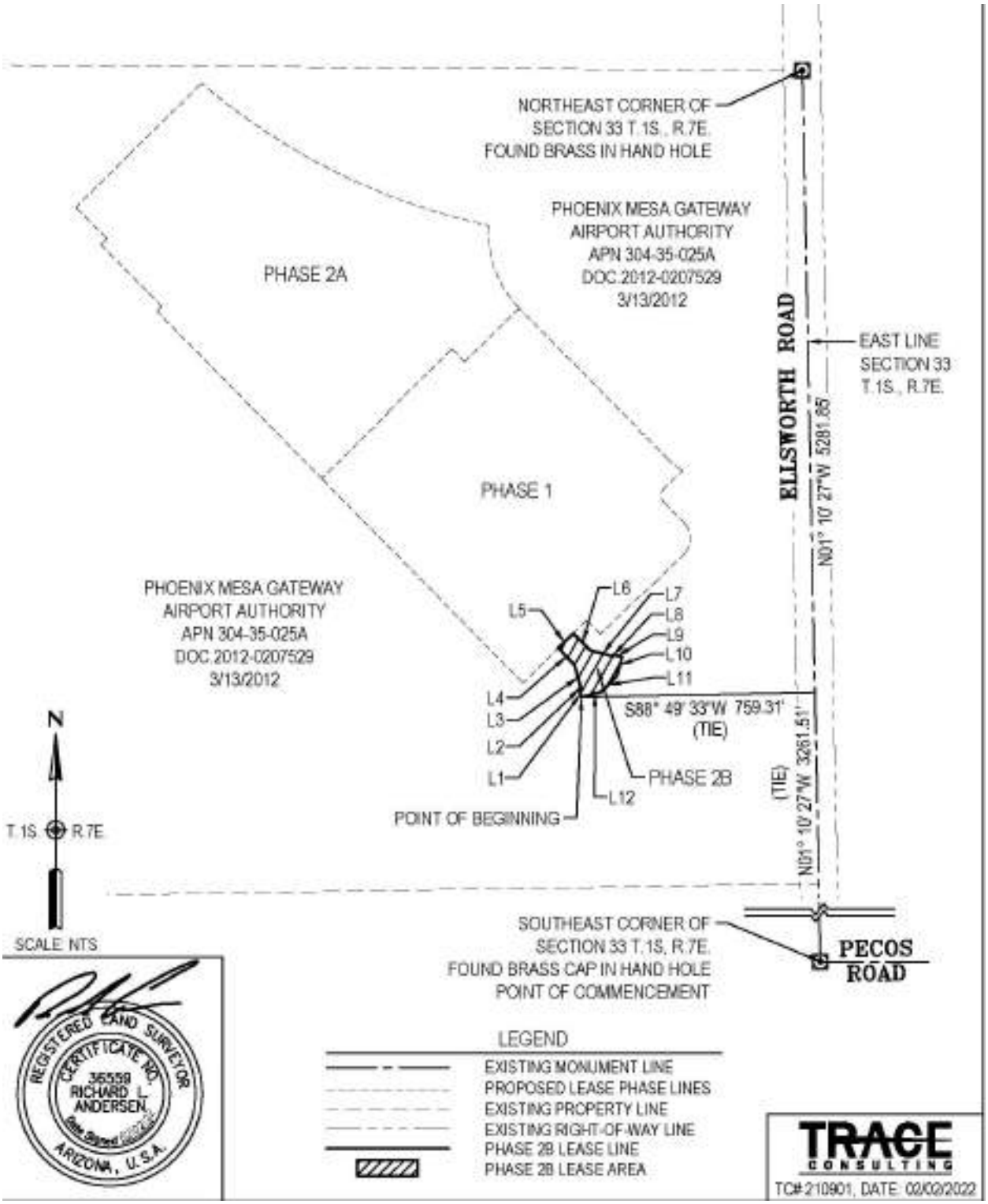

NORTHEAST CORNER OF
SECTION 33 T.1S., R.7E.
FOUND BRASS IN HAND HOLE
PHOENIX MESA GATEWAY
AIRPORT AUTHORITY
APN 304-35-025A
DOC.2012-0207529
3/13/2012
PHASE 2A
PHASE 1
ELLSWORTH ROAD
EAST LINE
SECTION 33
T.1S., R.7E.
N01° 10' 27"W 5281.85'
PHOENIX MESA GATEWAY
AIRPORT AUTHORITY
APN 304-35-025A
DOC.2012-0207529
3/13/2012
L1
L2
L3
L4
L5
L6
L7
L8
L9
L10
L11
L12
S88° 49' 33"W 759.31'
(TIE)
PHASE 2B
POINT OF BEGINNING
N01° 10' 27"W 3261.51'
(TIE)
N
T.1S. R.7E.
SCALE NTS
SOUTHEAST CORNER OF
SECTION 33 T.1S, R.7E.
FOUND BRASS CAP IN HAND HOLE
POINT OF COMMENCEMENT
PECOS ROAD
REGISTERED LAND SURVEYOR
CERTIFICATE NO.
36559
RICHARD L.
ANDERSEN
ARIZONA, U.S.A.
LEGEND
EXISTING MONUMENT LINE
PROPOSED LEASE PHASE LINES
EXISTING PROPERTY LINE
EXISTING RIGHT-OF-WAY LINE
PHASE 2B LEASE LINE
PHASE 2B LEASE AREA
TRACE
CONSULTING
TC#:210901, DATE: 02/02/2022

EXHIBIT A-2

BRPH
Kimley»Horn
GULFSTREAM AEROSPACE CORPORATION
GULFSTREAM MEDA SERVICE CENTER

EXHIBIT B

AIRPORT RATES & CHARGES SCHEDULE

(Link)

https://www.gatewayairport.com/Documents/DocumentLibrary/Airport%20Rates%20and%20Charges/Airport_Rates_and_Charges_22-02_effective_02-16-22.pdf?Uniqueifier=jODUlpehHF

&

AIRPORT FEES, SERVICES AND RENTAL RATES SCHEDULE

(Link)

https://www.gatewayairport.com/Documents/DocumentLibrary/ExecDirSect/Signed%20Airport%20Fees,%20Services%20and%20Rental%20Rates%20Effective%202-1-22.pdf?Uniqueifier=Bdjq2UzF8i

EXHIBIT C

MINIMUM STANDARDS

(*Link*)

https://www.gatewayairport.com/Documents/DocumentLibrary/Board%20Policies/Airport%20Minimum%20Standards.pdf?Uniqueifier=5lSXjdrngd

&

AIRPORT RULES AND REGULATIONS

(Link)

https://www.gatewayairport.com/Documents/DocumentLibrary/Board%20Policies/Airport%20Rules%20and%20Regulations_21-49.pdf?Uniqueifier=5lSXjdrngd

EXHIBIT D

LEGAL DESCRIPTION OF THE EXPANSION PREMISES

A portion of the Northeast quarter of Section 33, Township 1 South, Range 7 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows;

Commencing at the Southeast corner of said Section 33, a brass cap in hand hole at the intersection of Ellsworth Road and Pecos Road, from which the Northeast corner of said Section 33, a brass cap in hand hole, bears North 01 degrees 10 minutes 27 seconds West, a distance of 5,281.85 feet;

Thence North 01 degrees 10 minutes 27 seconds West, along the East line of said Section 33, a distance of 3,311.63 feet;

Thence departing said East line, South 88 degrees 49 minutes 33 seconds West, a distance of 948.39 feet;

Thence North 44 degrees 34 minutes 14 seconds West, a distance of 932.00 feet to the **POINT OF BEGINNING;**

Thence North 44 degrees 34 minutes 14 seconds West, a distance of 762.83 feet;

Thence North 45 degrees 25 minutes 46 seconds East, a distance of 22.04 feet;

Thence North 44 degrees 34 minutes 14 seconds West, a distance of 281.38 feet;

Thence North 45 degrees 25 minutes 46 seconds East, a distance of 26.61 feet;

Thence North 44 degrees 34 minutes 14 seconds West, a distance of 144.09 feet;

Thence North 45 degrees 25 minutes 42 seconds East, a distance of 238.45 feet;

Thence North 45 degrees 25 minutes 46 seconds East, a distance of 335.65 feet to the beginning of a non-tangent curve, concave Northeasterly, having a radius of 2,109.00 feet which bears North 40 degrees 36 minutes 12 seconds East;

Thence Southeasterly along said curve, through a central angle of 28 degrees 38 minutes 36 seconds, an arc length of 1,054.33 feet to the beginning of a non-tangent curve, concave Easterly, having a radius of 340.00 feet which bears South 85 degrees 03 minutes 19 seconds East;

Thence Southerly along said curve, through a central angle of 49 degrees 35 minutes 29 seconds, an arc length of 294.28 feet;

Thence South 45 degrees 25 minutes 46 seconds West, a distance of 248.99 feet;

Thence North 44 degrees 34 minutes 14 seconds West, a distance of 59.41 feet;

Thence South 45 degrees 25 minutes 46 seconds West, a distance of 291.23 feet;

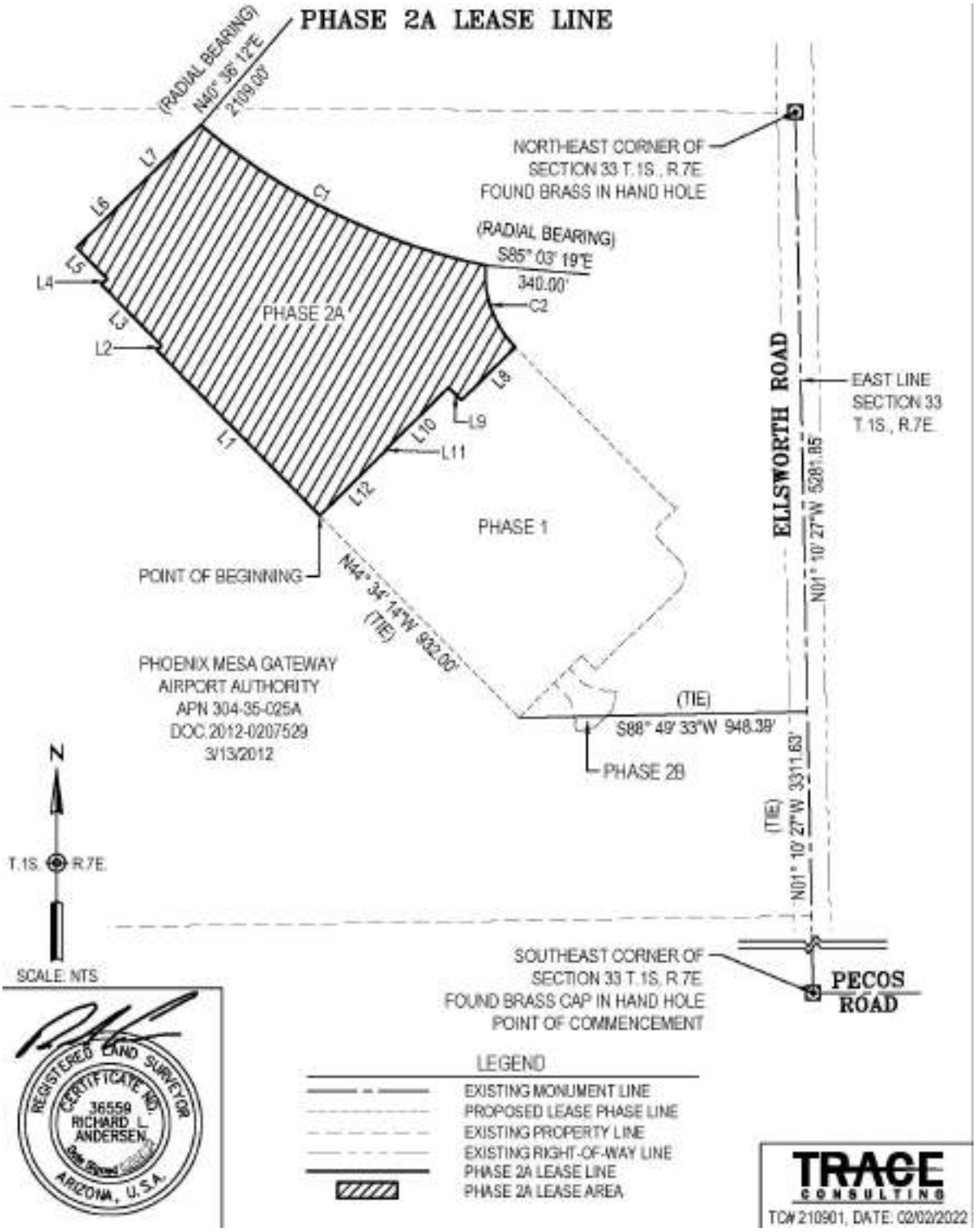
Thence South 44 degrees 34 minutes 14 seconds East, a distance of 3.00 feet;

Thence South 45 degrees 25 minutes 46 seconds West, a distance of 305.50 feet to the **POINT OF BEGINNING.**

Containing 917,517.95 square feet (21.06 ac.) more or less.

EXHIBIT D-1

DEPICTION OF EXPANSION PREMISES



3065145.v1

EXHIBIT E

DEPICTION OF PHASE I IMPROVEMENTS

EXHIBIT F

MEMORANDUM OF LEASE

WHEN RECORDED,
RETURN TO:

<Name>
<Company>
<Address>
<City>, <State> <Zip>

MEMORANDUM OF LEASE

This MEMORANDUM OF LEASE ("**Memorandum**"), is made and executed as of the ____ day of _____, 20_____ (the "**Effective Date**"), by and between **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY**, a joint powers airport authority authorized and existing under the laws of the State of Arizona ("**Landlord**"), whose mailing address is Phoenix-Mesa Gateway Airport Authority, Attn: Business Development Department, 5835 South Sossaman Road, Mesa, Arizona 85212, and Gulfstream Product Support Corporation, a Delaware Corporation ("**Tenant**"), whose mailing address is 500 Gulfstream Road, Savannah, Georgia, 31408.

RECITALS:

A. Landlord and Tenant entered into that certain Land Lease dated _____, 20_____ (the "**Lease**"), covering that certain real property legally described on Exhibit A attached hereto and incorporated herein by this reference (the "**Leased Premises**").

B. Landlord and Tenant have agreed to enter into this Memorandum for the purposes of providing record notice of the Lease, and to protect the rights and interests of Landlord and Tenant as to third parties. All capitalized terms not specifically defined herein shall have the meaning ascribed to such terms in the Lease.

NOW, THEREFORE, for and in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

Lease and Premises. Subject to the covenants and conditions contained in the Lease, Landlord has leased to Tenant, and Tenant has leased from Landlord, the Leased Premises. Notice to the world is hereby given of the Lease and of the terms of the Lease.

Term. The term of the Lease commenced on _____, 20__, and expires on _____, unless earlier terminated pursuant to the terms of the Lease. Subject to the terms of the Lease, Tenant has the right and option extend the term of the Lease for two (2) consecutive additional terms of FIVE (5) years each, in accordance with the terms of the Lease.

Conflict. This Memorandum is prepared for the purpose of constructive notice and in no way modifies the provisions of the Lease. In the event of any conflict or any inconsistency between the terms and provisions of the Lease and the terms and provisions of this Memorandum, the terms and provisions of the Lease shall control.

Successors and Assigns. This Memorandum shall be binding upon and inure to the benefit of the parties and their permitted successors and assigns.

Counterparts. This Memorandum may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same document, provided that all parties are furnished a copy thereof reflecting the signature of all parties.

(*Signatures appear on the following page.*)

IN WITNESS WHEREOF, the parties hereto have duly executed this Memorandum as of the Effective Date set forth above.

LANDLORD:

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, an Arizona joint powers airport authority

By: _____
J. Brian O'Neill, A.A.E.
Executive Director/CEO

STATE OF ARIZONA)
) ss.
County of Maricopa)

ACKNOWLEDGED before me this ___ day of _____, 2022, by J. Brian O'Neill, in his capacity as the Executive Director/CEO of the Phoenix-Mesa Gateway Airport Authority.

_____
Notary Public

My Commission Expires:

_____

TENANT:

_____

By:
Ira P. Berman, Secretary

STATE OF _____)
) ss.
County of _____)

ACKNOWLEDGED before me this ___ day of _____, 2022, by Ira P. Berman in his capacity as Secretary, Gulfstream Product Support Corporation, a Delaware Corporation for and on behalf of said Corporation.

_____
Notary Public

My Commission Expires:

_____

EXHIBIT A TO MEMORANDUM OF LEASE

LEGAL DESCRIPTION

[TO COME]

EXHIBIT G

INTERGOVERNMENTAL AGREEMENT

INTERGOVERNMENTAL AGREEMENT

BETWEEN
THE CITY OF MESA
AND
THE PHOENIX-MESA GATEWAY AIRPORT AUTHORITY

THIS INTERGOVERNMENTAL AGREEMENT ("Agreement") is entered into this date October 5th, 2021 (the "Effective Date") pursuant to the Arizona Revised Statutes ("A.R.S.") §§ 11-951 et seq., between the CITY OF MESA, an Arizona municipal corporation (the "City"), and PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, a joint powers airport authority authorized and existing under the laws of the State of Arizona ("PMGAA"). The City and the PMGAA are collectively referred to as "Parties."

I. RECITALS

1. A.R.S. §§ 11-951 et seq., authorizes the City and PMGAA to enter into intergovernmental agreements for the provision of services, or for joint or cooperative actions.

2. A.R.S. § 48-572 also empowers the City to enter into this Agreement, and it has by resolution (a copy of which is attached and made a part of) resolved to enter into this Agreement and has authorized the undersigned to execute this Agreement on behalf of the City.

3. The City is administering the design and construction of four infrastructure projects, collectively referred to as the "City Projects," which will improve the City's utility service delivery and aid in the future development of the eastside of the Phoenix-Mesa Gateway Airport generally located at the intersection of Ray Road and Sossaman Road, City of Mesa, Maricopa County, Arizona (the "Airport"). The infrastructure projects include a new signalized intersection at Ellsworth Road and the realigned Williams Field Road ("Intersection"), a new box culvert across the Ellsworth channel with associated utility stubs thereby connecting the Intersection to PMGAA property and eight hundred linear feet of roadway, designated as a 4 + 1 Major Collector extending west into PMGAA property from the western edge of the Intersection ("Culvert and Road"), the extension of a 20-inch waterline along Ellsworth Road from SR24 to Pecos Road and across the Culvert and Road into PMGAA property ("Water Line"), and an alignment study of the entire Spine Road from Ellsworth Road to Ray Road ("Spine Road Alignment Study"). Exhibit 1 provides additional details about the City Projects.

4. PMGAA is administering the design and construction of a sewer line extension from Old Pecos Road to PMGAA property, a lift station (if required) and a private sewer line north within PMGAA property to facilitate development within the GatewayEast site ("PMGAA Project"). The Parties understand that a portion of the PMGAA Project will be located outside of public Rights-of-Way ("ROW") and PMGAA will own and maintain the portion of the PMGAA Project that is outside of the ROW. Exhibit 1 provides additional details about the PMGAA Project.

5. This Agreement is intended to set forth the roles and responsibilities of the Parties with respect to the City Projects and PMGAA Projects, including contracting consultant engineering design services, design review, construction administration, construction permitting and inspection, and ownership of the completed projects.

6. The Parties recognize and agree that neither Party can guarantee that a contractor will meet the deadlines proposed in this Agreement, particularly in light of recent external influences on labor and supply chain

availability. Nevertheless, each Party agrees that it will utilize all contractual remedies available under its respective construction and design contracts in a prudent manner to encourage contractor compliance with completion deadlines.

THEREFORE, in consideration of the mutual terms expressed in this Agreement, it is agreed as follows:

II. SCOPE

I. Responsibilities of PMGAA:

1.1. PMGAA shall certify the design of the PMGAA Project according to the current City Engineering & Design Standards.

1.2. PMGAA will submit the plans, specifications, and estimates ("PS&E") to the City for review and approval of the PMGAA Project prior to the commencement of any construction.

1.3. PMGAA will provide Easements (in a form acceptable to the City) if required to accommodate the City Projects and the PMGAA Project for the City to access them on PMGAA property.

1.4. PMGAA will coordinate with the City regarding times when construction activities of the PMGAA Project are to be performed so as to allow the City to perform Quality Assurance ("QA") services as needed by the City. PMGAA shall allow the City to inspect all portions of the PMGAA Project located within the ROW.

1.5. PMGAA shall pay all costs associated with the design, applicable permit fees (if any), construction administration, and construction of the PMGAA Project.

1.6. PMGAA will provide to the City, at its request, all pertinent documents related to the PMGAA Project including, but not limited to, legal and exhibit documents of the Easements, final sealed PS&E, record drawings, and construction documentation.

1.7. PMGAA will require PMGAA's contractor to assume responsibility for the operation and maintenance of the PMGAA Project until the City accepts the permitted work and the permit is closed out.

1.8. PMGAA will require PMGAA's contractor to substantially complete the PMGAA Project on or before April 1, 2023.

1.9. PMGAA agrees that ownership of the PMGAA Project within City ROW shall transfer to the City (without any further documentation) upon the City accepting the permitted work pursuant to Section 2.4. Furthermore, such transfer of ownership shall include an assignment to the City of any and all warranties associated with any improvement transferred to City ownership.

1.10. PMGAA acknowledges that utility service provided by the City, including but not limited to

service through the PMGAA Project, is subject to the City's Terms and Conditions for the Sale of Utilities and payment of applicable rates, fees and charges, all as adopted and made effective by the City.

2. **Responsibilities of the City:**

2.1. The City shall certify through the permit process the design of the Intersection, Culvert and Road, Spine Road Alignment Study, and Water Line according to the current City Engineering & Design Standards.

2.2. The City will include PMGAA in the review of the design plans for the City Projects.

2.3. The City shall pay all costs associated with the design, construction administration, and construction of the City Projects.

2.4. The City will perform all permit required inspections and QA services to verify that the construction of the City Projects is in compliance with the approved PSAP.

2.5. The City will require the City's contractor(s) to substantially complete the Intersection by April 1, 2022.

2.6. The City will require the City's contractor(s) to substantially complete the Culvert and Road by April 1, 2023.

2.7. The City will require the City's contractor(s) to substantially complete the Spine Road Alignment Study by February 1, 2022.

2.8. The City will require the City's contractor(s) to substantially complete the Water Line by April 1, 2023.

2.9. The City will assume the ownership (including operation and maintenance), for the completed City Projects and PMGAA Project within the ROW upon the City receiving and accepting them, in writing.

3. **Term:**

3.1. The term of this Agreement shall commence on the Effective Date and shall automatically terminate upon the City's written acceptance of the City Projects and PMGAA Project; provided, however, termination of this Agreement shall not affect the transfer of ownership in subsections 1.9. and 2.9 of this Agreement.

4. **General Provisions:**

4.1. Each Party reserves all rights that it may have to cancel this Agreement under A.R.S. § 38-511.

4.2. The Parties reserve the right to extend the deadlines set forth in Section 1.8, 2.5, 2.6, 2.7, and 2.8 administratively and through written agreement should there be a material change in plans for economic development tied to the PMGAA Project and/or City Project.

4.3. PMGAA warrants compliance with all federal immigration laws and regulations that relate to their employees and compliance with the E-verify requirements under A.R.S. § 23-214(A). PMGAA will require any contractor, and all subcontractors, to provide the same warranty. Failure by PMGAA, PMGAA's contractors, or subcontractors, to comply with such warranty shall be deemed a material breach of this Agreement and may result in the termination of this Agreement.

4.4. This Agreement contains the entire understanding between the Parties with respect to the subjects addressed and supersedes all prior negotiations and agreements.

4.5. This Agreement may be amended only by an instrument in writing signed by authorized representatives of the Parties.

4.6. Each Party shall (as "Indemnitor") indemnify, defend, and hold harmless the other Party, any of its departments, agencies, officers or employees (collectively referred to in this paragraph as "Indemnitee") from any and all claims, demands, suits, actions, proceedings, loss, cost and damages of every kind and description, including reasonable attorneys' fees and/or litigation expenses (collectively referred to in this paragraph as the "Claims"), which may be brought or made against or incurred by the Indemnitee on account of loss of or damage to any property or for injuries to or death of any person, to the extent caused in whole or in part by, arising out of, or contributed to, by reasons of any alleged act, omission, professional error, fault, mistake, or negligence of Indemnitor, its employees, officers, directors, agents, representatives, or contractors, their employees, agents, or representatives in connection with or incident to the performance of this Agreement. Indemnitor's obligations under this paragraph shall not extend to any Claims to the extent caused by the negligence of the Indemnitee. The obligations under this paragraph shall survive the termination of this Agreement.

4.7. The Parties are governmental agencies which rely upon the appropriation of funds by their respective governing bodies to satisfy their obligations. If a party reasonably determines that it does not have funds to meet its obligations under this Agreement, such party shall have the right to terminate this Agreement without penalty on the last day of the fiscal period for which funds were legally available. In the event of such a termination, such terminating party agrees to provide written notice of its intent to terminate 30 days prior to the termination date.

4.8. In accordance with A.R.S. § 11-952 (D), attached and incorporated in this Agreement is the written determination of each Party's legal counsel that the Parties are authorized under the laws of this State to enter into this Agreement and that the Agreement is in proper form.

[Signatures on following page]

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

Phoenix-Mesa Gateway Airport Authority, a Joint Powers Airport Authority Authorized by the State of Arizona

By: _____
Lisa O'Neill, A.A.E.
Executive Director/CEO

Date: 9/21/2021

City of Mesa, an Arizona Municipal Corporation

By: _____ for
Christopher J. Brady
City Manager

Date: 10/5/2021

Approved as to form by Phoenix-Mesa Gateway Airport Authority Legal Counsel

By: _____
Jill Casson Owen, Esq.

Approved as to form by City of Mesa Attorney's Office

By: _____
Name: JAMES SMITH

EXHIBIT 1

COM Projects Scope:

- New signalized intersection at Ellsworth Road and the realigned Williams Field Road
- New box culvert across the Ellsworth channel with associated utility stubs thereby connecting the "Intersection" to PMGAA property and eight hundred linear feet of roadway designed as a 4 + 1 Major Collector extending west into PMGAA property from the western edge of the Intersection
- Extension of a 20-inch waterline along Ellsworth Road from SR24 to Pecos Road and across the Box Culvert and Road into PMGAA property
- An alignment study of the entire Spine Road from Ellsworth Road to Ray Road

PMGAA Project Scope:

- PMGAA is administering the design and construction of a sewer line extension from Old Pecos Road to PMGAA property, a lift station (if required) and a private sewer line north within PMGAA property to facilitate development within the GatewayEast site

EXHIBIT H

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.

Infrastructure Grants: The Parties will cooperate to secure any grants, or other financing tools, to cover the cost of Offsite Improvements or on-site utility or transportation infrastructure improvements necessary for the Phase I Improvements including those offered through the State of Arizona or City of Mesa or other funds available through the state Department of Transportation or state or local government bodies.

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.

Utility Incentives: Lessor will support Lessor's efforts to secure support for rate relief and subsidies for infrastructure from the Salt River Project.

EXHIBIT I

SCHEDULE FOR OFFSITE IMPROVEMENTS

Waterline from SR24 to Williams Field Road – 7.1.4

4/4/2022	**60% Preliminary Submittals**
7/11/2022	**90% Preliminary Submittals**
8/29/2022	**100% Preliminary Submittals**
9/22/2022	**Construction Begin**
4/1/2023	**Construction Letter of Acceptance**

Waterline from William Field Road to Pecos – 7.1.4

5/30/2022	**60% Preliminary Submittals**
8/30/2022	**90% Preliminary Submittals**
11/1/2022	**100% Preliminary Submittals**
1/1/2023	**Construction Begin**
7/1/2023	**Construction Letter of Acceptance (projected at this time only)**

Ellsworth & Williams Field Road Intersection – 7.1.2

12/22/2021	**Projected signal completed**
1/8/2022	**Water construction within intersection to begin**
3/24/2022	**Construction Substantial Complete**

900' of Spine Road & Utilities (Sewer, Water) – 7.1.4

12/2/2021	**Comments to Alignment Study**
4/4/2022	**60% Preliminary Submittals**
2/23/2022	**Final Spine Road Alignment Study**
7/11/2022	**90% Preliminary Submittals**
8/29/2022	**100% Preliminary Submittals**
9/22/2022	**Construction Begin**
4/1/2023	**Construction Letter of Acceptance**

Access Road & Utility Extensions (Electric, Natural Gas, Sewer, Water) – 7.1.4 and 7.1.5

12/16/2021	**Site Investigations & Preliminary Submittals**
2/3/2022	**Final Review Submittal**
4/29/2022	**Issued for Bid Submittal**
9/22/2022	**Construction Begin**
4/1/2023	**Construction Substantial Complete**

Taxiway D and Connector Taxiways – 7.1.6

12/13/2021	**Site Investigations & Preliminary Submittals**
2/2/2022	**Final Review Submittal**
4/18/2022	**Issued for Bid Submittal**
8/8/2022	**Construction Begin**
1/30/2023	**Construction Substantial Complete**

Archaeology Mitigation (Locus 2)

11/2021	**Permit Submitted to SHPO**
2/2022	**Tentative Permit Approval**
3/2022	**Data recovery Field Work**
4/2022	**Curation and Reporting Process**
5/30/2022	**Final Report and Approval for Construction**

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

Board Action Item

Re: Resolution 22-22

To: Board of Directors
From: Chuck Odom, Chief Financial Officer
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: Increase in the Customer Facility Charge
Date: May 17, 2022

Proposed Motion
To authorize an increase in the Airport Car Rental Customer Facility Charge (CFC) from $2.50 to $3.50 per vehicle per rental day effective August 1, 2022.

Narrative
The Customer Facility Charge (CFC) is used to fund capital improvement projects at the Airport related to Car Rentals. The current CFC rate has not increased since 7/1/2015.

A current Car Rental project that will benefit from the additional funds is the Rental Car Care Facility Improvement project. Redevelopment of the site will include new administration and maintenance buildings, car service canopies, car vacuum bays, car wash building, new asphalt, utilities, equipment pads, fire hydrants and traffic markings. These facilities need to be upgraded in order to accommodate the increase in the number of rental cars currently in service at the Airport.

Fiscal Impact
By increasing this rate by one dollar, this will generate approximately $300,000 in additional CFC funds per year.

Attachment(s)
Marked up Airport Rates and Charges effective 8-1-22

RESOLUTION NO. 22-22

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

WHEREAS the Authority desires to authorize an increase in the Airport Car Rental Customer Facility Charge from $2.50 to $3.50 per vehicle per rental day effective August 1, 2022.

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

> **The Board of Directors of the Authority hereby authorizes an increase in the Airport Car Rental Customer Facility Charge from $2.50 to $3.50 per vehicle per rental day effective August 1, 2022. 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 17th day of May, 2022.

John Giles, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

Airport Rates and Charges*

Effective August 1, 2022

This schedule of Airport Rates and Charges is subject to updates. For the latest schedule, please visit the Phoenix-Mesa Gateway Airport website at:
http://www.gatewayairport.com/PoliciesDocumentsandForms#BoardPolicies

Signatory Commercial Carriers	Scheduled, FAR Part 121 and 129 operators, with a 90-day rolling average of 90 or more departures per month.		
Non-Signatory Commercial Carriers	Scheduled, FAR Part 121 and 129 operators, with a 90-day rolling average of less than 90 departures per month.		
Aircraft Landing Fee	Signatory Commercial Carriers, $1.32 per 1,000 lbs. maximum gross landing weight (MGLW). Non-Signatory Commercial Carriers, General Aviation and other eligible aircraft $1.98 per 1,000 lbs. MGLW. *Exemptions:* 1. U.S. Government owned aircraft 2. Non-revenue and flight training aircraft up to 12,500 MGLW 3. All based flight training school aircraft		
Aircraft Terminal Use Fee	Signatory Commercial Carriers - $50 per Turn Non-Signatory Commercial Carriers - $75 per Turn		
	Commercial Carriers with no operating agreement, see page 2 Non-Operating Agreement Passenger Terminal – Common Use Areas and Equipment		
Aircraft Parking Fee	**Aircraft Passenger Capacity**	**Signatory**	**Non-Signatory**
	1-69	$ 35	$ 53
	70-250	$ 70	$105
	251 or greater	$100	$150
	Will be assessed for the occupancy of an aircraft parking position for more than 3 hours, including terminal gates and remote parking positions, and for each additional 24 hour period.		
Airport Car Rental Customer Facility Charge (CFC)	$3.50 ~~$2.50~~ per vehicle rental day		
Aviation Fuel Flowage Fees	Fuel Flowage Fees are paid to PMGAA by any entity or person dispensing or receiving fuel on the Airport in accordance with PMGAA Aviation Fuel Storage, Dispensing & Handling Guidelines.		
	Signatory Commercial Carriers by agreement		
	Non-Signatory Commercial Carriers - $.05 per gallon		
	All Others - $0.12 per gallon		
Fire Suppression Services	$.50 per year per square foot of floor space + $250.00 set-up charge, billed in monthly installments. 15% of annual fees required as security deposit. South ramp connection fee = $209,746.00		
Parking Rates *Grace Period first 10 minutes	**Fee by Location**	**Rate**	**Daily Maximum Charge**
	Hourly Parking Lot	$1.00 / 30 minutes*	$48.00
	Daily Parking Lot	$1.00 / 30 minutes*	$11.00
	Ray Rd Economy Parking Lot Uncovered	$1.00 / 30 minutes*	$ 7.00
	Ray Rd Economy Parking Lot Covered	$1.00 / 30 minutes*	$11.00

All Airport Rates and Charges may vary due to terms defined in specific agreements.
Late payments are subject to a 1.5% finance charge. Payment terms are net 30 days unless otherwise specified.

	Lost Token Fee with itinerary = Days of Stay x Parking Lot Rate + $20 Lost Token & Admin Fee Lost Token Fee without itinerary (may be adjusted later with proof of itinerary)	$250.00
Passenger Facility Charge (PFC)	$4.50 per enplaned commercial passenger, Per FAA Approved PFC Application; reference Federal Register: (Vol. 79, Number 3)	
Airport Licenses & Permits	Fuel Dispensing Permit	$100.00 per organization, permit valid for 2 years
	Fuel Handling Permit (includes exam)	$15.50 per individual, permit valid for 2 years
	Fuel Storage & Service Equipment Permit	$38.00 per filtration vessel, permit valid for 2 years
Common Use Terminal Equipment	Signatory Commercial Carriers	$1,250 per month
	Non-Signatory Commercial Carriers	$ 500 per month

Common Use Area - Operational Surcharges

Item	Description	Area	Operation	Surcharge
Operational Surcharges	Charges for exceeding allocated time slots on common use areas	Ticket counter or gate	Occupying a gate after the scheduled allocation time, resulting in aircraft holding or gate change	$200 per hour
		Use of ticket counter or gate without prior permission.		$200 plus regular fees
		Failure to use allocated time slot without 48-hour cancellation notice	Negatively impacting another scheduled carrier or causing Airport to shift resources to accommodate.	$200 plus regular fees

Transient Air Carrier Passenger Terminal – Common Use Areas and Equipment Rates

Item	Description	Aircraft Passenger Capacity	Resources Included	Rate
Full Service	Includes ticket counter(s) and lobby area, secure hold room and boarding area podium, aircraft parking position (2 hours), baggage claim area, and common use computer equipment per flight, as scheduled by Airport Operations. 1 ticket counter = 2 positions	1-69	1 ticket counter, 1 gate podium, 1 shared use hold room, 1 baggage belt, 1 aircraft parking spot	$ 260 per flight
		70-250	2 ticket counters, 1 gate podium, 1 shared use hold room, 1 baggage belt, 1 aircraft parking spot	$ 495 per flight
		251 or greater	3 ticket counters, 2 gate podiums, 2 shared use hold rooms, 1 baggage belt, 1 aircraft parking spot	$ 915 per flight
Ticket Counter and Lobby	Use of 1 ticket counter and shared use of the lobby area for up to 2.5 hours. Includes common use equipment.	1-69	1 ticket counter and lobby	$ 75 per flight
		70-250	2 ticket counters and lobby	$150 per flight
		251 or greater	3 ticket counters and lobby	$ 225 per flight
Boarding Gates – Secured Hold Room	Shared use of secured boarding gate area for up to 2 hours and one aircraft parking position. Includes use of gate podium, common use equipment, and one passenger boarding ramp.	1-69	1 gate podium and 1 hold room	$110 per flight
		70-250	1 gate podium and 1 hold room	$220 per flight

All Airport Rates and Charges may vary due to terms defined in specific agreements.
Late payments are subject to a 1.5% finance charge. Payment terms are net 30 days unless otherwise specified.

		251 or greater	2 gate podiums and 2 hold rooms	$ 440 per flight
Baggage Claim	Use of baggage claim area and baggage delivery belt/slide. Includes aircraft parking position*. * if associated with a live departure within 3 hours of arrival. Otherwise standard aircraft parking fee applies.	1-69	1 belt, oversize slide, aircraft parking*	$ 75 per flight
		70-250	1 belt, oversize slide, aircraft parking*	$125 per flight
		251 or greater	2 belts, oversize slide, aircraft parking*	$ 250 per flight

U.S. Customs and Border Protection

U.S. Customs and Border Protection (CBP) Service User Fees	**Category (based on MGLW)**	**Inspection Fee (per aircraft arrival)**
	<5,000	$80.00
	5,001 – 12,500	$250.00
	12,501 – 35,000	$350.00
	35,001 – 100,000	$480.00
	100,001 – 255,000	$670.00
	> 255,000	$830.00
	Regular service hours are Monday – Friday, 1100 – 1900 hrs. (MST). After-hours by appointment only. For after-hours appointments, there will be a minimum two-hour fee of $415.00 per inspector in addition to the standard user fee shown above. Two hours after the aircraft's scheduled arrival time, each additional 30 minutes required of the U.S. Customs Inspector will incur a $61.00 fee above the $415.00 minimum each.	

Airport Rates and Charges*

Effective August 1, 2022

Gateway Aviation Services (Fixed Based Operator) Rates and Charges

		Category (based on MGLW)	Monthly Tie-Down Fee (2-month minimum)
Aircraft Open Ramp Tie-Down Fees (Space subject to availability)		<5,000 lbs.	$44.00
		5,001 – 12,500 lbs.	$98.00
		12,501 – 35,000 lbs.	$201.00
		35,001 – 100,000 lbs.	$316.00
		100,001 – 255,000 lbs.	$672.00
		> 255,000 lbs.	$1,321.00
Daily Ramp Fee	Max Gross Landing Weight	Rate	A purchase of the following fuel gallon minimums will waive the first Daily Ramp Fee per visit. A purchase of a meal from the restaurant located in the Gateway Aviation Center will equate to a $20.00 credit applicable to the first Daily Ramp Fee per visit.
	<5000	$20.00	10
	5,001-12,500	$30.00	75
	12,501-35,000	$90.00	150
	35,001-100,000	$200.00	200
	100,001-255,000	$300.00	500
	>255,001	$500.00	1,000

All Airport Rates and Charges may vary due to terms defined in specific agreements.
Late payments are subject to a 1.5% finance charge. Payment terms are net 30 days unless otherwise specified.

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

Board Action Item

Re: Resolution 22-23

To:	**Board of Directors**
From:	**R. J. Draper, P.E., LEED AP, CM Engineering & Facilities Director**
Through:	**Scott Brownlee, Deputy Director/COO**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject:	**On-Call Cultural & Archaeological Services–SWCA Environmental Consultants, Inc.**
Date:	**May 17, 2022**

Proposed Motion

To authorize a Professional Service Agreement for On-Call Cultural and Archaeological Services with SWCA Environmental Consultants, Inc. (SWCA), for the length of the base term of three years with two optional one-year extensions for various grant and non-grant projects.

Narrative

In support of the many vital projects that occur at the Airport, the Phoenix-Mesa Gateway Airport Authority, (PMGAA), requires periodic Cultural, Archaeological Monitoring, Testing, Evaluation and Data Recovery services for various grant and non-grant projects. SWCA will provide assistance, as required, concerning all aspects of cultural and archaeological services, including identifying all potentially applicable federal, state and local cultural requirements, along with interpreting, understanding and being current on applicable statutes, regulations, case laws and terms and conditions of permits.

The Request for Qualifications, 2022-013-RFQ, On-Call Cultural and Archaeological Services, was issued on March 2, 2022, and advertised in the Arizona Business Gazette on March 10 and 17 and 24 and 31, 2022; it was also posted on the AzAA, ACC, ACI-NA, SWAAAE and FAA Matchmaker websites as well as the Phoenix-Mesa Gateway Airport Authority Website. In addition, the RFQ was emailed to 11 prospective firms and included ACDBE/DBE/SBC outreach. Statements of Qualifications (SOQ) were received on April 4, 2022, from four (4) firms:

Commonwealth Heritage Group
Cogstone Resource Management, Inc.
Logan Simpson Design, Inc.
SWCA Environmental Consultants, Inc.

Based on the Statement of Qualifications, and the overall ranking, the Evaluation Panel recommends placing SWCA under contract for On-Call Cultural and Archaeological Services.

Fiscal Impact

The Authorization of Services for individual projects under this Professional Services Agreement may be funded with Federal, State, Local Matching or Non-grant dollars depending on the project and will be subject to Board approval as required.

Attachment(s)
Statement of Qualifications, Professional Services Agreement

RESOLUTION NO. 22-23

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

WHEREAS the Authority desires to authorize a Professional Service Agreement for On-Call Cultural and Archaeological Services with SWCA Environmental Consultants, Inc. (SWCA), for the length of the base term of three years, with two optional one-year extensions for various grant and non-grant projects.

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

> **The Board of Directors of the Authority hereby authorizes a Professional Service Agreement for On-Call Cultural and Archaeological Services with SWCA Environmental Consultants, Inc. (SWCA), for the length of the base term of three years, with two optional one-year extensions for various grant and non-grant projects. This resolution also authorizes the Chair or Executive Director/CEO to execute such Agreement, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.**

Passed and adopted by the Authority this 17th day of May, 2022.

John Giles, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY

AND

SWCA, INCORPORATED

Dba SWCA ENVIRONMENTAL CONSULTANTS

FOR

ON-CALL CULTURAL & ARCHEOLOGICAL SERVICES

CONTRACT NUMBER 20220272

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

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Phoenix-Mesa Gateway Airport Authority, a joint powers airport authority authorized by the State of Arizona ("PMGAA") desires performance of the services more fully described in this **Contract Number 20220272** ("Contract") and the attached exhibits. SWCA, Incorporated, dba SWCA Environmental Consultants, an Arizona Corporation ("Consultant"), with its principal offices located at 20 East Thomas Road, Suite 1700, Phoenix, AZ, 85012, desires to perform these services.

Recitals

A. PMGAA requires the services as described in this Contract, including any and all exhibits and amendments, and Consultant is willing to provide these and other services under this Contract; and

B. PMGAA desires to contract with Consultant to provide services as noted herein.

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

SECTION I – CONSULTANT SERVICES

The services to be performed by Consultant are specified in this Contract. PMGAA will not pay Consultant for any services that have not been authorized under the Contract. There is no guarantee of a minimum purchase of services.

The anticipated services to be provided by Consultant under to this Contract shall generally include, but not be limited to, the following: On-Call Cultural and Archeological Services, as more specifically described in Consultant's detailed scope of work attached as **EXHIBIT A**, "Scope of Services & Fee Schedule."

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

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

SECTION II – PMGAA RESPONSIBILITIES

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

A. Access to copies of readily available maps, records, as-built drawings, benchmarks or other data pertinent to work assignments affiliated with this Contract. This does not, however, relieve Consultant of the responsibility of searching records for additional information, for requesting specific information or for verification of that information provided. PMGAA does not warrant the accuracy or comprehensiveness of any information or documents provided to Consultant.

B. In PMGAA's discretion and upon Consultant's reasonable request, access to staff for consultation with Consultant during the performance of this contract in order to identify the problems, needs, and other functional aspects of the work.

C. Prompt review of and feedback on Consultant's deliverables. PMGAA will advise Consultant concerning progress of PMGAA's review of the work, as needed.

SECTION III - PERIOD OF SERVICE

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

The term of this Contract shall commence on May 18, 2022 and ends on May 17, 2025 ("Base Term"), unless terminated, canceled or extended as provided in this Contract. This Contract has two (2) optional one-year extensions that PMGAA may exercise at its sole discretion. Prior to the expiration of the Contract Base Term, PMGAA may elect to extend the Contract. If PMGAA exercises such right, all terms, conditions and provisions of the original Contract shall remain the same and apply during the extended period with the possible exception of fees which, may be changed and agreed to by both parties in writing prior to the renewal. Any extension of this Contract shall require an amendment signed by both parties.

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

SECTION IV – KEY PERSONNEL

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

SECTION V - PAYMENTS TO THE CONSULTANT

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

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

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

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

SECTION VI - ALTERATION IN SCOPE OF SERVICES

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

SECTION VII - WORK ASSIGNMENT COMPLETION

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

SECTION VIII - OWNERSHIP OF DOCUMENTS

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

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

SECTION IX - COMPLIANCE WITH LAWS

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

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

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

SECTION X - GENERAL CONSIDERATIONS

A. The failure of either party to enforce any of the provisions of this Contract or require performance of the other party of any of the provisions hereof shall not be construed to be a waiver of the provisions, nor shall it affect the validity of this Contract or the right of either party to enforce each and every provision.

B. The fact that PMGAA has accepted or approved Consultant's work shall in no way relieve Consultant of responsibility for the work under this Contract.

C. This Contract shall be governed by the laws of the state of Arizona, both as to interpretation and performance. Any action at law, suit in equity, or judicial proceeding for the enforcement of this Contract, or any provision thereof, shall be instituted only in the courts of the state of Arizona.

D. All exhibits to this Contract and any amendments to the Contract are incorporated into it.

SECTION XI - NO KICK-BACK CERTIFICATION

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

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

SECTION XII – SUSPENSION OF SERVICES

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

SECTION XIII – TIMES OF PAYMENTS

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

SECTION XIV – TIMELY REVIEW

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

SECTION XV – DISPUTE RESOLUTION

All disputes between PMGAA and Consultant arising out of or relating to this Contract will be subject to the Dispute Resolution provisions as set forth in **EXHIBIT C**, "PMGAA Standard Terms and Conditions", attached hereto and incorporated herein by reference.

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

SECTION XVI - LIABILITY OF CONSULTANT

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

SECTION XVII - LAWS AND REGULATIONS

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

SECTION XVIII – ARCHAEOLOGICAL RESOURCE PROTECTION

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

SECTION XIX – INSURANCE REQUIREMENTS FOR PROFESSIONAL SERVICES CONTRACTS

A. Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees.

B. All insurance policies required by this Contact, except *Workers Compensation* and *Professional Liability*, shall name PMGAA, its agents, representatives, officers, directors, officials and employees as Additional Insured.

C. Minimum Scope and Limits of Insurance. Coverage shall be at least as broad as:

   i. Professional Liability (Errors and Omissions): Insurance appropriate to the Consultant's profession, with limit no less than $1,000,000 per occurrence or claim, $2,000,000 aggregate.
   ii. Commercial General Liability: Insurance Services Office Form CG 00 01 covering Bodily Injury and Property Damage on an "occurrence" basis, including personal & advertising injury with limits no less than $1,000,000 per occurrence, $2,000,000 General Aggregate.
   iii. Auto Liability: ISO Form CA 00 01 covering any auto (Symbol 1), or if Consultant has no owned autos, hired, (Symbol 8) and non-owned autos (Symbol 9), with limit no less than $1,000,000 Combined Single limit per accident for bodily injury and property damage ($5,000,000 if operating in the Air Operations Area of the Airport).
   iv. Workers' Compensation: Statutory Limits as required by the state of Arizona, and Employer's Liability Insurance with limit of no less than $1,000,000 per accident for bodily injury or disease.

D. If the Consultant maintains higher limits than the minimums shown above, PMGAA requires and shall be entitled to coverage for the higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to PMGAA.

E. Additional insurance provisions.

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

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

iv. Deductibles and Self-Insured Retentions: Any deductibles or self-insured retentions must be declared to and approved by the PMGAA. PMGAA may require the Consultant to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.

v. Acceptability of Insurers: Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A, VII, unless otherwise acceptable to PMGAA.

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

a) The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.

b) Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.

c) If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Consultant must purchase "extended reporting" coverage for a minimum of five (5) years after completion of work.

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

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

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

SECTION XX – DISADVANTAGED BUSINESS ENTERPRISE

THIS SECTION XX IS APPLICABLE TO ALL FEDERALLY FUNDED PROJECTS ONLY

This Contract is subject to the requirements of the U.S. Department of Transportation's regulations, 40 CFR Part 26. Consultant shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. Consultant shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of DOT assisted contracts or projects that the Airport anticipates to be federally funded. Failure by Consultant to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy, as PMGAA deems appropriate, which may include, but is not limited to: (1) withholding monthly progress payments; (2) assessing sanctions; (3) liquidated damages; and/or (4) disqualifying the consultant/contractor from future bidding/submittal as non-responsible.

Consultant is required to insert the above paragraph in all subcontracts or agreements it enters into, and all lower tier subcontracts and agreements, as a result of this contract, regardless of whether or not the subcontractor is a DBE.

Consultant is required to make available, upon execution, a copy of all subcontracts, DBE/SBE and non-DBE/SBE subcontracts. The Consultant shall ensure that all subcontracts or agreements entered into as a result of this Contract require that the subcontract and all lower tier subcontractors contain the required contract clauses and be performed in accordance with this part's provisions.

A. Definitions:

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

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

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

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

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

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

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

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

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

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

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

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

B. Utilization:

Phoenix-Mesa Gateway Airport Authority's Disadvantage Business Enterprise (DBE) Program is race-neutral. PMGAA encourages the use of DBEs and other small businesses in the performance of this opportunity. Phoenix Mesa Gateway Airport Authority does not have a specific Small Business Enterprise (SBE) goal, however, reporting on SBE utilization is required.

PMGAA encourages Consultant to provide subcontracting opportunities of a size that small businesses, including DBEs, can reasonably perform. It is the policy of the PMGAA to ensure that DBE certified companies, as defined in 49 CFR Part 26, have an equal opportunity to receive and participate in DOT assisted contracts.

C. Outreach Efforts and Required Information/Forms Prior to Commencing Services:

Consultant agrees to employ outreach efforts to carry out the requirements of 49 CFR Part 26 through award of subcontracts to small businesses and disadvantaged business enterprises to the fullest extent consistent with the sufficient performance of PMGAA's Contract. PMGAA shall not, nor shall it require its Consultant to, award contracts or subcontracts to or to make purchases of materials or equipment from small businesses and/or DBEs who are not qualified.

Prior to issuing an Authorization of Services for a project, Consultant shall submit, with its proposed fees, the following for PMGAA's consideration and approval:

i. Documentation of outreach efforts
    a. Copy of notification sent to DBE firms that the Offeror has subcontracting opportunities and is requesting subcontractor quotes. This should include the scope of work to be quoted and performed on the project.
    b. Documentation of each DBE firm contacted, and the response of the DBE firms or other action taken as a result of the contact. Documentation of contact with DBE firms may include, fax logs, telephone logs, mail receipts, etc. including documentation of the number of times that firms were contacted, the dates of contact, the name, phone number, fax number, and address of the contact person associated with each DBE firm.
    c. Documentation of bid responses/quotes from all subcontractors who quoted to perform work on the project in the areas that DBE firms were also quoting on, including information regarding the reasons why DBE quotes were not considered or chosen.
    d. The actions taken to meet the outreach requirements must be substantiated by written documentation and proof. A declaration that outreach efforts were made will not be sufficient to meet the burden of proof required. Failure of Consultant to provide sufficient evidence to show that outreach efforts made to obtain DBE participation shall result in PMGAA determining that Consultant was non-responsive to the DBE requirements. PMGAA Procurement department's decision as to whether or not outreach efforts have been made is final and conclusive.

ii. EXHIBIT F: Subcontracting and Outreach Efforts Summary
It is the responsibility of Consultant to ensure that the scope of work to be performed by the DBE is consistent with the area in which the firm has been granted DBE certification. DBE scopes of work listed on the form that fall outside the trade or performance area in which the DBE has been granted certification shall not be counted as DBE participation.

iii. EXHIBIT G: Letter of Intent to Perform as a Subconsultant

iv. EXHIBIT H: DBE's Certification Statement

v. EXHIBIT I: DBE Identification Statement

vi. EXHIBIT J: DBE Data Collection Form

D. Reporting:

Consultant is required to track and report all DBE participation and prompt payment that occurs as a result of and in conjunction with this Contract. As such, the following forms are required throughout the duration of this Contract.

PMGAA reserves the right to validate the information submitted by Consultant with the DBE firm(s) listed and/or other certifying entities or licensing agents as part of the verification process. PMGAA does not have a specific Small Business Enterprise (SBE) goal, however, reporting on SBE utilization is required.

i. EXHIBIT K: Statement of Subconsultant Utilization

ii. EXHIBIT L: Certification of Prompt Payment to Subconsultants

iii. EXHIBIT M: Certification of Payment of to Lower Tier

E. Approved DBE Program:

The Phoenix-Mesa Gateway Airport Authority's Disadvantaged Business Enterprise Program, dated August 1, 2017, as amended from time to time, all its terms and conditions is hereby incorporated into and made

part of this Contract by reference.
The approved DBE Program can be found at PMGAA's website (www.gatewayairport.com) under the Business | Procurements & Notices section.

F. Enforcement
This contract and all subsequent subcontracts entered into as a result of this contract, are subject to the requirements, provisions, and enforcement actions of 49 CFR Part 26, Subpart F, *Compliance and Enforcement*, § 26.105 and 26.107. Further, Consultant is required to insert § 26.107 in all DBE subcontracts entered into as a result of this Contract.

Failure to comply with the requirements of this SECTION XX constitutes a breach of this Contract. Such breach may lead to the termination or cancellation of the Contract.

Executed as of the Commencement Date.

CONSULTANT
SWCA, Incorporated, dba SWCA Environmental Consultants, an Arizona Corporation

By: Jana Sterling
Name: Jana Sterling
Title: Vice President
Date: 4/29/22

PMGAA
PHOENIX 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: _____

EXHIBIT A - SCOPE OF SERVICES & FEE SCHEDULE

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

SCOPE OF SERVICES

The Scope of Services shall include, but not be limited to, the following:

1. Meetings with PMGAA related to the project(s)
1. Determination of specific areas of "high cultural sensitivity" or areas most likely to contain buried archaeological features within the project(s), and recommendations to PMGAA on how best to proceed in such areas
2. Archaeological Monitoring, where determined necessary by the consulting archaeologist, as needed
3. Examining excavated material for evidence of archaeological features, notifying PMGAA and providing necessary recommendations regarding how to address such features if found
4. Examining trenches and/or excavations for evidence of archaeological artifacts, notifying PMGAA and provide recommendations regarding treatment of artifacts, if found
5. Providing necessary Archaeological testing, evaluation, and data recovery of materials recovered
6. Preparing plans for and identifying options for mitigation, including but not limited to: avoidance, preservation, partial preservation, or excavation and curation
7. Manually excavating in areas containing archaeological materials appearing to be significant
8. Providing photographs and mapping
9. Preparing all necessary documenting reports to be filed with the State Historic Preservation Office
10. Cataloging and preparation of recovered artifacts, as required, for placement with a repository
11. Compliance with all applicable state and federal laws related to cultural resources
12. Consulting with PMGAA as necessary to provide recommendations and consulting support throughout project(s)
13. Preparing technical reports summarizing the consulting work performed, detailing the results of
    all findings, and summarizing all recommendations

FEE SCHEDULE

The fees stated herein shall remain in effect for the Base Term. Fee increases for the optional renewal term(s) are subject to the conditions as set for in Section III, Period of Service, of this Contract.

SWCA | Standard Rate Schedule

2022 LABOR CATEGORIES AND BILLING RATES

Consulting Services

Cultural Resources	Air Quality	Technical Writing/Editing
Environmental Resources	Landscape Architecture	Training/Facilitating
Paleontology	Ecological Restoration	Graphics/Media Production
Scientific Resources	Disaster Recovery	Administrative
Planning Resources	GIS/CADD Resources	

Subject Matter Expert IV	$275.00	Specialist VIII	$147.00
Subject Matter Expert III	$250.00	Specialist VII	$137.00
Subject Matter Expert II	$225.00	Specialist VI	$127.00
Subject Matter Expert I	$215.00	Specialist V	$115.00
Specialist XIV	$225.00	Specialist IV	$105.00
Specialist XIII	$215.00	Specialist III	$95.00
Specialist XII	$211.00	Specialist II	$83.00
Specialist XI	$193.00	Specialist I	$71.00
Specialist X	$176.00	Technician II	$59.00
Specialist IX	$158.00	Technician I	$49.00

Engineering Services

Subject Matter Expert III	$265.00	Specialist IX	$176.00
Subject Matter Expert II	$235.00	Specialist VIII	$158.00
Subject Matter Expert I	$215.00	Specialist VII	$147.00
Specialist XII	$225.00	Specialist VI	$137.00
Specialist XI	$211.00	Specialist V	$127.00
Specialist X	$193.00	Specialist IV	$115.00

Direct expenses are subject to a 15% administrative markup and subcontractor expenses are subject to a 20% administrative markup. These rates do not apply to depositions or testimonies at administrative hearings and trials. Such activities fall under our Expert Witness rates, which vary by state.

Overtime is invoiced at 1.2 times standard rates.

Per Diem is billed at the GSA rate in place at the time of billing. Mileage is billed at the IRS mileage rate in place at the time of billing.

Last revised 03.01.22

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EXHIBIT B - COMPENSATION

All compensation for services rendered by Consultant shall be based upon criteria established below and in accordance with each Authorization of Services initiated under this Contract. All services must be billed through the Consultant.

1. Fees to be Specified in Contract

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

2. Method of Payment

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

3. Consultant Responsibilities for Compensation

Consultant shall prepare monthly invoices and progress reports in accordance with terms specified in the Contract, which clearly indicate the progress to date and the amount of compensation due by virtue of that progress. All invoices/requisitions for payment shall be for work completed unless otherwise agreed to by PMGAA. Invoices/requisitions for payment for services subject to funding by the FAA and/or ADOT shall include the documentation requirements of the FAA and/or ADOT, which are outlined in the *Airport Improvement Program (AIP) Handbook* dated September 30, 2014, or most current version.

4. PMGAA Responsibilities for Compensation

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

5. Billing Address

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

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

EXHIBIT C – PMGAA STANDARD TERMS & CONDITIONS

1. Certification

By signature of this Contract, Consultant certifies:

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

2. Dispute Resolution

a. Negotiations. If a dispute arises out of or relates to this Contract or its breach, the parties to this Contract shall endeavor to settle the dispute through direct discussions as a condition precedent to mediation or binding dispute resolution.
b. Mediation. Should the parties to this Contract be unable to resolve their dispute through direct negotiations, the parties to this Contract, upon the written request of either, shall engage in mediation, to be administered privately by a mediator and according to rules mutually agreed upon by the parties to this
Contract, or, the absence of such mutual agreement, by a mediator appointed by JAMS and administered by JAMS in accordance with its then-current mediation rules. The fees and costs of mediation shall be split equally by the parties to this Contract, but subject to reallocation following binding dispute resolution.
c. Binding Dispute Resolution. Should the parties to this Contract be unable to resolve their dispute through direct negotiations or mediation, either party may, within the time limitations for bringing claims under Arizona law and this Contract, commence formal dispute resolution proceedings. Both parties to this Contract consent to binding arbitration administered by JAMS according to its then current arbitration rules, provided, however, that (i) in the event both parties agree, the arbitration may be administered privately by an arbitrator and according to rules mutually agreed upon by the parties to this Contract, and (ii) in the event any party seeks relief against the other party or against a non-party which cannot fully be granted in arbitration, by reason of non-joinder or otherwise, the parties to this Contract are excused from this arbitration requirement and the parties to this Contract shall proceed in the state or federal courts of competent jurisdiction and located in Maricopa County, Arizona. In any arbitration or litigation, the prevailing party shall be entitled to an award of its reasonable attorneys' fees and costs as determined by the arbitrator or court as applicable.

3. Independent Contractor

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

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

4. Affirmative Action

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

5. Human Relations

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

6. Non-Exclusive Contract

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

7. Americans with Disabilities Act

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

8. Confidentiality of Records

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

9. Gratuities

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

10. Applicable Law

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

11. Contract

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

12. Contract Amendments

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

13. Provisions Required by Law

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

14. Severability

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

15. Protection of Government Property

Consultant shall use reasonable care to avoid damaging all PMGAA property, including buildings, equipment, and vegetation (such as trees, shrubs, and grass). If Consultant damages PMGAA's property in any way, Consultant shall

immediately repair or replace the damage at no cost to PMGAA, as directed by the PMGAA Executive Director. If Consultant fails or refuses to repair or replace the damage, then PMGAA may terminate the Contract, and PMGAA shall deduct the repair or replacement cost from money due Consultant under the Contract.

16. Interpretation – Parol Evidence

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

17. Subcontracts

Offeror shall not assign any rights or interest nor enter into any subcontract with any other party to furnish any of the materials, goods or services specified herein without the prior written permission of PMGAA. PMGAA may, at its sole discretion, accept or reject proposed subcontractors or assignment. PMGAA shall notify Offeror of its acceptance or rejection within forty-five (45) days or written request by Offeror. All subcontracts shall comply with federal and state laws and regulations applicable to the materials, goods or services covered by the subcontract and shall include all the terms and conditions set forth herein, which shall apply with equal force to the subcontract, as if the subcontractor were the Offeror referred to herein. Offeror is responsible for Contract performance whether or not subcontractors are used.

18. No Waiver

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

19. Warranties

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

20. Indemnification

To the fullest extent permitted by law, Consultant shall indemnify and hold harmless PMGAA, its officers and employees (collectively the "Indemnitees") from liabilities, damages, losses and costs, including reasonable attorney fees and court costs but only to the extent caused by the negligence, recklessness or intentional wrongful conduct of Consultant or other persons employed or used by Consultant in the performance of this Contract.

21. Right to Assurance

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

22. Advertising

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

23. Right to Inspect

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

24. Force Majeure

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 Contract to be performed by such party ("Required Act"), and such delay or hindrance is due to causes entirely beyond its control such as riots, insurrections, martial law, civil commotion, war, fire, flood, earthquake, or other casualty or acts of God ("Force Majeure Event"), 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 delay. For purposes of this Contract, the financial inability of Consultant to perform any Required Act, including, without limitation, failure to obtain adequate or other financing shall not be deemed to constitute a Force Majeure Event. A Force Majeure Event shall not be deemed to commence until ten (10) days before the date on which the party who asserts some right, defense, or remedy arising from or based upon such Force Majeure Event gives written notice thereof to the other party. If abnormal adverse weather conditions are the basis for a claim for an extension of time due to a Force Majeure Event, the written notice shall be accompanied by data substantiating (a) that the weather conditions were abnormal for the time and could not have been reasonably anticipated and (b) that the weather conditions complained of had a significant adverse effect on the performance of a Required Act. To establish the extent of any delay to the performance of a Required Act due to abnormal adverse weather, a comparison will be made of the weather for the time of performance of the Required Act with the average of the preceding ten (10) years' climatic range based on the National Weather Service statistics for the nearest weather reporting station to the Premises. No extension of time for or excuse for a delay in the performance of a Required Act will be granted for rain, snow, wind, cold temperatures, flood, or other natural phenomena of normal intensity for the locality where the Premises are located.

25. Inspection

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

26. Exclusive Possession

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

27. Title and Risk of Loss

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

28. Liens

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

29. Licenses

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

30. Subsequent Employment

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

31. Clean Up

Consultant shall at all times keep Contract performance areas, including storage areas used by the Consultant, free

from accumulation of waste material or rubbish and, prior to completion of the work, remove any rubbish from the premises and all tools, scaffolding, equipment and materials not property of PMGAA. Upon completion of any repair, Consultant shall leave the work and premises in clean, neat, and workmanlike condition.

32. Patents

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

33. Records and Audit Rights

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

34. E-Verify Requirements

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

35. Availability of Project Funding

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

EXHIBIT D- FEDERAL PROVISIONS

Paragraphs 1 through 6 shall apply to Consultant and any work/project covered under this contract, regardless of project funding. All other paragraphs shall apply to Federally funded projects.

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

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

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

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

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

b. Nondiscrimination – The contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR Part 21.

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

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

e. Sanctions for Noncompliance – In the event of a contractor's noncompliance with the Nondiscrimination provisions of this contract, the Recipient will impose such contract sanctions as it or the FAA may determine to be appropriate, including, but not limited to:

i) Withholding of payments to the contractor under the contract until the contractor complies, and/or;
ii) Cancellation, termination, or suspension of the Contract, in whole or in part.

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

the contractor may request the United States to enter into the litigation to protect the interests of the United States.

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

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

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

4. Termination for Convenience

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

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

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

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

5. Termination for Default

Either party may terminate this Contract for cause if the other party fails to fulfill its obligations that are essential to the completion of the work per the terms and conditions of the Contract. The party initiating the termination action must allow the breaching party an opportunity to dispute or cure the breach.

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

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

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

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

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

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

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

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

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

6. Breach of Contract Terms

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

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

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

7. Access to Records and Reports

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

8. Disadvantaged Business Enterprises (DBE)

The requirements of 49 CFR Part 26 apply to this contract. The Contractor or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The Contractor shall carry out applicable requirements of 49 CFR part 26 in the award and administration of Department of Transportation-assisted contracts. Failure by the Contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the Owner deems appropriate, which may include, but is not limited to:

1) Withholding monthly progress payments;
2) Assessing sanctions;
3) Liquidated damages; and/or
4) Disqualifying the Contractor from future bidding as non-responsible.

a. Contract Assurance (§26.13) – Consultant and/or subcontractor(s) shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. Consultant shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of DOT assisted contracts. Failure by Consultant to carry out these requirements is a material breach of this Contract, which may result in the termination thereof or such other remedy, as the recipient deems appropriate.

b. Prompt Payment (§26.29) – Consultant agrees to pay each subcontractor under this Contract for satisfactory performance of its contract obligations no later than seven (7) days from the receipt of each payment Consultant receives from PMGAA. Consultant agrees further to return retainage payments to

each subcontractor for work satisfactorily completed within seven (7) days from the receipt of payment the Consultant receives from PMGAA. Any delay or postponement of payment from the above referenced time frame may occur only for good cause following written approval of PMGAA. This clause applies to both DBE and non-DBE subcontractors.

In addition, Consultant agrees to all rules, policies, and requirements as set forth in these contract documents and exhibits.

9. Energy Conservation Requirements

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

10. Federal Fair Labor Standards Act

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

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

11. Occupational Safety and Health Act of 1970

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

12. Tax Delinquency and Felony Conviction

a. Certification of Consultant. Consultant, by accepting this Contract, certifies that it is not a corporation that has any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability.

Consultant further certifies that it is not a corporation that was convicted of a criminal violation under any Federal law within the preceding 24 months.

b. Certification of Lower Tier Subconsultants. Consultant, by administering each lower tier subcontract must certify and include this certification in all lower tier subcontracts.

Term Definitions

Felony conviction: Felony conviction means a conviction within the preceding twenty four (24) months of a felony criminal violation under any Federal law and includes conviction of an offense defined in a section of the U.S. code that specifically classifies the offense as a felony and conviction of an offense that is classified as a felony under 18 U.S.C. § 3559.

Tax Delinquency: A tax delinquency is any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted, or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability.

13. Trade Restriction Clause

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

a. is not owned or controlled by one or more citizens of a foreign country included in the list of countries that discriminate against U.S. firms as published by the Office of the United States Trade Representative (U.S.T.R.);
b. has not knowingly entered into any contract or subcontract for this project with a person that is a citizen or national of a foreign country included on the list of countries that discriminate against U.S. firms as published by the U.S.T.R; and
c. has not entered into any subcontract for any product to be used on the Federal on the project that is produced in a foreign country included on the list of countries that discriminate against U.S. firms published by the U.S.T.R.

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

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

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

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

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

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

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

14. Veteran's Preference

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

veterans. This preference only applies when there are covered veterans readily available and qualified to perform the work to which the employment relates.

15. Debarment and Suspension

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

b. Certification of Lower Tier Subconsultants

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

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

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

16. Distracted Driving

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

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

17. Lobbying and Influencing Federal Employees

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

a. No federal appropriated funds shall be paid, by or on behalf of Consultant, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making of any federal grant and the amendment or modification of any federal grant.

b. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any federal grant, the contractor shall complete and submit Standard Form-LLL, "Disclosure of Lobby Activities," in accordance with its instructions.

c. Consultant, by submission of an offer and/or execution of a contract, certifies that the language above will be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

18. Clean Air and Water Pollution Control

Consultant agrees to comply with all applicable standards, orders, and regulations issued pursuant to the Clear Air Act (42 U.S.C. § 740-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C § 1251-1387). Consultant agrees to report any violation to PMGAA immediately upon discovery. PMGAA assumes responsibility for notifying the Environmental Protection Agency (EPA) and the FAA.

Consultant must include this requirement in all subcontracts that exceed $150,000.

19. Rights to Inventions

Contracts or agreements that include the performance of experimental, developmental, or research work must provide for the rights of the Federal Government and PMGAA in any resulting invention as established by 37 CFR part 401, Rights to Inventions Made by Non-profit Organizations and Small Business Firms under Government Grants, Contracts, and Cooperative Agreements. This contract incorporates by reference the patent and inventions rights as specified within in the 37 CFR §401.14. Consultant must include this requirement in all sub-tier contracts involving experimental, developmental or research work.

20. Equal Employment Opportunity (E.E.O)

During the performance of this contract, Consultant agrees as follows:

a. The Consultant will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Consultant will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, sexual orientation, gender identify or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Consultant agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

b. The Consultant will, in all solicitations or advertisements for employees placed by or on behalf of the Consultant, state that all qualified applicants will receive considerations for employment without regard to race, color, religion, sex, or national origin.

c. The Consultant will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the Consultant's commitments under this section and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

d. The Consultant will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

e. The Consultant will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

f. In the event of the Consultant's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part and the Consultant may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and

remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

g. The Consultant will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Consultant will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance*: Provided, however*, That in the event a Consultant becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency the Consultant may request the United States to enter into such litigation to protect the interests of the United States.

21. Prohibition of Segregated Facilities

a. The Consultant agrees that it does not and will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not and will not permit its employees to perform their services at any location under its control where segregated facilities are maintained. The Consultant agrees that a breach of this clause is a violation of the Equal Opportunity clause in this contract.

b. "Segregated facilities," as used in this clause, means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees, that are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, sex, or national origin because of written or oral policies or employee custom. The term does not include separate or single-user rest rooms or necessary dressing or sleeping areas provided to assure privacy between the sexes.

c. The Consultant shall include this clause in every subcontract and purchase order that is subject to the Equal Opportunity clause of this contract.

22. Contract Workhours and Safety Standards Act Requirements

a. Overtime Requirements.
No Consultant or subconsultant contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic, including watchmen and guards, in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

b. Violation; Liability for Unpaid Wages; Liquidated Damages.
In the event of any violation of the clause set forth in paragraph (1) of this clause, the Consultant and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such Consultant and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (1) of this clause, in the sum of $10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (1) of this clause.

c. Withholding for Unpaid Wages and Liquidated Damages.
The FAA or PMGAA shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys

payable on account of work performed by the Consultant or subcontractor under any such contract or any other Federal contract with the same prime Consultant, or any other Federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime Consultant, such sums as may be determined to be necessary to satisfy any liabilities of such Consultant or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph 2 of this clause.

d. Subcontractors.
The Consultant or subconsultant shall insert in any subcontracts the clauses set forth in paragraphs (1) through (4) and also a clause requiring the subcontractor to include these clauses in any lower tier subcontracts. The prime Consultant shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (1) through (4) of this clause.

23. Seismic Safety
In the performance of design services, the Consultant agrees to furnish a building design and associated construction specification that conform to a building code standard which provides a level of seismic safety substantially equivalent to standards as established by the National Earthquake Hazards Reduction Program (NEHRP). Local building codes that model their building code after the current version of the International Building Code (IBC) meet the NEHRP equivalency level for seismic safety. At the conclusion of the design services, the Consultant agrees to furnish PMGAA a "certification of compliance" that attests conformance of the building design and construction specifications with the seismic standards of NEHRP or an equivalent building code.

24. Procurement of Recovered Materials
Contractor and subcontractor agree to comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, and the regulatory provisions of 40 CFR Part 247. In the performance of this contract and to the extent practicable, the Contractor and subcontractors are to use of products containing the highest percentage of recovered materials for items designated by the Environmental Protection Agency (EPA) under 40 CFR Part 247 whenever:

a. The contract requires procurement of $10,000 or more of a designated item during the fiscal year; or,
b. The contractor has procured $10,000 or more of a designated item using Federal funding during the previous fiscal year.

The list of EPA-designated items is available at www.epa.gov/epawaste/conserve/tools/cpg/products/.
Section 6002(c) establishes exceptions to the preference for recovery of EPA-designated products if the contractor can demonstrate the item is:

a. Not reasonably available within a timeframe providing for compliance with the contract performance schedule;
b. Fails to meet reasonable contract performance requirements; or
c. Is only available at an unreasonable price.

25. Affirmative Action
If, during the duration of this Contract, any work conducted by Consultant or Consultant's subcontractors / subconsultants, meets the current definition of construction, as defined by the U.S. Department of Labor and exceeds $10,000.00, then all provisions, terms, and conditions of Affirmative Action as set forth in Contract Provision Guidelines for Obligated Sponsors and Airport Improvement Program Projects, shall apply to this Contract and Consultant agrees to comply with such requirements.

26. Copeland Anti-Kickback Act
If, during the duration of this Contract, any work conducted by Consultant or Consultant's subcontractors / subconsultants, meets the current definition of construction, alteration or repair as defined in 29 CFR Part 5 and the work exceeds $2,000.00, then all provisions, terms, and conditions of the Copeland Anti-Kickback Act as set forth in Contract Provision Guidelines for Obligated Sponsors and Airport Improvement Program Projects, shall apply to this Contract and Consultant agrees to comply with such requirements.

27. Davis Bacon

If, during the duration of this Contract, any work conducted by Consultant meets the current definition of construction, alteration or repair as defined in 29 CFR Part 5 and the work exceeds $2,000.00, then all provisions, terms, and conditions of the Davis Bacon Act as set forth in Contract Provision Guidelines for Obligated Sponsors and Airport Improvement Program Projects, shall apply to this Contract and Consultant agrees to comply with such requirements.

EXHIBIT E - SPECIAL PROVISIONS

1. Project Security

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

a. Secured Area Access – All Consultant personnel who require unescorted access to the secured area of the Airport, prior to the issuance of an Airport Identification badge, must successfully complete the Security Badge Application and Security Badge Authorization forms.

b. Employee Security Badges – If deemed necessary by PMGAA All Contractor and/or subcontractor personnel performing work functions in accordance with this Contract shall obtain and properly display an Airport security badge. Consultant shall submit a Security Badge Application form to the PMGAA security office for each employee requiring unescorted access, along with the current fee for each badge. Badge fees are identified on the current *Airport Fees, Services and Rental Rates* listing available via the Airport website at www.gatewayairport.com and are subject to change.

   i. All fees must be paid to PMGAA by cash or check.
   ii. Airport Security Badge Application forms and instructions are available via the Airport website at www.gatewayairport.com.
   iii. An authorized representative of Consultant must also obtain and submit a Security Media Authorization form, which is to be submitted to the PMGAA badging office. The Security Media Authorization form and instructions are available via the Airport website at www.gatewairport.com.
   iv. A training class on aviation security must be successfully completed before individuals are issued a badge. Fees for the security badge include attendance for the necessary training classes. Attendance at the security classes and issuance of the security badge may take two hours per person.
   v. Additional information, including a "Frequently Asked Questions" is available via the Airport website at www.gatewairport.com or by contacting the PMGAA Badging Office at (480) 988-7522. The Badging Office is located at 5803 S. Sossaman Road, Mesa AZ 85212.
   vi. Consultant shall immediately notify the PMGAA Badging Office of any Consultant personnel whose employment status has changed.
   vii. Consultant shall retrieve all security badges and keys and return them to the PMGAA Badging Office. A fee, as indicated on the most current *Airport Rates and Charges Schedule*, will be charged for each badge that is damaged, lost or not returned.
   viii. The PMGAA Badging Office will require a completed Security Badge Application from each Consultant employee so certified by Consultant as requiring such before a Security Badge is issued.
   ix. Under certain circumstances and out of control of PMGAA, security measures may change on short notice. No deviations from any security measure shall be allowed at any time.
   x. At all times, aircraft shall have the right-of-way over all vehicle traffic.

c. Fines – Due to both the safety and security precautions necessary at the Airport, any failure of the Consultant to adhere to prescribed Airport requirements/regulations has consequences that may jeopardize the health, welfare and lives of Airport customers and employees, as well as the Consultant's own employees. Therefore, if Consultant is found to be in non-compliance with any security, airfield badging/licensing and airfield safety requirement, a Notice of Violations (NOV) may be issued. A current listing of fines is available by contacting the PMGAA Badging Office.

2. Standard Terms & Conditions

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

3. Federal and State Guidelines and Regulations

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

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

4. Right to Contract With Other Firms

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

5. Independent Contractor Status

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

EXHIBIT F – SUBCONTRACTING AND OUTREACH EFFORTS SUMMARY

Submit: With each cost proposal for EACH scope of work identified REGARDLESS of whether it resulted in selection of a subconsultant/subcontractor
Completed By: Prime Consultant

Project Description: _____ Project No.: _____

Scope of Work That May Be Subcontracted	NAISC Code(s) for Scope

FIRMS CONTACTED	NOTES / OUTCOME	DBE (Y/N)	SBE (Y/N)	NON DBE/SBE (Y/N)	SELECTED (Y/N)

THIS FORM SHALL NOT RELEASE CONSULTANT FROM PROVIDING DETAILED DOCUMENTATION OF OUTREACH EFFORTS AS SPECIFIED IN SECTION XX (C) OF THIS CONTRACT

1. **CONSULTANT SHALL COMPLETE THIS FORM TO SUMMARIZE THEIR OUTREACH EFFORTS FOR EACH SCOPE OF WORK OPPORTUNITY IDENTIFIED TO SUBCONTRACT. MAKE COPIES OF THIS FORM AS NECESSARY. EXPAND TEXT BOXES OR ATTACH INFORMATION AS NEEDED.**

2. **CONSULTANT MUST RETAIN ALL DETAILED OUTREACH EFFORTS DOCUMENTATION FOR A PERIOD OF 1 YEAR FROM FINAL ACCEPTANCE BY PMGAA.**

Consultant Hereby affirms that the above information, as well as the detailed documentation submitted regarding Consultant's outreach efforts, is true and complete to the best of Consultant's knowledge.

Further, Consultant hereby affirms that Consultant will enter into a formal agreement with the identified selected subcontractors/subconsultants/suppliers listed herein conditioned upon the execution of an Authorization of Services for the project with the Phoenix-Mesa Gateway Airport Authority.

Signed By: _____ Date: _____

Title: _____ Print Name: _____

EXHIBIT G – LETTER OF INTENT TO PERFORM AS A SUBCONSULTANT

Submit: With each cost proposal for any Subconsultant/Subcontractor to perform work
Completed By: Each Subconsultant/Subcontractor (regardless of DBE status) to perform work

PROJECT DESCRIPTION: _____ **Solicitation No.**: _____

TO: _____ (Insert name of prime consultant)

1. The undersigned is prepared and licensed in Arizona to perform the following scope(s) of work on the above referenced project:

Scope of Work Description	NAICS Code(s) for Scope of Work to be Performed	Total Minimum Contract Amount
		$

2. The undersigned will sublet and/or award $_____ of the above Total Minimum Contract Amount to a non-DBE/SBE firm

3. The undersigned will sublet and/or award $ _____ of the above Total Minimum Contract Amount to a certified ☐ DBE and/or ☐ SBE firm

   DBE/SBE Firm Name(s): _____
   (Use of DBEs on sub-tier contracts must be reported to Owner)

IF THE SUBCONSULTANT/SUBCONTRACTOR IS A DBE OR SBE, COMPLETE A THROUGH C:

A. The undersigned is certified as a (check all that apply):

   ☐ Disadvantaged Business Enterprise
   ☐ Small Business Enterprise

B. Certifying Agency: _____

C. The undersigned is certified by the Arizona UPC (or other DOT-approved UPC) to perform work for the following North American Industry Classification System (NAICS) codes:

   _____

On the _____ day of _____, 20___, by signature below, the undersigned agrees to enter into a formal agreement/subcontract for the work cited herein should _____ receive award of this project from the Phoenix-Mesa Gateway Airport Authority.

_____ _____
(Print Firm Name) (Phone Number)

_____ _____
(Authorized Signature) (Print Name and Title)

IF THE CONSULTANT DOES NOT RECEIVE AWARD OF PROJECT, ANY AND ALL REPRESENTATIONS IN THIS LETTER OF INTENT AND AFFIRMATION SHALL BE NULL AND VOID.

EXHIBIT H –DISADVANTAGED BUSINESS ENTERPRISE'S CERTIFICATION STATEMENT

Submit: With each cost proposal for any DBE Subconsultant/Subcontractor selected to perform work if the selected DBE is NOT certified by the Arizona Unified Certification Program

Completed By: Each DBE Subconsultant/Subcontractor selected to perform work who is NOT certified by the Arizona Unified Certification Program (UCP)

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

DBE Certifying Agency: _____ Phone # _____

Expiration Date of Current DBE Certification: _____, 20_____

DBE Business Name: _____

DBE Principal Business Address: _____

City: _____ State: _____ Zip: _____

Phone #: (_____) _____

DBE Qualifying Owner Name: _____

Title: _____

Licenses Held by DBE Firm: _____

Issued By: _____

Services/Work/Products Provided: _____

_____

SIGNED AND DATED this _____ day of _____, 20_____

_____ _____

Authorized Signature Print Name and Title

EXHIBIT I – DBE IDENTIFICATION STATEMENT

Submit: With each cost proposal for any Subconsultant/Subcontractor to perform work
Completed By: Each Subconsultant/Subcontractor (regardless of DBE status) to perform work

Name of Subcontractor/Subconsultant's Firm: _____

Firm Address: _____

_____

_____

Subcontractor/Subconsultant: ☐ is OR ☐ is not a certified DBE
DBE is defined as a small business concern that has successfully completed a DBE certification process and been granted DBE status by the Arizona Unified Certification Program or by a U.S. Department of Transportation (USDOT) recognized agency who certifies DBE applicants pursuant to the criteria contained in 49 CFR Part 26.

Age of Firm:
- ☐ **Less than 1 year**
- ☐ **1 – 3 years**
- ☐ **4 – 7 years**
- ☐ **8 – 10 years**
- ☐ **More than 10 years**

Annual Gross Receipts:
- ☐ **Less than $500,000.00**
- ☐ **$500,000.00 - $1,000,000.00**
- ☐ **$1,000,000.00 - $2,000,000.00**
- ☐ **$2,000,000.00 - $5,000,000.00**
- ☐ **Greater than $5,000,000.00**

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

SIGNED AND DATED this _____ day of _____, 20___

_____ _____
Authorized Signature Print Name and Title

EXHIBIT J – DBE DATA COLLECTION FORM

Submit: After project award and upon selection of a DBE Subconsultant to perform work
Completed By: Each DBE Subconsultant selected to perform work

Project Description: _____ **Solicitation No.:** _____

Prime Consultant: _____ **DBE FIRM**: _____

1. The undersigned is certified as (select one only): ☐ Male Owned ☐ Woman Owned

2. The undersigned is certified as (select one only) ☐ Black American ☐ Hispanic American ☐ Native American
   ☐ Asian-Pacific American ☐ Subcontinent Asian American
   ☐ Non-Minority

3. The undersigned affirms that of the trucking/hauling work to be contracted to perform under this project (if applicable), is as follows:

   # of trucks needed to perform project _____ # of trucks owned by DBE to be used on the project _____
   # of trucks to be leased from a DBE _____ # of trucks to be leased from a non-DBE _____

_____ _____
Authorized Signature Date

_____ _____
Printed Name Title

EXHIBIT K – STATEMENT OF SUBCONSULTANT UTILIZATION

Submit & Completed By: 1) Consultant with every pay request involving any Subconsultant AND
2) Any Subconsultant when paying any lower tier Subconsultant as a reporting mechanism only (check box below)

SHEET ____ OF ____

☐ **CHECK IF FORM IS FOR SUB-TIER REPORTING** **PROJECT NAME:** _____ **PROJECT NUMBER:** _____

PAY REQUEST NO._____ **PAY REQUEST $**_____

SUBCONSULTANT RECEIVING PAYMENT	CONTRACT AMOUNT	CONTRACT ADJUSTMENTS	REVISED CONTRACT AMOUNT	AMOUNT EARNED THIS PERIOD	AMOUNT EARNED TO DATE	AMOUNT RETAINED THIS PERIOD	AMOUNT RETAINED TO DATE	NET PAYMENT THIS PERIOD	PP RCVD	REVIEW DATE	NOTES

PRIME CONSULTANT/SUBCONSULTANT_____ **AUTHORIZED SIGNATURE** _____ **DATE** _____

NOTE: Amount earned this period, less retention, (NET PAYMENT THIS PERIOD) MUST equate to amount on Prompt Payment certification. If not, attach explanation please.

EXHIBIT L – CERTIFICATION OF PROMPT PAYMENT TO SUBCONSULTANTS

Submit: **For each payment made to a Subcontractor or lower tier Subcontractor**
Completed By: **Prime Consultant and Subconsultant OR Subconsultant and Lower Tier Subconsultant**

PRIME Consultant or Subconsultant: _____ PAY REQUEST/INVOICE NO.: _____

PRIME Consultant OR Subconsultant AFFIDAVIT:
The undersigned, having contracted as the prime Consultant or Subconsultant on Project # _____, hereby certifies that a payment has been made to the Subconsultant cited below. The total value of this payment made to the Subconsultant for materials and/or work performed on this project contract is as follows:

Subconsultant: _____ Total Amount Paid: $_____Date Sent _____

This certification is made under Federal and State laws concerning false statement. Supporting documentation for this payment is subject to audit and should be retained for a minimum of three (3) years following final completion of the contract. In the event the Subconsultant was not paid in accordance with affidavits submitted by the Prime Consultant or Subconsultant, all documentation supporting the payee's position should be submitted.

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

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

Date: _____

SUBCONSULTANT AFFIDAVIT:
The undersigned Subconsultant hereby certifies that a contract was entered into with the above named prime Consultant or Subconsultant to perform work or provide materials on the project cited in this document. I further certify that the total amount of this payment received as provided herein by the Prime Consultant or Subconsultant is accurate and unchallenged.

Total Amount Received: $_____ Date Received _____

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

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

Date: _____

OVER FOR INSTRUCTIONS

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
CERTIFICATION OF PROMPT PAYMENT TO SUBCONTRACTORS

INSTRUCTIONS

Prime Consultant or Subconsultant will prepare a form for each c being paid from each Airport payment for services when the Subconsultant is being paid. The amount paid to each Subconsultant should match the amount earned less any retention held on a pay application as shown on Attachment D.

The date documented by the Prime Consultant or Subconsultant must be the date a check is issued or that an Electronic Fund Transfer is completed as payment to the Subconsultant. This must be in conformance with State and Federal prompt payment regulations per the contract.

The authorized Prime Consultant or Subconsultant must sign and certify the accuracy of the information on Attachment E and send it to the Subconsultant.

The Subconsultant must document the amount of payment received and the date payment from the Prime Consultant or Subconsultant was received. The authorized Subconsultant representative must sign and certify accuracy of the information.

The Subconsultant must email a scan of the record to the Airport within five (5) days of receipt of the Prime Consultant or Subconsultant payment. Airport contact information is as follows:

PromptPayment@gatewayairport.com

The Subconsultant should also copy the Prime Consultant or Subconsultant on the record.

The Prime Consultant and Subconsultant must retain the payment records and evidence of compliance for three years following completion of the contract.

FOR QUESTIONS ON COMPLETING THIS FORM, PLEASE CONTACT THE PHOENIX-MESA GATEWAY AIRPORT AUTHORITY AT (480) 988-7628.

Subconsultants may file complaints on alleged violations of the Prompt Payment standards by contacting the Airport Project Manager or Airport Staff at the number noted above.

EXHIBIT M – CERTIFICATION OF PAYMENT TO LOWER TIER

Submit: When a Subconsultant sublets and pays a firm/individual for a portion of work performed under their contract
Completed By: Subconsultant

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

Select: ☐Contractor ☐Trucker ☐Broker (Fees/Commission) ☐Supplier ☐Manufacturer ☐Other

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

TOTAL $_____

The undersigned has sublet $_____ of the above work bid to a non-DBE firm.

OR

The undersigned has sublet $_____ of the above work bid to another certified DBE firm. The DBE firm's AZ UTRACS Registration Number is: _____

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

the firm has performed the scope(s) as described above for $_____
(Total Dollar Value)

_____
(Authorized firm officer, signature)

_____ _____
(Title) (Date)

EXHIBIT N – CONSULTANT'S DBE PERFORMANCE PLAN

PMGAA and Consultant acknowledge that some projects under this contract may potentially be funded with federal funds, and Consultant's DBE Performance Plan (DBEPP) that was submitted on April 4, 2022 as part of its Statement of Qualifications (SOQ) to PMGAA's Request for Qualifications, 2022-013-RFQ, is hereby incorporated and made part of the Contract.

Consultant further certifies it shall utilize its DBEPP as presented in its submitted SOQ throughout the term of the Contract for federally funded projects..

ON-CALL CULTURAL & ARCHAEOLOGICAL SERVICES

RFQ NO. 2022-013-RFQ

SUBMITTED TO

Marian Whilden, Procurement Officer
Phoenix Mesa Gateway Airport Authority
5835 South Sossaman Road
Mesa, Arizona 85251

PROPOSAL (ELECTRONIC COPY)
APRIL 4, 2022

SUBMITTED BY

SWCA Environmental Consultants
20 East Thomas Road, Suite 1700
Phoenix, Arizona 85012

COVER SHEET

REQUEST FOR QUALIFICATIONS
SOLICITATION #2022-013-RFQ
ON-CALL CULTURAL & ARCHEOLOGICAL SERVICES

SUBMITTAL COVER SHEET

Name of Offeror:	SWCA, Incorporated
EIN#:	86-0483317
DUNS#:	119149730
Principal Address:	20 East Thomas Road, Suite 1700
	Phoenix, Arizona 85012
Primary Point of Contact:	Jerome Hesse
Phone:	520-348-3237
Email:	jhesse@swca.com

The undersigned hereby affirms that:

- The undersigned is a duly authorized agent of the Offeror
- The undersigned has read and understands all terms, conditions and commitments contained within the RFQ and any addenda issued and fully understands and accepts these terms by submission of an offer.
- The submission is being offered independently of any other Offeror and did not involve collusion or other anti-competitive practices.

By: _____ April 4, 2022
Signature Date

Jana Sterling Vice President, Southwest
Printed Name Title

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TAB B: GENERAL INFORMATION

1. COVER LETTER

Marian Whilden, Procurement Officer
Phoenix Mesa Gateway Airport Authority
5835 South Sossaman Road
Mesa, Arizona 85251

Re: On-call Cultural & Archaeological Services / RFQ No. 2022-013-RFQ

Dear Ms. Whilden,

SWCA, Incorporated, dba SWCA Environmental Consultants (SWCA), appreciates the opportunity to provide our statement of qualifications to provide on-call cultural and archaeological services to Phoenix-Mesa Gateway Airport Authority (PMGAA). SWCA's nearly 30-year history of providing cultural and archaeological services at the Phoenix-Mesa Gateway Airport (Airport) makes us uniquely qualified to support PMGAA in its cultural resources preservation responsibilities, handed down as a result of its past history as Williams Air Force Base, and in the environmental review process associated with airport project and planning activities subject to review and approval by the Federal Aviation Administration. SWCA's team of cultural resources professionals has a long history of working at the Airport. We are familiar with the resources, both archaeological and architectural, and we understand PMGAA's goal to be the airport of choice for Phoenix-area air travelers and commercial and industrial businesses.

We have more than 1,200 employees in 39 offices and are 100% employee owned. Having been in business in Arizona for more than 40 years and having provided environmental services at airports across Arizona for more than two decades, SWCA offers a team of qualified cultural resources specialists familiar with the needs of our aviation clients.

SWCA is an Arizona corporation. Our headquarters are located at 20 East Thomas Road, Suite 1700, Phoenix, Arizona 85012. Our phone number is 602-274-3831. We are excited about the opportunity to continue our work at the airport and look forward to working with your staff.

Sincerely,

Don Kelly | Director | donald.kelly@swca.com

Jerome Hesse | Contract Manager | jhesse@swca.com

2. ARIZONA BUSINESS/GOOD STANDING EVIDENCE

Please see Tab H for a copy of SWCA's certificate of good standing.

TAB C: RELEVANT FIRM EXPERIENCE

1. SERVICE CAPABILITY

FIRM OVERVIEW

Founded in 1981 in Flagstaff, SWCA Environmental Consultants (SWCA) has more than 1,200 employees in 39 offices and is 100% employee owned. SWCA has been in business in Arizona for nearly 40 years and has provided environmental services at airports across Arizona for more than two decades. SWCA's team of qualified cultural resource professionals has provided environmental support on aviation projects by working with airports and alongside aviation engineers on airport safety, improvements, and development projects, such as runway extensions, master planning, facilities development, and land acquisition projects.

Figure 1: Arizona Airport Project Experience

SWCA is familiar with the Phoenix-Mesa Gateway Airport Authority (PMGAA) and has worked on more than 40 projects at the Phoenix-Mesa Gateway Airport (Airport) dating back to the mid-1990s.

In addition to archaeological, historic preservation, and cultural resource studies, we offer the following services:

- Wildlife Hazard Assessments, Wildlife Hazard Management Plans, and wildlife hazard training
- Biological resources studies, including species-specific surveys
- Air quality conformity and analysis
- Clean Water Act reviews and permitting
- Environmental/National Environmental Policy Act (NEPA) planning
- Phase I Environmental Due Diligence Audits
- Sustainability planning

CULTURAL RESOURCES

Our proven track record of conducting cultural resources projects in Arizona for the past 33 years shows our ability to provide on-call cultural resources services. SWCA's Cultural Resources specialists provides a full suite of in-house archaeological and architectural historian services in Arizona.

Since 1988, SWCA's Arizona Cultural Resources Program has completed more than **2,000** cultural resources projects for public and private clients.

We have an unblemished record of securing and maintaining cultural resources permits under all regulatory jurisdictions in Arizona. We have the ability and qualifications to obtain all needed permits to work on state, municipal, and federal lands. We maintain business licenses and excellent professional relationships with Native American communities within Arizona and can obtain permits, right-of-entry, and permission to conduct field projects across tribal lands in the state. **SWCA's work at the Airport dates to the mid-1990s closure of Williams Air Force Base. Starting in 2002, we began to provide on on-call archaeological consulting services to Williams Gateway Airport, as it was then called, and have provided services nearly annually for two decades. Our Cultural Resources Team is familiar with PMGAA staff, policies, and procedures.**

Over the past 5 years, we have averaged about 70 surveys per year in Arizona. During surveys, SWCA's archaeologists conduct in-field analysis of ceramic, flaked stone, ground stone, and historic-era artifacts, documenting the attributes that help to address questions regarding cultural affiliation, chronology, and site function. Our staff is skilled at identifying cultural resources, evaluating their significance and integrity through application of the National Register of Historic Places (NRHP) criteria and context development, and assessing the potential effects that an undertaking may have on the resources.

SWCA has also conducted several significant archaeological excavation projects in Arizona in recent years. SWCA's Sunset Road project in Tucson involved a massive subsurface investigation that resulted in the high-profile discovery of the oldest known human footprints in the desert Southwest. SWCA has conducted excavations at the prehistoric Massera Ruin and Southwest Germann Site, which uncovered a very large ancient Hohokam village site nearby in Queen Creek. Recently, SWCA has concluded field excavations of Locus 2 of the Will E. Coyote site within the Airport. The excavation uncovered Hohokam pit houses and thermal features.

Our specialized services and analyses include human remains osteological excavation and analyses; analysis of ceramic, flaked stone, ground stone, faunal bone, and shell artifacts; geomorphological studies; microinvertebrate identification of canal sediments; charred plant species identification from flotation analyses; identification and comparative studies of palynological assemblages; and radiocarbon dating of charred remains.

Over the past 5 years, SWCA has conducted more than 50 cultural resources construction monitoring projects throughout Arizona, including at least three for the PMGAA. Our monitors are skilled at identifying cultural resources and are accustomed to working safely on active construction sites. SWCA recently completed the archaeological monitoring fieldwork for a City of Phoenix Street Transportation Department water main replacement project within the archaeological site known as Grand Canal Ruin, which documented 17 features, including Hohokam canals, roasting/cooking pits, and a pit house.

SWCA is an industry leader in architectural history, and architecture routinely forms a part of SWCA cultural resources projects. Our staff have participated in policy workshops on the documentation and assessment of in-use linear historic properties and understand the methods of evaluating contributing elements within properly established historic contexts. SWCA's Historic American Engineering Record (HAER) documentation of Fossil Creek hydroelectric plant and of the Transcanyon Water Pipeline across the Grand Canyon was awarded the Arizona Governor's Preservation Award in 2006 and 2016, respectively.

Federal agencies and local governments that have assumed National Historic Preservation Act (NHPA) Section 106 responsibilities must consider the effects of their actions on cultural resources listed in or eligible for listing in the NRHP. SWCA plays a critical role in Section 106 review by conducting surveys, evaluating the significance of cultural resources for the NRHP, and assessing project effects on NRHP-listed or NRHP-eligible properties. SWCA also assists by facilitating consultation with tribes, the State Historic Preservation Office (SHPO), and other consulting parties, preparing Historic Properties Treatment Plans (HPTPs), preparing Memoranda of Agreement (MOAs)/Programmatic Agreements (PAs), conducting ethnographic research and interviews, and assisting in the identification and evaluation of Traditional Cultural Properties (TCPs). SWCA regularly assists agencies with other documentation, reporting, and planning items, such as project summaries for Advisory Council on Historic Preservation (ACHP) consultation letters, Historic American Buildings Survey (HABS)/HAER documentation, cultural resources impact analysis for NEPA documents, documentation of tribal consultation meetings or on-site project tours, PowerPoint presentations for consultation meetings, and construction crew training materials.

SWCA'S CULTURAL RESOURCES SERVICES:

- Archival research
- Archaeological survey and site documentation
- HABS
- HAER
- Historic context development
- NRHP/ARHP eligibility evaluations
- Assessment of direct and indirect effects
- Historic Property Treatment Plans
- Testing and data recovery excavations
- Construction monitoring; cultural sensitivity training
- NHPA Section 106 consultation assistance
- MOA/PA preparation
- Ethnographic and oral history interviews
- TCP documentation
- National Register nomination forms
- Cultural landscape studies; subsistence and land use systems modeling
- Cultural resource predictive and sensitivity modeling
- Effective coordination with the City of Phoenix Archaeology Office and the Pueblo Grande Museum (PGM)

2. COMPARABLE PROJECTS

SWCA has conducted approximately 250 projects at airports across Arizona (see Figure 1), most of which included some form of cultural resources assessment. Many of these projects are contracted through airport planning firms; however, we routinely conduct work at the larger airports through existing on-call agreements, such as our on-call environmental services agreements with Tucson Airport Authority (Tucson International Airport and Ryan Air Field) and the City of Phoenix (Sky Harbor International Airport). Most commonly, our cultural resources work entails archaeological survey and historic buildings inventories to support Federal Aviation Administration (FAA) in its NHPA Section 106 review responsibilities, although construction monitoring and data recovery excavations take place as needed. Below, we provide descriptions of projects comparable to those that we would conduct under an on-call agreement with PMGAA; in fact, several of these projects were conducted at the Airport.

DATA RECOVERY WITHIN LOCUS 2 OF AZ U:10:69(ASM)

SWCA is under contract (prime) to complete a data recovery excavation within Locus 2 of AZ U:10:69(ASM) on lands managed by the PMGAA in Mesa, Maricopa County, Arizona. The PMGAA seeks to develop a portion of the airport that would impact Locus 2. In 1997, test excavations identified subsurface prehistoric features within Locus 2. To comply with the Arizona Antiquities Act (AAA) and the State Historic Preservation Act (SHPA), SWCA prepared an HPTP that was accepted with minimal revisions. SWCA archaeologists then completed the PMGAA badging process and commenced with the data recovery to investigate and excavate the previously identified prehistoric features. The archaeological excavation project is anticipated to be completed on schedule and within budget.

PROJECT OWNER
PMGAA

PROJECT LOCATION
Mesa, Arizona

CONTRACT VALUE
$142,506

CONTRACT DATES
September 2021–Present

MONITORING WITHIN AZ U:10:69(ASM)

SWCA is under contract (prime) to complete archaeological monitoring of soil borings within AZ U:10:69(ASM) on lands managed by the PMGAA in Mesa, Maricopa County, Arizona. The PMGAA seeks to design and reconstruct a portion of Runway 12C/30C that would impact a portion of the site. To comply with the AAA and the SHPA, SWCA prepared a Monitoring and Discovery Plan that was accepted with minimal revisions. An SWCA archaeologist then monitored the soil borings, with no findings observed. A report on the monitoring was submitted with minimal revisions. Project materials are currently in the process of being prepared for curation with the Arizona State Museum (ASM). The monitoring project is anticipated to be completed on schedule and within budget.

PROJECT OWNER
PMGAA

PROJECT LOCATION
Mesa, Arizona

CONTRACT VALUE
$9,723

CONTRACT DATES
October 2021–Present

SKYBRIDGE ARIZONA BUSINESS PARK

SWCA, under subcontract to Coffman Associates, conducted a cultural resources inventory for the approximately 353-acre SkyBridge Arizona Business Park at the Airport. The project was a federal undertaking subject to review and approval by the FAA. SWCA's work entailed a cultural resources review and in-field documentation of historic-era buildings and structures. In total, the inventory identified 12 cultural properties within the project's area of potential effects, including two archaeological sites, seven historic buildings, and three historic structures, all of which were either previously determined ineligible for listing in the NRHP or were determined ineligible for listing in the NRHP. The FAA concluded that the project would result in No Historic Properties Affected, and the SHPO concurred. This project was completed on schedule and within budget.

PROJECT OWNER
PMGAA

PROJECT LOCATION
Mesa, Arizona

CONTRACT VALUE
$8,845

CONTRACT DATES
August–October 2021

PINAL AIRPARK ENVIORNMENTAL SERVICES

SWCA, under subcontract to Dibble Engineering, conducted an archaeological survey and historic buildings inventory of the approximately 1,600-acre Pinal Airpark, owned by Pinal County. The cultural resources work was conducted to support FAA review and approval of two projects, including runway improvements and the development of an engine testing facility, as well to project information important in the planning of future projects. The archaeological survey resulted in the identification of three Native American sites and one historic-era site associated with the former Marana Army Air Field. The historic buildings inventory identified 68 architectural resources, including one historic district consisting of the Marana Air Base Cadet Barracks, dating to 1951–1952. All but one of the original 32 barracks still exist. Two historic-era hangars and the World War II–era flight control tower were also determined to be eligible for listing in the NRHP. SWCA's work was critical in assisting the FAA in determining that the two projects would result in No Historic Properties Affected, for which the SHPO concurred. SWCA's work also helped to show Pinal Airpark's historical importance and will prove useful in the development of future projects at the airport.

PROJECT OWNER
Pinal County

PROJECT LOCATION
Pinal County, Arizona

CONTRACT VALUE
$96,203

CONTRACT DATES
December 2018–May 2019

3. ATTACHMENT J: PROJECT REFERENCE QUESTIONNAIRE

SWCA has sent Attachment J: Project Reference Questionnaires to our references. We have confirmed that our references have received them and returned them to PMGAA.

4. PROJECT ISSUES/SCHEDULE MANAGEMENT

At SWCA, we pride ourselves on being adaptive and flexible and serving as an extension of the PMGAA's staff. To achieve that, we recognize that clear, effective communication is key to the project success. Our communication style is direct and to the point, with clear protocols in place about how, when, and with whom we communicate. SWCA Project Manager (PM) Andrew Vorsanger will be the primary point of contact and will coordinate directly with the PMGAA. He will be supported by the rest of the project team and our Project Controls Program.

SWCA's dedicated Project Controls Specialist oversees all budgetary and financial aspects of the project, enabling management to maintain their focus on the technical aspects of the project and producing high-quality deliverables. SWCA has used this method with great success on similar projects to identify potential project issues early and communicate those issues, with solutions, to the client. Please See Tab E, Sections 3 and 4, for details on SWCA's planning, budgeting, and scheduling approach.

The goal is to respond to potential project changes quickly, efficiently, and in a proactive manner by laying out a plan, presenting solutions to address changes, and outlining the pros and cons of making a change. Our approach is to ensure that PMGAA is notified as early as possible of potential issues, so they can keep the project moving forward while having as much time as possible to consider any cost and schedule implications.

5. CAPABILITY AND INTENT TO PROCEED

SWCA has a long history of providing the on-call archaeological consulting services to agencies at various levels. Staff availability and responsiveness are critical elements to consider when managing and delivering work on schedule. Upon receipt of a task order, Mr. Vorsanger will ensure, through looking at forecasts, that SWCA can fully support this contract through its lifespan. If key personnel become unavailable through uncontrollable circumstances, SWCA has a deep bench from which to draw to ensure that we will meet critical milestones and stay on schedule. Our local Phoenix presence, supported by offices in Tucson and Flagstaff, as well as additional offices nationwide, ensures we can handle any volume of work while offering area-specific resource expertise and the ability to respond quickly to requests. SWCA is unique in our ability to ensure timely completion of projects because of our number of experienced professionals. As a result of recent work at the airport, SWCA has several cultural resources team members who have been badged for security clearance to work at the Airport.

6. EXPERIENCE WITH REGULATIONS, POLICIES, AND PROCEDURES

SWCA's key personnel routinely assist federal and state agencies in compliance with various cultural resource laws, regulations, and policies. Federal work requires compliance with Section 106 of the NHPA of 1966, as amended (54 United States Code 306108), and its implementation through 36 Code of Federal Regulations Part 800. In Arizona, the ASM administers the AAA (Arizona Revised Statutes [ARS] 41-841 *et seq.)*, which preserves archaeological and historical resources on State, County, or municipal land, and grants permits to conduct such archaeological investigations to qualified organizations. The SHPO administers the SHPA (ARS 41-861 *et seq.*), which mirrors the NHPA and requires State agencies to consider the effects of their actions on historic properties.

SWCA is familiar with the various federal, state, and tribal requirements for cultural resources documents and has a long record of providing quality deliverables for review, such as the preparation of cultural resources consultation documents, MOAs, PAs, ethnographic research and interviews, and TCP identification and evaluation. SWCA ensures all reports, plans, and other documents reflect the dynamic process of recording, evaluating, and mitigating adverse effects on historic properties.

In working closely with Part 139 certified airports across the West, SWCA is familiar with the certification process and the regulations behind it. SWCA's aviation team works to stay informed of the most recent FAA regulations and Advisory Circulars (ACs) when preparing cultural resources reports to ensure that the work is done in accordance with FAA standards.

In particular, the PMGAA is a party to the 1995 PA between the U.S. Air Force (USAF), SHPO, ACHP, and other concurring parties. In accordance with the PA, an umbrella treatment plan for the protection, preservation, and investigation of the historic properties on the former Williams Air Force Base (currently the Phoenix-Mesa Gateway Airport) was prepared by SWCA and Ryden Architects (1995). On December 16, 1997, the former Williams Gateway Airport Authority (now the PMGAA) and the SHPO entered into an intergovernmental agreement (IGA) for purposes of the implementation of the PA, treatment plan, burial agreement, and state preservation statutes upon transfer of the land. The IGA also specified procedures for routine maintenance activities that might affect historic properties. This agreement was updated in 2017 to reflect the current status of historic properties at the airport. PMGAA is currently responsible for compliance with the PA and the IGA.

SWCA has an unblemished record of securing and maintaining cultural resources permits under all regulatory jurisdictions in Arizona. Our cultural resources staff have extensive credentials, giving us the ability and qualifications to obtain all needed permits to work on state and federal land. We maintain institutional access to the AZSITE database, and our offices in Phoenix, Tucson, and Flagstaff are conveniently located close to the ASM Archaeological Records Office, the SHPO, and other federal agency offices that may require in-person records searches.

ARIZONA ANTIQUITIES ACT PERMIT

SWCA's Cultural Resources specialists maintain the necessary permits and permissions to conduct archaeological investigations on municipal lands, and can easily acquire project-specific permits, permissions, and agreements as required. SWCA maintains an AAA blanket permit for archaeological surveys on State, County, or municipal land, issued by the ASM. Our current permit number is 2022-033bl, which expires on December 31, 2022. The permit lists seven individuals as principal investigators and 12 individuals as project directors. No permits are required for investigation of non-archaeological cultural resources, such as standing buildings and structures.

TAB D: PROJECT TEAM EXPERIENCE AND QUALIFICATIONS

1. PROJECT TEAM QUALIFICATIONS

We have assembled a highly qualified team that has the necessary knowledge to provide archaeology and historic preservation services accurately and efficiently. Our local presence, supported by a nationwide team, ensures we can handle any volume of work while offering area-specific resource expertise and the ability to respond quickly to requests. We are committed to maintaining the same team proposed here for the life of the contract, to the extent practicable.

Our team's qualifications are briefly described below. Full resumes with applicable professional certifications, coursework, and training information for each key personnel member are in Tab H.

JEROME HESSE, M.S. | CONTRACT MANAGER

EDUCATION
M.S., Geology
B.S., Geology

YEARS OF EXPERIENCE
25 years

Mr. Hesse is the cultural resources program lead for SWCA's Arizona offices, with over 25 years of professional experience. He has designed and managed projects of varying size and degrees of complexity in Arizona, New Mexico, California, Texas, North Dakota, and Kansas, managing more than 500 projects in Arizona alone. Mr. Hesse meets the *Secretary of the Interior's Professional Qualification Standards for Archaeology* and is an ASM-permitted Principal Investigator. He has directed field projects, conducted geoarchaeological studies, facilitated tribal consultation, and analyzed flaked and ground stone artifact assemblages. Mr. Hesse routinely prepares and reviews cultural resources inventory reports, treatment plans, and mitigation reports, and has assisted in the preparation of NEPA documents, consultation letters, and MOA. He is well versed in NHPA Section 106 compliance and its state- and local-level equivalents. Mr. Hesse will be responsible for overall contract administration, will track task orders, and will be the point of contact for PMGAA for issuance of task orders and notices to proceed. Mr. Hesse has been SWCA's primary point of contact for cultural resources services provided to PMGAA for the past 10 years.

ANDREW VORSANGER, M.A. | PROJECT MANAGER

EDUCATION
M.A., Anthropology
B.A., Anthropology

YEARS OF EXPERIENCE
8 years

Mr. Vorsanger is the cultural resources team lead for SWCA's Phoenix office, with over 8 years of professional experience. He has served as PM and Field Director for over 100 cultural resource projects throughout the Southwest, including Arizona, California, Nevada, New Mexico, and Utah. Mr. Vorsanger meets the *Secretary of the Interior's Professional Qualification Standards for Archaeology* and is an ASM-permitted project director. Mr. Vorsanger is familiar with a variety of cultural resources projects (survey, testing, monitoring, and data recovery) requiring compliance under Section 106/110 of the NHPA, applicable state and local antiquity and preservation laws, and regulations pertaining to cultural resources under the NEPA. Mr. Vorsanger currently serves as a board member of the Arizona Archaeological Council, a non-profit organization run by professional archaeologists. He will be responsible for managing the individual task orders, including invoicing and budgets, and will be responsible for managing the technical work completed for each task.

ADRIENNE TREMBLAY, PH.D. | PRINCIPAL INVESTIGATOR

EDUCATION
Ph.D., Anthropology
M.A., Anthropology
B.A., Anthropology

YEARS OF EXPERIENCE
16 years

Dr. Tremblay is a cultural resources Principal Investigator and PM in SWCA's Phoenix office, with over 16 years of professional experience. Dr. Tremblay meets and exceeds the *Secretary of the Interior's Professional Qualification Standards* for prehistoric and historic archaeologists and is an ASM-permitted Principal Investigator. She has managed survey, testing, and data recovery projects for both prehistoric and historic sites throughout Arizona on lands administered by various government agencies, including the U.S. Forest Service (Forest Service), Bureau of Land Management (BLM), Department of Defense (DOD), and Arizona State Land Department (ASLD). She has managed multiple monitoring projects for PMGAA, and she took the lead on assembling the needed archival materials for delisting several archaeological sites at PMGAA. She is experienced with Section 106 regulations and NRHP evaluations. Dr. Tremblay will be responsible for developing research designs, overseeing implementation and completion of projects, providing guidance and mentoring to junior staff, and providing critical review of deliverables as part of our quality assurance/quality control (QA/QC) program.

ANNIE LUTES, M.A., M.S. | ARCHITECTURAL HISTORIAN

EDUCATION
M.S., Geography
M.A., Near Eastern Studies
B.A., Classical Studies

YEARS OF EXPERIENCE
15 years

Ms. Lutes is an archaeologist, architectural historian, and PM in SWCA's Flagstaff office, with 15 years of professional experience. Ms. Lutes meets the *Secretary of the Interior's Professional Qualification Standards* for *Architectural History* and *History* and is an ASM-permitted project director. She has conducted archaeological surveys and data recovery, federal site inventory and testing, and private consulting compliance work in the southwestern United States. Ms. Lutes serves as the primary staff archaeologist and historian in SWCA's Flagstaff office, where she provides her expertise locally and statewide, and assists staff in other SWCA offices throughout the Southwest. During her career, she has prepared and contributed to reports for survey, testing, data recovery, monitoring, condition/damage assessments, and historic preservation projects, including many reviewed by the SHPO. Ms. Lutes has conducted historic building inventories at multiple airports across Arizona, including Pinal Airpark, Kingman Airport, and the Bisbee-Douglas Airport, all of which, like the Phoenix-Mesa Gateway Airport, have buildings dating back to their original use as U.S. Army Airfields. Through her job duties, Ms. Lutes conducts extensive archival research and data collection using scientific and academic research that provides her with a strong yet dynamic framework upon which to base her analyses. Her skills base includes a firm understanding of analysis methods for prehistoric and historical cultural material in order to assess the significance of these resources. Ms. Lutes also has conducted several historical building studies for both residential and commercial buildings that have regularly included architectural integrity assessments and historical significance in the application of the evaluation for inclusion in the Arizona Register of Historic Places (ARHP) and the NRHP. Ms. Lutes will be responsible for conducting archival research and development of historic contexts, the evaluation and documentation of historic districts, buildings, and structures, conducting historic property surveys, preparing National Register Nomination, Historic Property Inventory, and Multiple Property Documentation Forms, collecting oral histories, conducting historic property interpretation, and assisting in the development of historic preservation design guidelines.

CHRISTOPHER WHITING, B.A. | FIELD DIRECTOR

Mr. Whiting is an Assistant Project Archaeologist/Field Director in SWCA's Phoenix office, with over 15 years of professional experience. He has conducted archaeological survey, monitoring, excavation, and report writing for projects throughout Arizona. He has extensive experience with the Gila River Indian Community Cultural Resource Management Program (GRIC-CRMP) based out of Sacaton, Arizona. As Field Director, Mr. Whiting will assist the PM and Principal Investigator by directly supervising crew chiefs.

EDUCATION
B.A., Anthropology

YEARS OF EXPERIENCE
15 years

2. ORGANIZATIONAL CHART

We have assembled a team that has the knowledge to provide archaeology and historic preservation services accurately and efficiently. We combine scientific expertise with in-depth knowledge of permitting and compliance protocols to achieve technically sound, cost-effective solutions. Our local presence, supported by a nationwide team, ensures that we can handle any volume of work while offering area-specific resource expertise and the ability to respond quickly to requests.

3. TEAM EXPERIENCE

SWCA has a team of qualified professionals with extensive experience of working together throughout Arizona, who will provide PMGAA with cultural services of the highest quality, based on scientifically sound principles. Our key personnel, led by Program Lead and Contract Manager Jerome Hesse, have a combined 48 years of working at SWCA. The team has worked closely together on hundreds of projects, from small surveys for utilities improvements to large testing and data recovery excavations for major roadway projects, including multiple projects for the PMGAA. Andrew Vorsanger and Christopher Whiting are newer additions to SWCA and the Phoenix office, having been hired in 2021, but have a history of working together on archaeological excavations since 2008.

Our team, although spread out across three offices within Arizona, have dedicated, permanent, local staff who have worked together worked to provide similar archaeological and historic preservation services to many federal, state, municipal, and private clients. These clients have included the Arizona Department of Transportation (ADOT), ASLD, Arizona Game and Fish Department, BLM, DOD, Forest Service, U.S. Army Corps of Engineers, and U.S. Fish and Wildlife Service, as well as many local municipalities like Maricopa County, Pima County, Pinal County, the City of Phoenix, City of Mesa, and the City of Maricopa.

4. SUBCONSULTANTS

SWCA will not need additional project support and will complete all tasks from the scope of work in house unless it is a federal requirement to have DBE participation.

TAB E: PROJECT UNDERSTANDING AND APPROACH

1. PROPOSED METHODOLOGY

A. PMGAA MEETINGS

A key element of a project's success is holding effective kick-off meetings using Microsoft Teams, Zoom, or similar platforms. Mr. Vorsanger will coordinate with PMGAA staff within 24 hours of any requests or task orders to determine topics to be covered at the initial kick-off meeting, including identifying team members from PMGAA and SWCA and reviewing roles and responsibilities; establishing the frequency and cadence for project check-in meetings; establishing schedule milestones; identifying short-term action items; discussing the protocol for submittals, review periods, and approval of deliverables; and establishing a process for information flow. If necessary, SWCA will develop a communication plan, a single-referenced document that will provide SWCA and PGMAA with centralized project information.

B. HIGH CULTURAL SENSITIVITY AREAS

SWCA has conducted extensive archival background research of the Phoenix-Mesa Gateway Airport for previously conducted archaeological and historical projects conducted at the Airport. This research has included obtaining copies of previous archaeological survey and testing projects that have occurred within the Airport. SWCA acknowledges that much of the Airport has already been surveyed. In addition, many of the identified archaeological sites that have been classified as historic properties have undergone Phase I test excavations. For areas that have not been previously tested, SWCA will compare the results of these past projects with what is known of the natural landscape and geomorphology in the airport. Together, these lines of data can identify areas of "high cultural sensitivity," such as higher density concentrations of artifacts, that cannot be explained through natural processes. Depending on the findings, SWCA will provide options to PMGAA for how to proceed in these areas.

C. ARCHAEOLOGICAL MONITORING

SWCA frequently provides archaeological monitors to ensure that cultural resources are avoided during field activities or to observe ground-disturbing activity near or within a known archaeological sites in lieu of subsurface testing. In general, monitoring would be undertaken in accordance with an approved monitoring and discovery plan. Before conducting archaeological monitoring within a known archaeological site, SWCA will acquire a project-specific AAA permit and repository agreement from the ASM. If subsurface archaeological phenomena are identified, work must cease in the area to allow the monitor to assess the discovery. If the cultural resource is deemed significant, the monitor will notify the SWCA PM, who will in turn notify the PMGAA PM. The monitor will document the feature with a GPS device, photography, profiling (if possible), and a written description. If further disturbance to the feature is anticipated, agency consultation will determine the appropriate treatment.

In the past 5 years, SWCA has conducted more than 50 cultural resources construction monitoring projects throughout Arizona, including at least three for the PMGAA. Our monitors are skilled at identifying cultural resources and are accustomed to working safely on active construction sites. Note that to ensure that no cultural resources go unnoticed during construction work, the minimum staff level SWCA will assign to a solo monitoring project is a Crew Chief with demonstrated field excavation experience. SWCA strictly adheres to Occupational Safety and Health Administration (OSHA) requirements.

D. EXAMINING EXCAVATED MATERIAL AND TRENCHES

SWCA staff are available on short notice to evaluate and assess potential archaeological finds encountered during construction work performed by the PMGAA. We understand that such situations are emergencies, and we can commit to providing a qualified archaeologist as soon as possible but within 3 to 4 hours of a request on a normal business day, provided that a binding advanced notice to proceed or similar contract is in place. SWCA's 24-hour contact can be contacted at any time outside normal business hours.

The SWCA archaeologist would inspect the excavated soil for evidence of archaeological features and artifacts. If it is safe to do so, the archaeologist will also enter the trench or excavated area to examine the sidewalls for evidence of archaeological features and artifacts. Note that SWCA strictly adheres to OSHA requirements, and the archaeologist will not enter an unsafe excavation without appropriate shoring and egress provided by the contractor.

If archaeological material is identified, the SWCA archaeologist will notify the SWCA PM, who will in turn notify the PMGAA PM. If the find meets the definition of an archaeological site, as defined and published by the ASM, the area would be secured, and the ASM would be contacted to obtain an emergency AAA project-specific permit before proceeding. If the find does not rise to the definition of an archaeological site, it will be documented with a GPS device, photography, profiling (if possible), and a written description. If further disturbance is anticipated, consultation with the PMGAA and any other appropriate agencies will be initiated to determine whether further archaeological or other treatments are warranted. In the event that the discovery involves human remains, the archaeologist would immediately secure the remains and contact the ASM Burial Coordinator.

E. ARCHAEOLOGICAL TESTING, EVALUATION, AND DATA RECOVERY

Archaeological excavations include subsurface testing, aimed at the identification of deposits and/or an assessment of their significance, as well as data recovery investigations aimed at collection of artifacts, samples, and documentation of subsurface remains in mitigation of an adverse effect. Excavations could be conducted using hand techniques or by using excavators to trench or strip away sediment. Generally, excavations would follow the methods and research goals outlined in a treatment plan approved by the ASM and SHPO.

SWCA excavation projects commonly lead to the recovery of additional materials and samples, such as faunal bone, marine shell, and flotation, pollen, and sediment particle–size samples. All artifacts and samples are assigned unique tracking numbers and are entered into a database, where processing activities (washing and labeling) are tracked.

We are keenly aware that archaeological excavations in the greater Phoenix area are likely to encounter human remains during excavation, and any work within an archaeological site would involve obtaining a burial agreement with the ASM prior to ground disturbance. Our crews are trained to identify calcined and non-burned human bone, and we maintain a bioarcheologist on staff who is available to inspect bone and make a determination of human origin.

SWCA also is aware that excavations, especially in urban areas, require consideration of complex permits, laws, and regulations that must be adhered to. SWCA has extensive experience not only with cultural resources permits and regulations, but also with right-of-way encroachment processes for several state and federal agencies, utilities coordination and safety, Maricopa County air quality rules, stormwater

pollution prevention plans (SWPPPs) specifically for archaeological projects, measured soil compaction, stabilization, site restoration, and uniform traffic control device implementation requirements that are essential for complex urban archaeology work. Note that all SWCA excavation projects comply with OSHA requirements, including having at least one certified competent person available on-site at all times. SWCA is able to provide trained SWPPP/Erosion Control inspectors and Dust Control inspectors as needed.

F. PREPARING PLANS, TECHNICAL REPORTS, AND OTHER SHPO REPORTS

Under this contract, SWCA is prepared to produce a number of archaeological report types, including site-specific research design, HPTPs, historic context documents, Class I background research reports, Class III archaeological survey results reports, archaeological resource documentation and evaluation reports, archaeological monitoring reports and damage assessments, preliminary end-of-field reports for excavation projects, technical publications synthesizing the results of data recovery and analysis, historic building evaluations, historic in-use structure forms, and Historic Property Inventory Forms for submittal to the SHPO. All reports would be prepared to ASM and SHPO publishing standards and would be professionally produced using industry-standard word processing, layout, illustration, and cartographic tools. SWCA maintains a rigorous QA/QC process for all project deliverables. Our three-step process includes 1) Principal Investigator review, 2) technical editing by our dedicated editing staff, and 3) final review by the author(s). Comments from the PMGAA on the draft deliverables will be incorporated into the final reports. SWCA administrative staff produces the final reports, ensuring high-quality reproduction, consistency, cost-effectiveness, electronic archival storage, and proper transmittal to the PMGAA for agency submittal.

G. PHOTOGRAPHS AND MAPPING

SWCA collects all field note data, photographs, and spatial data electronically on Samsung tablets that are able to withstand the rugged field conditions of Phoenix. Photographs are taken by the tablet at 13 megapixel resolution. Spatial data are recorded with submeter accuracy by pairing a Juniper Geode GNS2 GPS receiver with the tablet. The field data is uploaded at the end of each day to SWCA servers, which minimizes the potential for data loss and allows QA/QC by the PM/Principal Investigator while fieldwork is ongoing. SWCA uses Esri applications for data collection, which integrates with the Esri desktop products used by our GIS team, for a seamless workflow in photologs, geodatabases, and maps for cultural resources reports.

SWCA has FAA-licensed pilots and DJI Phantom quadcopters, with which SWCA can capture high-resolution video, photographs, and detailed aerial imagery of a project area. These visuals can be georeferenced and incorporated into GIS products. In addition, we can perform three-dimensional modeling to create surfaces for GIS visualization and analysis.

H. RECOVERED ARTIFACTS

Land owned by the PMGAA is considered State land with respect to the AAA. Prior to fieldwork, when artifacts will be collected, SWCA will obtain an AAA project-specific permit and Repository Services Agreement from the ASM. At the end of each day of fieldwork when collections have been made, the project materials will be transported to SWCA's Phoenix office for processing, all project records will be reviewed for completeness, and the digital forms and databases will be synced. Collection processing will follow ASM guidelines for cleaning, cataloging, labeling, and storing materials of various types. Prior to washing any material class suitable for washing, the laboratory technician will do a final review of the specimens, looking for any unusual residues or unique specimens. All field specimen records will be entered into a relational database to assist in tracking custody of the specimens until they are submitted for

curation at the ASM. Samples and artifacts will be grouped according to type and submitted to the appropriate analysts. Upon completion of the analyses and acceptance of the final report, the collections will be packaged in accordance with ASM guidelines and submitted for final curation.

I. STATE AND FEDERAL LAW COMPLIANCE

SWCA's key personnel have experience helping the PMGAA navigate the regulatory process for both federal and state compliance. Federal work requires compliance with Section 106 of the NHPA, while work on State land requires compliance with the AAA and the SHPA.

In particular, the PMGAA is responsible for compliance with the 1995 PA between the USAF, SHPO, ACHP, and other concurring parties; and the 1997 IGA between the former Williams Gateway Airport Authority (now the PMGAA) and the SHPO for purposes of the implementation of the PA.

See Tab C Section 6 for more information on these regulations.

J. PMGAA CONSULTATION

In SWCA's experience, successful project management can largely be boiled down to a single basic principle: effective communication. For this contract, SWCA communications will be directly managed by Mr. Vorsanger, with support from Principal Investigators and Field Directors as appropriate. Mr. Vorsanger will coordinate directly with the PMGAA PM identified on the task order. A single line of communication ensures promptness and clarity in communications between team members and agency counterparts. Managing communications through Mr. Vorsanger minimizes the possibility for miscommunication, misunderstanding, and erroneous information dissemination—thus reducing potential disruptions in the project process.

Mr. Vorsanger will keep the PMGAA PM apprised of the progress of tasks and any changes in the anticipated schedule. We feel that the results of fieldwork and the contents of any reports should not contain surprises for the PMGAA. We strive to be an extension of the PMGAA team and will have open communication with the PMGAA regarding recommendation and consultation. SWCA will not contact agencies at all, unless directed by the PMGAA. We are, however, available to coordinate/communicate with outside agencies at PMGAA's request or assist PMGAA in the drafting of consultation letters and other related documents, such as Annual Reports on Historic Properties.

2. SELF-PERFORMING WORK/SUBCONSULTANTS

SWCA will not need additional project support and will complete all tasks from the scope of work in house.

3. BUDGET AND SCHEDULE APPROACH

Contract Manager Jerome Hesse and PM Andrew Vorsanger will work closely on all aspects of executing the requirements of this contract. They will work seamlessly to provide the appropriate level of project management structure, project expertise, and understanding of staffing needs. SWCA commits to responding promptly to feedback and will take necessary actions based on that feedback.

SWCA has an outstanding management and organizational structure, ensuring that projects are completed on time and on budget. Cost control starts with being clear on the scope of work the PMGAA needs and tailoring our approach to that early understanding. We easily achieve on-time and on-budget projects

because we provide realistic cost and schedule projections that use the best-qualified and least-costly personnel suited for each task. These expectations are communicated to everyone on the project team. SWCA excels at managing costs, adhering to schedule, and coordinating between our clients and our internal team.

Schedule Approach. At the beginning of each project, SWCA will coordinate with PMGAA staff within 24 hours of any requests or task orders to determine topics to be covered in the initial kick-off meeting, including identifying team members from PMGAA and SWCA; establishing the frequency and cadence for project check-in meetings; establishing schedule milestones; identifying short-term action items; and providing more detail on the project tasks. An effective kick-off meeting will make sure that the PMGAA's and SWCA's expectations for the project are aligned and is a key element in the success of a project.

Once the project details have been clarified, the SWCA PM will hold an internal kick-off meeting with key staff to ensure that every team member understands the ultimate project goals and timeline. Weekly meetings with the Office Director and supervisory staff are held to review current workloads, review the progress of ongoing projects, and reallocate resources if necessary.

SWCA provides a comprehensive, full-service approach to managing the planning, permitting, and environmental compliance efforts for infrastructure development. Our focus is to provide timely and cost-effective high-value services. We do this by leveraging our long-standing, positive agency relationships to work through the regulatory and permitting processes. By working with our clients to collaborate with cooperating agencies, project proponents, the public, and other important stakeholders, we deliver defensible products that are accurate, balanced, and practical.

Cost Control and Budget Management. SWCA uses Deltek Vision, a fully integrated system widely used in the architecture/engineering/construction industry that encompasses all our company processes and resources. A unique number assigned to each SWCA project is used throughout the life of the project to ensure that costs are closely tracked and correctly attributed. As project work is accomplished, the PM ensures that hours are assigned and billed appropriately. The online project "folder" includes the scope of work, budget, staff allocations, and all pertinent contract and billing information.

As staff hours spent on the project are entered daily into online timesheets, those charges are posted seamlessly to the project; direct cost expenditures are posted weekly. PMs are able to view the daily updated status of the project. With access to reliable information, PMs are required to enter monthly estimates of the project percentage complete, which alerts them to any contrasts in work completed vs. budget spent. Monthly expense reports are provided to the Office Director, and PMs are required to explain any discrepancies.

Vision also has a flexible work-breakdown structure, which allows project costs to be tracked by phase or task and can incorporate multiple billing arrangements in a single project. This system provides concise and easy-to-understand invoices and gives SWCA the option of providing billing information electronically in a detailed or simple format in response to clients' requirements.

In the past 3 years, an estimated 90% of SWCA projects are completed within the originally allocated budget and the originally forecast schedule, and it is not uncommon for our projects to be completed under budget and early, resulting in significant cost and time savings for our clients. Our ability to track labor charges on a daily basis helps to keep budgets in check. Each office has a Project Controls Specialist who is available to provide PMs with as-needed contracting, budget-tracking, schedule-tracking, and invoice

review assistance to ensure that PMs have the tools and assistance needed to meet critical deadlines and keep projects on budget.

Project Controls. SWCA's well-established Project Controls Program will prove invaluable to the successful execution of the proposed services. SWCA believes in strong project management by which schedules, tracking, and reporting are communicated to the client in a way that makes the client's job easier. Financial forecasting can be a critical component for a successful project. SWCA has a robust, flexible accounting system that can be tailored to the needs of the client to maintain budgets and save money. Monthly invoicing will be consistent, accurate, and provide the required information. **Project Manager Andrew Vorsanger** will be responsible for all aspects of project management and project controls. He will be supported by SWCA project controls staff to oversee project contract administration as well as track our schedule and budget across all phases of the project. Project controls staff will provide skilled and dedicated project-level financial oversight, allowing our technical staff to focus on ensuring that the technical parts of the scope are of the highest quality and are completed on time. Each week, the project controls staff will work in partnership with the PM to create the weekly project status report, which will include burn rate analysis and will also provide an independent review of actual spending vs. budgets and completion of scope vs. schedule. Project controls staff will also review monthly invoices to ensure accuracy of rates and allowed charges according to our contract. We will also provide monthly accruals, future months forecasted spending, and schedule updates to the PM and PMGAA.

Project Controls oversees all budgetary and financial aspects of projects, enabling management to maintain focus on delivering high-quality deliverables on time and within budget. SWCA has used this method with great success on similar projects.

4. PLANNING, SCHEDULING AND PROJECT MANAGEMENT TOOLS

As described above, SWCA uses several tools to manage projects.

Staffing. Our team is committed to maintaining the same team proposed here for the life of the contract, to the extent practicable, and can fully commit staff for any task, as needed. Maintaining staffing consistency allows SWCA to minimize project inefficiencies, rapidly mobilize for tasks on short notice, and increase efficiency with diverse staff who already work together as a comprehensive team.

Project Documentation. To ensure that PMGAA and SWCA are on the same page about project guidance and decisions made over the course of a project or task, SWCA will briefly document that decision or guidance via email and keep the documentation in our project record. SWCA strongly believes that project documentation is an important management step.

Regulatory Understanding. SWCA believes that having a solid understanding of an airport's responsibility to maintain compliance with regulatory requirements is key to producing high-quality deliverables. We make sure our team understands PMGAA's needs and requirements, along with the regulatory requirements and standards, before starting work. This approach makes for focused, accurate, usable data and reports that meet PMGAA's needs.

Field Procedures. SWCA's team will hold external and internal project kick-off meetings. The kick-off meetings can include a review of the project scope, location, fieldwork objectives, safety issues, and logistics; and relevant field procedures and techniques for ensuring a safe working environment and an efficient use of time while in the field.

Data collected in the field are recorded on electronic tablets and customized for each project. Field data are downloaded to our servers daily. Data collection forms are thoughtfully and rigorously designed to consistently capture data in a manner consistent with regulatory requirements, guidance, and research goals. Field Supervisors and PMs review data on a daily or weekly basis to ensure that data are accurate and meet PMGAA's requirements. Specific to airports, we have vehicle beacons, aviation radios, and experience driving on airfield within the Air Operations Area.

Safety. Our "Safety by Choice, Not by Accident!" safety motto is a part of our culture. SWCA has developed a world-class safety program that is continuously improved and designed to prevent safety incidents and ensure a positive outcome if a safety incident occurs. Our safety program plans for potential job hazards and identifies hazard mitigation before field deployment. Due to COVID-19, SWCA is taking extra precautions and has developed an industry-leading Coronavirus Field Safety Plan to keep ourselves, coworkers, clients, and community members safe and healthy.

Report Production. SWCA reports are the responsibility of Mr. Vorsanger, who seeks input from the appropriate senior scientists and various specialists regarding technical issues, field methods, and/or research and regulatory compliance topics. Mr. Vorsanger tracks the report as it progresses through SWCA's QA/QC procedures. Draft reports go through an in-house subject matter expert review by a Principal Investigator and then through professional editing. Reports are formatted by our publications specialists. Mr. Vorsanger is responsible for final review before the report is delivered.

SWCA reports are produced using the latest version of Microsoft Word and PDF versions are produced using Adobe Acrobat. SWCA publication software includes Adobe InDesign desktop publishing and Adobe Photoshop. These capabilities are enhanced by full graphics workstations, a full-feature copier, binding equipment, color and black-and-white laser printers, large-scale plotters, etc. SWCA administrative staff is responsible for ensuring high-quality report production, reproduction, electronic archival storage, and proper transmittal to the PMGAA. SWCA maintains an electronic library of past project reports.

Quality Assurance/Quality Control. SWCA maintains a rigorous QA/QC process for all project deliverables. Our three-step process is composed of 1) discipline/scientific lead peer review, 2) technical editing by our dedicated editing staff, and 3) final review by the SWCA Contract Manager and/or Team Lead. This ensures that all deliverables are of the highest quality. We excel at preparing documents for audiences ranging from technical experts to the public.

TAB F: DBE PERFORMANCE PLAN (DBEPP)

SWCA commits to using Small Business Enterprise (SBE) and Disadvantaged Business Enterprise (DBE) partners when feasible. We maintain excellent reciprocal relationships with SBEs and DBEs who can provide additional expertise and capacity to supplement SWCA's in-house services. SWCA often manages large contracts with SBE and/or DBE requirements, and we have the proven ability to meet or exceed those requirements.

1. DETAILED DBE PERFORMANCE PLAN

A. THE TYPES OF WORK OFFEROR WILL SOLICIT DBEs TO PERFORM

While SWCA can expertly provide all the items called out in this RFQ's Scope of Work, having DBE partners enhance our ability to respond to projects of any size and complexity. In the event that a task order is issued and we are required to use DBEs, we will reach out to local DBE vendors and subcontractors and develop a plan for their participation. Although we do not frequently need to subcontract the use of outside services for labor, we occasionally rely on vendors for the rental of field equipment or for specialized analysis. In these instances, we prioritize the use of DBEs.

B. UTILIZATION PLAN

Partnership Philosophy

SWCA thoughtfully and strategically chooses trusted DBE partners for projects. SWCA's key staff and PMs are experienced in managing multiple DBE partners in Arizona and are able to assign the most appropriate field staff from potential DBE partners. SWCA can select the closest qualified field technicians to perform fieldwork. This minimizes travel costs, which will save PMGAA money. SWCA also tracks the technical strengths of our DBE partners' staff members, which allows SWCA to control costs for by ensuring that fieldwork is performed by DBE field staff of the most appropriate labor classification. SWCA actively minimizes fieldwork costs by making sure that experts are not assigned work that can be completed by junior staff. Conversely, where a given assignment requires special expertise, SWCA mobilizes expert DBE field staff who can perform the most challenging work efficiently and with technical excellence. By balancing expertise and location, SWCA's key staff and PMs add value and reduce project costs.

SWCA's DBE partners can also increase the depth of the SWCA Team. Select DBE partners can mobilize large numbers of qualified technical staff, which augments SWCA's own significant contingent of technical professionals. In conjunction with our DBE partners, SWCA can support multiple field efforts simultaneously. SWCA's PMs routinely balance all these factors and leverage the strength brought to our team by our DBE partners.

SWCA regularly consults local agencies' online databases, including ADOT and the City of Phoenix. We use Deltek Vision as our internal database to identify and track our socioeconomically diverse businesses. SWCA can produce reports from our database to show businesses with the following SBE/DBE designations:

- Disadvantaged Business (DBE)
- Minority-Owned Business (MBE)
- HUB Zone Business

- 8 (a) Business
- Historically Black Colleges and Universities (HBCUs)
- Small Business (SBE)
- Woman-Owned Small Business (WBE)
- Veteran-Owned Small Business (VOSB)
- Service-Disabled Veteran-Owned Small Business (SDVOSB)
- Native-Owned Business
- LGBTQ-Owned Business

C. MONITORING PLAN

We use our system (Deltek Vision) to quantify the use of DBEs on a per-project basis. Having on-call contracts with multiple municipalities makes us familiar with the various annual reporting processes tied to DBE use. DBE monitoring plans are developed based on the client's requirements. The PM and Project Controls Specialist will work together to monitor and track the use of DBEs.

D. HOW OFFEROR WILL ENSURE COMPLIANCE

SWCA has strong relationships with numerous SBEs. Many times SWCA is a subcontractor to the SBE, and many times SWCA is the prime using the SBEs as subcontractors. SWCA has experience developing SBE subcontracting plans and has a history of meeting or exceeding the goals established in the plan. SWCA's efforts to encourage the use of SBEs include the following activities internally:

Internal Efforts:

- Provide internal Project Management Training in the area of subcontracting requirements, intent, and practices.
- Provide guidance to internal management; increase awareness and provide information on accountability and requirements.

E. HOW OFFEROR WILL CONDUCT OUTREACH/MARKETING EFFORTS

Outreach Efforts to Obtain Sources:

- Contact MBE and SBE trade associations;
- Contact business development organizations;
- Attend SBE and MBE procurement conferences and trade fairs; and
- Request sources from the Small Business Administration's (SBA's) PASS

Internal Efforts to Guide and Encourage Subcontractors:

- Conduct workshops, seminars, and training programs;

- Establish, maintain, and use small business, HUB Zone small business, small disadvantaged business, veteran-owned, service-disabled veteran-owned, and women-owned small business source lists, guides, and other data for soliciting subcontractors; and
- Monitor activities to evaluate compliance with subcontracting plans.

Further Outreach Efforts:

- Seek assistance directly from the SBA on sources of businesses, reporting requirements, and local interaction and formatted networking sessions.
- Seek sources through information systems such as: Procurement Marketing and Access Network (PRO-Net) of the SBA, the National Minority Purchasing Council Vendor Information Service. The Research and information Division of the Minority Business Development Agency in the Department of Commerce, and small business trade associations.
- Enquire of past subcontractors, information about small businesses that they have worked with in the past.
- Participate in local SBA fairs, speaking events, and open houses.

F. HOW OFFEROR WILL REPORT/TRACK DBE PARTICIPATION

We will track and run reports from our internal database (Deltek Vision) in coordination with PMGAA and their requirements.

2. DBE UTILIZATION PAST PERFORMANCE

As part of SWCA's General Service Administration (GSA) Contract, we provide a yearly subcontracting plan, and report our metrics in complying with that plan on a quarterly basis. While SWCA does not intend to use any subcontractors for this specific project, we strive to use SBEs and DBEs when applicable.

3. RECORD OF OFFEROR'S PAST PERFORMANCE, INCLUDING DBE UTILIZATION, PROGRAM COMPLIANCE, ETC.

As discussed in Section 2 and as part of SWCA's GSA Contract, we report our metrics on a quarterly basis. We can provide a copy of our most recent quarterly report upon request.

4. OFFEROR'S DESIGNATED REPRESENTATIVE(S) RESPONSIBLE FOR DBE COMPLIANCE OVER THE COURSE OF THE PROJECT

Contract Manager Jerome Hesse, with assistance from SWCA's corporate team, will be responsible for DBE compliance. They will use our internal billing system and databases to track DBE project goals throughout the project.

A. JOB TITLE

Jerome Hesse, Contract Manager

B. SKILL SET AND EXPERIENCE

As discussed in Tab D, Mr. Hesse will be responsible for overall contract administration. He has extensive project management experience, can track subconsultants, and can manage multiple concurrent task orders. He has been SWCA's primary point of contact for cultural resources services provided to PMGAA for the past 10 years.

5. OFFEROR'S COMMITMENT AND ABILITY TO IMPLEMENT THEIR DBEPP

SWCA is able and committed to implementing our DBE Participation Plan. Without the buy-in and engagement of DBE partners, SWCA would not have a proven record of success providing full-service environmental support to our utility clients' most demanding programs. Rather than seeing DBE subcontractors as only a means to satisfy a mandate, SWCA considers its DBE team members to be integral partners in the long-term success of the SWCA Team.

TAB G: OTHER

1. CLAIMS/ISSUES

A. TERMINATED CONTRACTS/SUBCONTRACTS

SWCA has not had any contracts or subcontracts within the past 10 years that have been terminated.

B. CLAIMS/ISSUES FROM THE LAST 10 YEARS

The following is SWCA's claims history since 2012. Please note that the following claims are not associated with SWCA's Phoenix office.

DONNA CHICK, AS ADMINISTRATOR OF THE ESTATE OF LOUISE BARBUZZI V. ROLFE HOUSE LIMITED PARTNERSHIP D/B/A ROLFE HOUSE APARTMENTS; SHP MANAGEMENT CORPORATION; NEW ENGLAND ENVIRONMENTAL, INC.; SWCA, INC.; AND OCCUHEALTH, INC.	
Name of Project Owner	Rolfe House Limited Partnership D/B/A Rolfe House Apartments
Filing Date	May 2021
Basis for Claim	Settlement agreement contains a strict confidentiality clause.
Court	Commonwealth of Massachusetts, Suffolk, SS., Superior Court Department
Case No.	Civil Action No. 2084 CV 00745
Claim or Suit Amount	N/A
Current Status	Ongoing
Award or Settlement Amount	N/A

DYNAMIC ENERGY V. SWCA, INCORPORATED	
Name of Project Owner	Dynamic Energy
Filing Date	March 2020
Basis for Claim	Massachusetts Attorney General alleged that runoff left the site of a solar emplacement that was being developed by Dynamic Energy. SWCA had performed a SWPPP for Dynamic and was drawn into mediation as a result.
Court	N/A – Claim was resolved through mediation.
Case No.	N/A
Claim or Suit Amount	N/A
Current Status	Settled out of court on 5/24/21 with no admission of fault, accompanied by a strict confidentiality agreement.
Award or Settlement Amount	N/A

THE PEOPLE OF THE STATE OF CALIFORNIA V. CUPERTINO ELECTRIC INC., SPOWER SUSTAINABLE POWER GROUP, SWCA, INCORPORATED AND [SWCA EMPLOYEE NAME REDACTED]	
Name of Project Owner	SPower Sustainable Power Group
Filing Date	September 2019
Court	Superior Court of the State of California, for the County of Los Angeles
Case No.	9AN06709
Basis for Claim	Alleged permittance of the removal of an unoccupied nest.
Claim or Suit Amount	N/A
Current Status	Case dismissed
Award or Settlement Amount	N/A

SARAH BOHLING AND BRADLEY BOHLING V. SWCA, INCORPORATED AND [SWCA EMPLOYEE NAME REDACTED]	
Name of Project Owner	N/A
Filing Date	February 2019
Court	State of New Mexico, County of Bernalillo, Second Judicial District
Case No.	D-202-CV-2019-01474
Basis for Claim	Vehicle injury accident involving an SWCA employee. The case is yet unresolved, and SWCA does not discuss active cases.
Claim or Suit Amount	N/A
Current Status	Ongoing
Award or Settlement Amount	N/A

2. LIQUIDATED DAMAGES

SWCA has not had Liquidated Damages assessed for failure to complete a contract.

TAB H: ATTACHMENTS AND RESUMES

The following pages contain:

- Arizona Certificate of Good Standing
- Attachments A-H (Attachment Js have been returned directly to PMGAA by our references)
- Key Team member resumes

STATE OF ARIZONA

Office of the
CORPORATION COMMISSION

CERTIFICATE OF GOOD STANDING

I, the undersigned Executive Director of the Arizona Corporation Commission, do hereby certify that:

SWCA, INCORPORATED

ACC file number: 01646387

was incorporated under the laws of the State of Arizona on 04/13/1984;

That all annual reports owed to date by said corporation have been filed or delivered for filing, and all annual filing fees owed to date have been paid; and

That, according to the records of the Arizona Corporation Commission, said corporation is in good standing in the State of Arizona as of the date this Certificate is issued.

This Certificate relates only to the legal existence of the above named entity as of the date this Certificate is issued, and is not an endorsement, recommendation, or approval of the entity's condition, business activities, affairs, or practices.

IN WITNESS WHEREOF, I have hereunto set my hand, affixed the official seal of the Arizona Corporation Commission, and issued this Certificate on this date: **03/02/2022**

Matthew Neubert, Executive Director

Attachment A
Standard Certifications

Complete Attachment A by checking the applicable box(s) and/or providing responses.
Failure to complete this Attachment A in its entirety and submit with Offeror's SOQs will result in Offeror's submittal being deemed nonresponsive and not evaluated.

If Offeror cannot affirmatively certify to statement numbers 1 and 2 below, Offeror's submittal will be rejected and will not be evaluated.

1. Offeror hereby ☒ certifies ☐ does not certify
That this engagement, if selected, will not result in a conflict of interest.

2. Offeror hereby ☒ certifies ☐ does not certify
That the project manager meets the Minimum Requirements/Qualifications as stated in Section Two B of this RFQ.

If Offeror cannot affirmatively certify to statement number 3 below, PMGAA will consider Offeror's written response to determine if it's submittal will be accepted and be evaluated.

3. Offeror hereby ☒ certifies ☐ does not certify
That it has no known business or financial relationships between Offeror or Offeror's firm and members of the PMGAA Board.

If Offeror does have known business or financial relationships, please list them below:

_____

_____

_____

_____

_____

By signature below, Offeror certifies that the information in this Attachment is true, and accurate.

Jana Sterling
Signature

3-28-2022
Date

Jana Sterling
Printed Name

Vice President, Southwest
Title

Attachment B
Federal Provisions Certifications

Contractor shall mean the same as "Consultant", "Offeror", "Bidder", "Proposer" or "Firm"

1. Civil Rights – General

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

This provision binds the Contractor and subcontractors from the bid solicitation period through the completion of the contract. This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.

2. Civil Rights – Title VI Assurances. Compliance with Nondiscrimination Requirements

During the performance of this contract, the Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "Contractor"), agrees as follows:

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

2. Nondiscrimination: The Contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.

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

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

5. Sanctions for Noncompliance: In the event of a Contractor's noncompliance with the non-discrimination provisions of this contract, the sponsor will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:

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

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

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

Contractor may request the sponsor to enter into any litigation to protect the interests of the sponsor. In addition, the Contractor may request the United States to enter into the litigation to protect the interests of the United States.

3. Debarment and Suspension

a. Certification of Contractor. By submitting a bid/proposal under this solicitation, the bidder/offeror certifies that neither it nor its principals are presently debarred or suspended by any Federal department or agency from participation in this transaction.

b. Certification of Lower Tier Contractors. The successful bidder, by administering each lower tier subcontract that exceeds $25,000 as a "covered transaction", must verify each lower tier participant of a "covered transaction" under the project is not presently debarred or otherwise disqualified from participation in this federally assisted project. The successful bidder will accomplish this by:

1. Checking the System for Award Management at website: http://www.sam.gov.
2. Collecting a certification statement similar to the Certification of Offeror /Bidder Regarding Debarment, above.
3. Inserting a clause or condition in the covered transaction with the lower tier contract.

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

4. Disadvantaged Business Enterprises (DBE)

The requirements of 49 CFR part 26 apply to this contract. It is the policy of the PMGAA to practice nondiscrimination based on race, color, sex, or national origin in the award or performance of this contract. PMGAA encourages participation by all firms qualifying under this solicitation regardless of business size or ownership.

a. Contract Assurance (§ 26.13). The Contractor or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The Contractor shall carry out applicable requirements of 49 CFR part 26 in the award and administration of Department of Transportation-assisted contracts. Failure by the Contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the Owner deems appropriate, which may include, but is not limited to:

1. Withholding monthly progress payments;
2. Assessing sanctions;
3. Liquidated damages; and/or
4. Disqualifying the Contractor from future bidding as non-responsible.

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

For purposes of this section, a subcontractor's work is satisfactorily completed when all the tasks called for in the subcontract have been accomplished and documented as required by the Owner. When Owner has made an incremental acceptance of a portion of this Contract, the work of a subcontractor covered by that acceptance is deemed to be satisfactorily completed.

5. Federal Fair Labor Standards Act

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

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

6. Foreign Trade Restriction Clause

By submission of an offer, the Offeror certifies that with respect to this solicitation and any resultant contract, the Offeror:

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

b. has not knowingly entered into any contract or subcontract for this project with a person that is a citizen or national of a foreign country included on the list of countries that discriminate against U.S. firms as published by the USTR; and

c. has not entered into any subcontract for any product to be used on the Federal project that is produced in a foreign country included on the list of countries that discriminate against U.S. firms published by the USTR.

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

The Offeror/Contractor must provide immediate written notice to the Owner if the Offeror/Contractor learns that its certification or that of a subcontractor was erroneous when submitted or has become erroneous by reason of changed circumstances. The Contractor must require subcontractors provide immediate written notice to the Contractor if at any time it learns that its certification was erroneous by reason of changed circumstances.
Unless the restrictions of this clause are waived by the Secretary of Transportation in accordance with 49 CFR 30.17, no contract shall be awarded to an Offeror or subcontractor:

a. who is owned or controlled by one or more citizens or nationals of a foreign country included on the list of countries that discriminate against U.S. firms published by the USTR or

b. whose subcontractors are owned or controlled by one or more citizens or nationals of a foreign country on such USTR list or

c. who incorporates in the public works project any product of a foreign country on such USTR list.

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

The Offeror agrees that, if awarded a contract resulting from this solicitation, it will incorporate this provision for certification without modification in all lower tier subcontracts. The Contractor may rely on the certification of a prospective subcontractor that it is not a firm from a foreign country included on the list of countries that

discriminate against U.S. firms as published by USTR, unless the Offeror has knowledge that the certification is erroneous.

This certification is a material representation of fact upon which reliance was placed when making an award. If it is later determined that the Contractor or subcontractor knowingly rendered an erroneous certification, the Federal

Aviation Administration (FAA) may direct through the Owner cancellation of the contract or subcontract for default at no cost to the Owner or the FAA.

7. Lobbying and Influencing Federal Employees

The Bidder or Offeror certifies by signing and submitting this bid or proposal, to the best of his or her knowledge and belief, that:

a. No federal appropriated funds have been paid or will be paid, by or on behalf of the Bidder or Offeror, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any federal contract, grant, loan, or cooperative agreement.
b. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
c. The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

8. Occupational Safety and Health Act of 1970

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

9. Procurement of Recovered Materials

Contractor and subcontractor agree to comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, and the regulatory provisions of 40 CFR Part 247. In the performance of this contract and to the extent practicable, the Contractor and subcontractors are to use products containing the highest percentage of recovered materials for items designated by the Environmental Protection Agency (EPA) under 40 CFR Part 247 whenever:

a. The contract requires procurement of $10,000 or more of a designated item during the fiscal year; or,
b. The contractor has procured $10,000 or more of a designated item using Federal funding during the previous fiscal year.

The list of EPA-designated items is available at www.epa.gov/smm/comprehensive-procurement-guidelines-construction-products.

Section 6002(c) establishes exceptions to the preference for recovery of EPA-designated products if the contractor can demonstrate the item is:

a. Not reasonably available within a timeframe providing for compliance with the contract performance schedule;
b. Fails to meet reasonable contract performance requirements; or
c. Is only available at an unreasonable price.

10. Tax Delinquency and Felony Conviction

Complete certification statement – Attachment C.

By submission of a Statement of Qualifications, Offeror hereby certifies that it meets all Federal Provisions provided in this Attachment B. Further, Offeror certifies that, if selected by PMGAA for the On-Call Cultural and Archaeological Services, that Offeror will comply with all Federal Provisions provided in this Attachment B and those listed in the sample Standard Professional Services Agreement (Exhibit 2).

SWCA, Incorporated	Jana Sterly
Company Name	Signature
Vice President, Southwest	3-28-2022
Title	Date

Attachment C

Tax Delinquency and Felony Conviction Certification

Offeror must complete the following two certification statements. The applicant must indicate its current status as it relates to tax delinquency and felony conviction by inserting a checkmark (✓) in the space following the applicable response. The applicant agrees that, if awarded a contract resulting from this solicitation, it will incorporate this provision for certification in all lower tier subcontracts.

Certifications

1) The applicant represents that it is ( ) is not (✓) a corporation that has any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability.

2) The applicant represents that it is ( ) is not (✓) is not a corporation that was convicted of a criminal violation under any Federal law within the preceding 24 months.

Note

If an Offeror responds in the affirmative to either of the above representations, the Offeror is ineligible to receive an award unless the sponsor has received notification from the agency suspension and debarment official (SDO) that the SDO has considered suspension or debarment and determined that further action is not required to protect the Government's interests. The Offeror therefore must provide information to the owner about its tax liability or conviction to PMGAA, who will then notify the FAA Airports District Office, which will then notify the agency's SDO to facilitate completion of the required considerations before award decisions are made.

Term Definitions

Felony conviction: Felony conviction means a conviction within the preceding twenty-four (24) months of a felony criminal violation under any Federal law and includes conviction of an offense defined in a section of the U.S. code that specifically classifies the offense as a felony and conviction of an offense that is classified as a felony under 18 U.S.C. § 3559.

Tax Delinquency: A tax delinquency is any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted, or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability.

SWCA, Incorporated	Jana Stanly
Company Name	Signature
Vice President, Southwest	3-28-2022
Title	Date

Attachment D
DBE Requirements Certification

By submitting a SOQ and by entering into any contract on the basis of this SOQ, the Offeror certifies to each of the following DBE Program-related conditions and assurances:

1. Offeror agrees to comply with 49 CFR Part 26 and PMGAA's DBE Program requirements.

2. To ensure that DBE firms have been given full and fair opportunity to participate in the performance of the contract. Offeror certifies that all reasonable steps will be taken to ensure that DBE firms will have an opportunity to compete for and perform work on the contract. Offeror further certifies that Offeror shall not discriminate on the basis of race, color, age, national origin, or sex in the performance of the contract or in the award of any subcontract.

3. Offeror certifies it shall utilize its DBEPP as presented in its submitted SOQ if awarded the contract under this solicitation.

SWCA, Incorporated	Jana Sterly
Company Name	Signature
Vice President, Southwest	3-28-2022
Title	Date

Attachment E

Disadvantaged Business Enterprise Identification Statement

To be completed by Offeror for Offeror's Firm

Name of Firm: SWCA, Incorporated

Firm's Address: 20 East Thomas Road

Suite 1700

Phoenix, AZ 85012

At time of RFQ submittal, above firm ☐ is OR ☒ is not a certified DBE

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

Age of Firm:

- ☐ **Less than 1 year**
- ☐ **1 – 3 years**
- ☐ **4 – 7 years**
- ☐ **8 – 10 years**
- ☒ **More than 10 years**

Annual Gross Receipts:

- ☐ **Less than $500,000.00**
- ☐ **$500,000.00 - $1,000,000.00**
- ☐ **$1,000,000.00 - $2,000,000.00**
- ☐ **$2,000,000.00 - $5,000,000.00**
- ☒ **Greater than $5,000,000.00**

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

Jana Sterly

Signature

3-28-2022

Date

Attachment F

Authorization for Release of Performance Information and Waiver

---

The purpose of this disclosure is to provide references to PMGAA. Offeror hereby consents that as an Offeror to PMGAA's Solicitation 2022-013-RFQ, On-Call Cultural and Archeological Services for Phoenix-Mesa Gateway Airport, Offeror authorizes those companies and government entities listed in Offeror's RFQ submittal and any other government entity for whom this company has performed Cultural and/or Archeological Services to disclose and release to PMGAA, or their representatives, information, records and opinions concerning this company's past performance.

SWCA, Incorporated (Offeror) hereby waives any claim it may have against PMGAA or any company or entity providing information to PMGAA by reason of any information being disclosed or opinions provided regarding the actions or performance of this company.

This authorization for disclosure of information is effective for one (1) year.

This consent or copy of this authorization shall be as valid and effective as the original.

Jana Sterly

Signature of Offeror

3-28-2022

Date

Attachment G
Certificate of Insurability

Offeror hereby certifies that as an Offeror to PMGAA's Solicitation 2022-013-RFQ, On-Call Cultural and Archeological Services, for Phoenix-Mesa Gateway Airport, Offeror is fully aware of Insurance Requirements contained in the sample Standard Professional Services Agreement (Exhibit 1) and by the submission of this RFQ submittal, Offeror hereby assures PMGAA that Offeror is able to produce the insurance coverage required should Offeror be selected to be awarded the Professional Services Agreement.

Should Offeror be awarded the Professional Services Agreement by PMGAA, and then become unable to produce the insurance coverage specified within ten working days, Offeror is fully aware and understand that PMGAA may not consider Offeror for this and future projects.

Jana Sterly
_____
Signature of Offeror

3-28-2022
_____
Date

Attachment H
Agreement Review Statement

As an Offeror to PMGAA's Solicitation 2022-013-RFQ, On-Call Cultural and Archeological Service, Offeror hereby certifies that Offeror has reviewed the PMGAA sample Standard Professional Services Agreement (Exhibit 1) and Section Three, Standard Terms and Conditions to be attached to the sample Standard Professional Services Agreement and have listed any objections to it below. The response shall clearly identify if the attached sample Standard Professional Services Agreement is acceptable in all respects. If the Agreement is not acceptable, the response shall identify the unacceptable clauses and shall provide suggested alternate language. General or vague statements or invitations to discuss further are not adequate answers. Offeror understands that Exhibit 1 is a "sample" of PMGAA's Standard Professional Services Agreement and, as such, additions, revisions, and/or deletions of terms and conditions may be made to the final Agreement to be executed for the services procured under this solicitation.

Offeror is aware any objections to the sample Standard Professional Services Agreement (or to Section Three Standard Terms and Conditions) will be considered and included in PMGAA's evaluation of Offeror's firm's qualifications. Offeror is also aware, if Offeror fails to list any objections to PMGAA's sample Standard Professional Services Agreement, including the Standard Terms and Conditions, Offeror will not be allowed to raise any objections later if selected as the most qualified Offeror.

Jana Sterly
Signature of Offeror

3-28-2022
Date

Specific Objections:

JEROME HESSE, M.S., CONTRACT MANAGER

Mr. Hesse is the cultural resources program lead for SWCA's Arizona offices and has participated in projects in Arizona, New Mexico, California, Texas, North Dakota, and Kansas, managing more than 400 projects in Arizona alone. He has designed and managed projects of varying sizes and degrees of complexity, directed field projects, conducted geoarchaeological studies, facilitated tribal consultation, and analyzed flaked and ground stone artifact assemblages. He is well versed in National Historic Preservation Act (NHPA) Section 106 compliance and its state- and local-level equivalents. His clients include federal, state, and local municipalities; interstate and local natural gas and electrical utilities providers; and industrial, commercial, and private land developers.

Mr. Hesse routinely prepares and reviews cultural resources inventory reports, treatment plans, and mitigation reports, and has assisted in the preparation of National Environmental Policy Act (NEPA) documents, consultation letters, and Memoranda of Agreement. He oversees cultural resources staff in the Flagstaff, Phoenix, and Tucson offices, ensuring that projects receive the staff best suited for successful project completion.

YEARS OF EXPERIENCE

25

EXPERTISE

Cultural resources management

NHPA Section 106 review

Southwestern archaeology

Geoarchaeology

EDUCATION

M.S., Geology; Northern Arizona University, Flagstaff; 1999

B.S., Geology; Tulane University; New Orleans, Louisiana; 1992

PERMITS

Navajo Nation Historic Preservation Department Cultural Resources Investigation Permit (AP-22-024), Direct Charge; Navajo Nation lands AZ, UT, NM

Arizona State Museum Archaeological or Paleontological Surveys Permit (2022-033bl), Principal Investigator/Project Director; AZ

U.S. Bureau of Land Management Archaeological Investigations Permit (AZ-000722), Principal Investigator; AZ

TRAINING

Project Management Bootcamp, PSMJ Resources, Inc.

SELECTED PROJECT EXPERIENCE

Phoenix-Mesa Gateway Airport Site 319 Eligibility Testing; Phoenix-Mesa Gateway Airport Authority; Mesa, Maricopa County, Arizona. SWCA conducted test excavations at this large pre-Contact archaeological site to evaluate its eligibility for the National Register of Historic Places and to assist PMGAA in its future planning and development efforts. *Role: Project Manager. Responsibilities included project management and content review of technical reports.*

Phoenix-Mesa Gateway Northeast Development; Ricondo Associates; Mesa, Maricopa County, Arizona. SWCA conducted surveys and a historic buildings inventory in support of the PMGAA's plan to develop 700 acres of airport property adjacent to existing infrastructure. The project also included survey at Rittenhouse Airfield for the relocation of an air surveillance radar system from its current location at Phoenix-Mesa Gateway Airport. *Role: Project Manager and Principal Investigator.*

Pinal Airpark RPZ and Improvements CATEX; Dibble Engineering; Pinal County, Arizona. SWCA conducted a biological resources study, jurisdictional delineation, and cultural resources investigations to support the NEPA process for two proposed projects (runway improvements and an engine testing facility) at Pinal Airpark. In addition, the cultural resources investigations included a historic property inventory and an archaeological survey for the entire Pinal Airpark property. *Role: Principal Investigator.*

H.A. Clark Airport; Coffman Associates, Inc.; Williams, Coconino County, Arizona. SWCA provided environmental services for the proposed H.A. Clark Airport Expansion project in Williams, Coconino County, Arizona. The project included three parcels totaling 185 acres of land administered by the U.S. Forest Service, specifically the Kaibab National Forest, and the land exchange process for this project required a Cultural Resources (archaeological) Survey and an Environmental Due Diligence Audit Phase I Environmental Site Assessment. *Role: Principal Investigator.*

Marana Airport Expansion; Coffman Associates, Inc.; Marana, Pima County, Arizona. SWCA conducted environmental services for the land acquisition phase of the project. SWCA tasks included jurisdictional waters delineation, biological evaluation, biological regulations memorandum, cultural, historical, and archaeological resource inventory, and environmental due diligence audit (EDDA) Phase I environmental site assessment. *Role: Principal Investigator.*

TRAINING (CONT.)

Advanced Section 106 Compliance, Tom King (instructor)

Assessing the Archaeological Significance of Historical Sites, Arizona Archaeological Council Fall Workshop; 2001

Section 106 of the National Historic Preservation Act Workshop, Pueblo Grande Museum; 2001

Comprehensive NEPA; 2007

MEMBERSHIPS

Member, Society for American Archaeology

Member, Arizona Archaeological and Historical Society

Member, Geological Society of America

Member, Arizona Archaeological Council

Member, Arizona Geological Society

Benson Airport Categorical Exclusion Resource Reports; City of Benson; Benson, Cochise County, Arizona. SWCA conducted resource studies, including a biological evaluation and cultural resources (archaeological) survey for a 1.65-acre project area at the Benson Municipal Airport. The resource studies were performed as part of the NEPA analysis, which only required a categorical exclusion. The action involved taxiway lighting, threshold lights, and helipad developments. *Role: Project Manager.*

H.A. Clark Airport; Coffman Associates, Inc.; Williams, Coconino County, Arizona. SWCA provided environmental services for the proposed H.A. Clark Airport Expansion project in Williams, Coconino County, Arizona. The project included three parcels totaling 185 acres of land administered by the U.S. Forest Service, specifically the Kaibab National Forest, and the land exchange process for this project required a cultural resources (archaeological) survey and an EDDA Phase I Environmental Site Assessment. *Role: Project Manager.*

Marana Airport Expansion; Coffman Associates, Inc.; Marana, Pima County, Arizona. SWCA conducted environmental services for the land acquisition phase of the project. SWCA tasks included jurisdictional waters delineation, biological evaluation, biological regulations memorandum, cultural, historical, and archaeological resource inventory, and EDDA Phase I environmental site assessment. *Role: Cultural Resources Specialist. Managed cultural resources tasks and performed content review of all deliverables.*

Rolle Airfield Environmental Assessment; Armstrong Consultants, Inc.; San Luis, Yuma County, Arizona. SWCA conducted archaeological surveys and a historic buildings inventory in support of the PMGAA plan to develop 700 acres of airport property adjacent to existing infrastructure. The project also included survey at Rittenhouse Airfield for the relocation of an air surveillance radar system from its current location at Phoenix-Mesa Gateway Airport. *Role: Project Manager. Responsibilities included project management and content review of technical reports.*

Kingman Airport Land Release; Coffman Associates, Inc.; Kingman, Mohave County, Arizona. SWCA will perform a biological evaluation, biological regulations review, cultural resources survey, jurisdictional waters delineation, and an environmental due diligence audit for the Kingman Airport Expansion. *Role: Project Manager.*

Nogales International Airport Proposed Land Acquisition and Drainage/Erosion Control Improvements; Coffman Associates, Inc.; Nogales, Santa Cruz County, Arizona. SWCA conducted cultural and biological resource studies, a Phase I EDDA, a floodplain review and assessment, and a CWA preliminary jurisdictional delineation for an ADOT-funded land acquisition and drainage/erosion control improvements project at the Nogales International Airport. The project included approximately 36 acres of Santa Cruz County–owned and privately owned lands in Section 24, Township 23 South, Range 14 East and Sections 17–20, Township 23 South, Range 15 East in Santa Cruz County, Arizona. *Role: Project Manager.*

Bagdad Mine Stockpile Extension NEPA Study; Freeport McMoRan Bagdad Incorporated; Bagdad, Yavapai County, Arizona. As a third-party consultant for the project, SWCA is assisting the BLM Kingman Field Office with analyzing proposed modifications to the current Bagdad Mine Plan of Operations. If approved through the current EA process, Freeport McMoRan's proposed mine plan modifications, which include extending the present stockpile and constructing access roads, monitoring wells, and other distributed facilities, could result in disturbance of as much as 600 acres of BLM-managed public lands. *Role: Project Manager.*

ANDREW VORSANGER, M.A., PROJECT MANAGER

Mr. Vorsanger has served most recently as a Team Lead, as well as a project manager and field director, for numerous cultural resource projects throughout the Southwest, including Arizona, California, Nevada, New Mexico, and Utah. He has worked on projects such as transmission lines, solar farms, telecommunication towers, hazardous vegetation removal, and multi-use land development. Mr. Vorsanger has conducted over 100 cultural resources projects (survey, testing, monitoring, and data recovery) requiring compliance with Section 106/110 of the NHPA, applicable state and local antiquity and preservation laws, and regulations pertaining to cultural resources under the National Environmental Protection Act. These projects, primarily conducted for industries such as energy, mining, transportation, materials resources, land development, and local government planning have provided the opportunity to work with a number of private interests as well as various state and federal agencies including the BIA, BLM, BOR, USACE, DOD, DOE, EPA, FAA, USFWS, USFS, and various Native American tribes. He is proficient with multiple GPS platforms and ESRI GIS applications. Previous academic training has included human and hominin osteological analysis, isotopic analysis of indigenous Madagascar hair samples, and statistical analysis of phytoliths from the southeast United States.

YEARS OF EXPERIENCE

8

EXPERTISE

Project management

Cultural resource management

NHPA Section 106 compliance

Arizona Antiquities Act and State Historic Preservation Act compliance

Archaeological surveys / monitoring

Osteological excavation and analysis

EDUCATION

M.A., Anthropology; University of Colorado at Denver; 2012

B.A., Anthropology; Brandeis University, Waltham, Massachusetts; 2009

REGISTRATIONS / CERTIFICATIONS

Qualified Archaeologist, Arizona; Salt River Pima-Maricopa Indian Community; 2021

Adult First Aid/CPR/AED Certified, Arizona No. 00R6JTR; American Red Cross; 2022

MSHA Part 48 New Miner Certification, Arizona; Mine Safety and Health Administration; 2021

SELECTED PROJECT EXPERIENCE (∗ denotes project experience prior to SWCA)

Phoenix-Mesa Gateway Data Recovery of Locus 2; Phoenix-Mesa Gateway Airport Authority; Mesa, Maricopa County, Arizona. *Role: Project Manager / Field Director. Supervised three archaeologists for a data recovery and excavation at the Phoenix-Mesa Gateway Airport. Data recovery occurred at one Historic Property (AZ U:10:69[ASM]) in a 9-acre area. Prehistoric cultural resources encountered: Hohokam Village. No historic resources encountered.*

Soil Evaluation in Support of Runway 12C/30C Design and Reconstruction Archaeological Monitoring; Phoenix-Mesa Gateway Airport Authority; Mesa, Maricopa County, Arizona. *Role: Project Manager. Supervised one archaeologist for geotechnical monitoring in the Phoenix-Mesa Gateway Airport at one Historic Property (AZ U:10:69[ASM]). No prehistoric or historic resources encountered.*

GEU Box Hangar Development; Confidential Client; Glendale, Maricopa County, Arizona. CONFIDENTIAL. *Role: Archaeologist. Supervised one archaeologist for monitoring at the Glendale Municipal Airport. No prehistoric or historic resources encountered.*

*** 48th Avenue and Watkins Street Data Recovery Project; Werner Enterprises, Inc.; Maricopa County, Arizona.** *Role: Crew Chief. Supervised four archaeologists for a data recovery and excavation in an agricultural field. Data recovery occurred at one Historic Property (Pueblo del Rio) in a 21.7-acre area. Prehistoric cultural resources encountered: Hohokam Village. No historic resources encountered.*

*** Massera Ruin: QC320 Data Recovery Project; Communities Southwest; Queen Creek, Maricopa County, Arizona.** *Role: Field Director. Supervised four archaeologists for a data recovery and excavation for mixed-use development. Data recovery occurred at one Historic Property (AZ U:10:22[ASM]) in a 320-acre area. Prehistoric cultural resources encountered: Hohokam Village. No historic resources encountered.*

*** SRP-MIC Development Cultural Survey Project; NOVO Development; Maricopa County, Arizona.** *Role: Field Director. Supervised one archaeologist for survey of 20 acres on SRP-MIC land, in support of real-estate development. Prehistoric cultural resources encountered: Hohokam artifact scatter. No historic cultural resources encountered.*

PERMITS

Arizona State Museum Archaeological or Paleontological Surveys Permit (2022-033bl), Project Director; AZ

U.S. Bureau of Land Management Archaeological Investigations Permit (AZ-000722), Principal Investigator; AZ

TRAINING

Desktop GIS Certificate, Pace University; 2016

Maricopa County Rule 310 Dust Control Training, Maricopa County

An Introduction to the Section 106 Process, Phoenix, Arizona, Society for American Archaeology; 2014

Cultural Sensitivity Training, Salt River Pima-Maricopa Indian Community; 2021

MEMBERSHIPS

Board Member, Arizona Archaeological Council

Member, Society for American Archaeology

Member, Archaeological Institute of America

Member, Archaeology Southwest

Member, Arizona Archaeological Society

Member, Arizona Archaeological and Historical Society

*** NEACC Water and Sewer Lines Monitoring Project; Salt River Pima-Maricopa Indian Community; Maricopa County, Arizona.** *Role: Field Director. Supervised two archaeologists for construction monitoring of water and sewer lines. Monitoring occurred at seven historic properties in a linear network measuring 4.15 miles long by 12 feet wide (6.0 acres). No prehistoric cultural resources encountered. Historic cultural resources encountered: Pima farm field and canals.*

*** NEACC Water and Sewer Lines Data Recovery Project; Salt River Pima-Maricopa Indian Community; Maricopa County, Arizona.** *Role: Field Director. Supervised six archaeologists for an excavation data recovery in water and sewer lines rights-of-way in McKellips Road and Dobson Road. Data recovery occurred at two historic properties in a 1-mile-long by 12foot-wide (1.5-acre) APE. Prehistoric cultural resources encountered: Hohokam Village. Historic cultural resources encountered: Pima farm field and canals.*

*** Sentinel 135 Project; FNF Construction Inc.; Maricopa County, Arizona.** *Role: Project Manager / Field Director. Class III survey in support of ADOT materials source certification, including GIS and report preparation. The survey was approximately 42.8 acres. No prehistoric cultural resources encountered. No historic resources encountered.*

*** Desert Fox Paintball Borrow Source Project; Himes Consulting; Pima County, Arizona.** *Role: Project Manager / Field Director. Class III survey in support of an ADOT borrow source certification project, including GIS and report preparation. The survey was approximately 16.3 acres. No prehistoric cultural resources encountered. Historic cultural resources encountered: Euro-American brick making facility.*

*** Horse Mountain Fuels Reduction Project; Prescott National Forest; Yavapai County, Arizona.** *Role: Project Manager / Field Director. Project Manager and Field Director, supervising 14 archaeologists for a Class III survey in support of fire fuels reduction, including report preparation. The survey was approximately 5,197 acres. Prehistoric cultural resources encountered: Archaic and Prescott Culture habitations, campsites, rock art, rock piles, artifact scatters. Historic cultural resources encountered: Euro-American ranching, mining, cabins, trash scatters.*

*** Grande Vista Site Fencing and Cleanup Project; San Carlos Irrigation Project; Pinal County, Arizona.** *Role: Field Director. Class III survey and subsequent monitoring of the Grande Vista Site (AZ AA:2:63[ASM]) on BIA land in support of fencing and trash cleanup, including GIS and report preparation. The survey was approximately 40 acres. Prehistoric cultural resources encountered: Hohokam habitation site. No historic resources encountered.*

*** PHO Cielo-A Telecommunication Facility Project; Verizon Wireless; Queen Creek, Maricopa County, Arizona.** *Role: Field Director. Class III survey and visual impact analysis in support of construction of a 65-foot-tall replacement ballfield light pole, including GIS and report preparation. The survey was approximately 0.47 acre. No prehistoric cultural resources encountered. No historic resources encountered.*

*** PHO Dartmouth-D Telecommunication Facility Project; Verizon Wireless; Mesa, Maricopa County, Arizona.** *Role: Field Director. Class III survey and visual impact analysis in support of construction of a 65-foot-tall monopalm telecommunications tower, including GIS, and report preparation. The survey was approximately 0.21 acre. No prehistoric cultural resources encountered. No historic resources encountered.*

ADRIENNE TREMBLAY, PH.D., PRINCIPAL INVESTIGATOR

Dr. Tremblay is a cultural resources principal investigator and project manager in SWCA's Phoenix office. She is responsible for managing and maintaining quality in all stages of cultural resources projects. Dr. Tremblay has conducted projects on land administered by various government agencies, including the U.S. Forest Service, Bureau of Land Management (BLM), Bureau of Reclamation, Department of Defense, and Arizona State Land Department. She is experienced with Section 106 regulations and National Register of Historic Places (NRHP) evaluations and nominations. She meets and exceeds the Secretary of the Interior's Professional Qualifications Standards for prehistoric and historic Archeology and History. Dr. Tremblay is experienced in evaluating effects to cultural resources including archaeological sites, historic built environment, and Traditional Cultural Properties for projects under the National Environmental Policy Act (NEPA) and has contributed to several environmental assessments (EAs) and environmental impact statements.

YEARS OF EXPERIENCE

16

EXPERTISE

Prehistoric and historic archaeology of Arizona and the Southwest

Cultural Landscapes

Native American cultural concerns

NHPA Section 106

NRHP Compliance

NEPA Compliance

Prehistoric and historic archaeology of Arizona and the Southwest

EDUCATION

Ph.D., Anthropology, e: Archaeology; Tulane University; New Orleans, Louisiana; 2007

M.A., Anthropology; Tulane University; New Orleans, Louisiana; 2003

B.A., Anthropology; New York University, New York; 1996

PERMITS

Arizona State Museum Archaeological or Paleontological Surveys Permit (2022-033bl), Principal Investigator/Project Director; AZ

Navajo Nation Historic Preservation Department Cultural Resources Investigation Permit (AP-22-024), Direct Charge/General Charge; Navajo Nation lands AZ, UT, NM

SELECTED PROJECT EXPERIENCE

Williams Gateway Airport On-Call Cultural Resource Services; Phoenix-Mesa Gateway Airport Authority; Mesa, Maricopa County, Arizona. SWCA has provided on-call archaeological and cultural resource services for Williams Gateway Airport for the last four years. Tasks have included general consultation; annual report preparation; archaeological monitoring; testing and data recovery; and report preparation. Cultural resources within the airport property include prehistoric archaeological sites and late Historic period buildings and structures associated with Williams Air Force Base. Investigations were required by the Arizona Antiquities Act, ARS Title 41, Article 4, Archaeological Discoveries, Section 41-841 through 41-846, which addresses the identification and documentation under permit of cultural resources that might be impacted as a result of state, county, or municipal actions. When proposed projects involve other state or federal agencies, other preservation laws are likely to pertain - chiefly, the State Historic Preservation Act involving the SHPO, and the NHPA, as amended, and its implementing regulations (36 CFR 800). *Role: Archaeologist, Project Manager, and Principal Investigator.*

Cultural Resources - Sky Harbor CAMP EA; City of Phoenix; Phoenix, Maricopa County, Arizona. SWCA has conducted a Class III cultural resources survey including both archaeological and built environmental resources in support of the Sky Harbor CAMP EA. SWCA continues to provide Section 106 support to the Federal Aviation Administration and City of Phoenix Aviation Department. *Role: Principal Investigator.*

Phoenix-Mesa Gateway East Terminal Expansion Cultural Services; Ricondo & Associates, Inc.; Mesa, Maricopa County, Arizona. Archaeological survey and historic buildings inventory in support of PMGAA's proposal to develop the airport's northeast side as a new terminal. *Role: Archaeologist and Principal Investigator.*

Chandler Municipal Airport Drainage Study Environmental Services; Dibble Engineering; Chandler, Maricopa County, Arizona. SWCA is preparing a CE in accordance with Federal Aviation Administration NEPA guidelines, including biological, cultural, and wetland resource studies. *Role: Principal Investigator.*

Grand Canyon National Park Airport Environmental Services; Dibble Engineering; Chandler, Maricopa County, Arizona. SWCA produced a Federal Aviation Administration CE document, with supporting biological, historic, and archaeological

PERMITS (CONT.)

U.S. Bureau of Land Management Archaeological Investigations Permit (AZ-000722), Principal Investigator; AZ

TRAINING

Project Management Bootcamp, PSMJ Resources, Inc.; 2007

Advanced Seminar in Section 106, Dr. Thomas King; 2007

Comprehensive NEPA, SWCA Environmental Consultants; 2009

AWARDS / HONORS

Arizona Governor's Award (with Jim Steely)

MEMBERSHIPS

Member, Arizona Archaeological and Historical Society

surveys and reporting for the Grand Canyon National Park Airport Runway/Taxiway Shoulders and Airfield Lighting Rehabilitation project. *Role: Archaeologist.*

Show Low Municipal Airport; Wilcox Professional Services, LLC; Show Low, Navajo County, Arizona. SWCA was contracted to complete multiple environmental studies, including an opportunities and constraints analysis report, a biological evaluation, and a wildlife hazard assessment. *Role: Cultural Resources Specialist.*

Sonoran Valley Parkway Environmental Impact Statement; City of Goodyear; Maricopa County, Arizona. Under the direction of the Bureau of Land Management (BLM) Phoenix District Office, SWCA prepared an EIS as a third-party contractor for the City of Goodyear. The project included a proposed parkway stretching between Goodyear and Mobile, Arizona. SWCA was responsible for coordinating the NEPA process, developing alternatives, completing impacts analysis, and conducting field surveys for natural and cultural resources on a minimum of three alternatives, each measuring approximately 20 miles long. *Role: Cultural Resources Specialist. Developed cultural resources EIS sections and supervised survey of alternatives.*

ADOT On-call Statewide Environmental Investigations; Arizona Department of Transportation; Maricopa County, Arizona. SWCA was contracted by the Arizona Department of Transportation (ADOT) to provide statewide as-needed National Environmental Policy Act (NEPA) environmental services for roadway development projects. SWCA staff conducted archaeological and biological surveys and completed CEs for projects such as pavement and shoulder improvement projects. *Role: Cultural Resources Specialist.*

Maricopa County Parks On-Call, New River Trails; Maricopa County; Maricopa County, Arizona. SWCA conducted an archaeological survey of a potential trailhead area proposed by Maricopa County Parks and Recreation Department. The trailhead examined for this project is located on lands under the jurisdiction of the ASLD. *Role: Archaeologist.*

City of Globe Pinal Creek Bridge and Road Design (EPS Group); EPS Group Inc., Engineers, Planners & Surveyors; Globe, Pinal County, Arizona. The City of Globe (City) is proposing to construct a new bridge across Pinal Creek, the reconstruction of the intersection of Broad Street/Jesse Hayes Road, a new railroad crossing, drainage and scour protection, and removal of the existing bridge structure. As a subconsultant to EPS Group, SWCA is providing biological, cultural, CWA Section 404, and environmental overview services. *Role: Archaeologist.*

Southline 2018 Pre-Construction; Southline Transmission LLC; Multiple Counties, Multiple States. SWCA served as the third-party NEPA consultant to the BLM and Western Area Power Administration (the co-lead federal agencies) and Southline LLC (the proponent). The project proposed more than 360 miles of new and rebuilt transmission line and will provide 1,000 megawatts of capacity in southern New Mexico and Arizona. The new build portion of the transmission line is located from Las Cruces, New Mexico, to Willcox, Arizona, and the rebuilt transmission line is located from Willcox, Arizona, to northwest Tucson, Arizona. The line will cross federal lands managed by the BLM and other agencies, as well as state, private, and tribal lands. SWCA is currently conducting archaeological pre-construction surveys of the proposed transmission line locations in Pinal and Pima County. *Role: Cultural Resources Lead and Principal Investigator.*

ANNIE LUTES, M.A., M.S., ARCHITECTURAL HISTORIAN

Ms. Lutes is an architectural historian, archaeologist, and project manager with over 15 years of professional experience conducting archaeological and built-environment assessments in the southwestern United States. She serves as the Cultural Resources Team Lead for SWCA's Flagstaff office. She meets and exceeds the Secretary of the Interior's Professional Qualification Standards in Architectural History, History, and Archaeology.

Ms. Lutes has extensive experience in both cultural resources management and historic preservation. This includes preparing archaeological and historic building reports, historic contexts for evaluation and assessment, and cultural resources sections for numerous environmental reports. She has managed and directed historic preservation and archaeological projects, and frequently provides her expertise on the built environment for cultural resources inventories. She has a deep understanding of how to properly apply the Criteria for Evaluation and the Section 106 process under the National Historic Preservation Act (NHPA). Ms. Lutes currently oversees Braces and Bolts reviews in California for FEMA grant-funded projects administered by the California Earthquake Authority, and recently completed a building inventory and NRHP-eligibility evaluation of 180 residential, commercial, and industrial buildings for a proposed expansion of Sky Harbor International Airport in Phoenix, Arizona.

YEARS OF EXPERIENCE

15

EXPERTISE

Architectural history and historic preservation

Arizona Antiquities Act and State Historic Preservation Act

National Historic Preservation Act

National Register of Historic Places evaluation

EDUCATION

B.A., Classical Studies, concentration in classical archaeology; University of Michigan; Ann Arbor, Michigan; 2003

M.S., Geography c: Cultural Geo; GIS, Remote sensing; Northern Arizona University; Flagstaff, Arizona; 2013

M.A., Near Eastern Studies, c: Arabic lang, Islamic studies; arch; University of Arizona; Tucson, AZ; 2007

AWARDS / HONORS

Historian on a historic preservation project awarded the Arizona State Historic Preservation Office Governor's Heritage Preservation Honor Award in 2016 (Trans-Canyon Water Line HAER, Grand Canyon National Park)

SELECTED PROJECT EXPERIENCE

Bisbee-Douglas International Airport Cultural Resources Services; Armstrong Consultants, Inc.; Cochise County, Arizona. SWCA has been tasked with conducting a building inventory for the Bisbee-Douglas International Airport, which is owned by Cochise County. The inventory involves documenting several historic-era buildings and structures, the development of a historic context for the airport property, and evaluating the remaining components of the original World War II Douglas Army Airfield. *Role: Lead Architectural Historian. Responsible for conducting the inventory; development of the historic context; evaluations of significance; recommendations for National Register eligibility; and preparation of the final report for submission to the Arizona State Historic Preservation Office (SHPO) and the Federal Aviation Administration (FAA).*

Sky Harbor Comprehensive Asset Management Plan (CAMP) Environmental Assessment (EA) – Cultural Resources; City of Phoenix; Phoenix, Maricopa County, Arizona. SWCA was retained to conduct a comprehensive inventory of multiple city blocks north of Sky Harbor International Airport. The inventory considered both archaeological and architectural resources, including the documentation of over 180 historic-era residential, commercial, and industrial buildings located from Washington Street south to the airport boundary between 24th and 44th Streets. Terminal 4 at the airport was also evaluated for the proposed new concourse. The work was completed in support of the airport's short-range development plan, requiring FAA and Federal Railroad Administration approval. *Role: Lead Architectural Historian. Responsible for conducting the architectural inventory; development of the historic contexts applicable to the project area; evaluations of significance; recommendations for National Register eligibility; and co-authoring the final report submitted to the Arizona SHPO, the FAA, the FRA, the City of Phoenix Archaeology Office, and City of Phoenix Historic Preservation Office.*

Old Tucson Studios Historical Overview; Pima County Cultural Resources and Historic Preservation Division; Pima County, Arizona. Under its on-call contract with Pima County, SWCA prepared a historical overview of the recently closed Old Tucson Studios to capture the story of the property as a local cultural and historical icon of the

Western movie genre that is much valued by the community. The work was completed in support of internal planning for the County-owned parcel. *Role: Lead Historian. Responsible for conducting extensive research; preparation of the overview report; and development of recommendations for future work and public education opportunities.*

Pinal Airpark Historic Building Inventory; Dibble Engineering; Pinal County, Arizona. SWCA was retained to conduct a historic building inventory for the Pinal Airpark, which is owned by Pinal County. The inventory involved documenting and recording 70 historic-era buildings and structures, and the development of a historic context specific for the airpark and its nearly 80 years of history first as a World War II airfield, as a Korean War training school, and finally as a false-front enterprise for the Central Intelligence Agency during the Cold War. The work was conducted in support of future planning efforts for the facility on behalf of Pinal County. *Role: Lead Architectural Historian. Responsible for conducting the inventory; development of the historic context; evaluations of significance; recommendations for National Register eligibility; and preparation of the final report for submission to the Arizona SHPO and the FAA.*

Grand Canyon National Park Airport Architectural Documentation; Coffman Associates, Inc.; Grand Canyon, Coconino County, Arizona. SWCA conducted an architectural study of the Grand Canyon National Park Airport terminal in anticipation of proposed improvements to the building. The airport is owned and operated by the Arizona Department of Transportation. *Role: Lead Architectural Historian. Responsible for conducting the field documentation; development of the historic context; evaluations of significance; recommendation for National Register eligibility; and preparation of the final report for submission to the Arizona SHPO.*

Grand Canyon National Park Trans-Canyon National Register Determination of Eligibility and HAER Documentation; National Park Service; Grand Canyon National Park, Coconino County, Arizona. SWCA was tasked by the National Park Service to document the historic Trans-Canyon water distribution pipeline from Roaring Springs below the North Rim to Indian Garden near the South Rim. The work was conducted to assist the National Park Service in documenting the water distribution pipeline prior to replacement. *Role: Historian and Researcher. Responsible for conducting extensive archival research at the Grand Canyon National Park Museum Collections and Archives; and assisting with HAER photographic documentation of the pipeline in the Grand Canyon.*

H.A. Clark Memorial Field Historic-Era Hangar National Register Evaluation; Stantec, Inc.; Williams, Coconino County, Arizona. SWCA was retained to conduct an NRHP evaluation for a historic-era hangar at the H.A. Clark Memorial Field for proposed improvements to the airport apron. The proposed project required removal of the historic-era hangar. The assessment was conducted in support of a Categorical Exclusion. *Role: Project Manager and Architectural Historian. Responsible for project management; development of a historic context using established National Register guidance for airport properties; conducting the evaluation and assessment of effects; and preparing the final report for submission to the Arizona SHPO and the FAA.*

Coconino County Art Barn Historic Resource Study; Coconino County Department of Public Works; Flagstaff, Coconino County, Arizona. In pursuit of demolition of a historic barn, Coconino County Public Works Department tasked SWCA with preparation of a historic building assessment prior to demolition per the Flagstaff Zoning Code. *Role: Project Manager and Architectural Historian. Responsible for revising previous building assessment and evaluating significance and integrity of an early twentieth century barn converted to an art center in 1964; report prepared pursuant to City of Flagstaff requirements.*

Davis Camp Water Storage Tank Historic Structure Assessment; Mohave County; Bullhead City, Mohave County, Arizona. SWCA was retained to conduct a cultural resources evaluation, including archaeological survey and built-environment assessment, for a historic water tank in Bullhead City. The work was conducted in compliance with Section 106 of the NHPA. *Role: Architectural Historian. Responsible for conducting historic structure assessment and archaeological survey and preparation of the final report pursuant to federal guidelines for submission to the National Park Service.*

Flagstaff Amtrak Station Platform Historic Property Assessment; City of Flagstaff; Flagstaff, Coconino County, Arizona. The 1926 Atchison, Topeka & Santa Fe Railway depot, once a major call for the Super Chief and other transcontinental luxury trains, now is owned by the City of Flagstaff and serves Amtrak's daily Southwest Chief. To help Amtrak and its federal oversight agencies comply with the Americans with Disabilities Act (ADA), the city commissioned SWCA to evaluate various alternatives for altering the historic brick depot platform to also comply with Section 106 and Flagstaff's preservation ordinance. *Role: Project Manager. Responsible for project management; development of a historic context for the depot; conducting the evaluation and assessment of effects; and preparing the final report to be submitted to the Federal Railroad Administration.*

CHRISTOPHER WHITING, B.A., CULTURAL RESOURCES FIELD DIRECTOR

Mr. Whiting has 15 years of experience as an archaeologist in the southwestern United States. He has conducted archaeological survey, monitoring, excavation, and report writing for projects throughout Arizona. He has previously worked for the Gila River Indian Community Cultural Resource Management Program (GRIC-CRMP) based out of Sacaton, Arizona. In working with the GRIC for over 12 years, Chris has performed work in all seven Districts on the community and many off-reservation projects.

YEARS OF EXPERIENCE

15

EXPERTISE

Cultural resources management

Transmission lines

Archaeological survey

Archaeological excavation

EDUCATION

B.A., Anthropology; Arizona State University, Tempe, Arizona; 2008

REGISTRATIONS / CERTIFICATIONS

Adult First Aid/CPR/AED Certified, Arizona No. 003NNUJ; American Red Cross; 2020

MSHA Part 48 New Miner Certification, Arizona; Mine Safety and Health Administration; 2021

TRAINING

Section 106 Essentials, 2015

BIA ARPA Field Training, 2017

Defensive Driving and the Smith Method; 2019

Fire Archaeology Training-Arizona Wildfire Incident Management Academy; 2012

GRIC Mine Safety and Hazard Recognition Training; 2019

MSHA Experienced Miner Safety Refresher Part 48; 2021

Tower Safety and Rescue (NATE); 2006

Gila River Indian Community (GRIC) Cultural Sensitivity Training; 2009

SELECTED PROJECT EXPERIENCE (∗ denotes project experience prior to SWCA)

Sunbelt I-10 and Jackrabbit Trail, Class III Survey; Sunbelt Investment Holdings, Inc.; Buckeye, Maricopa County, Arizona (2022). SWCA completed a cultural survey of approximately 150 acres of state land for residential development. Historical sites encountered: Euro-American artifact scatters. No prehistoric sites encountered. *Role: Field Director.*

Phoenix-Mesa Gateway Airport Archaeological Data Recovery; PGMAA; Mesa, Maricopa County, Arizona (2022). Phase II Data Recovery for a new development at the airport. Discovery and excavation of several prehistoric structures and diagnostic artifacts. *Role: Field Director.*

South Biscuit Flats Environmental Services; PulteGroup, Inc.; Maricopa County, Arizona (2022). Cultural survey of approximately 632 acres of State Trust land for energy development. Prehistoric sites encountered: Hohokam artifact scatters. No historical sites encountered. *Role: Field Director.*

London Bridge Road and Fathom Drive; Confidential Client; Lake Havasu, Mohave County, Arizona (2021–2022). Cultural survey of approximately 626 acres of State Trust land in support of proposed engineering services. No prehistoric sites. Historical sites encountered: Euro-American roads. *Role: Field Director.*

Preserve IV Development Project; Toll Brothers, Inc.; Scottsdale, Maricopa County, Arizona (2021). Cultural survey of approximately 40 acres of State private land for residential development. Prehistoric sites encountered: Hohokam artifact scatter. No historical sites encountered. *Role: Field Director.*

Sunbelt Rose Garden East Project; Sunbelt Investment Holdings, Inc.; Deer Valley, Maricopa County, Arizona (2021). Cultural survey of approximately 80 acres of State Trust land for residential development. Prehistoric sites encountered: Hohokam artifact scatters. No historical sites encountered. *Role: Field Director.*

*** Kaibab Paiute Mistletoe Removal and Fuel Clearing Survey; Kaibab Paiute Indian Reservation; Kaibab, Coconino and Mohave Counties, Arizona (2019).** Cultural survey of 2,000 acres in the Kaibab Paiute Indian Reservation along the Utah-Arizona border, in support of vegetation management activities. A diversity of site types and IOs were recorded during the survey. In-field analysis of lithics including projectile points, and Ancestral Puebloan pottery was also completed. *Role: Crew Chief.*

*** Wild Horse Pass Corporate Development Project; Gila River Indian Community; Chandler, Maricopa County, Arizona (2019).** Cultural Phase I Identification Testing

GRIC-OSHA Trenching and Shoring Safety Training; 2015

CPR and First Aid Training; 2019

MEMBERSHIPS

Member, Arizona Archaeological Council

near the Wild Horse Pass Corporate Center in District 4. The site contained artifacts from the Archaic period to modern Akimel O'Odham. Also completed a re-survey of an adjacent historic site within the project area. *Role: Crew Chief.*

*** District 3 Multipurpose Data Recovery; Gila River Indian Community; Sacaton, Pinal County, Arizona (2018–2019).** Multi-year Cultural Phase I Identification Testing and Phase II Data Recovery for a new Multipurpose building in Sacaton. Discovery and excavation of several historic structures and prehistoric features. *Role: Crew Chief.*

*** River Bottom Cleanup and Protection Project; Gila River Indian Community; Maricopa County, Arizona (2019).** Cultural resources survey within the Gila River Bottom in District 7. Several small historic sites were discovered and recorded. *Role: Crew Chief.*

*** Western Area Power Administration (WAPA) Class III Survey; WAPA; Maricopa and Pinal Counties, Arizona (2015).** Cultural resources survey of powerlines covering 50+ miles across the western and southern boundaries of the Gila River Indian Community. Several petroglyph sites, dry agricultural, and historic sites were discovered and recorded. *Role: Crew Chief.*

*** Tribal Agricultural Development Survey and Data Recovery; Gila River Indian Community; Maricopa and Pinal Counties, Arizona (2016–2021).** Cultural resources survey of one of the proposed routes for State Route 202 through tribal land. Identified sites, IOs and Traditional Cultural Properties. Phase I and Phase II data recovery tasks were undertaken for site mitigation. *Role: Crew Chief.*

*** P-MIP Survey and Data Recovery; Gila River Indian Community; Maricopa and Pinal Counties, Arizona (2009–2020).** Cultural resources survey within the right-of-way of the P-MIP Canal, both on and off the tribal reservation. Identified sites, IOs and Traditional Cultural Properties. Phase I and Phase II data recovery tasks were undertaken for site and human remains mitigation. *Role: Crew Chief.*

*** BIA Housing Development Survey and Data Recovery; Gila River Indian Community; Maricopa and Pinal Counties, Arizona (2009–2020).** Cultural resources survey for homesite developments within the tribal reservation. Homesite work was completed within all seven districts within the community. Various site types and IOs were identified. Phase I and Phase II data recovery tasks were undertaken for site and human remains mitigation. *Role: Crew Chief.*

TAB I: ADDENDA ACKNOWLEDGEMENT

N/A

Attachment I
Addenda Acknowledgement

Offeror is responsible for obtaining all addenda, if issued, via the PMGAA website at www.gatewayairport.com under the Business | Procurements, Vendors & Public Notices section or by other means (see Section One, Subsection A, paragraph 2, Addenda).

Failure to acknowledge, and include this form in Offeror's submittal, may cause Offeror's SOQ to be deemed nonresponsive. If no addenda were issued, Offeror does not need to include this attachment in its SOQ.

Offeror hereby acknowledges receipt of the following addenda issued by PMGAA for solicitation 202x-XXX-RFQ (fill in Addendum Number and Date Issued).

Addendum No. N/A Date Issued: _____

Addendum No. _____ Date Issued: _____

Addendum No. _____ Date Issued: _____

Addendum No. _____ Date Issued: _____

Addendum No. _____ Date Issued: _____

By: Jana Sterling
Signature

3-28-2022
Date

Jana Sterling
Printed Name

Vice President, Southwest
Title

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

Board Action Item

Re: Resolution 22-24

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:	**Revenue Parking Operations**
Date:	**May 17, 2022**

Proposed Motion

To authorize a contract with Republic Parking Systems, LLC (Republic Parking) to provide parking operations at a fixed management fee, in an amount not to exceed $1,571,468, for the length of the base term of three years, with two optional one-year extensions not to exceed $534,224 and $542,751 respectively. This amount does not include labor, which is a variable amount based on demand. Hourly labor rates, which include fringe benefits, for year one of the contract are below and will be adjusted on an annual basis:

Supervisors:	**$26.77**
Shuttle Drivers:	**$24.98**
Customer Service Representatives:	**$21.19**
Parking Attendants:	**$21.19**

Narrative

The airport currently operates and maintains three (3) revenue parking facilities comprised of 846 Daily Lot spaces, 2,808 Economy Lot spaces and 186 Hourly Lot spaces in support of the Charles L. Williams Passenger Terminal operations. In addition, PMGAA provides a non-revenue employee parking facility comprised of 150 parking spaces all to meet customer demand.

Parking lots are operated through a revenue control system and 2,808 spaces plus seasonal overflow require shuttle service to the Charles L. Williams Passenger Terminal Complex during flight activity. The evaluation panel's recommendation is to award a contract to Republic Parking System, LLC. based on the selection criteria, written proposals, pricing proposals, and a Best and Final offer, for Revenue Parking Operations services for a three-year term with two optional one-year extensions.

Request for Proposal # 2022-014-RFP for Revenue Parking Operations services was issued on January 18, 2022. The RFP was posted on the Airport website as well as on the following websites: Arizona Association of Airports, International Parking Institute, Airports Council International North America, Airport Consultants Council, and the Southwest Chapter of the American Association of Airport Executives. The RFP was also advertised in the Arizona Business Gazette on January 20 and 27 and February 3, 2022, as well as emailed to seven perspective respondents. Airport staff received four proposals on February 24, 2022:

1. Ace Parking
2. Laz Parking Southwest, LLC

3. Republic Parking System, LLC
4. SP Plus Corporation.

Based on the written proposals received, the evaluation panel selected the top three ranked firms to submit a Best and Final Offer (BAFO): Ace Parking, Laz Parking Southwest, LLC and Republic Parking System, LLC. After review of the qualifications and BAFOs, the evaluation panel unanimously selected Republic Parking as the firm that best satisfied the requirements, based on the qualifications, experience, project understanding and approach, and pricing proposal.

Fiscal Impact

This contract was included in the FY23 operating budget and is funded under Operations & Maintenance, Contractual Services: Parking Management.

Attachment(s)

Contract

Phoenix-Mesa Gateway Airport

RESOLUTION NO. 22-24

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

WHEREAS the Authority desires to authorize a contract with Republic Parking Systems, LLC (Republic Parking) to provide parking operations at a fixed management fee, in an amount not to exceed $1,571,468, for the length of the base term of three years, with two optional one-year extensions not to exceed $534,224 and $542,751 respectively. This amount does not include labor, which is a variable amount based on demand. Hourly labor rates, which include fringe benefits, for year one of the contract are below and will be adjusted on an annual basis:

- Supervisors $26.77
- Shuttle Drivers: $24.98
- Customer Service Representatives $21.19
- Parking Attendants: $21.19

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

The Board of Directors of the Authority hereby authorizes a contract with Republic Parking Systems, LLC (Republic Parking) to provide parking operations at a fixed management fee, in an amount not to exceed $1,571,468, for the length of the base term of three years, with two optional one-year extensions not to exceed $534,224 and $542,751 respectively. This amount does not include labor, which is a variable amount based on demand. Hourly labor rates, which include fringe benefits, for year one of the contract are below and will be adjusted on an annual basis:.

- **Supervisors $26.77**
- **Shuttle Drivers: $24.98**
- **Customer Service Representatives $21.19**
- **Parking Attendants: $21.19**

This resolution also authorizes the Chair or Executive Director/CEO to execute such Contract, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 17th day of May, 2022.

John Giles, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

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PHOENIX-MESA GATEWAY AIRPORT AUTHORITY

AND

REPUBLIC PARKING SYSTEM, LCC

FOR

REVENUE PARKING OPERATIONS

CONTRACT NUMBER 20220245

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

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Phoenix-Mesa Gateway Airport Authority, a joint powers airport authority authorized by the State of Arizona ("PMGAA") desires performance of the services more fully described in this **Contract Number C-20220245** ("Contract") and the attached exhibits. Republic Parking system, LLC, a Tennessee Limited Liability Corporation ("Consultant"), with its principal offices located at 633 Chestnut Street, Suite 2000, Chattanooga, TN, 37450, desires to perform these services.

Recitals

A. PMGAA requires the services as described in this Contract, including any and all exhibits and amendments, and Consultant is willing to provide these and other services under this Contract; and

B. PMGAA desires to contract with Consultant to provide services as noted herein.

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

SECTION I – CONSULTANT SERVICES

The services to be performed by Consultant are specified in this Contract. PMGAA will not pay Consultant for any services that have not been authorized under the Contract. There is no guarantee of a minimum purchase of services.

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

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

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

SECTION II – PMGAA RESPONSIBILITIES

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

A. Access to copies of readily available maps, records, as-built drawings, benchmarks or other data pertinent to work assignments affiliated with this Contract. This does not, however, relieve Consultant of the responsibility of searching records for additional information, for requesting specific information or for verification of that information provided. PMGAA does not warrant the accuracy or comprehensiveness of any information or documents provided to Consultant.

B. In PMGAA's discretion and upon Consultant's reasonable request, access to staff for consultation with Consultant during the performance of this contract in order to identify the problems, needs, and other functional aspects of the work.

C. Prompt review of and feedback on Consultant's deliverables. PMGAA will advise Consultant concerning progress of PMGAA's review of the work, as needed.

SECTION III - PERIOD OF SERVICE

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

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

The term of this Contract shall commence on July 1, 2022 and ends on June 30, 2025 ("Base Term"), unless terminated, canceled or extended as provided in this Contract.

This Contract has two (2) optional one-year extensions that PMGAA may exercise at its sole discretion. Prior to the expiration of the Contract Base Term, PMGAA may elect to extend the Contract. If PMGAA exercises such right, all terms, conditions and provisions of the original Contract shall remain the same and apply during the extended

period. All fees for the optional renewal terms are provided for in **EXHIBIT A**, "Scope of Services & Fee Schedule.". Any extension of this Contract shall require an amendment signed by both parties.

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

SECTION IV – KEY PERSONNEL

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

SECTION V - PAYMENTS TO THE CONSULTANT

Consultant will be paid for work performed under this Contract plus any adjustments that have been approved in writing by PMGAA in accordance with PMGAA's Procurement Policy. Payments will be made in accordance with **EXHIBIT B**, "Compensation."

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

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

SECTION VI - ALTERATION IN SCOPE OF SERVICES

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

SECTION VII - WORK ASSIGNMENT COMPLETION

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

SECTION VIII - OWNERSHIP OF DOCUMENTS

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

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

SECTION IX - COMPLIANCE WITH LAWS

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

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

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

SECTION X - GENERAL CONSIDERATIONS

A. The failure of either party to enforce any of the provisions of this Contract or require performance of the other party of any of the provisions hereof shall not be construed to be a waiver of the provisions, nor shall it affect the validity of this Contract or the right of either party to enforce each and every provision.

B. The fact that PMGAA has accepted or approved Consultant's work shall in no way relieve Consultant of responsibility for the work under this Contract.

C. This Contract shall be governed by the laws of the state of Arizona, both as to interpretation and performance. Any action at law, suit in equity, or judicial proceeding for the enforcement of this Contract, or any provision thereof, shall be instituted only in the courts of the state of Arizona.

D. All exhibits to this Contract and any amendments to the Contract are incorporated into it.

SECTION XI - NO KICK-BACK CERTIFICATION

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

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

SECTION XII – SUSPENSION OF SERVICES

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

SECTION XIII – TIMES OF PAYMENTS

Consultant shall submit invoices no later than the seventh day of the month for the preceding month for services actually completed. PMGAA shall review, certify, and approve or reject each invoice in whole or in part. PMGAA shall pay each approved invoice within 30 calendar days of the date that PMGAA approves the invoice.

SECTION XIV – TIMELY REVIEW

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

SECTION XV – DISPUTE RESOLUTION

All disputes between PMGAA and Consultant arising out of or relating to this Contract will be subject to the Dispute Resolution provisions as set forth in **EXHIBIT D**, "PMGAA Standard Terms and Conditions", attached hereto and incorporated herein by reference.

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

SECTION XVI - LIABILITY OF CONSULTANT

PMGAA acknowledges that the scope of services required of Consultant under the Contract do not include any security services for the Airport and PMGAA is solely responsible for all matters relating to the security and safety of the Airport, provided, however, that Consultant shall be responsible for any safety issues to the extent caused by Consultant's acts or omissions.

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PMGAA will be solely responsible for all PMGAA owned facilities and equipment. Consultant shall be responsible for liabilities caused by improper or negligent, acts or omissions of their employees, contractors, or agents as they pertain to PMGAA owned facilities and equipment. Consultant shall be responsible for upkeep of facilities as outlined within the Scope of Services. In addition, Consultant shall be responsible for keeping any workspace provided to the Consultant by PMGAA neat, clean, and in good order throughout the term of the agreement. Any claims or losses resulting from design or structural faults or defects of the PMGAA owned facilities and equipment will be the sole responsibility of PMGAA, unless resulting from the negligence or willful misconduct of Consultant.

Notwithstanding anything to the contrary in the Contract, the parties agree that Consultant is not responsible for liabilities caused by the acts or omissions of PMGAA, third parties or their employees, contractors, or agents.

In no event will either party be liable for any claim for punitive, special, exemplary, liquidated, indirect or consequential damages or for loss of profits or business provided that this limitation on liability shall not apply to or limit any claims resulting from (i) Consultant's failure to properly account for revenues collected by Consultant; and/or (ii) the imposition of liquidated damages pursuant to Section XXI of the Contract.

SECTION XVII - LAWS AND REGULATIONS

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

SECTION XVIII – ARCHAEOLOGICAL RESOURCE PROTECTION

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

SECTION XIX INSURANCE REQUIREMENTS

A. Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees.

B. All insurance policies required by this Contact, except *Workers Compensation* and *Professional Liability*, shall name PMGAA, its agents, representatives, officers, directors, officials and employees as Additional Insured.

C. Minimum Scope and Limits of Insurance. Coverage shall be at least as broad as:

   i. Commercial General Liability: Insurance Services Office Form CG 00 01 covering Bodily Injury and Property Damage on an "occurrence" basis, including personal & advertising injury with limits no less than $1,000,000 per occurrence, $2,000,000 General Aggregate.
   ii. Auto Liability: ISO Form CA 00 01 covering any auto (Symbol 1), or if Consultant has no owned autos, hired, (Symbol 8) and non-owned autos (Symbol 9), with limit no less than $5,000,000 Combined Single limit per accident for bodily injury and property damage.
   iii. Workers' Compensation: Statutory Limits as required by the state of Arizona, and Employer's Liability Insurance with limit of no less than $1,000,000 per accident for bodily injury or disease.

D. If the Consultant maintains higher limits than the minimums shown above, PMGAA requires and shall be entitled to coverage for the higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to PMGAA.

E. Additional insurance provisions. The insurance policies shall provide, or be endorsed to include, the following provisions:

i. Notice of Cancellation: Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to PMGAA.

ii. Waiver of Subrogation: Consultant waives any right to subrogation. Consultant shall obtain an endorsement necessary to affect this waiver of subrogation from the insurer for all lines of coverage required by this Contract, except *Workers Compensation* and *Professional Liability,* for claims arising out of the Consultant's work or service.

iii. Primary Coverage: For all claims related to this Contract, all of Consultant's insurance policies will be primary and non-contributory. Any insurance or self-insurance maintained by PMGAA, its officers, officials, employees, or volunteers will be in excess of Consultant's insurance and will not contribute with it.

iv. Deductibles and Self-Insured Retentions: Any deductibles or self-insured retentions must be declared to and approved by PMGAA. PMGAA may require the Consultant to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.

v. Acceptability of Insurers: Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A, VII, unless otherwise acceptable to PMGAA.

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

a) The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.

b) Insurance must be maintained, and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.

c) If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Consultant must purchase "extended reporting" coverage for a minimum of five (5) years after completion of work.

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

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

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

SECTION XX NOTICES

Any notice, report or information which may be or is required to be given under this Contract will be in writing and shall be sent by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

TO PMGAA: Phoenix-Mesa Gateway Airport Authority
Attn: Operations and Maintenance Director
5835 South Sossaman Road
Mesa, Arizona 85212

TO CONSULTANT: Republic Parking System, LLC
Attn: Bob Linehart
633 Chestnut Street, Suite 2000
Chattanooga, TN 37450

or to such other person(s) or address(es) as any such Party may designate from time to time by notice to the other Parties in accordance with this Section.

SECTION XXI –PERFORMANCE MONITORING AND LIQUIDATED DAMAGES

A. PMGAA reserves the right, at its sole and absolute discretion, to temporarily suspend, deny or permanently revoke Consultant's operating privileges under this Contract in the event of extended failure to meet the requirements of this Contract or failure to correct deficiencies in performance.

In addition to any other remedy available to PMGAA at law or in equity, the Consultant will be liable for and must pay to PMGAA any liquidated damages as set forth below. The parties further agree that the amount is reasonable and approximate and the actual or anticipated loss to PMGAA at the time and making of this Contract in the event that the Consultant commits a breach. The parties acknowledge and agree to the fixed amount set forth below because of the difficulty of proving PMGAA's actual damages in the event that the Consultant commits a breach.

In the event the Consultant fails to complete the Scope of Services or fails to complete the Scope of Services within the time specified in the Contract, or with such additional time as may be granted in writing by PMGAA, Consultant shall pay to PMGAA, as liquidated damages, the following sums per occurrence until such failure is resolved to PMGAA's satisfaction, together with any increased costs incurred by PMGAA, in completing the Scope of Services.

Situation	Liquidated Damages Amount
Failure to Meet the requirements of the Scope of Services - Customer Service	$55.00 per occurrence
Failure to Meet the requirements of the Scope of Services - PARCS	$55.00 per occurrence
Failure to Meet the requirements of the Scope of Services - Revenue Control Protection	$500.00 per occurrence
Failure to Meet the requirements of the Scope of Services - Vehicles & equipment	$55.00 per occurrence
Failure to Meet the requirements of the Scope of Services - Management, Staffing, & Scheduling	$500.00 per occurrence
Failure to Meet the requirements of the Scope of Services - Reporting	$100.00 per occurrence
Failure to Meet the requirements of the Scope of Services - Irregular Operations	$500.00 per occurrence
Failure to Meet the requirements of the Scope of Services - Administrative	$100.00 per occurrence
Failure to Meet the requirements of the Scope of Services - Facility & Parking Lot Maintenance	$55.00 per occurrence
Failure to Meet the requirements of the Scope of Services - Shuttle Service	$100.00 per occurrence

B. The amount payable to PMGAA will be deducted from the Consultant's invoice(s).

C. Consultant agrees all of the deficiencies listed in this section shall result in PMGAA incurring damages that are impractical or impossible to determine. Consultant agrees the monetary assessments set forth in this section are reasonable approximations of such damages. The parties intend that Consultant's payment of the liquidated damages amount would serve to compensate PMGAA for any breach by Consultant of its obligations under this section, and they do not intend for it to serve as punishment for any such breach by Consultant, but rather a reasonable measure of damages.

D. In the event of Consultant's failure to provide services, including but not limited to shuttle service, PMGAA may need to procure shuttle services or other ancillary services, from a third party. In this event, Consultant shall be responsible for, and pay to PMGAA, all expenses incurred for obtaining the third party shuttle services or ancillary services in addition to paying any liquidated damages PMGAA may impose.

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SECTION XXII PAYROLL RECORDS AND LABOR CERTIFICATION REPORT

Consultant shall submit, no later than the seventh day of each month for the preceding month, payroll records for employees working under this Contract.

Executed as of the Commencement Date.

CONSULTANT
Republic Parking System, LLC, a Tennessee Limited Liability Corporation

By: DocuSigned by: Leonard Carder ACD94E55AB4345F...

Name: Leonard Carder

Title: President Real Esta

Date: 5/5/2022

PMGAA
PHOENIX 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: _____

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EXHIBIT A – SCOPE OF SERVICES & FEE SCHEDULE

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

SCOPE OF SERVICES

1. Background

PMGAA operates three (3) revenue parking facilities in support of the Charles L. Williams Passenger Terminal operations. In addition, PMGAA provides a non-revenue employee parking facility comprised of 150 parking spaces.

Revenue Facilities

- Daily Lot – 846 spaces
- Economy Lot – 2608 uncovered spaces / 200 covered spaces
- Hourly Lot – 186 spaces

The revenue parking operation utilizes a cashier-less, automated Pay-On-Foot (POF) system. Scheidt & Bachmann provides the Parking Access Revenue Control System (PARCS). PMGAA currently utilizes a chip-coin based system and is replacing this system with a ticket-based system. The system replacement is currently in progress.

2. Requirements

a. General

Consultant shall furnish all labor, insurance, supervision, and incidentals necessary for the operation and management of the parking facilities, PARCS, and shuttle services.

The responsibilities of the Consultant shall include, but are not limited to, the items listed below and in accordance with those normally related to the management of airport parking facilities and shuttle systems. Consultant shall operate the facilities to provide exceptional customer service, generate revenue, create operational efficiencies, and reduce or limit costs.

b. Customer Service

PMGAA believes that parking is the first and last impression for customers, making customer satisfaction critical. A high level of professionalism and customer service is a priority for PMGAA and shall be provided by the Consultant.

The following services shall be provided by Consultant at no additional cost to the customer or PMGAA.

i. Amenities

a) Courtesy Assistance – Consultant shall provide motorist assistance services to PMGAA's parking customers to include locating lost vehicles, inflating flat tires, and jump-starting dead batteries. All required equipment for these services shall be provided by the Consultant.

b) Luggage Assistance – Consultant shall assist customers with loading/unloading luggage into/off-of the shuttle buses.

ii. Customer Assistance

a) Parking Hotline – Consultant shall be responsible for, and monitor the PMGAA parking hotline, and check for messages a minimum of three (3) times a day. Consultant's staff shall respond back to all messages within 24 hours.

b) Intercom – Consultant shall provide immediate assistance to those requesting help via the PARCS intercom system. The Consultant shall be responsible for providing the requested information or dispatching the appropriate resources to assist the customer.

c) In-person – Consultant shall provide personnel in the revenue parking lots during peak air carrier arrival and departure times to provide customer service to patrons. Personnel shall

effectively facilitate parking lot arrival traffic, exiting traffic, and internal traffic flows. In addition, personnel shall respond to calls for service from the PARCS intercom system.

d) Complaints – Consultant shall investigate and resolve all complaints from public persons who use the PMGAA parking facilities. In the event of a conflict of interest, or a refund request, the complaint resolution process shall be forwarded to the designated PMGAA staff member.

iii. Quality Control/Quality Assurance

a) Customer Surveys - Customer service surveys, in a format approved by PMGAA, shall be completed on a quarterly basis. Summarized results shall be provided to PMGAA upon completion of each survey.

b) Audit Rights and access to records – see Exhibit D, PMGAA Standard Terms and Conditions.

c. Parking Access Revenue Control System Equipment

The Consultant shall ensure that all facets of the PARCS are operating at all times, including entry/exit lane equipment, pay stations, management hardware and software, signage, and monitoring equipment.

i. Equipment Support

a) Troubleshooting – In the event of a technical issue with a field device, the Consultant shall comply with the following procedure to restore functionality:

- Troubleshoot the problem in accordance with PMGAA procedures and equipment operating manuals.
- Complete a light repair, including but not limited to, resetting a device.
- If the light repair does not resolve the problem, the issue shall be escalated to the designated PMGAA staff member to submit a service request with Scheidt & Bachmann.

ii. Consumables

a) Ticket Stock and Receipt Paper – All entry/exit devices and pay stations shall be stocked with the appropriate quantity of consumables to ensure proper functionality of the device. Consumables utilized by the PARCS will be provided by PMGAA and stored in an area designated by PMGAA. The Consultant shall be responsible for pulling consumables from PMGAA's inventory in accordance with inventory control procedures.

d. Revenue Control, Collection, & Protection

Consultant shall be responsible for the conduct of proper revenue control procedures and for the preparation and submission of reports associated with such procedures and shall comply with Generally Accepted Accounting Principles (GAAP) and auditing standards.

i. Unaccounted-for Revenues

a) Misplaced/Lost Revenue – Consultant shall be responsible for all cash collected and any credit card revenue collected via the Consultant's mobile credit card terminals. If any revenue is misplaced or lost while in the custody of the Consultant, the Consultant shall report the missing or lost money to PMGAA within twenty-four (24) hours after the occurrence. The Consultant, at no expense to PMGAA, shall make payment in full to PMGAA the amount of revenue misplaced or lost in full within fourteen (14) calendar days unless PMGAA and the Consultant agree to a longer period of time. The amount of missing or lost revenue shall be determined by using system accounting software, receipts, counters, and other equipment. PMGAA may investigate any incident of misplaced or lost revenue. If a dispute arises in the amount of misplaced or lost revenue, the determination of PMGAA shall prevail.

b) Stolen Revenue - If any revenue is stolen, the Consultant shall notify the Police immediately after the theft is discovered. The Consultant shall also notify PMGAA no later than twenty-four (24) hours after the Police have been notified. For instances of internal theft, the Consultant shall immediately reimburse PMGAA for the full amount lost as a result of the occurrence. For instances in which external theft occurs, the Consultant has no more than fourteen (14) calendar days to make payment in full to PMGAA. PMGAA may investigate any incident of theft.

ii. Revenue Protection

a) Collection of Revenue – The Consultant shall take every reasonable action to collect and enforce the collection of all parking associated fees. In the event of a PARCS malfunction, the

Consultant shall utilize mobile credit card terminals to collect parking fees. Revenues shall be accounted for on a daily basis.

b) Cash-Handling – A cash bank shall be supplied and maintained, by the Consultant to stock all cash processing pay stations. The Consultant shall be responsible for implementing and using strong cash-handling controls in accordance with its revenue control procedures.

c) Fee Waiver – Consultant is prohibited from waiving or adjusting parking fees without the express approval of the PMGAA Executive Director/CEO or designee. Further, any such adjustments, if approved, shall be documented by the Consultant in a manner approved by PMGAA.

d) License Plate Recognition (LPR) Image Review – Consultant shall continuously, during operating hours, review and adjudicate license plate images within the PARCS & LPR System to rectify any alarms or read issues that arise to ensure license plates are correctly associated with tickets.

e) Lot Counts – Consultant shall conduct parking lot counts of vehicles, in every PMGAA revenue facility, at a minimum of three (3) times per day, to ensure an accurate space count within the PMGAA PARCS System. Offer shall update the PARCS system upon completion of each count.

e. Shuttle Service

Consultant shall own, operate, and maintain a shuttle bus system to transport customers between the Charles L. Williams Passenger Terminal, at 6033 S. Sossaman Road, and the Ray Road Economy Lot.

i. Service Guarantees

a) Roundtrip Time – Shuttles shall maintain a seven (7) minute, one-way, travel time to/from the Terminal and the Economy Lot.

b) Wait Time – The maximum wait time for passengers to be picked up shall be no longer than ten (10) minutes.

ii. Shuttle Service Requirements

a) Vehicles – Consultant shall provide shuttles based on the quantity and specifications listed in the *Vehicles & Equipment* section of this RFP and in accordance with **Exhibit F,** "Consultant's Vehicles."

b) Drivers - shall be qualified to operate the shuttles. All drivers shall be properly licensed to provide the services of the Consultant and shall meet all applicable U.S. Department of Transportation, Arizona Department of Transportation, and any other federal, state, or local requirements for operating a commercial vehicle.

c) Emergencies – Consultant may be required, in the event of a catastrophic emergency on the airport, provide shuttle service as directed by the Incident Commander or other personnel designated by PMGAA.

f. Vehicles & Equipment

Consultant shall provide and maintain vehicles and equipment in support of this operation. All vehicles shall be clean, maintained, and in good working order. Vehicles shall be a maximum of five (5) years old.

i. Shuttles

a) Quantity & Style – Consultant shall provide and operate shuttles in accordance with "**Exhibit F,** "Consultant's Vehicles," two of which shall be Non-CDL and two of which shall be CDL. If shuttles require replacement, Consultant must obtain prior written approval of the replacement(s) from PMGAA.

The Consultant shall procure and implement graphics on the vehicles in collaboration with PMGAA. The finalized graphics shall be reviewed and approved by PMGAA prior to installation.

b) Capacity – Shuttles shall have the following capacities:

- Non-CDL: 14 passengers
- CDL: At least 30 passengers

c) ADA Accessibility – All shuttles shall be ADA compliant/compatible for passengers requiring ADA assistance.

d) Fuel Type – N/A
e) Tracking – Shuttles shall be outfitted with an electronic GPS tracking solution. The solution shall be web-hosted and shall be capable of providing, but not limited to, the following features:
- Administrative Web Dashboard with live vehicle tracking and reporting capabilities
- Customer facing features such as estimated arrival time for a shuttle

ii. Service Vehicle
a) Quantity & Style – Consultant shall provide the service vehicle listed in **Exhibit F,** "Consultant's Vehicles," to enable staff to respond to calls for assistance and perform functions within the Scope of Services. The vehicle shall be equipped with an amber light bar. The Consultant shall procure and implement graphics on the vehicle(s) in accordance with graphic design standards designated by PMGAA.

iii. Radios
a) PMGAA Operations – The Consultant shall procure two (2) radios that conform to PMGAA configuration standards and are approved by PMGAA. Upon conclusion of the contract, the ownership of the radios shall be transferred to PMGAA.
b) Internal Communications – Radios shall be procured and utilized by the Consultant to facilitate internal communication and operational efficiencies.

iv. Mobile Credit Card Terminals
a) Quantity & Style – The Consultant shall provide at least three (3) cellular based, mobile credit card terminals to process credit card payments in the event of payment processing issues with the PARCS. These terminals shall be EMV certified/compliant and meet all applicable Payment Card Industry (PCI) security standards.
b) Management – Consultant shall be responsible for upkeep of these devices, all bank merchant fees, payment processing fees, and all consumables needed for the devices.

g. Facility & Parking Lot Maintenance
The Consultant, by way of their own staff or by use of subcontracted services, as allowed, shall provide the following services:
i. Cleaning and trash removal of the public parking lots, including but not limited to; the removal of paper debris and litter, bottles, cans and broken glass; liquid matter or waste as needed; and the emptying of trash receptacles. The Consultant shall remove or provide for the removal of all such litter, debris, trash and other matter to an approved dumping station as often as required. At no time is litter, debris, trash or other matter to remain uncollected and not deposited in trash receptacles or otherwise removed from the site (including trash overflowing) for more than 12 (twelve) hours.
ii. Housekeeping maintenance in and around the existing parking office located in the Ray Road Economy Lot.

h. Management, Staffing, & Scheduling
The Consultant shall employ, train, schedule, and assign personnel in accordance with **Exhibit E,** "Staffing Requirements," and to sufficiently meet the Scope of Services seven (7) days per week as needed to accommodate airline arrival and departure traffic.
Consultant shall staff and operate at least 2.5 hours prior to the first departure of the day and shall cease operation approximately 1.5 hours after the checked baggage from the last arriving flight has been delivered to baggage claim.
i. Management
a) General Manager
- The operation shall be under the supervision and direction of a full-time, qualified, competent, on-site General Manager subject to the direction and control of PMGAA. The General Manager must make arrangements to be able to respond, or have a delegate with comparable authority respond, on-site within one (1) hour of being notified of a major impact to operations. At a minimum, the Consultant's General Manager must be physically present on-site during conventional weekday working hours, 8am-5pm. The General Manager must also

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regularly make on-site inspections of Consultant's operation at other hours of the day and other days of the week. PMGAA reserves the right to exert its discretion with regard to the retainment of the General Manager.

b) Supervisors
- The Consultant shall provide supervisors to monitor the overall operation, performance, standards, and staffing for each shift.

ii. Staffing

a) The following staff level positions shall be staffed in accordance with **Exhibit E,** "Staffing Requirements." and at sufficient levels to ensure the Scope of Services is met during operating hours:
- Shuttle Driver(s) – Drives shuttles in accordance with all requirements listed within the Scope of Services.
- Customer Service Representatives (CSRs) – Provides customer assistance in the field and completes all other requirements listed within the Scope of Services.
- Parking Attendant – This position staffs a workstation in the Parking Office to monitor the PARCS system, complete LPR Image Review, answer Intercom calls, dispatches CSRs for customer assistance, and maintains radio communication with PMGAA Operations and the Consultant's staff.

i. Irregular Operations

PMGAA experiences irregular operations from time to time, including but not limited to flight delays, emergencies, and extraordinarily high passenger activity levels. The Management Fee stated in **Exhibit A**, "Scope of Services and Fee Schedule", may not be increased due to any Irregular Operations. The Reimbursable Hourly Labor Rates sated in **Exhibit A**, shall apply to any irregular Operations.

i. Flight delays & Emergencies

a) The Consultant may be required to stay late and provide the required level of resources to support flight delays or emergencies.

ii. Extraordinarily high passenger activity levels

a) Consultant shall procure the necessary personnel and equipment to meet the requirements of the Scope of Services.

j. Administrative

The following administrative requirements shall be followed by the Consultant. This list is subject to change by PMGAA at its discretion:

i. Uniforms

a) General Requirements – The Consultant shall provide uniforms and identification badges to its employees.
b) Uniform Approval - All uniforms are subject to review and approval by PMGAA.
c) Uniform Restrictions – No other clothing will be allowed except for personal shoes, which shall be closed toed.
d) Responsibility for Uniforms – All upkeep, maintenance, and replacement of uniforms are the responsibility of the Consultant.

ii. Personnel

a) Background Screening – The Consultant shall conduct a 10-year criminal background check, a motor vehicle records check for the last 36 months, and a verification of employment for the last ten years on all employees prior to employment and/or assignment to PMGAA. Hiring decisions after review of such verifications will be made based on the job duties being performed by the potential employee and the type(s) of infractions, arrests and/or convictions.

iii. Invoicing

a) Due date – Accurate invoices shall be provided by the Consultant to PMGAA no later than the seventh day of the month for the preceding month. In the event the due date falls on a weekend or holiday, the invoice will be provided on the next business day.

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b) Cash Revenues & Credit Card Revenues (Collected by Consultant) – Cash Revenues and Credit Card Revenues collected by the Consultant (Via the mobile credit card terminals) shall be included on the monthly invoice to PMGAA and shall offset any balance due to the Consultant.

iv. Tax Remittance

a) PMGAA shall be responsible for the remittance of applicable City of Mesa and State of Arizona taxes ("Parking Taxes") to the appropriate authorities.

v. Operations Manual

a) Consultant shall maintain an up-to-date Operations and Procedures manual on-site for employees and shall be available to PMGAA staff for review. The manual shall be created specifically for the PMGAA location. A standard manual that covers all of the Consultant's contracts at other locations is not acceptable. The manual shall be completed and submitted to PMGAA within 60 days of the commencement of the contract, in a form acceptable to PMGAA.

vi. Reporting

a) Monthly Operating Report - On a Monthly basis, the Consultant shall provide to PMGAA, in a format approved by PMGAA, a report delineating the following:

- Hourly Shuttle Counts per day
- Equipment Issues
- Parking Exceptions

b) Quarterly Operating Report – On a quarterly basis, the Consultant shall provide to PMGAA, in a format approved by PMGAA, a report delineating the following:

- Consultant's Operating Status (Staffing Levels, Vehicle health, etc.)
- Activity forecasts for the upcoming quarter
- Contingency Plans for upcoming holidays and or peak travel times

c) Annual Report – Consultant shall compose and deliver an annual report for the previous fiscal year (July 1 – June 30) to PMGAA no later than July 31st. The report shall include:

- An analysis on parking revenue for the year, with comparisons to the previous fiscal year
- A report on the Consultant's equipment condition and staffing levels
- The Consultant's goals for the upcoming fiscal year
- Recommendations/Proposals for operational or physical improvements
- Recommendations for revenue enhancement

k.. N/A

l.. Advertising

PMGAA reserves the right to advertise inside Consultant's shuttles while in service at PMGAA. Consultant shall not be allowed to advertise inside Consultant's shuttles while in service at PMGAA.

FEE SCHEDULE

For the services provided herein, PMGAA agrees to pay Consultant the following amounts. Labor hours are a variable, based on demand to meet the Scope of Services.

Revised Attachment C

Management Fee (Fixed)	Year 1	Year 2	Year 3	Year 4 (Optional Extension)	Year 5 (Optional Extension)
Management Fee - Fixed fee to include, but not limited to: Vehicles, Employee Hiring, Training, etc., Uniforms, Insurance, Fuel, Vehicle Maintenance, Cell Phones and Service, Office Supplies, Radios.	$ 527,613.00	$ 517,909.00	$ 525,946.00	$ 534,224.00	$ 542,751.00

Reimbursable Labor - Hourly Rate (Must Provide details in box below)	Year 1	Year 2	Year 3	Year 4 (Optional Extension)	Year 5 (Optional Extension)
Supervisors	$ 28.77	$ 29.44	$ 30.30	$ 31.24	$ 32.17
Shuttle Drivers	$ 24.98	$ 27.46	$ 28.86	$ 30.30	$ 31.81
Customer Service Representatives	$ 21.19	$ 22.25	$ 22.92	$ 23.60	$ 24.31
Parking Attendants	$ 21.19	$ 22.25	$ 22.92	$ 23.60	$ 24.31
Reimbursable Labor - Staff Hours	**Year 1**	**Year 2**	**Year 3**	**Year 4 (Optional Extension)**	**Year 5 (Optional Extension)**
Supervisors	5200.00	5200.00	5200.00	5200.00	5200.00
Shuttle Drivers	21274.00	21274.00	21274.00	21274.00	21274.00
Customer Service Representatives	2086.00	2086.00	2086.00	2086.00	2086.00
Parking Attendants	7300.00	7300.00	7300.00	7300.00	7300.00
Reimbursable Labor - Estimated Cost	**Year 1**	**Year 2**	**Year 3**	**Year 4 (Optional Extension)**	**Year 5 (Optional Extension)**
Supervisors	$ 139,204.00	$ 153,088.00	$ 157,560.00	$ 162,448.00	$ 167,284.00
Shuttle Drivers	$ 531,424.52	$ 584,609.52	$ 613,967.64	$ 644,602.20	$ 676,725.94
Customer Service Representatives	$ 44,202.34	$ 46,413.50	$ 47,811.12	$ 49,229.60	$ 50,710.68
Parking Attendants	$ 154,687.00	$ 162,425.00	$ 167,316.00	$ 172,280.00	$ 177,463.00
Yearly Total	$ 869,517.86	$ 946,536.02	$ 986,654.76	$ 1,028,559.80	$ 1,072,183.60

Total Expenses	Year 1	Year 2	Year 3	Year 4 (Optional Extension)	Year 5 (Optional Extension)
Management Fee	$ 527,613.00	$ 517,909.00	$ 525,946.00	$ 534,224.00	$ 542,751.00
Reimbursable Labor	$ 869,517.86	$ 946,536.02	$ 986,654.76	$ 1,028,559.80	$ 1,072,183.60
Yearly Total	$ 1,397,130.86	$ 1,464,446.02	$ 1,512,600.76	$ 1,562,783.80	$ 1,614,934.60

Delineate ALL expenses encumbered within the Reimbursable Labor - Hourly Rates for each position:

Overtime at 3%, Paid Time Off (vacation, sick holiday), 401K, payroll taxes at 9.5%, worker's comp at 6%, and Health & Welfare

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AZA - Parking & Shuttle Operational Budget

	Three-Year Term			2 One-year options		
	2022	2023	2024	2025	2026	Totals
Supervisor Payroll (Revenue)	$ 139,187	$ 153,105	$ 157,699	$ 162,430	$ 167,302	**$ 779,723**
Shuttle Bus Payroll (Revenue)	$ 530,050	$ 583,055	$ 612,208	$ 642,818	$ 674,959	**$ 3,043,089**
CSR Payroll (Revenue)	$ 44,074	$ 46,277	$ 47,666	$ 49,096	$ 50,568	**$ 237,681**
Parking Attendent payroll (Revenue)	$ 154,258	$ 161,971	$ 166,830	$ 171,835	$ 176,990	**$ 831,882**
Labor Revenue	**$ 867,568**	**$ 944,408**	**$ 984,401**	**$ 1,026,178**	**$ 1,069,819**	**$ 4,892,374**
Management Fee	$ 527,613	$ 517,909	$ 525,946	$ 534,224	$ 542,751	$ 2,648,443
Operating Expenses (Management Fee components):						
Manager salary	$ 102,775	$ 105,858	$ 109,034	$ 112,305	$ 115,674	**$ 545,644**
Uniforms	$ 1,638	$ 1,200	$ 1,236	$ 1,273	$ 1,311	**$ 6,658**
Talent Acquisition Costs	$ 1,092	$ 150	$ 155	$ 159	$ 164	**$ 1,720**
Insurance - General Liability	$ 11,520	$ 11,866	$ 12,222	$ 12,588	$ 12,966	**$ 61,161**
Telephone/Internet	$ 3,600	$ 3,708	$ 3,819	$ 3,934	$ 4,052	**$ 19,113**
Postage	$ 600	$ 618	$ 637	$ 656	$ 675	**$ 3,185**
Repairs & Maintenance - Equipment	$ 1,000	$ 1,030	$ 1,061	$ 1,093	$ 1,126	**$ 5,309**
Tickets	$ -	$ -	$ -	$ -	$ -	**$ -**
Lap Top & other office equipment	$ 500	$ 515	$ 530	$ 546	$ 563	**$ 2,655**
General Supplies	$ 900	$ 927	$ 955	$ 983	$ 1,013	**$ 4,778**
Bookkeeping & Payroll Charge	$ 2,000	$ 2,060	$ 2,122	$ 2,185	$ 2,251	**$ 10,618**
PCI Compliance	$ 1,000	$ 1,030	$ 1,061	$ 1,093	$ 1,126	**$ 5,309**
Airport Audit	$ 1,000	$ 1,030	$ 1,061	$ 1,093	$ 1,126	**$ 5,309**
Miscellaneous	$ 750	$ 773	$ 796	$ 820	$ 844	**$ 3,982**
Start up Costs	$ 5,000	$ -	$ -	$ -	$ -	**$ 5,000**
Travel	$ 5,000	$ 5,150	$ 5,305	$ 5,464	$ 5,628	**$ 26,546**
Lytx (Drive Cam) monthly subscription	$ 2,650	$ 2,163	$ 2,228	$ 2,295	$ 2,364	**$ 11,699**
Trans Loc - Ford Mobility Installation (4 Vehicles)	$ 15,100	$ -	$ -	$ -	$ -	**$ 15,100**
Trans Loc - Ford Mobility passenger counting & GPS	$ 6,060	$ 6,060	$ 6,060	$ 6,060	$ 6,060	**$ 30,300**
Shuttle Wraps	$ 12,000	$ 12,360	$ 12,731	$ 13,113	$ 13,506	**$ 63,710**
Shuttle/Bus/Vehicle Maintenance	$ 10,000	$ 15,000	$ 15,450	$ 15,914	$ 16,391	**$ 72,754**
Shuttle/Bus/Vehicle Fuel	$ 67,577	$ 69,604	$ 71,692	$ 73,843	$ 76,059	**$ 358,775**
Shuttle Cleaning	$ 400	$ 412	$ 424	$ 437	$ 450	**$ 2,124**
Shuttle Taxes & Annual Fees	$ 5,000	$ 5,150	$ 5,305	$ 5,464	$ 5,628	**$ 26,546**
Shuttle Insurance	$ 24,000	$ 24,720	$ 25,462	$ 26,225	$ 27,012	**$ 127,419**
Vehicle Insurance	$ 2,500	$ 2,575	$ 2,652	$ 2,732	$ 2,814	**$ 13,273**
Vehicle Amortization	$ 143,951	$ 143,951	$ 143,951	$ 143,951	$ 143,951	**$ 719,755**
Corporate Overhead, insurance claims, profit, etc.	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	**$ 500,000**
Total Expenses	**$ 527,613**	**$ 517,909**	**$ 525,946**	**$ 534,224**	**$ 542,751**	**$ 2,648,443**

Notes

Supervisor Payroll (Revenue)	10% wage increase in Y2
Shuttle Bus Payroll (Revenue)	10% wage increase in Y2, and 5% increase in subsequent years
CSR Payroll (Revenue)	5% wage increase in Y2
Parking Attendent payroll (Revenue)	5% wage increase in Y2

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EXHIBIT B - COMPENSATION

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

1. Fees to be Specified in Contract

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

2. Method of Payment

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

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

3. Consultant Responsibilities for Compensation

Consultant shall prepare monthly invoices and/or progress reports in accordance with terms specified in the Contract. Progress reports will clearly indicate the progress to date and the amount of compensation due by virtue of that progress. All invoices for payment shall be for work completed unless otherwise agreed to by PMGAA. Invoices/requisitions for payment for services subject to funding by the FAA and/or ADOT shall include the documentation requirements of the FAA and/or ADOT, which are outlined in the *Airport Improvement Program (AIP) Handbook* dated September 30, 2014, or most current version.

4. PMGAA Responsibilities for Compensation

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

5. Billing Address

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

Phoenix-Mesa Gateway Airport Authority
Attn: Accounts Payable
5835 S. Sossaman Road
Mesa, Arizona 85212

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EXHIBIT C - SPECIAL PROVISIONS

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

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

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

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

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

b. Nondiscrimination – The contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR Part 21.

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

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

e. Sanctions for Noncompliance – In the event of a contractor's noncompliance with the Nondiscrimination provisions of this contract, the Recipient will impose such contract sanctions as it or the FAA may determine to be appropriate, including, but not limited to:

i) Withholding of payments to the contractor under the contract until the contractor complies, and/or;
ii) Cancellation, termination, or suspension of the Contract, in whole or in part.

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

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

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

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

4. <u>Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion</u>

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

5. <u>Project Security</u>

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

a. <u>Secured Area Access</u> – All Consultant personnel who require unescorted access to the secured area of the Airport, prior to the issuance of an Airport Identification badge, must successfully complete the Security Badge Application and Security Badge Authorization forms.

b. Employee Security Badges – If deemed necessary by PMGAA all Contractor and/or subcontractor personnel performing work functions in accordance with this Contract shall obtain and properly display an Airport security badge. Consultant shall submit a Security Badge Application form to the PMGAA security office for each employee requiring unescorted access, along with the current fee for each badge. Badge fees are identified on the current *Airport Fees, Services and Rental Rates* available via the Airport website at www.gatewayairport.com and are subject to change.

i. All fees must be paid to PMGAA by cash or check.
ii. Airport Security Badge Application forms and instructions are available via the Airport website at www.gatewayairport.com.
iii. An authorized representative of Consultant must also obtain and submit a Security Media Authorization form, which is to be submitted to the PMGAA badging office. The Security Media Authorization form and instructions are available via the Airport website at www.gatewairport.com.
iv. A training class on aviation security must be successfully completed before individuals are issued a badge. Fees for the security badge include attendance for the necessary training classes. Attendance at the security classes and issuance of the security badge may take two hours per person.
v. Additional information, including a "Frequently Asked Questions" is available via the Airport website at www.gatewairport.com or by contacting the PMGAA Badging Office at (480) 988-7522. The Badging Office is located at 5803 S. Sossaman Road, Mesa AZ 85212.
vi. Consultant shall immediately notify the PMGAA Badging Office of any Consultant personnel whose employment status has changed.
vii. Consultant shall retrieve all security badges and keys and return them to the PMGAA Badging Office. A fee, as indicated on the most current *Airport Rates and Charges Schedule*, will be charged for each badge that is damaged, lost or not returned.
viii. The PMGAA Badging Office will require a completed Security Badge Application from each Consultant employee so certified by Consultant as requiring such before a Security Badge is issued.
ix. Under certain circumstances and out of control of PMGAA, security measures may change on short notice. No deviations from any security measure shall be allowed at any time.
x. At all times, aircraft shall have the right-of-way over all vehicle traffic.

c. Fines – Due to both the safety and security precautions necessary at the Airport, any failure of the Consultant to adhere to prescribed Airport requirements/regulations has consequences that may jeopardize the health, welfare and lives of Airport customers and employees, as well as the Consultant's own employees. Therefore, if Consultant is found to be in non-compliance with any security, airfield badging/licensing and airfield safety requirement, a Notice of Violations (NOV) may be issued. A current listing of fines is available by contacting the PMGAA Badging Office.

6. Standard Terms & Conditions

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

7. Federal and State Guidelines and Regulations

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

Consultant shall perform the services as described in approved Contract in accordance with the applicable requirements imposed by PMGAA, ADOT, FAA and any other applicable sponsoring agencies. Consultant and its subconsultants/subcontractors, if any, shall comply with any and all applicable laws, regulations, executive orders, policies, guidelines, and any other requirements for FAA Airport Improvement Program (AIP) projects. Consultant shall provide PMGAA all information, reports, documents, and/or certifications requested by PMGAA for the satisfaction of any grant requirements for the reimbursement of services, including, without limitation, identifying

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the specific services provided by Consultant and the billing period(s) during which services were or are to be provided. Nothing herein shall be construed as making the FAA or ADOT a party to this Contract.

8. Right to Contract With Other Firms

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

9. Independent Contractor Status

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

EXHIBIT D – PMGAA STANDARD TERMS & CONDITIONS

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

2. **Termination of Contract.**

   a. PMGAA reserves the right to cancel this Contract in whole or in part due to failure of Consultant to carry out any term, promise, or condition of the Contract. At least ten (10) business days before terminating the Contract, PMGAA will issue a written notice of default specifying one of the following reasons. PMGAA shall, at all times during the term of the Contract or any extension term thereto, have the sole authority to determine if the default has been cured to its satisfaction.

      (1) Consultant has provided personnel that do not meet the requirements of the Contract.

      (2) Consultant has failed to perform adequately the stipulations, conditions or services/specifications required in this Contract.

      (3) Consultant has attempted to impose on PMGAA personnel or materials, products, or workmanship of unacceptable quality.

      (4) Consultant has failed to furnish the required service(s) and/or product(s) within the time stipulated in the Contract or associated Authorization of Services.

      (5) Consultant has failed to make progress in the performance of the requirements of the Contract or Authorization of Services, or Consultant fails to give PMGAA adequate assurance the Consultant will perform the Contract in full and on time.

      (6) Each payment obligation of PMGAA created hereby is conditioned on the availability of PMGAA, state, or federal funds appropriated for payment of the obligation. If funds are not available or allocated by PMGAA for continuance of service under this Contract, then PMGAA may terminate the Contract. PMGAA shall promptly notify Consultant regarding the service that may be affected by a shortage of funds. No penalty accrues to PMGAA if this provision is exercised, and PMGAA shall not be liable for any future payments due or for any damages as a result of termination under this paragraph.

   b. This Contract may be terminated at any time by mutual written consent or by PMGAA - with or without cause - provided the terminating party gives forty-five (45) calendar days' advance written notice to the other party. PMGAA may terminate this Contract, in whole or in part, for PMGAA's convenience and with fourteen (14) days' written notice. If this Contract is terminated, then PMGAA is liable only for services rendered and material received, certified, and approved by PMGAA under the Contract before the termination effective date.

3. **Dispute Resolution**.

   a. **Negotiations**. If a dispute arises out of or relates to this Contract or its breach, the parties to this Contract shall endeavor to settle the dispute through direct discussions as a condition precedent to mediation or binding dispute resolution.

   b. **Mediation**. Should the parties to this Contract be unable to resolve their dispute through direct negotiations, the parties to this Contract, upon the written request of either, shall engage in mediation, to be administered privately by a mediator and according to rules mutually agreed upon by the parties to this Contract, or, the absence of such mutual agreement, by a mediator appointed by JAMS and

administered by JAMS in accordance with its then-current mediation rules. The fees and costs of mediation shall be split equally by the parties to this Contract, but subject to reallocation following binding dispute resolution.

c. **Binding Dispute Resolution**. Should the parties to this Contract be unable to resolve their dispute through direct negotiations or mediation, either party may, within the time limitations for bringing claims under Arizona law and this Contract, commence formal dispute resolution proceedings. Both parties to this Contract consent to binding arbitration administered by JAMS according to its then current arbitration rules, provided, however, that (i) in the event both parties agree, the arbitration may be administered privately by an arbitrator and according to rules mutually agreed upon by the parties to this Contract, and (ii) in the event any party seeks relief against the other party or against a non-party which cannot fully be granted in arbitration, by reason of non-joinder or otherwise, the parties to this Contract are excused from this arbitration requirement and the parties to this Contract shall proceed in the state or federal courts of competent jurisdiction and located in Maricopa County, Arizona. In any arbitration or litigation, the prevailing party shall be entitled to an award of its reasonable attorneys' fees and costs as determined by the arbitrator or court as applicable.

4. **Independent Contractor.** At all times, each party acts in its individual capacity not as agent, employee, partner, joint venturer, or associate of the other party. An employee or agent of one party may not be deemed or construed to be the employee or agent of the other party for any purpose whatsoever. Neither Consultant nor any of its employees are entitled to compensation from PMGAA in the form of salaries, paid vacation, or sick days. PMGAA will not provide any insurance to Consultant, including *Workers' Compensation* coverage. PMGAA will not withhold FICA, taxes, or any similar deductions from PMGAA's payments under this Contract.

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

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

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

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

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

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

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

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the laws of the state of Arizona, and suits pertaining to this Contract shall be brought only in federal or state courts in the state of Arizona.

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

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

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

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

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

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

18. **Subcontracts.** Consultant shall not assign any rights or interest nor enter into any subcontract with any other party to furnish any of the materials, goods or services specified herein without the prior written permission of PMGAA. PMGAA may, at its sole discretion, accept or reject proposed subcontractors or assignment. PMGAA shall notify Consultant of its acceptance or rejection within forty-five (45) days or written request by Consultant. All subcontracts shall comply with federal and state laws and regulations applicable to the materials, goods or services covered by the subcontract and shall include all the terms and conditions set forth herein, which shall apply with equal force to the subcontract, as if the subcontractor were the Consultant referred to herein. Consultant is responsible for Contract performance whether subcontractors are used.

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

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

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21. **Indemnification.**

A. Consultant's Indemnity. To the fullest extent permitted by law, Consultant hereby agrees to defend, indemnify and hold harmless PMGAA 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 (collectively, "Losses") to the extent such arise out of or in connection with (i) any negligent act or omission or intentional misconduct of Consultant or its agents, employees, or contractors, (hereinafter referred to collectively as "Consultant" for purposes of this Section 21) on the Parking Lots 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 PMGAA; and/or (ii) the failure of Consultant to comply with any provisions of this Contract. This indemnification shall exclude responsibility for any damages and for claims to the extent arising by reason of the acts or omissions of PMGAA or its employees, contractors or agents.

B. PMGAA's Indemnity. To the fullest extent permitted by law, PMGAA hereby agrees to defend, indemnify and hold harmless Consultant for, from and against any and all Losses to the extent such arise out of or in connection with (i) any negligent act or omission or intentional misconduct by PMGAA or its agents, employees, or contractors (hereinafter referred to collectively as "PMGAA" for purposes of this Section 21) on the Parking Lots, 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 Consultant, and/or (ii) the failure of PMGAA to comply with any provisions of this Contract. This indemnification shall exclude responsibility for any damages and for claims to the extent arising by reason of the acts or omissions of Consultant or its employees, contractors or agents.

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

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

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

25. **Force Majeure.** 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 Contract to be performed by such party ("Required Act"), and such delay or hindrance is due to causes entirely beyond its control such as riots, insurrections, martial law, civil commotion, war, fire, flood, earthquake, or other casualty or acts of God ("Force Majeure Event"), 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 delay. For purposes of this Contract, the financial inability of Consultant to perform any Required Act, including, without limitation, failure to obtain adequate or other financing shall not be deemed to constitute a Force Majeure Event. A Force Majeure Event shall not be deemed to commence until ten (10) days before the date on which the party who asserts some right, defense, or remedy arising from or based upon such Force Majeure Event gives written notice thereof to the other party. If abnormal adverse weather conditions are the basis for a claim for an extension of time due to a Force Majeure Event, the written notice shall be accompanied by data substantiating (a) that the weather conditions were abnormal for the time and could not have been reasonably anticipated and (b) that the weather conditions complained of had a significant adverse effect on the performance of a Required Act. To establish the extent of any delay to the performance of a Required Act due to abnormal adverse weather, a comparison will be made of the weather for the time of performance of the Required Act with the average of the preceding ten (10) years' climatic range based on the National Weather Service statistics for the nearest weather reporting station to the Premises. No extension of time for or excuse for a delay in the performance of a Required Act will be granted for rain, snow, wind, cold temperatures, flood, or other natural phenomena of normal intensity for the locality where the Premises are located.

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

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

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

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

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

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

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

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

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

35. **E-Verify Requirements.** To the extent applicable under A.R.S. § 41-4401, Consultant and its subcontractors warrant compliance with all federal immigration laws and regulations that relate to their

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employees, and compliance with the E-Verify requirements under A.R.S. §23-214(A). Consultant's or its subcontractors' failure to comply with such warranty shall be deemed a material breach of this Contract and may result in the termination of this Contract by PMGAA. PMGAA shall have the right to inspect the papers of Consultant's and any of Consultant's subcontractor's employee who works on this Contract to ensure the Consultant is complying with this paragraph.

36. **Environmental Provision.**.

A. Consultant's Indemnity. To the fullest extent permitted by law, Consultant shall indemnify, defend (with counsel reasonably acceptable to PMGAA), protect and hold harmless PMGAA 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 Parking Lots, Airport or neighboring properties, or violation of any Environmental Law or other statute, ordinance, rule, regulation, judgment or order of any government or judicial entity (collectively, "Environmental Damages") which are to the extent arising as a result of any of Consultant's activities or operations on the Parking Lots or the 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. Consultant's obligations and liabilities under this Section 36 shall survive the termination of this Contract. The indemnification of PMGAA by Consultant as described above includes, without limitation, reasonable 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. PMGAA reserves the right to seek injunctive relief as may be permitted under law and equity. This Section 36 explicitly excludes Consultant's duty, liability or indemnity to PMGAA for any claims or Environmental Damages of any kind whatsoever to the extent arising from or in connection with any contamination of any kind existing on the Parking Lots prior to the Effective Date hereof, or the mere discovery of any Hazardous Materials in, on, under or from the Parking Lots a result of Consultant's activities, except and only to the extent known contamination is exacerbated by Consultant by Consultant's negligence or unknown contamination is exacerbated by Consultant's gross negligence.

B. PMGAA's Indemnity. To the fullest extent permitted by law, PMGAA shall indemnify, defend (with counsel reasonably acceptable to Consultant), protect and hold harmless Consultant for, from and against any and all Environmental Damages to the extent arising as a result of any of PMGAA's activities or operations on the Parking Lots. 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. PMGAA's obligations and liabilities under this Section 36 shall survive the termination of this Contract. The indemnification of Consultant by PMGAA as described above includes, without limitation, reasonable 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. Consultant reserves the right to seek injunctive relief as may be permitted under law and equity. This Section 36 explicitly excludes PMGAA's duty, liability or indemnity to Consultant for any claims or Environmental Damages of any kind whatsoever arising from or in connection with any contamination of any kind existing on the Property prior to the Effective Date hereof, except and only to the extent contamination that is known to PMGAA is exacerbated by PMGAA by PMGAA's negligence or unknown contamination is exacerbated by PMGAA's gross negligence.

B. Definitions. The term "Hazardous Material" shall mean any toxic or hazardous material, substance or waste, or any pollutant or contaminant as defined or regulated pursuant to any Environmental Law and petroleum products. For purposes of this definition, petroleum includes petroleum-based substances comprised of a complex blend of hydrocarbons derived from crude oil through processes of separation, conversion, upgrading and finishing (e.g., distillate fuel oils, petroleum solvents and used oils). The term "Environmental Law" shall mean any one or all of the following, as the same are amended from time to time: the *Comprehensive Environmental Response, Compensation, and Liability Act*, 42 USC Section 9601 et seq.; the *Resource Conservation and Recovery Act*, 42 USC Section 6901, et seq.; the *Toxic Substances Control Act*, 15 USC Section 2601 et seq.; the *Safe Drinking Water Act*, 42 USC Section 300f et seq.; the Clean Water Act, 33 USC Section

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1251 et seq.; the *Clean Air Act*, 42 USC Section 7401 et seq.; the *Arizona Hazardous Waste Management Act*, A.R.S. Section 49-921 et seq. the *Arizona Environmental Quality Act,* A.R.S. Title 49, as amended; and all regulations thereunder and any other laws, regulations and ordinances (whether enacted by the local, state or federal government) now in effect or hereafter enacted that deal with the regulation or protection of the environment, including the ambient air, ground water, surface water, and land use, including substrata land, or that govern the use of hazardous materials, hazardous waste and hazardous substances and petroleum products.

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EXHIBIT E – STAFFING REQUIREMENTS

Consultant agrees to provide the following staffing, at a minimum, throughout the Contract Term.

Attachment A BAFO
STAFFING BREADOWN

Complete only the Positoin Title & Weekly Scheduled Hours fields for all positions proposed as part of Offeror's submittal

Include Supervisor position(s) but do NOT include manager position(s)
PMGAA defines a FTE as 40 hours per week

Number	Position Title	Weekly Scheduled Hours	Yearly Hours	FTE
1	Supervisor 1	40	2080	1
2	Supervisor 2	40	2080	1
3	Supervisor 3	20	1040	0.5
4	Lot Attendant 1	40	2080	1
5	Lot Attendant 2	40	2080	1
6	Lot Attendant 3	24	1248	0.6
7	Lot Attendant 4	24	1248	0.6
8	Lot Attendant 5 (Relief)	12.5	650	0.3125
9	Customer Service Representative	40	2080	1
10	(Non-CDL) Cutaway Shuttle Driver 1	40	2080	1
11	(Non-CDL) Cutaway Shuttle Driver 2	40	2080	1
12	(Non-CDL) Cutaway Shuttle Driver 3	40	2080	1
13	(Non-CDL) Cutaway Shuttle Driver 4	40	2080	1
14	(Non-CDL) Cutaway Shuttle Driver Relief 1	24	1248	0.6
15	(Non-CDL) Cutaway Shuttle Driver Relief 2	24	1248	0.6
16	(Non-CDL) Cutaway Shuttle Driver Relief 3	24	1248	0.6
17	(Non-CDL) Cutaway Shuttle Driver Relief 4	18	936	0.45
18	(Non-CDL) Cutaway Shuttle Driver Relief 5	16	832	0.4
19	(CDL Required) Bus Driver 1	40	2080	1
20	(CDL Required) Bus Driver 2	40	2080	1
21	(CDL Required) Relief Bus Driver 1	24	1248	0.6
22	(CDL Required) Relief Bus Driver 2	24	1248	0.6
23	(CDL Required) Relief Bus Driver 3	16	832	0.4
24			0	0
25			0	0
26			0	0
27			0	0
28			0	0
29			0	0
30			0	0
	Totals	**690.5**	**35906**	**17.2625**

Solicitation 2022-014-RFP

Gateway Airport

Average Week

	Weekly Hours	Annual Hours	Avg. Pay Rate	Pay Rate	OT	PTO	Bonus	Sub P/R Cost	401k	FICA Tax	SUTA	Health	Total PR
Facility Manager	45	2,080		$ 75,000		$ -	$ 6,000	$ 83,080	$ 750	$ 7,800	$ 4,680	$ 9,825	$ 102,715
Supervisor	100	5,214	$ 18.00	$ 98,211	$ 3,072	$ 7,821		$ 109,084	$ 981	$ 13,416	$ 5,580	$ 11,534	$ 138,167
Lot Attendant	140	7,300	$ 15.00	$ 109,500	$ 3,283	$ 8,317		$ 119,152	$ 948	$ 11,316	$ 7,148	$ 15,147	$ 154,258
Customer Service Rep	60	3,086	$ 15.00	$ 31,200	$ 936	$ 1,830		$ 33,036	$ 198	$ 3,233	$ 2,042	$ 4,813	$ 44,374
Shuttle Drivers	268	13,870	$ 15.00	$ 208,050	$ 1,480	$ 14,403		$ 271,393	$ 1,245	$ 25,798	$ 15,293	$ 30,879	$ 343,573
Bus Drivers (CDL)	142	7,434	$ 15.00	$ 103,277	$ 3,098	$ 7,895		$ 144,965	$ 696	$ 13,773	$ 8,698	$ 15,376	$ 184,474
Totals	723	37,984		$ 625,794	$ 16,884	$ 37,836	$ 6,000	$ 759,514	$ 4,398	$ 72,336	$ 45,509	$ 88,576	$ 919,343

EXHIBIT F – CONSULTAN'T'S VEHICLES

Consultant shall provide the vehicles listed in their proposal and subsequent Best and Final Offer (BAFO) in response to PMGAA's solicitation 2022-014-RFP for the Term of the Contract.

If Consultant requires a change in any of the vehicles listed below, Consultant must receive prior written approval by PMGAA.

Attachment B, Proposed Shuttle Buses

Phoenix-Mesa Gateway Airport

Attachment B
Proposed Vehicles

Provide separate page(s) of pictures (maximum of 3 pages), pictures shall be at least 5" x 7" in size.

Minimum Required Vehicles				
Shuttle	Make	International	Passenger Capacity	30
	Model	Starcraft AllStar XL 40	Fuel Type	☐ Unleaded ☒ Diesel ☐ CNG
	Year	2022	Condition	☒ New ☐ Used
Shuttle	Make	International	Passenger Capacity	30
	Model	Starcraft AllStar XL 40	Fuel Type	☐ Unleaded ☒ Diesel ☐ CNG
	Year	2022	Condition	☒ New ☐ Used
Shuttle	Make	Ford	Passenger Capacity	14
	Model	Starcraft AllStar XL 22	Fuel Type	☒ Unleaded ☐ Diesel ☐ CNG
	Year	2022	Condition	☒ New ☐ Used
Shuttle	Make	Ford	Passenger Capacity	14
	Model	Starcraft AllStar XL 22	Fuel Type	☒ Unleaded ☐ Diesel ☐ CNG
	Year	2022	Condition	☒ New ☐ Used
Service Vehicle	Make	Ford	Passenger Capacity	5
	Model	Ranger	Fuel Type	☒ Unleaded ☐ Diesel ☐ CNG
	Year	2022	Condition	☒ New ☐ Used
Additional Vehicles Over the Minimum Requirement (If any)				
	Make	Ford	Passenger Capacity	14
	Model	Starcraft AllStar XL 22	Fuel Type	☒ Unleaded ☐ Diesel ☐ CNG
	Year	2018	Condition	☐ New ☒ Used
	Make		Passenger Capacity	
	Model		Fuel Type	☐ Unleaded ☐ Diesel ☐ CNG
	Year		Condition	☐ New ☐ Used
	Make		Passenger Capacity	
	Model		Fuel Type	☐ Unleaded ☐ Diesel ☐ CNG
	Year		Condition	☐ New ☐ Used

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2022 Starcraft Allstar 22

2022 Starcraft Allstar 40

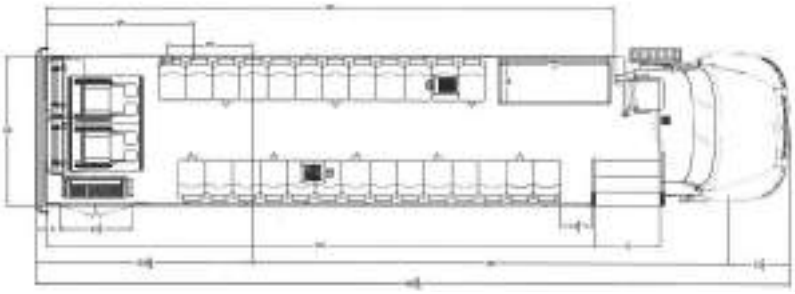

EXHIBIT G – PMGAA PARKING LOTS

Daily Lot

Hourly Lot

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EXHIBIT H – PMGAA SHUTTLE ROUTE

The shuttle route is from 6033 S. Sossaman Road, north on Sossaman Road, to 7255 E. Ray Road, and return.

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EXHIBIT I - CONSULTANT'S RFP SUBMITTAL

Consultant's Proposal in response to Phoenix-Mesa Gateway Airport Authority's Solicitation 2022-014-RFP dated February 24, 2022 and BAFO submitted on March 21, 2022, is hereby incorporated herein and made part of this Contract.

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

Management Information Report

To: **Board of Directors**
From: **Chuck Odom, Chief Financial Officer**
Through: **J. Brian O'Neill, A.A.E., Executive Director/CEO**
Re: Solicitation Notification
Date: **May 17, 2022**

This report is to provide notification of the active and upcoming solicitations to help ensure compliance with the Phoenix-Mesa Gateway Airport Authority procurement transparency clause. The active activities include the following:

Active/Pending Solicitations

Type Solicitation	Number	Title	Anticipated Contract Award (Board Action)
Request for Proposals	2022-014--RFP	Revenue Parking Operations	May 2022
Request for Qualifications	2022-013-RFQ	On-Call Cultural / Archeological Services	May 2022
Request for Proposals	2022-015-RFP	Herbicide Application Services	May 2022
Request for Proposals	2022-016-RFP	Landscape Maintenance Services	May 2022
Request for Qualifications	2022-024-RFQ	CMAR For Fuel Farm Expansion	June 2022
Invitation for Bid	2022-022-IFB	Taxiway C Connectors	June 2022
Invitation for Bid	2022-017-IFB	Rwy 12C/30C Reconstruct	June 2022
Invitation for Bid	2022-004-IFB	Taxiway W Rehabilitation	June 2022
Request for Proposals	2022-023-RFP	Unarmed Security Services	June 2022
Request for Qualifications	2023-001-RFQ	East Side Terminal Analysis	July 2022

Future Solicitations

Type Solicitation	Number	Title	Scheduled for Release	Anticipated Contract Award (Board Action)
Invitation for Bid	2022-021-IFB	Alpha Apron Phase IV	May 2022	July 2022

Request for Proposals	2023-002-RFP	Banking Services	June 2022	September 2022
Request for Qualifications	2023-003-RFQ	Fabrication and Installation of Signs	June 2022	September 2022

Fiscal year totals from sales of decommissioned / nonworking equipment total $7,350.

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

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

Management Information Report

To: Board of Directors
From: Chuck Odom, Chief Financial Officer
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Re: February 2022 Financials
Date: May 17, 2022

Attached is the monthly Financials Report for March 2022.

Phoenix-Mesa Gateway Airport Authority
AIRPORT - All Operations P&L
March, 2022

	Month of March 2022				Y-T-D as of March 2022			
	March FY21 Actual	March FY22 Actual	YOY Variance	B/(W)	YTD FY21 Actual	YTD FY22 Actual	Y-T-D Variance	B/(W)
Aeronautical Operating Revenues								
Aircraft Parking	14,170	19,581	5,411	38%	166,474	174,471	7,997	5%
Fuel Flowage Fees	53,885	67,157	13,272	25%	515,998	492,701	(23,297)	-5%
Landing Fees	167,221	123,261	(43,960)	-26%	1,052,494	1,121,228	68,734	7%
Lease Income Aero	217,088	267,511	50,423	23%	2,011,558	2,513,609	502,051	25%
Fuel Sales	538,669	683,712	145,043	27%	4,030,169	4,076,131	45,962	1%
Services Sold - Aero	450,174	540,516	90,342	20%	4,283,256	3,885,279	(397,977)	-9%
Sub-total Aero Operating Revenues	1,441,207	1,701,738	260,531	18%	12,059,949	12,263,419	203,470	2%
Non-Aeronautical Operating Revenues								
Concessions	79,540	114,635	35,095	44%	492,721	822,763	330,042	67%
Lease Income Non-Aero	106,781	118,631	11,850	11%	957,477	1,077,945	120,468	13%
Parking	217,007	323,639	106,632	49%	1,876,675	3,121,270	1,244,595	66%
Rental Car Fees	191,278	297,134	105,856	55%	930,161	1,647,710	717,549	77%
Svcs Sold - Non Aero	4,248	2,325	(1,923)	-45%	38,822	32,226	(6,596)	-17%
Sub-total Non-Aero Operating Revenues	598,854	856,364	257,510	43%	4,295,856	6,701,914	2,406,058	56%
Total Operating Revenues	**2,040,061**	**2,558,102**	**518,041**	**25%**	**16,355,805**	**18,965,333**	**2,609,528**	**16%**
Operating Expenses								
Costs of Goods Sold	316,944	499,259	(182,315)	-58%	2,212,781	2,753,976	(541,195)	-24%
Personnel	682,297	764,225	(81,928)	-12%	6,448,227	6,992,116	(543,889)	-8%
Comm & Utilities	56,252	52,577	3,675	7%	631,031	641,102	(10,071)	-2%
Contractual Services	397,365	417,924	(20,559)	-5%	3,508,732	3,964,951	(456,219)	-13%
Insurance	42,268	46,539	(4,271)	-10%	405,117	430,125	(25,008)	-6%
Other	6,627	21,021	(14,394)	-217%	104,567	347,168	(242,601)	-232%
Repair & Maintenance	70,806	103,286	(32,480)	-46%	398,274	539,511	(141,237)	-35%
Supplies & Materials	54,432	79,180	(24,748)	-45%	552,935	756,515	(203,580)	-37%
Air Service Incentives [2,000,000]	-	-	-	0%	-	-	-	0%
Operating Contingency [2,353,258]	-	-	-	0%	-	-	-	0%
Total Operating Expenses	**1,626,991**	**1,984,011**	**(357,020)**	-22%	**14,261,664**	**16,425,464**	**(2,163,800)**	-15%
Operating Income (Loss) Before Depreciation	**413,070**	**574,091**	**161,021**	39%	**2,094,141**	**2,539,869**	**445,728**	21%
	20.2%	22.4%			12.8%	13.4%		
Depreciation		1,408,995				12,717,686		

ARPA Act Recovery	$	7,845,997	
CRRSAA Act Recovery		4,177,264	CRRSAA Act Fully Drawn
CARES Act Recovery		20,530,277	Cares Act Fully Drawn
Total Recovery-to-Date	$	32,553,538	

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

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Phoenix-Mesa Gateway Airport Authority and to the public that the Phoenix-Mesa Gateway Airport Authority will hold a meeting open to the public on **Tuesday, June 21, 2022 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 Phoenix-Mesa Gateway Airport Authority may attend either in person or by telephone. The Board may vote to hold an executive session for the purpose of obtaining legal advice from the Board's attorney on any matter listed on the agenda pursuant to A.R.S. § 38-431.03 (A)(3)&(4).

The agenda for the meeting is as follows:

1. **Call to Order** (Mayor John Giles, Chair)
   Members of the Phoenix-Mesa Gateway Airport Authority will attend either in person or via videoconference.

2. **Roll Call** (Mayor John Giles, Chair)

3. **Pledge of Allegiance**

4. **Call to the Public**
   Members of the Board may not discuss items that are not on the agenda. Therefore, action taken as a result of public comment will be limited to directing staff to study the matter or scheduling the matter for further consideration and decision at a later date. Maximum of three minutes per speaker.

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

6. **GatewayEast Presentation** – Shea Joachim, Business Development Director

7. **Consent Agenda**

   a) **Minutes** of the Board Meeting held on **May 17, 2022**.

   b) **Resolution No. 22-25 –** Authorizing the **Denver Series of Lockton Companies, LLC (Lockton)** under the terms of its existing Insurance Broker / Risk Management Consulting Agreement with the Phoenix-Mesa Gateway Airport Authority to purchase specific lines of insurance on behalf of the Authority beginning July 1, 2022 not to exceed premium cost of $617,021.

   c) **Resolution No. 22-26 –** Authorizing an agreement for financial participation between the **City of Mesa** and Phoenix-Mesa Gateway Airport Authority to share state and federal lobbyist and consulting services effective July 1, 2022 in the amount of $106,406.40.

   d) **Resolution No. 22-27 –** Authorizing a contract with **Blackstone Security Services, Inc. (Blackstone)** to provide unarmed security guard services for a three-year initial contract term in an amount not to exceed $298,000.00. The contract allows for two optional one-year extensions. Labor is a variable amount based on demand. Hourly labor rates, which include fringe benefits, for year one of the contract are below and may be adjusted on an annual basis:

Description	Est. Weekly Hours	Billable Rate
Unarmed security guard - regular time	60	$23.61
Unarmed security guard - overtime	10	$35.42
Description	Est. Annual Hours	Billable Rate
Unarmed security guard - holiday time	120	$35.42

e) **Resolution No. 22-28 –** Authorizing the purchase of janitorial supplies from **Network Services Company in partnership with Waxie Sanitary Supply** for FY23, in an amount not to exceed $125,000.

f) **Resolution No. 22-29 –** Authorizing the purchase of Jet A fuel and 100LL Avgas from **Ascent Aviation** for Airport Authority resale in the amount of $5,250,000.

g) **Resolution No. 22-30 –** 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 $630,000. This amount will provide fuel for the 2023 fiscal year.

h) **Resolution No. 22-31 –** Authorizing the purchase of international waste management services from **Stericycle, Inc. (Stericycle)** in an amount not to exceed $55,000.00 for fiscal year 2023.

i) **Resolution No. 22-32 –** Approving a Construction Contract with **Coffman Specialties, Inc.** for the construction of the TWY Connectors in an amount not to exceed $7,851,927.50 under CIP 1236.

j) **Resolution No. 22-33 –** Approving an Authorization of Services for the TWY Connectors Construction Administration Services with **Kimley-Horn & Associates (KHA)** in an amount not to exceed $246,768 under CIP 1236**.**

k) **Resolution No. 22-34 –** Authorizing an **amendment of the FY23 Capital Budget** to provide an additional $6 million in funding to CIP 1224 Fuel Farm Expansion Construction not to exceed $12 million.

l) **Resolution No. 22-35 –** Approving a Pre-Construction Services Contract with **KEAR Civil Corp.** for CMAR Pre-Construction Services for the Fuel Farm Expansion Construction, in an amount not to exceed $243,671 under CIP 1224.

m) **Resolution No. 22-36 –** Authorizing an amendment to the Ground Lease 2016-093 for **Lot #39** to extend the expiration of the term by nine (9) years, from June 30, 2043 to June 30, 2052 with an associated extension fee of $322,262.68 to be paid by the Lessee, and hereby authorizes approval of a concurrent assignment of the Ground Lease to **Vernon Investments, LLC**.

n) **Resolution No. 22-37 –** Authorizing an amendment to the Ground Lease 2016-093 for **Lot #39A** to extend the expiration of the term by nine (9) years, from June 30, 2043 to June 30, 2052 with an associated extension fee of $122,462.47 to be paid by the Lessee, and hereby authorizes approval of a concurrent assignment of the Ground Lease to **Vernon Investments, LLC**.

Consideration and Possible Approval of:

8. **Resolution No. 22-38 –** Authorizing a Master Development Agreement and Master Lease Agreement with **Boyer GatewayEast, L.C**. for the property referred to as GatewayEast, each for a term of forty (40) years with no extensions, and each to be guaranteed by The Boyer Company, L.C.

9. **Election of Chair and Vice Chair**

10. **Election of Secretary and Treasurer**

11. **Board Member Comments/Announcements**

12. **Next Meeting: Tuesday, July 19, 2022 at 9:00 a.m.**

13. **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. Requests should be made as early as possible to allow time to arrange the accommodation.

Phoenix-Mesa Gateway Airport

- **Gulfstream Aerospace Breaks Ground on New 225,000 SF Facility**
- **Steel Going Up on Second Gateway Executive Airpark Hangar**
- **1,300 Spaces Being Added to Ray Road Economy Parking Lot**
- **Coming Soon! Macayo's Mexican Food and Infusion Coffee & Tea Crafters Under Construction in Terminal**

Executive Director's Report

June 2022

Financial Snapshot

OPERATING INCOME	April		Month Variance	FYTD Comparison		FYTD Variance
	2021	2022		FY21	FY22	
Revenues	$2,148,956	$2,889,829	**$740,873**	$18,504,760	$21,855,162	$3,350,402
Less Expenses	$1,518,298	$2,113,773	**$595,475**	$15,779,351	$18,540,547	$2,761,196
Operating Income *(Before Depreciation)*	**$630,658**	**$776,056**	**$145,398**	**$2,725,409**	**$3,314,615**	**$589,206**

Investment Fund Balances: As of April, the Local Governmental Investment Pool (LGIP) 700 = $18,657,375; Wells Fargo; Collateralized Money Market = $4,303,643 and Collateralized CD's = $45,233,086; Total $68,194,104. The total is less than the March ending balance of $68,292,087 due to a market of adjustment of ($97,983). Market adjustments are accounting entries only. PMGAA invests in fixed rate instruments and there is no actual loss.

Finance and Accounting

Phoenix-Mesa Gateway Airport Authority (PMGAA) reported a net operating income of $776,056 for April 2022. Fiscal year-to-date 2022 (FYTD22), PMGAA has a net operating income of $3,314,615 compared to $2,725,409 for the same time period last fiscal year. Overall, aeronautical (6% increase) and non-aeronautical (51% increase) revenue sources continue to perform well when compared to FY21. Revenue increases are the byproduct of increasing passenger activity and additional land leases.

FYTD22, concession revenue has increased 73% over the prior fiscal year - 24% due to increased spending-per-enplaned-passenger and 76% due to increased enplanement volume.

April 2022 operating expenditures exceeded budget estimates by 19%, mainly driven by the increased cost of aviation fuel. FYTD22 expenditures are approximately 2% under budget.

PMGAA Solicitations

Active/Pending Solicitations

TYPE OF SOLICITATION	Number	Title	Anticipated Contract Award
Request for Qualifications	2022-024-RFQ	CMAR for Fuel Farm Expansion	June 2022
Invitation for Bid	2022-022-IFB	Taxiway Connectors, Access Road, and Utilities	June 2022
Invitation for Bid	2022-004-IFB	Taxiway W Rehabilitation	June 2022
Request for Proposals	2022-023-RFP	Unarmed Security Services	June 2022
Invitation for Bid	2022-017-IFB	Runway 12C/30C Reconstruct	July 2022
Request for Qualifications	2023-001-RFQ	Gateway Tomorrow Consultant	July 2022
Invitation for Bid	2022-021-IFB	Alpha Apron Phase IV	July 2022

Future Solicitations

TYPE OF SOLICITATION	Number	Title	Scheduled for Release
Request for Qualifications	2023-002-RFQ	Fabrication and Installation of Signs	June 2022
Request for Proposals	2023-003-RFP	Banking Services	August 2022

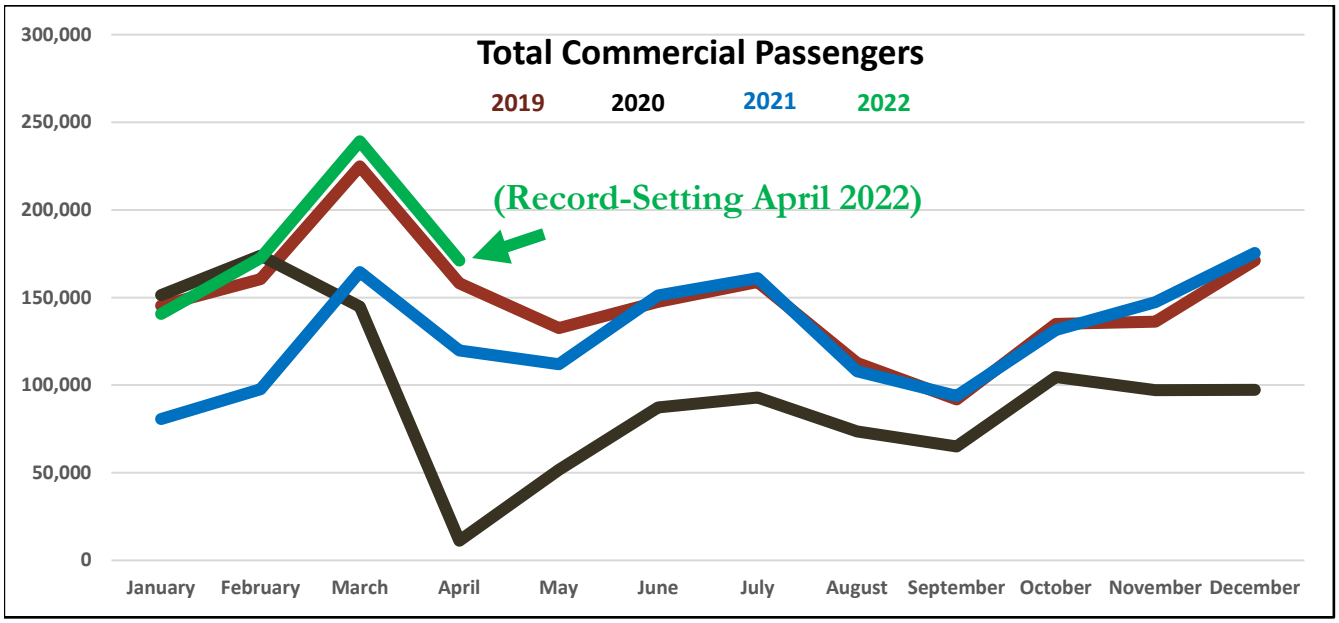
Airport Operations

1,300 New Spaces Being Added to Ray Road Economy Parking Lot

Phoenix-Mesa Gateway Airport (Airport, Gateway Airport) is currently constructing approximately 1,300 new parking spaces in its Ray Road Economy Parking Lot. Six hundred additional parking spaces will be ready in time for the busy July 4th Holiday travel period, with the remaining 700 available by this fall.

As passenger activity increases, so do facility and infrastructure pressures at the Airport. PMGAA is committed to staying ahead of Gateway Airport's growing popularity by expanding parking, passenger queuing, and terminal facilities. The new, on-airport parking spaces will ensure that all passengers desiring to park at Gateway Airport will have a space.

Gateway Airport Reports Best April Ever!



Operations Statistics

PASSENGER COUNTS		April		% Change	FYTD		% Change
		2021	2022		FY21	FY22	
Passengers	TOTAL	119,797	171,015	43%	993,329	1,540,519	55%
	Deplaned	54,474	79,580	46%	502,009	778,622	55%
	Enplaned	65,323	91,435	40%	491,320	761,897	55%
Allegiant	Scheduled	118,169	158,800	34%	988,024	1,467,526	49%
WestJet	Scheduled	0	1,317	100%	0	7,959	100%
Swoop	Scheduled	0	4,488	100%	1,698	24,315	1,332%
Flair	Scheduled	0	3,358	100%	0	11,779	100%
Avelo	Scheduled	0	0	0%	0	4,873	100%
Sun Country	Scheduled	0	3,052	100%	0	22,229	100%
Elite/Swift	Charter	1,628	0	-100%	3,607	1,838	-49%

OPERATIONS	April		% Change	FYTD		% Change
	2021	2022		FY21	FY22	
Air Carrier	1,146	1,243	8%	10,251	11,920	16%
Military	772	396	-49%	3,736	4,013	7%
General Aviation	19,972	21,249	6%	205,094	188,413	-8%
TOTAL	**21,890**	**22,888**	**5%**	**219,081**	**204,346**	**-7%**

PMGAA Team Member Spotlight

Employee Name: **Pearl Roberts**
Employee Title: **Accounting Analyst**
PMGAA Department: **Accounting**
Years with PMGAA: **15**

What are your job responsibilities for PMGAA? I reconcile TAS GL accounts, Monitor TAS AR Aging customer accounts and process TAS tenant monthly tie-down billing. Process daily, weekly, and monthly customer account statements for payment. Process AR cash and check deposits in Tyler Cashiering. Process customer credit card payments in Tyler Cashiering. I review AP invoices for accuracy.

What is your most memorable Gateway Airport moment? My most memorable experience at Gateway Airport is seeing all the different aircraft. I was able to meet some of our NASA and military pilots while working as a Customer Service Representative at the FBO.

What is something people may not know about you? I enjoy watching movies. One of my favorites is Young Frankenstein!

Engineering and Planning

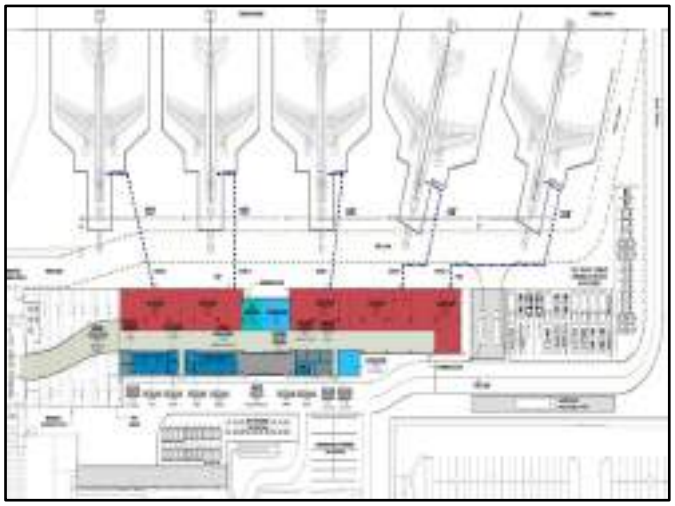
Gateway Airport Designing Ticketing Terminal Connector

Air travelers using Gateway Airport currently exit the ticketing terminal, navigate an outdoor walkway, and then enter the security screening checkpoint through a different set of doors. Often times, customers find transitioning between buildings during the check-in process confusing and frustrating. Improvements are on the way!

Ticketing Terminal Connector Design Rendering

PMGAA is designing a connector to link the airline ticketing area with the Transportation Security Administration (TSA) Checkpoint. This project will create a seamless transition between functions, increase queuing capacity at the checkpoint, and eliminate any weather concerns.

Five-Gate Terminal Addition Awaits Bipartisan Infrastructure Law (BIL) Grant Funding



5-Gate Commercial Passenger Terminal Addition

In 2007, PMGAA purchased a portable 10,000 SF four-gate structure to address commercial passenger terminal capacity constraints as Allegiant Air added more and more nonstop destinations at the Airport. The plan has always been to replace the temporary structure with a permanent one.

PMGAA has applied for, and is hopeful to receive, an approximately $20MM BIL grant to fund this important terminal expansion project. The new 5-gate, 30,000 SF terminal addition will advance Americans with Disabilities Act (ADA) compliance, improve efficiency and customer service, and increase the opportunity for new airlines to serve the greater Phoenix region.

Once the BIL grant is received, the project should take 12-18 months to complete. When finished, Gateway Airport will have a 160,000 SF commercial passenger terminal with eleven gates, exciting new food/beverage/retail concessions, and many modern airport amenities. This project represents the final facility optimization project on the west side of the Airport. Future commercial passenger terminal growth will occur on the east side of the airfield.

Gateway Aviation Services

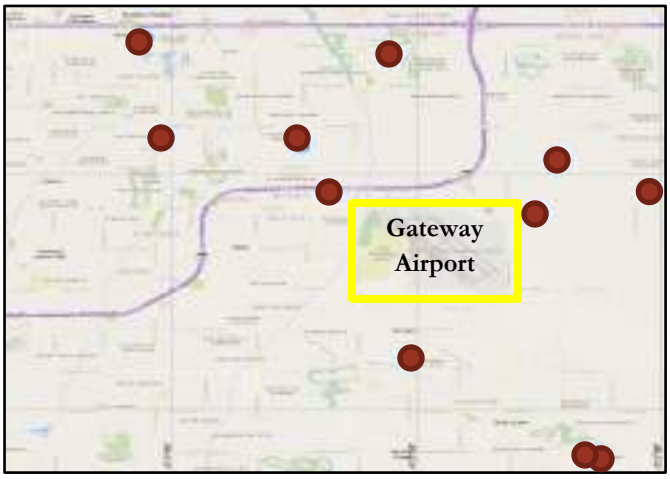
PMGAA pumped approximately 1.75MM gallons of aviation fuel during the month of April 2022, just slightly over the 1.71MM gallons handled last April.

FUEL (Gallons)	April			FYTD		
	2021	2022	% Change	FY21	FY22	% Change
AvGas	43,227	48,971	13%	525,055	385,939	-26%
Retail Jet A	42,343	82,384	95%	389,636	462,287	19%
Contract	332,715	365,475	10%	3,667,679	3,211,504	-12%
Commercial	1,291,645	1,250,656	-3%	11,509,745	12,562,992	9%
TOTAL	1,709,930	**1,747,486**	2%	16,092,115	16,622,722	3%

Community Noise Report

PMGAA received aircraft noise calls from 11 individuals during the month of April 2022, compared to the eight callers last April. PMGAA staff is committed to answering these calls, educating residents, and addressing community noise concerns. Many times, callers are inquiring about a specific flight or aircraft heard or seen overhead.

The map to the right depicts where the noise calls emanated from during April 2022. As you can see, calls come from across the region without a heavy concentration in any one specific area.



CALLERS	April		FYTD	
	2021	2022	FY21	FY22
Total	8	11	145	120

AIRCRAFT TYPE	April		FYTD	
	2021	2022	FY21	FY22
	Callers	Callers	Callers	Callers
Commercial	1	6	55	72
GA Total	1	0	34	12
Helicopter	0	2	35	7
Military	6	3	21	29
Total	8	11	145	120

LOCATION	April		FYTD	
	2021	2022	FY21	FY22
Mesa	3	3	46	43
Gilbert	2	5	51	60
Gold Canyon	0	0	12	1
Queen Creek	2	3	20	11
Queen Valley	1	0	7	3
San Tan Valley	0	0	1	0
Apache Junction	0	0	0	1
Chandler	0	0	8	1
TOTAL	8	11	145	120

Business Development

Gulfstream Groundbreaking Ceremony

Gulfstream Aerospace Breaks Ground on New Facility

Big news for Gateway Airport, greater Phoenix, and the entire State of Arizona. On Tuesday, May 17, 2022, executives from Gulfstream Aerospace Corporation and several PMGAA Board members officially broke ground on the aerospace industry giant's new 225,000 SF West Coast Service Hub at Gateway Airport. The new $100MM+ facility is located on approximately 18 acres on the east side of the Airport adjacent to Ellsworth Road.

The new Gulfstream facility is the largest single private investment project in the Airport's history. PMGAA Board Chairman, Mesa Mayor John Giles, welcomed Gulfstream to the Airport and remarked that "years of work have come to a crescendo today".

Steel Going Up on 2nd Gateway Executive Airpark Hangar

Steel Going Up on Second Gateway Executive Airport Hangar

Progress is very visible at the Gateway Executive Airpark as steel continues to be erected on the second of three hangars within the new complex.

Gateway Executive Airpark is a 183,000 SF state-of-the-art, full-service hangar complex located at the north end of Gateway Airport's airfield between Textron Aviation's Mesa Service Center and Embraer's Executive Jet Service Center. This project includes both multi-tenant and single tenant hangars sized to accommodate larger jets, multiple smaller aircraft, and helicopters. The first two hangars will be available for lease by the end of 2022, and the third larger hangar is scheduled to be completed sometime in 2023.

Rendering of New Macayo's and Infusion Coffee & Tea

Coming Soon! Macayo's Mexican Food and Infusion Coffee & Tea Crafters Under Construction

Hungry air travelers will soon have more delicious food options to choose from at Gateway Airport. Macayo's Mexican Food and Infusion Coffee and Tea Crafters will be opening in the commercial passenger terminal in August.

Macayo's is an Arizona favorite and will be very popular with local travelers and sun-seeking visitors. Infusion Coffee & Tea Crafters has a strong following and boosts the food and drink selections for early morning passengers.

Are You REAL ID Ready?

Starting on May 3, 2023, all U.S. air travelers must be REAL ID compliant to board domestic flights and access certain federal facilities. The TSA checkpoint at Phoenix-Mesa Gateway Airport will only accept a driver's license with a gold star in the upper right-hand corner, a valid passport, or another Real ID compliant identification.

MINUTES OF PUBLIC MEETING OF THE
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
BOARD OF DIRECTORS | May 17, 2022

A public meeting of the Phoenix-Mesa Gateway Airport Authority (PMGAA) was convened on Tuesday, May 17, 2022, 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 John Giles, Mesa
Councilmember Jim Waring, Phoenix (*via videoconference*)
Mayor Brigette Peterson, Gilbert
Mayor Chip Wilson, Apache Junction
Lt. Governor Monica Antone, Gila River Indian Community*
Vice Mayor Jeff Brown, Queen Creek

** 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
Shea Joachim, Business Development Director

1. **Call to Order** at 9:03 a.m. (Mayor Giles, Chair)

2. **Roll Call**

3. **Pledge of Allegiance**

4. **Motion to convene into Executive Session**
   Pursuant to A.R.S. § 38-431-03 (A)(7), the Board of Directors may convene into executive session for the purpose of discussion and consideration regarding the purchase, sale, or lease of real property and discussion and consideration of a real estate lease transaction.

   Mayor Chip Wilson moved to convene into Executive Session.
   Mayor Brigette Peterson seconded the motion.
   The motion was carried unanimously.

5. **Motion to Reconvene from Executive Session to Regular Session (9:30 a.m.)**

   Mayor Brigette Peterson moved to reconvene the PMGAA Board of Directors meeting.
   Mayor Chip Wilson seconded the motion.
   The motion was carried unanimously.

6. **Call to the Public**
   There were no public comments.

7. **Executive Director's Report** – J. Brian O'Neill, A.A.E., Executive Director/CEO
   Executive Director O'Neill provided a briefing on PMGAA financial performance, passenger activity, the community noise report, and various Airport projects.

DRAFT

- Fiscal Year-to-Date 2022 (FYTD22) Net Operating Income is $2,539,869.
- Best month ever! Phoenix-Mesa Gateway Airport (Airport, Gateway Airport) welcomed 239,160 commercial passengers during March 2022; a 45% increase in passengers compared to March 2021.
- Allegiant has announced reductions in service for June, July, and August due to a pilot shortage impacting their service system wide. Sun Country and Canadian airlines, Flair, WestJet, and Swoop will return with their seasonal routes in October. Swoop is continuing Saturday-only, year-round service to Edmonton.
- The Authority is conducting a Classification and Compensation Study to remain competitive in recruiting and retaining top talent.
- Gulfstream Aerospace Corporation (Gulfstream) has been leasing a 50,000 SF hangar at the Airport since the beginning of the year while their new facility is being constructed.
- Gateway***East*** is a 300-acre mixed use non-aeronautical master development opportunity located on the east side of the Airport. The Boyer Company from Salt Lake City, Utah is working with the City of Mesa and the Authority on infrastructure needs to unlock the site. PMGAA is working with the developer to finalize negotiations on a master lease and master development agreement for the property. These agreements are anticipated to be presented to the Board for their consideration at the June Board meeting.
- Three hangars totaling 183,000 SF are under construction in the Gateway Executive Airpark located at the north end of the airfield. The first hangar will be available for lease later this summer. The steel for the second hangar is being erected.
- Construction is scheduled to begin on SkyBridge Arizona's 127-room dual-brand hotel in June. The hotel will offer rooms for both transient overnight guests and extended stay customers.
- **Gateway Tomorrow** is a planning initiative to reset and refine the vision for a future commercial passenger terminal campus on the east side of Airport. A Request for Qualifications for the long-range planning project has been issued. The PMGAA Board of Directors and staff, member communities, airlines, and other key stakeholders will be invited and encouraged to participate during every element of the planning process.
- The exterior of the Air Traffic Control Tower (ATCT) is at substantial completion. Interior construction continues. Federal Aviation Administration (FAA) technicians have been onsite installing the cabling and equipment. The ATCT is on-track to be commissioned at the end of summer 2022.
- PMGAA staff has submitted a Bipartisan Infrastructure Law (BIL) grant application for the new 30,000 SF, five-gate terminal addition. PMGAA is hoping to secure a $20MM - $25MM grant from the Terminal Modernization Program to complete the important project.
- A ticketing terminal connector is being designed to allow passengers to proceed from the ticketing terminal building directly into the security screening checkpoint area. This project will increase the queuing area for the security screening checkpoint by approximately 30%.
- PMGAA has expanded aircraft parking opportunities for larger/heavier aircraft at the south end of the airfield. Alpha Apron Phase III is complete and now in use by the U.S. Forest Service. The design for Alpha Apron IV is complete. Construction of Alpha Apron IV will begin once the Airport's new ATCT is finished.
- Included in the BIL is much-needed funding for other important Airport projects. PMGAA has received an additional $4.4MM for reconstruction of a portion of its center runway. PMGAA is

working closely with its partners at the FAA to try and complete the runway reconstruction project in one year.

- PMGAA is improving the Rental Car Return Lot - re-designing traffic flow, expanding capacity, adding new facilities for the car rental companies, and erecting shade structures for customer convenience. PMGAA is also investing more than $5MM in CFC funds to improve the Rental Car Care Facility where all rental vehicles are maintained, washed, and vacuumed.
- PMGAA is expanding its fuel storage capacity to protect against the negative impacts of fuel delivery disruptions. In March the Board approved Resolution 22-09 for the fuel farm expansion design. Current fuel storage is 250,000 gallons which is a 3-day supply and is susceptible to fuel delivery disruptions. The additional 4-day, 300,000 gallons in tank storage will provide a 7-day supply of 550,000 gallons to protect against operational failures due to fuel delivery disruptions.
- The Ray Road Economy Parking Lot Expansion is under construction. An additional 1,300 parking spaces will be completed for the busy July travel period with ample parking going into this year's holiday season.

8. Gulfstream Presentation – Shea Joachim, Business Development Director

Mr. Joachim gave a presentation on PMGAA's growing partnership with Gulfstream and an overview of the land lease on the agenda for Board consideration.

Joe Rivera, Vice President of Gulfstream, gave an overview of the company, explained why they chose Gateway Airport, talked about future development opportunities, and acknowledged his appreciation for the collaboration and cooperation of those who have participated in this project.

9. Consent Agenda

a) Minutes of the Board Meeting held on **April 19, 2022.**

b) **Resolution No. 22-18 –** Authorizing a contract with **Artistic Land Management, Inc.** for landscape maintenance services in an amount not to exceed $900,440.64 for five years which includes (2) one-year renewal options.

c) Resolution No. 22-19 – Authorizing a contract with **AZ Weed King, Inc.** for herbicide application services in an amount not to exceed $425,773.24 for five years which includes (2) one-year options.

d) Resolution No. 22-20 – Authorizing the First Amendment to the Land Lease dated November 1, 2018, with **L37, LLC** for lot #37 in order to add approximately 37,825.6 square feet to the Premises.

Mayor Chip Wilson moved to approve the Consent Agenda.
Councilmember Jim Waring seconded the motion.
The motion was carried unanimously.

Consideration and Possible Approval of:

10. Resolution No. 22-21 – Authorizing a land lease with **Gulfstream Product Support Corporation** for a lot of land consisting of approximately 18.62 acres. The Initial Term is forty (40) years, commencing on May 17, 2022, with two (2) five-year Renewal Terms.

Authorizing the Chair or the Executive Director/CEO to execute any and all other documents and instruments necessary and appropriate, in order to consummate the lease transaction and the Lessee's financing in conjunction therewith according to the terms and conditions set forth in the lease, including a consent to assignment and assumption and an owner's affidavit.

Vice Mayor Jeff Brown moved to approve Resolution No. 22-21.
Mayor Brigette Peterson seconded the motion.
The motion was carried unanimously.

11. **Resolution No. 22-22 –** Authorizing an increase in the **Airport Car Rental Customer Facility Charge** (CFC) from $2.50 to $3.50 per vehicle per rental day effective August 1, 2022.

Mayor Brigette Peterson moved to approve Resolution No. 22-22.
Mayor Chip Wilson seconded the motion.
The motion was carried unanimously.

12. **Resolution No. 22-23 –** Authorizing a Professional Service Agreement for On-Call Cultural and Archaeological Services with **SWCA Environmental Consultants, Inc.** (SWCA), for the length of the base term of three years with two optional one-year extensions for various grant and non-grant projects.

Vice Mayor Jeff Brown moved to approve Resolution No. 22-23.
Mayor Brigette Peterson seconded the motion.
The motion was carried unanimously.

13. **Resolution No. 22-24 –** Authorizing a contract with **Republic Parking Systems, LLC (Republic Parking)** to provide parking operations at a fixed management fee, in an amount not to exceed $1,571,468, for the length of the base term of three years, with two optional one-year extensions not to exceed $534,224 and $542,751 respectively. This amount does not include labor, which is a variable amount based on demand. Hourly labor rates, which include fringe benefits, for year one of the contract are below and will be adjusted on an annual basis:

Supervisors:	$26.77
Shuttle Drivers:	$24.98
Customer Service Representatives:	$21.19
Parking Attendants:	$21.19

Mayor Chip Wilson moved to approve Resolution No. 22-24.
Vice Mayor Jeff Brown seconded the motion.
The motion was carried unanimously.

14. **Board Member Comments/Announcements.**
There were no comments or announcements.

15. **Next Meeting: Tuesday, June 21, 2022** 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 Phoenix-Mesa Gateway Airport Authority may attend either in person or by telephone/videoconference.

16. **Adjournment.**
The meeting adjourned at 10:00 a.m.

Dated this _____ day of _____ 20___.

_____
Misty Johnson, Clerk of the Board

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

Board Action Item

Re: Resolution 22-25

To:	**Board of Directors**
From:	**Chuck Odom, Chief Financial Officer** **Through: J. Brian O'Neill, A.A.E., Executive Director/CEO**
Subject:	**Renewing Insurance Premiums for Airport Liability, Fiduciary, D&O Employment Practice Liability, Cyber, Environmental, Workers Compensation, Auto Liability, and Fuel Farm & Inland Marine**
Date:	**June 21, 2022**

Proposed Motion

To authorize the Denver Series of Lockton Companies, LLC (Lockton) under the terms of its existing Insurance Broker / Risk Management Consulting Agreement with the Phoenix-Mesa Gateway Airport Authority to purchase specific lines of insurance on behalf of the Authority beginning July 1, 2022 not to exceed premium cost of $617,021.

Narrative

Phoenix-Mesa Gateway Airport Authority (PMGAA) renews the following lines of insurance on a fiscal year basis: Airport Liability, Fiduciary, D&O Employment Practice Liability, Cyber, Workers' Compensation, Auto Liability, Fuel Farm (Property and Inland Marine). Crime and Environmental insurance policies renew every three years.

During its marketing process, Lockton engaged several insurance carriers that provide lines of insurance coverage for airports. Insurance premiums are subject to annual increases and decreases based on many variables including, but not limited to, loss rate, marketplace demand, exposure base, and the brokers' strength in the aviation and general property/casualty marketplace. Lockton has negotiated premiums on insurance policies for the above lines of insurance for PMGAA for an amount of $583,856, a 3.8% increase. These premiums are subject to change due to any new losses incurred by PMGAA until coverage is bound. The new Air Traffic Control Tower (ATCT) will be commissioned during FY2023 and new or replacement equipment/vehicles will increase the current insurance quotes by an estimate of $33,165, bringing total premiums to $617,021.

Fiscal Impact

Fiduciary, Crime, and Environmental policy premiums are locked-in for three years and one-third of the premium will be expensed in FY23. The estimated insurance premium expensed in FY23 will be $561,975. The FY23 budget for insurance premiums is $607,189, excluding the broker fees.

Attachment(s)

Renewal quote for lines of coverage.

RESOLUTION NO. 22-25

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

WHEREAS the Authority desires to authorize the Denver Series of Lockton Companies, LLC (Lockton) under the terms of its existing Insurance Broker / Risk Management Consulting Agreement with the Phoenix-Mesa Gateway Airport Authority to purchase specific lines of insurance on behalf of the Authority beginning July 1, 2022, not to exceed premium cost of $617,021.

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

> **The Board of Directors of the Authority hereby authorizes the Denver Series of Lockton Companies, LLC (Lockton) under the terms of its existing Insurance Broker / Risk Management Consulting Agreement with the Phoenix-Mesa Gateway Airport Authority to purchase specific lines of insurance on behalf of the Authority beginning July 1, 2022, not to exceed premium cost of $617,021. 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 21st day of June, 2022.

John Giles, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

FY23 Financial Summary

Premium Summary | Renewing 7/1/2022

Line of Business	Carrier	Expiring Premium	Renewal Premium	$ Change	% Change
Airport General Liability	AIG	$ 71,463	$ 80,552	$ 9,089	12.7%
Auto Liability	Travelers	$ 59,583	$ 65,305	$ 5,722	9.6%
Cyber	Beazley	$ 11,180	$ 30,950	$ 19,770	176.8%
D&O/Employment Practice Liability	Cincinnati	$ 11,204	$ 11,744	$ 540	4.8%
Fiduciary* transition to (3Yr Policy 7/1/23-26)	Travelers	$ 1,881	$ 5,590	$ 3,709	197.2%
Fuel Farm & Inland Marine	Travelers	$ 50,204	$ 54,390	$ 4,186	8.3%
Property	Travelers	$ 175,430	$ 187,942	$ 12,512	7.1%
Worker's Compensation	Old Republic	$ 104,662	$ 70,405	$ (34,257)	-32.7%
Crime* (3Yr Policy 7/1/20-23)	Travelers	$ 10,826	$ 10,826	$ -	0.0%
Environmental* (3Yr Policy 7/1/21-24)	Beazley	$ 66,152	$ 66,152	$ -	0.0%
Total - All Lines Renewing		**$ 562,585**	**$ 583,856**	**$ 21,271**	**3.8%**
The new ATCT will need to be insured in FY23, estimated net cost with removal of old tower is			**$ 18,165**		
Allowance for purchase and replacement of equipment and vehicles in capital budget			**$ 15,000**		
*Fiduciary, Crime, and Environmental premiums are for 3 years. One third of the premium will be expensed in FY23					
Estimated FY23 Insurance Premiums			**$ 617,021**		

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

Board Action Item

Re: Resolution 22-26

To: Board of Directors
From: Ryan Smith, Communications & Government Relations
Through: Scott Brownlee, Deputy Director/COO
J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: State & Federal Legislative Representation and Consulting Services
Date: June 21, 2022

Proposed Motion
To authorize an agreement for financial participation between the City of Mesa and Phoenix-Mesa Gateway Airport Authority to share state and federal lobbyist and consulting services effective July 1, 2022, in the amount of $106,406.40.

Narrative
In the past, Phoenix-Mesa Gateway Airport Authority (PMGAA) and the City of Mesa have shared expenses pertaining to lobbyist services. Mesa and the Airport will utilize the services of Patton Boggs for federal professional services, and Policy 48 for state professional services, and will share in these costs.

The Airport Authority will provide 40 percent of the total cost for the federal lobbying contract, and 33 percent of the total cost for the state lobbying contract. The dollar amounts shown below are PMGAA's portion of the total amount.

Company	Bid Amount
1. Policy 48 (State)	$32,006.40
2. Squire Patton Boggs (Federal)	$74,400

Total Contract Amount:

Total combined contract amount for FY 2023 will be $106,406.40.

Fiscal Impact
This contract was included in the FY23 operating budget and is funded under Consulting Services.

Attachment(s)
Letter of Agreement with City of Mesa.

RESOLUTION NO. 22-26

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

WHEREAS the Authority desires to authorize an agreement for financial participation between the City of Mesa and Phoenix-Mesa Gateway Airport Authority to share state and federal lobbyist and consulting services effective July 1, 2022, in the amount of $106,406.40.

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

> **The Board of Directors of the Authority hereby authorizes an agreement between the City of Mesa and Phoenix-Mesa Gateway Airport Authority to share state and federal lobbyist and consulting services effective July 1, 2022, in the amount of $106,406.40. 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 21st day of June, 2022.

John Giles, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

DATE: June 16, 2022

TO: J. Brian O'Neill, Executive Director,
Phoenix-Mesa Gateway Airport Authority

FROM: Scott J. Butler, Deputy City Manager, City of Mesa

SUBJECT: State & Federal Legislative Representation and Consulting Services

The purpose of this memo is to confirm the proposed cost-sharing arrangement for state and federal consulting services between the City of Mesa and the Phoenix-Mesa Gateway Airport Authority.

State professional services are provided by Policy 48. The agreement for state representation will cover the period from July 1, 2022 until June 30, 2023. Gateway's financial participation for state services will be set at 33% of the total costs. For FY2022, the cost will not exceed $32,006.40.

Federal professional services are provided by Squire Patton Boggs, LLP. The agreement for federal representation will cover the period from July 1, 2022 until June 30, 2023. Gateway's financial participation for federal services will continue to be set at 40% of the total costs. For FY2022, the cost will not exceed $74,400.

c: Christopher J. Brady

Acknowledgement

_____ _____

J. Brian O'Neill, Executive Director Date

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

Board Action Item

Re: Resolution 22-27

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: Unarmed Security Services
Date: June 21, 2022

Proposed Motion

To authorize a contract with Blackstone Security Services, Inc. (Blackstone) to provide unarmed security guard services for a three-year initial contract term in an amount not to exceed $298,000.00. The contract allows for two optional one-year extensions. Labor is a variable amount based on demand. Hourly labor rates, which include fringe benefits, for year one of the contract are below and may be adjusted on an annual basis:

Description	Est. Weekly Hours	Billable Rate
Unarmed security guard - regular time	60	$23.61
Unarmed security guard - overtime	10	$35.42

Description	Est. Annual Hours	Billable Rate
Unarmed security guard - holiday time	120	$35.42

Narrative

Phoenix-Mesa Gateway Airport Authority maintains facilities hosting commercial airline passengers. Passenger activity is increasing, with over 1.5 million passengers using the terminal in FY22. A primary function of the Operations and Maintenance Department is to ensure secure facilities and maintain regulatory compliance. An essential part of that plan is maintaining a visible presence at the Passenger Terminal to enhance the safety and security for our traveling customers.

Authorization to provide unarmed security guard services supplements coverage and support at the Passenger Terminal. Responsibilities include, but are not limited to, terminal curbside parking enforcement, enhancing PMGAA's security posture, and supplementing a Just Plane Easy customer experience.

Request for Proposals 2022-023-RFP for Unarmed Security Services for the Airport was issued on April 18, 2022, and advertised in the Arizona Business Gazette on 4/21, 4/28, 5/5, 2022. In addition, the solicitation was posted on Arizona Airports Association, Southwest American Association of Airport Executives, Airports Council International North America and the Airport's website. It was also emailed to 5 prospective respondents. The Airport received 2 proposals. The Evaluation Panel reviewed and determined the submittal from Blackstone best satisfied the requirements for the Airport. Blackstone was unanimously ranked number one by the Panel for their qualifications and experience within the state of Arizona with other municipalities.

Fiscal Impact

This expenditure is included in the FY23 operating budget and is funded under OPM Contractual Services.

Attachment(s)

Contract

Phoenix-Mesa Gateway Airport

RESOLUTION NO. 22-27

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

WHEREAS the Authority desires to authorize a contract with Blackstone Security Services, Inc. (Blackstone) to provide unarmed security guard services for a three-year initial contract term in an amount not to exceed $298,000.00. The contract allows for two optional one-year extensions. Labor is a variable amount based on demand. Hourly labor rates, which include fringe benefits, for year one of the contract are below and may be adjusted on an annual basis:

Description	Est. Weekly Hours	Billable Rate
Unarmed security guard - regular time	60	$23.61
Unarmed security guard - overtime	10	$35.42

Description	Est. Annual Hours	Billable Rate
Unarmed security guard - holiday time	120	$35.42

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

The Board of Directors of the Authority hereby authorizes a contract with Blackstone Security Services, Inc. (Blackstone) to provide unarmed security guard services for a three-year initial contract term in an amount not to exceed $298,000.00. The contract allows for two optional one-year extensions. Labor is a variable amount based on demand. Hourly labor rates, which include fringe benefits, for year one of the contract are below and may be adjusted on an annual basis:

Description	Est. Weekly Hours	Billable Rate
Unarmed security guard - regular time	60	$23.61
Unarmed security guard - overtime	10	$35.42

Description	Est. Annual Hours	Billable Rate
Unarmed security guard - holiday time	120	$35.42

This resolution also authorizes the Chair or Executive Director/CEO to execute such Contract, with such insertions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 21st day of June, 2022.

John Giles, Chair

ATTEST:

APPROVED AS TO FORM:

Misty Johnson, Clerk of the Board

Jill Casson Owen, Attorney

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY

AND

BLACKSTONE SECURITY SERVICES, INC.

FOR

UNARMED SECURITY SERVICES

CONTRACT NUMBER 20220303

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

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Phoenix-Mesa Gateway Airport Authority, a joint powers airport authority authorized by the State of Arizona ("PMGAA") desires performance of the services more fully described in this **Contract Number C-20220303** ("Contract") and the attached exhibits. Blackstone Security Services, Inc., an Arizona S-Corporation ("Contractor"), with its principal offices located at 7227 N. 16th Street, Suite 107, Phoenix, Az 85020, desires to perform these services.

Recitals

A. PMGAA requires the services as described in this Contract, including any and all exhibits and amendments, and Contractor is willing to provide these and other services under this Contract; and

B. PMGAA desires to contract with Contractor to provide services as noted herein.

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

SECTION I – CONTRACTOR SERVICES

The services to be performed by Contractor are specified in this Contract. PMGAA will not pay Contractor for any services that have not been authorized under the Contract. There is no guarantee of a minimum purchase of services.

The anticipated services to be provided by Contractor under this Contract shall generally include, but not be limited to, the following: Unarmed Security Services, as more specifically described in the detailed scope of services attached as **EXHIBIT A**, "Scope of Services & Fee Schedule."

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

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

SECTION II – PMGAA RESPONSIBILITIES

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

A. Access to copies of readily available maps, records, as-built drawings, benchmarks or other data pertinent to work assignments affiliated with this Contract. This does not, however, relieve Contractor of the responsibility of searching records for additional information, for requesting specific information or for verification of that information provided. PMGAA does not warrant the accuracy or comprehensiveness of any information or documents provided to Contractor.

B. In PMGAA's discretion and upon Contractor's reasonable request, access to staff for consultation with Contractor during the performance of this contract in order to identify the problems, needs, and other functional aspects of the work.

C. Prompt review of and feedback on Contractor's deliverables. PMGAA will advise Contractor concerning progress of PMGAA's review of the work, as needed.

SECTION III - PERIOD OF SERVICE

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

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

The term of this Contract shall commence on June 22, 2022 and ends on June 21, 2025 ("Base Term"), unless terminated, canceled or extended as provided in this Contract.

This Contract has two (2) optional one-year extensions that PMGAA may exercise at its sole discretion. Prior to the expiration of the Contract Base Term, PMGAA may elect to extend the Contract. If PMGAA exercises such right, all terms, conditions and provisions of the original Contract shall remain the same and apply during the extended

period with the possible exception of price. Any extension of this Contract shall require an amendment signed by both parties.

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

SECTION IV – KEY PERSONNEL

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

SECTION V - PAYMENTS TO THE CONTRACTOR

Contractor will be paid for work performed under this Contract plus any adjustments that have been approved in writing by PMGAA in accordance with PMGAA's Procurement Policy. Payments will be made in accordance with **EXHIBIT B**, "Compensation."

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

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

SECTION VI - ALTERATION IN SCOPE OF SERVICES

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

SECTION VII - WORK ASSIGNMENT COMPLETION

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

SECTION VIII - OWNERSHIP OF DOCUMENTS

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

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

SECTION IX - COMPLIANCE WITH LAWS

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

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

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

SECTION X - GENERAL CONSIDERATIONS

A. The failure of either party to enforce any of the provisions of this Contract or require performance of the other party of any of the provisions hereof shall not be construed to be a waiver of the provisions, nor shall it affect the validity of this Contract or the right of either party to enforce each and every provision.

B. The fact that PMGAA has accepted or approved Contractor's work shall in no way relieve Contractor of responsibility for the work under this Contract.

C. This Contract shall be governed by the laws of the state of Arizona, both as to interpretation and performance. Any action at law, suit in equity, or judicial proceeding for the enforcement of this Contract, or any provision thereof, shall be instituted only in the courts of the state of Arizona.

D. All exhibits to this Contract and any amendments to the Contract are incorporated into it.

SECTION XI - NO KICK-BACK CERTIFICATION

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

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

SECTION XII – SUSPENSION OF SERVICES

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

SECTION XIII – TIMES OF PAYMENTS

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

SECTION XIV – TIMELY REVIEW

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

SECTION XV – DISPUTE RESOLUTION

All disputes between PMGAA and Contractor arising out of or relating to this Contract will be subject to the Dispute Resolution provisions as set forth in **EXHIBIT D**, "PMGAA Standard Terms and Conditions", attached hereto and incorporated herein by reference.

PMGAA and Contractor shall include a similar dispute resolution provision in all contracts with other contractors and subcontractors retained for the Project and shall require all other independent contractors and subcontractors to include a similar dispute resolution provision in all contracts with subcontractors, subconsultants, suppliers or fabricators retained by them.

SECTION XVI - LIABILITY OF CONTRACTOR

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

SECTION XVII - LAWS AND REGULATIONS

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

SECTION XVIII – ARCHAEOLOGICAL RESOURCE PROTECTION

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

SECTION XIX - INSURANCE REQUIREMENTS

A. Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, its agents, representatives, or employees.

B. All insurance policies required by this Contact, except *Workers Compensation*, shall name PMGAA, its agents, representatives, officers, directors, officials and employees as Additional Insured.

C. Minimum Scope and Limits of Insurance. Coverage shall be at least as broad as:

   i. Commercial General Liability: Insurance Services Office Form CG 00 01 covering Bodily Injury and Property Damage on an "occurrence" basis, including personal & advertising injury with limits no less than $1,000,000 per occurrence, $2,000,000 General Aggregate.
   ii. Auto Liability: ISO Form CA 00 01 covering any auto (Symbol 1), or if Contractor has no owned autos, hired, (Symbol 8) and non-owned autos (Symbol 9), with limit no less than $1,000,000 Combined Single limit per accident for bodily injury and property damage ($5,000,000 if operating in the Air Operations Area of the Airport).
   iii. Workers' Compensation: Statutory Limits as required by the state of Arizona, and Employer's Liability Insurance with limit of no less than $1,000,000 per accident for bodily injury or disease.

D. If the Contractor maintains higher limits than the minimums shown above, PMGAA requires and shall be entitled to coverage for the higher limits maintained by the Contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to PMGAA.

E. Additional insurance provisions. The insurance policies shall provide, or be endorsed to include, the following provisions:

   i. Notice of Cancellation: Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to PMGAA.
   ii. Waiver of Subrogation: Contractor waives any right to subrogation. Contractor shall obtain an endorsement necessary to affect this waiver of subrogation from the insurer for all lines of coverage required by this Contract, except *Workers Compensation* and *Professional Liability,* for claims arising out of the Contractor's work or service.
   iii. Primary Coverage: For all claims related to this Contract, all of Contractor's insurance policies will be primary and non-contributory. Any insurance or self-insurance maintained by PMGAA, its officers, officials, employees, or volunteers will be in excess of Contractor's insurance and will not contribute with it.
   iv. Deductibles and Self-Insured Retentions: Any deductibles or self-insured retentions must be declared to and approved by PMGAA. PMGAA may require the Contractor to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.
   v. Acceptability of Insurers: Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A, VII, unless otherwise acceptable to PMGAA.
   vi. Claims Made Policies: No Claims Made policies (other than Professional Liability) will be accepted.

For policies that provide claims-made coverage:

a) The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.

b) Insurance must be maintained, and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.

c) If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Contractor must purchase "extended reporting" coverage for a minimum of five (5) years after completion of work.

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

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

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

SECTION XX - NOTICES

Any notice, report or information which may be or is required to be given under this Contract will be in writing and shall be sent by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

TO PMGAA: Phoenix-Mesa Gateway Airport Authority
Attn: Operations and Maintenance Director
5835 South Sossaman Road
Mesa, Arizona 85212

TO CONTRACTOR: Blackstone Security Services, Inc.
Attn: Bobby Holley
7227 N. 16th Street, Suite 107
Phoenix, AZ 85020

or to such other person(s) or address(es) as any such Party may designate from time to time by notice to the other Parties in accordance with this Section.

SECTION XXI - PRICING

A. Pricing is provided for in Exhibit A. All pricing shall be firm for the Term and all extensions or renewals of the Term except as provided for below and include all costs of the Contractor providing the service, including transportation and insurance.. No fuel surcharges will be accepted unless allowed in this Contract. PMGAA shall not be invoiced at prices higher than those stated in the Contract.

The Contractor further agrees that any reductions in the price of services covered by this Contract will apply to the remainder of services delivered under this Contract. The Contractor shall promptly notify PMGAA of such price reductions.

No price modifications will be accepted without proper request by the Contractor and written response by PMGAA.

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B. Price Adjustment. Sixty (60) days prior to the one year anniversary of the Contract, Contractor may submit a written request to PMGAA to allow an increase to the prices listed in Exhibit A for the upcoming year. Any requests for reasonable price adjustments must be submitted in accordance with this Section XXI, B. Requests for adjustment in pricing must be supported by appropriate documentation. There is no guarantee PMGAA will accept a price adjustment. PMGAA is only willing to consider price adjustments based on an increase to Contractor's actual expenses or other reasonable adjustment in providing the services under the Contract. If PMGAA agrees to the adjusted price terms, PMGAA shall issue written approval of the change and the price adjustment shall be in effect for the entire new year.

Contractor may submit a price adjustment request on an annual basis in accordance with Section XXI, B.

SECTION XXII - LICENSING

Contractor shall possess a current agency license authenticated by the Arizona Department of Public Safety authorizing the Contractor to conduct the business of private Security Guard service pursuant to Title 32, Chapter 26, Security Guard. Contractor's license shall remain in good standing for the entirety of the Contract.

Executed as of the Commencement Date.

CONTRACTOR
BLACKSTONE SECURITY SERVICES, INC.,
an Arizona S-Corporation

By: DocuSigned by: Daniel L. Swindall 5F3B9849EED0462...

Name: Daniel L. Swindall

Title: President

Date: 5/26/2022

PMGAA
PHOENIX 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: _____

EXHIBIT A – SCOPE OF SERVICES & FEE SCHEDULE

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

A. SCOPE OF SERVICES

1. General

Contractor shall furnish all labor, insurance, and incidentals necessary to provide unarmed security guard services for PMGAA meeting the Scope of Services detailed herein.

2. Position Requirements

a. Duties

i. *Terminal Curbside Parking Enforcement* – Guards shall enforce all terminal curbside parking restrictions as required under federal regulations, the Airport Security Program, and the Airport Rules & Regulations.

ii. *Security Compliance* – Guards are required to provide a visual deterrent and assist Airport Operations in all security compliance matters as they pertain to the terminal landside and curb. Further, guards shall observe and report any suspicious activity or incidents to law enforcement and Airport Operations.

iii. *Customer Experience* – Guards shall provide an excellent customer experience and be readily available to provide assistance to customer questions, inquiries, or calls for service.

iv. The aforementioned duties are not an all-inclusive list and are subject to change based on operational needs, federal security regulations/directives, or emergency situations.

b. Conduct & Expectations

i. Security guards are not allowed to apprehend individuals who are in the process of committing a crime, or act as law enforcement agents. In the event of a crime in progress, the individual on-duty shall call 911 and proceed to notify Airport Operations.

ii. Security guards shall not possess or carry any weapons, including firearms, knives, impact weapons, mace, pepper spray or Tasers.

iii. Guards must be courteous, polite, and professional in their duties at all times.

iv. Report any safety hazards, security issues, defective property lighting or other safety deficiencies that might interrupt the overall airport safety or anything that may cause a threat to the health and safety of airport users.

v. Guards shall maintain radio communication with Airport Operations throughout the duration of their shift. Contractor shall procure two (2) radios that conform to PMGAA configuration standards and are approved by PMGAA. Upon conclusion of the contract, the ownership of the radios shall be transferred to PMGAA.

c. Uniforms & Appearance

i. Uniforms shall be reviewed and approved by PMGAA. Uniforms shall bear no resemblance to Mesa Police Department uniforms.

ii. Guards may not enter duty until he/she has a complete set of approved uniforms and accessories.

iii. Guards must be well groomed and display a professional appearance. Footwear shall be black in appearance and be consistent with the uniform approved by PMGAA.

d. Training & Certification

i. Contractor shall provide all required initial and recurrent training to its staff as required under state and local requirements.

ii. PMGAA shall provide an airport orientation and familiarization to ensure guards have a thorough understanding of the operational activities and requirements of PMGAA.

iii. Contractor shall work with PMGAA personnel to develop site specific post orders and ensure all assigned staff are trained on these orders.

e. Badging

i. PMGAA does not require the Contractor's staff to obtain airport security badges at this time. However, the Contractor shall ensure all staff meet the requirements for security badging as delineated within 49 CFR 1542 *Airport Security* and are eligible for an airport issued security badge. Upon request by PMGAA, the Contractor shall produce documentation delineating eligibility of the staff assigned to PMGAA.

3. Staffing & Scheduling

Contractor shall provide one (1) unarmed security guard, twelve (12) hours a day, Thursday through Monday. The scheduled hours are from 1200-2359. These scheduled hours are subject to change based on the operational needs of PMGAA.

Due to the seasonality of PMGAA's passenger terminal activity, the Contractor shall, at the request of PMGAA, at least sixty (60) days in advance, provide additional staff to meet the operational needs of PMGAA as they pertain to this Contract. Any additional staff provided by Contractor shall be billed for at the rates detailed in this **Exhibit A**.

B. SCOPE OF SERVICES – GROUND TRANSPORTATION ENFORCEMENT

PMGAA may, at its sole discretion and with fourteen (14) days notice to Contractor, request the following services from Contractor:

1. General

Contractor shall furnish all labor, insurance, and incidentals necessary to provide ground transportation enforcement for PMGAA.

2. Position Requirements

All position requirements are as stated in Section A of this Exhibit A in addition to those listed below:

a. Duties

i. Monitor, correct, and report instances of non-compliance with regard to the Airport Rules & Regulations and Contractual Agreements pertaining to Ground Transportation

ii. Monitor, correct, and report instances of non-compliance as it pertains to non-licensed ground transportation providers.

iii. Queue Management for taxis and pre-arranged ground transportation providers

3. Staffing & Scheduling

Contractor shall provide one (1) unarmed security guard, for the days and times PMGAA requests. These hours are subject to change based on the operational needs of PMGAA.

FEE SCHEDULE

For the services provided herein, PMGAA agrees to pay Contractor the following amounts. All fees are all-inclusive with no additional fees or administrative charges beyond what is stated herein.

Attachment A
Price Proposal

Instructions: Complete "Hourly Rate" and "Markup %" for items 1, 2 & 3 below

Item	Description	Estimated Weekly Hours	Hourly Rate	Markup %	Billable Rate
1	Unarmed Security Guard - Regular Time	60	$ 17.00	38.9%	$ 23.61
2	Unarmed Security Guard - Overtime	10	$ 25.50	38.9%	$ 35.42

Item	Description	Estimated Annual Hours	Hourly Rate	Markup %	Billable Rate
3	Unarmed Security Guard - Holiday Time	120	$ 25.50	38.9%	$ 35.42

Annual Cost Estimate	Total
Regular Time	$ 73,672.56
Overtime	$ 18,418.14
Holiday Time	$ 4,250.34
Total	**$ 96,341.04**

Please see Professional Services Agreement, Section XXI, Pricing, for details regarding Price Adjustment Requests

FEE SCHEDULE – GROUND TRANSPORTATION ENFORCEMENT

If PMGAA elects to have Contractor provide Ground Transportation Enforcement, PMGAA agrees to pay Contractor the following amounts. All fees are all-inclusive with no additional fees or administrative charges beyond what is stated herein.

Attachment B
Add Alternate Price Proposal

Instructions: Complete "Hourly Rate" and "Markup %" for items 1, 2 & 3 below

Item	Description	Estimated Weekly Hours	Hourly Rate	Markup %	Billable Rate
1	Unarmed Security Guard - Regular Time	60	$ 17.00	38.9%	$ 23.61
2	Unarmed Security Guard - Overtime	10	$ 25.50	38.9%	$ 35.42

Item	Description	Estimated Annual Hours	Hourly Rate	Markup %	Billable Rate
3	Unarmed Security Guard - Holiday Time	120	$ 25.50	38.9%	$ 35.42

Annual Cost Estimate	Total
Regular Time	$ 73,672.56
Overtime	$ 18,418.14
Holiday Time	$ 4,250.34
Total	**$ 96,341.04**

Please see Professional Services Agreement, Section XXI, Pricing, for details regarding Price Adjustment Requests

EXHIBIT B – COMPENSATION

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

1. Fees to be Specified in Contract

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

2. Method of Payment

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

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

3. Contractor Responsibilities for Compensation

Contractor shall prepare monthly invoices and/or progress reports in accordance with terms specified in the Contract. Progress reports will clearly indicate the progress to date and the amount of compensation due by virtue of that progress. All invoices for payment shall be for work completed unless otherwise agreed to by PMGAA. Invoices/requisitions for payment for services subject to funding by the FAA and/or ADOT shall include the documentation requirements of the FAA and/or ADOT, which are outlined in the *Airport Improvement Program (AIP) Handbook* dated September 30, 2014, or most current version.

4. PMGAA Responsibilities for Compensation

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

5. Billing Address

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

Phoenix-Mesa Gateway Airport Authority
Attn: Accounts Payable
5835 S. Sossaman Road
Mesa, Arizona 85212

EXHIBIT C - SPECIAL PROVISIONS

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

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

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

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

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

b. Nondiscrimination – The contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR Part 21.

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

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

e. Sanctions for Noncompliance – In the event of a contractor's noncompliance with the Nondiscrimination provisions of this contract, the Recipient will impose such contract sanctions as it or the FAA may determine to be appropriate, including, but not limited to:

i) Withholding of payments to the contractor under the contract until the contractor complies, and/or;
ii) Cancellation, termination, or suspension of the Contract, in whole or in part.

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

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

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

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

4. <u>Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion</u>

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

5. <u>Project Security</u>

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

a. <u>Secured Area Access</u> – All Consultant personnel who require unescorted access to the secured area of the Airport, prior to the issuance of an Airport Identification badge, must successfully complete the Security Badge Application and Security Badge Authorization forms.

b. Employee Security Badges – If deemed necessary by PMGAA [Contractor and/or subcontractor personnel performing work functions in accordance with this Contract shall obtain and properly display an Airport security badge. Consultant shall submit a Security Badge Application form to the PMGAA security office for each employee requiring unescorted access, along with the current fee for each badge. Badge fees are identified on the current *Airport Fees, Services and Rental Rates* available via the Airport website at www.gatewayairport.com and are subject to change.

i. All fees must be paid to PMGAA by cash or check.
ii. Airport Security Badge Application forms and instructions are available via the Airport website at www.gatewayairport.com.
iii. An authorized representative of Consultant must also obtain and submit a Security Media Authorization form, which is to be submitted to the PMGAA badging office. The Security Media Authorization form and instructions are available via the Airport website at www.gatewairport.com.
iv. A training class on aviation security must be successfully completed before individuals are issued a badge. Fees for the security badge include attendance for the necessary training classes. Attendance at the security classes and issuance of the security badge may take two hours per person.
v. Additional information, including a "Frequently Asked Questions" is available via the Airport website at www.gatewairport.com or by contacting the PMGAA Badging Office at (480) 988-7522. The Badging Office is located at 5803 S. Sossaman Road, Mesa AZ 85212.
vi. Consultant shall immediately notify the PMGAA Badging Office of any Consultant personnel whose employment status has changed.
vii. Consultant shall retrieve all security badges and keys and return them to the PMGAA Badging Office. A fee, as indicated on the most current *Airport Rates and Charges Schedule*, will be charged for each badge that is damaged, lost or not returned.
viii. The PMGAA Badging Office will require a completed Security Badge Application from each Consultant employee so certified by Consultant as requiring such before a Security Badge is issued.
ix. Under certain circumstances and out of control of PMGAA, security measures may change on short notice. No deviations from any security measure shall be allowed at any time.
x. At all times, aircraft shall have the right-of-way over all vehicle traffic.

c. Fines – Due to both the safety and security precautions necessary at the Airport, any failure of the Consultant to adhere to prescribed Airport requirements/regulations has consequences that may jeopardize the health, welfare and lives of Airport customers and employees, as well as the Consultant's own employees. Therefore, if Consultant is found to be in non-compliance with any security, airfield badging/licensing and airfield safety requirement, a Notice of Violations (NOV) may be issued. A current listing of fines is available by contacting the PMGAA Badging Office.

6. Standard Terms & Conditions

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

7. Federal and State Guidelines and Regulations

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

Consultant shall perform the services as described in approved Contract in accordance with the applicable requirements imposed by PMGAA, ADOT, FAA and any other applicable sponsoring agencies. Consultant and its subconsultants/subcontractors, if any, shall comply with any and all applicable laws, regulations, executive orders, policies, guidelines, and any other requirements for FAA Airport Improvement Program (AIP) projects. Consultant shall provide PMGAA all information, reports, documents, and/or certifications requested by PMGAA for the satisfaction of any grant requirements for the reimbursement of services, including, without limitation, identifying

the specific services provided by Consultant and the billing period(s) during which services were or are to be provided. Nothing herein shall be construed as making the FAA or ADOT a party to this Contract.

8. Right to Contract With Other Firms

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

9. Independent Contractor Status

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

EXHIBIT D – PMGAA STANDARD TERMS & CONDITIONS

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

2. **Termination of Contract.**

   a. PMGAA reserves the right to cancel this Contract in whole or in part due to failure of Contractor to carry out any term, promise, or condition of the Contract. At least ten (10) business days before terminating the Contract, PMGAA will issue a written notice of default specifying one of the following reasons. PMGAA shall, at all times during the term of the Contract or any extension term thereto, have the sole authority to determine if the default has been cured to its satisfaction.

      (1) Contractor has provided personnel that do not meet the requirements of the Contract.

      (2) Contractor has failed to perform adequately the stipulations, conditions or services/specifications required in this Contract.

      (3) Contractor has attempted to impose on PMGAA personnel or materials, products, or workmanship of unacceptable quality.

      (4) Contractor has failed to furnish the required service(s) and/or product(s) within the time stipulated in the Contract or associated Authorization of Services.

      (5) Contractor has failed to make progress in the performance of the requirements of the Contract or Authorization of Services, or Contractor fails to give PMGAA adequate assurance the Contractor will perform the Contract in full and on time.

      (6) Each payment obligation of PMGAA created hereby is conditioned on the availability of PMGAA, state, or federal funds appropriated for payment of the obligation. If funds are not available or allocated by PMGAA for continuance of service under this Contract, then PMGAA may terminate the Contract. PMGAA shall promptly notify Contractor regarding the service that may be affected by a shortage of funds. No penalty accrues to PMGAA if this provision is exercised, and PMGAA shall not be liable for any future payments due or for any damages as a result of termination under this paragraph.

   b. This Contract may be terminated at any time by mutual written consent or by PMGAA - with or without cause - provided the terminating party gives forty five (45) calendar days' advance written notice to the other party. PMGAA may terminate this Contract, in whole or in part, for PMGAA's convenience and with fourteen (14) days' written notice. If this Contract is terminated, then PMGAA is liable only for services rendered and material received, certified, and approved by PMGAA under the Contract before the termination effective date.

3. **Dispute Resolution**.

   a. **Negotiations**. If a dispute arises out of or relates to this Contract or its breach, the parties to this Contract shall endeavor to settle the dispute through direct discussions as a condition precedent to mediation or binding dispute resolution.

   b. **Mediation**. Should the parties to this Contract be unable to resolve their dispute through direct negotiations, the parties to this Contract, upon the written request of either, shall engage in mediation, to be administered privately by a mediator and according to rules mutually agreed upon by the parties to this Contract, or, the absence of such mutual agreement, by a mediator appointed by JAMS and

administered by JAMS in accordance with its then-current mediation rules. The fees and costs of mediation shall be split equally by the parties to this Contract, but subject to reallocation following binding dispute resolution.

c. **Binding Dispute Resolution**. Should the parties to this Contract be unable to resolve their dispute through direct negotiations or mediation, either party may, within the time limitations for bringing claims under Arizona law and this Contract, commence formal dispute resolution proceedings. Both parties to this Contract consent to binding arbitration administered by JAMS according to its then current arbitration rules, provided, however, that (i) in the event both parties agree, the arbitration may be administered privately by an arbitrator and according to rules mutually agreed upon by the parties to this Contract, and (ii) in the event any party seeks relief against the other party or against a non-party which cannot fully be granted in arbitration, by reason of non-joinder or otherwise, the parties to this Contract are excused from this arbitration requirement and the parties to this Contract shall proceed in the state or federal courts of competent jurisdiction and located in Maricopa County, Arizona. In any arbitration or litigation, the prevailing party shall be entitled to an award of its reasonable attorneys' fees and costs as determined by the arbitrator or court as applicable.

4. **Independent Contractor.** At all times, each party acts in its individual capacity not as agent, employee, partner, joint venturer, or associate of the other party. An employee or agent of one party may not be deemed or construed to be the employee or agent of the other party for any purpose whatsoever. Neither Contractor nor any of its employees are entitled to compensation from PMGAA in the form of salaries, paid vacation, or sick days. PMGAA will not provide any insurance to Contractor, including *Workers' Compensation* coverage. PMGAA will not withhold FICA, taxes, or any similar deductions from PMGAA's payments under this Contract.

5. **Affirmative Action.** Contractor shall abide by all the federal and state of Arizona provisions for equal opportunity in the work place.

6. **Human Relations**. Contractor shall abide by all the federal and state of Arizona provisions against discrimination of disadvantaged business enterprises in applicable PMGAA contracts.

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

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

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

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

11. **Applicable Law.** This Contract shall be governed by, and PMGAA and Contractor shall have, all remedies afforded each by the *Uniform Commercial Code*, as adopted in the state of Arizona, except as otherwise provided in this Contract or in laws pertaining specifically to PMGAA. This Contract shall be governed by

the laws of the state of Arizona, and suits pertaining to this Contract shall be brought only in federal or state courts in the state of Arizona.

12. **Contract**. This Contract is based on and the result of a negotiated Scope of Work and Proposal, Bid or Statement of Qualifications submitted by Contractor under this RFP, IFB or RFQ. The Contract contains the entire agreement between PMGAA and Contractor. No prior oral or written agreements, contracts, proposals, negotiations, purchase orders, or master agreements (in any form) are enforceable between the parties.

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

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

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

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

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

18. **Subcontracts.** Contractor shall not assign any rights or interest nor enter into any subcontract with any other party to furnish any of the materials, goods or services specified herein without the prior written permission of PMGAA. PMGAA may, at its sole discretion, accept or reject proposed subcontractors or assignment. PMGAA shall notify Contractor of its acceptance or rejection within forty-five (45) days or written request by Contractor. All subcontracts shall comply with federal and state laws and regulations applicable to the materials, goods or services covered by the subcontract and shall include all the terms and conditions set forth herein, which shall apply with equal force to the subcontract, as if the subcontractor were the Contractor referred to herein. Contractor is responsible for Contract performance whether subcontractors are used.

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

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

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

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

23. **Advertising.** Contractor shall not advertise or publish information concerning this Contract without prior written consent of PMGAA.

24. **Right to Inspect.** PMGAA may, at reasonable times, and at PMGAA's expense, inspect the place of Contractor's or any of Contractor's subcontractor's business, which is related to the performance of this Contract or related subcontract.

25. **Force Majeure.** 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 Contract to be performed by such party ("Required Act"), and such delay or hindrance is due to causes entirely beyond its control such as riots, insurrections, martial law, civil commotion, war, fire, flood, earthquake, or other casualty or acts of God ("Force Majeure Event"), 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 delay. For purposes of this Contract, the financial inability of Contractor to perform any Required Act, including, without limitation, failure to obtain adequate or other financing shall not be deemed to constitute a Force Majeure Event. A Force Majeure Event shall not be deemed to commence until ten (10) days before the date on which the party who asserts some right, defense, or remedy arising from or based upon such Force Majeure Event gives written notice thereof to the other party. If abnormal adverse weather conditions are the basis for a claim for an extension of time due to a Force Majeure Event, the written notice shall be accompanied by data substantiating (a) that the weather conditions were abnormal for the time and could not have been reasonably anticipated and (b) that the weather conditions complained of had a significant adverse effect on the performance of a Required Act. To establish the extent of any delay to the performance of a Required Act due to abnormal adverse weather, a comparison will be made of the weather for the time of performance of the Required Act with the average of the preceding ten (10) years' climatic range based on the National Weather Service statistics for the nearest weather reporting station to the Premises. No extension of time for or excuse for a delay in the performance of a Required Act will be granted for rain, snow, wind, cold temperatures, flood, or other natural phenomena of normal intensity for the locality where the Premises are located.

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

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

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

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

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

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

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

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

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

35. **E-Verify Requirements.** To the extent applicable under A.R.S. § 41-4401, Contractor and its subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees, and compliance with the E-Verify requirements under A.R.S. §23-214(A). Contractor's or its subcontractors' failure to comply with such warranty shall be deemed a material breach of this Contract and may result in the termination of this Contract by PMGAA. PMGAA shall have the right to inspect the papers of Contractor's and any of Contractor's subcontractor's employee who works on this Contract to ensure the Contractor is complying with this paragraph.

EXHIBIT E – CONTRACTOR'S RFP SUBMITTAL

Contractor's Proposal in response to Phoenix-Mesa Gateway Airport Authority's Solicitation 2022-023-RFP dated May 11, 2022, is hereby incorporated herein and made part of this Contract.

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

Board Action Item

Re: Resolution 22-28

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:	**Network Services Company in partnership with Waxie Sanitary Supply**
Date:	**June 21, 2022**

Proposed Motion
To authorize the purchase of janitorial supplies from Network Services Company in partnership with Waxie Sanitary Supply for FY23, in an amount not to exceed $125,000.

Narrative
Phoenix-Mesa Gateway Airport Authority maintains facilities hosting commercial airline passengers and over 100 employees, as well as general aviation operations and various tenant and office space. Passenger activity is at pre-pandemic levels, it is increasing compared to last year with over 1.5 million passengers this fiscal year. As part of a health and safety plan to reduce the spread and exposure of COVID-19 for our employees and passengers, the cleaning and frequency has increased, and the cost of janitorial supplies have increased as well. A primary function of the Operations and Maintenance Department is to ensure Airport facilities provide a clean, sanitary, and aesthetically pleasing environment for passengers, visitors, tenants, and staff. Janitorial and sanitary supplies, such as paper products and consumables, are required for health, safety, and satisfaction of customers, visitors, tenants, and employees.

Authorization to purchase janitorial supplies from Network Services Company in partnership with Waxie Sanitary Supply will allow PMGAA to utilize the unit pricing that was competitively bid for janitorial supplies.

PMGAA is a participating member of the Omnia Partners, allowing it to utilize contract #202329-01 executed by the City of Tucson with Network Services Company in partnership with Waxie Sanitary Supply for Janitorial Supplies. This contract is available upon request.

Fiscal Impact
This expenditure was included in the FY23 operating budget and is funded under OPM Supplies & Maintenance: Operating Supplies.

Attachment(s)
N/A

RESOLUTION NO. 22-28

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

WHEREAS the Authority desires to authorize the purchase of janitorial supplies from Network Services Company in partnership with Waxie Sanitary Supply for FY23, in an amount not to exceed $125,000.

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

> **The Board of Directors of the Authority hereby authorizes the purchase of janitorial supplies from Network Services Company in partnership with Waxie Sanitary Supply for FY23, in an amount not to exceed $125,000. 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 21st day of June, 2022.

John Giles, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

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

Board Action Item

Re: Resolution 22-29

To:	**Board of Directors**
From:	**Matt Nebgen, Gateway Aviation Services Director**
Through:	**Scott Brownlee, Deputy Director/COO**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject:	**FY 23 purchase of Jet-A and 100LL Avgas**
Date:	**June 21, 2022**

Proposed Motion
To authorize the purchase of Jet A fuel and 100LL Avgas from Ascent Aviation for Airport Authority resale in the amount of $5,250,000.

Narrative
The Phoenix-Mesa Gateway Airport Authority owns and operates Gateway Aviation Services, the airport's sole provider of retail aviation fuel.

Jet-A and 100LL Avgas are needed to provide aircraft fuel to tenant, transient, corporate, flight school, airline and military customers. Actual cost of fuel is based upon market price at time of order, therefore, staff is estimating the fuel purchase needed for FY23 will be $5,250,000.

Request for Proposals No. 2019-05 was issued, and Ascent Aviation was selected as the airport's fuel provider. Board Resolution No. 19-34 approved a multi-year contract between Phoenix-Mesa Gateway Airport Authority and Ascent Aviation

Fiscal Impact
This purchase was included in the FY23 operating budget and is funded under – CGS Jet-A and 100LL Avgas budgeted line items. The budgeted amount for Jet-A and 100LL Avgas is $4,426,750. The Airport is asking to use FY23 contingency operating budget to increase the amount budgeted under CGS Jet-A and 100LL Avgas in the sum of $823,250 to account for higher cost of goods sold based on market factors.

Attachment(s)
N/A

RESOLUTION NO. 22-29

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

WHEREAS the Authority desires to authorize the purchase of Jet A fuel and 100LL Avgas from Ascent Aviation for Airport Authority resale in the amount of $5,250,000.

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

> **The Board of Directors of the Authority hereby authorizes the purchase of Jet A fuel and 100LL Avgas from Ascent Aviation for Airport Authority resale in the amount of $5,250,000. 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 21st day of June, 2022.

John Giles, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

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

Board Action Item

Re: Resolution 22-30

To:	**Board of Directors**
From:	**Matt Nebgen, Gateway Aviation Services Director**
Through:	**Scott Brownlee, Deputy Director/COO**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject:	**FY23 Purchase of Unleaded and Diesel Fuel – State Contract Vendors**
Date:	**June 21, 2022**

Proposed Motion

To authorize the purchase of Unleaded and Diesel fuel from the lowest priced State contract vendor at market prices for Airport Authority use and resale in an amount not to exceed $630,000. This amount will provide fuel for the 2023 fiscal year.

Narrative

The Phoenix-Mesa Gateway Airport Authority (PMGAA) owns and operates Gateway Aviation Services, the airport's sole provider of fuel for ground support equipment.

Unleaded and Diesel #2 clear are needed to provide fuel to tenant and airport ground support equipment.

As a qualified participant of the Arizona Department of Administration Sate Procurement Office (ADSPO), PMGAA can procure goods and services under state contracts. These contracts have been competitively bid and are available upon request.

Fiscal Impact

This purchase was included in the FY23 budget and is funded under Cost of Goods Sold and Fuel Usage for internal usage. The budgeted amount for Unleased and Diesel is $527,185. The Airport is asking to use FY23 operating contingency budget to increase the amount budgeted under Cost of Goods Sold and Fuel Usage for internal usage in the sum of $102,815 to account for higher cost of goods sold based on market factors.

Attachment(s)

N/A

RESOLUTION NO. 22-30

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

WHEREAS the Authority desires to authorize the purchase of Unleaded and Diesel fuel from the lowest priced State contract vendor at market prices for Airport Authority use and resale in an amount not to exceed $630,000. This amount will provide fuel for the 2023 fiscal year.

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

> **The Board of Directors of the Authority hereby authorizes the purchase of Unleaded and Diesel fuel from the lowest priced State contract vendor at market prices for Airport Authority use and resale in an amount not to exceed $630,000. This amount will provide fuel for the 2023 fiscal year. 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 21st day of June, 2022.

John Giles, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

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

Board Action Item

Re: Resolution 22-31

To: Board of Directors
From: Matt Nebgen, Gateway Aviation Services Director
Through: Scott Brownlee, Deputy Director/COO
J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: International Waste Management Services
Date: June 21, 2022

Proposed Motion
To authorize the purchase of international waste management services from Stericycle, Inc. (Stericycle) in an amount not to exceed $55,000.00 for fiscal year 2023.

Narrative
Services provided by Gateway Aviation Services include the disposal of international waste generated from arriving aircraft. This waste is regulated by the U.S. Department of Agriculture and strict laws must be followed in the disposal of such waste.

Animal and Plant Health Inspection Service (APHIS) regulated waste refers to all international waste from ocean liners, ships and planes which is not hazardous. Stericycle will collect, transport, treat and dispose of all APHIS waste and regulated garbage generated on all international flights arriving at the Phoenix-Mesa Gateway Airport. All APHIS waste collected by Stericycle is transported to a permitted facility for proper treatment by autoclaving and subsequent disposal.

PMGAA entered into an agreement with Stericycle on March 16, 2022, for waste disposal services under a sole source procurement as Stericycle was, and continues to be, the only vendor that provides this service in the Phoenix area. The agreement is for 36 months unless terminated earlier by either party.

Fiscal Impact
This purchase was included in the FY23 operating budget and is funded under Cost of Goods Sold-Ramp Services in the respective amount of $55,000.00.

Attachment(s)
Stericycle, Inc. APHIS Services Agreement

RESOLUTION NO. 22-31

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

WHEREAS the Authority desires to authorize the purchase of international waste management services from Stericycle, Inc. (Stericycle) in an amount not to exceed $55,000.00 for fiscal year 2023.

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

> **The Board of Directors of the Authority hereby authorizes the purchase of international waste management services from Stericycle, Inc. (Stericycle) in an amount not to exceed $55,000.00 for fiscal year 2023. 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 21st day of June, 2022.

John Giles, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

#2022 0230

Stericycle
Protecting People. Reducing Risk.

Account # 6051589
Renewal

STERICYCLE, INC. APHIS SERVICES AGREEMENT

Billing Name and Address				Service Name and Address			
Name:	Phoenix Mesa Gateway Airport Authority			Name:	Phoenix Mesa Gateway Airport Authority - GAS		
Address:	5835 S. Sossaman Rd			Address:	5803 S. Sossaman Rd.		
City/State/Zip:	Mesa, Az 85212			City/State/Zip:	Mesa, Az 85212		
Phone:	480-988-7619	Fax:	480-988-2315	Phone:	480-988-7704		
Contact:	Accounts Payable		ap@gatewayairport.com	Contact:	Matt Nebgen		mnegben@gatewayairport.com

Rate Structure: **$231.00 stop fee + $83.00 per container for processing of USDA/APHIS waste**
Monday and Friday service. If service is cancelled 24 hrs in advance, no stop fee to be applied

Date of Service Agreement:

Please initial to confirm agreement with CBP/USDA JBO (customer's initials)

By signing in the space provided above, the Customer confirms that they (a) have appropriately entered into a valid agreement with the Customs and Border Protection / U.S. Department of Agriculture, (b) understand the APHIS waste protocol therein and (c) are bound by the terms and conditions therein.

	Stericycle, Inc.		Customer
Signature:		Signature:	JBO'Neill
Name Printed:		Name Printed:	J. Brian O'Neill A.A.E.
Title:		Title:	Executive Director/CEO
Date:		Date:	3/14/2022

TERMS AND CONDITIONS

1. APHIS Waste Services (a) Stericycle, Inc. ("SRCL") shall collect, transport, treat and dispose of all APHIS Waste/Foreign & Regulated garbage generated by Customer during the term of this Agreement. "APHIS Waste" means: International waste from ocean liners, ships, and planes which is not hazardous. This waste is regulated by the U.S. Department of Agriculture (USDA). Customer agrees that all containers SRCL supplies to Customer shall be collected and disposed of only by SRCL or its designated representatives. The storage of APHIS Waste / Regulated /Foreign garbage Waste shall be confined to an area on Customer's premises to which only personnel authorized by Customer or SRCL shall have access. Customer shall not place prohibited items (as identified on the CBP/USDA agreement) items inside waste containers. Customer shall be liable for all injuries, losses and damages that result from such containers. Title to APHIS Waste / Regulated foreign garbage collected from Customer shall transfer and vest in SRCL at the time it is loaded into SRCL's truck. Customer shall have title to APHIS Waste / Regulated foreign garbage at all prior times. Customer shall always hold title to any Non-Conforming Waste. See Attachment A for full Waste Acceptance Protocol.

2. Term and Pricing The term ("Term") of this Agreement shall be thirty-six (36) months from the date of execution of this Agreement. (a) This Agreement shall automatically renew for successive terms of one year each ("Extension Terms") unless either party has notified the other party in writing during the sixty (60) day period prior to any such renewal date of its desire to terminate this Agreement. All Extension Terms shall be subject to the same terms and conditions as this original Agreement. (b) SRCL may adjust the contract price to account for operational changes it implements to comply with changes in law, to cover increases in the cost of containers and related equipment, insurance, or to otherwise address cost escalation. SRCL may charge Customer a fee to cover its administrative costs in the event that Customer changes its service requirements during the Term or Extension Term.

(c) Stericycle has instituted an energy charge ("Energy Charge") to manage and isolate the impact of fuel and energy price fluctuations. The Energy Charge is based on the U.S. 'On Highway' Diesel Price Index. A table outlining the Energy Charge can be found in Appendix B. (d) If Customer breaches this Agreement by terminating SRCL's collections prior to the expiration of its Term or any Extension Term, or in any other way violates this agreement in such a way that SRCL's continued performance is rendered impossible or commercially impracticable, then, in addition to any rights and remedies SRCL may have at law or in equity, SRCL shall be entitled to collect from Customer an amount in liquidated damages equal to 50% of Customer's average charge on a monthly basis based on the 12 months' billings prior to the cessation of collections (or based on any lesser period if the contract began less than twelve months earlier) times the number of months, including prorated partial months, remaining until the expiration date of the Term or Extension Term. Customer hereby acknowledges that SRCL's damages resulting from the premature termination of collections are impossible of estimation, and include lost profits, inefficiencies resulting from route changes and reduced treatment plant throughput, increased administrative overhead, unrecoverable sunk training/instruction costs, and other elements of injury, and acknowledges further that the foregoing charge is reasonable and is not a penalty. (e) SRCL shall have the right to terminate this Agreement at any time by giving Customer at least sixty (60) days' notice in the event that it is unable to continue performing its obligations under this Agreement due to the suspension, revocation, cancellation or termination of any permit or required to perform this Agreement or in the event that a change in any law, regulation or ordinance makes it impractical, in SRCL's sole discretion, to continue performing this Agreement.

3. Billing SRCL shall provide Customer with monthly, quarterly or annual invoices that are due upon receipt. Customer agrees to pay a late charge on any amounts owed to SRCL that are more than 30 days old, at a rate equal to the lesser of 1 ½% per month or the maximum rate permitted by law. Customer shall bear any costs that SRCL may incur in collecting overdue amounts from Customer, including, but not limited to, reasonable attorneys' fees and court costs. Should any amounts due pursuant to this Agreement remain unpaid for more than 30 days from the date of the debt's first invoice, SRCL shall have the option, without notice to Customer, to suspend service under this Agreement until the overdue amounts (plus late charges) are paid. In the event that SRCL suspends services under this Agreement for any reason, including the expiration or termination of this Agreement or Customer's breach (see 2(c), above), SRCL may remove all containers belonging to it from Customer's premises. Any non-compliant containers will be billed an additional container charge at the current container rate. Non-compliant containers include containers that are overweight under applicable laws or regulations or containers holding Non-Conforming Waste. In addition to SRCL's charges for services and products under this Agreement, Customer shall pay all taxes imposed or levied by any governmental authority with respect to such services or products. These taxes include all sales, use, excise, occupation, franchise and similar taxes and tax-like fees and charges (but do not include any taxes on SRCL's net income). SRCL shall cooperate with Customer to determine the applicability of any exemption certificates that Customer provides to SRCL in a timely manner.

4. Purchase Orders Any terms or conditions contained in any Purchase Order, Purchase Order Agreement, or other invoice acknowledgment, Order by Customer or proposed at any time by Customer in any manner, which vary from, or conflict with the terms and conditions in this Agreement are deemed to be material alterations and are objected to by SRCL without need of further notice of objection and shall be of no effect nor in any circumstances binding upon SRCL unless expressly accepted in writing. If Customer's standard purchase order form is provided to SRCL in connection with this Agreement, the terms and conditions for that Purchase Order will be superseded by the provisions of this Agreement and the use of the purchase order shall be only to facilitate Customer's payment of fees to SRCL. Written acceptance or rejection by SRCL of any such terms or conditions shall not constitute an acceptance of any other additional terms or conditions.

5. Surcharge SRCL may also impose a surcharge in the event that SRCL attempts to pick up waste at a Customer location (on either a scheduled pick-up or in response to a Customer request) and, through no fault of SRCL, either (a) there is no APHIS Waste for SRCL to pick up, (b) waste is not ready for pick-up or (c) the Customer location is closed.

6. Liability for Equipment Customer shall have the care, custody and control of containers and other equipment placed at Customer's premises which is owned by SRCL and accepts responsibility and liability for the equipment and its contents except when it is being physically handled by employees of SRCL. Customer agrees to defend, indemnify and hold harmless SRCL from and against any and all claims for loss or damage to property, or personal injury or death, resulting from or arising in any manner out of Customer's use, operation or possession of any containers and other equipment furnished under this Agreement. Any damage to such property and equipment, other than normal wear and tear, will be charged to the Customer, and payable to SRCL as additional service cost.

7. Indemnification SRCL shall indemnify and hold Customer harmless from any liabilities arising from the gross negligence or willful misconduct of SRCL in the performance of its obligations under this Agreement. Customer shall indemnify and hold harmless SRCL from any liabilities arising from the gross negligence or willful misconduct of Customer, which shall include, but not be limited to, failure to properly store, package, label, or segregate APHIS Waste and any liabilities relating to Non-Conforming Waste, whether or not collected, transported or treated by SRCL. Each party agrees to pay the reasonable attorneys' fees and costs incurred by the other in bringing a successful indemnification claim under this Paragraph. Customer agrees to pay SRCL's reasonable attorney's fees incurred for any successful defense by SRCL of a suit for indemnification brought against SRCL by Customer.

8. Compliance with Laws SRCL hereby agrees to carry General Liability, Automobile Liability, and Workmen's Compensation Insurance as required by applicable state law, and to otherwise comply with all federal and state laws, rules and regulations applicable thereto and relating to its performance hereunder. As of the date of this Agreement, SRCL has obtained all necessary permits, licenses, zoning and other federal, state or local authorizations required to perform the services under this Agreement and will furnish copies of these to Customer upon request. Customer hereby agrees to comply with all federal and state laws, rules and regulations applicable to its handling of APHIS Waste and its performance under this Agreement, including, without limitation, all applicable record keeping, documentation and manifesting requirements. SRCL and Customer shall keep and retain adequate books and records and other documentation including personnel records, correspondence, instructions, plans, receipts, vouchers, copies of manifests and tracking records and any other records or reports or memoranda consistent with and for the periods required by applicable regulatory requirements and guidelines pertaining to storage or handling of APHIS Waste and the services to be performed under this Agreement.

9. Exclusivity Customer agrees to use no other APHIS Waste disposal service or method during the Term of this Agreement and any Extension Terms.

10. Excuse of Performance SRCL shall not be responsible if its performance of this Agreement is interrupted or delayed by contingencies beyond its control, including, without limitation, acts of God, war, blockades, riots, explosion, strikes, lockouts or other labor or industrial disturbances, fires, accidents to equipment, injunctions or compliance with laws, regulations, guidelines or orders of any governmental body or instrumentality thereof (whether now existing or hereafter created).

11. Independent Contractor SRCL's relationship with Customer pursuant hereto is that of an independent contractor, and nothing in this Agreement shall be construed to designate SRCL as an employee, agent or partner of or a joint venture with Customer.

12. Amendment and Waiver Changes in the types, size and amount of equipment and the frequency of service may be mutually agreed to orally or in writing by the parties, without affecting the validity of this Agreement. Consent to oral changes shall be evidenced by the practices and actions of the parties. All other amendments to this Agreement (other than as provided in 2(b)) shall be effected only by a written instrument executed by the parties. No waiver shall be effective unless submitted in writing by the party granting such waiver. No waiver of any provision of this Agreement shall be deemed a waiver of any other provision of this Agreement and no waiver of any breach or duty under this Agreement shall be deemed a waiver of any other breach or later instances of the same duty.

13. Savings Clause In case any one or more of the provisions contained in this Agreement shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not effect any other provisions of this Agreement; this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein, unless such finding shall impair the rights or increase the obligations of SRCL hereunder, in which event, at SRCL's option, this Agreement may be terminated.

14. Entire Agreement This Agreement (including any attachments, exhibits and amendments made in accordance with Paragraph 11) constitutes the entire understanding and agreement of the parties and cancels and supersedes all prior negotiations, representations, understandings or agreements, whether written or oral, with respect to the subject matter of this Agreement.

15. Governing Law This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois without regard to the conflicts of laws rules of any jurisdiction.

16. Notices All required notices, or those which the parties may desire to give under this Agreement shall be in writing and sent to the parties' addresses set forth on the reverse side of this Agreement.

17. Counterparts This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which when taken together shall constitute one and the same instrument. A copy or facsimile of this Agreement shall be as effective as an original.

18. Waste Brokers SRCL reserves the right to deal solely with the Customer and not with any third party agents of the customer for all purposes relating to this Agreement. Customer represents and warrants to SRCL that it is the regulated waste generator and is acting for its own account and not through a broker or agent. SRCL shall be entitled to terminate this agreement and seek all available legal remedies, including but not limited to liquated damages, in the amount set forth herein for Customer's breach of this representation and warranty.

Stericycle USDA/APHIS Waste Acceptance Protocol
Appendix A

The information contained within this Stericycle Protocol reflects the requirements necessary to comply with U.S. Department of Transportation (DOT) *Hazardous Materials Regulated USDA/APHIS Waste* regulations, and all other applicable laws and regulations governing USDA/APHIS waste for generators, transporters, and/or treatment facilities in the State of Arizona.

STERICYCLE CONFIDENTIAL INFORMATION FOR CUSTOMERS

This document is provided for your education and notification of procedures required to assure compliance with applicable regulations.

This document shall not be reproduced, copied, loaned, or transferred to another person directly or indirectly, in whole or in part, nor used for any purpose other than that for which it is specifically furnished, without the prior written consent of Stericycle.

1. WASTE ACCEPTED BY STERICYCLE
   1.1. International waste from ocean liners, ships, and planes which is not otherwise hazardous. This waste is regulated by the U.S. Department of Agriculture (USDA).

2. NON-CONFORMING WASTES WHICH ARE NOT ACCEPTED BY Stericycle
   2.1. Radioactive Waste: UNDER NO CIRCUMSTANCES, will Stericycle accept any waste emitting radiation in levels greater than regulatory limits as defined in the Arizona DHS *Policy Guidance for Handling Medical Waste at Off-Site Treatment Facilities*. Prior to treatment, all containers will be inspected by means of a radiation monitor. Any container above regulatory limits will be rejected for treatment, and arrangements will be made for return to the generating facility. This procedure may be result in added service charges.
   2.2. Hazardous Waste, including, but not limited to:
      - 2.2.1 Solvents, paints, paint thinner
      - 2.2.2 Drums or other containers with hazard warning sign
      - 2.2.3 Batteries of any kind
      - 2.2.4 Glass thermometers, sphygmomanometers, florescent light tubes, or other equipment or devices containing mercury such as bougie dilators and GI tubes with mercury pouches.
      - 2. 2.5 Chemicals such as formaldehyde/formalin, ova-parasite fixative, acids, alcohol, acetone, waste oil, items preserved in thimerosal in concentrations exceeding 0.002%, and mercury-containing reagents.
      - 2.2.6 Bulk chemotherapy waste (antineoplastic/cytotoxic drugs) or other RCRA listed hazardous pharmaceuticals. Full or partially full IV bottles/bags and vials of chemotherapy agents constitute hazardous waste and must be managed accordingly. Stericycle will not accept any outdated or unused chemotherapy drugs. It is recommended that such agents be returned to the pharmaceutical company.
      - 2.2.7 Any item listed as being hazardous in federal, state, or local regulations.
      - 2.2.8. In order to comply with state and federal regulations, all hazardous waste must be managed by a licensed hazardous waste contractor. Stericycle does not provide service for hazardous waste disposal. Each facility should contact their state or local regulatory agency for hazardous waste regulations and information.
   2.3 Compressed Gas Cylinders, Canisters, Inhalers, and Aerosol Cans
   2.4 Human Remains
   Stericycle requires that human remains, fetuses, and cadavers (intact and otherwise) are segregated from the waste stream. Stericycle will not accept these materials.

3.0 SEGREGATION AND PACKAGING OF WASTE
   3.1 International Waste: Shipboard and airline waste must be secured in minimum of 3 mil bags and placed into leak-resistant Stericycle containers prior to transport as directed by local port authority Compliance Agreement with Stericycle, Inc. All containers must be labeled "FOREIGN GARBAGE" to ensure the waste is processed as required by steam autoclave.

4.0 LABELING AND MARKING OF USDA/APHIS WASTE BAGS AND CONTAINERS
   4.1 Non-conforming Labels and Markings Any container which bears a label with the words or symbols reflecting "HAZARDOUS CHEMICALS", "HAZARDOUS DRUGS", "HAZARDOUS WASTE", "RADIOACTIVE MATERIAL", or "RADIOACTIVE WASTE" cannot be transported, accepted, or treated by Stericycle, no matter what the contents.

5.0 TRANSPORTATION OF WASTE

5.1 Registered Vehicles

5.1.1 Stericycle maintains a Hazardous Waste Hauler's Registration for transportation of all waste collected and/or transferred and/or treated in Arizona as required.

5.2 Responsibility and Authority of Stericycle Drivers

5.2.1 Stericycle drivers are responsible for the collection and tracking of all waste containers generated on their assigned routes on any given day. They are responsible for monitoring the proper containment, closure, and labeling of each tub, box, drum, or sharps container prior to scanning/entering the specific data into the Stericycle BIOTRACK® system. It is also the responsibility of the driver to leave a copy of the signed tracking document(s).

5.2.2 Stericycle drivers are authorized to reject any containers that do not meet DOT specifications. Odor, leakage, bulging or damaged containers, improper packaging, incorrect labels, non-conforming waste, and improper segregation are some of the causes for rejection of USDA/APHIS waste containers.

5.2.3 Containers may be subject to an off-specification charge for repackaging and special handling, if such is required.

5.3 Emergency Spill Response

5.3.1 Stericycle Hazardous Waste Registered vehicles are equipped with emergency spill kits, and drivers are trained in emergency response spill procedures as required by Arizona and U.S. DOT regulations. Written Emergency Response Spill and Hazardous Materials Procedures are available in the cab of each vehicle.

5.3.2 Stericycle provides and maintains an Emergency Spill Response Telephone Number 24 hours a day at (800)234-0051.

5.4 All policies and practices for transportation of USDA/APHIS waste provided by Stericycle are in full compliance with applicable U.S. DOT, Arizona, and local laws and regulations.

6.0 TREATMENT OF WASTE

6.1 Permitted Waste Treatment Facilities

All APHIS waste collected by Stericycle is transported to a permitted facility for proper treatment by autoclaving and subsequent disposal.

6.2 Waste Treatment Methods/Parameters

6.2.1 International waste is subjected to steam autoclave processing per Compliance Agreement with the local port authority or U.S. Dept. of Agriculture.

6.3 Waste treatment facilities operate in compliance with all applicable federal, state, and local laws/regulations and maintain all required permits and licenses.

Appendix B - Energy Charge

Stericycle uses an index-based energy charge that is adjusted monthly and is charged as a percent of the before-tax invoice total. The energy charge is based on the National U.S. Average 'On Highway' Diesel Fuel Price reported by the U.S. Department of Energy for the previous month. The prices on these indexes are published by the U.S. Dept. of Energy and Stericycle is not responsible for the information provided.

Stericycle Energy Charge Table		
At Least (price per gallon)	But Less Than (price per gallon)	Surcharge (% of invoice)
0	$2.75	5.80%
$2.76	$3.00	6.30%
$3.01	$3.25	6.90%
$3.26	$3.50	7.40%
$3.51	$3.75	7.90%
$3.76	$4.00	8.50%
$4.01	$4.25	9.00%
$4.26	$4.50	9.60%
$4.51	$4.75	10.10%
$4.76	$5.00	10.70%
$5.01	$5.25	11.20%
$5.26	$5.50	11.70%
$5.51	$5.75	12.30%
$5.76	$6.00	12.80%

If the diesel rate rises above $6.00, the 12.8% surcharge will be increased 0.6% for every $0.25 increase in the diesel rate.

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

Board Action Item

Re: Resolution 22-32

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: TWY Connectors Construction – Coffman Specialties, Inc. – CIP 1236
Date: June 21, 2022

Proposed Motion
To approve a Construction Contract with Coffman Specialties, Inc. for the construction of the TWY Connectors in an amount not to exceed $7,851,927.50 under CIP 1236.

Narrative
Over the last couple of years, interest in private development at Phoenix-Mesa Gateway Airport has gained momentum, and in May 2022, Gulfstream Aerospace Corporation leased 18.62 acres of land to construct a 225,000 SF West Coast Service Center. With this new development plan, PMGAA staff has determined the need for additional taxiway infrastructure to be constructed, that will allow aircraft to access the Gulfstream hangar/apron development.

This construction project is to expand the existing taxiway network on the northeast side of the airfield and provide associated connector taxiways that will connect the Gulfstream hangar/apron development to the existing Taxiway C pavements. This construction project will include a Portland cement concrete pavement section, asphalt paved shoulders in select areas, infield grading, taxiway lighting and signage, site drainage, vehicle service road improvements, and pavement markings.

The Invitation to Bid (IFB) Solicitation 2022-022-IFB – TWY C Connectors, was issued on April 12, 2022, and advertised in the Arizona Business Gazette on 4/14, 4/21, 4/28 and 5/5/22. It was also posted on the AzAA, ACC, ACI-NA and SWAAAE Websites as well as the Phoenix-Mesa Gateway Airport Authority Website. In addition, the IFB was emailed to a list of 89 prospective firms. The bid opening was held on May 10, 2022, and six (6) bids were received. Coffman Specialties, Inc. submitted the lowest, responsive bid.

Bidder	Bid Amount ($) – Base Bid Schedule I	Bid Amount ($) – Add Alt No. 1 Schedule II	Total Bid Amount ($) Schedule I and Schedule II
William Charles Construction Co., LLC	$5,077,953.23	$3,997,993.85	$9,075,947.08
Archer Western Construction, LLC	$6,384,674.17	$5,499,285.55	$11,883,959.72
Combs Construction Company, Inc.	$4,262,977.44	$3,655,583.42	$7,918,560.86
FNF Construction, Inc.	$5,719,153.23	$5,162,047.38	$10,881,200.61
Pulice Construction, Inc.	$5,381,601.85	$4,819,357.64	$10,200,959.49
Coffman Specialties, Inc.	**$4,779,663.25**	**$3,072,264.25**	**$7,851,927.50**

Fiscal Impact

These Construction Services will be funded by PMGAA Non-Grant funds under Project 1236. Gulfstream Corporation will fund 50% of the final construction costs via a cost sharing agreement after final quantities and costs have been determined after construction.

Attachment(s): Construction Contract

RESOLUTION NO. 22-32

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

WHEREAS the Authority desires to approve a Construction Contract with Coffman Specialties, Inc. for the construction of the TWY Connectors in an amount not to exceed $7,851,927.50 under CIP 1236.

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

> **The Board of Directors of the Authority hereby approves a Construction Contract with Coffman Specialties, Inc. for the construction of the TWY Connectors in an amount not to exceed $7,851,927.50 under CIP 1236. 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 21st day of June, 2022.

John Giles, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

CONSTRUCTION CONTRACT

A. EFFECTIVE DATE:

This Contract is entered into by and between the Owner and the Contractor for construction of the Project and shall be effective as of_____, 20___.

B. OWNER:

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, a joint powers airport authority authorized by the State of Arizona
5835 South Sossaman Road
Mesa, Arizona 85212-6014
Phone: 480.988.7600
Fax: 480.988.7641

C. CONTRACTOR:

Coffman Specialties, Inc., a California Corporation
9685 Via Excelencia, Suite 200
San Diego, CA 92126
Phone: 858-536-3100
Fax: 858-536-3131

D. DESIGN ENGINEER:

Kimley-Horn and Associates
7740 N. 16th St., Suite 300
Phoenix, AZ 85020
Phone: 602.944.5500
Fax: 602.944.7423

RESIDENT ENGINEER

Consultant Engineering, Inc.
10625 N. 25th Ave, Suite 200,
Phoenix, AZ 85029
Phone: (602) 866-5090
Fax: (602) 866-5085

E. PROJECT:

TAXIWAY C CONNECTORS
Authority Project No. 1236

F. WORK TO BE PERFORMED:

The intent of the *Taxiway C Connectors* project is to expand the existing taxiway network on the northeast side of the airfield and provide a new partial taxiway and associated connector taxiways that will connect a future Hangar/Apron Project (By Others) to the existing Taxiway C pavements. The newly constructed Taxiway system will consist of approximately 20,792 square yards of Portland Cement Concrete pavement, with and adjacent Asphalt Concrete pavement shoulder, infield grading, taxiway lighting and signage, site drainage, vehicle service road improvements, and pavement markings.

G. RECITALS:

The Owner intends to construct the Taxiway C Connectors with airfield paving, lighting, drainage, structures, utilities, service roads, and other items as necessary for the full and efficient use of the project in connection with Phoenix-Mesa Gateway Airport located in Mesa, Arizona. The Owner desires to contract for certain construction services and materials, and the Contractor desires to provide construction services and materials.

NOW, THEREFORE, intending to be legally bound and for valuable consideration, the receipt and sufficiency of which are acknowledged, the Owner and Contractor agree as follows:

H. AGREEMENTS:

ARTICLE 1 THE CONTRACT

The Contract consists of (1) this Construction Contract, (2) The Bidding Requirements and Agreement Documents, (3) the General Conditions to the Construction Contract, (4) General Provisions, (5) Special Provisions, (6) Drawings, Technical Specifications and other documents or amendments referenced in Article 7 of the Construction Contract, and (7) any amendments or modifications to the foregoing documents, including (a) a written amendment signed by both parties, (b) a Change Order, (c) a Change Directive, (d) Supplementary Instructions, or (e) a written order for a minor change in the work (collectively the "Contract").

ARTICLE 2 THE WORK

The Contractor shall execute the entire work described in the Contract and all work reasonably inferable as necessary to produce the results intended by the Contract.

ARTICLE 3 CONTRACT TIME

3.1 The Contractor and Owner recognize that time is of the essence of this Agreement and that Owner will suffer financial loss if the work is not Substantially Completed or Finally Completed within the times specified below. If a discrepancy exists between any of the contract documents regarding contract time, the contract times stated below in this Article 3 shall take precedence.

3.2 If only the Base Bid (Schedule I) is awarded, the Contractor shall achieve Substantial Completion (as defined in Section 9.8.1 of the General Conditions of the Construction Contract and

evidenced by a Certificate of Substantial Completion) of the Base Bid (Schedule I) no later than a total of **120 Calendar Days** from the date of issuance of the Notice to Proceed:

- Substantial Completion of the Base Bid (Schedule I) Phase 1 no later than a total of **60 Calendar Days** from the date of issuance of the Notice to Proceed.
- Substantial Completion of the Base Bid (Schedule I) Phase 2 no later than a total of **60 Calendar Days** from the date of issuance of the Notice to Proceed.

If both the Base Bid (Schedule I) and the Alternate Bid 1 (Schedule II) are awarded, the Contractor shall achieve Substantial Completion (as defined in Section 9.8.1 of the General Conditions of the Construction Contract and evidenced by a Certificate of Substantial Completion) of the Base Bid (Schedule I) and the Alternate Bid 1 (Schedule II) no later than a total of **180 Calendar Days** from the date of issuance of the Notice to Proceed:

- Substantial Completion of the Base Bid (Schedule I) Phase 1 and Alternate Bid 1 (Schedule II) Phase 1 no later than a total of **90 Calendar Days** from the date of issuance of the Notice to Proceed.
- Substantial Completion of the Base Bid (Schedule I) Phase 2 and Alternate Bid 1 (Schedule II) Phase 2 no later than a total of **90 Calendar Days** from the date of issuance of the Notice to Proceed.

3.3 Final Acceptance of the work shall occur not more than thirty (30) calendar days after the Substantial Completion date.

3.4 The parties acknowledge and agree that it would be extremely difficult and impracticable to ascertain the damages that the Owner would incur should the Contractor fail to achieve, (1) Substantial Completion of the work by the milestone completion date(s), or (2) Final Acceptance of the work, as specified in this Article 3. Accordingly, if the Contractor fails to achieve (1) Partial Acceptance, (2) Substantial Completion, or (3) Final Acceptance of the work as specified in this Article 3, the Contractor shall be liable for and shall pay to the Owner liquidated damages for each calendar day of delay until the Contractor achieves (I) Partial Acceptance, (2) Substantial Completion, or (3) Final Acceptance of the work as the case may be. The liquidated damages shall be as follows:

The following Liquidated Damages will apply:

1. Substantial Completion of Base Bid (All Phases, 120 Calendar Days) – $2,500 per Day
    a. Substantial Completion of Base Bid Phase 1 (60 Calendar Days) – $2,500 per Day
    b. Substantial Completion of Base Bid Phase 2 (60 Calendar Days) – $2,500 per Day

2. Substantial Completion of Base Bid and Alternate Bid 1 (All Phases, 180 Calendar Days) – $2,500 per Day
    a. Substantial Completion of Base Bid and Alternate Bid 1 Phase 1 (90 Calendar Days) – $2,500 per Day
    b. Substantial Completion of Base Bid and Alternate Bid 1 Phase 2 (90 Calendar Days) – $2,500 per Day

The following Liquidated Damages will also apply:

1. Final Completion within thirty (30) Calendar Days of Substantial Completion of the project (Base Bid) – $2,500 per Day

The Owner shall have the right to retain any liquidated damages from payments due Contractor.

ARTICLE 4 CONTRACT SUM

4.1 The Owner shall pay the Contractor in current funds for the Contractor's performance of the Contract the Contract Sum of seven million eight hundred fifty one thousand, nine hundred twenty seven Dollars and fifty cents ($7,851,927.50), subject to the additions and deductions as provided in the Contract.

4.2 Unit prices are set forth in the Bid Proposal attached hereto as Schedule I in Exhibit A. The unit prices include (I) all materials, equipment, labor, delivery, installation, overhead, profit, taxes, bond, insurance, and commissions, and (2) any other costs or expenses in connection with or incidental to the performance of that portion of the work to which such unit prices apply.

ARTICLE 5 PROGRESS PAYMENTS

Progress payments will be made in accordance with Article 9 of the *General Conditions* to the Construction Contract.

ARTICLE 6 FINAL PAYMENT

Final payment will be made in accordance with Article 9 of the *General Conditions* to the Construction Contract.

ARTICLE 7 CONTRACT DOCUMENTS

7.1 The Contract, except for modifications issued after the effective date of the Construction Contract, consists of the following documents:

7.1.1 The *Construction Contract*.
7.1.2 The Bidding Requirements and Agreement Documents
7.1.3 The *General Conditions* to the Construction Contract.
7.1.4 The *General Provisions* to the Construction Contract.
7.1.5 The *Special Provisions* to the Construction Contract.
7.1.6 Plans, Specifications and Addenda attached.
7.1.7 Bid Documents as follows:

A. Contractor Bid Proposal dated May 10, 2022.

B. Certified Copy of Resolution of Board of Directors dated March 1, 2022

C. Contractor Statutory Bid Bond dated April 22, 2022.

D. Certificate of Insurability dated May 5, 2022

E. Non-Collusion Bidding Certification signed by Colleen Coffman and dated May 4, 2022.

F. Standard Certifications signed by Colleen Coffman and dated May 4, 2022.

G. Bidders Qualification Statement dated May 4, 2022.

H. Subcontractor List dated May 9, 2022.

7.1.8 Amendments or modifications to the Contract, if any, to which the parties may agree during Contract performance.

7.2 There are no Contract Documents other than those listed above in this Article 7. The Contract Documents may only be amended, modified, or supplemented as provided in the *General Conditions*.

7.3 The Contract Documents are complementary, and a requirement called for by one is as binding as if called for by all. In resolving conflicts, if any, the Contract Documents shall be given the precedence that the Engineer determines is consistent with their intent and that will produce the intended result. When not in contradiction with this priority, the Contract Documents shall be given precedence in the order in which they are listed in this Article 7.

ARTICLE 8 MISCELLANEOUS

8.1 If any provision(s) of the Contract is/are invalid, illegal or unenforceable, all other provisions of the Contract shall nevertheless remain in full force and effect. If any Contract provision is inapplicable to any person or circumstance, that provision shall nevertheless remain applicable to all other persons and circumstances.

8.2 It is Contractor's and Owner's intent that all provisions of law required to be inserted or referenced in the Contract Documents shall be incorporated into them. If any provision of law is not inserted or referenced in the Contract Documents, or is inserted or referenced in improper form, the provision shall be considered inserted or referenced in proper form at no increase in Contract Price or Contract Time.

8.3 Contractor shall not sell, assign, transfer or otherwise convey any of its rights and shall not delegate any of its duties under this Contract without Owner's prior express written consent. In its sole discretion Owner may refuse to consent to any proposed assignment or delegation. Any attempted sale, assignment, transfer, conveyance or delegation in violation of this Paragraph 8.3 shall be void and shall relieve Owner of any further liability under the Contract Documents. If Owner consents in writing to an assignment, unless specifically stated to the contrary in the consent, the assignment shall not release or discharge Contractor from any duty or responsibility set forth in the Contract Documents.

8.4 Nothing contained in the Contract shall in any manner authorize, empower, or constitute Contractor, its subcontractors, or suppliers as agent(s) of Owner, authorize or empower Contractor, its subcontractors, or suppliers to assume or create any obligation or responsibility whatsoever, express or implied, on behalf of or in the name of Owner or authorize or empower Contractor, its subcontractors or suppliers to bind Owner in any manner or to make any representation, warranty, covenant, agreement, or commitment on Owner's behalf. Contractor shall perform all work under

this Contract as an independent contractor. Only Owner of this Contract shall have rights to enforce any changes to this Contract.

8.5 This Contract shall be binding on Owner and Contractor and all of their respective successors, heirs, legal representatives, and, if Owner has consented to an assignment or delegation as provided in Paragraph 8.3, assigns and delegates.

8.6 This Contract supersedes all prior oral or written agreements, if any, between the parties and constitutes the entire, integrated agreement between the parties with respect to the work to be performed under the Contract Documents.

8.7 This Contract shall be governed by and construed in accordance with the laws of the state of Arizona, without giving effect to any rules governing conflict of laws.

8.8 The approval and continuation of this Contract is subject to the availability of funds either provided to, made available to, or appropriated by the Owner for this purpose. In the event that funds are not available or appropriated for the Owner's payment requirements under this contract for the goods and/or services to be provided hereunder, the Owner may terminate this contract by providing notice to the Contractor of the lack of the availability of funds.

Executed as of the Effective Date.

CONTRACTOR
Coffman Specialties, Inc., a California Corporation

By: Colleen Coffman
Name: COLLEEN COFFMAN
Title: PRESIDENT
Date: 06/02/22

OWNER
PHOENIX-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: _____

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

Board Action Item

Re: Resolution 22-33

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:	**TWY C Connectors Construction Administration Services – Kimley Horn & Associates – CIP 1236**
Date:	**June 21, 2022**

Proposed Motion

To approve an Authorization of Services for the TWY Connectors Construction Administration Services with Kimley-Horn & Associates (KHA) in an amount not to exceed $246,768 under CIP 1236.

Narrative

Over the last couple of years, interest in private development at Phoenix-Mesa Gateway Airport has gained momentum, and in May 2022, Gulfstream Aerospace Corporation leased 18.62 acres of land to construct a 225,000 SF West Coast Service Center. With this new development plan, PMGAA staff has determined the need for additional taxiway infrastructure to be constructed that will allow aircraft to access the Gulfstream hangar/apron development.

This construction project is to expand the existing taxiway network on the northeast side of the airfield and provide a new partial taxiway and associated connector taxiways that will connect the Gulfstream hangar/apron development to the existing Taxiway C pavements. This construction project will include a Portland cement concrete pavement section, asphalt paved shoulders in select areas, infield grading, taxiway lighting and signage, site drainage, vehicle service road improvements, and pavement markings.

In 2019, a Request for Qualifications, 2020-007-RFQ for On-Call Engineering Services was issued. Kimley-Horn and Associates (KHA) was one of two firms selected as the most qualified. In accordance with the terms of our agreement, C-2020007-A, KHA worked with Airport staff to refine a Scope of Work for Construction Administration Services for the TWY C Connectors Construction. The cost for these services was negotiated based upon the contract fee schedule at a cost not-to-exceed $246,768.

Fiscal Impact

These Construction Administration Services will be funded by PMGAA FY23 Non-Grant funds under Project 1236.

Attachment(s): Authorization of Services, Proposal

RESOLUTION NO. 22-33

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

WHEREAS the Authority desires to approve an Authorization of Services for the TWY Connectors Construction Administration Services with Kimley-Horn & Associates (KHA) in an amount not to exceed $246,768 under CIP 1236.

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

> **The Board of Directors of the Authority hereby approves an Authorization of Services for the TWY Connectors Construction Administration Services with Kimley-Horn & Associates (KHA) in an amount not to exceed $246,768 under CIP 1236. 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 21st day of June, 2022.

John Giles, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

AUTHORIZATION OF SERVICES
Kimley-Horn & Associates, AOS 20A-2206

The signing of this Authorization (Agreement) by Phoenix-Mesa Gateway Airport Authority (PMGAA) and Kimley-Horn & Associates, 7740 N. 16th Street, Suite 300, Phoenix, AZ 85020 ("Kimley-Horn"), authorizes Kimley-Horn to carry-out and complete the services described below in consideration of the mutual covenants set forth below:

1. **PROJECT**: TWY C Connectors Construction Administration Services under CIP 1236.

2. **SCOPE OF WORK**: Perform and provide Construction Administration Services to expand the existing taxiway network on the northeast side of the airfield and associated connector taxiways that will connect the Gulfstream development to the existing Taxiway C pavements. All services are to be performed in accordance with PMGAA Agreement C-2020-007-A, including the Standard Terms, and the attached detailed scope of work. Services shall be coordinated with and approved by PMGAA Authorized Representative prior to start of work.

3. **FEE FOR SERVICES**: The fee for services shall be based upon the attached scope of work, not to exceed Two hundred forty-six thousand, seven hundred sixty-eight dollars ($246,768) of PMGAA non-grant funds without the express written approval of PMGAA.

4. **AVAILABILITY OF PROJECT FUNDING:** The approval and continuation of this contract is subject to the availability of funds provided to, made available to, or appropriated by PMGAA for this purpose. In the event that funds are not available or appropriated for PMGAA's payment requirements under this contract for the goods and/or services to be provided hereunder, PMGAA may terminate this contract by providing notice to the consultant of the lack of the availability of funds. The consultant acknowledges and agrees that one source of funding for this contract may be funds made available from the Federal Aviation Administration and/or Arizona Department of Transportation, and that this contract, its approval and continuation, may contingent on the availability of those funds being made to PMGAA.

5. **INCORPORATED:** The following documents are hereby incorporated with this Authorization of Services and made part thereof:

   ☑ PMGAA Agreement C-2020007-A dated December 17, 2019.

6. **ATTACHED:** The following documents are attached to this Agreement and are incorporated herein by this reference made part thereof:

☑ Scope and Fee Proposal received May 2022.

PMGAA and Kimley-Horn acknowledge that they are in agreement with the terms and conditions as set forth in this Authorization.

APPROVED FOR PMGAA:

By:_____

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

Title: Executive Director/CEO

Date:_____

ACCEPTED FOR Kimley-Horn & Associates:

By: Steve Reeder

Print: Steve Reeder, P.E.

Title: Senior PM / Vice President

Date: 05/31/2022

EXHIBIT A

SCOPE OF WORK

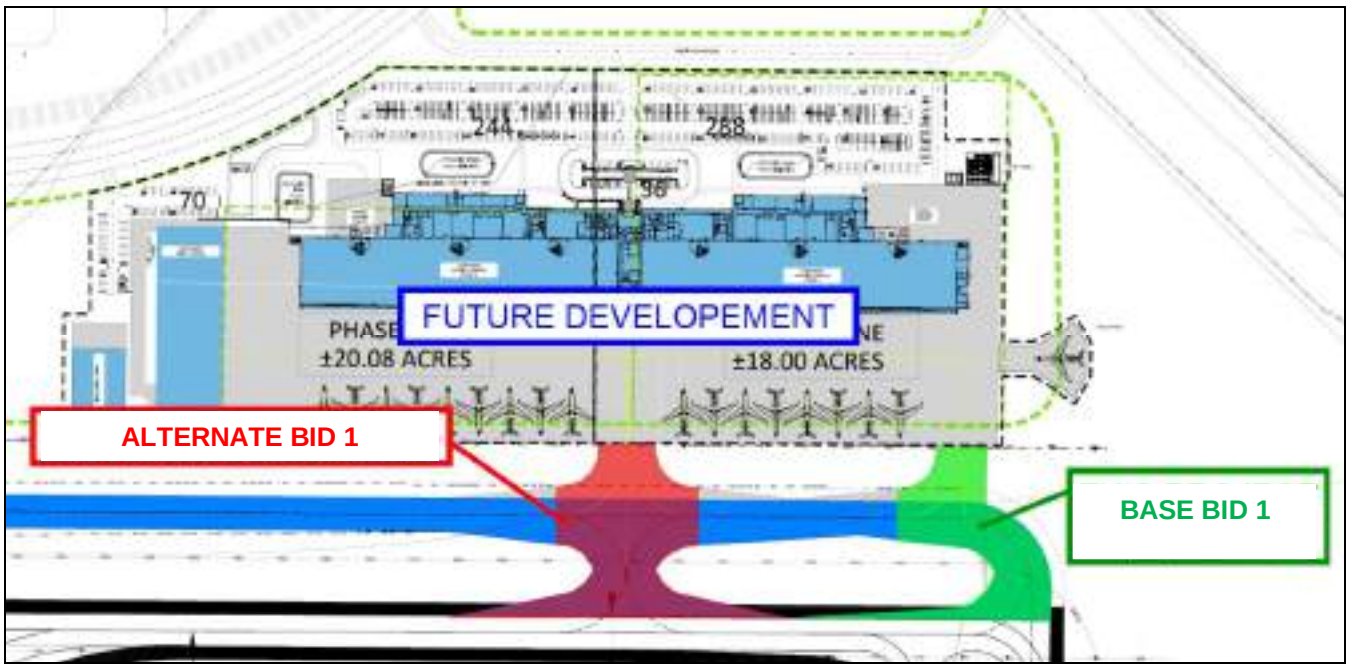
Construction Support and Observation
for
Taxiway C Connectors

A. PROJECT DESCRIPTION: The Taxiway C Connectors project at Phoenix-Mesa Gateway Airport (PMGAA) is intended to provide aircraft access to a future Apron and Hangar facility (as part of a separate project) via a new taxiway and connector taxiway system, between existing Taxiway C and the proposed future facility. This proposed taxiway system will consist of two new connector taxiways that tie-into existing Taxiway C (adjacent existing Taxiway C5 and C6) on one side, and tie into the proposed partial parallel Taxiway D on the other side. On the other side of the proposed Taxiway D, two more connector taxiway segments will be constructed between Taxiway D and the future Apron/Hangar Facility. A portion of the proposed Taxiway D (between proposed D5 and D6) has been designed but has been identified on the plans as "Not Included in Contract" (and may be constructed at a later date). The proposed horizontal and vertical design of the Taxiway C Connectors project will follow the design criteria outlined in the current version of FAA Advisory Circular 150/5300- 13A Airport design standards.

This project will include the construction of a Portland cement concrete taxiway pavement sections, asphalt paved shoulders, taxiway lighting, grading and drainage, pavement markings, utility improvements, and is anticipated to be constructed in two construction phases. A general layout of the proposed Taxiway C Connectors project is shown in the Figure **below**.

Construction is tentatively scheduled to start in September of 2022 with PFC funding and is anticipated to take **<u>180</u>** calendar days to construct.

General Project Layout



B. PROJECT SCOPE: the Kimley-Horn team will provide Construction Support and Observation for the construction of the Taxiway C Connectors and will perform the following specific tasks to complete this work:

1. **PROJECT ADMINISTRATION:** The following general tasks will be performed for the project:

   a) Provide project administrative tasks for support of our contract throughout the project.

   b) Provide monthly invoicing and attend general client meetings for the project.

   c) Will review, and coordinate activities, scheduling, and deliverables being performed by all sub-consultants.

2. **PRE-CONSTRUCTION:** The following general tasks will be performed for the project:

   a) The Kimley-Horn team will attend the pre-construction meeting and discuss items related to the contract, such as the items provided in the FAA Advisory Circular AC 150/5300-9A, Pre-Construction Conferences for Airport Grant Projects.

   b) Pre-Construction Submittal Review. Kimley-Horn will assist in the preparation of the initial Construction Management Plan (CMP). The contractor must submit his Quality Control Plan for inclusion into the Final CMP that will be reviewed and then submitted to FAA. Kimley-Horn will also review or take other appropriate action in respect to Contractor Quality Control plan and Contractor Airport Safety plan for compliance with project plans and specifications.

3. **CONSTRUCTION SUPPORT AND OBSERVATION:** The Kimley-Horn team will provide Construction Support and Observation services during construction of the project. Construction Support will be composed of site visits, weekly meeting participation, review of contractor submittals, review/respond to RFI's, review of contractor Change Orders requests and proposals. Observation will entail on-site observation/monitoring of construction materials, finishes, and workmanship and quality assurance materials testing. The Kimley-Horn team will also provide Quality Assurance Testing for the project.

   The following tasks will be performed for the project:

   a) *Review and Respond to Requests for Information (RFI's):* Kimley-Horn will respond to reasonable and appropriate Contractor requests for information and issue necessary clarifications and interpretations of the Contract Documents to PMGAA as appropriate to the orderly completion of Contractor's work. Any orders authorizing variations from the Contract Documents will be made by PMGAA.

   b) *Change Orders*. Kimley-Horn may recommend Change Orders to PMGAA, and will review and make recommendations related to Change Orders submitted or proposed by the Contractor or the PMGAA.

   c) *Shop Drawings and Samples*. Kimley-Horn will review or take other appropriate action in respect to submittals, shop drawings and samples and other data which Contractor is required to submit, but only for conformance with the information given in the Contract Documents. Such review or other action will not extend to means, methods, techniques, equipment choice and usage, sequences, schedules, or procedures of construction or to related safety precautions and programs.

   d) *Substitutes and "or-equal":* Kimley-Horn will, evaluate and determine the acceptability of substitute or "or-equal" materials and equipment proposed by Contractor in accordance with the Contract Documents, but subject to the provisions of applicable standards of state or local government entities.

e) *Construction Observation:* The Kimley-Horn team will provide on-site review/monitoring of construction materials, finishes, and workmanship. Site visits and construction observation are not intended to be exhaustive or to extend to every aspect of Contractor's work in progress. Observations are to be limited to spot checking, selective measurement, and similar methods of general observation of the Work based on the engineer's exercise of professional judgment. Based on information obtained during such visits and such observations, the engineer will evaluate whether the Contractor's work is generally proceeding in accordance with the Contract Documents. Kimley-Horn will keep the PMGAA informed verbally and by email of the general progress of the Work. Kimley-Horn shall notify the PMGAA as soon as practical, verbally and in a memorandum in electronic PDF format, of observed deviations and/or defects in materials, finish, equipment, systems, and workmanship. Kimley-Horn will not, during such meeting or on-site activities/visits or as a result of such observations of Contractor's work in progress, supervise, direct, or have control over Contractor's work, nor shall Kimley-Horn have authority over or responsibility for the means, methods, techniques, equipment choice and usage, sequences, schedules, or procedures of construction selected by Contractor, for safety precautions and programs incident to Contractor's work, nor for any failure of Contractor to comply with laws and regulations applicable to Contractor's furnishing and performing the Work. Accordingly, Kimley-Horn neither guarantees the performance of any Contractor nor assumes responsibility for any Contractor's failure to furnish and perform its work in accordance with the Contract Documents.

The Kimley-Horn team will complete daily observation logs documenting observed day-to-day construction activities, crews, weather conditions, subcontractors, quality control testing, quality assurance testing, and construction quantities. Daily observation logs will be kept on-site and distributed in electronic PDF format as requested by the PMGAA.

f) *Construction Progress Meetings:* Kimley-Horn team will attend up to **twenty-four (24)** weekly construction progress meetings for the duration of the construction season.

g) *Quality Acceptance Testing:* The Kimley-Horn team will provide materials quality acceptance testing in accordance with the Construction Management Program described herein, based on standards described in the project plans and specifications using ASTM or other approved standards, for the project.

h) *Review Quality Control Testing:* Kimley-Horn will review quality control testing results provided by the Contractor. The team will compare quality control test results against the project plans and specification standards and quality assurance test results and notify the PMGAA of any concerns.

i) *Disagreements between PMGAA and Contractor.* Kimley-Horn will, if requested by PMGAA, render written recommendation on a claim of PMGAA or Contractor relating to the acceptability of Contractor's work or the interpretation of the requirements of the Contract Documents pertaining to the progress of Contractor's work. In rendering such recommendation, Kimley-Horn shall be fair and not show partiality to PMGAA or Contractor.

j) *Substantial Completion.* The Construction Contract requires the Contractor to achieve Substantial completion of the Contract within 180 calendars days from the written notice to proceed. Kimley-Horn will attend a site visit to determine if the completed Work of the Contractor is generally in accordance with the Contract Documents.

k) *Final Notice of Acceptability of the Work.* Kimley-Horn will attend a final site visit to verify if the completed work of Contractor is generally in accordance with the Contract Documents.

l) *Record Drawings:* The Kimley Horn team will prepare record drawings in AutoCAD format for the project based on information provided by the Contractor regarding field changes recorded and will incorporate those changes into the construction plans. Kimley-Horn will prepare the

record drawings in accordance with the Airports-GIS standards as identified in Chapters 3 and 5 of the FAA Advisory Circular 150/5300-18B and submit to the PMGAA in electronic AutoCAD format, PDF format, and one full size bound set of drawings.

m) *Limitation of Responsibilities.* Kimley-Horn shall not be responsible for the acts or omissions of any Contractor, or of any of their subcontractors, suppliers, or of any other individual or entity performing or furnishing the Work. Kimley-Horn shall not have the authority or responsibility to stop the work of any Contractor.

4. **POST CONSTRUCTION PHASE.** Kimley-Horn will provide assistance and consultation to the PMGAA for up to 30 calendar days following the project substantial completion. This will include site observation of any Contractor deficiencies in their work and assist the PMGAA in recommendations in correcting such Contractor deficiencies. Any assistance beyond the 30 days will be on a time and material basis.

C. CONTRACT TIME. Kimley-Horn will provide construction support and observation services as described above, during the designated construction contract period as approved and awarded by the Airport Authority. The services by Kimley-Horn shall include the base bid for a construction period of **180 calendar days** after the contract times commence to run as provided in the Contract Documents and all Work shall be finally completed and ready for final payment within **30 calendar days** thereafter. As-built (record drawings) will be completed two weeks after the approved red lines drawings have been received.

D. DELIVERABLES. Kimley-Horn will provide the following deliverables:

As-built (Record) Drawings:

- Review the contractor prepared redline record drawings; Review and incorporate field changes based on documented observations; As part of weekly site visits Conduct a field review to verify the completeness of the contractor prepared redline drawings and
- Prepare and submit one hardcopy full size set and one half size set of the final Record Drawings and electronic versions in both PDF and AutoCad formats.

E. KIMLEY-HORN'S COMPENSATION FOR SERVICES: Kimley-Horn shall be compensated for services according to a “NTE (Not to Exceed)" method of compensation with an allowance for expenses shall be used for this contract. Kimley-Horn’s total compensation for these construction Design Support Services shall be: **$ 246,768.**

The derivation of engineering fee for design services are attached to this authorization as Exhibits. Kimley-Horn shall not proceed with any additional requested services without written approval from the PMGAA.

F. ASSUMPTIONS: The estimated engineering fee is based on the assumptions attached hereto, see Exhibits attached. If the Contractor’s schedule requires additional hours or additional contract time, then additional man-hours and compensation will need to be negotiated.

TAXIWAY C CONNECTORS - CONSTRUCTION SUPPORT, OBSERVATION, AND QA TESTING **KIMLEY-HORN ASSOCIATES**

PHX-MESA GATEWAY AIRPORT **Mesa, Arizona**

PHOENIX MESA GATEWAY AIRPORT AUTHORITY

DATE: May 2022

EXHIBIT I - DESIGN DOCUMENTS - ENGINEERING FEE
TAXIWAY C CONNECTORS - CONSTRUCTION SUPPORT

DERIVATION OF COST OF PROPOSAL FEE

1. DIRECT LABOR

TASK	DESCRIPTION	MANHOURS	TOTAL	EXTENDED TOTAL
001	Project Administration	48	2,623.20	
002	Pre-Construction	40	2,467.00	
003	Constrution Adminstration and Design Support	200	10,710.30	
004	Post Construction	60	2,837.80	
TOTAL DIRECT LABOR		348		$18,638.30

2. EXPENSES:

Expense (Printing and Mileage)		1,000.00	
TOTAL EXPENSES:			$1,000.00

3. CONSULTANTS:

CEI (Construction Administration/Inspection)		$110,755.00	
Quality Testing (QA Materials Testing)		$55,403.32	
Quality Testing (Lab Work and Expenses)		$18,417.00	
Survey Verification (Trace, as needed)(DBE)		$1,000.00	
TOTAL CONSULTANTS			$185,575.32

4. ENGINEERING FEE

TOTAL LABOR		18,638.30	
OVERHEAD (%)	193.59%	36,081.88	
FEE (% OF NET)	10%	5,472.02	
CONSULTANTS		185,575.32	
DIRECT EXPENSES		1,000.00	
TOTAL ENGINEERING FEE			**$246,767.52**

Estimated Construction Value	$	7,851,927.00
CA and Design Support Services % of Construction		3.14%
DBE Services as % of Total Fee		0.41%

TAXIWAY C CONNECTORS - CONSTRUCTION SUPPORT, OBSERVATION, AND QA TESTING **KIMLEY-HORN ASSOCIATES**

PHX-MESA GATEWAY AIRPORT **Mesa, Arizona**

PHOENIX MESA GATEWAY AIRPORT AUTHORITY

DATE: May 2022

EXHIBIT II - DESIGN DOCUMENTS - ENGINEERING FEE
TAXIWAY C CONNECTORS - CONSTRUCTION SUPPORT

DERIVATION OF COST OF PROPOSAL FEE

1. DIRECT LABOR

TASK	DESCRIPTION	MANHOURS	TOTAL	EXTENDED TOTAL w/ OH
001	Project Administration	48	2,623.20	$8,471.60
002	Pre-Construction	40	2,467.00	$7,967.15
003	Constrution Adminstration and Design Support	200	10,710.30	$34,588.81
004	Post Construction	60	2,837.80	$9,164.65
TOTAL DIRECT LABOR		348	18,638.30	$60,192.20

2. EXPENSES:

Expense (Printing and Mileage)	1,000.00	
TOTAL EXPENSES:		$1,000.00

3. CONSULTANTS:

Sub-Consultants	
TOTAL CONSULTANTS	$185,575.32

4. ENGINEERING FEE

TOTAL ENGINEERING FEE	**$246,767.52**

TAXIWAY C CONNECTORS - CONSTRUCTION SUPPORT, OBSERVATION, AND QA TESTING **KIMLEY-HORN ASSOCIATES**

PHX-MESA GATEWAY AIRPORT **Mesa, Arizona**

PHOENIX MESA GATEWAY AIRPORT AUTHORITY

DATE: May 2022

EXHIBIT III - DESIGN DOCUMENTS - ENGINEERING FEE
TAXIWAY C CONNECTORS - CONSTRUCTION SUPPORT

DERIVATION OF COST OF PROPOSAL FEE

1. Direct Salary Costs

Title	Hours	Labor Rate	Total Labor	EXTENDED TOTAL
Senior Project Manager (Steve Reeder)	102	68.60	6,174.00	
Principal Engineer (Mike Norby)	2	81.50	163.00	
Electrical Engineer (Dustin Colwell)	33	59.20	1,953.60	
Senior Professional/Engineer (Jarrett Moore)	155	55.30	8,571.50	
CADD Operator (Jaun Cruz)	34	31.30	1,064.20	
Finance/Admin Manager (Andrew Hacker)	14	37.60	526.40	
Clerical (Jessica Jensen)	8	23.20	185.60	
Total Direct Salary Costs	348		$18,638.30	

2. Labor and General & Administrative Overhead

Percentage of Direct Salary Costs By 193.59%			$36,081.88	
3. Subtotal of Items 1 and 2				**$54,720.18**
4. Fixed Payment				
10 % of Item No. 3:				**$5,472.02**
5. Direct Non-Salary Expenses				
Expense (Printing and Mileage)			1,000.00	
Total Direct Non-Salary Expenses				**$1,000.00**
6. Subcontract Costs				
Sub-Consultants				
Subtotal of subcontract Costs				**$185,575.32**
7. TOTAL ENGINEERING FEE				**$246,767.52**

TAXIWAY C CONNECTORS - CONSTRUCTION SUPPORT, OBSERVATION, AND QA TESTING
PHX-MESA GATEWAY AIRPORT
PHOENIX MESA GATEWAY AIRPORT AUTHORITY ***TAXIWAY C CONNECTORS - CONSTRUCTION SUPPORT***

DATE: May 2022

		Senior Project Manager	Principal Engineer	Electrical Engineer	Senior Engineer	CADD Tech	Finance/ Admin	Clerical	TOTAL MAN-HRS	TOTAL LABOR COST
001 Project Administration										
1	Project Administration-Client Coordination	4	2		4			2	12	$705
2	Contract Administration	4					4		8	$425
	- Office Administration Activities -Monthly accounting	6					6	2	14	$684
	- Sub-consultant coordination	8			2		4		14	$810
	Subtotal Task 001	22	2		6		14	4	48	$2,623
002 Pre-Construction										
1	Pre-Construction Conference	6		2	6				14	$862
2	Pre-Construction Activities	12		2	12				26	$1,605
	- Review Contractor's QC Program, Const. Mgt Plan, and Airport Safety Plan									
	Subtotal Task 002	18		4	18				40	$2,467
003 Constrution Adminstration and Design Support										
1	Submittal Review	14		10	40	6			70	$3,952
2	Attend Weekly Meetings /Site Visit (24 weeks)	24		4	24				52	$3,210
3	Attend Pre-Activity Meetings (5 max activities)	5			5				10	$620
4	Review/ Respond to RFI's	6		6	30	8			50	$2,265
5	QC/QA Testing results review	6			12				18	$664
	Subtotal Task 003	55		20	111	14			200	$10,710
004 Post Construction										
1	Final Close-out									
	- Final Change Order for Final Quantities	2		2	4			2	10	$523
	- Contract Close-out - Final Payment									
2	Record Drawings									
	- Production of As-Built Drawings	2		6	12	20		2	42	$1,828
3	Final Construction Report (review)	3		1	4				8	$486
	Subtotal Task 004	7		9	20	20		4	60	$2,838
SUBTOTAL PHASE II DESIGN		102	2	33	155	34	14	8	348	18,638

PhxMesa Gateway Airport
Taxiway C Connectors
Construction Administration, Inspection, and Quality Assurance Testing
Cost - SUMMARY

DESCRIPTION	Total Amount
Cost Proposal Summary Sheet	
CEI - Labor	$ 110,755
Subconsultants	$ 73,820
Total	*$ 184,575*

PhxMesa Gateway Airport
Taxiway C Connectors
Construction Administration, Inspection, and Quality Assurance Testing
Cost - CEI LABOR

DESCRIPTION	Loaded Rate	Rate	Billing Units	Period								Total	Costs	OH(168.97%)	Fee(10%)	Total Amount
				Pre-Con	1	2	3	4	5	6	Post-Con					
Labor																
Resident Engineer - Reg Hrs	*$ 190.83*	*$ 64.50*	*hour*	20	84	84	84	84	84	84	40	564	$ 36,378.00	$ 61,467.91	$ 9,784.59	$ 107,630.50
OT Hrs												-	$ -	$ -	$ -	$ -
Office Administrator	*$ 97.64*	*$ 33.00*	*hour*	4	4	4	4	4	4	4	4	32	$ 1,056.00	$ 1,784.32	$ 284.03	$ 3,124.36
												-	$ -	$ -	$ -	$ -
Total															**LABOR TOTAL**	*$ 110,755*

Assumptions:
* Project Duration is 180 CD or approx 26 weeks or approx 6 monthly periods
* Hours per period based on 40 hrs/wk x 52 wks = 2080 hrs/yr - (8 holidays x 8 hrs) = 2016 hrs/yr / 12 mo/yr = 168 hrs/mo
* Overhead rate of 168.97% covers all direct costs including vehicle and related costs, phone, and computer. Profit fee is 10%.
* Contractor working 5-8 hour days per week
* Allow for 30 CD Post Substantial Completion Window
* Primarily single shift with possible night work for concrete placement.
* NTP estimated for 8/1/22 + 180 CD = 1/28/23 completion
* Cert Payroll, DBE compliance tracking not required.

PhxMesa Gateway Airport
Taxiway C Connectors
Construction Administration, Inspection, and Quality Assurance Testing
Cost - SUBCONSULTANTS

DESCRIPTION		Total Amount
Quality Testing (QA Materials Testing)		
Labor Fees (Base Bid)		$ 29,633.26
Labor Fees (Alt 1)		$ 25,770.06
		$ 55,403.32
Lab Testing Fees (Base Bid)		$ 10,351.00
Lab Testing Fees (Alt 1)		$ 8,066.00
		$ 18,417.00
Total	**Materials Testing Total**	*$ 73,820.32*

Assumptions:
* Project Duration is 180 CD or approx 26 weeks or approx 6 monthly periods
* Contractor working 5-8 hour days per week
* Primarily single shift with possible night work for concrete placement.
* NTP estimated for 8/1/22 + 180 CD = 1/28/23 completion
* Testing requirements and frequency per specifications

COST PROPOSAL SUMMARY

Phoenix-Mesa Gateway Airport Authority

CONSULTANT : **Quality Testing, LLC - Owner Acceptance Testing Services**

PROJECT NAME : **Taxiway C Connectors (PMGA # 1236)**

LABOR FEES (BASE BID)

CLASSIFICATION	REG HOURS	REG RATES	ASS'D % O/T	O/T HOURS	O/T RATES	LABOR COSTS	LABOR TYPE
Registered Engineer	2	$ 215.53			$ 323.30	$ 431.06	8
Staff Engineer	40	$ 144.46			$ 216.69	$ 5,778.40	Direct
Materials Supervisor		$ 135.93			$ 203.90		Direct
Materials Technician II (ACI/ATTI) - Field	100	$ 81.91	27%	27	$ 122.87	$ 11,508.49	Direct
Materials Technician III (ACI/ATTI) - Lab	82	$ 98.97	26%	21	$ 148.46	$ 11,233.20	Direct
Admin Support	11	$ 62.01			$ 93.02	$ 682.11	Direct
		$ -					
		$ -					
Lab Technicians	30	$ -					
		$ -					
		$ -					
		$ -					

**** Regular Rate x Overtime Premium of 1.50**

(1) Direct Billable Labor Cost	$	29,633.26
(2) Indirect (Non-Billable) Labor Cost	$	-
(3) Subtotal	$	29,633.26
Subtract Indirect Labor (2)	$	-
TOTAL EXTENDED QT DIRECT BILLABLE LABOR	**$**	**29,633.26**

OTHER FEES

CLASSIFICATION	NO. UNITS	UNITS	UNIT PRICE	EXTENDED PRICE
Daily Vehicle, Per Trip		EA	$ 75.00	$ -
		EA		$ -
				$ -
			TOTAL OTHER FEES	**$ -**

LAB TESTING FEES

LAB TESTING FEES	NO. UNITS	UNITS	UNIT PRICE	EXTENDED PRICE
301-Concrete Compressive Strength Cylinders	24	EA	$ 16.00	$ 384.00
302-Flexural Beam Testing	24	EA	$ 40.00	$ 960.00
PCCP Core thickness Measurement	24	EA	$ 15.00	$ 360.00
404-Fracture Faces	1	EA	$ 97.00	$ 97.00
403-Flat 7 Elongated Particles	1	EA	$ 112.00	$ 112.00
411-Plasticity Index (Wet Prep)	3	EA	$ 120.00	$ 360.00
412-Modified Proctor	1	EA	$ 150.00	$ 150.00
413-Standard Proctor	1	EA	$ 120.00	$ 120.00
415-Sand Equivalent		EA	$ 95.00	$ -
416-Sieve Analysis	3	EA	$ 75.00	$ 225.00
406-Sulfate Soundness Test	1	EA	$ 320.00	$ 320.00
417-Specific Gravity of CA		EA	$ 57.00	$ -
420/421-pH & Resistivity		EA	$ 102.00	$ -
425-One Dimensional Swell		EA	$ 150.00	$ -
501-AC Core, Density	16	EA	$ 20.00	$ 320.00
405- Abrasion of Coarse Aggregate (LA)	1	EA	$ 225.00	$ 225.00
504-Ignition Furnace Calibration	2	EA	$ 699.00	$ 1,398.00
505/506-AC Content with Gradation (Ignition Method)	3	EA	$ 200.00	$ 600.00
507/508-AC Marshall Bulk Density & Stab and Flow		Set of 3	$ 168.00	$ -
509-AC Max. Specific Gravity	8	Set of 3	$ 155.00	$ 1,240.00
510-AC Gyratory Compaction	8	Set of 2	$ 190.00	$ 1,520.00
601-PG Verification	2	ES	$ 980.00	$ 1,960.00
			TOTAL LAB TESTING FEES	**$ 10,351.00**

TOTAL ESTIMATE OF ALL FEES $ 39,984.26

Shekhar R. Shah
Estimated By

May 5, 2022
Date Revised

SCHEDULED PROJECTED MAN-HOURS
Phoenix-Mesa Gateway Airport Authority

PROJECT NAME : **Taxiway C Connectors (PMGA # 1236)**

CONSULTANT : **Quality Testing, LLC - Owner Acceptance Testing Services**

DATE: **May 5, 2022**

ESTIMATED MAN-HOURS IN THE MONTH (Regular) (BASE BID)

PROJECT PERSONNEL / SUB CONSULTANT MAN-HOURS	Pre	1	2	3	4	5	6	Post	8	9	10	11	12	13	14	15	16	17	18	19	20	SUBTOTAL REGULAR	% O/T	SUBTOTAL O/T	TOTAL
JUL 21 through MAR 23	J-21	A-21	S-21	O-21	N-21	D-21	J-22	F-22	M-22	A-22	M-22	J-22	J-22	A-22	S-22	O-22	N-22	D-22	J-23	F-23	M-23				
Registered Engineer		1				1																2 m-h	0%	m-h	2 m-h
Staff Engineer	8	8	4	4	4	4	4	4														40 m-h		m-h	40 m-h
Materials Supervisor																						m-h		m-h	m-h
Materials Technician II (ACI/ATTI) - Field		20	20	20	20	10	10															100 m-h	27%	27 m-h	127 m-h
Materials Technician III (ACI/ATTI) - Lab			20	20	20	10	12															82 m-h	26%	21 m-h	103 m-h
Admin Support		2	2	2	2	2	1															11 m-h		m-h	11 m-h
																						m-h	0%	m-h	m-h
																						m-h		m-h	m-h
Lab Technicians		4	5	5	5	5	6															30 m-h		m-h	30 m-h
																						m-h	0%	m-h	m-h
																						m-h	0%	m-h	m-h
																						m-h		m-h	m-h
ABOVE PERIOD - MONTHLY FULL TIME EQUIV. (FTEs)						**Full Time = 176 HRs/Mo**																**SUBTOTAL REGULAR**	**% OT**	**SUBTOTAL O/T**	**TOTAL**
TOTAL FTEs (DIRECT LABOR ONLY)	0.05	0.06	0.03	0.03	0.03	0.04	0.03	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.29	0%	0.00	0.29
TOTAL FTEs (DIRECT LABOR & VEHICLE)	0.00	0.11	0.23	0.23	0.23	0.11	0.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.04	26%	0.27	1.31
TOTAL FTEs (INDIRECT LABOR ONLY)	0.00	0.02	0.03	0.03	0.03	0.03	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.17	0%	0.00	0.17
TOTAL FTEs (ALL LABOR CLASSES)	0.05	0.19	0.29	0.29	0.29	0.18	0.19	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.50		0.27	1.77

PROJECT PERSONNEL / SUB CONSULTANT MAN-HOURS																						SUBTOTAL REGULAR	% O/T	SUBTOTAL O/T	TOTAL
APR 23 through DEC 24	A-23	M-23	J-23	J-23	A-23	S-23	O-23	N-23	D-23	J-24	F-24	M-24	A-24	M-24	J-24	J-24	A-24	S-24	O-24	N-24	D-24				
Registered Engineer																						m-h	0%	m-h	m-h
Staff Engineer																						m-h	0%	m-h	m-h
Materials Supervisor																						m-h		m-h	m-h
Materials Technician II (ACI/ATTI) - Field																						m-h		m-h	m-h
Materials Technician III (ACI/ATTI) - Lab																						m-h		m-h	m-h
Admin Support																						m-h		m-h	m-h
																						m-h	0%	m-h	m-h
																						m-h		m-h	m-h
Lab Technicians																						m-h	0%	m-h	m-h
																						m-h	0%	m-h	m-h
																						m-h	0%	m-h	m-h
																						m-h	0%	m-h	m-h
ABOVE PERIOD - MONTHLY FULL TIME EQUIV. (FTEs)						**Full Time = 176 HRs/Mo**																**SUBTOTAL REGULAR**	**% OT**	**SUBTOTAL O/T**	**TOTAL**
TOTAL FTEs (DIRECT LABOR ONLY)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0%	0.00	0.00
TOTAL FTEs (DIRECT LABOR & VEHICLE)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0%	0.00	0.00
TOTAL FTEs (INDIRECT LABOR ONLY)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0%	0.00	0.00
TOTAL FTEs (ALL LABOR CLASSES)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00

COST PROPOSAL SUMMARY

Phoenix-Mesa Gateway Airport Authority

CONSULTANT : **Quality Testing, LLC - Owner Acceptance Testing Services**

PROJECT NAME : **Taxiway C Connectors (PMGA # 1236)**

LABOR FEES (ALTERNATE 1)

CLASSIFICATION	REG HOURS	REG RATES	ASS'D % O/T	O/T HOURS	O/T RATES	LABOR COSTS	LABOR TYPE
Registered Engineer	2	$ 215.53			$ 323.30	$ 431.06	8
Staff Engineer	34	$ 144.46			$ 216.69	$ 4,911.64	Direct
Materials Supervisor		$ 135.93			$ 203.90		Direct
Materials Technician II (ACI/ATTI) - Field	90	$ 81.91	30%	27	$ 122.87	$ 10,689.39	Direct
Materials Technician III (ACI/ATTI) - Lab	60	$ 98.97	35%	21	$ 148.46	$ 9,055.86	Direct
Admin Support	11	$ 62.01			$ 93.02	$ 682.11	Direct
		$ -					
		$ -					
Lab Technicians	30	$ -					
		$ -					
		$ -					
		$ -					

**** Regular Rate x Overtime Premium of 1.50**

(1) Direct Billable Labor Cost	$	25,770.06
(2) Indirect (Non-Billable) Labor Cost	$	-
(3) Subtotal	$	25,770.06
Subtract Indirect Labor (2)	$	-
TOTAL EXTENDED QT DIRECT BILLABLE LABOR	**$**	**25,770.06**

OTHER FEES

CLASSIFICATION	NO. UNITS	UNITS	UNIT PRICE	EXTENDED PRICE
Daily Vehicle, Per Trip		EA	$ 75.00	$ -
		EA		$ -
				$ -
			TOTAL OTHER FEES	**$ -**

LAB TESTING FEES

LAB TESTING FEES	NO. UNITS	UNITS	UNIT PRICE	EXTENDED PRICE
301-Concrete Compressive Strength Cylinders	36	EA	$ 16.00	$ 576.00
302-Flexural Beam Testing	32	EA	$ 40.00	$ 1,280.00
PCCP Core thickness Measurement	32	EA	$ 15.00	$ 480.00
404-Fracture Faces		EA	$ 97.00	$ -
403-Flat 7 Elongated Particles		EA	$ 112.00	$ -
411-Plasticity Index (Wet Prep)	1	EA	$ 120.00	$ 120.00
412-Modified Proctor	1	EA	$ 150.00	$ 150.00
413-Standard Proctor	1	EA	$ 120.00	$ 120.00
415-Sand Equivalent		EA	$ 95.00	$ -
416-Sieve Analysis	1	EA	$ 75.00	$ 75.00
406-Sulfate Soundness Test		EA	$ 320.00	$ -
417-Specific Gravity of CA		EA	$ 57.00	$ -
420/421-pH & Resistivity		EA	$ 102.00	$ -
425-One Dimensional Swell		EA	$ 150.00	$ -
501-AC Core, Density	16	EA	$ 20.00	$ 320.00
405- Abrasion of Coarse Aggregate (LA)	1	EA	$ 225.00	$ 225.00
504-Ignition Furnace Calibration		EA	$ 699.00	$ -
505/506-AC Content with Gradation (Ignition Method)		EA	$ 200.00	$ -
507/508-AC Marshall Bulk Density & Stab and Flow		Set of 3	$ 168.00	$ -
509-AC Max. Specific Gravity	8	Set of 3	$ 155.00	$ 1,240.00
510-AC Gyratory Compaction	8	Set of 2	$ 190.00	$ 1,520.00
601-PG Verification	2	ES	$ 980.00	$ 1,960.00
			TOTAL LAB TESTING FEES	**$ 8,066.00**

TOTAL ESTIMATE OF ALL FEES $ 33,836.06

Shekhar R. Shah
Estimated By

May 5, 2022
Date Revised

SCHEDULED PROJECTED MAN-HOURS
Phoenix-Mesa Gateway Airport Authority

PROJECT NAME : **Taxiway C Connectors (PMGA # 1236)**

CONSULTANT : **Quality Testing, LLC - Owner Acceptance Testing Services**

DATE: **May 5, 2022**

ESTIMATED MAN-HOURS IN THE MONTH (Regular) (ALTERNATE 1)

PROJECT PERSONNEL / SUB CONSULTANT MAN-HOURS	Pre	1	2	3	4	5	6	Post	8	9	10	11	12	13	14	15	16	17	18	19	20	SUBTOTAL REGULAR	% O/T	SUBTOTAL O/T	TOTAL
JUL 21 through MAR 23	J-21	A-21	S-21	O-21	N-21	D-21	J-22	F-22	M-22	A-22	M-22	J-22	J-22	A-22	S-22	O-22	N-22	D-22	J-23	F-23	M-23				
Registered Engineer			1				1															2 m-h	0%	m-h	2 m-h
Staff Engineer	8	4	4	2	3	3	2	8														34 m-h		m-h	34 m-h
Materials Supervisor																						m-h		m-h	m-h
Materials Technician II (ACI/ATTI) - Field		10	20	20	20	10	10															90 m-h	30%	27 m-h	117 m-h
Materials Technician III (ACI/ATTI) - Lab			10	10	10	10	20															60 m-h	35%	21 m-h	81 m-h
Admin Support		2	1	2	2	2	2															11 m-h		m-h	11 m-h
																						m-h	0%	m-h	m-h
																						m-h		m-h	m-h
Lab Technicians		2	2	2	10	4	4															24 m-h		m-h	24 m-h
																						m-h	0%	m-h	m-h
																						m-h	0%	m-h	m-h
																						m-h		m-h	m-h
ABOVE PERIOD - MONTHLY FULL TIME EQUIV. (FTEs) Full Time = 176 HRs/Mo																						SUBTOTAL REGULAR	% OT	SUBTOTAL O/T	TOTAL
TOTAL FTEs (DIRECT LABOR ONLY)	0.05	0.03	0.03	0.02	0.03	0.03	0.03	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.27	0%	0.00	0.27
TOTAL FTEs (DIRECT LABOR & VEHICLE)	0.00	0.06	0.17	0.17	0.17	0.11	0.17	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.85	32%	0.27	1.12
TOTAL FTEs (INDIRECT LABOR ONLY)	0.00	0.01	0.01	0.01	0.06	0.02	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.13	0%	0.00	0.13
TOTAL FTEs (ALL LABOR CLASSES)	0.05	0.10	0.21	0.20	0.26	0.16	0.22	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.25		0.27	1.52

PROJECT PERSONNEL / SUB CONSULTANT MAN-HOURS																						SUBTOTAL REGULAR	% O/T	SUBTOTAL O/T	TOTAL
APR 23 through DEC 24	A-23	M-23	J-23	J-23	A-23	S-23	O-23	N-23	D-23	J-24	F-24	M-24	A-24	M-24	J-24	J-24	A-24	S-24	O-24	N-24	D-24				
Registered Engineer																						m-h	0%	m-h	m-h
Staff Engineer																						m-h	0%	m-h	m-h
Materials Supervisor																						m-h		m-h	m-h
Materials Technician II (ACI/ATTI) - Field																						m-h		m-h	m-h
Materials Technician III (ACI/ATTI) - Lab																						m-h		m-h	m-h
Admin Support																						m-h		m-h	m-h
																						m-h	0%	m-h	m-h
																						m-h		m-h	m-h
Lab Technicians																						m-h	0%	m-h	m-h
																						m-h	0%	m-h	m-h
																						m-h	0%	m-h	m-h
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ABOVE PERIOD - MONTHLY FULL TIME EQUIV. (FTEs) Full Time = 176 HRs/Mo																						SUBTOTAL REGULAR	% OT	SUBTOTAL O/T	TOTAL
TOTAL FTEs (DIRECT LABOR ONLY)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0%	0.00	0.00
TOTAL FTEs (DIRECT LABOR & VEHICLE)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0%	0.00	0.00
TOTAL FTEs (INDIRECT LABOR ONLY)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0%	0.00	0.00
TOTAL FTEs (ALL LABOR CLASSES)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00

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

Board Action Item

Re: Resolution 22-34

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:	**FY23 Capital Budget Amendment - Fuel Farm Expansion Construction - CIP 1224**
Date:	**June 21, 2022**

Proposed Motion
To authorize amendment of the FY23 Capital Budget to provide an additional $6 million in funding to CIP 1224 Fuel Farm Expansion Construction not to exceed $12 million.

Narrative
The original estimate for the fuel farm expansion project was for three (3) 50,000-gallon (gross) Jet-A Fuel Storage Tanks, fuel lines and pumps for $6 million. Based on recent growth patterns the estimate is for six (6) 50,000-gallon (gross) Jet-A Fuel Storage Tanks for $12 million.

Due to the increased commercial aircraft passenger traffic and the additional airlines utilizing PMGAA, Airport staff had an analysis completed of the existing and anticipated Jet-A Fuel Storage Capacity that is needed at the Fuel Farm. Currently the Airport has a usable storage capacity of 225,000 gallons of Jet-A Aviation Fuel, which has been determined (by Airport Staff), to be approximately three (3) days of storage reserves on hand. Based on recent growth patterns, within the next five years, this number is anticipated to be significantly less than three days of storage reserves on hand. With the findings from this recent study, PMGAA staff has determined the need for an expansion to the Fuel Farm in order to accommodate future Jet-A Fuel Storage Capacity.
The proposed project will provide six (6) additional 50,000-gallon (gross) Jet-A fuel storage tanks, fuel lines, pumps and will utilize the airport controlled vacant lot adjacent to the existing fuel farm in order to provide adequate space for the new tanks and the refueler/tanker truck circulation paths.

The Request for Qualifications (RFQ) Solicitation 2022-024-RFQ – CMAR for Fuel Farm Expansion, was issued on March 31, 2022, and advertised in the Arizona Business Gazette on 4/7, 4/14 and 4/21/22. It was also posted on the AzAA, ACC, ACI-NA and SWAAAE Websites as well as the Phoenix-Mesa Gateway Airport Authority Website. In addition, the RFQ was emailed to a list of 97 prospective firms and included ACDBE/DBE/SBC outreach. The Statements of Qualification (SOQ) opening was held on April 25, 2022, and four (4) SOQ's were received. The panel unanimously ranked Kear Civil Corp. as the firm most qualified and that best satisfies the requirements for this project. The PMGAA Executive Team concurred with this selection.

Archer Western
JE Dunn
Kear Civil Corp.
SDB

Fiscal Impact
These CMAR Pre-Construction Services are included in the Capital Budget and are funded with PMGAA non-grant funds under CIP 1224.

Attachment(s): N/A

RESOLUTION NO. 22-34

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

WHEREAS the Authority desires to authorize an amendment of the FY23 Capital Budget to provide an additional $6 million in funding to CIP 1224 Fuel Farm Expansion Construction not to exceed $12 million.

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

> **The Board of Directors of the Authority hereby authorizes an amendment of the FY23 Capital Budget to provide an additional $6 million in funding to CIP 1224 Fuel Farm Expansion Construction not to exceed $12 million. 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 21st day of June, 2022.

John Giles, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

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

Board Action Item

Re: Resolution 22-35

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:	**Fuel Farm Expansion CMAR Pre-Construction Services – KEAR Civil Corp, CIP 1224**
Date:	**June 21, 2022**

Proposed Motion
To approve a Pre-Construction Services Contract with KEAR Civil Corp. for CMAR Pre-Construction Services for the Fuel Farm Expansion Construction, in an amount not to exceed $243,671 under CIP 1224.

Narrative
Due to the increased commercial aircraft passenger traffic and the additional airlines utilizing PMGAA, Airport staff had an analysis completed of the existing and anticipated Jet-A Fuel Storage Capacity that is needed at the Fuel Farm. Currently the Airport has a usable storage capacity of 225,000 gallons of Jet-A Aviation Fuel, which has been determined (by Airport Staff), to be approximately three (3) days of storage reserves on hand. Based on recent growth patterns, within the next five years, this number is anticipated to be significantly less than three days of storage reserves on hand. With the findings from this recent study, PMGAA staff has determined the need for an expansion to the Fuel Farm in order to accommodate future Jet-A Fuel Storage Capacity.

The proposed project will provide six (6) additional 50,000-gallon (gross) Jet-A fuel storage tanks, fuel lines, pumps and will utilize the airport controlled vacant lot adjacent to the existing fuel farm in order to provide adequate space for the new tanks and the refueler/tanker truck circulation paths.

The Request for Qualifications (RFQ) Solicitation 2022-024-RFQ – CMAR for Fuel Farm Expansion, was issued on March 31, 2022, and advertised in the Arizona Business Gazette on 4/7, 4/14 and 4/21/22. It was also posted on the AzAA, ACC, ACI-NA and SWAAAE Websites as well as the Phoenix-Mesa Gateway Airport Authority Website. In addition, the RFQ was emailed to a list of 97 prospective firms and included ACDBE/DBE/SBC outreach. The Statements of Qualification (SOQ) opening was held on April 25, 2022, and four (4) SOQ's were received. The panel unanimously ranked Kear Civil Corp. as the firm most qualified and that best satisfies the requirements for this project. The PMGAA Executive Team concurred with this selection.

Archer Western
JE Dunn
Kear Civil Corp.
SDB

Fiscal Impact
These CMAR Pre-Construction Services are included in the Capital Budget and are funded with PMGAA non-grant funds under CIP 1224.

Attachment(s): Pre-Construction Services Contract

RESOLUTION NO. 22-35

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

WHEREAS the Authority desires to approve a Pre-Construction Services Contract with KEAR Civil Corp. for CMAR Pre-Construction Services for the Fuel Farm Expansion Construction, in an amount not to exceed $243,671 under CIP 1224.

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

> **The Board of Directors of the Authority hereby approves a Pre-Construction Services Contract with KEAR Civil Corp. for CMAR Pre-Construction Services for the Fuel Farm Expansion Construction, in an amount not to exceed $243,671 under CIP 1224. 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 21st day of June, 2022.

John Giles, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

FUEL FARM JET A TANK EXPANSION

CONSTRUCTION MANAGER AT RISK (CMAR) PRE-CONSTRUCTION SERVICES CONTRACT

PROJECT NO. 1224

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Phoenix-Mesa Gateway Airport

Construction Manager at Risk
Pre-Construction Services
Project No. 1224

THIS CONTRACT is made and entered into by and between the Phoenix Mesa Gateway Airport Authority, a joint powers airport authority authorized by the state of Arizona, hereinafter called "Owner" and the "Construction Manager at Risk" or "CMAR" designated below, individually, each is a "Party" and collectively, the "Parties", and shall be effective as of the date signed by Owner.

PMGAA and CMAR agree as follows:

ARTICLE 1 – PARTICIPANTS AND PROJECT

PMGAA:	Phoenix-Mesa Gateway Airport Authority Project Manager: Mike Hanas Telephone: 480-988-7636 E-mail: mhanas@gatewayairport.com
CMAR:	KEAR Civil Corporation 22555 N. 20th Avenue Phoenix, AZ 85027 Arizona ROC No.: A 231544 Federal Tax ID No.: 20-8257122 CMAR Representative: Mike Fossett Telephone: 623-742-2310 E-mail: mike.fossett@kearcorp.com
DESIGN PROFESSIONAL:	Kimley Horn Associates Steve Reeder 602.906.1379 Steve.reeder@kimley-horn.com
PROJECT DESCRIPTION:	Fuel Farm Jet A Tank Expansion
PROJECT LOCATION:	PMGAA Fuel Farm, 7630 E. Velocity Way, Mesa AZ 85212

ARTICLE 2 – CONTRACT DOCUMENTS

2.1 CONTRACT DOCUMENTS

The Contract between PMGAA and CMAR shall consist of the following Contract Documents:

1. This Contract and all of its Exhibits herein;
2. The Statement of Qualifications (SOQ) requirements (2022-024-RFQ), documents, and CMAR's submittal dated 04/25/2022.

2.2 DEFINITIONS

Whenever the following terms are used in this Contract, the intent and meaning shall be interpreted as follows:

Allowance – A specific amount for a specific item of Work, if any, that PMGAA agrees has not been sufficiently designed, detailed, or selected (including design changes from 90% to 100% as authorized by and at the discretion of PMGAA) at the time the Contract Price is agreed to for CMAR to provide a definitive price. Allowances shall be treated in accordance with Article 9 of this Contract.

Baseline Cost Model –A breakdown and estimate of the scope of the Project developed by CMAR pursuant to Article 3.4.1 of this contract.

CMAR or Construction Manager at Risk – The person or firm selected by PMGAA to provide pre-construction and/or construction services as detailed in a Construction Manager at Risk Contract with PMGAA. In these General Conditions, the term "CMAR" includes CMAR under both Pre-Construction and Construction Services Contracts.

CMAR Fee or CMAR's Fee – An agreed to percentage in an accepted GMP that represents the CMAR's fee for performance of the Work.

Contract Documents – Where compensation under the Contract is based upon a GMP accepted by PMGAA, the term "Contract Documents" also includes the accepted GMP Proposal.

Contract Price – Where compensation under the Contract based upon a GMP accepted by PMGAA, 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 CMAR in the proper, timely, and complete performance on the Work. The Cost of the Work shall include only those costs set forth in Exhibit A of this Contract.

Deliverables – The work products prepared by CMAR in performing the scope of work described in the Contract. Some of the major deliverables to be prepared and provided by CMAR during pre-construction may include but are limited to: the Baseline Cost Model and Schedule that validate PMGAA'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 PMGAA 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 PMGAA and a Construction Contract is entered into between PMGAA and CMAR, the duties, obligations and warranties of the CMAR under the Pre-Construction Services Contract survive and are incorporated into the resulting Construction Contract.

Pre-Construction Services – The services to be provided under the Pre-Construction Services Contract.

Detailed Project Schedule – The Detailed Project Schedule developed by the CMAR for the review and approval of the Project Manager in accordance with Article 3.2 of this contract, if applicable.

GMP Plans and Specifications – The plan and specifications upon which the Guaranteed Maximum Price Proposal is based.

GMP Proposal – The proposal of CMAR submitted pursuant to Article 3.6 of this contract 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, Change Order, or Job Order if applicable.

ARTICLE 3 – PRE-CONSTRUCTION SERVICES

3.1 GENERAL REQUIREMENTS

3.1.1 CMAR shall perform the Services under this Contract using only those firms, team members and individuals designated by CMAR consistent with the Statement of Qualifications dated 04/25/2022 or as otherwise approved by PMGAA. No other entities or individuals may be used without the prior written approval of the Project Manager.

3.1.2 CMAR will comply with all terms and conditions of the General Conditions.

3.1.3 In the event of a conflict between this Contract and the General Conditions or any exhibit hereto or appendix thereto, the terms of this Contract shall control.

3.1.4 CMAR shall prepare and present to PMGAA a Detailed Project Schedule that is acceptable to PMGAA and in accordance with Article 3.2 of this Contract.

3.1.5 CMAR shall conduct the evaluations, perform the design document reviews, make the recommendations and provide the other Services referenced and in accordance with Article 3.3 of this Contract.

3.1.6 CMAR shall prepare and submit the Baseline Cost Model, Detailed Cost Estimates and Schedule of Values in accordance with Article 3.4 of this Contract.

3.1.7 The submitted Baseline Cost Model, Detailed Cost Estimates and Schedule of Values shall not exceed PMGAA's Construction Budget, which is $10,000,000 unless otherwise authorized by the Owner. If CMAR submits a Baseline Cost Model, Detailed Cost Estimates, and Schedule of Values that exceeds the Construction Budget, negotiations could lead to termination or suspension of the Contract.

3.1.8 CMAR shall perform the Services required by, and in accordance with the Contract Documents and as outlined in Exhibit A of the Contract to the satisfaction of the Project Manager, exercising the degree of care, skill, diligence and judgment a professional construction manager experienced in the performance of such services for construction and/or facilities of similar scope, function, size, quality, complexity and detail to the Project in urban areas throughout the United States, would exercise at such time, under similar conditions. CMAR shall, at all times, perform the required services consistent with sound and generally accepted engineering principles and construction management and construction contracting practices

3.1.9 As a participating member of the Project Team, CMAR shall provide to PMGAA and Design Professional a written evaluation of PMGAA's Project Program and budget, each in terms of the other, with recommendations as to the appropriateness of each. CMAR shall prepare a Baseline Cost Model that validates PMGAA's budget. The Baseline Cost Model shall include all assumptions and basis of estimates in enough detail so that the Project Team can compare future detail estimates to the Baseline Cost model for variances. PMGAA and Design Professional will provide all the reasonably required data that is available in order to reach agreement between the team members that the Baseline Cost Model is an accurate projection of the costs of the Project.

3.1.10 CMAR shall attend Project Team meetings, which may include, but are not limited to, bi-weekly Project management meetings, Project workshops, special Project meetings, construction document rolling reviews, public meetings and partnering sessions. CMAR attendance at design or other meetings in which CMAR is provided the opportunity but does not actively participate and/or is not properly prepared is not acceptable. Repeated instances of non-participation and/or lack of preparedness shall be grounds for termination of CMAR Contract for default.

3.1.11 CMAR when requested by PMGAA, shall attend, make presentations and participate as may be appropriate in public agency and or community meetings, relevant to the Project. CMAR shall provide drawings, schedule diagrams, budget charges and other materials describing the Project when their use is required or appropriate in any such public agency meetings.

3.1.12 PMGAA ownership of Work Product. 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 PMGAA. For purposes of this provision, "Work Product" shall include all designs, drawings, plans, specifications, ideas, renderings and other information or material, in whatever form created (e.g., electronic or printed) and in all media now know 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 PMGAA. The rights in this Section are exclusive to PMGAA in perpetuity.

3.1.13 CMAR represents to PMGAA in completing Pre-Construction Services and providing the reports and analysis required thereunder, that Work can be properly and timely constructed within the GMP Proposal, if accepted. CMAR does not assume any design responsibilities unless specifically called for in the scope of work, but CMAR shall be responsible for their errors, omissions or inconsistencies included in the Work.

3.1.14 CMAR and PMGAA agree and understand that PMGAA is at all times subordinate 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*.)

3.2 DETAILED PROJECT SCHEDULE

3.2.1 The fundamental purpose of the Detailed Project Schedule is to identify, coordinate and record the tasks and activities to be performed by all of the Project Team members and then for the Project Team to utilize that Deliverable as a basis for managing and monitoring all member's compliance with the schedule requirements of the Project. Each Project Team member is responsible for its compliance with the Detailed Project Schedule requirements. CMAR shall, however, develop and maintain the Detailed Project Schedule on behalf of and to be used by the Project Team based on input from the other Project Team members. The Baseline Project Schedule shall be developed as part of the Baseline Cost Model. The Detailed Project Schedule shall use the Critical Path method ("CPM") technique, unless required otherwise, in writing by PMGAA. CMAR shall uses scheduling software acceptable to PMGAA to develop the Detailed Project Schedule. The Detailed Project Schedule shall be presented in graphical and tabular reports as agreed upon by the Project Team. If Project phasing as described below is required, the Detailed Project Schedule shall indicate milestone dates for the phases once determined. As part of construction phase, PMGAA may require CMAR to prepare a "resource loaded" schedule for all work, including work performed by Subcontractors, detailing each of the project tasks and the required/anticipated number of personnel per day for each task. CMAR shall also indicate on the schedule its ability to meet said required/anticipated personnel requirements.

3.2.2 CMAR shall include and integrate in the Detailed Project Schedule the services and activities required of PMGAA, Design Professional and CMAR including all construction phase activities based on the input received from PMGAA and the Design Professional. The Detailed Project Schedule shall define activities as determined by PMGAA to the extent required to show: (a) the coordination between preliminary design and various pre-construction documents, (b) any separate long-lead procurements, (c) any permitting issues, (d) any land, right-of-way, or easement acquisition, (e) bid packaging strategy and awards to Subcontractors and Suppliers, (f) major stages of construction, (g) start-up and commissioning, and (h) occupancy of the completed Work by PMGAA. The Detailed Project Schedule shall include by example and not limitation, proposed activity sequences and durations for design, procurement, construction and testing activities, milestone dates for actions and decisions by the Project Team, preparation and processing of shop drawings and samples, delivery of materials or equipment requiring long-lead time procurement (if any), milestone dates for various construction phases, Total Float for all activities to the extent authorized by PMGAA, relationships between the activities, PMGAA's occupancy requirements showing portions of the Project having occupancy priority, and proposed dates for Final Completion.

3.2.3 A Baseline Project Schedule shall be initiated with the project Baseline Cost Model and agreed to by the project team at the same time. CMAR shall update and maintain a detailed Project Schedule throughout pre-construction such that it shall not require major changes at the start of the construction phase to incorporate CMAR's plan for the performance of the construction phase Work. CMAR shall provide updates and/or revisions to the Detailed Project Schedule for use by the Project Team, whenever required, but no less often than at the Project Team meetings. CMAR shall include with such submittals a narrative describing its analysis of the progress achieved to-date vs. the Baseline Project Schedule, including any concerns regarding delays or potential delays, and any recommendations regarding mitigating actions.

3.2.4 If phased construction is deemed appropriate at the time of developing the Baseline Cost Model or during the development of the Detailed Project Schedule, and PMGAA and Design Professional approve, CMAR shall review the design and make recommendations regarding the phased issuance of Construction Documents to facilitate phased construction of the Work, with the objective of reducing the Project Schedule and/or Cost of the Work. CMAR

shall take into consideration such factors as natural and practical lines of work severability, sequencing effectiveness, access and availability constraints, total time for completion, construction market conditions, labor and materials availability, and any other factors pertinent to saving time and cost.

3.2.5 Long Lead Time Items. As part of developing the Detailed Project Schedule, CMAR shall identify all long lead time materials, fabrications, equipment, or other items which may impact the Project Schedule and may require early action on the part of the Project Team. Dates for selecting and ordering long lead time items will be included and highlighted in the Detailed Project Schedule.

3.2.6 Equipment Plan. CMAR shall develop an Equipment Plan that addresses all rental and owned equipment, regardless of whether such equipment will be provided by CMAR or subcontractor(s), that will be necessary to construct the Project and the cost of which will be included as a Cost of the Work in the GMP Proposal. The Equipment Plan will seek to minimize the cost of the equipment to PMGAA and maximize the efficient and coordinated use of the equipment for completion of the Project. The Equipment Plan will not only include the costs and allowable lease rates for the equipment, but will also include an equipment schedule that will be incorporated into the Detailed Project Schedule and the Schedule of Values submitted with the GMP Proposal.

3.3 DESIGN DOCUMENT REVIEWS

3.3.1 CMAR shall evaluate periodically the availability of labor, materials/equipment, cost-sensitive aspects of the design; and other factors that may create an unacceptable variance to the Baseline Cost Model and/or Baseline Project Schedule.

3.3. 2 CMAR shall recommend, in conjunction with the Project Team, those additional surface and subsurface investigations that, in its professional opinion, are required to provide the necessary information for CMAR to construct the Project. These additional investigations, if agreed to be necessary by the Project Manager and the Design Professional, shall be acquired by PMGAA and copies of the reports will be provided to CMAR.

3.3.3 CMAR shall meet with the Project Team as required to review designs during their development. CMAR shall familiarize itself with the evolving documents through pre-construction. CMAR shall proactively advise the Project Team and make recommendations on factors related to construction costs, and concerns pertaining to the feasibility and practicality of any proposed means and methods, selected materials, equipment and building systems, and, labor and material availability. CMAR shall furthermore advise the Project Team on proposed site improvements, excavation and foundation considerations, as well as, concerns that exist with respect to coordination of the Drawings and Specifications. CMAR shall use established value analysis principles in recommending cost-effective alternatives.

3.3.4 CMAR shall routinely conduct constructability and bid-ability reviews of the Drawings and Specifications as necessary to satisfy the needs of the Project Team. The reviews shall attempt to identify all discrepancies and inconsistencies in the Construction Documents especially those related to clarity, consistency, completeness and coordination of Work of Subcontractors and Suppliers.

3.3.5 CMAR shall evaluate whether: (a) the Drawings and Specifications are configured to enable efficient construction; (b) design elements are standardized; (c) construction efficiency is properly considered in the Drawings and Specifications; (d) module/preassembly design is prepared to facilitate fabrication, transport and installation; (e) sequences of Work required

by or inferable from the Drawings and Specifications are practicable; (f) the design has taken into consideration efficiency issues concerning access and entrance to the site, laydown and storage of materials,
staging of site facilities, construction parking, and other similar pertinent issues; and (g) the design maintains continued operation of the existing PMGAA operations, security and systems and maintains traffic on adjacent roadways. CMAR shall also review the Drawings and Specifications to ensure that what is depicted therein can be constructed as designed and shall promptly inform the Project Team of any issues.

3.3.6 CMAR shall check cross-reference and complementary Drawings and sections within the Specifications and in general evaluate whether: (a) the Drawings and Specifications are Sufficiently clear and detailed to minimize ambiguity and to reduce scope interpretation discrepancies; (b) named materials and equipment are commercially available and are performing well, or otherwise, in similar installations; (c) Specifications include alternatives in the event a requirement cannot be met in the field; and (d) in its professional opinion, the Project is likely to be subject to Differing Site Conditions.

3.3.7 The results of the reviews shall be provided to Project Team in formal, written reports clearly identifying all reviewed documents and the discovered discrepancies and inconsistencies in the Drawings and Specifications with notations and recommendations made on the Drawings, Specifications and other documents. CMAR shall meet with Project Team to discuss any findings and review reports.

3.3.8 CMAR's reviews shall be from a CMAR's perspective, and though it shall serve to eliminate/reduce the number of RFI's and changes during the construction phase, responsibility for the Drawings and Specifications shall remain with the Design Professional and not CMAR.

3.3.9 It is CMAR's responsibility to assist the Design Professional in ascertaining that, in CMAR's professional opinion, the Construction Documents are in accordance with Applicable Laws, Regulations, or Legal Requirements, building codes, sound engineering principle's rules and regulations. If CMAR recognizes that portions of the Construction Documents are at variance with applicable laws, statutes, ordinances, building codes, sound engineering principle's rules and regulations, it shall promptly notify the Project Team in writing, describing the apparent variance of deficiency. However, the Design Professional is ultimately responsible for the compliance of the Drawings and Specifications with those laws, statutes, ordinances, building codes, rules and regulations.

3.3.10 The Project Team shall routinely identify and evaluate using value analysis principles and alternate systems, approaches, design changes that have the potential to reduce Project costs while still delivering a high quality and fully functional Project consistent with the Project Program. If the Project Team agrees, CMAR in cooperation with the Design Professional, will perform a cost/benefit analysis of the alternatives and submit such in writing to the Project Team. PMGAA, through the Project Manager, will direct which alternatives will be incorporated into the Project. The Design Professional will have full design responsibility for the review and incorporation of CMAR suggested alternatives into the Drawings and Specifications. CMAR shall analyze the costs and schedule impacts of the alternatives against the Baseline Cost Model and Schedule and provide a recommendation for the Project Team's consideration and PMGAA's approval prior to the establishment of the GMP.

3.4 BASELINE COSTS MODEL, DETAILED COST ESTIMATES, AND SCHEDULE OF VALUES

3.4.1 At the conclusion of the Master Planning and Programming, if required, CMAR will review all available information regarding the design and scope of the Project using CMAR's experience in performing similar work, knowledge of similar projects and current and projected construction costs and, based upon that review, shall develop a Baseline Cost Model for review by the Project Team and approval by PMGAA. Once approved by PMGAA, the Baseline Cost Model shall be continually referenced as detailed estimates are created as the design progresses throughout Pre-Construction until the final GMP for the entire Project is established. A final GMP for the entire Project must be established and approved by PMGAA prior to the start of construction. It is the responsibility of CMAR to ensure PMGAA has sufficient information to evaluate and approve a final GMP prior to the time necessary to start construction so construction can be completed within the Contract Time. The Project Detailed Cost Estimate shall be the best representation from CMAR of what the complete functional Project's construction costs will be as indicated by the most current available documents and will be constantly checked against the Baseline Cost Model. CMAR shall communicate to the Project Team and assumptions made in preparing the Baseline Cost Model. The Baseline Cost Model shall support CMAR's Detailed Cost Estimates and may be broken down initially as dictated by the available information, as required by PMGAA.

3.4.2 After receipt of the Design Professional's most current documents from certain specified pre-construction milestones, CMAR shall provide a draft Detailed Cost Estimate including a detailed written report detailing any variances to the Baseline Cost Model and Baseline Project Schedule. The Design Professional and CMAR will reconcile any disagreements on the estimate to arrive at an agreed upon Detailed Cost Estimate for the construction costs based on the scope of the Project through that specified pre-construction milestone. Pre-Construction milestones applicable to this paragraph are: 60%, 95% Construction Drawings and 100% Construction Drawing, if no consensus is reached, PMGAA will make the final determination. If the Project Team requires additional updates of the Detailed Cost Estimate beyond that specified in this paragraph, CMAR shall provide the requested information in a timely manner.

3.4.3 If at any point the Detailed Cost Estimate submitted to PMGAA exceeds the previously accepted Baseline Cost Model or previously approved Detailed Cost Estimate agreed to as set forth in Article 3.4.2 above, CMAR shall make appropriate recommendations to project Team on means/methods, materials, and or other design elements that it believes will reduce the estimated construction costs, such that it is equal to or less than the established Project Team's Baseline Cost Model.

3.4.4 Unless other levels of completion are agreed to in writing in the Construction Documents, at 60%, 95% Construction Drawings and included with the associated report, CMAR shall also submit to the Project Team for review and approval a Schedule of Values that complies with the following requirements. The Schedule of Values shall be directly related to the breakdowns reflected in the Detailed Project Schedule and CMAR's Detailed Cost Estimate. In addition, the Schedule of Values shall: (a) detail unit prices and quantity take-offs, (b) detail all other contingencies and unit price Work shown and specified in the detailed design documents.

3.4.5 CMAR is to track, estimate, price and address the Project Team's overall project cost issues that arise outside of the Baseline Cost Model and the latest approved Detailed Cost Estimate such as: PMGAA generated changes, Project Team proposed changes, alternate system analysis, constructability items and value engineering analysis. The system used to implement this process will be referred to as the Design Evolution Log. This is to be addressed between the Baseline Cost Model, 60% 95% Construction Documents, 100% Construction Documents, and the bid packages for all Phases, if applicable.

3.4.6 Upon request by PMGAA, CMAR shall submit to PMGAA a cash flow projection for the Project based on the current updated/revised Detailed Project Schedule and the anticipated level of payments for CMAR during the design and construction phases. In addition, if requested by PMGAA and based on information provided by PMGAA, CMAR shall prepare a cash flow projection for the entire Project based on historical records for similar types of projects to assist PMGAA in the financing process.

3.5 SUBCONTRACTOR AND MAJOR SUPPLIER SELECTIONS

3.5.1 Except as noted below, the selection of Subcontractors/Suppliers is the sole responsibility of CMAR. In any case, CMAR is solely responsible for the performance of the selected Subcontractors/Suppliers, and for compliance with the requirements of Title 34 of the Arizona Revised Statutes in the selection of a Subcontractors/Suppliers, to the extent applicable. CMAR shall comply with its Subcontractor Selection Plan submitted with its Statement of Qualifications.

3.5.2 PMGAA may approve the selection of a Subcontractor(s) or Suppliers(s) based only on their qualifications when CMAR can demonstrate it is in the best interest of the Project. All Work that is performed, after such a qualifications-based selection, for a price that is negotiated by CMAR will be billed in accordance with the GMP for actual costs and may be subject to audit by PMGAA.

3.5.2.1 Qualifications based selection of a Subcontractor(s)/Supplier(s) should only occur prior to the submittal of the GMP Proposal and such a way as to not delay the start date of the Construction phase as defined in the Baseline Project Schedule.

3.5.2.2 If a Subcontractor/Supplier selection plan was submitted and agreed to by PMGAA, CMAR Shall apply the plan in the evaluation of the qualifications of a Subcontractor(s) or Supplier(s) and provide PMGAA with its review and recommendations.

3.5.2.3 CMAR must receive written PMGAA approval for each selected Subcontractor(s) and Supplier(s).

3.5.2.4 CMAR shall negotiate costs for services/supplies from each Subcontractor/Supplier selected under this method.

3.5.3 All Work shall be competitively bid unless a Subcontractor or Supplier was selected pursuant to paragraph 3.5.2 above.

3.5.3.1 CMAR shall develop Subcontractor and Supplier interest, submit the names of a minimum of three qualified Subcontractors or Suppliers for each trade in the Project for approval by PMGAA and solicit bids for the various Work categories. If there are not three qualified Subcontractors/Suppliers available for a specific trade or there are extenuating circumstances warranting such, CMAR may request approval by PMGAA to submit less than three names.
Without prior written notice to PMGAA, no change in the recommended Subcontractors/Supplies shall be allowed.

3.5.3.2 If PMGAA objects to any nominated Subcontractor/Supplier or to any self-performed Work for good reason, CMAR shall nominate a substitute Subcontractor/Supplier that is acceptable to PMGAA.

3.5.3.3 CMAR shall distribute Drawings and Specifications, and when appropriate, conduct a Pre-Bid Conference with prospective Subcontractors and Suppliers.

3.5.3.4 If CMAR desires to self-perform certain portions of the Work, it shall request to be one of the approved Subcontractor bidders for those specific bid packages. CMAR's bid will be evaluated in accordance with the process identified below. If events warrant and PMGAA concurs that it is necessary in order to ensure compliance with the Project Schedule and/or the most recent Detailed Cost Estimate, CMAR may be authorized to self-perform Work without bidding or rebidding the Work. When CMAR self-performs work without bidding, only the actual costs associated with performing the Work in accordance with the approved GMP will be billed and may be subject to audit by PMGAA.

3.5.3.5 CMAR shall receive, open, record and evaluate the bids; provided, however, that if CMAR or one of its affiliates is bidding to self-perform the Work that is the subject of the bid, then the bids shall be received, opened, recorded and evaluated by Project Manager instead of CMAR. Bids for each category of Work shall be opened and recorded at a pre-determined time. The apparent low bidders shall be interviewed to determine the responsiveness of their proposals. In evaluating the responsiveness of bid proposals CMAR, in addition to bid price, may consider the following factors: past performance on similar projects, qualifications and experience of personnel assigned, quality management plan, approach or understanding of the Work to be performed, and performance schedule to complete the Work. The final evaluation of Subcontractor/Supplier bids shall be done with Project Manager in attendance to observe and witness the process. CMAR shall resolve any Subcontractor/Supplier bid withdrawal, protest or disqualification in connection with the award at no increase in the Cost of Work.

3.5.4 CMAR shall be required to prepare two different reports on the subcontracting process.

3.5.4.1 Within fifteen days after each major Subcontractor/Supplier bid opening process; CMAR shall prepare a report for PMGAA's review and approval identifying the recommended Subcontractors/Supplier for each category of Work. The report shall detail: (a) the name of the recommended Subcontractor/Supplier and the amount of the Subcontractor/Supplier bid for each sub-agreement; (b) the sum of all recommended Subcontractor/Supplier bids received; (c) and trade work and its cost that CMAR intends to self-perform, if any.

3.5.4.2 Upon completion of the Subcontractor/Supplier bidding process, CMAR shall submit a summary report to PMGAA of the entire Subcontractor/Supplier selection process. The report shall indicate, by bid process, all Subcontractors/Suppliers contacted to determine interest, the Subcontractors/Suppliers solicited, the bids received and costs negotiated, and the recommended Subcontractors/Suppliers for each category of Work.

3.5.5 The approved Subcontractors/Suppliers shall provide a Schedule of Values with their bid proposals, which shall be used to create the overall Project Schedule of Values.

3.5.6 If after receipt of sub-bids or after award to Subcontractors and Suppliers, PMGAA objects to any nominated Subcontractor/Supplier or to any self-performed Work based upon any reasonable basis, CMAR shall nominate a substitute Subcontractor or Supplier, preferably if such option is still available, from those who submitted Subcontractor bids for the Work affected. Once such substitute Subcontractors and Suppliers are consented to by PMGAA,

CMAR's proposed GMP for the Work or portion thereof shall be correspondingly adjusted to reflect any higher or lower costs form any such substitution.

3.6 GMP PROPOSAL

3.6.1 CMAR shall submit a GMP Proposal for the entire Work, and for each phase (if required) of the Work, at the times set forth in the Pre-Construction Schedule included in attached Exhibit A. The GMP Proposal shall be presented in a format acceptable to PMGAA based upon the attached Exhibit D. PMGAA may change the schedule, format, and/or requirements for the GMP Proposal as it deems necessary during Pre-Construction, and may request resubmittal of the GMP Proposal to reflect such changes.

3.6.2 For the purpose of the GMP Proposal, the parties agree that:

1. The CMAR Fee shall be equal to 5% (percent) of the Direct Costs;
2. General Conditions costs shall be a fixed amount or percentage agreed to as part of the Baseline Cost Model.

3.6.3 The GMP Proposal shall not exceed PMGAA's budget for the construction of the Project, which is $10,000,000 unless otherwise approved by the Owner ("Construction Budget").

3.6.4 When a GMP Proposal is submitted for a phase of the Work, the GMP will have a Detailed Cost Estimate of the Costs of the Work in each phase of the Work that is being proposed plus the current estimate for all other Work. PMGAA will not approve the GMP for the phase of work without a total estimate for the complete Project. PMGAA may request a GMP Proposal for all or any portion of the Project and at any time during pre-construction. Any GMP Proposals submitted by CMAR shall be based on and consistent with Baseline Cost Model and the current update/revised Detailed Cost Estimate at the time of the request and include any clarifications or assumptions upon which the GMP Proposal(s) are based.

3.6.5 A GMP Proposal for the entire Project shall be the sum of the Cost of the Work, CMAR Fee, and General Conditions Cost. CMAR guarantees to complete the Project at or less that the final GMP Proposal amount plus approved Change Orders. CMAR shall be responsible for any costs for expenses that would cause the Cost of the Work actually incurred, including the Construction Fee and General Conditions Costs, to exceed the GMP.

3.6.6 CMAR shall prepare its GMP Proposal in accordance with PMGAA's request for GMP Proposal requirements based on the most current completed Drawings and Specifications at that time, which unless otherwise directed by PMGAA in writing, shall be at 100% Construction Drawings. CMAR shall mark the face of each document of each set upon which its GMP Proposal is based. These documents shall be identified as the GMP Plans and Specifications. CMAR shall send one set of those documents to the Project Manager, keep one set and return the third set to the Design Professional.

3.6.7 An updated/revised Detailed Project Schedule, Equipment Plan, and Schedule of Values shall be included in any GMP Proposal(s), all of which shall reflect the GMP Plans and Specifications the Detailed Project Schedule shall be shown in relationship to the Project Schedule and identify any variance to the Baseline Project Schedule. Any such Detailed Project Schedule updates/revisions shall continue to comply with the requirements of Article 3.1.2 through 3.2.5 of this contract.

3.6.8 GMP Proposals(s) Review and Approval

3.6.8.1 CMAR shall meet with the Project Team to review the GMP Proposal(s) and the written statement of its basis. In the event the Project Team discovers inconsistencies or inaccuracies in the information presented, CMAR shall make adjustments as necessary to the GMP Proposal.

3.6.8.2 If during the review and negotiation of GMP Proposals design changes are required, PMGAA may authorize and cause the Design Professional to revise the GMP Plans and Specifications to the extent necessary to reflect the agreed-upon assumptions and clarifications contained in the final approved GMP Proposal. Such revised GMP Plans and Specification will be furnished to CMAR. CMAR shall promptly notify the Project Team in writing if any such revised GMP Plans and Specifications are inconsistent with the agreed upon assumptions and clarifications.

3.6.9 All portions of or items comprising the GMP Proposal are subject to audit by PMGAA, as deemed appropriate by PMGAA, including, without limitation, any based upon unit prices or Work to be self-performed by CMAR, or its affiliates.

3.7 PAYMENT PROCEDURE FOR PRE-CONSTRUCTION SERVICES

3.7.1 Requests for monthly payments by CMAR for Pre-Construction Services shall be submitted monthly and shall be accompanied by a progress report, detailed invoices and receipts, if applicable. Any requests for payment shall include, as a minimum, a narrative description of the tasks accomplished during the billing period, a listing of any Deliverables submitted, and copies of any Subconsultants' requests for payment, plus similar narrative and listings of Deliverables associated with their Work. Payment for services negotiated as a lump sum shall be made in accordance with the percentage of work completed during the preceding month.

3.7.2 In no event will PMGAA pay more that ninety-five (95%) of the Contract Price until final acceptance of ALL Pre-Construction Services, and award of the final approved Construction Services Contract for the entire Project by PMGAA Council. If CMAR does not prepare a GMP Proposal that is acceptable to PMGAA, or the GMP Proposal exceeds PMGAA's Construction Budget, then CMAR understands and acknowledges that it will forfeit any right to receive the 25% of the Contract Price being retained by PMGAA.

3.7.3 CMAR agrees that no charges or claims for costs or damages of any type shall be made by it for any delays or hindrances beyond the reasonable control of PMGAA during the progress of any portion of Pre-Construction Services specified in this Contract. Such delays or hindrances, if any, shall be solely compensated for by an extension of time for such reasonable period and may be mutually agreed between the parties. It is understood and agreed, however, that permitting CMAR to proceed to complete any such Services, in whole or in part after the date to which the time of completion may have been extended, shall in no way act as a waiver on the part of PMGAA of any of their respective legal rights herein.

3.7.4 No compensation to CMAR shall be allowed contrary to Article I, Chapter I, Title 34 of the Arizona Revised Statutes.

3.7.5 If any service(s) executed by CMAR is abandoned or suspended in whole or in part, for a period of more than 180 days through no fault of CMAR, CMAR is to be paid for the services performed prior to the abandonment or suspension.

3.8 ADDITIONAL PRE-CONSTRUCTION SERVICES

3.8.1 Additional services which are outside the scope of the services required under the Contract Documents shall not be performed by CMAR without prior written Authorization from PMGAA. Additional services, when authorized by an executed written Change Order by PMGAA, shall be compensated for by a fee mutually agreed upon in such Written Change Order between PMGAA and CMAR.

3.8.2 No claim for additional services, extra work done or materials furnished by CMAR shall Be allowed by PMGAA except as provided herein, nor shall CMAR provide any additional services, do any work, or furnish any material(s)not covered by this Contract unless such work
or material is first authorized in writing by the Project Manager. Work or material(s) furnished by CMAR without such prior written authorization shall be CMAR's sole jeopardy, cost, and expense, and CMAR hereby agrees that without prior written authorization no claim for compensation for such services, work or materials furnished shall be made, and PMGAA shall not be responsible for such costs.

3.8.3 No Work may be performed under this Pre-construction Services Contract, without prior written approval by PMGAA. As an example, all procurement of long lead time items that must be procured to support the construction schedule or site investigative Work necessary to complete Pre-Construction Services, if done by the CMAR, will be performed only after the long lead time items or investigative Work has been approved and accepted in writing by PMGAA and all such Work shall be done only under an executed Contract for Construction Services, or pursuant to a prior written direction from PMGAA to engage in such procurement..

3.9 SURVIVAL OF THE DESIGN SERVICES CONTRACT, DUTIES, OBLIGATIONS AND WARRANTIES

If the GMP Proposal is accepted by PMGAA and a Construction Contract is entered into between PMGAA and CMAR, the duties, obligations and warranties of CMAR under the Pre-Construction Services Contract survive and are incorporated into the resulting Construction Contract.

ARTICLE 4 – CONSTRUCTION SERVICES

If PMGAA accepts CMAR's GMP Proposal, CMAR and PMGAA will enter a Construction Services Contact for Construction of the Project based upon CMAR's Pre-Construction Services performed and GMP Proposal and detailed Project Schedule submitted pursuant to this Contract. The terms of the Construction Services Contract are being negotiated contemporaneously with this Contract and CMAR agrees to execute the Construction Services Contract, without further modification, upon acceptance by PMGAA of the GMP Proposal. All of CMAR's obligations, duties and warranties in relation to Pre-Construction Services and Deliverables (including specifically the GMP Proposal) survive the completion of this Contract and will be incorporated into the Construction Services Contract.

ARTICLE 5 – PMGAA FURNISHED INFORMATION

5.1 PMGAA, AT NO COST TO CMAR, WILL FURNISH THE FOLLOWING TO CMAR:

5.1.1 One copy of data in PMGAA's possession or control which PMGAA determines in its discretion to be pertinent to the Work. However, CMAR shall be responsible for searching the records and requesting information it deems reasonably required for the Project.

5.1.2 Electronic copies of programs, reports, drawings, and specifications reasonably required by CMAR, to the extent in the possession of PMGAA.

5.1.3 Additional information to be provided by PMGAA, if any, is listed below:

ARTICLE 6 – CONTRACT TIME

Contract Duration is 210 Calendar Days.

The Pre-Construction Services described in this Contract shall be performed by CMAR in accordance with the Pre-Construction Schedule set forth in attached Exhibit A. Failure on the part of CMAR to adhere to the Pre-Construction Schedule requirements for activities for which it is responsible and in control will be deemed a material breach and sufficient grounds for termination for cause of this Contract by PMGAA.

ARTICLE 7 – CONTRACT PRICE

7.1 In exchange for CMAR's full, timely and acceptable performance of the Services under this Contract, and subject to all of the terms of this Contract, PMGAA will pay CMAR a not to exceed price of $243,671.00 (the "Contract Price"). The method of payment for this contract is Hourly, Not-to-Exceed. The amount paid shall not exceed the amount listed in Article 7.1 for actual costs incurred, based on the negotiated hourly rates and reimbursement schedule as defined in Exhibit A, Scope of Services.

7.2 The Contract Price is all-inclusive, and PMGAA shall not pay any additional amounts, costs expense, except for only those specifically designated reimbursable costs, without markup, as set forth in Exhibit A.

ARTICLE 8 – PAYMENTS

The Contract Price shall be paid based upon the completion of tasks comprising the Pre-Construction Scope of Work as shown in Exhibit A.

ARTICLE 9 – CHANGES

9.1 PMGAA reserves the right to make such changes in the plans and specifications for the Work, as it may deem appropriate and any such change as set forth in a written Change Order shall be deemed a part of this Contract as if originally incorporated herein.

9.2 If design changes are required, PMGAA's and CMAR's responsibilities shall be in accordance with Article 3.6.8.2 of this Contract.

ARTICLE 10 – SUSPENSION AND TERMINATION

10.1 TERMINATION BY PMGAA FOR CAUSE

10.1.1 Criteria for Termination for Cause. PMGAA may terminate the Contract if CMAR:

1. more than once refuses or fails to supply enough properly skilled workers or proper materials;
2. fails to make payment to Subcontractors for materials or labor in accordance with the respective agreements between the CMAR and the Subcontractors;
3. disregards laws, ordinances, or rules, regulations or orders of a public authority having jurisdiction;
4. breaches any provision of the Contract;
5. fails to furnish PMGAA with assurances satisfactory to PMGAA evidencing the CMAR's ability to complete the work in compliance with all the requirements of the Contract;
6. fails after commencement of the work to proceed diligently and continuously with the work for more than seven (7) days, except as permitted under the Contract and/or;
7. violates any provision of the PMGAA Rules and Regulations or Minimum Standards, as amended from time to time, and as incorporated into the Contract by reference (Exhibit D).

10.1.2 Effect of Termination for Cause. When any of the above conditions exist, PMGAA, may without prejudice to any other rights or remedies of PMGAA and after giving the CMAR ten (10) days' written notice, terminate the Contract and may:

1. take possession of the Site and all materials, equipment, tools, and construction equipment machinery thereon owned by the CMAR;
2. accept assignment of subcontracts, and
3. finish the work by whatever reasonable method PMGAA may deem expedient.

10.1.3 CMAR Right to Receive Payment. When PMGAA terminates the Contract for one of the reasons stated in Article 10.1.1, the CMAR shall not be entitled to receive further payment until the work is finished.

10.1.4 Costs for Finishing Work. If the unpaid balance of the Contract Sum exceeds costs of finishing the work, including compensation for the Design Professional services and expenses made necessary thereby, such excess shall be paid to the CMAR. If such costs exceed the unpaid balance, the CMAR shall pay the difference to PMGAA.

10.2 SUSPENSION BY PMGAA FOR CONVENIENCE.

10.2.1 PMGAA's Right. PMGAA may, without cause, order the CMAR in writing to suspend, delay or interrupt the work in whole or in part for such period of time as PMGAA may determine.

10.2.2 Adjustment in Contract Sum. An adjustment shall be made for increases in the cost of performance of the Contract, including profit on the increased cost of performance, caused by suspension, delay or interruption. No adjustment shall be made to the extent:

1. that performance is, was or would have been suspended, delayed or interrupted by another cause for which the CMAR is responsible; or
2. that an equitable adjustment is made or denied under another provision of this Contract.

10.2.3 Method for Adjustment in Contract Sum. Adjustments made in the cost of performance may have a mutually agreed fixed or percentage fee.

10.3 PMGAA'S TERMINATION FOR CONVENIENCE.

10.3.1 Effect of Termination for Convenience. PMGAA reserves the right to terminate the Contract for convenience and without cause even if CMAR has not failed to perform any part of the Contract. Termination of the work hereunder shall be effected by written notice to the CMAR. Upon receipt of such notice, CMAR shall, unless the notice otherwise directs:

1. Immediately discontinue the work and the placing of all orders and subcontracts in connection with this Contract;
2. Immediately cancel all of the existing orders and subcontracts made hereunder;
3. Immediately transfer to PMGAA all materials, supplies, work in progress, appliances, facilities, machinery and tools acquired by the CMAR in connection with the performance of the Contract, and take such action as may be necessary or as PMGAA may direct for protection and preservation of the work relating to this Contract; and
4. Deliver all plans, Drawings, Specifications and other necessary information to PMGAA.

10.3.2 CMAR's Exclusive Remedy. If PMGAA terminates the Contract for convenience, the following shall be the CMAR's exclusive remedy:

1. Reimbursement of all actual expenditures and costs approved by PMGAA as having been made or incurred in performing the work;
2. Reimbursement of expenditures made and costs incurred with PMGAA's prior written approval in settling or discharging outstanding commitments entered into by the CMAR in performing the Contract; and
3. Payment of profit, in so far as profit is realized hereunder, of an amount equal to the estimated profit on the entire Contract at the time of termination multiplied by the percentage of completion of the work. In no event shall the CMAR be entitled to anticipated fees or profits on work not required to be performed.

10.3.4 Warranties, Guarantees and Indemnified Parties to Remain in Effect**.** All obligations of the CMAR under the Contract with respect to completion of the work, including but not limited to all warranties, guarantees and indemnities, shall apply to all work completed or substantially completed by the CMAR prior to a convenience termination by PMGAA. Notwithstanding the above, any convenience termination by PMGAA or payments to the

CMAR shall be without prejudice to any claims or legal remedies that PMGAA may have against the CMAR for any cause, including liquidated damages assessed for CMAR's delays to any work Milestone Dates.

10.3.5 Conversion of Termination for Cause to Termination for Convenience. Upon a determination that a termination of this Contract other than a termination for convenience under this Article was wrongful or improper for any reason, such termination shall automatically be deemed converted to a convenience termination under this Article 10, and the CMAR's remedy for such wrongful termination shall be limited to the recoveries specified under Section 10.3.2.

10.3.6 Remedy Limited to Damages. In the event that CMAR is terminated, whether for cause or convenience, the CMAR's sole remedy shall be for damages. In no event shall the CMAR be entitled to reinstatement or other equitable relief from a court or through alternative dispute resolution.

10.3.7 Notice that Contract is Subject to Termination Provisions of A.R.S. § 38-511.The parties acknowledge, and as required by law, notice is hereby given that this Contract is subject to A.R.S. § 38-511.

ARTICLE 11 – INSURANCE

11.1 CMAR shall provide insurance in accordance with this Article 11.

11.2 CMAR shall provide proof of such insurance and all required endorsements in forms Acceptable to PMGAA prior to commencing any Work or providing any Services under this Contract.

11.3 Failure to provide proof of insurance and the required endorsements acceptable to PMGAA will be a material breach and grounds for termination for cause of this Contract by PMGAA.

11.4 The CMAR and Subcontractors shall purchase from and maintain in a company or companies authorized to do business in Arizona the following insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the CMAR, his agents, representatives, employees, or subcontractors. Such insurance shall be effective for the duration of the contract and for three (3) years thereafter.

11.5 Workers' Compensation. Workers' Compensation insurance with statutory limits as required by the State of Arizona and Employer's Liability insurance with limits of no less than $1,000,000 per occurrence for bodily injury, $1,000,000 per employee for bodily injury by disease and a $1,000,000 policy limit for bodily injury by disease. Such Workers' Compensation insurance will cover obligations imposed by federal and state statutes having jurisdiction of CMAR's or Subcontractors' employees while performing work at locations other than the Site and shall cover CMAR's employees after Substantial Completion of the work and Subcontractor's employees after Subcontractor has substantially performed its Subcontract.

11.6 Commercial General Liability. Commercial General Liability insurance, with a combined single limit of $5,000,000 per occurrence and in the annual aggregate. Such insurance shall include coverage for Bodily Injury, Property Damage, Personal Injury, Broad Form Property Damage (including Completed Operations), Contractual, CMARs' Protective, Products and

Completed Operations, and the hazards commonly referred to as "XCU." This insurance shall also be required for work performed at locations other than the Site, shall cover CMAR after Substantial Completion of the work, and shall cover Subcontractor after Subcontractor has substantially performed its Subcontract. Further, this insurance shall contain a severability of interest provision.

11.7 Business Automobile Liability. Business Automobile Liability insurance, with a combined single limit no less than $1,000,000 combined single limit per accident for Bodily Injury and Property Damage with respect to all vehicles used in performance of the work on or off the Site, whether owned, non-owned, leased, hired, assigned, or borrowed. If CMAR, his agents, representative, employees, or subcontractors are operating in the Air Operations Area (airside), the combined single limit for Bodily Injury and Property Damage shall be no less than $5,000,000 per accident.

11.8 Additional Insured. The policies required by Articles 11.6, and 11.7 herein shall be endorsed to include Phoenix-Mesa Gateway Airport Authority, their Design Professional, their officer's employees, successors and assigns as additional insured, shall provide that the insurance shall be primary, and shall stipulate that any insurance carried by the additional insured and their officers or employees, shall not be contributory insurance.

11.9 Waiver. CMAR and Subcontractors waive all rights of recovery against Phoenix-Mesa Gateway Airport Authority and the Design Professional, their directors, officers, employees, successors and assigns, and shall require its insurers to waive all rights of subrogation against Phoenix-Mesa Gateway Airport Authority and the Design Professional, and all of their respective directors, officers, employees, successors and assigns.

11.10 CMAR to Provide Certificates of Insurance. Before commencing any work under this Contract, CMAR shall furnish PMGAA with Certificates of Insurance issued by CMAR's and Subcontractors' insurer(s), as necessary, in a form acceptable to PMGAA, as evidence that the insurance policies, including all applicable endorsements, providing the coverage, conditions, and limits required by this Article 11, are in full force and effect. PMGAA has the right to request and receive promptly from the CMAR certified copies of any or all of such insurance policies and/or endorsements. PMGAA will not be obligated, however, to review such certificates, policies, and endorsements, or to advise CMAR of any deficiencies in such documents, and such receipts shall not relieve CMAR from, or be deemed a waiver of, PMGAA's right to insist on strict fulfillment of CMAR's obligations hereunder.

11.11 Cancellation Notice. CMAR's and Subcontractors' Certificates of Insurance shall identify the Contract number and shall provide for not less than thirty (30) days' advance notice of any cancellation, termination, or alteration. All such certificates, endorsements, and notices shall be sent to the following:

PMGAA:	Phoenix-Mesa Gateway Airport Authority
Address:	5835 South Sossaman Road Mesa, Arizona 85212-6014
Attn:	Mr. Bob Draper, PE – Engineering and Facilities Director

11.12 Costs of Insurance. Costs of all insurance coverage required by Section 11.1 are the sole responsibility of the CMAR.

11.13 Cancellation of Insurance. In the event any insurance coverage for the work is cancelled or terminated, CMAR agrees to replace the insurance without any lapse of protection to PMGAA.

11.14 Contractual Obligations. The stipulation of insurance coverage in this Article 11 shall not be construed to limit, qualify, or waive any liabilities or obligations of CMAR, assumed or otherwise, under this Contract.

11.15 Notice of Loss. All physical loss or damage to the work or to PMGAA property must be reported immediately to PMGAA.

11.16 Higher Limits. If the CMAR maintains higher limits than the minimums stated in this Article 11, PMGAA requires, and shall be entitled to, coverage for the higher limits maintained by the contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to PMGAA.

11.17 Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to, and approved by, PMGAA. At the option of PMGAA, either: the CMAR shall reduce or eliminate such deductibles; or the CMAR shall provide a financial guarantee satisfactory to PMGAA guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

11.18 Claims Made Policy. No Claims Made policies will be accepted.

11.19 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best rating of no less than "A-" unless otherwise acceptable to PMGAA.

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

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

ARTICLE 12 – INDEMNIFICATION

12.1 To the fullest extent permitted by law, Design Professional or CMAR, its successors, assigns, and guarantors, shall indemnify and hold harmless PMGAA, and its officers and employees, from liabilities, damages, losses and costs, including reasonable attorney fees and court costs, to the extent caused by the negligence, recklessness or intentional wrongful conduct of Design Professional, CMAR, or other persons employed or used by Design Professional or CMAR in the performance of this Contract

12.2 If court of law determines that this section is void under A.R.S. § 34-226 because a word, words, or phrase in this section makes this section void under A.R.S. § 34-226, then such word, words, or phrase (as applicable) shall be deemed to be stricken to the extent necessary so that this section is not void under A.R.S. § 34-226 and the remaining obligations shall remain in full force and effect; and the language of this section shall be retroactively reformed to the extent reasonably possible in such a manner so that the reformed language provides essentially the same rights and benefits to the fullest extent permitted by A.R.S. § 34-226(B).

ARTICLE 13 – DISPUTE RESOLUTION

13.1 All disputes arising out of or relating to the Contract, the Work or the Project shall be resolved pursuant to the Dispute Resolution process set forth in MAG Specifications § 110.

13.2 CMAR agrees that during any dispute between the parties, CMAR will continue to perform its obligations under the Contract until such dispute is resolved.

13.3 Notwithstanding any other provision in this Contract, PMGAA has the right to immediately file in court and pursue an action for a temporary restraining order and/or injunctive relief against CMAR if PMGAA determines that such action is necessary to protect its interests under the Contract, to obtain specific performance of any provision of the Contract, to advance the completion of the Project, or to protect health, welfare and/or safety, including without limitation, an action of an order directing CMAR to continue or return to construction the Work under the Contract.

13.4 PMGAA and CMAR may adjudicate any dispute between them arising out of or relating to this Contract through alternative dispute resolution if they mutually agree. PMGAA and CMAR shall include a similar alternative dispute resolution provision in all agreements with all other contractors, subcontractors, suppliers, and consultants retained for the Project, and they shall require these contractors, subcontractors, and suppliers to include similar alternative dispute resolution provisions in all contracts relating to the Project.

ARTICLE 14 – ALLOWANCES

14.1 UNLESS OTHERWISE PROVIDED IN THE CONTRACT DOCUMENTS:

14.1.1 The CMAR shall include in the Contract Price all Allowances stated in the Contract Documents and agreed to in writing by PMGAA.

14.1.2 Whenever the costs is more or less than the Allowance, the Contract Sum shall be adjusted accordingly by Change Order.

Executed as of the Effective Date.

CMAR
KEAR Civil Corporation, an Arizona Corporation

By: _____

Name: Mike Fossett

Title: President

Date: May 27, 2022

OWNER
PHOENIX 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: _____

EXHIBIT A – PRE-CONSTRUCTION SERVICES SCOPE OF WORK AND SCHEDULE

All terms and conditions are set forth in the Contract. Any terms and conditions and/or exceptions noted in the CMAR's/Design Professional's proposal, GMP, or other documents do not apply unless agreed to in this Contract or an approved addendum.

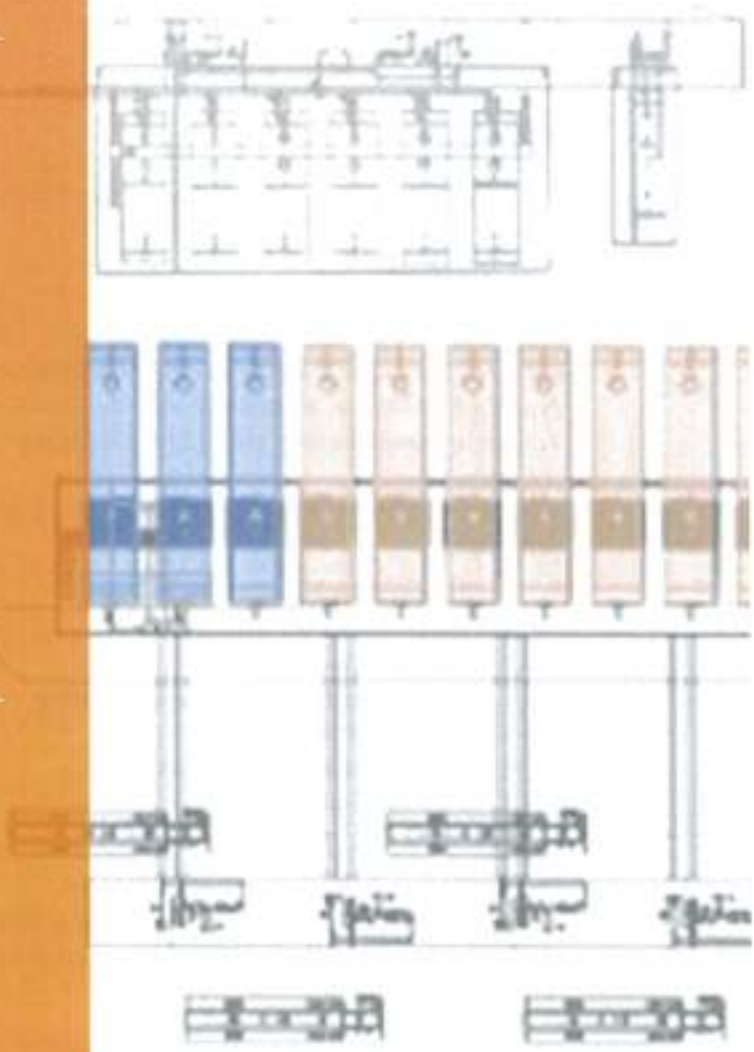
Phoenix-Mesa Gateway Airport

Phoenix-Mesa Gateway Airport
Jet A Fuel Farm Expansion

Construction Manager at Risk (CMAR) Pre-Construction Services Proposal

Project No: 1224

May 24, 2022



KEAR CIVIL CORP

Prepared & Submitted By:

KEAR Civil Corporation
22555 N. 20th Ave
Phoenix, AZ 85027

www.kearcorp.com

AZROC: A-231544

May 24, 2022

Phoenix Mesa Gateway Airport Authority
Att: Mike Hanas
5835 South Sossaman Road
Mesa, Arizona 85212-6014

Re: CMAR Pre-Construction Phase Services Fee Proposal- Fuel Farm Jet A Tank Expansion

Dear Mr. Hanas,

KEAR Civil Corporation ("KEAR") appreciates the opportunity to provide this Preconstruction Phase Services proposal to the Phoenix-Mesa Gateway Airport Authority ("PMGAA") for the Fuel Farm Jet A Tank Expansion CMAR. In accordance with the CMAR Preconstruction Services Contract- Article 7, Paragraph 7.1- we are providing this proposal at the Hourly Not-to-Exceed price of $243,671.

Attached to this cover letter are the following documents which make up our preconstruction services proposal:

1. **Scope of Services**
2. **Assumptions & Clarifications**
3. **Proposal Cost Summary**
4. **Preconstruction Phase Task Summary**
5. **CMAR Staff Rates**
6. **Preconstruction Services Schedule**
7. **Certificate of Insurance**

We believe that the project team assembled, combined with thoughtful planning and execution, will provide an excellent product for the PMGAA. We look forward to working with you and the entire project team on this project. Should you have any questions or require any additional information please reach out to me directly at (623) 742-2310 or via email at mike.fossett@kearcorp.com.

Thank you,
KEAR Civil Corporation

Mike Fossett
CMAR Project Executive

22555 N 20TH AVENUE
PHOENIX, ARIZONA 85207

PHONE (623) 580-1100
FAX (623) 580-1101

WWW.KEARCORP.COM

1.0 SCOPE OF SERVICES

The following Scope of Services has been prepared in accordance with Article 3 of the Pre-Construction services contract. Scoping items are listed in order of occurrence in the provided agreement.

Project Team Meetings, Design Meetings & Public Meetings (General Requirements)

- KEAR will participate in bi-weekly progress meetings for the duration of the preconstruction services contract phase. The purpose of these meetings is to discuss design reviews, schedule, phasing, design changes or options, budgeting updates and issues that may arise during the design phase.
- KEAR anticipates separate focus meetings will be required for electrical & controls, civil and fuel system scopes. We have outlined our meeting requirements in our budget detail, and we have included the participation in these meetings at each design phase as required.
- KEAR has included the attendance at coordination meetings with regulatory agencies and utility providers. We have also included these for each phase.
- KEAR has included attendance at each board meeting for the two early procurement GMP's as well as the final construction GMP.
- For each cost model submitted KEAR has included a detailed review meeting with PMGAA and Kimley-Horn to review the design review report and comment log.
- KEAR will hold onsite field investigation & coordination meetings to with PMGAA and Kimley-Horn to review the design, existing conditions & equipment, and to discuss project phasing and sequencing.

Schedule Development (3.2)

- KEAR will develop the construction baseline schedule and phasing plan and continually update each throughout all design phases – 60, 95 & 100%.
- Coinciding with schedule development KEAR will provide alternative ways to mitigate time impacts and to complete the work as efficiently as possible.
- Long Lead Items and any required alternate GMP's for early procurement will be identified and highlighted as required in 3.2.5.
- An equipment plan will be provided outlining proposed equipment to be utilized for the project.

Design Document Reviews (3.3)

- KEAR will review and comment on the 60, 95 and 100% design packages. KEAR will evaluate constructability, bidability and cost saving tactics and provide comments to the design team and PMGAA.
- KEAR will evaluate and provide alternative system options if applicable.
- KEAR will provide recommendations for any additional subsurface exploration or investigation.
- KEAR will provide a complete detailed report for each design document review which will include all detailed information including Drawing/Document List, Review Log with Comments, alternate system evaluation and proposed measures to reduce cost, schedule, phasing plan, and long lead procurement study.

Cost Modeling & Schedule of Values (3.4)

- KEAR will provide a baseline cost model for the project using the latest provided document set.
- KEAR will provide detailed cost budget estimates at each of the 60, 95 and 100% design package milestones. Each estimate will be utilized in the review process as well to try and determine any cost saving measures that might be needed. Once design review is complete and the 100% design plans are issued KEAR will then develop the GMP cost model.
- KEAR will provide detailed cost estimates along with ways to mitigate cost impacts to the project.
- KEAR will provide a brief cashflow analysis with each cost model.
- KEAR will develop a schedule of values to be submitted to PMGAA for review and approval. The SOV will be updated at each design phase and carried forward through to the final GMP.

Subcontractor Selection & GMP Development (3.5 & 3.6)

- KEAR will select our subcontractors and major suppliers for the project in accordance with our submitted subcontractor selection plan.
- We will identify any early subcontractor or supplier selections that may benefit the project in terms of schedule and budget requirements.
- KEAR will utilize our software Building Connected to prequalify all subcontractors to ensure compliance with our subcontractor selection plan.
- With PMGAA's approval KEAR will create a project specific website for project updates, bid soliciting and employment opportunities for disadvantaged businesses.
- KEAR will hold a pre-bid conference on-site for the final GMP bid process.
- KEAR will prepare a complete RFP package for bidders to utilize in the bidding process. The package will be advertised and solicited through our procurement software as well as owner approved publications and online bid portals. Bids will be received and evaluated and summarized for each bid package.
- KEAR will prepare the GMP proposal package to include all required cost estimate for each portion of the work, GMP Cost Summary, bid package summaries/comparisons with recommendations, bid backup, detailed project schedule, equipment plan, schedule of values, and GMP clarifications and assumptions.

2.0 ASSUMPTIONS AND CLARIFICATIONS

The following assumptions and clarifications have been made in preparation of this proposal:

1. A geotechnical report is being provided by others and is not included.
2. Surveying and site mapping / utility locating has been completed by others and excluded.
3. Public Relations Outreach or Consulting is not required and is excluded.
4. Permitting Coordination, Preparation and Fees are Excluded from this proposal per PMGAA direction and will be included in the applicable GMP.

3.0 PRECONSTRUCTION SERVICES COST PROPOSAL SUMMARY

ITEM	DESCRIPTION	QTY	UNIT	UNIT COST	SUBTOTAL
	PRECONSTRUCTION SERVICES				
1	Preconstruction Services- Task Summary	1	LS	$ 238,671	$ 238,671
	ALLOWANCES				
A1	Potholing / Utility Exploration	1	LS	$ 5,000	$ 5,000
	PRECONSTRUCTION SERVICVES TOTAL:				$ 243,671

Allowance Detail:

ALLOWANCE NO.	DESCRIPTION	AMOUNT
A2	**Potholing/Utility Exploration:** This allowance was established to cover any possible utility exploration costs that may be necessary throughout the design phase. It is understood that the design team has already done utility mapping of the project property however should additional work be required this allowance can fund those activities.	$5,000

4.0 PRECONSTRUCTION SERVICES TASK SUMMARY

The attached task summary detail itemizes each preconstruction services task item included in item 1 in the cost proposal summary above.

KEAR Civil Corporation
22555 N. 20th Ave. - Phoenix, AZ 85027
ARROC A-231544 & 131545

CMAR Preconstruction Phase Cost Summary

To: Phoenix Mesa Gateway Airport Authority (PMGAA)
Project: Fuel Farm Expansion Construction Manager @ Risk
Date: 5/24/2022
Rev #: 1

TASK	ITEM DESCRIPTION	Project Executive	Sr Project Manager	QC Manager	Safety Director	Super-intendent	Chief Estimator	Estimator	PE / Scheduler	Direct Hrs.	Direct Labor Total	Consultants & Misc	TOTAL
	Hourly Rate:	$ 155.97	$ 122.99	$ 110.22	$ 105.96	$ 110.22	$ 122.99	$ 90.00	$ 88.83				
		Hrs.	Hrs.	Hrs.	Hrs.	Hrs.	Hrs.	Hrs.	Hrs.				
1.0	Project Team Meetings, Design Meetings & Public Meetings (General Requirements)												
	Bi-Weekly Progress Meetings- Preconstruction Phase- 6 months	12.0	48.0	12.0	8.0	4.0	48.0	12.0	0.0	144.0	$ 17,369.88	$ -	$ 17,369.88
	60% Design Documents Coordination Meeting w Kimley-Horn & PMGAA	0.0	16.0	4.0	0.0	2.0	16.0	0.0	0.0	38.0	$ 4,597.00	$ -	$ 4,597.00
	60% Design Coordination w/ PMGAA and Kimley-Horn- Electrical & Controls	0.0	12.0	12.0	0.0	4.0	4.0	0.0	0.0	32.0	$ 3,731.36	$ -	$ 3,731.36
	60% Design Coordination w/ PMGAA and Kimley-Horn- Civil Scopes	0.0	12.0	12.0	0.0	4.0	4.0	0.0	0.0	32.0	$ 3,731.36	$ -	$ 3,731.36
	60% Design Coordination w/ PMGAA and Kimley-Horn- Fuel System Scopes	0.0	16.0	16.0	0.0	4.0	4.0	0.0	0.0	40.0	$ 4,664.20	$ -	$ 4,664.20
	60% Design Comment and Resolution and cost model review with PMGAA and Kimley-Horn	0.0	4.0	0.0	4.0	2.0	4.0	4.0	4.0	22.0	$ 2,335.44	$ -	$ 2,335.44
	Regulatory Meetings & Coordination for 60%	1.0	5.0	2.0	0.0	1.0	1.0	0.0	0.0	10.0	$ 1,224.57	$ -	$ 1,224.57
	95% Design Documents Coordination Meeting w Kimley-Horn & PMGAA	0.0	8.0	4.0	0.0	2.0	8.0	0.0	0.0	22.0	$ 2,629.16	$ -	$ 2,629.16
	95% Design Coordination w/ PMGAA and Kimley-Horn- Electrical & Controls	0.0	12.0	6.0	0.0	4.0	6.0	0.0	0.0	28.0	$ 3,316.02	$ -	$ 3,316.02
	95% Design Coordination w/ PMGAA and Kimley-Horn- Civil Scopes	0.0	12.0	6.0	0.0	4.0	6.0	0.0	0.0	28.0	$ 3,316.02	$ -	$ 3,316.02
	95% Design Coordination w/ PMGAA and Kimley-Horn- Fuel System Scopes	0.0	16.0	8.0	0.0	4.0	8.0	0.0	0.0	36.0	$ 4,274.40	$ -	$ 4,274.40
	95% Design Comment and Resolution and cost model review with PMGAA and Kimley-Horn	0.0	4.0	4.0	0.0	2.0	4.0	4.0	4.0	22.0	$ 2,352.48	$ -	$ 2,352.48
	Regulatory Meetings & Coordination for 95%	1.0	5.0	2.0	0.0	1.0	5.0	0.0	0.0	14.0	$ 1,716.53	$ -	$ 1,716.53
	100% Design Documents Coordination Meeting w Kimley-Horn & PMGAA	0.0	8.0	4.0	0.0	2.0	8.0	8.0	0.0	30.0	$ 3,349.16	$ -	$ 3,349.16
	100% Design Coordination w/ PMGAA and Kimley-Horn- All Scopes	0.0	6.0	4.0	1.0	2.0	4.0	0.0	0.0	16.0	$ 1,857.16	$ -	$ 1,857.16
	100% Design Comment and Resolution and cost model review with PMGAA and Kimley-Horn	0.0	4.0	4.0	0.0	2.0	4.0	4.0	0.0	18.0	$ 2,005.24	$ -	$ 2,005.24
2.0	Schedule Development (5.2)												
	Baseline Schedule	2.0	24.0	2.0	0.0	8.0	2.0	0.0	20.0	58.0	$ 6,348.88	$ -	$ 6,348.88
	60, 95 & 100% Schedule Updates	2.0	12.0	2.0	0.0	6.0	2.0	0.0	12.0	37.0	$ 4,113.25	$ -	$ 4,113.25
	Final CMAR Project Master Schedule	1.0	8.0	3.0	3.0	3.0	0.0	0.0	4.0	22.0	$ 2,466.33	$ -	$ 2,466.33
3.0	Design Document Reviews (3.8)												
	60, 95 & 100% Design Review	30.0	72.0	40.0	2.0	48.0	72.0	8.0	8.0	280.0	$ 28,299.78	$ -	$ 28,299.78
	Final Design Review	1.0	4.0	4.0	4.0	4.0	4.0	0.0	0.0	21.0	$ 2,445.49	$ -	$ 2,445.49
	Establish Procore Project Setup & Doc Entry- All Phases	0.0	16.0	2.0	0.0	0.0	2.0	0.0	2.0	22.0	$ 2,607.88	$ -	$ 2,607.88
4.0	Cost Modeling & Schedule of Values (3.4)												
	Establish General Conditions Costs & Negotiate	2.0	16.0	0.0	0.0	0.0	2.0	6.0	6.0	32.0	$ 2,535.76	$ -	$ 2,535.76
	60% Cost Model, Program Evaluation Report & SOV	3.0	80.0	24.0	1.0	2.0	80.0	0.0	10.0	200.0	$ 23,988.09	$ -	$ 23,988.09
	95% Cost Model, Program Evaluation Report & SOV	3.0	60.0	24.0	1.0	2.0	60.0	0.0	10.0	160.0	$ 19,066.49	$ -	$ 19,066.49
	100% Cost Model, Program Evaluation Report & SOV	3.0	40.0	24.0	1.0	2.0	40.0	0.0	10.0	120.0	$ 14,146.89	$ -	$ 14,146.89
5.0	Subcontractor & Supplier Procurement (3.5)												
	Sub & Supplier Scoping & Report- 60%	1.0	40.0	2.0	2.0	2.0	40.0	30.0	2.0	109.0	$ 12,621.59	$ -	$ 12,621.59
	Sub & Supplier Scoping & Report- 95%	1.0	24.0	2.0	2.0	2.0	24.0	30.0	2.0	77.0	$ 8,685.91	$ -	$ 8,685.91
	Sub & Supplier Scoping & Report- 100%	1.0	15.0	2.0	2.0	2.0	15.0	20.0	2.0	59.0	$ 6,472.09	$ -	$ 6,472.09
	Bid Solicitation & Job Walk- 100%	0.0	16.0	8.0	0.0	8.0	16.0	16.0	0.0	64.0	$ 7,139.20	$ -	$ 7,139.20
	Bid Analysis & Recommendation- 100%	1.0	30.0	2.0	3.0	2.0	30.0	30.0	2.0	70.0	$ 7,857.96	$ -	$ 7,857.96
	Final Sub Prequalification & Report	1.0	30.0	2.0	2.0	2.0	30.0	30.0	2.0	49.0	$ 5,572.09	$ -	$ 5,572.09
6.0	GMP Development (5.8)												
	GMP Development Docs- Early Procurement 1	8.0	16.0	0.0	0.0	0.0	10.0	10.0	2.0	46.0	$ 5,519.12	$ -	$ 5,519.12
	GMP Development Docs- Early Procurement 2	8.0	25.0	0.0	0.0	0.0	10.0	10.0	2.0	55.0	$ 6,626.03	$ -	$ 6,626.03
	GMP Development Docs- Construction	8.0	40.0	0.0	0.0	0.0	20.0	10.0	2.0	80.0	$ 9,700.78	$ -	$ 9,700.78
												TOTAL:	$ 258,670.79

5.0 STAFF RATES

The following is the breakdown of each rate provided in Section 4.0:

Project Executive		
DESCRIPTION	$/HR	
Base Rate	$	96.00
Burden	$	35.00
Computer	$	1.30
Software	$	2.16
Cell Phone	$	1.05
Truck/Fuel/Maint	$	11.08
Subtotal	$	146.59
Fee @ 5%	$	7.33
Insurance @ 1.4%	$	2.05
Total Cost/Hr:	$	155.97

Sr Project Manager		
DESCRIPTION	$/HR	
Base Rate	$	72.00
Burden	$	28.00
Computer	$	1.30
Software	$	2.16
Cell Phone	$	1.05
Truck/Fuel/Maint	$	11.08
Subtotal	$	115.59
Fee @ 5%	$	5.78
Insurance @ 1.4%	$	1.62
Total Cost/Hr:	$	122.99

Chief Estimator		
DESCRIPTION	$/HR	
Base Rate	$	72.00
Burden	$	28.00
Computer	$	1.30
Software	$	2.16
Cell Phone	$	1.05
Truck/Fuel/Maint	$	11.08
Subtotal	$	115.59
Fee @ 5%	$	5.78
Insurance @ 1.4%	$	1.62
Total Cost/Hr:	$	122.99

Quality Control Manager		
DESCRIPTION	$/HR	
Base Rate	$	63.00
Burden	$	25.00
Computer	$	1.30
Software	$	2.16
Cell Phone	$	1.05
Truck/Fuel/Maint	$	11.08
Subtotal	$	103.59
Fee @ 5%	$	5.18
Insurance @ 1.4%	$	1.45
Total Cost/Hr:	$	110.22

Safety Driector		
DESCRIPTION	$/HR	
Base Rate	$	60.00
Burden	$	24.00
Computer	$	1.30
Software	$	2.16
Cell Phone	$	1.05
Truck/Fuel/Maint	$	11.08
Subtotal	$	99.59
Fee @ 5%	$	4.98
Insurance @ 1.4%	$	1.39
Total Cost/Hr:	$	105.96

Estimator		
DESCRIPTION	$/HR	
Base Rate	$	48.00
Burden	$	21.00
Computer	$	1.30
Software	$	2.16
Cell Phone	$	1.05
Truck/Fuel/Maint	$	11.08
Subtotal	$	84.59
Fee @ 5%	$	4.23
Insurance @ 1.4%	$	1.18
Total Cost/Hr:	$	90.00

Superintendent		
DESCRIPTION	$/HR	
Base Rate	$	63.00
Burden	$	25.00
Computer	$	1.30
Software	$	2.16
Cell Phone	$	1.05
Truck/Fuel/Maint	$	11.08
Subtotal	$	103.59
Fee @ 5%	$	5.18
Insurance @ 1.4%	$	1.45
Total Cost/Hr:	$	110.22

Project Engineer		
DESCRIPTION	$/HR	
Base Rate	$	46.00
Burden	$	20.00
Computer	$	1.30
Software	$	2.16
Cell Phone	$	1.05
Truck/Fuel/Maint	$	11.08
Subtotal	$	81.59
Fee @ 5%	$	4.08
Insurance @ 1.4%	$	1.14
Total Cost/Hr:	$	86.81

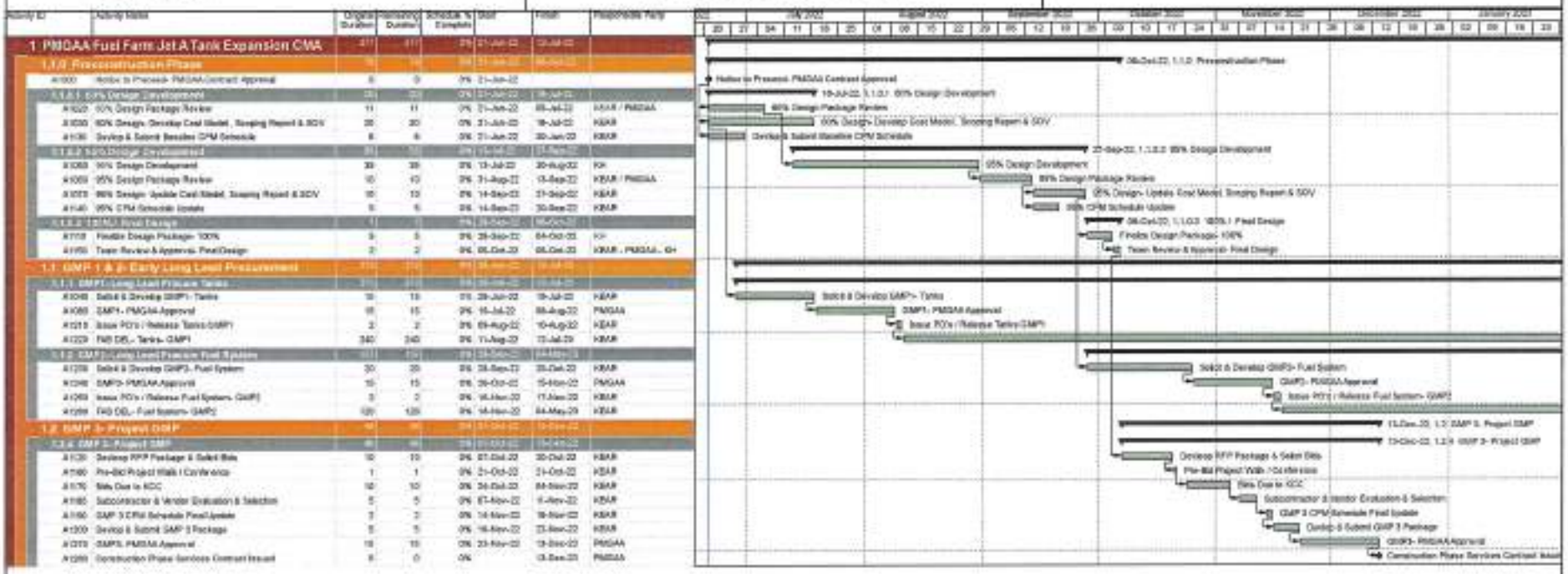
6.0 PRECONSTRUCTION SERVICES SCHEDULE

Attached is KEAR'S proposed preconstruction services schedule. This schedule has been created with input from the kickoff meeting held on 5/18/22 as well as the design schedule provided at that meeting.

Phoenix-Mesa Gateway Airport

Phoenix Mesa Gateway Airport Fuel Farm
7630 E. Velocity Way, Mesa, AZ 85212

24-May-22



Actual Work | Critical Remaining Work | Remaining Work | Milestone

PMGA Fuel Farm Jet-A Tank Expansion CMAR (Project 1224)
Pre-Construction Services Schedule

KEAR

7.0 CERTIFICATE OF INSURANCE

Attached is a certificate of insurance for KEAR which complies with the requirements of Article 11 of the Contract.

Client#: 935788 KEARCIVI

ACORD # CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 5/19/2022

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer any rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
USI Insurance Services LLC
2375 E. Camelback Rd, Suite 250
Phoenix, AZ 85016

CONTACT NAME: Robin Alef
PHONE (A/C, No, Ext): FAX (A/C, No):
E-MAIL ADDRESS: robin.alef@usi.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Travelers Indemnity Company	25658
INSURER B : Travelers Property Cas. Co. of America	25674
INSURER C : CopperPoint American Insurance Company	13751
INSURER D : Argonaut Insurance Company	19801
INSURER E : Charter Oak Fire Insurance Company	25615
INSURER F : Underwriters at Lloyd's London	L0032

INSURED
KEAR Civil Corporation
22555 N. 20th Ave.
Phoenix, AZ 85027

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY	X	X	DT22CO5G245777IND2	01/01/2022	01/01/2023	EACH OCCURRENCE	$1,000,000
	CLAIMS-MADE X OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$300,000
	X PD Ded:5,000						MED EXP (Any one person)	$10,000
							PERSONAL & ADV INJURY	$1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$2,000,000
	POLICY X PRO-JECT LOC						PRODUCTS - COMP/OP AGG	$2,000,000
	OTHER:							$
B	AUTOMOBILE LIABILITY	X	X	8103L0724422226G	01/01/2022	01/01/2023	COMBINED SINGLE LIMIT (Ea accident)	$1,000,000
	X ANY AUTO						BODILY INJURY (Per person)	$
	OWNED AUTOS ONLY / SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	X HIRED AUTOS ONLY / X NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
B	X UMBRELLA LIAB / X OCCUR			CUP4K9425102226	01/01/2022	01/01/2023	EACH OCCURRENCE	$10,000,000
	EXCESS LIAB / CLAIMS-MADE						AGGREGATE	$10,000,000
	DED X RETENTION $10,000							$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY		X	1018579	01/01/2022	01/01/2023	X PER STATUTE / OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y/N N	N / A					E.L. EACH ACCIDENT	$1,000,000
D	If yes, describe under DESCRIPTION OF OPERATIONS below		X	WC928828483254 (TN,CT,FL,KS)			E.L. DISEASE - EA EMPLOYEE	$1,000,000
							E.L. DISEASE - POLICY LIMIT	$1,000,000
E	Installation Fltr			6608F327928COF22	01/01/2022	01/01/2023	$1,000,000/$1,000 Ded	
F	Professional			PKEAR000222	01/01/2022	01/01/2023	$2,000,000 Ea Claim/Agg	
	Liability			Claims Made	Retro Date	01/26/2016	$25,000 Deductible	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Insurer G: Pacific Compensation Insurance Co., NAIC #11555; Workers Compensation: Policy #WA00536503 (CA); Effective Date: 01/01/2022-01/01/2023; Limits: $1,000,000 Each Accident; $1,000,000 Each Empl; $1,000,000 Pol Limit.

Insurer H: Lexington Insurance Company, NAIC #19437; Excess Liability, Policy #080877895, Effective Date: 01/01/2022-01/01/2023; Limits: $4,000,000 Each Occurrence/$4,000,000 Aggregate

(See Attached Descriptions)

CERTIFICATE HOLDER

Phoenix-Mesa Gateway Airport Authority
5835 South Sossaman Road
Mesa, AZ 85212

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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DESCRIPTIONS (Continued from Page 1)

Insurer I: Policy #6608F327928COF22, Effective Date: 01/01/2022-01/01/2023; Valuable Papers Coverage $150,000 Limit, $2,500 Deductible
Insurer J: Westchester Surplus Lines Insurance Co., NAIC #10172; Pollution Liability: Policy #G27097716009; Effective Date: 01/01/2022-01/01/2023; Limits: $5,000,000 Each Pollution Condition; $5,000,000, Aggregate; $10,000 Deductible.

Project: Fuel Farm Jet A Tank Expansion, PMGAA Fuel Farm, 7630 E. Velocity Way, Mesa, AZ 85212

Additional Insureds include: Phoenix-Mesa Gateway Airport Authority and the Design Professional, their officers, employees, successors and assignees.The General Liability and Automobile Liability policies include an automatic Additional Insured endorsement that provides Additional Insured status to the Certificate Holder only when there is a written contract that requires such status, and only with regard to work performed on behalf of the named insured. The General Liability policy contains a special endorsement with "Primary and Noncontributory" wording, when required by written contract. The General Liability, Automobile Liability, and Workers Compensation policies provide a Waiver of Subrogation when required by written contract. General Liability policy includes Severability of Interest Provision.
The General Liability, Automobile and Umbrella policies include an endorsement proving that 30 days notice of cancellation will be given to the Certificate Holder by the Insurance Carrier.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BLANKET ADDITIONAL INSURED
(Includes Products-Completed Operations If Required By Contract)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

PROVISIONS

The following is added to **SECTION II – WHO IS AN INSURED**:

Any person or organization that you agree in a written contract or agreement to include as an additional insured on this Coverage Part is an insured, but only:

a. With respect to liability for "bodily injury" or "property damage" that occurs, or for "personal injury" caused by an offense that is committed, subsequent to the signing of that contract or agreement and while that part of the contract or agreement is in effect; and

b. If, and only to the extent that, such injury or damage is caused by acts or omissions of you or your subcontractor in the performance of "your work" to which the written contract or agreement applies. Such person or organization does not qualify as an additional insured with respect to the independent acts or omissions of such person or organization.

The insurance provided to such additional insured is subject to the following provisions:

a. If the Limits of Insurance of this Coverage Part shown in the Declarations exceed the minimum limits required by the written contract or agreement, the insurance provided to the additional insured will be limited to such minimum required limits. For the purposes of determining whether this limitation applies, the minimum limits required by the written contract or agreement will be considered to include the minimum limits of any Umbrella or Excess liability coverage required for the additional insured by that written contract or agreement. This provision will not increase the limits of insurance described in Section **III** – Limits Of Insurance.

b. The insurance provided to such additional insured does not apply to:

(1) Any "bodily injury", "property damage" or "personal injury" arising out of the providing, or failure to provide, any professional architectural, engineering or surveying services, including:

(a) The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders or change orders, or the preparing, approving, or failing to prepare or approve, drawings and specifications; and

(b) Supervisory, inspection, architectural or engineering activities.

(2) Any "bodily injury" or "property damage" caused by "your work" and included in the "products-completed operations hazard" unless the written contract or agreement specifically requires you to provide such coverage for that additional insured during the policy period.

c. The additional insured must comply with the following duties:

(1) Give us written notice as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, such notice should include:

(a) How, when and where the "occurrence" or offense took place;

(b) The names and addresses of any injured persons and witnesses; and

(c) The nature and location of any injury or damage arising out of the "occurrence" or offense.

(2) If a claim is made or "suit" is brought against the additional insured:

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(a) Immediately record the specifics of the claim or "suit" and the date received; and

(b) Notify us as soon as practicable and see to it that we receive written notice of the claim or "suit" as soon as practicable.

(3) Immediately send us copies of all legal papers received in connection with the claim or "suit", cooperate with us in the investigation or settlement of the claim or defense against the "suit", and otherwise comply with all policy conditions.

(4) Tender the defense and indemnity of any claim or "suit" to any provider of other insurance which would cover such additional insured for a loss we cover. However, this condition does not affect whether the insurance provided to such additional insured is primary to other insurance available to such additional insured which covers that person or organization as a named insured as described in Paragraph **4.**, Other Insurance, of Section **IV** – Commercial General Liability Conditions.

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c. **Method Of Sharing**

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

d. **Primary And Non-Contributory Insurance If Required By Written Contract**

If you specifically agree in a written contract or agreement that the insurance afforded to an insured under this Coverage Part must apply on a primary basis, or a primary and non-contributory basis, this insurance is primary to other insurance that is available to such insured which covers such insured as a named insured, and we will not share with that other insurance, provided that:

(1) The "bodily injury" or "property damage" for which coverage is sought occurs; and

(2) The "personal and advertising injury" for which coverage is sought is caused by an offense that is committed;

subsequent to the signing of that contract or agreement by you.

5. **Premium Audit**

a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.

b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.

c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

6. **Representations**

By accepting this policy, you agree:

a. The statements in the Declarations are accurate and complete;

b. Those statements are based upon representations you made to us; and

c. We have issued this policy in reliance upon your representations.

The unintentional omission of, or unintentional error in, any information provided by you which we relied upon in issuing this policy will not prejudice your rights under this insurance. However, this provision does not affect our right to collect additional premium or to exercise our rights of cancellation or nonrenewal in accordance with applicable insurance laws or regulations.

7. **Separation Of Insureds**

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

a. As if each Named Insured were the only Named Insured; and

b. Separately to each insured against whom claim is made or "suit" is brought.

8. **Transfer Of Rights Of Recovery Against Others To Us**

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

9. **When We Do Not Renew**

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

SECTION V – DEFINITIONS

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:

a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and

b. Regarding websites, only that part of a website that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

XTEND ENDORSEMENT FOR CONTRACTORS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

GENERAL DESCRIPTION OF COVERAGE – This endorsement broadens coverage. However, coverage for any injury, damage or medical expenses described in any of the provisions of this endorsement may be excluded or limited by another endorsement to this Coverage Part, and these coverage broadening provisions do not apply to the extent that coverage is excluded or limited by such an endorsement. The following listing is a general coverage description only. Read all the provisions of this endorsement and the rest of your policy carefully to determine rights, duties, and what is and is not covered.

A. Who Is An Insured – Unnamed Subsidiaries

B. Blanket Additional Insured – Governmental Entities – Permits Or Authorizations Relating To Operations

C. Incidental Medical Malpractice

D. Blanket Waiver Of Subrogation

E. Contractual Liability – Railroads

F. Damage To Premises Rented To You

PROVISIONS

A. WHO IS AN INSURED – UNNAMED SUBSIDIARIES

The following is added to **SECTION II – WHO IS AN INSURED**:

Any of your subsidiaries, other than a partnership, joint venture or limited liability company, that is not shown as a Named Insured in the Declarations is a Named Insured if:

a. You are the sole owner of, or maintain an ownership interest of more than 50% in, such subsidiary on the first day of the policy period; and

b. Such subsidiary is not an insured under similar other insurance.

No such subsidiary is an insured for "bodily injury" or "property damage" that occurred, or "personal and advertising injury" caused by an offense committed:

a. Before you maintained an ownership interest of more than 50% in such subsidiary; or

b. After the date, if any, during the policy period that you no longer maintain an ownership interest of more than 50% in such subsidiary.

For purposes of Paragraph **1.** of Section **II** – Who Is An Insured, each such subsidiary will be deemed to be designated in the Declarations as:

a. An organization other than a partnership, joint venture or limited liability company; or

b. A trust;

as indicated in its name or the documents that govern its structure.

B. BLANKET ADDITIONAL INSURED – GOVERNMENTAL ENTITIES – PERMITS OR AUTHORIZATIONS RELATING TO OPERATIONS

The following is added to **SECTION II – WHO IS AN INSURED**:

Any governmental entity that has issued a permit or authorization with respect to operations performed by you or on your behalf and that you are required by any ordinance, law, building code or written contract or agreement to include as an additional insured on this Coverage Part is an insured, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" arising out of such operations.

The insurance provided to such governmental entity does not apply to:

a. Any "bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the governmental entity; or

b. Any "bodily injury" or "property damage" included in the "products-completed operations hazard".

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C. INCIDENTAL MEDICAL MALPRACTICE

1. The following replaces Paragraph **b.** of the definition of "occurrence" in the **DEFINITIONS** Section:

   b. An act or omission committed in providing or failing to provide "incidental medical services", first aid or "Good Samaritan services" to a person, unless you are in the business or occupation of providing professional health care services.

2. The following replaces the last paragraph of Paragraph **2.a.(1)** of **SECTION II – WHO IS AN INSURED**:

   Unless you are in the business or occupation of providing professional health care services, Paragraphs **(1)(a)**, **(b)**, **(c)** and **(d)** above do not apply to "bodily injury" arising out of providing or failing to provide:

   (a) "Incidental medical services" by any of your "employees" who is a nurse, nurse assistant, emergency medical technician or paramedic; or

   (b) First aid or "Good Samaritan services" by any of your "employees" or "volunteer workers", other than an employed or volunteer doctor. Any such "employees" or "volunteer workers" providing or failing to provide first aid or "Good Samaritan services" during their work hours for you will be deemed to be acting within the scope of their employment by you or performing duties related to the conduct of your business.

3. The following replaces the last sentence of Paragraph **5.** of **SECTION III – LIMITS OF INSURANCE**:

   For the purposes of determining the applicable Each Occurrence Limit, all related acts or omissions committed in providing or failing to provide "incidental medical services", first aid or "Good Samaritan services" to any one person will be deemed to be one "occurrence".

4. The following exclusion is added to Paragraph **2.**, **Exclusions**, of **SECTION I – COVERAGES – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**:

   Sale Of Pharmaceuticals

   "Bodily injury" or "property damage" arising out of the violation of a penal statute or ordinance relating to the sale of pharmaceuticals committed by, or with the knowledge or consent of, the insured.

5. The following is added to the **DEFINITIONS** Section:

   "Incidental medical services" means:

   a. Medical, surgical, dental, laboratory, x-ray or nursing service or treatment, advice or instruction, or the related furnishing of food or beverages; or

   b. The furnishing or dispensing of drugs or medical, dental, or surgical supplies or appliances.

6. The following is added to Paragraph **4.b.**, **Excess Insurance**, of **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**:

   This insurance is excess over any valid and collectible other insurance, whether primary, excess, contingent or on any other basis, that is available to any of your "employees" for "bodily injury" that arises out of providing or failing to provide "incidental medical services" to any person to the extent not subject to Paragraph **2.a.(1)** of Section **II** – Who Is An Insured.

D. BLANKET WAIVER OF SUBROGATION

The following is added to Paragraph **8.**, **Transfer Of Rights Of Recovery Against Others To Us**, of **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**:

If the insured has agreed in a contract or agreement to waive that insured's right of recovery against any person or organization, we waive our right of recovery against such person or organization, but only for payments we make because of:

a. "Bodily injury" or "property damage" that occurs; or

b. "Personal and advertising injury" caused by an offense that is committed;

subsequent to the execution of the contract or agreement.

E. CONTRACTUAL LIABILITY – RAILROADS

1. The following replaces Paragraph **c.** of the definition of "insured contract" in the **DEFINITIONS** Section:

   c. Any easement or license agreement;

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2. Paragraph **f.(1)** of the definition of "insured contract" in the **DEFINITIONS** Section is deleted.

F. DAMAGE TO PREMISES RENTED TO YOU

The following replaces the definition of "premises damage" in the **DEFINITIONS** Section:

"Premises damage" means "property damage" to:

a. Any premises while rented to you or temporarily occupied by you with permission of the owner; or

b. The contents of any premises while such premises is rented to you, if you rent such premises for a period of seven or fewer consecutive days.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESS AUTO EXTENSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

GENERAL DESCRIPTION OF COVERAGE – This endorsement broadens coverage. However, coverage for any injury, damage or medical expenses described in any of the provisions of this endorsement may be excluded or limited by another endorsement to the Coverage Part, and these coverage broadening provisions do not apply to the extent that coverage is excluded or limited by such an endorsement. The following listing is a general coverage description only. Limitations and exclusions may apply to these coverages. Read all the provisions of this endorsement and the rest of your policy carefully to determine rights, duties, and what is and is not covered.

A. BROAD FORM NAMED INSURED

B. BLANKET ADDITIONAL INSURED

C. EMPLOYEE HIRED AUTO

D. EMPLOYEES AS INSURED

E. SUPPLEMENTARY PAYMENTS – INCREASED LIMITS

F. HIRED AUTO – LIMITED WORLDWIDE COVERAGE – INDEMNITY BASIS

G. WAIVER OF DEDUCTIBLE – GLASS

H. HIRED AUTO PHYSICAL DAMAGE – LOSS OF USE – INCREASED LIMIT

I. PHYSICAL DAMAGE – TRANSPORTATION EXPENSES – INCREASED LIMIT

J. PERSONAL PROPERTY

K. AIRBAGS

L. NOTICE AND KNOWLEDGE OF ACCIDENT OR LOSS

M. BLANKET WAIVER OF SUBROGATION

N. UNINTENTIONAL ERRORS OR OMISSIONS

PROVISIONS

A. BROAD FORM NAMED INSURED

The following is added to Paragraph **A.1., Who Is An Insured**, of **SECTION II – COVERED AUTOS LIABILITY COVERAGE**:

Any organization you newly acquire or form during the policy period over which you maintain 50% or more ownership interest and that is not separately insured for Business Auto Coverage. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier.

B. BLANKET ADDITIONAL INSURED

The following is added to Paragraph **c.** in **A.1., Who Is An Insured**, of **SECTION II – COVERED AUTOS LIABILITY COVERAGE**:

Any person or organization who is required under a written contract or agreement between you and that person or organization, that is signed and executed by you before the "bodily injury" or "property damage" occurs and that is in effect during the policy period, to be named as an additional insured is an "insured" for Covered Autos Liability Coverage, but only for damages to which this insurance applies and only to the extent that person or organization qualifies as an "insured" under the Who Is An Insured provision contained in Section **II**.

C. EMPLOYEE HIRED AUTO

1. The following is added to Paragraph **A.1., Who Is An Insured**, of **SECTION II – COVERED AUTOS LIABILITY COVERAGE**:

   An "employee" of yours is an "insured" while operating an "auto" hired or rented under a contract or agreement in an "employee's" name, with your permission, while performing duties related to the conduct of your business.

2. The following replaces Paragraph **b.** in **B.5., Other Insurance**, of **SECTION IV – BUSINESS AUTO CONDITIONS**:

   b. For Hired Auto Physical Damage Coverage, the following are deemed to be covered "autos" you own:

   (1) Any covered "auto" you lease, hire, rent or borrow; and

   (2) Any covered "auto" hired or rented by your "employee" under a contract in an "employee's" name, with your

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permission, while performing duties related to the conduct of your business.

However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto".

D. EMPLOYEES AS INSURED

The following is added to Paragraph **A.1., Who Is An Insured**, of **SECTION II – COVERED AUTOS LIABILITY COVERAGE**:

Any "employee" of yours is an "insured" while using a covered "auto" you don't own, hire or borrow in your business or your personal affairs.

E. SUPPLEMENTARY PAYMENTS – INCREASED LIMITS

1. The following replaces Paragraph **A.2.a.(2)**, of **SECTION II – COVERED AUTOS LIABILITY COVERAGE**:

   (2) Up to $3,000 for cost of bail bonds (including bonds for related traffic law violations) required because of an "accident" we cover. We do not have to furnish these bonds.

2. The following replaces Paragraph **A.2.a.(4)**, of **SECTION II – COVERED AUTOS LIABILITY COVERAGE**:

   (4) All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to $500 a day because of time off from work.

F. HIRED AUTO – LIMITED WORLDWIDE COVERAGE – INDEMNITY BASIS

The following replaces Subparagraph **(5)** in Paragraph **B.7., Policy Period, Coverage Territory**, of **SECTION IV – BUSINESS AUTO CONDITIONS**:

(5) Anywhere in the world, except any country or jurisdiction while any trade sanction, embargo, or similar regulation imposed by the United States of America applies to and prohibits the transaction of business with or within such country or jurisdiction, for Covered Autos Liability Coverage for any covered "auto" that you lease, hire, rent or borrow without a driver for a period of 30 days or less and that is not an "auto" you lease, hire, rent or borrow from any of your "employees", partners (if you are a partnership), members (if you are a limited liability company) or members of their households.

(a) With respect to any claim made or "suit" brought outside the United States of America, the territories and possessions of the United States of America, Puerto Rico and Canada:

(i) You must arrange to defend the "insured" against, and investigate or settle any such claim or "suit" and keep us advised of all proceedings and actions.

(ii) Neither you nor any other involved "insured" will make any settlement without our consent.

(iii) We may, at our discretion, participate in defending the "insured" against, or in the settlement of, any claim or "suit".

(iv) We will reimburse the "insured" for sums that the "insured" legally must pay as damages because of "bodily injury" or "property damage" to which this insurance applies, that the "insured" pays with our consent, but only up to the limit described in Paragraph **C.**, Limits Of Insurance, of SECTION II – COVERED AUTOS LIABILITY COVERAGE.

(v) We will reimburse the "insured" for the reasonable expenses incurred with our consent for your investigation of such claims and your defense of the "insured" against any such "suit", but only up to and included within the limit described in Paragraph **C.**, Limits Of Insurance, of SECTION II – COVERED AUTOS LIABILITY COVERAGE, and not in addition to such limit. Our duty to make such payments ends when we have used up the applicable limit of insurance in payments for damages, settlements or defense expenses.

(b) This insurance is excess over any valid and collectible other insurance available to the "insured" whether primary, excess, contingent or on any other basis.

(c) This insurance is not a substitute for required or compulsory insurance in any country outside the United States, its territories and possessions, Puerto Rico and Canada.

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You agree to maintain all required or compulsory insurance in any such country up to the minimum limits required by local law. Your failure to comply with compulsory insurance requirements will not invalidate the coverage afforded by this policy, but we will only be liable to the same extent we would have been liable had you complied with the compulsory insurance requirements.

(d) It is understood that we are not an admitted or authorized insurer outside the United States of America, its territories and possessions, Puerto Rico and Canada. We assume no responsibility for the furnishing of certificates of insurance, or for compliance in any way with the laws of other countries relating to insurance.

G. WAIVER OF DEDUCTIBLE – GLASS

The following is added to Paragraph **D., Deductible**, of **SECTION III – PHYSICAL DAMAGE COVERAGE**:

No deductible for a covered "auto" will apply to glass damage if the glass is repaired rather than replaced.

H. HIRED AUTO PHYSICAL DAMAGE – LOSS OF USE – INCREASED LIMIT

The following replaces the last sentence of Paragraph **A.4.b., Loss Of Use Expenses**, of **SECTION III – PHYSICAL DAMAGE COVERAGE**:

However, the most we will pay for any expenses for loss of use is $65 per day, to a maximum of $750 for any one "accident".

I. PHYSICAL DAMAGE – TRANSPORTATION EXPENSES – INCREASED LIMIT

The following replaces the first sentence in Paragraph **A.4.a., Transportation Expenses**, of **SECTION III – PHYSICAL DAMAGE COVERAGE**:

We will pay up to $50 per day to a maximum of $1,500 for temporary transportation expense incurred by you because of the total theft of a covered "auto" of the private passenger type.

J. PERSONAL PROPERTY

The following is added to Paragraph **A.4., Coverage Extensions**, of **SECTION III – PHYSICAL DAMAGE COVERAGE**:

Personal Property

We will pay up to $400 for "loss" to wearing apparel and other personal property which is:

(1) Owned by an "insured"; and

(2) In or on your covered "auto".

This coverage applies only in the event of a total theft of your covered "auto".

No deductibles apply to this Personal Property coverage.

K. AIRBAGS

The following is added to Paragraph **B.3., Exclusions**, of **SECTION III – PHYSICAL DAMAGE COVERAGE**:

Exclusion **3.a.** does not apply to "loss" to one or more airbags in a covered "auto" you own that inflate due to a cause other than a cause of "loss" set forth in Paragraphs **A.1.b.** and **A.1.c.**, but only:

a. If that "auto" is a covered "auto" for Comprehensive Coverage under this policy;

b. The airbags are not covered under any warranty; and

c. The airbags were not intentionally inflated.

We will pay up to a maximum of $1,000 for any one "loss".

L. NOTICE AND KNOWLEDGE OF ACCIDENT OR LOSS

The following is added to Paragraph **A.2.a.**, of **SECTION IV – BUSINESS AUTO CONDITIONS**:

Your duty to give us or our authorized representative prompt notice of the "accident" or "loss" applies only when the "accident" or "loss" is known to:

(a) You (if you are an individual);

(b) A partner (if you are a partnership);

(c) A member (if you are a limited liability company);

(d) An executive officer, director or insurance manager (if you are a corporation or other organization); or

(e) Any "employee" authorized by you to give notice of the "accident" or "loss".

M. BLANKET WAIVER OF SUBROGATION

The following replaces Paragraph **A.5., Transfer Of Rights Of Recovery Against Others To Us**, of **SECTION IV – BUSINESS AUTO CONDITIONS** :

5. Transfer Of Rights Of Recovery Against Others To Us

We waive any right of recovery we may have against any person or organization to the extent required of you by a written contract signed and executed prior to any "accident" or "loss", provided that the "accident" or "loss" arises out of operations contemplated by

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such contract. The waiver applies only to the person or organization designated in such contract.

N. UNINTENTIONAL ERRORS OR OMISSIONS

The following is added to Paragraph **B.2., Concealment, Misrepresentation, Or Fraud**, of **SECTION IV – BUSINESS AUTO CONDITIONS**:

The unintentional omission of, or unintentional error in, any information given by you shall not prejudice your rights under this insurance. However this provision does not affect our right to collect additional premium or exercise our right of cancellation or non-renewal.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BLANKET ADDITIONAL INSURED – PRIMARY AND NON-CONTRIBUTORY WITH OTHER INSURANCE – CONTRACTORS

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

PROVISIONS

1. The following is added to Paragraph **c.** in **A.1., Who Is An Insured**, of **SECTION II – COVERED AUTOS LIABILITY COVERAGE**:

   This includes any person or organization who you are required under a written contract or agreement, that is signed by you before the "bodily injury" or "property damage" occurs and that is in effect during the policy period, to name as an additional insured for Covered Autos Liability Coverage, but only for damages to which this insurance applies and only to the extent of that person's or organization's liability for the conduct of another "insured".

2. The following is added to Paragraph **B.5., Other Insurance** of **SECTION IV – BUSINESS AUTO CONDITIONS**:

   Regardless of the provisions of paragraph **a.** and paragraph **d.** of this part **5. Other Insurance**, this insurance is primary to and non-contributory with applicable other insurance under which an additional insured person or organization is a named insured when a written contract or agreement with you, that is signed by you before the "bodily injury" or "property damage" occurs and that is in effect during the policy period, requires this insurance to be primary and non-contributory.

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WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us).

This agreement shall not operate directly or indirectly to benefit anyone not named in the Schedule.

Schedule

State	Blanket/Schedule/State
AZ	BLANKET

Blanket Waiver: Anyone for whom you have agreed to provide this Waiver subject to the terms of this endorsement

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective 01/01/2022 Policy No. 1018579 Endorsement No. 2
Insured Eagle Mountain Construction Premium $

Insurance Company CopperPoint Indemnity Insurance Company Countersigned by

WC 00 03 13
(Ed. 4-84)

© 1983 National Council on Compensation Insurance.

POLICY NUMBER: 8103L0724422226G
DT22CO5G245777IND22
CUP4K9425102226

ISSUE DATE:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NOTICE OF CANCELLATION OR NONRENEWAL PROVIDED BY US

This endorsement modifies insurance provided under the following:

ALL COVERAGE PARTS INCLUDED IN THIS POLICY

SCHEDULE

CANCELLATION: **Number of Days Notice:** 30

WHEN WE DO NOT RENEW (Nonrenewal): **Number of Days Notice:**

PROVISIONS

A. If we cancel this policy for any legally permitted reason other than nonpayment of premium, and a number of days is shown for Cancellation in the Schedule above, we will mail notice of cancellation at least the number of days shown for Cancellation in such Schedule before the effective date of cancellation.

B. If we do not renew this policy for any legally permitted reason other than nonpayment of premium, and a number of days is shown for When We Do Not Renew (Nonrenewal) in the Schedule above, we will mail notice of nonrenewal at least the number of days shown for When We Do Not Renew (Nonrenewal) in such Schedule before the effective date of nonrenewal.

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EXHIBIT B – SUBMITTAL REQUIREMENTS FOR GMP PROPOSAL

1. Unless otherwise instructed, CMAR shall submit three (3) bound copies of any GMP Proposal(s) that includes the following documents, complies with the requirements specified in this Contract and the following instructions. The GMP Proposal(s) shall be organized as follows:

   A. Table of Contents
   B. Project Description
   C. GMP Proposal and the following attachments:
      1) Detailed Cost Estimate upon which the GMP is based, and if for phased work, a total project Detailed Cost Estimate as of the time of the phased GMP Proposal.
      2) List of Subcontractors
      3) Schedule of Manufacturers and suppliers
   D. Schedule of Values("SOV")
   E. Project Schedule and a variance report to the Baseline Project Schedule
   F. Construction phasing/traffic control (if applicable)
   G. List of GMP Plans and Specifications

2. A summary breakdown of the GMP Proposal is shown on page 2 of this Exhibit, along with instructions regarding certain line items. The definitions included in Section 1of the General Conditions apply to the line items, as appropriate, and set-forth the criteria to be used by CMAR in providing the requested breakdown.

3. The most current version of CMAR's SOV shall be submitted with the GMP Proposal. Supporting documents for the SOV, including the request for bids, copies of bids received and clarification assumptions used for the particular bid item listed must be provided in an organized manner that correlates with the SOV.

4. The final accepted GMP shall not include any clarifications/assumptions made by CMAR in the preparation of the GMP Proposal, unless any such clarification or assumption is agreed to in writing by PMGAA.

5. The most current version of CMAR's Detailed Project Schedule shall be submitted with the GMP Proposal with a variance report from the project's Baseline Schedule. The Detailed Project Schedule shall be prepared as specified in this Contract.

6. A table listing all drawing sheets included in the GMP Plans and Specification shall be included with the GMP package. The table shall include the following information: Sheet Number, Sheet Name, Sheet Version, and Date of Issuance. The GMP Proposal and Specifications, as defined, shall be transmitted as specified in this Contract.

NOTE: The submittal package must be kept as simple as possible all on 8½x11 sheets. Color or shading must be kept to a minimum. If used, make sure the color or shading will not affect the reproduction of the submittal in black and white.

EXHIBIT C – TITLE VI

CIVIL RIGHTS – GENERAL

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

This provision binds the contractor and subtier contractors from the bid solicitation period through the completion of the contract. This provision is in addition to that required of Title VI of the Civil Rights Act of 1964.

CIVIL RIGHTS – TITLE VI ASSURANCES

TITLE VI COMPLIANCE WITH NONDISCRIMINATION REQUIREMENTS

During the performance of this contract, the CMAR, for itself, its assignees, and successors in interest (hereinafter referred to as the "contractor") agrees as follows:

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

Non-discrimination: The contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.

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

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

Sanctions for Noncompliance: In the event of a contractor's noncompliance with the Non-discrimination provisions of this contract, the owner will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:

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

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

Incorporation of Provisions: The contractor will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. The contractor will take action with respect to any subcontract or procurement as the owner or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the contractor may request the owner to enter into any litigation to protect the interests of the owner. In addition, the contractor may request the United States to enter into the litigation to protect the interests of the United States. Title VI Clauses for Construction/Use/Access to Real Property Acquired Under the Activity, Facility or Program

TITLE VI LIST OF PERTINENT NONDISCRIMINATION ACTS AND AUTHORITIES

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

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq*., 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR part 21 (Non-discrimination in Federally-Assisted Programs of The Department of Transportation—Effectuation of Title VI of The Civil Rights Act of 1964);
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 *et seq*.), as amended, (prohibits discrimination on the basis of disability); and 49 CFR part 27;
- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 *et seq*.), (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 CFR parts 37 and 38;
- The Federal Aviation Administration's Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures non-discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;

- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);

Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 *et seq*).

EXHIBIT D - COMPLIANCE WITH PMGAA PUBLISHED RULES AND REGULATIONS AND MINIMUM STANDARDS

CMAR agrees to comply with Phoenix-Mesa Gateway Airport Authority's published Rules and Regulations and Minimum Standards, as amended from time to time.

1. Rules & Regulations (link)

   http://www.gatewayairport.com/documents/documentlibrary/board%20policies/rules%20and%20regulations_16-53.pdf?Uniqueifier=8gC0UBcOyg

2. Minimum Standards (link)

   http://www.gatewayairport.com/documents/documentlibrary/board%20policies/airport%20minimum%20standards.pdf?Uniqueifier=8gC0UBcOyg

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

Board Action Item

Re: Resolution 22-36

To: Board of Directors
From: Shea Joachim, CEcD, Business Development Director
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: Lot 39 Consent to Assignment and Ground Lease Amendment 1
Date: June 21, 2022

Proposed Motion
To authorize an amendment to the Ground Lease 2016-093 for Lot 39 to extend the expiration of the term by nine (9) years, from June 30, 2043 to June 30, 2052 with an associated extension fee of $322,262.68 to be paid by the Lessee, and hereby authorizes approval of a concurrent assignment of the Ground Lease to Vernon Investments, LLC.

Narrative
Cimarron Airpark LLC XV has accepted an offer from Vernon Investments, LLC ("Buyer") to purchase the improvements upon Lot # 39 and assume Cimarron Airpark LLC XV's obligations under the Ground Lease and all active Subleases. The Buyer has requested an extension of the Ground Lease termination date as a condition of the purchase.

Key Documents
There are two (2) documents that require PMGAA Board consideration associated with this transaction.

Assignment and Assumption of Ground Lease
This Assignment and Assumption document outlines the terms of the assignment between Cimarron Airpark LLC XV and the Buyer. To effectuate the assignment, PMGAA must consent to the assignment of the Ground Lease from Cimarron Airpark LLC XV to the Buyer.

Ground Lease Amendment #1
This document is the first amendment to the Ground Lease and will formally amend the termination date of the Ground Lease. By extending the termination date PMGAA will receive an additional nine (9) years of Base Rent. PMGAA will also receive approximately $322,262.68 on or before the Effective Date of the Amendment as a one-time payment for granting the extension and delaying the reversion of the improvements to PMGAA.

PMGAA Staff has conducted due diligence on Vernon Investments, LLC. and has reviewed the documents necessary to effectuate the sale of the improvements and the assignment of the Ground Lease. Zan Sharp and Vivian Sharp will provide a personal guaranty to ensure the obligations of the Ground Lease are satisfied. PMGAA Staff recommends approval of Resolution No. 22-35.

Fiscal Impact
The revenue to PMGAA associated with the additional nine (9) years of Base Rent under the Ground Lease is estimated at $1,398,713.14

PMGAA will receive approximately $332,262.68 at the closing of the transaction as compensation for granting the extension.

Attachment(s)
Assignment and Assumption of Ground Lease
PMGAA Consent to the Assignment and Assumption
Ground Lease Amendment #1

RESOLUTION NO. 22-36

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

WHEREAS the Authority desires to authorize an amendment to the Ground Lease 2016-093 for Lot #39 to extend the expiration of the term by nine (9) years, from June 30, 2043 to June 30, 2052 with an associated extension fee of $322,262.68 to be paid by the Lessee, and hereby authorizes approval of a concurrent assignment of the Ground Lease to Vernon Investments, LLC.

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

The Board of Directors of the Authority hereby authorizes an amendment to the Ground Lease 2016-093 for Lot #39 to extend the expiration of the term by nine (9) years, from June 30, 2043 to June 30, 2052 with an associated extension fee of $322,262.68 to be paid by the Lessee, and hereby authorizes approval of a concurrent assignment of the Ground Lease to Vernon Investments, LLC. 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 21st day of June, 2022.

John Giles, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

ASSIGNMENT AND ASSUMPTION OF GROUND LEASE

THIS **ASSIGNMENT AND ASSUMPTION OF GROUND LEASE** (this "**Assignment**") is made to be effective as of _____ ___, 2022 (the "Effective Date"), by and between CIMARRON AIRPARK LLC XV, an Arizona limited liability company ("**Assignor**") and Vernon Investments, LLC, a Utah limited liability company ("**Assignee**").

RECITALS

1. **Assignor** is "Lessee" under that certain Lease Agreement ("**Lease Agreement**") dated October 1, 2016, executed by and between Phoenix-Mesa Gateway Airport Authority, a Joint Powers Airport Authority, as Lessor, and Cimarron Airpark LLC XV, an Arizona limited liability company, as Lessee, for premises referred to as Parcel 39.

2. The **Lease Agreement** was modified by Letter acknowledgement dated November 23, 2016 from Phoenix-Mesa Gateway Airport to Cimarron Airpark LLC XV which extended the term of the **Lease Agreement** to June 30, 2043.

3. Amendment 1 to the **Lease Agreement**, effective July 1, 2022 and dated _____ ___, 2022 between Phoenix-Mesa Gateway Airport Authority and Cimarron Airpark LLC XV which extended the term to June 30, 2052.

(collectively, the "**Ground Lease**").

4. The Lease Agreement is disclosed by Memorandum of Lease dated October 01, 2016, recorded August 24, 2017 in the Official Records of Maricopa County as Document No. 20170626743.

5. Phoenix-Mesa Gateway Airport Authority, a Joint Powers Airport Authority authorized under the laws of the State of Arizona formerly known as Williams Gateway Airport Authority, is "Lessor" under the **Ground Lease**.

6. The **Ground Lease** encumbers the property commonly referred to as Parcel 39 located at 6355 South Sossaman Road, Mesa, Arizona comprising approximately 122,175 square feet of real property more specifically defined in the **Ground Lease** and described in Exhibit A attached hereto (the "Land").

7. Pursuant to that certain Agreement of Purchase and Sale and Joint Escrow Instructions dated March 14, 2022, as amended (the "**Purchase Agreement**"), **Assignor** agreed to assign all of its right, title, interest, obligations, liabilities and duties, and **Assignee** agreed to assume all of **Assignor's** obligations, liabilities and duties, subject to the terms and conditions of the **Purchase Agreement**, with respect to the **Ground Lease**.

8. Concurrent with this Assignment, Zan Sharp and Vivian Sharp, husband and wife, are providing a Guaranty of Lease in the form attached hereto as Exhibit "B".

AGREEMENT

NOW, **THEREFORE**, in consideration of the premises, the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, **Assignor** and **Assignee**, intending to be legally bound, agree as follows:

1. **Assignment**. **Assignor** hereby assigns, sets over, transfers, grants and conveys unto **Assignee**, its successors and assigns, forever, all of **Assignor's** right, title, estate and interest, as lessee, in and to the **Ground Lease**, all tenant security deposits not previously applied to delinquent rents or other charges, and prepaid rents, and operating expense payments, common area payments and transaction privilege taxes payments.

2. **Assumption. Assignee** hereby accepts the assignment and assumes and agrees to keep, perform, and fulfill, as a direct obligation all the terms, covenants, provisions, conditions and obligations of the **Assignor** under the **Ground Lease** accruing and becoming due from and after the date hereof.

3. **Notices.** Notices to Lessee under the Ground Lease shall be sent to:
   Vernon Investments, LLC
   Attn.: Zan Sharp
   PO Box 3452
   Logan, Utah 84323

4. **Indemnity**. **Assignee** agrees to indemnify, defend and hold **Assignor** harmless for, from and against any and all actions, suits, proceedings, liability, loss or damage (including without limitation, actual attorneys' fees and costs) that Assignor may incur by reason of any claims or obligations under the **Ground Lease** attributable to or arising out of any alleged breach of any of the **Ground Lease** occurring or alleged to have occurred on or subsequent to the date of this **Assignment**. **Assignor** agrees to indemnify, defend and hold **Assignee** harmless for, from and against any and all actions, suits, proceedings, liability, loss or damage (including without limitation, actual attorneys' fees and costs) that Assignee may incur by reason of any claims or obligations under the **Ground Lease** attributable to or arising out of any alleged breach of any of the **Ground Lease** occurring or alleged to have occurred before the date of this **Assignment**.

5. **Successors and Assigns**. This **Assignment** shall be binding upon and inure to the benefit of the successors, assigns, personal representatives, heirs and legatees of the respective parties hereto.

6. **Attorneys' Fees**. In the event of any litigation by a party hereto against the other for reason of any breach of any of the provisions out of this **Assignment**, the prevailing party in such action or suit shall be entitled to have and recover from the other party all costs and expenses incurred therein, including reasonable attorneys' fees, court costs and experts' fees.

7. **Counterparts**. This **Assignment** may be executed in one or more counterparts, each of which shall be deemed an original and all of which combined shall constitute one and the same instrument.

8. **Governing Law**. This **Assignment** shall be governed by and construed in accordance with the internal laws of the State of Arizona, without regard to its conflict of law rules.

[Signatures on following pages]

[Signatures]

IN WITNESS WHEREOF, **Assignor** and **Assignee** have executed this Assignment as of the Effective Date.

ASSIGNOR:

_____
Cimarron Airpark LLC XV,
an Arizona limited liability company
Its: Manager Member

STATE OF ARIZONA)
)ss
COUNTY OF MARICOPA)

This instrument was acknowledged before me on _____ by Fred Himovitz as Manager Member of Cimarron Airpark LLC XV, an Arizona limited liability company, on behalf of the company.

Notary Public _____

My Commission expires:

_____

ASSIGNEE:

_____
Vernon Investments, LLC
A Utah limited liability company
Its: Member

STATE OF ARIZONA)
)ss
COUNTY OF MARICOPA)

This instrument was acknowledged before me on_____ by Zan Vernon Sharp as Member of Vernon Investments, LLC, a Utah limited liability company, on behalf of the company.

Notary Public _____

My Commission expires:

_____

CONSENT TO ASSIGNMENT AND ASSUMPTION OF GROUND LEASE

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, authorized under the laws of the State of Arizona and CIMARRON AIRPARK LLC XV, an Arizona limited liability company ("**Lessee**" and "**Assignor"**) are parties to that certain Lease Agreement. **Assignor** is "Lessee" under that certain Lease Agreement ("**Lease Agreement**") dated October 1, 2016, executed by and between Phoenix-Mesa Gateway Airport Authority, a Joint Powers Airport Authority, as Lessor, and Cimarron Airpark LLC XV, an Arizona limited liability company, as Lessee, for leased premises referred to as Parcel 39.

The **Lease Agreement** was modified by Letter acknowledgement dated November 23, 2016 from Phoenix-Mesa Gateway Airport to Cimarron Airpark LLC XV which extended the term of the **Lease Agreement** to June 30, 2043.

The **Lease Agreement** was modified by Amendment 1 to the **Lease Agreement**, effective July 1, 2022 and dated _____ ___, 2022 between Phoenix-Mesa Gateway Airport Authority and Cimarron Airpark LLC XV which extended the term to June 30, 2052.

(collectively, the "**Ground Lease**").

The Lease Agreement is disclosed by Memorandum of Lease dated October 01, 2016, recorded August 24, 2017 in the Official Records of Maricopa County as Document No. 20170626743.

The **Ground Lease** encumbers the property commonly referred to as Lot 39 located at 6355 South Sossaman Road, Mesa, Arizona comprising approximately 122,175 square feet of real property more specifically described in the **Ground Lease**. Lessee desires to assign the Lease to Vernon Investments, LLC, a Utah limited liability company pursuant to the Assignment and Assumption of **Ground Lease** attached hereto ("**Assignment**"). Concurrent with the Assignment, Zan Sharp and Vivian Sharp, husband and wife, are providing a Guaranty of Lease in the form attached to the Assignment as Exhibit "B" ("**Guaranty**").

Subject to receipt of a fully executed Guaranty, and pursuant to Section 9 of the Lease, Lessor does hereby consent to the **Assignment** as provided herein.

The execution of this Consent to Assignment and Assumption of Ground Lease is not and shall not be construed to be consent to any future assignment of the **Ground Lease** or any portion thereof, and any assignment of the **Ground Lease** and documents related thereto shall require separate approval of Lessor.

[signature on following page]

[signature]

Lessor has executed this Consent to Assignment and Assumption of Land Lease as of the _____ day of _____ , 2022.

LESSOR:

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

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

_____

Exhibit "A"
Legal Description of Lot 39

That portion of the Northeast quarter of Section 31, Township 1 South, Range 7 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows:

COMMENCING at the Southeast corner of said Section 31, said point also lying on the centerline of Sossaman Road, the following courses will follow said centerline until otherwise mentioned;

Thence North 00 degrees 46 minutes 11 seconds West, a distance of 1111.17 feet to the beginning of a curve concave Westerly and having a radius of 1550.00 feet;

Thence Northwesterly along the arc of said curve through a central angle of 43 degrees 43 minutes 22 seconds, a distance of 1182.82 feet to a point of tangency;

Thence North 44 degrees 29 minutes 34 seconds West, a distance of 466.81 feet;

Thence departing said centerline, North 45 degrees 25 minutes 05 seconds East, a distance of 61.00 feet to the TRUE POINT OF BEGINNING;

Thence North 44 degrees 29 minutes 34 seconds West, a distance of 209.46 feet to the beginning of a curve concave Northeasterly and having a radius of 542.00 feet;

Thence Northwesterly along the arc of said curve through a central angle of 17 degrees 45 minutes 01 seconds, a distance of 167.91 feet;

Thence departing said curve, North 45 degrees 14 minutes 07 seconds East, a distance of 119.50 feet;

Thence North 68 degrees 45 minutes 54 seconds East, a distance of 122.75 feet; Thence

North 45 degrees 14 minutes 07 seconds East, a distance of 90.45 feet;

Thence South 44 degrees 31 minutes 41 seconds East, a distance of 326.69 feet;

Thence South 45 degrees 25 minutes 05 seconds West, a distance of 348.73 feet to the TRUE POINT OF BEGINNING;

Exhibit "B"
Guaranty of Lease

(attached)

GUARANTY OF LEASE

THIS GUARANTY OF LEASE (**"Guaranty"**) is made for valuable consideration by Zan Sharp, and Vivian Sharp, husband and wife, (each, individually, jointly and severally, **"Guarantor"**), in favor of Phoenix-Mesa Gateway Airport Authority, a joint powers authority authorized by the State of Arizona (**"Lessor"**), in connection with that certain Lease Agreement dated October 1, 2016, that certain Amendment 1 dated and effective July 1st, 2022, and assigned pursuant to the Assignment and Assumption of Land Lease dated and effective July 1st, 2022 to which this Guaranty is attached as Exhibit B (collectively, the "**Lease**"), pursuant to which Lessor leases to Vernon Investments, LLC, a Utah limited liability company authorized to do business in the State of Arizona (**"Lessee"**), the certain premises described as Parcel 39, consisting of approximately 122,175 square feet of land area and further described in the Lease (the, **"Premises"**).

Guarantor does hereby agree as follows:

1. Guarantor does hereby absolutely and unconditionally guarantee and promise to Lessor the due, punctual and full performance by Lessee of each and all of the covenants, obligations, liabilities and promises of Lessee to be performed during the Term (as hereinafter defined) and the truth and accuracy of each and all of the representations and warranties of Lessee contained in the Lease, including without limitation, the payment of Rent, as defined in Section 4 of the Lease and any and all other sums payable thereunder. For the purposes of this Guaranty, the term "**Term**" refers not only to the Term as defined in the Lease, but also to any renewals, extensions, modifications, reinstatements and holdings over thereof.

2. Guarantor does hereby agree that, without the consent of or notice to Guarantor and without affecting any of the obligations of Guarantor hereunder: (a) any term, covenant or condition of the Lease may be amended, compromised, released or otherwise altered by Lessor and Lessee, and Guarantor does guarantee and promise to perform all the obligations of Lessee under the Lease as so amended, compromised, released or altered; (b) any guarantor of or party to the Lease may be released, substituted or added; (c) any right or remedy under the Lease, this Guaranty or any other instrument or agreement may be exercised, not exercised, impaired, modified, limited, destroyed, or suspended; (d) Lessor or any other person may deal in any manner with Lessee, any guarantor, any party to the Lease or any other person; and (e) all or any part of the premises or of Tenant's rights or liabilities under the Lease may be sublet, assigned or assumed.

3. Guarantor hereby waives and agrees not to assert or take advantage of: (a) any right to require Lessor to proceed against Lessee or any other person or to pursue any other remedy before proceeding against Guarantor; (b) the defense of any statute of limitations in any action under or related to this Guaranty or the Lease; (c) any right or defense that may arise by reason of the incapacity, lack of authority, death or disability of Lessee or any other person; (d) any right or defense arising by reason of the absence, impairment, modification, limitation, destruction or cessation (in bankruptcy, by an election or remedies, or otherwise) of the liability of Lessee, of the subrogation rights of Guarantor or of the right of Guarantor to proceed against Lessee for reimbursement; and (e) the benefits of any statutory provision or procedural rule limiting the liability of a surety, including, without limitation, the provisions of A.R.S. § 12-1641, etc.

4. Guarantor hereby waives and agrees not to assert or take advantage of any right or defense based on the absence of any or all presentments, demands (including demands for performance), notices (including notices of adverse change in the financial status of Lessee or other facts which increases the risk to Guarantor, notices of non-performance and notices of acceptance of this Guaranty) and protests of each every kind.

5. Guarantor does hereby agree that if claim is ever made upon Lessor for repayment or recovery of any amount or amounts received by Lessor in payment or on account of the amounts hereby guaranteed and Lessor repays all or part of such amount by reason of (a) any judgment, decree or order or of any court or administrative body having jurisdiction or (b) any settlement or compromise of any such claim effected by

Lessor with any such claimant (including Lessee or any other guarantor), then in such event Guarantor agrees that any such judgment, decree, order, settlement or compromise shall be binding upon Guarantor, notwithstanding the expiration or termination of the Lease or other instrument evidencing any of the amounts hereby guaranteed and Guarantor shall be and remain liable hereunder for the amount so repaid or recovered to the same extent as if such amount had never originally been received by Lessor.

6. Guarantor does hereby agree that for Lessor's benefit and the benefit of Lessee and to the fullest extent permitted by law, Guarantor irrevocably and unconditionally waives any and all rights of subrogation, reimbursement, indemnification, contribution, or similar rights against Lessee or its assets (arising by contract or by law or otherwise) as a consequence of this Guaranty, including, without limitation, the payment or performance of any obligations hereby guaranteed, and further agrees that Guarantor will not assert any such right of subrogation, reimbursement, indemnification, contribution or similar right at any time in respect to the Lease. It is agreed that Lessor's rights under this Paragraph 6 are such that the remedy at law for breach thereof would be inadequate, and that Lessor shall be entitled to specific performance and enforcement thereof, including, without limitation, the imposition of a restraining order or injunction. Nothing in this Paragraph 6 shall diminish or relieve any obligations or liabilities of Lessee to Lessor. Lessor and Lessee and their respective successors and assigns are intended third party beneficiaries of the waivers and agreements made in this Paragraph 6 and Lessor's rights under this Paragraph 6 shall survive the expiration or termination of the Lease. 7. The liability of Guarantor and all rights, powers and remedies of Lessor hereunder and the liability and obligations of Lessee and all rights, powers and remedies of Lessor under the Lease and under this Guaranty shall be in addition to all rights, powers and remedies given to Lessor by law.

7. The liability of Guarantor and all rights, powers and remedies of Lessor hereunder and the liability and obligations of Lessee and all rights, powers and remedies of Lessor under the Lease and under this Guaranty shall be in addition to all rights, powers and remedies given to Lessor by law.

8. This Guaranty applies to, inures to the benefit of and binds all parties hereto, their heirs, devisees, legatees, executors, administrators, representatives, successors and assigns (including any purchaser at judicial foreclosure or trustee's sale or a holder of a deed in lieu thereof). This Guaranty may be assigned by Lessor voluntarily or by operation of law without reducing or modifying the liability of Guarantor hereunder.

9. This Guaranty shall constitute the entire agreement between Guarantor and Lessor with respect to the Guarantor's guaranty of performance of all of Lessee's obligations under the Lease. No provision of this Guaranty or right of Lessor hereunder may be waived nor may any guarantor be released from any obligation hereunder except by a writing duly executed by an authorized officer, director, trustee or partner of Lessor.

10. If more than one person signs this Guaranty, each such person shall be deemed a Guarantor and the obligation of all such Guarantors shall be joint and several. When the context and construction so requires, all words used in the singular herein shall be deemed to have been used in the plural. The word "person" as used herein shall include an individual, company, firm, association, partnership, corporation, trust or other legal entity of any kind whatsoever.

11. Should any one or more provisions of this Guaranty be determined to be illegal or unenforceable, all other provisions shall nevertheless be effective.

12. The waiver or failure to enforce any provision of this Guaranty shall not operate as a waiver of any other breach of such provision or any other provisions hereof.

13. If either Lessor or Guarantor participates in an action against the other arising out of or in connection with this Guaranty, the one prevailing shall be entitled to have and recover from the other reasonable attorneys' fees, collection costs and other costs incurred in and in preparation for the actions.

14. Guarantor agrees that all questions with respect to this Guaranty shall be governed by, and deciding in accordance with the laws of the State of Arizona.

15. If Guarantor executes this Guaranty as a partnership, each individual executing this Guaranty on behalf of the partnership represents and warrants that he or she is a general partner of the partnership and that this Guaranty is binding upon the partnership in accordance with its terms. If Guarantor executes this Guaranty as a corporation, each of the persons executing this Guaranty on behalf of the corporation covenants and warrants that the corporation is a duly authorized and existing corporation, that the corporation has and is qualified to transact business in the State of Arizona, that the corporation has full right, authority and power to enter into this Guaranty and to perform its obligations hereunder, that each person signing this Guaranty on behalf of the corporation is authorized to do so and that this Guaranty is binding upon the corporation in accordance with its terms.

16. In the event Lessee shall become insolvent or shall be adjudicated a bankrupt, or shall file a petition for reorganization, arrangement or other relief under any present or future provisions of the United States Bankruptcy Code, or if such a petition be filed by creditors of Lessee, or if Lessee shall seek a judicial readjustment of the rights of its creditors under any present or future Federal or State law, or if a receiver of all or part of Lessee's property or assets is appointed by the State or Federal court, no such proceeding or action taken therein shall modify, diminish, or in any way affect the liability of Guarantor under this Guaranty, and the liability of Guarantor with respect to the Lease shall be of the same scope as if Guarantor had itself executed the lease as the named Lessee therein, and no "rejection" and/or "termination" of the Lease in any of the proceedings referred to in this Paragraph 16 shall be effective to release and/or terminate the continuing liability of Guarantor to Lessor under this Guaranty. If, in connection with any of the circumstances referred to in this Paragraph 16, Lessor should request that Guarantor execute a new lease for the balance of the Term (unaffected by any such "rejection" and/or "termination" in any of such proceedings), but in all other respects identical with the Lease, Guarantor shall do so as the named Lessee under such new lease (irrespective of the fact that the Lease may have been "rejected" or "terminated" in connection with any of the proceedings referred to in this Paragraph 16). Should Guarantor fail or refuse to execute such a new lease, without limiting any of the legal or equitable remedies available to Lessor on account of such failure or refusal, Guarantor acknowledges and agrees that Lessor may seek specific performance of the covenant of Guarantor contained in this Paragraph 16 to execute such a new lease.

17. Any legal action or proceeding with respect to this Guaranty may be brought in the courts of the State of Arizona or, if the requisites of jurisdiction are obtained, of the United States of America for the District of Arizona and, by the execution and delivery of this Guaranty, Guarantor hereby accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of the aforementioned courts. Nothing herein shall, however, affect the right of Lessor to commence legal action or otherwise proceed against Guarantor in any other jurisdiction.

18. This Guaranty may be executed by the parties in one or more counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one instrument binding upon the parties, notwithstanding that all the parties are not signatories to the same counterpart.

[Remainder of page intentionally blank. Signature and consent pages follow.]

IN WITNESS WHEREOF, the undersigned hereby executes this Guaranty of Lease as of the date(s) below written.

ADDRESS OF GUARANTOR:	**GUARANTOR:**
PO Box 3452 Logan, Utah 84323	_____ Zan Sharp, a married man
PO Box 3452 Logan, Utah 84323	_____ Vivian Sharp, a married woman

Phoenix-Mesa Gateway Airport Authority

First Amendment to Lease

This FIRST AMENDMENT TO LEASE ("Amendment 1") is executed to be effective as of the FIRST (1st) day of July 2022, by and between the **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY**, a joint powers airport authority authorized and existing under the laws of the State of Arizona, its successors and assigns ("Lessor"), and **CIMARRON AIRPARK LLC XV**, an Arizona limited liability company ("Lessee"). This Amendment 1 hereby amends that certain Ground Lease Agreement between Lessor and Lessee dated and effective on October 1, 2016 ("Lease") with respect to that certain real property at the Airport described as Parcel 39, and as further described in the Lease (the "Premises"). Lessor and Lessee may be referred to jointly as "Parties," and each separately may be referred to as a "Party."

WITNESSETH:

WHEREAS, Lessor and Lessee desire to enter into this Amendment 1 in order to modify the Lease; and

WHEREAS, Lessor is the present owner and operator of the Phoenix-Mesa Gateway Airport generally located at the intersection of Ray Road and South Sossaman Road, City of Mesa, Maricopa County, Arizona (the "Airport"); and

WHEREAS, Lessee was originally granted two (2), five-year extensions and has exercised those extensions pursuant to the terms of the Lease on November 23, 2016 thereby extending the termination date of the Lease to June 30, 2043; and

WHEREAS, Lessee has requested a NINE (9) year extension of the termination date of the Lease thereby extending the termination date of the Lease to June 30th, 2052; and

WHEREAS, Lessor has agreed to the extension on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Amendment 1 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. On or before the Effective Date of this Amendment 1, Lessee shall pay to Lessor an amount equal to THREE HUNDRED THIRTY-TWO THOUSAND, TWO HUNDRED SIXTY-TWO AND 68/100 dollars ($332,262.68).
2. The provisions of Section 2 are deleted in its entirety and shall be replaced with:

   2. TERM.

   The term of this Lease shall be for a period of THIRTY-FIVE (35) years and NINE (9) months commencing on the Effective Date and terminating on the 30th day of June 2052.

3. Lessee warrants and represents to Lessor that: (i) all necessary actions have been taken to authorize the execution of this Amendment 1 by Lessee; (ii) the persons who have executed this Amendment 1 on behalf of Lessee are duly authorized to do so; and (iii) this Amendment 1 constitutes a legal, valid

and binding obligation of Lessee, enforceable against Lessee in accordance with its terms and the terms of the Lease.

5. In all other respects the Lease shall remain unchanged and in full force and effect. The Lease, as amended by this Amendment 1 shall continue to be binding upon the Lessor and Lessee and their permitted successors and assigns.

6. All of the Recitals set forth above are incorporated into this Amendment 1 by this reference.

7. Lessee recognizes and acknowledges that execution of this Amendment 1 shall in no way constitute a waiver by Lessor of any other sums which may be due and owing to Lessor or which may hereafter accrue.

IN WITNESS WHEREOF, the Parties have entered into this Amendment 1 as of the date first set forth above.

FOR LESSOR:

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, an Arizona joint powers airport authority

By: _____

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

Its: Executive Director/CEO

FOR LESSEE:

CIMARRON AIRPARK LLC XV, an Arizona limited liability corporation.

By: _____

Name: Fred Himovitz

Its: Manager

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

Board Action Item

Re: Resolution 22-37

To:	**Board of Directors**
From:	**Shea Joachim, CEcD, Business Development Director**
Through:	**J. Brian O'Neill, A.A.E., Executive Director/CEO**
Subject:	**Lot 39A Consent to Assignment and Ground Lease Amendment 1**
Date:	**June 21, 2022**

Proposed Motion

To authorize an amendment to the Ground Lease 2016-093 for Lot #39A to extend the expiration of the term by nine (9) years, from June 30, 2043 to June 30, 2052 with an associated extension fee of $122,462.47 to be paid by the Lessee, and hereby authorizes approval of a concurrent assignment of the Ground Lease to Vernon Investments, LLC.

Narrative

Cimarron Airpark LLC XV has accepted an offer from Vernon Investments, LLC ("Buyer") to purchase the improvements upon Lot # 39A and assume Cimarron Airpark LLC XV's obligations under the Ground Lease and all active Subleases. The Buyer has requested an extension of the Ground Lease termination date as a condition of the purchase.

Key Documents

There are two (2) documents that require PMGAA Board consideration associated with this transaction.

Assignment and Assumption of Ground Lease

This Assignment and Assumption document outlines the terms of the assignment between Cimarron Airpark LLC XV and the Buyer. To effectuate the assignment, PMGAA must consent to the assignment of the Ground Lease from Cimarron Airpark, LLC XV to the Buyer.

Ground Lease Amendment #1

This document is the first amendment to the Ground Lease and will formally amend the termination date of the Ground Lease. By extending the termination date PMGAA will receive an additional nine (9) years of Base Rent. PMGAA will also receive approximately $122,462.47 on or before the Effective Date of the Amendment 1 as a one-time payment for granting the extension and delaying the reversion of the improvements to PMGAA.

PMGAA Staff has conducted due diligence on Vernon Investments, LLC and has reviewed the documents necessary to effectuate the sale of the improvements and the assignment of the Ground Lease. Zan Sharp and Vivian Sharp will provide a personal guaranty to ensure the obligations of the Ground Lease are satisfied. PMGAA Staff recommends approval of Resolution No. 22-36.

Fiscal Impact
The revenue to PMGAA associated with the additional nine (9) years of Base Rent under the Ground Lease is estimated at $496,304.60

PMGAA will receive approximately $122,462.47 at the closing of the transaction as compensation for granting the extension.

Attachment(s)
Assignment and Assumption of Ground Lease
PMGAA Consent to the Assignment and Assumption
Ground Lease Amendment #1

RESOLUTION NO. 22-37

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

WHEREAS the Authority desires to authorize an amendment to the Ground Lease 2016-093 for Lot #39A to extend the expiration of the term by nine (9) years, from June 30, 2043 to June 30, 2052 with an associated extension fee of $122,462.47 to be paid by the Lessee, and hereby authorizes approval of a concurrent assignment of the Ground Lease to Vernon Investments, LLC.

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

> **The Board of Directors of the Authority hereby authorizes an amendment to the Ground Lease 2016-093 for Lot #39A to extend the expiration of the term by nine (9) years, from June 30, 2043 to June 30, 2052 with an associated extension fee of $122,462.47 to be paid by the Lessee, and hereby authorizes approval of a concurrent assignment of the Ground Lease to Vernon Investments, LLC.. 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 21st day of June, 2022.

John Giles, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

ASSIGNMENT AND ASSUMPTION OF GROUND LEASE

THIS **ASSIGNMENT AND ASSUMPTION OF GROUND LEASE** (this "**Assignment**") is made to be effective as of _____ ___, 2022 (the "Effective Date"), by and between CIMARRON AIRPARK LLC XV, an Arizona limited liability company ("**Assignor**") and Vernon Investments, LLC, a Utah limited liability company ("**Assignee**").

RECITALS

1. **Assignor** is "Lessee" under that certain Lease Agreement ("**Lease Agreement**") dated October 1, 2016, executed by and between Phoenix-Mesa Gateway Airport Authority, a Joint Powers Airport Authority, as Lessor, and Cimarron Airpark LLC XV, an Arizona limited liability company, as Lessee, for premises referred to as Parcel 39A.

2. The **Lease Agreement** was modified by Letter acknowledgement dated November 23, 2016 from Phoenix-Mesa Gateway Airport to Cimarron Airpark LLC XV which extended the term of the **Lease Agreement** to June 30, 2043.

3. Amendment 1 to the **Lease Agreement**, effective July 1, 2022 and dated _____ ___, 2022 between Phoenix-Mesa Gateway Airport Authority and Cimarron Airpark LLC XV which extended the term to June 30, 2052.

(collectively, the "**Ground Lease**").

4. The Lease Agreement is disclosed by Memorandum of Lease dated October 01, 2016, recorded August 24, 2017 in the Official Records of Maricopa County as Document No. 20170626743.

5. Phoenix-Mesa Gateway Airport Authority, a Joint Powers Airport Authority authorized under the laws of the State of Arizona formerly known as Williams Gateway Airport Authority, is "Lessor" under the **Ground Lease**.

6. The **Ground Lease** encumbers the property commonly referred to as Parcel 39A located at 6419 South Sossaman Road, Mesa, Arizona comprising approximately 43,353 square feet of real property more specifically defined in the **Ground Lease** and described in Exhibit A attached hereto (the "Land").

7. Pursuant to that certain Agreement of Purchase and Sale and Joint Escrow Instructions dated March 14, 2022, as amended (the "**Purchase Agreement**"), **Assignor** agreed to assign all of its right, title, interest, obligations, liabilities and duties, and **Assignee** agreed to assume all of **Assignor's** obligations, liabilities and duties, subject to the terms and conditions of the **Purchase Agreement**, with respect to the **Ground Lease**.

8. Concurrent with this Assignment, Zan Sharp and Vivian Sharp, husband and wife, are providing a Guaranty of Lease in the form attached hereto as Exhibit "B".

AGREEMENT

NOW, **THEREFORE**, in consideration of the premises, the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, **Assignor** and **Assignee**, intending to be legally bound, agree as follows:

1. **Assignment**. **Assignor** hereby assigns, sets over, transfers, grants and conveys unto **Assignee**, its successors and assigns, forever, all of **Assignor's** right, title, estate and interest, as lessee, in and to the **Ground Lease**, all tenant security deposits not previously applied to delinquent rents or other charges, and prepaid rents, and operating expense payments, common area payments and transaction privilege taxes payments.

2. **Assumption. Assignee** hereby accepts the assignment and assumes and agrees to keep, perform, and fulfill, as a direct obligation all the terms, covenants, provisions, conditions and obligations of the **Assignor** under the **Ground Lease** accruing and becoming due from and after the date hereof.

3. **Notices.** Notices to Lessee under the Ground Lease shall be sent to:
   Vernon Investments, LLC
   Attn.: Zan Sharp
   PO Box 3452
   Logan, Utah 84323

4. **Indemnity**. **Assignee** agrees to indemnify, defend and hold **Assignor** harmless for, from and against any and all actions, suits, proceedings, liability, loss or damage (including without limitation, actual attorneys' fees and costs) that Assignor may incur by reason of any claims or obligations under the **Ground Lease** attributable to or arising out of any alleged breach of any of the **Ground Lease** occurring or alleged to have occurred on or subsequent to the date of this **Assignment**. **Assignor** agrees to indemnify, defend and hold **Assignee** harmless for, from and against any and all actions, suits, proceedings, liability, loss or damage (including without limitation, actual attorneys' fees and costs) that Assignee may incur by reason of any claims or obligations under the **Ground Lease** attributable to or arising out of any alleged breach of any of the **Ground Lease** occurring or alleged to have occurred before the date of this **Assignment**.

5. **Successors and Assigns**. This **Assignment** shall be binding upon and inure to the benefit of the successors, assigns, personal representatives, heirs and legatees of the respective parties hereto.

6. **Attorneys' Fees**. In the event of any litigation by a party hereto against the other for reason of any breach of any of the provisions out of this **Assignment**, the prevailing party in such action or suit shall be entitled to have and recover from the other party all costs and expenses incurred therein, including reasonable attorneys' fees, court costs and experts' fees.

7. **Counterparts**. This **Assignment** may be executed in one or more counterparts, each of which shall be deemed an original and all of which combined shall constitute one and the same instrument.

8. **Governing Law**. This **Assignment** shall be governed by and construed in accordance with the internal laws of the State of Arizona, without regard to its conflict of law rules.

[Signatures on following pages]

[Signatures]

IN WITNESS WHEREOF, **Assignor** and **Assignee** have executed this Assignment as of the Effective Date.

ASSIGNOR:

_____
Cimarron Airpark LLC XV,
an Arizona limited liability company
Its: Manager Member

STATE OF ARIZONA)
)ss
COUNTY OF MARICOPA)

This instrument was acknowledged before me on _____ by Fred Himovitz as Manager Member of Cimarron Airpark LLC XV, an Arizona limited liability company, on behalf of the company.

Notary Public _____

My Commission expires:

_____

ASSIGNEE:

_____
Vernon Investments, LLC
A Utah limited liability company
Its: Member

STATE OF ARIZONA)
)ss
COUNTY OF MARICOPA)

This instrument was acknowledged before me on_____ by Zan Vernon Sharp as Member of Vernon Investments, LLC, a Utah limited liability company, on behalf of the company.

Notary Public _____

My Commission expires:

_____

CONSENT TO ASSIGNMENT AND ASSUMPTION OF GROUND LEASE

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, authorized under the laws of the State of Arizona and CIMARRON AIRPARK LLC XV, an Arizona limited liability company ("**Lessee**" and "**Assignor"**) are parties to that certain Lease Agreement. **Assignor** is "Lessee" under that certain Lease Agreement ("**Lease Agreement**") dated October 1, 2016, executed by and between Phoenix-Mesa Gateway Airport Authority, a Joint Powers Airport Authority, as Lessor, and Cimarron Airpark LLC XV, an Arizona limited liability company, as Lessee, for leased premises referred to as Parcel 39A.

The **Lease Agreement** was modified by Letter acknowledgement dated November 23, 2016 from Phoenix-Mesa Gateway Airport to Cimarron Airpark LLC XV which extended the term of the **Lease Agreement** to June 30, 2043.

The **Lease Agreement** was modified by Amendment 1 to the **Lease Agreement**, effective July 1, 2022 and dated _____ ___, 2022 between Phoenix-Mesa Gateway Airport Authority and Cimarron Airpark LLC XV which extended the term to June 30, 2052.

(collectively, the "**Ground Lease**").

The Lease Agreement is disclosed by Memorandum of Lease dated October 01, 2016, recorded August 24, 2017 in the Official Records of Maricopa County as Document No. 20170626743.

The **Ground Lease** encumbers the property commonly referred to as Lot 39A located at 6419 South Sossaman Road, Mesa, Arizona comprising approximately 43,353 square feet of real property more specifically described in the **Ground Lease**. Lessee desires to assign the Lease to Vernon Investments, LLC, a Utah limited liability company pursuant to the Assignment and Assumption of **Ground Lease** attached hereto ("**Assignment**"). Concurrent with the Assignment, Zan Sharp and Vivian Sharp, husband and wife, are providing a Guaranty of Lease in the form attached to the Assignment as Exhibit "B" ("**Guaranty**").

Subject to receipt of a fully executed Guaranty, and pursuant to Section 9 of the Lease, Lessor does hereby consent to the **Assignment** as provided herein.

The execution of this Consent to Assignment and Assumption of Ground Lease is not and shall not be construed to be consent to any future assignment of the **Ground Lease** or any portion thereof, and any assignment of the **Ground Lease** and documents related thereto shall require separate approval of Lessor.

[signature on following page]

[signature]

Lessor has executed this Consent to Assignment and Assumption of Land Lease as of the _____ day of _____ , 2022.

LESSOR:

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

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

_____

Exhibit "A"
Legal Description of Lot 39A

That portion of the Northeast quarter of Section 31, Township 1 South, Range 7 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows:

COMMENCING at the Southeast corner of said Section 31, said point also lying on the centerline of Sossaman Road, the following courses will follow said centerline until otherwise mentioned;

Thence North 00 degrees 46 minutes 11 seconds West, a distance of 1111.17 feet to the beginning of a curve concave Westerly and having a radius of 1550.00 feet;

Thence Northwesterly along the arc of said curve through a central angle of 43 degrees 43 minutes 22 seconds, a distance of 1182.82 feet to a point of tangency;

Thence North 44 degrees 29 minutes 34 seconds West, a distance of 466.81 feet;

Thence departing said centerline, North 45 degrees 25 minutes 05 seconds East, a distance of 61.00 feet to the TRUE POINT OF BEGINNING;

Thence North 45 degrees 25 minutes 05 seconds East, a distance of 348.73 feet;

Thence South 44 degrees 34 minutes 55 seconds East, a distance of 129.00 feet;

Thence South 45 degrees 25 minutes 05 seconds West, a distance of 348.93 feet;

Thence North 44 degrees 29 minutes 34 seconds West, a distance of 129.00 feet to the TRUE POINT OF BEGINNING.

Exhibit “B”
Guaranty of Lease

(attached)

GUARANTY OF LEASE

THIS GUARANTY OF LEASE (**"Guaranty"**) is made for valuable consideration by Zan Sharp, and Vivian Sharp, husband and wife, (each, individually, jointly and severally, **"Guarantor"**), in favor of Phoenix-Mesa Gateway Airport Authority, a joint powers authority authorized by the State of Arizona (**"Lessor"**), in connection with that certain Lease Agreement dated October 1, 2016, that certain Amendment 1 dated and effective July 1st, 2022, and assigned pursuant to the Assignment and Assumption of Land Lease dated and effective July 1st, 2022 to which this Guaranty is attached as Exhibit B (collectively, the "**Lease**"), pursuant to which Lessor leases to Vernon Investments, LLC, a Utah limited liability company authorized to do business in the State of Arizona (**"Lessee"**), the certain premises described as Parcel 39A, consisting of approximately 43,353 square feet of land area and further described in the Lease (the, **"Premises"**).

Guarantor does hereby agree as follows:

1. Guarantor does hereby absolutely and unconditionally guarantee and promise to Lessor the due, punctual and full performance by Lessee of each and all of the covenants, obligations, liabilities and promises of Lessee to be performed during the Term (as hereinafter defined) and the truth and accuracy of each and all of the representations and warranties of Lessee contained in the Lease, including without limitation, the payment of Rent, as defined in Section 4 of the Lease and any and all other sums payable thereunder. For the purposes of this Guaranty, the term "**Term**" refers not only to the Term as defined in the Lease, but also to any renewals, extensions, modifications, reinstatements and holdings over thereof.

2. Guarantor does hereby agree that, without the consent of or notice to Guarantor and without affecting any of the obligations of Guarantor hereunder: (a) any term, covenant or condition of the Lease may be amended, compromised, released or otherwise altered by Lessor and Lessee, and Guarantor does guarantee and promise to perform all the obligations of Lessee under the Lease as so amended, compromised, released or altered; (b) any guarantor of or party to the Lease may be released, substituted or added; (c) any right or remedy under the Lease, this Guaranty or any other instrument or agreement may be exercised, not exercised, impaired, modified, limited, destroyed, or suspended; (d) Lessor or any other person may deal in any manner with Lessee, any guarantor, any party to the Lease or any other person; and (e) all or any part of the premises or of Tenant's rights or liabilities under the Lease may be sublet, assigned or assumed.

3. Guarantor hereby waives and agrees not to assert or take advantage of: (a) any right to require Lessor to proceed against Lessee or any other person or to pursue any other remedy before proceeding against Guarantor; (b) the defense of any statute of limitations in any action under or related to this Guaranty or the Lease; (c) any right or defense that may arise by reason of the incapacity, lack of authority, death or disability of Lessee or any other person; (d) any right or defense arising by reason of the absence, impairment, modification, limitation, destruction or cessation (in bankruptcy, by an election or remedies, or otherwise) of the liability of Lessee, of the subrogation rights of Guarantor or of the right of Guarantor to proceed against Lessee for reimbursement; and (e) the benefits of any statutory provision or procedural rule limiting the liability of a surety, including, without limitation, the provisions of A.R.S. § 12-1641, etc.

4. Guarantor hereby waives and agrees not to assert or take advantage of any right or defense based on the absence of any or all presentments, demands (including demands for performance), notices (including notices of adverse change in the financial status of Lessee or other facts which increases the risk to Guarantor, notices of non-performance and notices of acceptance of this Guaranty) and protests of each every kind.

5. Guarantor does hereby agree that if claim is ever made upon Lessor for repayment or recovery of any amount or amounts received by Lessor in payment or on account of the amounts hereby guaranteed and Lessor repays all or part of such amount by reason of (a) any judgment, decree or order or of any court or administrative body having jurisdiction or (b) any settlement or compromise of any such claim effected by

Lessor with any such claimant (including Lessee or any other guarantor), then in such event Guarantor agrees that any such judgment, decree, order, settlement or compromise shall be binding upon Guarantor, notwithstanding the expiration or termination of the Lease or other instrument evidencing any of the amounts hereby guaranteed and Guarantor shall be and remain liable hereunder for the amount so repaid or recovered to the same extent as if such amount had never originally been received by Lessor.

6. Guarantor does hereby agree that for Lessor's benefit and the benefit of Lessee and to the fullest extent permitted by law, Guarantor irrevocably and unconditionally waives any and all rights of subrogation, reimbursement, indemnification, contribution, or similar rights against Lessee or its assets (arising by contract or by law or otherwise) as a consequence of this Guaranty, including, without limitation, the payment or performance of any obligations hereby guaranteed, and further agrees that Guarantor will not assert any such right of subrogation, reimbursement, indemnification, contribution or similar right at any time in respect to the Lease. It is agreed that Lessor's rights under this Paragraph 6 are such that the remedy at law for breach thereof would be inadequate, and that Lessor shall be entitled to specific performance and enforcement thereof, including, without limitation, the imposition of a restraining order or injunction. Nothing in this Paragraph 6 shall diminish or relieve any obligations or liabilities of Lessee to Lessor. Lessor and Lessee and their respective successors and assigns are intended third party beneficiaries of the waivers and agreements made in this Paragraph 6 and Lessor's rights under this Paragraph 6 shall survive the expiration or termination of the Lease. 7. The liability of Guarantor and all rights, powers and remedies of Lessor hereunder and the liability and obligations of Lessee and all rights, powers and remedies of Lessor under the Lease and under this Guaranty shall be in addition to all rights, powers and remedies given to Lessor by law.

7. The liability of Guarantor and all rights, powers and remedies of Lessor hereunder and the liability and obligations of Lessee and all rights, powers and remedies of Lessor under the Lease and under this Guaranty shall be in addition to all rights, powers and remedies given to Lessor by law.

8. This Guaranty applies to, inures to the benefit of and binds all parties hereto, their heirs, devisees, legatees, executors, administrators, representatives, successors and assigns (including any purchaser at judicial foreclosure or trustee's sale or a holder of a deed in lieu thereof). This Guaranty may be assigned by Lessor voluntarily or by operation of law without reducing or modifying the liability of Guarantor hereunder.

9. This Guaranty shall constitute the entire agreement between Guarantor and Lessor with respect to the Guarantor's guaranty of performance of all of Lessee's obligations under the Lease. No provision of this Guaranty or right of Lessor hereunder may be waived nor may any guarantor be released from any obligation hereunder except by a writing duly executed by an authorized officer, director, trustee or partner of Lessor.

10. If more than one person signs this Guaranty, each such person shall be deemed a Guarantor and the obligation of all such Guarantors shall be joint and several. When the context and construction so requires, all words used in the singular herein shall be deemed to have been used in the plural. The word "person" as used herein shall include an individual, company, firm, association, partnership, corporation, trust or other legal entity of any kind whatsoever.

11. Should any one or more provisions of this Guaranty be determined to be illegal or unenforceable, all other provisions shall nevertheless be effective.

12. The waiver or failure to enforce any provision of this Guaranty shall not operate as a waiver of any other breach of such provision or any other provisions hereof.

13. If either Lessor or Guarantor participates in an action against the other arising out of or in connection with this Guaranty, the one prevailing shall be entitled to have and recover from the other reasonable attorneys' fees, collection costs and other costs incurred in and in preparation for the actions.

14. Guarantor agrees that all questions with respect to this Guaranty shall be governed by, and deciding in accordance with the laws of the State of Arizona.

15. If Guarantor executes this Guaranty as a partnership, each individual executing this Guaranty on behalf of the partnership represents and warrants that he or she is a general partner of the partnership and that this Guaranty is binding upon the partnership in accordance with its terms. If Guarantor executes this Guaranty as a corporation, each of the persons executing this Guaranty on behalf of the corporation covenants and warrants that the corporation is a duly authorized and existing corporation, that the corporation has and is qualified to transact business in the State of Arizona, that the corporation has full right, authority and power to enter into this Guaranty and to perform its obligations hereunder, that each person signing this Guaranty on behalf of the corporation is authorized to do so and that this Guaranty is binding upon the corporation in accordance with its terms.

16. In the event Lessee shall become insolvent or shall be adjudicated a bankrupt, or shall file a petition for reorganization, arrangement or other relief under any present or future provisions of the United States Bankruptcy Code, or if such a petition be filed by creditors of Lessee, or if Lessee shall seek a judicial readjustment of the rights of its creditors under any present or future Federal or State law, or if a receiver of all or part of Lessee's property or assets is appointed by the State or Federal court, no such proceeding or action taken therein shall modify, diminish, or in any way affect the liability of Guarantor under this Guaranty, and the liability of Guarantor with respect to the Lease shall be of the same scope as if Guarantor had itself executed the lease as the named Lessee therein, and no "rejection" and/or "termination" of the Lease in any of the proceedings referred to in this Paragraph 16 shall be effective to release and/or terminate the continuing liability of Guarantor to Lessor under this Guaranty. If, in connection with any of the circumstances referred to in this Paragraph 16, Lessor should request that Guarantor execute a new lease for the balance of the Term (unaffected by any such "rejection" and/or "termination" in any of such proceedings), but in all other respects identical with the Lease, Guarantor shall do so as the named Lessee under such new lease (irrespective of the fact that the Lease may have been "rejected" or "terminated" in connection with any of the proceedings referred to in this Paragraph 16). Should Guarantor fail or refuse to execute such a new lease, without limiting any of the legal or equitable remedies available to Lessor on account of such failure or refusal, Guarantor acknowledges and agrees that Lessor may seek specific performance of the covenant of Guarantor contained in this Paragraph 16 to execute such a new lease.

17. Any legal action or proceeding with respect to this Guaranty may be brought in the courts of the State of Arizona or, if the requisites of jurisdiction are obtained, of the United States of America for the District of Arizona and, by the execution and delivery of this Guaranty, Guarantor hereby accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of the aforementioned courts. Nothing herein shall, however, affect the right of Lessor to commence legal action or otherwise proceed against Guarantor in any other jurisdiction.

18. This Guaranty may be executed by the parties in one or more counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one instrument binding upon the parties, notwithstanding that all the parties are not signatories to the same counterpart.

[Remainder of page intentionally blank. Signature and consent pages follow.]

IN WITNESS WHEREOF, the undersigned hereby executes this Guaranty of Lease as of the date(s) below written.

ADDRESS OF GUARANTOR:	**GUARANTOR:**
PO Box 3452 Logan, Utah 84323	_____ Zan Sharp, a married man
PO Box 3452 Logan, Utah 84323	_____ Vivian Sharp, a married woman

Phoenix-Mesa Gateway Airport Authority

First Amendment to Lease

This FIRST AMENDMENT TO LEASE ("Amendment 1") is executed to be effective as of the FIRST (1st) day of July 2022, by and between the **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY**, a joint powers airport authority authorized and existing under the laws of the State of Arizona, its successors and assigns ("Lessor"), and **CIMARRON AIRPARK LLC XV**, an Arizona limited liability company ("Lessee"). This Amendment 1 hereby amends that certain Ground Lease Agreement between Lessor and Lessee dated and effective on October 1, 2016 ("Lease") with respect to that certain real property at the Airport described as Parcel 39A, and as further described in the Lease (the "Premises"). Lessor and Lessee may be referred to jointly as "Parties," and each separately may be referred to as a "Party."

WITNESSETH:

WHEREAS, Lessor and Lessee desire to enter into this Amendment 1 in order to modify the Lease; and

WHEREAS, Lessor is the present owner and operator of the Phoenix-Mesa Gateway Airport generally located at the intersection of Ray Road and South Sossaman Road, City of Mesa, Maricopa County, Arizona (the "Airport"); and

WHEREAS, Lessee was originally granted two (2), five-year extensions and has exercised those extensions pursuant to the terms of the Lease on November 23, 2016 thereby extending the termination date of the Lease to June 30, 2043; and

WHEREAS, Lessee has requested a NINE (9) year extension of the termination date of the Lease thereby extending the termination date of the Lease to June 30th, 2052; and

WHEREAS, Lessor has agreed to the extension on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Amendment 1 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. On or before the Effective Date of this Amendment 1, Lessee shall pay to Lessor an amount equal to ONE HUNDRED TWENTY-TWO THOUSAND, FOUR HUNDRED SIXTY-TWO AND 47/100 dollars ($122,462.47).
2. The provisions of Section 2 are deleted in its entirety and shall be replaced with:

   2. TERM.

   The term of this Lease shall be for a period of THIRTY-FIVE (35) years and NINE (9) months commencing on the Effective Date and terminating on the 30th day of June 2052.

3. Lessee warrants and represents to Lessor that: (i) all necessary actions have been taken to authorize the execution of this Amendment 1 by Lessee; (ii) the persons who have executed this Amendment 1 on behalf of Lessee are duly authorized to do so; and (iii) this Amendment 1 constitutes a legal, valid

and binding obligation of Lessee, enforceable against Lessee in accordance with its terms and the terms of the Lease.

5. In all other respects the Lease shall remain unchanged and in full force and effect. The Lease, as amended by this Amendment 1 shall continue to be binding upon the Lessor and Lessee and their permitted successors and assigns.

6. All of the Recitals set forth above are incorporated into this Amendment 1 by this reference.

7. Lessee recognizes and acknowledges that execution of this Amendment 1 shall in no way constitute a waiver by Lessor of any other sums which may be due and owing to Lessor or which may hereafter accrue.

IN WITNESS WHEREOF, the Parties have entered into this Amendment 1 as of the date first set forth above.

FOR LESSOR:

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, an Arizona joint powers airport authority

By: _____

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

Its: Executive Director/CEO

FOR LESSEE:

CIMARRON AIRPARK LLC XV, an Arizona limited liability corporation.

By: _____

Name: Fred Himovitz

Its: Manager

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

Board Action Item

Re: Resolution 22-38

To: Board of Directors
From: Shea Joachim, CEcD, Business Development Director
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: GatewayEast Master Development Agreement and Master Lease Agreement
Date: June 21, 2022

Proposed Motion

To authorize a Master Development Agreement and Master Lease Agreement with Boyer GatewayEast, L.C. for the property referred to as GatewayEast, each for a term of forty (40) years with no extensions, and each to be guaranteed by The Boyer Company, L.C.

Narrative

On January 14, 2021, Phoenix-Mesa Gateway Airport Authority (PMGAA) hosted a virtual promotional event to highlight a roughly 400-acre, non-aeronautical development opportunity on the eastside of the Airport referred to as "GatewayEast.". The event was designed to showcase the Phoenix-Mesa Gateway Airport (Airport) to local, regional and international investors and real estate developers. The goal of the event was to generate interest from real estate development firms, or teams of firms, in PMGAA's competitive solicitation to play the role of Master Developer for GatewayEast.

PMGAA staff released a Request for Qualifications (RFQ) to solicit qualified firms to serve as Master Developer for GatewayEast on January 21, 2021. PMGAA established an evaluation team comprised of PMGAA staff members, a representative from a member government, and a real estate development expert from the private sector. PMGAA short-listed the respondents based on qualifications and issued a Request for Proposals (RFP) on May 13, 2021, directly to the four (4) most qualified firms. All of the four finalist firms submitted a competitive proposal for PMGAA's consideration, and all four finalists participated in an intensive interview process. The evaluation team reviewed the four proposals, along with the interview results, and invited the top two finalists to submit a "best and final" proposal. On December 21, 2021, PMGAA Board approved a Memorandum of Understanding (MOU) with The Boyer Company ("Boyer") to establish an exclusive negotiating period with the intent of finalizing a Master Development Agreement (MDA) and Master Lease Agreement (MLA).

Master Development Agreement Overview

The MDA codifies all of the key elements of the Boyer proposal and outlines the responsibilities and performance expectations for Boyer and PMGAA. Specifically, the MDA requires Boyer to finance and construct all of the Horizontal Improvements within GatewayEast (with the exception of the Spine Road and the City Improvements), create a Master Plan for the entire GatewayEast property, lead the development of GatewayEast in accordance with the Master Plan, coordinate with PMGAA on the creation of a

Development Lease Template, and cause the successful completion of Minimum Development Requirements (MDR's) by the applicable Minimum Development Deadline (MDD).

Boyer and PMGAA envision GatewayEast will develop in three phases. Upon the Effective Date, Boyer will only have the ability to conduct Vertical Improvements within Development Phase I. Once Boyer has achieved MDR #1, MDR#2, and MDR#3 they will have the ability to conduct Vertical Improvements in Development Phase II. Further, Boyer will only get rights to Development Phase III when they have achieved MDR#4, MDR#5, and MDR#6.

Boyer will establish a special purpose entity (Boyer Gateway East, L.C. a Utah limited liability company). Boyer will provide a Guaranty to ensure the performance of all obligations under the MDA and MLA.

Master Lease Agreement Overview

The MLA transfers leasehold control of Development Phase I of GatewayEast to Boyer. However, the MLA is designed to only allow Boyer to perform Horizontal Improvements (e.g. infrastructure). All Vertical Improvements would require the property specifically identified for development to be "spun" out of the MLA and into a Development Lease Agreement. The Takedown Rent, or starting rent, for each Development Lease is initially set at $0.55 per SF. The Takedown Rent will be adjusted in accordance with changes to the Consumer price Index on every 5th anniversary of the Effective Date.

Agreement Term and Rate

The MDA and MLA have a Term of 40 years. There is no rent directly associated with either the MDA or MLA.

The Takedown Rent for Development Lease will start at $0.55 per SF.

Attachment(s)

Master Development Agreement
Master Lease Agreement

RESOLUTION NO. 22-38

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

WHEREAS the Authority desires to authorize a Master Development Agreement and Master Lease Agreement with Boyer GatewayEast, L.C. for the property referred to as GatewayEast, each for a term of forty (40) years with no extensions, and each to be guaranteed by The Boyer Company, L.C.

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

> **The Board of Directors of the Authority hereby authorizes a Master Development Agreement and Master Lease Agreement with Boyer GatewayEast, L.C. for the property referred to as GatewayEast, each for a term of forty (40) years with no extensions, and each to be guaranteed by The Boyer Company, L.C. 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 21st day of June, 2022.

John Giles, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

MASTER DEVELOPMENT AGREEMENT

BY AND BETWEEN

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY

AND

BOYER GATEWAY EAST, L.C.

AND SOLELY WITH RESPECT TO THE GUARANTY

THE BOYER COMPANY, L.C.

Dated as of June 21, 2022

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MASTER DEVELOPMENT AGREEMENT

THIS MASTER DEVELOPMENT AGREEMENT ("**Agreement**") is made as of this 21st day of June, 2022 ("**Effective Date**") by and between (a) Phoenix-Mesa Gateway Airport Authority, a joint powers authority authorized by the State of Arizona ("**Authority**"), in its capacity as the owner of the Phoenix-Mesa Gateway Airport ("**Airport**") and the GatewayEast Business Park ("**GatewayEast**"), (b) Boyer Gateway East, L.C., a Utah limited liability company ("**Developer**"), and (c) solely with respect to the Guaranty, The Boyer Company, L.C., a Utah limited liability company ("**Guarantor**"). Individually, each of the Authority and the Developer is a "**Party**" and, collectively, they are the "**Parties**".

RECITALS

A. The Authority operates the Airport, which acts through its board of directors comprised of elected officials from the communities surrounding the Airport, namely the City of Mesa, the Town of Gilbert, the Town of Queen Creek, the Gila River Indian Community, the City of Phoenix, and the City of Apache Junction ("**Members**" and when referring to each Member specific community, "**Member Communities**").

B. In furtherance of its mission to develop, reuse, operate, and maintain the Airport and its facilities, the Authority commenced a competitive solicitation process to select a master developer for GatewayEast at the Airport (collectively, "**Project**"); a depiction of the real property on which GatewayEast is located is set forth on **Exhibit A-I** attached hereto, and such real property is legally described on **Exhibit A-II** attached hereto.

C. The Parties acknowledge and understand that the Authority and the Airport are at all times subject to, and must abide by, the terms and conditions of that certain Quitclaim Deed recorded on April 30, 1998 as Sequence No. 98-0354787, Official Records of Maricopa County Recorder; that certain Intergovernmental Agreement (Williams Air Force Base – Purpose and Goal Statement) recorded on December 14, 1992, as Sequence No. 92-0712408, Official Records of Maricopa County Recorder; that certain Amended and Restated Joint Powers Airport Authority Agreement recorded on February 24, 2015 as Sequence No. 20150119500, Official Records of Maricopa County Recorder; rules and regulations promulgated by the Federal Aviation Administration ("**FAA**"); A.R.S. §28-8531 *et seq.* (as amended); the Authority "*Airport Rules and Regulations*" and other Airport published rules and regulations (as amended from time to time, "**Governing Provisions**"), and other federal, state and local statutes, rules and regulations applicable to the Project.

D. Through the Project, the Authority intends to achieve the following primary goals:

(a) to develop GatewayEast and increase its value;

(b) to increase employment opportunities for the Member Communities;

(c) to enhance the profitability of the Airport through increased lease revenues as well as the development of complementary commercial activities at the Airport;

(d) to develop the Airport in a manner that is environmentally, economically, and socially sustainable; and

(e) to generate new tax and fee revenues to the Airport and the Member Communities.

E. The Boyer Company, L.C. ("**Proposer**") was included in a shortlist as a qualifying team pursuant to the Authority's Request for Qualifications #2021-016-RFQ ("**RFQ**"), which sought to identify qualified firms or teams of firms to serve as master developer for GatewayEast.

F. As one of the qualifying teams identified on the shortlist of responders to the RFQ, the Proposer submitted a response to the Authority's Request for Proposals #2021-001-RFP ("**RFP**"), pursuant to which the Proposer presented to the Authority its proposal to develop GatewayEast as a hub for retail, hospitality, manufacturing, office and other non-aeronautical uses that leverage the competitive advantages of the Member Communities (collectively, "**Project Proposal**").

G. After reviewing the responses to the RFP and considering the stated goals and objectives of the Project, the Authority determined that the Proposer was the preferred respondent under the RFP and, accordingly, entered into exclusive negotiations with the Developer pursuant to that certain Memorandum of Understanding dated December 21, 2021("**MOU**"), which set forth the principal terms and conditions of the agreements to be negotiated and entered into to give effect to the Developer's appointment as master developer of GatewayEast pursuant to the Project Proposal, including, but not limited to, this Agreement, construction agreements, architectural agreements, management agreements, lease and sublease agreements, facilities use agreements, parking agreements and other related agreements as necessary or appropriate (collectively, "**Definitive Agreements**").

H. The Proposer established the Developer as the entity through which the Proposer would consummate the Project Proposal.

I. The Authority and the Developer intend that the Project will be developed by the Developer subject to the terms, conditions and provisions set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing premises, mutual obligations of the Parties, and other valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the Parties agree as follows:

1. **RECITAL INCORPORATION AND DEFINITIONS.** The recitals set forth above are incorporated into and made a part of this Agreement for all purposes. Unless otherwise expressly defined herein, the following terms and phrases shall have the following meanings set forth below:

"**Affiliate**" shall mean with respect to any specified Person, any other Persons that directly, or indirectly through one or more intermediaries, Controls, is Controlled by, or is under common Control with, such specified Person.

"**Airport**" shall have the meaning set forth in the Preamble.

"**Airport Layout Plan**" shall mean a set of drawings that show the near-, intermediate-, and long-term facilities for the Airport.

"**Annual Report**" shall have the meaning set forth in Section 3.5 hereof.

"**Authority**" shall have the meaning set forth in the Preamble.

"**Authority Contact**" shall mean the individual designated by the Authority, which, initially, will be Shea Joachim.

"**Authority Event of Default**" shall have the meaning set forth in the Section 9.1 hereof.

"**Authority Indemnified Parties**" shall mean the Authority, its Members and their Affiliates, shareholders, members, directors, managers, officers, agents, attorneys, employees, successors and assigns, and their respective shareholders, members, directors, managers, officers, agents and employees.

"**Authority Takedown Notice**" shall have the meaning set forth in Section 2.2.4(b).

"**Authority's Procurement Policy**" shall mean the then-current Procurement Policy adopted by the Board of Directors of the Authority as posted on its website, gatewayairport.com/policiesdocumentsandforms.

"**Business Day**" shall mean any day that is neither a Saturday, a Sunday nor a day observed as a holiday by the Airport.

"**City Improvements**" shall have the meaning set forth in Section 2.2.2.

"**Claim**" shall mean claims, demands, actions, damages, losses, liabilities, judgments, costs and expenses, including, without limitation, reasonable legal fees and court costs.

"**Community Involvement Plan**" shall have the meaning set forth in Section 3.12 hereof.

"**Construction Contract**" shall mean the contract entered into by the Developer and any contractor or construction manager providing for construction of any Development Project, which contract shall provide for, among other things, third-party beneficiary status for the Authority.

"**Construction Drawings**" shall mean the full and complete engineering plans, architectural plans and specifications prepared by any architect for any Development Project, which plans and specifications shall be referenced in the Construction Contract and be based upon the applicable Preliminary Project Description.

"**Control**" (including the terms "**Controlled by**" and "**under common Control with**") shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, as trustee or executor, by contract or otherwise, including the ownership, directly or indirectly, of securities having the power to elect a majority of the board of directors or similar body governing the affairs of such Person.

"**DBE/MBE/WBE/VBE**" shall have the meaning set forth in the Section 3.11.1 hereof.

"**Debt**" shall have the meaning set forth in the Section 13.7.3 hereof.

"**Definitive Agreements**" shall have the meaning set forth in the Recitals.

"**Developer**" shall have the meaning set forth in the Preamble.

"**Developer Contact**" shall be the individual designated by the Developer from time to time, which, initially, will be Matt Jensen.

"**Developer Event of Default**" shall have the meaning set forth in the Section 8.1 hereof.

"**Developer Indemnified Parties**" shall mean the Developer and its Affiliates, shareholders, members, directors, managers, officers, agents, attorneys, employees, successors and assigns, and their respective shareholders, members, directors, managers, officers, agents and employees.

"**Development Lease**" shall mean the Development Lease executed by the Authority, as lessor, and the Developer, its designated Affiliate, or a Third-Party Vertical Developer, as lessee, pursuant to the terms of

the Master Lease Agreement for the portion of GatewayEast that is the subject of a specific Development Project.

"**Development Lease Template**" shall have the meaning set forth in Section 3.3 hereof.

"Development Lot" shall mean a lot within GatewayEast that is, or will be, the subject of a specific Development Project and subjected to a Development Lease.

"**Development Phases**" shall have the meaning set forth in the Section 2.2.1 hereof.

"**Development Project**" shall mean any material improvement which is undertaken by Developer or a Vertical Developer, at its expense, affecting GatewayEast that has been leased to the Developer or Vertical Developer pursuant to a Development Lease, as such improvement and the construction schedule related thereto are approved by the Authority pursuant to the terms of the Master Lease Agreement.

"**Effective Date**" shall have the meaning set forth in the Preamble.

"**Eligible Project Costs**" shall mean (a) the reasonable costs associated with architectural, engineering, or related professional services required to prepare plans, drawings, and specifications, and (b) the reasonable costs associated with the physical construction including material, equipment, and labor associated with construction.

"**FAA**" shall have the meaning set forth in the Recitals.

"**GAAP**" shall have the meaning set forth in the Section 13.7.4 hereof.

"**GatewayEast Governance Documents**" shall mean (i) any declaration of covenants, conditions, restrictions and easements ("**CCRs**") and (ii) any design guidelines ("**Design Guidelines**") adopted with respect to one or more Development Lots or Development Phases, and which are consistent, and not in conflict, with the Master Plan. Without limiting the foregoing, the GatewayEast Governance Documents may (a) set forth in the permitted and prohibited uses for the subject property within GatewayEast, (b) establish the procedure whereby lessees of the subject property within GatewayEast are assessed for maintenance, repair, replacement of the common areas within GatewayEast such as streets, landscaping, signage, and other common elements benefitting multiple parcels within GatewayEast, (c) establish design guidelines for the improvements to be constructed within the subject property within GatewayEast and the procedure whereby such improvements or alterations thereto are approved. The term "GatewayEast Governance Documents" may be one set of CCRs or Design Guidelines for the entirety of the Project, or multiple sets covering all or a portion of the Project, all of which must be individually approved by the Authority in accordance with Section 3.4. Once adopted, the GatewayEast Governance Documents shall not be terminated or amended without the prior written approval of the Authority and, so long as this Agreement remains in effect, the Developer.

"**Governing Provisions**" shall have the meaning set forth in the Recitals.

"**Governmental Authority**" shall mean any governmental entity (including any regulatory, administrative, executive, federal, local, municipal, judicial, legislative or other entity, or any combination thereof), including, but not limited to the FAA.

"**Guaranteed Obligations**" shall have the meaning set forth in Section 13.1 hereof.

"**Guarantor**" shall have the meaning set forth in the Preamble.

"**Guaranty**" shall mean the guaranty of the Developer's obligations by Guarantor pursuant to Section 13 hereof.

"**Horizontal Improvements**" shall mean roads, streets, bridges, storm drains, drainage improvements, curbs, sidewalks, street lights, landscaping and wet and dry utilities (including electricity, water, sewer, telephone, cable television or equivalent and natural gas) necessary to service the Development Lots within GatewayEast other than the City Improvements and the Spine Road. The Horizontal Improvements shall be of sufficient size to service the needs of the Development Phase in which they are located and the needs of any additional Development Phase that will connect to or use such Horizontal Improvements.

"**Initial Master Plan**" shall have the meaning set forth in Section 3.2 hereof.

"**Insolvency Event**" shall mean, with respect to any Person, an event whereby: (a) such Person makes or offers to make any arrangement, assignment, moratorium or composition with or for the benefit of its creditors; or (b) such Person admits that it has suspended payment of its debts or that it is unable to pay its debts when they fall due or commits any act of insolvency or bankruptcy; or (c) a petition for the bankruptcy, winding up, or dissolution of such Person (other than a winding-up for the purposes of reconstruction or amalgamation of a solvent company) is passed or presented and not withdrawn or dismissed within one hundred and twenty (120) days; or (d) such Person files a voluntary petition in bankruptcy or insolvency; or (e) a liquidator, trustee, supervisor, receiver, administrator, administrative receiver, controller or encumbrancer takes possession of or is appointed over the whole or any material part of the assets of such Person; or (f) something having a substantially similar effect to any of the events described in clauses (a) through (e) happens in connection with such Person under applicable Law.

"**Law**" means any law, ordinance, code, regulation, rule, judgment, order, writ, injunction, ruling, decree or agency requirement of any Governmental Authority.

"**Liquidity**" shall have the meaning set forth in the Section 13.7.2 hereof.

"**Local**" means businesses with a presence in one or more Member Communities.

"**Master Lease Agreement**" shall mean that certain lease agreement to be executed concurrently with this Agreement in which the Authority shall convey to the Developer a leasehold interest in GatewayEast.

"**Master Plan**" shall have the meaning set forth in Section 3.2.1 hereof.

"**Members**" and "**Member Communities**" shall have the meaning set forth in the Recitals.

"**Minimum Development Deadline**" shall have the meaning set forth in Section 5 hereof.

"**Minimum Development Requirement**" shall have the meaning set forth in Section 5 hereof.

"Outside Contingency Deadline" means the date one hundred eighty (180) calendar days following the Effective Date.

"**Party**" and "**Parties**" shall have the meaning set forth in the Preamble.

"**Permitted Exceptions**" means those matters set forth on **Exhibit G** attached hereto, any matters arising by, through or under the Developer or approved by Developer in its sole and absolute discretion.

"**Person**" means any individual, partnership, corporation, company, joint venture, association, Governmental Authority, trust, trustee, unincorporated organization or other entity and the heirs, executors, administrators or other legal representatives of any individual.

"**Phase I**" shall have the meaning ascribed to it in Section 2.2.1(a) hereof.

"**Phase II**" shall have the meaning ascribed to it in Section 2.2.1(b) hereof.

"**Phase III**" shall have the meaning ascribed to it in Section 2.2.1(c) hereof.

"**Project**" shall have the meaning set forth in the Recitals.

"**Preliminary Project Description**" shall mean the preliminary description of any Vertical Improvements and/or Horizontal Improvements prepared by the Developer and delivered to the Authority, including the (a) nature and scope of such improvements (b) intended square footage of such improvements, (c) intended use of such improvements, (d) sources of the capital for such improvements, (e) projected budget for such improvements, and (f) expected completion date.

"**Proposer**" shall have the meaning set forth in the Recitals.

"**RFP**" shall have the meaning set forth in the Recitals.

"**RFQ**" shall have the meaning set forth in the Recitals.

"Spine Road" shall mean the public road that follows the Spine Road Alignment which includes the pavement, storm drains, drainage improvements, curbs, sidewalks, streetlights, landscaping, and wet and dry utilities (including electricity, water, sewer, telephone, cable television or equivalent and natural gas) required by City of Mesa engineering standards.

"**Takedown**" means the execution of a Development Lease by the Authority and a Vertical Developer.

"**Tangible Net Worth**" shall have the meaning set forth in Section 13.7.1 hereof.

"**Term**" shall have the meaning set forth in Section 10.1 hereof.

"**Third-Party Vertical Developer**" means a Vertical Developer that is not an Affiliate of Developer and/or Guarantor and is a single developer and user-occupant of a subject Development Lot.

"**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 Agreement due including but not limited to: (a) construction delay to the extent caused by the other Party, including delays caused by either Party's failure to timely respond within THIRTY (30) calendar days to any matter submitted for consent or approval, except any consent or approval required under Sections 3.2, 3.2.2, 3.4, and 3.5.1 of this Agreement (b) legal proceeding brought by a non-Party with respect to the Horizontal Improvements or Vertical Improvements or any provision or requirement of this Agreement which by its nature prohibits the Horizontal Improvements or Vertical Improvements from being commenced, continued and/or completed, (c) a Party not receiving a governmental permit, license, entitlements, approval or inspection in time to meet a contractual time period imposed hereunder provided that Party, in good faith, was diligent in the application or request for and prosecution of the process to obtain that permit, license, approval or inspection, (d) flood, (e) epidemic, (f) quarantine restriction, (g) unusually severe weather not reasonably anticipated, (h) strike, (i) walkout, (j) lock-out, (k) war, (l) national emergency, (m) fire, (n) act of God, (o) act of terrorism, (p) natural disaster, (q) explosion, (r) default by the other Party hereunder in the performance of its obligations hereunder, (s) delay

caused by the discovery, presences or actions necessary to investigate or remediate hazardous material (but excluding hazardous material attributable to the Party claiming Unavoidable Delay), (t) unavailability or shortage of materials or labor that could not be reasonably anticipated, or (u) other causes beyond such Party's control.

"**Vertical Developer**" shall mean the lessee under a Development Lease responsible for constructing the Vertical Improvements.

"**Vertical Improvements**" shall mean buildings, structures and related improvements on the Development Lots.

2. PROJECT OVERVIEW.

2.1 Project Description.

2.1.1. The Developer has been selected pursuant to the RFQ and RFP to develop GatewayEast into a first-class business park supporting a mix of uses including retail, hospitality, manufacturing, industrial, and office product, with the goal of attracting "Class A" tenants to GatewayEast.

2.1.2. The Developer or its Affiliate with respect to Development Lots subject to a Development Leases between the Authority and the Developer or its Affiliate, and the Authority, with respect to Development Lots subject to a Development Leases between the Authority and Third-Party Vertical Developers, will ensure that Vertical Improvements are constructed, and continuously maintained and operated, in accordance with standards to be set forth in the Master Plan, Development Lease and any GatewayEast Governance Documents.

2.2 Development of GatewayEast.

2.2.1. Phasing. Development of GatewayEast will be completed in the three phases ("**Development Phases**"), as further depicted in **Exhibit B** attached hereto, and each Development Phase will involve the development of Horizontal Improvements related to such Development Phase.

(a) Development Phase I: approximately 110 acres of undeveloped land, as depicted in **Exhibit B-I**.

(b) Development Phase II: approximately 100 acres of undeveloped land, as depicted in **Exhibit B-II**.

(c) Development Phase III: approximately 63 acres of undeveloped land as further depicted in **Exhibit B-III**.

The Developer and the Authority recognize that there may be end-users interested in GatewayEast that prefer a location that is not part of the Development Phase then being developed. In such event, so long as such development is consistent with the Master Plan and is approved by the Authority, which approval shall not be unreasonably withheld, conditioned or delayed, (i) the Authority and the Developer or its Affiliate shall enter into a Development Lease for such desired location, and (ii) the Authority and the Developer shall amend the Master Lease Agreement to the extent reasonably necessary or desirable to permit the Developer to construct any Horizontal Improvements necessary or desirable for such development.

2.2.2. Horizontal Improvements. The successful development of GatewayEast requires investment by the Developer in Horizontal Improvements.

(a) The Parties understand that the City of Mesa has committed to delivering certain improvements serving GatewayEast as further described in **Exhibit D** (collectively "**City Improvements**"). The Parties agree that, notwithstanding anything to the contrary herein, if the City of Mesa doesn't complete or deliver the City Improvements as scheduled, such failure or delay (i) will not be a Developer Event of Default, and (ii) will be considered an Unavoidable Delay in accordance with Section 10.3.

(b) The Parties understand that the alignment and cross-section of the Spine Road (the "**Spine Road Alignment**") has been established and is described in more detail in **Exhibit E**. A portion of the Spine Road Alignment and related infrastructure, as shown and described on **Exhibit E**, is included within the City Improvements.

(c) Subject to Section 2.2.2(e), following the completion of the City Improvements, the Developer, at its expense, will develop or cause to be developed 100% of the Horizontal Improvements requirements as needed to support the foregoing Development Phases.

(d) The Developer is only responsible for the half street improvements (as defined in the City of Mesa Engineering & Design Standards) of the Spine Road that is adjacent to GatewayEast. The Developer may choose to construct the entire cross-section of the Spine Road and may be eligible for reimbursement from the Authority pursuant to Section 4.3.

(e) Not less than one (1) year prior to the Minimum Development Deadline applicable to the portion(s) of the Spine Road that is(are) the subject of the request, the Developer may request that the Authority construct the entire cross-section of the Spine Road. The Authority may agree to or decline the request in the Authority's reasonable discretion, taking into account factors such as staffing and funding. If the Authority declines the request, the Developer shall proceed in accordance with Section 2.2.2(d). If the Authority accepts the request: (a) the Authority will construct the Spine Road in phases concurrent with the applicable Development Phase then being developed by the Developer, and (b) the Developer will reimburse the Authority for FIFTY PERCENT (50%) of the Eligible Project Costs of the Spine Road improvements. The Developer's reimbursement for each phase of the Spine Road will be issued within TWENTY (20) Business Days following the Authority's completion of all the following stipulations:

(i) Obtain the Developer's approval on the design of the Spine Road improvements, which approval shall not be unreasonably withheld, conditioned or delayed;

(ii) Comply with the Authority's public procurement requirements as described in the Authority's Procurement Policy;

(iii) Achieve acceptance of the Spine Road improvements by the City of Mesa; and

(iv) Provide a detailed accounting reasonably acceptable to the Developer, of all of the actual, Eligible Project Costs and an invoice for the Developer's reimbursement.

2.2.3. Vertical Improvements. The Developer will use its commercially reasonable efforts to attract partners and/or tenants to develop the Project through "build to suit" or "spec building" plans. The Developer intends to grow the Project incrementally, as demand grows and at all times consistent with the Minimum Development Requirements set forth in this Agreement and the Master Lease Agreement.

2.2.4. Third-Party Vertical Developers.

(a) Takedown. The Parties anticipate that the Developer or its Affiliates would undertake most of the Vertical Improvements within GatewayEast. However, both the Authority and the Developer

recognize that there may be end-users interested in GatewayEast that prefer to directly lease a Development Lot and construct their own Vertical Improvements without involvement from the Developer. The Authority shall have the right to lease a Development Lot directly to a Third-Party Vertical Developer in accordance with but subject to the terms of this Section 2.2.4 so long as:

(1) the Development Lot is not subject to the Master Lease Agreement,

(2) the Authority has referred the prospective Third-Party Vertical Developer to Developer and the Developer and the Third-Party Vertical Developer were unable to agree on the terms of a sublease for the Development Lot within ninety (90) calendar days of such referral,

(3) the Development Lease for the Third-Party Vertical Developer is consistent with the terms of the Development Lease Template,

(4) the Development Project proposed by the Third-Party Vertical Developer is consistent with the Master Plan,

(5) if the users of the Development Lot will use any common areas or improvements in GatewayEast, the Development Lot is subject to GatewayEast Governance Documents that require the owner or Third-Party Vertical Developer of the Development Lot to pay its share of any common areas or improvements in GatewayEast,

(6) The Development Lease between the Authority and the Third-Party Vertical Developer is executed within sixty (60) days after the Authority Takedown Notice is approved or deemed approved pursuant to Section 2.2.4(c) below.

(b) Authority Takedown Notice. At such time as Authority has identified a Development Lot as ready for vertical development, as determined by Authority, by a Third-Party Vertical Developer, Authority will notify Developer with a takedown notice (an "**Authority Takedown Notice**") specifying the following:

(1) the Development Lot to be leased pursuant to the Development Lease, or the proposed boundaries for a new Development Lot;

(2) the Horizontal Improvements that will serve such Development Lot and whether such Horizontal Improvements have been constructed, and if not, the date by which such Horizontal Improvements will be completed by the Third-Party Vertical Developer and, when available, the plans and specifications therefor (it being understood that receipt of such plans and specifications is not required for a "complete" Authority Takedown Notice and may be delivered after the review and approval periods set forth below) ;

(3) the estimated dates by which Vertical Improvements will be commenced and completed under the terms of the Development Lease;

(4) the proposed use(s) of the Development Lot, which use (i) must be consistent with the Master Plan; and (ii) may not compete with any use of the Project set forth in an existing Development Lease or with a letter of intent or proposed Development Lease that is then being negotiated in good faith by Developer with a third party;

(5) the name of the Third-Party Vertical Developer; and

(6) proposed term of Development Lease, if such proposed term is different from the maximum term permitted hereunder for a Development Lease.

(c) Approval. The Authority Takedown Notice shall be subject to approval of Developer, which approval shall not be unreasonably withheld, delayed or conditioned, so long as:

(1) the Development Lot, including the proposed use, is consistent with this Agreement, the Master Plan (as amended), and the Airport Layout Plan (as amended);

(2) the lease of the Development Lot for Vertical Improvements will not leave the remainder of the Project or any portion thereof landlocked, or if the lease of the Development Lot will leave the remainder of the Project or any portion thereof landlocked, Authority and Developer agree to work together in good faith to provide for access to such landlocked portions of the Project;

(3) the proposed Takedown will not have a material adverse effect or otherwise negatively impact the development of the Project;

(4) no "Authority Event of Default" with respect to the MDA (as defined therein) on the part of Authority shall have occurred and is continuing;

(5) Any Horizontal Improvements to be constructed by the Third-Party Vertical Developer are consistent with the Master Plan and the existing Horizontal Improvements;

(6) Developer approves (which approval may not be unreasonably withheld, conditioned or delayed, taking into consideration the commercial development experience, legal standing and financial capability of such Third-Party Vertical Developer), the Third-Party Vertical Developer; and

(7) the requirements and conditions set forth in this Section 2.2.4 have been satisfied.

Developer will have THIRTY (30) days following receipt of an Authority Takedown Notice to either approve or disapprove the same. If Developer disapproves, Developer shall provide Authority with a reasonably detailed explanation for Developer's disapproval and suggestions for revisions that would reasonably satisfy Developer's disapproval. If Developer fails to respond within such THIRTY (30)-day period Authority may give a second notice to Developer requesting approval of the Authority Takedown Notice, on which the following language must appear in bold print: "**FAILURE TO RESPOND TO THIS NOTICE WITHIN FIVE (5) BUSINESS DAYS FROM ITS RECEIPT SHALL RESULT IN THE TAKEDOWN PACKAGE BEING DEEMED APPROVED**." If Developer fails to respond in writing (in the manner described above) to any matter in such second notice within FIVE (5) Business Days following delivery of such notice, the Authority Takedown Notice shall be deemed to have been approved by Developer. If Developer disapproves a request for approval, then Authority may resubmit a revised Authority Takedown Notice for review and approval. This cycle will repeat itself until Developer either approves the request or is deemed to have approved the same.

(d) Limitation. Notwithstanding the foregoing, in no event shall the Authority have the right to lease directly to Third-Party Vertical Developers more than FIFTY (50) acres within the Project without

the Developer's prior written consent, which consent may be withheld in Developer's sole and absolute discretion.

(e) Minimum Development Requirements Credit. In the event of a Development Lease in accordance with this Section, (i) the Authority shall Takedown the applicable Development Lot as set forth in this Agreement, and (ii) the Developer will receive a square footage credit (equal to the greater of the proposed square footage of any commercial development on the Development Lot or the square footage of such commercial development on the Development Lot) against the applicable and corresponding Minimum Development Requirements then in effect.

(f) Horizontal Improvements. Authority shall cause the Third-Party Vertical Developer to (a) construct the Horizontal Improvements to be constructed by such Third-Party Vertical Developer in accordance with the Master Plan and the plans and construction schedule set forth in the approved or deemed approved Takedown Notice or the plans and construction schedule approved thereafter, and (b) to keep, maintain and repair such Horizontal Improvements that are owned by the Third-Party Vertical Developer or the Authority in good condition and repair.

2.2.5. Project Documentation. The Parties contemplate that the Project will consist of various Development Projects as further described in the provisions set forth below. Each Development Project comprising the Project shall be set forth in, and be subject to and governed by, a Development Lease, which shall reflect the required provisions of this Agreement and the Master Lease Agreement and contain such additional terms and conditions as agreed upon by the Authority and the Developer as applicable to each such Development Project. Upon the execution of a Development Lease, (a) the Development Lot subject to such Development Lease shall automatically be released from this Agreement, and (b) upon the request of a Party, the Parties shall enter into an amendment to this Agreement to memorialize such release of such Development Lot from this Agreement. If a Development Lease between the Authority and a Third-Party Vertical Developer is terminated prior to the commencement of any Vertical Improvements on the Development Lot subject to such Development Lease, such Development Lot shall automatically become subject to this Agreement.

3. DEVELOPER'S GENERAL OBLIGATIONS. During the Term, the Developer will have the following general obligations:

3.1 Development. The Developer will be the master developer of GatewayEast and be responsible for the design, construction and development of GatewayEast (other than Development Lots subject to a Development Lease with a Third-Party Vertical Developer) pursuant to the terms of this Agreement, the Master Lease Agreement and/or Project Documentation, as applicable.

3.2 Initial Master Plan. No later than ninety (90) calendar days following the Effective Date, the Developer will deliver to the Authority, for the Authority's review and approval, a detailed master conceptual land use development plan ("**Initial Master Plan**") which approval shall not be unreasonably withheld, conditioned or delayed. The Initial Master Plan shall include, without limitation, the items set forth on **Exhibit C**. If the Authority disapproves the Developer's request for approval of the Initial Master Plan pursuant to this Section, the Authority will set forth the reason for its disapproval and a description of the changes, which if made, would cause the Authority to approve the Initial Master Plan. Thereafter the Parties will negotiate in good faith to resolve the Authority's objections if possible, but the Authority's failure to approve a request for approval shall not be subject to mediation. The Authority will have fifteen (15) Business Days following an initial request for approval and ten (10) Business Days following any subsequent request for approval to either approve or disapprove the Developer's request. If the Authority fails to respond within the required period the Developer must give a second notice to the Authority requesting approval of the Initial Master Plan, on which the following language must appear in bold print: "**FAILURE TO RESPOND TO THIS NOTICE WITHIN FIVE (5) BUSINESS DAYS FROM ITS RECEIPT SHALL RESULT IN THE INITIAL**

MASTER PLAN BEING DEEMED APPROVED." If the Authority fails to respond in writing (in the manner described above) to any matter in such second notice within five (5) Business Days following delivery of such notice, the Initial Master Plan shall be deemed to have been approved by the Authority. Notwithstanding the foregoing, the Initial Master Plan shall not be deemed approved if any portion of the Master Plan conflicts with this Agreement or the Governing Provisions. If the Authority disapproves a request for approval and sets forth the reason for its disapproval, then Developer shall resubmit a revised Initial Master Plan for review and approval. This cycle will repeat itself until either (i) the Authority either approves the request for approval or is deemed to have approved the same or (ii) the Outside Contingency Deadline. The Authority shall use commercially reasonable efforts to obtain the FAA's approval of any changes to the Airport Layout Plan as necessitated by the Initial Master Plan. The Developer will produce all documents, reports, forms and other items reasonably necessary to obtain such FAA approval of any changes to the Airport Layout Plan necessitated by the Initial Master Plan, and shall reasonably cooperate with the Authority in seeking approval of the same. If the FAA fails to approve any such changes, the Initial Master Plan will be modified as necessary to either obtain such FAA approval or eliminate the need for the same.

3.2.1. Once approved or deemed approved under this Section, the Initial Master Plan shall thereafter be the "**Master Plan**" under this Agreement until further updated or modified in accordance with this Section. GatewayEast shall be developed in accordance with the Master Plan.

3.2.2. From time to time following the Effective Date but no less often than annually on the anniversary of the Effective Date, the Developer shall advise the Authority whether the Master Plan should be modified to respond to market, financing and other conditions relevant to the development of the Project, and if modifications are recommended will submit a proposed updated Master Plan for approval by the Authority. In addition, from time to time during the Term, the Authority may request that the Developer consider modifications to the Master Plan proposed by the Authority. Following the submission to Developer of an updated Master Plan or a request by the Authority for modifications thereto, the Parties shall meet and negotiate in good faith, acting reasonably, with respect to such update or modifications to the Master Plan. If the Parties agree on an updated Master Plan, the Parties shall execute an instrument adopting the revised Master Plan. Failure of the Parties to agree on an updated Master Plan shall not be subject to mediation, and the existing Master Plan shall continue to govern. The Developer acknowledges that the Authority's approval of any modifications to the Master Plan may be conditioned on input from or, if required, approval of the FAA.

3.3 Development Lease Template. The Developer acknowledges that the Authority included a land lease agreement template as part of the **RFP**. The Developer also acknowledges that it did not identify any exceptions to the land lease agreement template as part of their **Project Proposal**. However, the Developer has requested the opportunity to propose revisions to the Authority's land lease agreement template. No later than thirty (30) calendar days following the Effective Date, the Developer will deliver to the Authority, for the Authority's review and approval, a proposed land lease template. If approved the proposed land lease template shall thereafter be the "**Development Lease Template**." If the Authority disapproves the Developer's request for approval pursuant to this Section, the Authority will set forth the reason for its disapproval and a description of the changes, which if made, would cause the Authority to approve the proposed changes to the land lease agreement template. Thereafter the Parties will negotiate in good faith to resolve the Authority's objections, if possible, but the Authority's failure to approve a request for approval shall not be subject to mediation. The Authority will have fifteen (15) Business Days following a request for approval to either approve or disapprove the Developer's request. If the Parties have not established a **Development Lease Template** by the Outside Contingency Deadline the Parties agree that the Developer shall have the right to either (a) agree that the land lease agreement template included in the RFP (with such changes approved by the Authority, in the Authority's reasonable discretion, in connection with the negotiation of the Development Lease Template in accordance with this Section 3.3) will be established as the **Development Lease Template**, or (b) terminate this Agreement and the Master Lease Agreement by delivery of written notice to the Authority prior to the Outside Contingency Deadline. If Developer fails to terminate this Agreement and the Master Lease Agreement in

writing prior to the Outside Contingency Deadline, Developer shall be deemed to have elected to proceed in accordance with the foregoing subpart (a).

3.4 GatewayEast Governance Documents. The Parties acknowledge the potential need to impose one or more governance documents to manage shared common areas within the Project. If the Developer elects to implement any GatewayEast Governance Document, the Developer shall provide the Authority with a proposed GatewayEast Governance Document. The Authority will have fifteen (15) Business Days following receipt of a the initial and ten (10) Business Days following receipt of any subsequent drafts to either approve or disapprove the Developer's request, which approval shall not be unreasonably withheld, conditioned or delayed. If the Authority disapproves of any GatewayEast Governance Document, the Authority will set forth the reason for its disapproval and a description of the changes, which if made, would cause the Authority to grant its approval and thereafter the Parties will negotiate in good faith to resolve the Authority's objections if possible. If the Authority fails to respond within the required period the Developer must give a second notice to the Authority requesting approval of the applicable GatewayEast Governance Document(s), on which the following language must appear in bold print: "**FAILURE TO RESPOND TO THIS NOTICE WITHIN FIVE (5) BUSINESS DAYS FROM ITS RECEIPT SHALL RESULT IN THE GATEWAYEAST GOVERNANCE DOCUMENT(S) BEING DEEMED APPROVED**." If the Authority fails to respond in writing (in the manner described above) to any matter in such second notice within five (5) Business Days following delivery of such notice, the respective GatewayEast Governance Document shall be deemed to have been approved by the Authority. If the Authority disapproves a request for approval and sets forth the reason for its disapproval, then Developer shall resubmit a revised GatewayEast Governance Document(s) for review and approval. This cycle will repeat itself until the Authority approves the request for approval. The Authority shall execute and acknowledge any GatewayEast Governance Document to be recorded with the Maricopa County Recorder's office.

3.5 Meetings and Reporting Obligations. The Developer Contact will meet with the Authority Contact on a regularly scheduled basis to discuss the progress of the ongoing Development Projects of Developer and any controversies and/or complications which arise, from time to time, during the Term. Unless otherwise agreed in writing by the Parties on or before the first anniversary of the Effective Date and on each anniversary thereafter, the Developer will deliver to the Authority a report regarding its marketing, development and leasing efforts during the preceding year and its recommendations regarding whether, and to what extent, if any, the Master Plan requires modification, update or changes ("**Annual Report**"). Without limiting the foregoing, the Annual Report shall include the following:

3.5.1. A brief narrative report regarding the prior calendar year of activities.

3.5.2. Graphical representation of the Takedown status and development activity within GatewayEast.

3.5.3. A status report on, and any proposed modifications to any components of the Master Plan, and if applicable, a proposed updated Master Plan pursuant to Section 3.2.1.

3.5.4. The projected number of acres of GatewayEast anticipated to be moved to Takedown status in the succeeding twelve (12) month period.

3.5.5. An update on Developer's progress towards satisfaction of the Minimum Development Requirements.

3.5.6. A narrative report regarding anticipated market opportunities and constraints with respect to GatewayEast for the succeeding three (3) calendar year period.

3.5.7. A narrative report regarding general marketing plans and potential Takedowns for the succeeding three (3) calendar year period. This narrative shall be general in nature, and not specific to any Development Lot(s).

3.5.8. The Local and DBE/MBE/WBE/VBE participation rates and other information required pursuant to Section 3.11.1 below.

3.5.9. A narrative report regarding the Community Involvement Plan and its implementation in the preceding year and any proposed amendments for the succeeding year.

The Parties agree that (i) any forward-looking statements, projections, estimates and/or reports involve uncertainties and unknowns and that the actual results may be different from such forward-looking statements, projections, estimates and/or reports, and (ii) except for Developer's obligations under Section 5 of this Agreement, Developer will not be liable or held accountable for any differences between such forward-looking statement, projections, estimate and reports and the actual results.

3.6 Construction of Horizontal Improvements. Subject to Section 2.2.2(e), the Developer will design and construct (or cause the construction of) all Horizontal Improvements in connection with the Project consistent with the Master Plan, and in each case as follows:

3.6.1. Construction Plans. The Developer will (A) comply with all applicable Laws in the design and construction of GatewayEast in all material respects, (B) deliver to the Authority a Preliminary Project Description for any Horizontal Improvements for its review and comment, and (C) obtain the Authority's prior written approval (which approval is not to be unreasonably withheld, delayed or conditioned) with respect to the Construction Drawings. If the Authority disapproves of the Construction Drawings, the Authority will set forth the reason for its disapproval and a description of the changes, which if made, would cause the Authority to approve the Construction Drawings. Thereafter the Parties will negotiate in good faith to resolve the Authority's objections if possible, but the Authority's failure to approve a request for approval shall not be subject to mediation. The Authority will have fifteen (15) Business Days following an initial request for approval and ten (10) Business Days following any subsequent request for approval to either approve or disapprove the Construction Drawings. If the Authority fails to respond within such required period the Developer must give a second notice to the Authority requesting approval of the Construction Drawings, on which the following language must appear in bold print: "**FAILURE TO RESPOND TO THIS NOTICE WITHIN FIVE (5) BUSINESS DAYS FROM ITS RECEIPT SHALL RESULT IN THE CONSTRUCTION DRAWINGS BEING DEEMED APPROVED**." If the Authority fails to respond in writing (in the manner described above) to any matter in such second notice within five (5) Business Days following delivery of such notice, the Construction Drawings shall be deemed to have been approved by the Authority.

3.6.2. Construction Standards. Subject to Section 2.2.2(e), The Developer shall construct (or cause the construction of) the Horizontal Improvements contained in the Master Plan or otherwise required for vertical development of any Development Lot by Developer or its Affiliates in a good and workmanlike manner (including in material compliance with all applicable Laws), and in compliance with the approved Construction Drawings in all material respects.

3.6.3. Costs of Horizontal Improvements. Subject to Section 2.2.2(e) and Section 4.3, the Developer will be responsible for paying or causing the payment of any and all costs related to design, development and construction of all Horizontal Improvements. In that regard, if required the Developer will be responsible to obtain construction financing sufficient to construct the Horizontal Improvements, substantially in accordance with the Master Plan. Pursuant to the applicable terms of the Master Lease Agreement, the Authority will execute and deliver such documents as may be reasonably required in connection with such financing.

3.6.4. Permits and Approvals. The Developer will obtain all required permits, reviews, licenses, consents, authorizations, and approvals as are necessary for its construction of the Horizontal Improvements.

3.7 Master Lease Agreement. The Developer shall comply with the terms of the Master Lease Agreement. Without limiting the foregoing, any default under the Master Lease Agreement (beyond all applicable notice and cure periods) shall constitute a default under this Agreement.

3.8 Marketing. The Developer will (i) use its commercially reasonable efforts to market GatewayEast, including for purposes of developing, marketing and sub-leasing GatewayEast, and subleasing the Vertical Improvements constructed by Developer or its Affiliates, in each case, subject to applicable Laws, including, without limitation, FAA regulations and limitations, if any, (ii) engage a highly recognized marketing firm (such as Small Giants) to assist with overall branding and messaging within the first three (3) months following the Effective Date, in addition to the Developer staff, to assist in developing and implementing a program for marketing GatewayEast and coordinating the Developer's message and outreach program, (iii) establish a project office at GatewayEast within the first eighteen (18) months following the Effective Date, and (iv) engage a reputable and well recognized brokerage company(ies) (such as CBRE, Lee & Associates, Cushman & Wakefield, or Jones Lange LaSalle) during the Term to market GatewayEast. In connection with such the marketing of GatewayEast, the Developer shall not make any representations or warranties (i) regarding GatewayEast or the development thereof on behalf of the Authority, or (ii) that it has the authority to bind the Authority with respect thereto.

3.9 Project Revenue Sharing. As more fully set forth in a Development Lease between the Authority and the Developer or its Affiliates, the Developer or its Affiliate will share 10% of all project cash flows from such Development Lease with the Authority. As more fully set forth in the Development Lease, within one hundred twenty (120) days after each calendar year during the term of a Development Lease, the Developer will deliver to the Authority a report regarding the preceding twelve (12) months overall project cash flows and eligible expenses demonstrating the amount of project cash flows to be shared with the Authority.

3.10 Compliance with U.S. Department of Transportation 49 CFR Part 23. The Developer is required to comply with 49 CFR Part 23 if and to the extent applicable.

3.11 Local, Disadvantaged-, Minority-, Women- and Veteran-Owned Businesses Participation.

3.11.1. The Developer will take such commercially reasonable actions as mutually agreed to in writing by the Parties directed to achieving participation of Local businesses and residents as well as disadvantaged-, minority-, women- and veteran-owned business enterprises ("**DBE/MBE/WBE/VBE**") as subcontractors, vendors, suppliers, workers or otherwise, on the Project, as further described below.

3.11.2. The Annual Report will include the participation rates for each of the above categories and a description of the job training programs, community outreach and other educational programs, such as work training readiness programs, small business development programs and an employer and job seeker database implemented for the Project.

3.12 Community Involvement. Within the first three (3) months of this Agreement, the Developer will create and implement a project community outreach and development plan ("**Community Involvement Plan**") that will continually be modified and enhanced to promote its ultimate effectiveness. The Developer will appoint a key contact person to meet regularly and on a scheduled basis discuss community initiatives underway in which the Developer in its role can actively engage, as well as new initiatives which the Developer can either spearhead or lend its support to promote the growth of the Airport and development of GatewayEast. The key contact person will work to provide that the Developer is represented at agreed upon

community events, meetings, and initiatives that have been mutually identified as integral components to achieving this end. The key contact will work collaboratively with the Authority Contact designee to identify new opportunities for community involvement. The key contact person will report to the Authority Contact on a quarterly basis as to the status of the current initiatives as well as raising any new concerns, ideas, or suggestions discovered in the course of the activities described in this Section.

3.13 No Conflicts. Neither the Developer, its Affiliates, or its direct or indirect constituent members will (i) undertake a similar role with respect to airport development for any airport within Maricopa County, or (ii) will buy or lease any buildings or land for development of uses that are primarily retail, hospitality, manufacturing, and office within a THREE (3) mile radius of the Airport.

4. AUTHORITY'S GENERAL OBLIGATIONS. During the Term, the Authority will have the following general obligations:

4.1 Delegated Authority. The Authority (or any designee duly authorized by the Authority in writing), as the entity vested by the Member Communities with authority over the Airport, will be the sole point of contact for the Developer on all matters related to the Definitive Agreements.

4.2 GatewayEast Availability. Subject to the terms and conditions of this Agreement and the Master Lease Agreement, the Governing Provisions and FAA regulations and other applicable Laws, the Authority will make GatewayEast available for lease to Vertical Developers.

4.3 Spine Road Reimbursement. If Developer chooses to construct the entire cross-section of the Spine Road. the Authority will reimburse Developer for FIFTY PERCENT (50%) of the Eligible Project Costs of the Spine Road improvements. The Parties acknowledge that the Spine Road may be built in phases and, as such, the Developer may request reimbursement from the Authority on several different occasions. The Authority's reimbursement will be issued within TWENTY (20) Business Days following the Developer's completion of all the following stipulations:

(a) Notify the Authority, in writing, of Developer's intent to seek reimbursement pursuant to this Section 4.3;

(b) Obtain Authority approval on the design of the Spine Road improvements, which approval shall not be unreasonably withheld, conditioned or delayed;

(c) Comply with the Authority's public procurement requirements as described in the Authority's Procurement Policy

(d) Achieve acceptance of the Spine Road improvements by the City of Mesa; and

(e) Provide a detailed accounting reasonably acceptable to the Authority, of all of the actual, Eligible Project Costs and an invoice for the Authority's reimbursement.

4.4 Economic Incentives. Subject to compliance with the Governing Provisions and all applicable Laws, the Authority will cooperate with and use commercially reasonable efforts to assist the Developer in obtaining, economic and tax incentives that the Authority and the Developer jointly determine to be reasonable or necessary in order to attract entities to locate commercial enterprises and developments within GatewayEast. Without limiting the foregoing, the Authority may use any and all of the municipal powers that the Authority determines to be reasonable, in its sole discretion, to attract entities to locate commercial enterprises and developments at GatewayEast. Notwithstanding the foregoing, in connection with such incentives and the use of such municipal powers, the Authority shall have no obligation to incur any cost or expense (unless Developer

agrees in writing to reimburse the Authority for the same), to encumber GatewayEast, or to otherwise take any actions that would have a material adverse effect on GatewayEast or the Airport.

4.5 Permits and Approvals. Subject to satisfaction by the Developer or the applicable Vertical Developer of all ordinary and customary requirements (such as payment of fees, preparation of applications and plans), the Authority will assist, support and cooperate with the Developer and any Vertical Developer in obtaining all required permits, entitlements, reviews, licenses, actions, consents, authorizations, and approvals as may be necessary for the completion of the Project or any portion thereof, including, without limitation, the construction of all Horizontal Improvements to be developed by the Developer and all Vertical Improvements be developed by the Vertical Developers within GatewayEast and any approvals required of the FAA, or Member Communities or any other Governmental Authorities. Notwithstanding the foregoing, the Authority shall have no obligation to incur any cost or expense in connection with such assistance, support and cooperation unless Developer agrees in writing to reimburse the Authority for the same.

4.6 Easements. The Authority will consider in good faith the Developer's request to grant easements over portions of the Airport property and/or Project necessary or desirable for the development and efficient operation of the Development Lots (including, but not limited to, easements for utilities, access and other off-site appurtenant rights required in connection with a Development Project); provided that nothing herein will require the Authority to grant any easement if such easement would materially interfere with the Authority's use or intended use of the Airport property. In addition, the Authority will assist, support and cooperate with the Developer and any Vertical Developer in obtaining from third-parties easements and/or rights-of way on property outside of the Airport that may be necessary for the development and the efficient operation of Development Lots; provided that the Authority shall have no obligation to incur any cost or expense in connection with obtaining such easements unless Developer agrees in writing to reimburse the Authority for the same.

4.7 Third-Party Interest. Nothing contained herein, shall preclude the Authority from marketing GatewayEast; provided that the Authority shall keep the Developer reasonably informed of the Authority's efforts and, when the Authority determines that a marketing lead is a viable prospect for a Takedown, it shall refer such prospect to the Developer, which, as master developer of GatewayEast, will negotiate the terms of a proposed sublease directly with such third-party; provided that, subject at all times to FAA regulations and all other applicable Laws, (i) to the extent that such third-party is a governmental or other non-commercial entity that is proposing to conduct non-commercial activities within GatewayEast, the Developer will use its commercially reasonable efforts to accommodate such use to the extent not inconsistent with the Master Plan or materially adverse to the Developer (including with respect to Developer's financing or profits), and (ii) if such third-party proposes to conduct commercial activities within GatewayEast and a sublease is entered into by the Developer (in its sole discretion) with such third-party, and the Authority and the Developer enter into or are parties to a Development Lease with respect to the applicable Development Lot, the Developer will pay to the Authority a fee equal to $10,000 per transaction, for its marketing efforts with respect to GatewayEast.

4.8 The Authority shall not enter into any purchase agreement, option, maintenance, service or other contracts relating to GatewayEast that would materially and adversely affect the Developer's rights under this Agreement.

5. MINIMUM DEVELOPMENT REQUIREMENTS. The Developer will use commercially reasonable efforts to develop GatewayEast and lease or sublease the Development Lots to Vertical Developers or end users to meet the development objectives set forth in the Master Plan, taking into account market opportunities and constraints. Without limiting the foregoing, the Developer will complete the requirements related to development of the Project set forth on **Exhibit F** ("**Minimum Development Requirements**" or "**MDR**") by the dates set forth on **Exhibit F** (each a "**Minimum Development Deadline**").

5.1 Successful Completion of Minimum Development Requirement.

5.1.1. Minimum Development Requirement Achievement. Within fifteen (15) Business Days of the later of (a) Developer's successful achievement of a Minimum Development Requirement, or (b) written notice from Authority indicating that Developer's Achievement Notice (as defined below) is due, the Developer shall provide written notice to the Authority which shall clearly indicate the Minimum Development Requirement achieved and sufficient documentation demonstrating the successful achievement ("**Achievement Notice**"). Upon receipt of an Achievement Notice the Authority will have fifteen (15) Business Days to either (a) acknowledge and accept the successful achievement of the Minimum Development Requirement, (b) reject the Achievement Notice, or (c) request additional information reasonably needed from the Developer to confirm the successful achievement of the Minimum Development Requirement. If the Authority rejects the Achievement Notice, the Authority will set forth the reason for its rejection, and thereafter the Parties will work in good faith to resolve the Authority's objections if possible. If the Authority fails to respond within such required period, the Developer must give a second notice to the Authority requesting acceptance of the achievement of the Minimum Development Requirement, on which the following language must appear in bold print: "**FAILURE TO RESPOND TO THIS NOTICE WITHIN FIVE (5) BUSINESS DAYS FROM ITS RECEIPT SHALL RESULT IN THE MINIMUM DEVELOPMENT REQUIREMENT SET FORTH IN THE ACHIEVEMENT NOTICE DATED _____, 20__ BEING DEEMED APPROVED**." If the Authority fails to respond in writing (in the manner described above) to such second notice within five (5) Business Days following delivery of such notice, the Authority shall be deemed to have acknowledged and accepted the successful achievement of the Minimum Development Requirement.

5.1.2. Successful completion of Minimum Development Requirements # 1, #2 and #3: Within fifteen (15) Business Days following the later of: (i) Authority's acknowledgement and acceptance of the Developer's successful completion of Minimum Development Requirements #1, #2 and #3 (MDR#1, MDR#2, and MDR#3), and (ii) Authority notifying Developer that Developer request for amendment hereunder is due, and if there is no uncured Developer Event of Default, the Developer may request that the Parties amend the Master Lease Agreement to include the Development Phase II property. Along with the request to amend the Master Lease Agreement, the Developer shall provide an amendment to the Master Plan for the Authority's review pursuant to Section 3.2.2 that addresses items (a), (b), (d), (e), (f), (g), (h), and (i) of **Exhibit C** attached hereto for Development Phase II. The Parties shall amend the Master Lease Agreement as soon as reasonably practicable.

5.1.3. Successful completion of Minimum Development Requirements #4, #5 and #6: Within fifteen (15) Business Days following the later of (i) Authority's acknowledgement and acceptance of the Developer's successful completion of Minimum Development Requirements #4, #5and #6 (MDR#4, MDR#5 and MDR#6), and (ii) Authority notifying Developer that Developer request for amendment hereunder is due, and if there is no uncured Developer Event of Default, the Developer may request that the Parties amend the Master Lease Agreement to include the Development Phase III property. Along with the request to amend the Master Lease Agreement, the Developer shall provide an amendment to the Master Plan for the Authority's review pursuant to Section 3.2.2 that addressed items (a), (b), (d), (e), (f), (g), (h), and (i) of **Exhibit C** attached hereto for Development Phase III. The Parties shall amend the Master Lease Agreement as soon as reasonably practicable.

5.2 Failure to Satisfy Minimum Development Requirements #1 through #6. If the Developer does not satisfy any one or more of the first six (6) Minimum Development Requirements by the associated prescribed Minimum Development Deadline(s) the Authority may notify the Developer in writing of such performance default ("**Minimum Development Failure Notice**"). The Developer shall have fifteen (15) Business Days following receipt of a Minimum Development Failure Notice to notify the Authority that it disputes the Authority's Minimum Development Failure Notice or to notify the Authority of which of the following options it elects to provide the Authority as the consequence of such failure of such Minimum Development Requirements. If the Developer disputes the Authority's Minimum Development Failure Notice the Developer must notify the Authority of the reasoning for the dispute and provide documentation

supporting its position. The Parties will negotiate in good faith to resolve the dispute however if the Parties are unable to resolve the dispute within fifteen (15) Business Days from the Authority's receipt of Developer's dispute then either Party may pursue resolution under Section 12.10.

5.2.1. "Exclusion of Property Option":

(a) First Failure. On the first instance of a failure to meet a Minimum Development Requirement to be completed prior to Minimum Development Deadline #1, Minimum Development Deadline #2, Minimum Development Deadline #3, and/or Minimum Development Deadline #4, as applicable, then any portion of Development Phase III not subject to a Development Lease shall be excluded from GatewayEast ("**Relinquished Phase III Property**") and this Agreement and the Master Lease Agreement shall terminate as to the Relinquished Phase III Property.

(b) Second Failure. On the second instance of a failure to meet a Minimum Development Requirement to be completed prior to Minimum Development Deadline #1, Minimum Development Deadline #2, Minimum Development Deadline #3, and/or Minimum Development Deadline #4, as applicable, then any portion of Development Phase II not subject to a Development Lease shall be excluded from GatewayEast ("**Relinquished Phase II Property**") and this Agreement and the Master Lease Agreement shall terminate as to the Relinquished Phase II Property.

(c) Third Failure. On the third instance of a failure to meet a Minimum Development Requirements to be completed prior to Minimum Development Deadline #1, Minimum Development Deadline #2, Minimum Development Deadline #3, and/or Minimum Development Deadline #4, as applicable, then the Authority may, at its sole discretion, terminate by written notice to the Developer prior to the satisfaction of the applicable Minimum Development Requirement this Agreement and the Master Lease Agreement. Such termination shall not affect any then-existing, fully executed Development Leases.

5.2.2. Payment Extension Option. The Developer shall have the right to extend each Minimum Development Deadline for one (1) period of two (2) years by providing the Authority written notice within fifteen (15) Business Days of receipt of a Minimum Development Failure Notice (each, a "**Developer Extension Notice**") for such Minimum Development Deadline. Each Developer Extension Notice shall be accompanied by an extension fee of Two Hundred Fifty Thousand Dollars ($250,000). If the Developer fails to timely execute its right to extend a Minimum Development Deadline and provide payment such extension shall terminate and be of no further force and effect.

5.2.3. Deemed Election. If the Developer fails to notify the Authority within fifteen (15) Business Days following receipt of a Minimum Development Failure Notice of its election of the Payment Extension Option as the remedy for the failure to meet the Minimum Development Requirements, the Developer will be deemed to have elected the Exclusion of Property Option as its remedy.

5.3 Failure to Satisfy Minimum Development Requirements #7 and/or #8. If the Developer does not satisfy Minimum Development Requirement #7 and/or Minimum Development Requirement #8 by Minimum Development Deadline #5, the Authority may send Developer a Minimum Development Failure Notice. The Developer shall have fifteen (15) Business Days following receipt of a Minimum Development Failure Notice to notify the Authority that it elects the "Payment Extension Option" as set forth in Section 5.2.2. If the Developer fails to timely execute its right to extend Minimum Development Deadline and provide payment, then the Authority may, at its sole discretion, terminate by written notice to the Developer this Agreement and the Master Lease Agreement. Such termination shall not affect any then-existing, fully executed Development Leases.

6. REPRESENTATIONS AND WARRANTIES OF THE DEVELOPER.

6.1 The Developer represents and warrants to the Authority that the following are true and accurate as of the Effective Date:

6.1.1. The Developer is a Utah limited liability company, duly organized and existing under and subject to the laws of the state of Arizona. The Developer has all requisite power and authority to enter into and deliver this Agreement and any and all related agreements and documents to which it is a party and to comply with, and fulfill the terms and conditions of, this Agreement and any and all related agreements to which it is a party. The execution and delivery of this Agreement and any and all related agreements to which it is a party by the Developer and the consummation of the transactions contemplated hereby and thereby have been duly authorized by all necessary action. This Agreement constitutes, and the related agreements to which it is a party when executed will constitute, legal, valid and binding obligations of the Developer, enforceable in accordance with their respective terms and conditions except as such enforcement may be limited by applicable bankruptcy, insolvency, moratorium or similar applicable Laws from time to time in effect which affect creditors' rights generally and by legal and equitable limitations on the enforceability of specific remedies.

6.1.2. The Developer's execution and delivery of this Agreement and any and all related agreements to which it is a party and the consummation of the transactions herein and therein contemplated will not conflict with, or constitute a breach or default under, the Developer's articles of organization and operating agreement or the material provisions of any bond, debenture, note or any other evidence of indebtedness, loan agreement, lease or other contract to which the Developer is a party or by which it is bound, the breach of which would have a material adverse effect on the Developer or affect the Developer's ability to perform its obligations under this Agreement (and under the documents attached as exhibits hereto), or to the best of its actual knowledge, violate any applicable Law or any court order or judgment in any proceeding to which the Developer is or was a party or by which it is bound.

6.1.3. There is no action, suit, proceeding or investigation, at law or in equity, or by or before any U.S. court, arbitrator, administrative agency or other federal, state or local Governmental Authority, pending or, to the actual knowledge of the Developer, threatened against the Developer, wherein an unfavorable decision, ruling or finding would have a material adverse effect on the validity of this Agreement or a material adverse effect on the transactions contemplated hereby.

6.1.4. Any and all consents, authorizations and approvals required in connection with the execution, delivery and performance of this Agreement and any and all related agreements by the Developer and the consummation by the Developer of the transactions contemplated hereby or thereby have been obtained. The Developer has taken, or will take before the Effective Date, all actions necessary under any applicable Law, codes, rules and regulations to enter into this Agreement and to fulfill and satisfy all of its obligations hereunder.

6.1.5. The Developer is, and shall remain, in compliance with existing laws of the state of Arizona and the Municipal Code of the City of Mesa, Arizona, regarding prohibition of discrimination in employment practices on the basis of race, color, national origin, sex, religion or handicap.

6.1.6. The Developer has not dealt with any broker, finder or other Person with respect to this Agreement or the transactions between the Developer and the Authority contemplated hereby or thereby, and, insofar as the Developer knows, no broker, finder or other Person is entitled to any commission or a finder's fee in connection herewith.

6.2 In the event that any change in circumstances results in any representation and warranty of the Developer becoming untrue, the Developer will promptly notify the Authority in writing. Any such notification will not affect the Authority's right to indemnification set forth in Section 11 of this Agreement.

6.3 All of the Developer's representations and warranties set forth in this Section 6 shall survive for a period ending twenty-four (24) months following the termination or expiration of this Agreement ("**Fulfillment Date**"). If any Developer representation or warranty set forth herein is breached in any material respect on or prior to the Fulfillment Date, then the indemnity rights set forth in this Agreement shall survive with respect to such breach until the date such material breach is cured.

6.4 The Parties acknowledge that Developer makes no representations or warranties with respect to any Vertical Developer that leases any portion of GatewayEast, and such representations or warranties shall be included in the Development Lease.

7. REPRESENTATIONS AND WARRANTIES OF THE AUTHORITY.

7.1 The Authority represents and warrants to the Developer that the following are true and accurate as of the Effective Date:

7.1.1. The Authority is a public body duly organized and existing under the laws of the state of Arizona. The Authority has all requisite power and authority to enter into and deliver this Agreement and any and all related agreements and documents to which it is a party and to comply with, and fulfill the terms and conditions of, this Agreement and any and all related agreements to which it is a party. The execution and delivery of this Agreement and any and all related agreements to which it is a party by the Authority and the consummation of the transactions contemplated hereby and thereby have been duly authorized by all necessary action. This Agreement constitutes, and the related agreements to which it is a party when executed will constitute, legal, valid and binding obligations of the Authority, enforceable in accordance with their respective terms and conditions except as such enforcement may be limited by applicable bankruptcy, insolvency, moratorium or similar applicable Laws from time to time in effect which affect creditors' rights generally and by legal and equitable limitations on the enforceability of specific remedies.

7.1.2. The Authority's execution and delivery of this Agreement and any and all related agreements to which it is a party and the consummation of the transactions herein and therein contemplated will not conflict with, or constitute a breach or default under, the Authority's organizational documents or the material provisions of any bond, debenture, note or any other evidence of indebtedness, loan agreement, lease or other contract to which the Authority is a party or by which it is bound, the breach of which would have a material adverse effect on the Authority or affect the Authority's ability to perform its obligations under this Agreement (and under the documents attached as exhibits hereto), or to the best of its actual knowledge, violate any applicable Law or any court order or judgment in any proceeding to which the Authority is or was a party or by which it is bound

7.1.3. There is no action, suit, proceeding or investigation, at law or in equity, or by or before any U.S. court, arbitrator, administrative agency or other federal, state or local Governmental Authority, pending or, to the actual knowledge of the Authority, threatened against the Authority, wherein an unfavorable decision, ruling or finding would have a material adverse effect on the validity of this Agreement or a material adverse effect on the transactions contemplated hereby.

7.1.4. Any and all consents, authorizations and approvals required in connection with the execution, delivery and performance of this Agreement and any and all related agreements by the Authority and the consummation by the Authority of the transactions contemplated hereby or thereby have been obtained. The Authority has taken, or will take before the Effective Date, all actions necessary under any applicable Law, codes, rules and regulations to enter into this Agreement and to fulfill and satisfy all of its obligations hereunder.

7.1.5. The Authority has not dealt with any broker, finder or other Person with respect to this Agreement, any other Definitive Agreement or the transactions between the Developer and the Authority

contemplated hereby or thereby, and, insofar as the Authority knows, no broker, finder or other Person is entitled to any commission or a finder's fee in connection herewith.

7.1.6. The Authority has received no written notice, and is not aware that any notice to any other Person has been given, of any violation or claimed violation of any law, ordinance, rule or regulation relating to hazardous substances, hazardous wastes, pollutants or contaminants, on any portion of the GatewayEast.

7.1.7. The Authority is the sole owner of GatewayEast and is in exclusive possession of GatewayEast. With the exception of short-term construction staging arrangements that will not materially interfere with Developer's rights and obligations hereunder, there is no lease, sublease, tenancy or occupancy agreement pertaining to or affecting the use or occupancy of GatewayEast, and no Person, except as expressly set forth in the short-term construction staging arrangements, has or has asserted any right of use or possession to the GatewayEast or any portion of GatewayEast. At the execution of a Development Lease with the Developer or its Affiliate, the Authority will lease to the Developer the Development Lot free and clear of all liens, encumbrances, security interests, leases, subleases, tenancies, covenants, conditions, restrictions, rights-of-way, easements, judgments, encroachments and other matters affecting title, except for (1) the Permitted Exceptions, (2) matters arising by, through or under the Developer or its employees, agents or contractors in accordance with the Master Lease Agreement, and (3) matters arising pursuant to Section 27 of the Master Lease Agreement.

7.2 In the event that any change in circumstances results in any representation and warranty of the Authority becoming untrue, the Authority will promptly notify the Developer in writing. Any such notification will not affect the Developer right to indemnification set forth in Section 11 of this Agreement.

7.3 All of the Authority's representations and warranties set forth in this Section 7 shall survive for a period ending on the Fulfillment Date. If any Authority representation or warranty set forth herein is breached in any material respect on or prior to the Fulfillment Date, then the indemnity rights set forth in this Agreement shall survive with respect to such breach until the date such material breach is cured.

8. EVENTS OF DEFAULT – DEVELOPER.

8.1 Developer Event of Default. A "**Developer Event of Default**" shall exist when the Developer materially fails to observe and perform:

8.1.1. Any monetary obligation on its part to be observed or performed hereunder within ten (10) days after written notice to the Developer specifying such failure and requesting that it be remedied;

8.1.2. Any other non-monetary obligation (other than a failure of a Minimum Development Requirement, which is not a Developer Event of Default and is addressed in Section 5) on its part to be observed or performed hereunder within thirty (30) days after written notice to the Developer specifying such failure and requesting that it be remedied, provided, if such non-monetary obligation is not capable of being remedied within thirty (30) days, within such further period of time as is reasonably necessary to cure such failure, but only if the Developer has, within said thirty (30) day period provided the Authority with assurances, deemed reasonably adequate by the Authority, that the Developer will cure the failure as soon as is reasonably possible (but in no event longer than one hundred eighty (180) days) and the Developer so commences and completes such cure; or

8.1.3. Any obligation on its part to be observed or performed under the Master Lease Agreement within any applicable cure period.

8.2 Remedies Upon a Developer Event of Default. Upon any Developer Event of Default, the Authority may:

8.2.1. Pursue a claim for specific performance against the Developer to cure the Developer Event of Default (it being acknowledged and understood by the Developer that monetary damages may not be an adequate remedy to the Authority for the Developer Event of Default); and/or

8.2.2. Pursue a claim for monetary damages; and/or

8.2.3. Terminate this Agreement provided there is no good faith dispute as to the existence of a Developer Event of Default for which notice has been given in accordance with Section 12.10. If there is a good faith dispute as to the existence of a Developer Event of Default for which notice has been given in accordance with Section 12.10, the Authority's right to terminate this Agreement shall be subject to Developer's right to cure such Developer Event of Default within the following periods following a final resolution pursuant to Section 12.10: (a) within ten (10) days following such final resolutions for any monetary Developer Event of Default; and (b) within thirty (30) days after such final resolution for any non-monetary Developer Event of Default, provided, if such non-monetary Developer Event of Default is not capable of being remedied within thirty (30) days, within such further period of time as is reasonably necessary to cure such Developer Event of Default, but only if the Developer has, within said thirty (30) day period provided the Authority with assurances, deemed reasonably adequate by the Authority, that the Developer will cure the failure as soon as is reasonably possible (but in no event longer than one hundred eighty (180) days) and the Developer so commences and completes such cure.

If the Authority expends any money in the successful enforcement of its rights or the performance of any Developer's obligations hereunder or the successful defense of any claimed breach by the Developer, the Developer shall reimburse the Authority for all such reasonable expenditures and reasonable attorneys' fees and court costs. The rights under this Section 8, together with any indemnity rights specifically set forth herein and the termination right set forth herein, shall be the exclusive remedies reserved to the Authority in the event of a Developer Event of Default and in no event shall any consequential, punitive, special, incidental or indirect damages or damages solely attributable to diminution of value or lost profits be recoverable against the Developer. No delay or omission to exercise any right or power accruing upon any Developer Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient.

9. EVENT OF DEFAULT – AUTHORITY.

9.1 Authority Event of Default. An "**Authority Event of Default**" shall exist when the Authority materially fails to observe and perform:

9.1.1. Any monetary obligation on its part to be observed or performed hereunder within ten (10) days after written notice to the Authority specifying such failure and requesting that it be remedied; or

9.1.2. Any non-monetary obligation on its part to be observed or performed hereunder within thirty (30) days after written notice to the Authority specifying such failure and requesting that it be remedied, provided, if such non-monetary obligation is not capable of being remedied within thirty (30) days, within such further period of time as is reasonably necessary to cure such failure, but only if the Authority has, within said thirty (30) day period provided the Developer with assurances, deemed reasonably adequate by the Developer, that the Authority will cure the failure as soon as is reasonably possible (but in no event longer than one hundred eighty (180) days) and the Authority so commences and completes such cure; or

9.1.3. Any obligation on its part to be observed or performed under the Master Lease Agreement within any applicable cure period.

9.2 Remedies Upon an Authority Event of Default. Upon an Authority Event of Default, the Developer may:

9.2.1. Pursue a claim for specific performance against the Authority (it being acknowledged and understood by the Authority that monetary damages may not be an adequate remedy to the Developer for the Authority's failure to observe its obligations hereunder); and/or

9.2.2. Pursue a claim for monetary damages; and/or

9.2.3. Terminate this Agreement.

If the Developer expends any money in the enforcement of its rights or the Authority's obligations hereunder or the successful defense of any claimed breach by the Authority, the Authority shall reimburse the Developer for all such reasonable expenditures and reasonable attorneys' fees and court costs. The rights under this Section 9, together with any indemnity rights specifically set forth herein shall be the exclusive remedies reserved to the Developer in the event of an Authority Event of Default and in no event shall any consequential, punitive, special, incidental or indirect damages or damages solely attributable to diminution of value or lost profits be recoverable against the Authority hereunder. No delay or omission to exercise any right or power accruing upon any Authority Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient.

10. TERM; TERMINATION; UNAVOIDABLE DELAY.

10.1 Term. The term of this Agreement shall commence on the Effective Date and shall continue until the fortieth (40th) anniversary of the Effective Date ("**Term**"), unless sooner terminated in accordance with the terms hereof.

10.2 Termination. This Agreement:

10.2.1. shall automatically terminate upon the expiration or termination of the Master Lease Agreement;

10.2.2. may be terminated by the Authority upon the failure of the Developer to satisfy the Minimum Development Requirements pursuant and subject to Section 5.2.1(c) or 5.3;

10.2.3. may be terminated by the Authority upon a Developer Event of Default pursuant and subject to Section 8.2;

10.2.4. may be terminated by the Developer upon an Authority Event of Default pursuant to Section 9.2; or

(i) may be terminated by either the Authority or the Developer, with immediate effect upon providing written notice to the other Party, if an Insolvency Event occurs with respect to other Party.

10.3 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 Agreement to be performed by such Party, including, without limitation, the Minimum Development Requirements ("**Required Act**"), and such delay or hindrance is due to Unavoidable Delay, 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. Notwithstanding anything herein to the contrary, in the event of an Unavoidable Delay in the performance by a Party of any non-monetary conditions or obligations under this Agreement such Party shall not be considered in breach of this Agreement provided that unless otherwise agreed by the Parties, 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

no later than FORTY-FIVE (45) days after the commencement of such Unavoidable Delay. Such affected Party shall undertake commercially reasonable efforts to continue to perform all of its obligations under this Agreement notwithstanding such Unavoidable Delay, but the time for performance of such conditions or obligations affected by the Unavoidable Delay shall be extended for the period necessitated by the Unavoidable Delay.

10.4 Effect of Termination. In the event of a termination under Section 10.2 above, this Agreement and the Master Lease Agreement shall terminate, but any Development Leases executed prior to such termination shall continue in effect.

11. INDEMNIFICATION.

11.1 Indemnity and Waiver for the Authority Indemnified Parties. To the fullest extent permitted by applicable Law, the Developer shall indemnify, defend and hold harmless the Authority Indemnified Parties from and against Claims, including, but not limited to, reasonable attorneys' fees, for damage or injury to Persons or property arising out of or resulting from (A) the breach of the Developer's representations and warranties under this Agreement, (B) any fraud, gross negligence or willful misconduct of the Developer in performing its obligations under this Agreement, and/or (C) performance of any work within GatewayEast (including, but not limited to, the construction of Horizontal Improvements) by the Developer, its contractors, consultants, employees or, agents except to the extent caused by the gross negligence or willful misconduct of an Authority Indemnified Party. The indemnity set forth in this Section shall survive the termination or expiration of this Agreement.

11.2 Indemnity and Waiver for Developer Indemnified Parties. To the fullest extent permitted by applicable Law, the Authority shall indemnify, defend and hold harmless the Developer Indemnified Parties from and against Claims, including, but not limited to, reasonable attorneys' fees, for damage or injury to Persons or property arising out of or resulting from (A) the breach of the Authority's representations and warranties under this Agreement; or (B) any fraud, gross negligence or willful misconduct of the Authority in performing its obligations under this Agreement. The indemnity set forth in this Section shall survive the termination or expiration of this Agreement.

12. MISCELLANEOUS.

12.1 Intentionally Deleted.

12.2 Notices. Except as expressly set forth herein, normal notices, demands and communications between the Parties will be sufficiently given if, and will not be deemed given unless, delivered personally, dispatched by certified mail, postage prepaid, return receipt requested, or sent by a nationally recognized express delivery or overnight courier service, to the office of the Parties shown as follows, or such other address as the Parties may designate in writing from time to time:

To the Authority:

Phoenix-Mesa Gateway Airport Authority
5835 S. Sossaman Road
Mesa, Arizona 85212
Attention: Business Development Director
Email: SJoachim@gatewayairport.com

With a copy to (which shall not constitute notice):

Snell and Wilmer L.L.P.
One Arizona Center
400 E. Van Buren
Phoenix, Arizona 85020
Attention: Jill Casson Owen
Email: jowen@swlaw.com

To the Developer: Boyer Gateway East, L.C.
c/o The Boyer Company, L.C.
101 South 200 East, Suite 200
Salt Lake City, Utah 84111
Attention: Jake Boyer

With a copy to (which shall not constitute notice):

To Guarantor: The Boyer Company, L.C.
101 South 200 East, Suite 200
Salt Lake City, Utah 84111
Attention: Jake Boyer

With a copy to: Parr Brown Gee & Loveless
101 South 200 East, Suite 700
Salt Lake City, Utah 84111
Attention: Barton L. Gertsch

If requested by a Mortgagee (as defined in the Master Lease Agreement), whose name and address has been provided in writing to the Authority, and if the Authority shall give any notice, demand, election or other communication required hereunder to the Developer, the Authority shall concurrently give a copy of each such notice to the Mortgagee at the address designated by the Mortgagee.

Such written notices, demands, and communications will be effective on the date shown on the delivery record as the date delivered (or the date on which delivery was refused) or in the case of registered mail three (3) Business Days following deposit of such instrument in the United States Mail. A copy of any notice may also be given by email, but such notice shall only be effective if delivered by the means set forth above. Any notice to be given by any Party hereto may be given by legal counsel for such Party. Counsel for the Party may give simultaneous notice hereunder to the opposing Party and its counsel. Any Party hereunder may, by notice given hereunder, designate any further or different addressees to which subsequent notices, certificates, requests or other communications shall be sent.

12.3 Consents and Approvals. Subject to any provision contained herein to the contrary, whenever consent or approval of a Party is required under any provision hereof, or a matter is subject to the satisfaction, judgment, determination or designation of a Party under any provision hereof, except as expressly provided herein, such Party shall not unreasonably condition, delay, deny or withhold such consent or approval, and shall not be unreasonable in deciding whether such matter is satisfactory, or in making such judgment, determination or designation.

12.4 Time is of the Essence. Except for extensions of time resulting from an Unavoidable Delay as provided in Section 10.3 or as otherwise provided herein, the times for performance provided in this Agreement are essential as they relate to the performance of each of the obligations and deadlines contained in this Agreement. If a time is not specified, performance shall be required promptly and with due regard to the conditions of performance of other Party in reliance thereon.

12.5 Binding Effect. This Agreement shall inure to the benefit of, and shall be binding upon, the Authority, the Developer and their respective successors and assigns.

12.6 Entire Agreement; Amendments.

12.6.1. This Agreement and the agreements and documents referenced herein, supersede and control all previous oral and written discussions and agreements relating to the subject matter hereof (including, without limitation, the RFP and the MOU), and constitute the entire agreement between the Parties.

12.6.2. No amendment or modification to, or extension or waiver of any provisions of, or consent provided under, this Agreement shall be valid unless such amendment, modification, extension, consent or waiver is in writing and signed or approved electronically by all the Parties, or, in the case of consent or waiver, by the Party granting the same.

12.7 Assignment and Severability. The rights and obligations of the Developer under this Agreement may not be assigned by the Developer without the prior written consent of the Authority, which consent may be given or withheld in the Authority's sole discretion. At the time of the Authority's lease to Developer, an Affiliate of Developer, or Third-Party Vertical Developer or any other third-party of a Development Lot pursuant to a Development Lease, the Developer and Guarantor will be released from its obligations set forth under this Agreement that relate to such Development Lots arising from and after the date of such Development Lease. In case any section or provision of this Agreement, or in case any covenant, stipulation, obligation, agreement, act or action, or part thereof, made, assumed, entered into or taken under this Agreement, or any application thereof, is, for any reason, held to be illegal or invalid, or is at any time inoperable by reason of any law, or actions thereunder, such illegality or invalidity or inoperability shall not affect the remainder thereof or any covenant, stipulation, obligation, agreement, act or action, or part thereof, made, assumed, entered into or taken under this Agreement, which shall, at the time, be construed and enforced as if such illegal or invalid or inoperable portion were not contained therein.

12.8 Non-Merger Provisions. None of the provisions of this Agreement that are intended to be performed or completed after the Effective Date shall be merged by reason of leases, deeds or other conveyances, and any such leases, deeds or other conveyances shall not be deemed to affect or impair any of the provisions and covenants of this Agreement which are intended to be performed or completed after the Effective Date.

12.9 Governing Law. This Agreement, and any matters relating to or arising from the subject matter hereof, shall be construed, interpreted, applied and enforced in accordance with, and shall be governed by, the laws of the state of Arizona, without regard to principles of conflicts of laws. The obligations of the Parties are performable in Maricopa County, Arizona, and venue for any dispute arising hereunder will lie exclusively in the state courts or federal district court, as applicable, located in Maricopa County, Arizona.

12.10 Alternative Dispute Resolution. In the event of a dispute between the Authority and the Developer with respect to the terms or provisions of this Agreement, any Party may make a demand for mediation of this Agreement by written notice to the other Party. Such notice shall state that a dispute exists, shall request mediation pursuant to this Section 12.10 and shall set forth a succinct statement of the matter in dispute. Within ten (10) days after the receipt of the notice as provided above, the other Party shall submit to the demanding Party (in the same manner as notices are given hereunder) a written response setting forth a

succinct statement of the responding Party's position. Such mediation shall be conducted in accordance with the Commercial Rules of the American Arbitration Association then in effect by a mediator selected by the agreement of the Parties from a list of five (5) potential mediators from the Phoenix, Arizona area with experience relating to the particular matter or matters in dispute, which list shall be furnished to the Parties by the American Arbitration Association (or its successors). If the Parties fail to agree on a single mediator within fifteen (15) days after receipt of such list of potential mediators, then the Parties shall select a mediator from such list by an alternate striking process, with the Party initiating the demand for mediation striking first. The mediator selected by agreement of the Parties or the last unstricken mediator from the striking process shall serve as the mediator for purposes of this Section 12.10. If the matter in dispute has not been resolved within thirty (30) days after the selection of a mediator, if the Parties fail to select a mediator within thirty (30) days after receipt of the list of potential mediators either Party may thereafter initiate litigation. All negotiations pursuant to this Section 12.10 are confidential and shall be treated as compromise and settlement negotiations for purposes of the Federal Rules of Evidence and applicable state rules of evidence. All applicable statutes of limitation and defenses based upon the passage of time shall be tolled while the procedures specified in this Section 12.10 are pending. The Parties shall take such action, if any, required to effectuate such tolling.

12.11 Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

12.12 Captions. The captions of the various sections herein contained are solely for the convenience of the Parties and shall not be construed to interpret or limit the content of any provision or section of this Agreement.

12.13 Construction of Agreement. This Agreement has been reviewed and revised by legal counsel for both the Developer and the Authority, and no presumption or rule that ambiguities shall be construed against the drafting Party shall apply to the interpretation or enforcement of this Agreement.

12.14 Relationship of Parties; No Third Party Beneficiaries. This Agreement creates an independent contractor relationship of the Developer to the Authority. The Developer and the Authority are not partners or joint venturers, nor is either the principal or agent of the other, and nothing herein will be construed to create any such relationship between the Parties, or to render either Party liable for any obligations of the other. The only beneficiaries of this Agreement are the Developer to the Authority. There are no third-party beneficiaries.

12.15 Estoppel Certificates. Upon thirty (30) days' prior written notice, each Party agrees to sign and deliver to the other Party a statement certifying (a) that this Agreement is unmodified and in full force and effect (or, if that is not the case, so stating and setting forth any modifications), (b) that, to the responding Party's knowledge, the requesting Party is not in breach of this Agreement (or, if that is not the case, so stating and setting forth any alleged breaches), and (c) any other information reasonably related to the status of this Agreement. This certificate may only be relied upon by the Party requesting the certificate and any parties specifically identified by name in the request, may only be used to estop the responding Party from claiming that the facts are other than as set forth in the certificate, and may not be relied upon by any Person or entity, even if named in such estoppel certificate, who knows or should know that the facts are other than as set forth in such certificate.

12.16 Recording/Filing. Upon request of a Party, the Parties will execute a memorandum of this Agreement in a form reasonably approved by the Parties, and the requesting Party may record the memorandum against the GatewayEast in the Official Records of Maricopa County, Arizona. After the execution of a Development Lease, upon the request of either Party, the Parties will record an amendment to any recorded memorandum to remove the Development Lot set forth in such Development Lease from the memorandum.

12.17 No Personal Liability. No Affiliates, members, managers, general partners, limited partners, shareholders, directors, officers, regents, officials, employees, attorneys or agents of the Authority or the Developer shall have any liability with respect to, and each of the Authority and the Developer hereby waives, releases, and agrees not to sue any of them upon, any Claims suffered or incurred by the Authority or the Developer, as applicable, in connection with, arising out of, or in any way related to, this Agreement or any of the transactions contemplated by this Agreement. The provisions of this Section 12.17 will survive the expiration or earlier termination of this Agreement.

12.18 Conflict of Interest. In accordance with A.R.S. §38-511, the Authority may cancel this Agreement upon sixty (60) days written notice to the Developer within three (3) years after the execution of this Agreement, without penalty or further obligation, if any Person significantly involved in initiating, negotiating, securing, drafting, or creating this Agreement on behalf of the Authority, at any time while this Agreement or any extension thereof is in effect, becomes an employee or agent of the Developer to this Agreement in any capacity or a consultant to the Developer with respect to the subject matter of this Agreement.

13. GUARANTY.

13.1 This Agreement is executed by Guarantor solely to evidence its agreement to guaranty all covenants, conditions and obligations of the Developer under this Agreement and the Master Lease Agreement executed pursuant hereto ("**Guaranteed Obligations**").

13.2 This Guaranty will continue unchanged by the occurrence of any event qualifying as a disaffirmance or abandonment of the Agreement by the Developer. Neither Guarantor's obligation to render performance in accordance with the terms of this Guaranty nor any remedy for the enforcement hereof shall be impaired, modified, changed, released, or limited in any manner whatsoever by an Insolvency Event of Developer or Guarantor.

13.3 Guarantor hereby waives any right to require the Authority to proceed against any other Person or to proceed against or exhaust any security held by it at any time or to pursue any other remedy before proceeding against Guarantor. If any right of action shall accrue to the Authority under this Agreement, the Authority may proceed against Guarantor and the Developer, jointly and severally, or the Authority may, at its option, proceed against Guarantor, without having commenced any action or having obtained any judgment, against the Developer. Guarantor hereby waives the provisions of Sections 12-1641, et seq., Arizona Revised Statutes, or any similar or successor statutes, and the defense of the statute of limitations in any action hereunder or for the collection of any indebtedness or the performance of the Guaranteed Obligations.

13.4 Guarantor agrees to pay all reasonable attorneys' fees and all costs and other expenses incurred in any collection or attempted collection of this Guaranty or in enforcing this Guaranty against Guarantor.

13.5 Guarantor hereby fully and completely waives, releases, and relinquishes notice of any demand by the Authority, any notice of default in the payment of any amounts contained or reserved in this Agreement, or any other notice of default under the Agreement. Guarantor expressly agrees that the validity of this Guaranty and the obligations of Guarantor shall in no way be terminated, affected, or impaired by reason of any waiver by the Authority or its successors or assigns, or failure to enforce any of the terms, covenants, or conditions of the Agreement or this Guaranty, or the granting of any indulgence or extension of time to the Developer, all of which may be given or done without notice to Guarantor.

13.6 Until the Developer has satisfied all covenants, or conditions obligation under the Agreement and the Master Lease Agreement, at the end of each fiscal quarter of Guarantor, commencing with the fiscal quarter ending September 30, 2022, Guarantor shall achieve:

13.6.1. Tangible Net Worth of not less than $100,000,000; and

13.6.2. Liquidity of not less than $10,000,000.

13.7 For purposes of this Section 13:

13.7.1. "**Tangible Net Worth**" shall mean the current value, on a basis consistent with the statement of financial position dated December 31, 2021, of Guarantor's assets (excluding goodwill, patents, trademarks, trade names, organization expense, treasury stock, unamortized debt discount and expense, deferred research and development costs, deferred marketing expenses, and other like intangibles), less total Debt, including but not limited to accrued and deferred income taxes, and any reserves against assets, all as determined in accordance with the methods described in Guarantor's statement of financial position.

13.7.2. "**Liquidity**" shall mean the sum of (i) Guarantor's unencumbered cash, cash equivalents, and marketable securities, and (ii) Guarantor's unrestricted cash, cash equivalents, and marketable securities, all as determined on a current value basis.

13.7.3. "**Debt**" shall mean without limitation, (a) any indebtedness or liability for borrowed money, (b) all indebtedness evidenced by bonds, debentures, notes, letters of credit, drafts or similar instruments, (c) all indebtedness to pay the deferred purchase price of property or services (including trade obligations), (d) all capitalized lease obligations, (e) all synthetic lease obligations, (f) current liabilities and respective unfunded vested benefits under plans covered by ERISA, (g) obligations secured by liens and encumbrances whether or not the obligations have been assumed, (h) obligations under acceptance facilities, and (i) all other indebtedness that would be reported as a liability upon a balance sheet prepared in accordance with GAAP.

13.7.4. "**GAAP**" shall mean generally accepted accounting principles consistently applied.

[Signatures to follow.]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed on or as of the day and year aforesaid.

DEVELOPER:

Boyer Gateway East, L.C., a Utah limited liability company

By: The Boyer Company, L.C., a Utah limited liability company, its Manager

By: _____
Name: _____
Title: _____

GUARANTOR:

Solely with respect to Section 13 hereof:

THE BOYER COMPANY, L.C.

By: _____
Name: _____
Title: _____

AUTHORITY:

PHOENIX-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: _____

EXHIBIT A-I

Depiction of GatewayEast

EXHIBIT A-II

Legal Description of GatewayEast

EXHIBIT "A"
LEGAL DESCRIPTION
FOR
GATEWAY EAST

A PARCEL OF LAND SITUATED IN A PART OF SECTIONS 28 & 33, TOWNSHIP 1 SOUTH, RANGE 7 EAST OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 28, FROM WHICH THE SOUTHWEST 1/16 CORNER OF SECTION 21, BEARS NORTH 01 DEGREES 07 MINUTES 41 SECONDS WEST, A DISTANCE OF 658.82 FEET;

THENCE UPON AND WITH THE NORTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 28, SOUTH 89 DEGREES 37 MINUTES 10 SECONDS EAST, A DISTANCE OF 137.82 FEET;

THENCE DEPARTING SAID NORTH LINE, SOUTH 00 DEGREES 22 MINUTES 50 SECONDS WEST, A DISTANCE OF 88.00 FEET TO THE POINT OF BEGINNING;

THENCE SOUTH 89 DEGREES 37 MINUTES 10 SECONDS EAST, A DISTANCE OF 1896.22 FEET;

THENCE SOUTH 76 DEGREES 48 MINUTES 31 SECONDS EAST, A DISTANCE OF 113.91 FEET;

THENCE SOUTH 71 DEGREES 27 MINUTES 27 SECONDS EAST, A DISTANCE OF 119.58 FEET;

THENCE SOUTH 56 DEGREES 34 MINUTES 31 SECONDS EAST, A DISTANCE OF 59.59 FEET;

THENCE SOUTH 45 DEGREES 34 MINUTES 54 SECONDS EAST, A DISTANCE OF 349.50 FEET;

THENCE SOUTH 53 DEGREES 05 MINUTES 19 SECONDS EAST, A DISTANCE OF 109.61 FEET;

THENCE SOUTH 60 DEGREES 11 MINUTES 19 SECONDS EAST, A DISTANCE OF 90.17 FEET;

THENCE SOUTH 51 DEGREES 36 MINUTES 39 SECONDS EAST, A DISTANCE OF 1654.85 FEET TO THE BEGINNING OF A CURVE TO THE LEFT HAVING A RADIUS OF 790.00 FEET;

THENCE CONTINUING ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 14 DEGREES 31 MINUTES 49 SECONDS, AN ARC LENGTH OF 200.34 FEET;

THENCE SOUTH 66 DEGREES 08 MINUTES 28 SECONDS EAST, A DISTANCE OF 82.27 FEET TO THE BEGINNING OF A CURVE TO THE RIGHT HAVING A RADIUS OF 1619.85 FEET;

THENCE CONTINUING ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 24 DEGREES 02 MINUTES 35 SECONDS, AN ARC LENGTH OF 679.74 FEET TO THE BEGINNING OF A CURVE TO THE RIGHT HAVING A RADIUS OF 986.92 FEET;

THENCE CONTINUING ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 25 DEGREES 21 MINUTES 45 SECONDS, AN ARC LENGTH OF 436.87 FEET TO THE BEGINNING OF A CURVE TO THE RIGHT HAVING A RADIUS OF 575.00 FEET;

THENCE CONTINUING ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 15 DEGREES 00 MINUTES 11 SECONDS, AN ARC LENGTH OF 150.57 FEET;

THENCE SOUTH 01 DEGREES 43 MINUTES 56 SECONDS EAST, A DISTANCE OF 1130.61 FEET;

THENCE SOUTH 88 DEGREES 42 MINUTES 20 SECONDS WEST, A DISTANCE OF 36.17 FEET;

THENCE SOUTH 01 DEGREES 11 MINUTES 49 SECONDS EAST, A DISTANCE OF 243.63 FEET;

THENCE SOUTH 44 DEGREES 02 MINUTES 55 SECONDS EAST, A DISTANCE OF 68.88 FEET;

THENCE SOUTH 01 DEGREES 06 MINUTES 31 SECONDS EAST, A DISTANCE OF 1658.70 FEET;

THENCE SOUTH 88 DEGREES 38 MINUTES 46 SECONDS WEST, A DISTANCE OF 292.81 FEET TO THE BEGINNING OF A CURVE TO THE RIGHT HAVING A RADIUS OF 1991.00 FEET;

THENCE CONTINUING ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 08 DEGREES 13 MINUTES 41 SECONDS, AN ARC LENGTH OF 285.92 FEET;

THENCE NORTH 43 DEGREES 38 MINUTES 21 SECONDS WEST, A DISTANCE OF 10.60 FEET;

THENCE NORTH 81 DEGREES 37 MINUTES 27 SECONDS WEST, A DISTANCE OF 96.00 FEET;

THENCE SOUTH 62 DEGREES 46 MINUTES 35 SECONDS WEST, A DISTANCE OF 10.78 FEET TO THE BEGINNING OF A CURVE TO THE RIGHT FROM WHICH THE RADIUS BEARS NORTH 10 DEGREES 07 MINUTES 48 SECONDS EAST, A DISTANCE OF 1991.00 FEET;

THENCE CONTINUING ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 79 DEGREES 50 MINUTES 07 SECONDS, AN ARC LENGTH OF 2774.23 FEET;

THENCE NORTH 00 DEGREES 02 MINUTES 05 SECONDS WEST, A DISTANCE OF 395.69 FEET TO THE BEGINNING OF A CURVE TO THE LEFT HAVING A RADIUS OF 1913.00 FEET;

THENCE CONTINUING ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 11 DEGREES 20 MINUTES 13 SECONDS, AN ARC LENGTH OF 378.52 FEET;

THENCE NORTH 32 DEGREES 26 MINUTES 35 SECONDS EAST, A DISTANCE OF 13.52 FEET;

THENCE NORTH 13 DEGREES 18 MINUTES 45 SECONDS WEST, A DISTANCE OF 96.00 FEET;

THENCE NORTH 59 DEGREES 13 MINUTES 05 SECONDS WEST, A DISTANCE OF 12.85 FEET TO THE BEGINNING OF A CURVE TO THE LEFT FROM WHICH THE RADIUS BEARS SOUTH 75 DEGREES 12 MINUTES 07 SECONDS WEST, A DISTANCE OF 1913.00 FEET;

THENCE CONTINUING ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 31 DEGREES 01 MINUTES 10 SECONDS, AN ARC LENGTH OF 1035.68 FEET;

THENCE NORTH 45 DEGREES 49 MINUTES 03 SECONDS WEST, A DISTANCE OF 153.48 FEET;

THENCE NORTH 16 DEGREES 31 MINUTES 02 SECONDS WEST, A DISTANCE OF 8.40 FEET;

THENCE NORTH 44 DEGREES 19 MINUTES 04 SECONDS WEST, A DISTANCE OF 96.03 FEET;

THENCE NORTH 84 DEGREES 10 MINUTES 06 SECONDS WEST, A DISTANCE OF 10.68 FEET;

THENCE NORTH 45 DEGREES 49 MINUTES 03 SECONDS WEST, A DISTANCE OF 985.91 FEET;

THENCE NORTH 07 DEGREES 15 MINUTES 40 SECONDS WEST, A DISTANCE OF 12.94 FEET;

THENCE NORTH 46 DEGREES 40 MINUTES 36 SECONDS WEST, A DISTANCE OF 96.01 FEET;

THENCE NORTH 84 DEGREES 10 MINUTES 06 SECONDS WEST, A DISTANCE OF 10.68 FEET;

THENCE NORTH 45 DEGREES 49 MINUTES 03 SECONDS WEST, A DISTANCE OF 654.88 FEET TO THE BEGINNING OF A CURVE TO THE LEFT HAVING A RADIUS OF 863.00 FEET;

THENCE CONTINUING ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 43 DEGREES 59 MINUTES 26 SECONDS, AN ARC LENGTH OF 662.60 FEET TO THE BEGINNING OF A CURVE TO THE RIGHT HAVING A RADIUS OF 70.00 FEET;

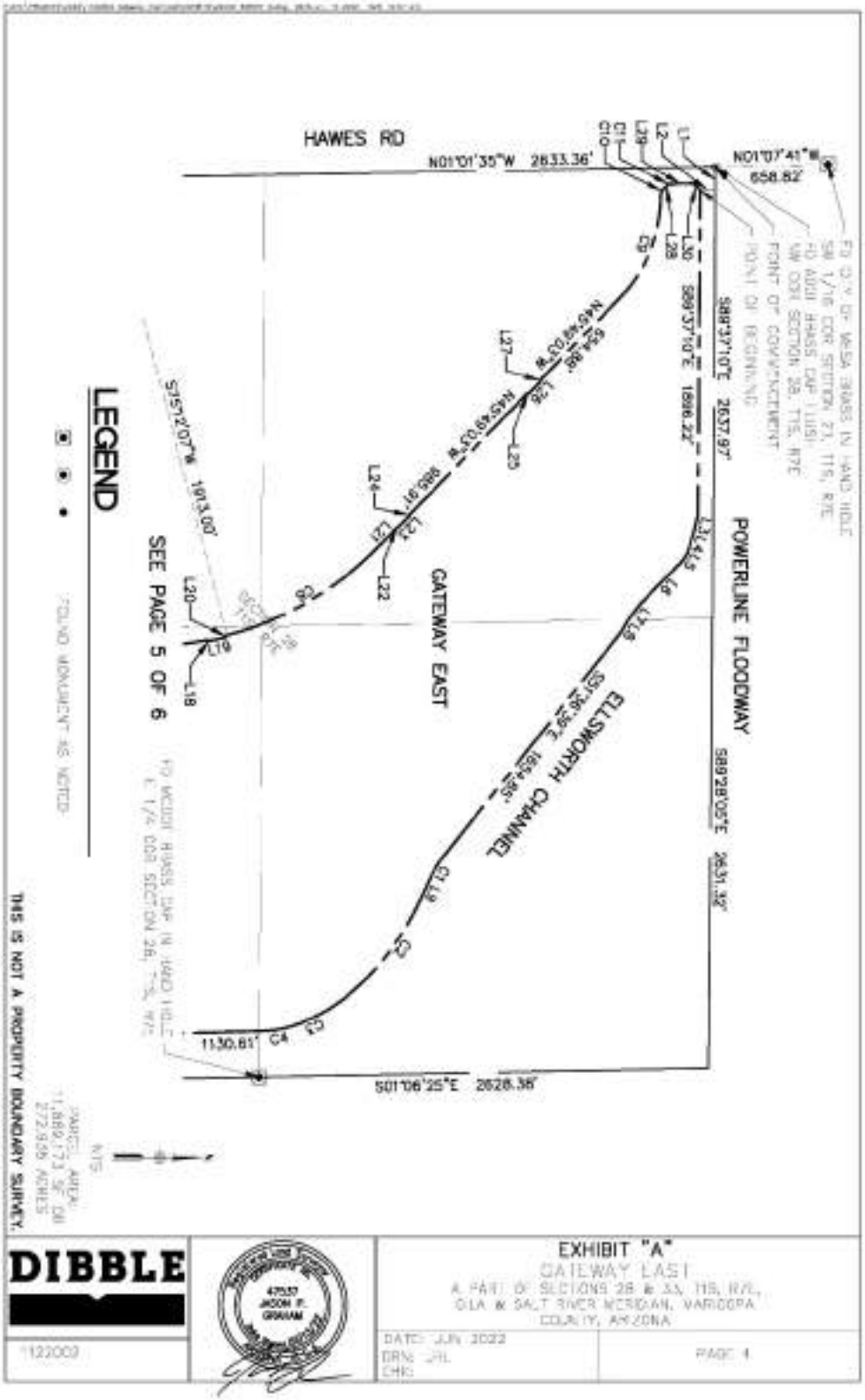
THENCE CONTINUING ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 49 DEGREES 10 MINUTES 37 SECONDS, AN ARC LENGTH OF 60.08 FEET;

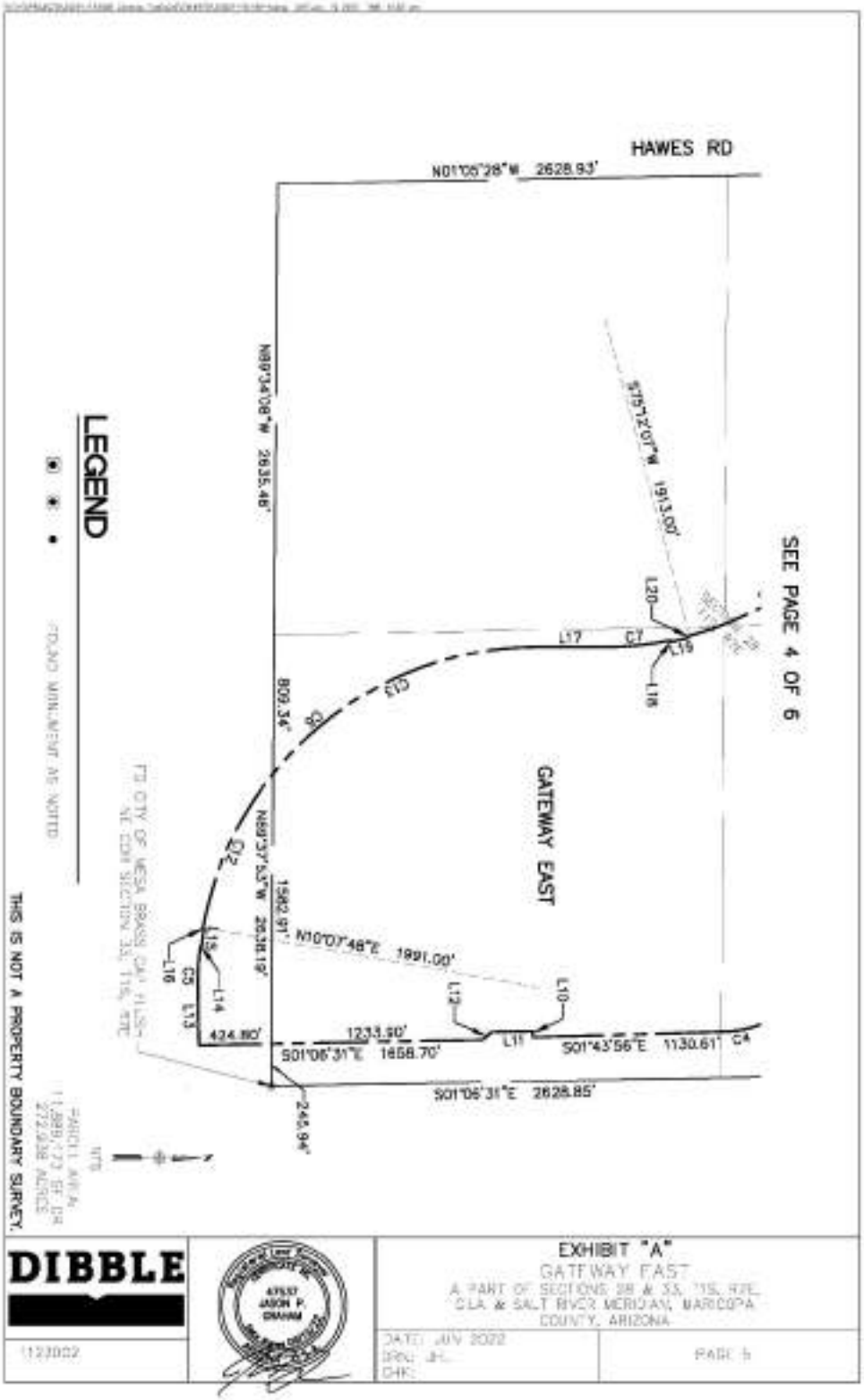
THENCE NORTH 40 DEGREES 37 MINUTES 52 SECONDS WEST, A DISTANCE OF 28.28 FEET TO THE BEGINNING OF A CURVE TO THE RIGHT HAVING A RADIUS OF 70.00 FEET;

THENCE CONTINUING ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 03 DEGREES 15 MINUTES 32 SECONDS, AN ARC LENGTH OF 3.98 FEET;

THENCE NORTH 00 DEGREES 57 MINUTES 15 SECONDS WEST, A DISTANCE OF 143.42 FEET;

THENCE NORTH 44 DEGREES 41 MINUTES 03 SECONDS EAST, A DISTANCE OF 54.96 FEET TO THE POINT OF BEGINNING AND CONTAINING A COMPUTED AREA OF 11,889,173 SQUARE FEET OR 272.938 ACRES OF LAND, MORE OR LESS.


HAWES RD
N01°01'35"W 2633.36'
N01°07'41"W
658.82'
FD CITY OF MESA BRASS IN HAND HOLE
SW 1/16 COR SECTION 27, T1S, R7E
FD ADOT BRASS CAP (LUSI)
NW COR SECTION 28, T1S, R7E
POINT OF COMMENCEMENT
POINT OF BEGINNING
S89°37'10"E 2637.97'
S89°37'10"E 1898.22'
POWERLINE FLOODWAY
S89°28'05"E 2631.32'
S01°06'25"E 2628.38'
1130.81'
C4
ELLSWORTH CHANNEL
GATEWAY EAST
S57°12'07"W 1913.00'
SEE PAGE 5 OF 6
LEGEND
FOUND MONUMENT AS NOTED
FD MCDOT BRASS CAP IN HAND HOLE
E 1/4 COR SECTION 28, T1S, R7E
THIS IS NOT A PROPERTY BOUNDARY SURVEY.
PARCEL AREA:
11,862,173 SF OR
272.99 ACRES
N/S
DIBBLE
47537
JASON P.
GRAHAM
EXHIBIT "A"
GATEWAY EAST
A PART OF SECTIONS 28 & 33, T1S, R7E,
GILA & SALT RIVER MERIDIAN, MARICOPA
COUNTY, ARIZONA
122002
DATE: JUN 2022
DRN: JRL
CHK:
PAGE 4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S15°12'07"W 1913.00'
SEE PAGE 4 OF 6
L20
L19
L18
L17
C7
C13
809.34'
C8
GATEWAY EAST
FD CITY OF MESA BRASS CAP FLUSH
NE COR SECTION 33, T1S, R7E
C12
N89°37'53"W 2638.19'
1582.91'
N10°07'48"E 1891.00'
L15
L16
C5
L13
L14
L12
L10
424.80'
1233.50'
1658.70'
L11
S01°43'56"E 1130.61'
C4
S01°05'31"E
S01°05'31"E 2628.85'
245.94'
LEGEND
FOUND MONUMENT AS NOTED
THIS IS NOT A PROPERTY BOUNDARY SURVEY.
DIBBLE
47537
JASON P.
GRAHAM
EXHIBIT "A"
GATEWAY EAST
A PART OF SECTIONS 28 & 33, T1S, R7E
G.&S. & SALT RIVER MERIDIAN, MARICOPA
COUNTY, ARIZONA
DATE: JULY 2022
DRN: JHL
CHK:
PAGE 5
122002

LINE DATA TABLE		
LINE	BEARING	DISTANCE
L1	S89°37'10"E	137.82'
L2	S00°22'50"W	88.00'
L3	S76°48'31"E	113.91'
L4	S71°27'27"E	119.56'
L5	S58°34'31"E	59.59'
L6	S45°34'54"E	349.50'
L7	S53°05'19"E	109.61'
L8	S60°11'19"E	90.17'
L9	S66°08'28"E	82.37'
L10	S88°42'20"W	35.17'
L11	S01°11'49"E	243.43'
L12	S44°02'55"E	68.88'
L13	S88°38'48"W	292.9[illegible]'
L14	N43°38'3[illegible]"W	10.60'
L15	N81°37'27"W	95.00'
L16	S62°46'35"W	10.78'
L17	N00°02'05"W	396.69'
L18	N32°26'35"E	13.53'
L19	N13°19'45"W	95.00'
L20	N59°13'05"W	12.65'

LINE DATA TABLE		
LINE	BEARING	DISTANCE
L21	N45°40'03"W	153.48'
L22	N16°31'02"W	8.40'
L23	N44°10'04"W	95.03'
L24	N84°10'06"W	10.68'
L25	N07°15'40"W	12.94'
L26	N46°40'36"W	95.01'
L27	N84°10'06"W	10.68'
L28	N40°37'52"W	28.28'
L29	N00°57'15"W	143.42'
L30	N44°41'03"E	54.95'

CURVE DATA TABLE			
CURVE	LENGTH	RADIUS	DELTA
C1	206.34'	765.00'	14°51'49"
C2	679.74'	1619.80'	24°02'35"
C3	436.87'	986.92'	25°21'45"
C4	155.07'	575.00'	15°30'11"
C5	285.92'	1991.00'	8°13'41"
C6	2774.23'	1991.00'	79°50'07"
C7	378.52'	1913.00'	11°20'13"
C8	1035.68'	1913.00'	31°01'10"
C9	662.60'	863.00'	43°59'28"
C10	60.05'	70.00'	49°16'37"
C11	3.98'	70.00'	3°15'32"
C12	1001.11'	1991.00'	28°46'33"
C13	1773.13'	1991.00'	51°01'33"

THIS IS NOT A PROPERTY BOUNDARY SURVEY.

DIBBLE

11/22/2022

EXHIBIT "A"
GATEWAY EAST
A PART OF SECTIONS 28 & 33, T1S, R7E
G&SRB&M, MARICOPA COUNTY, ARIZONA

DATE: JAN 2023
DRN: JIL
CHK:

PAGE 6

EXHIBIT B

Depiction of Development Phases

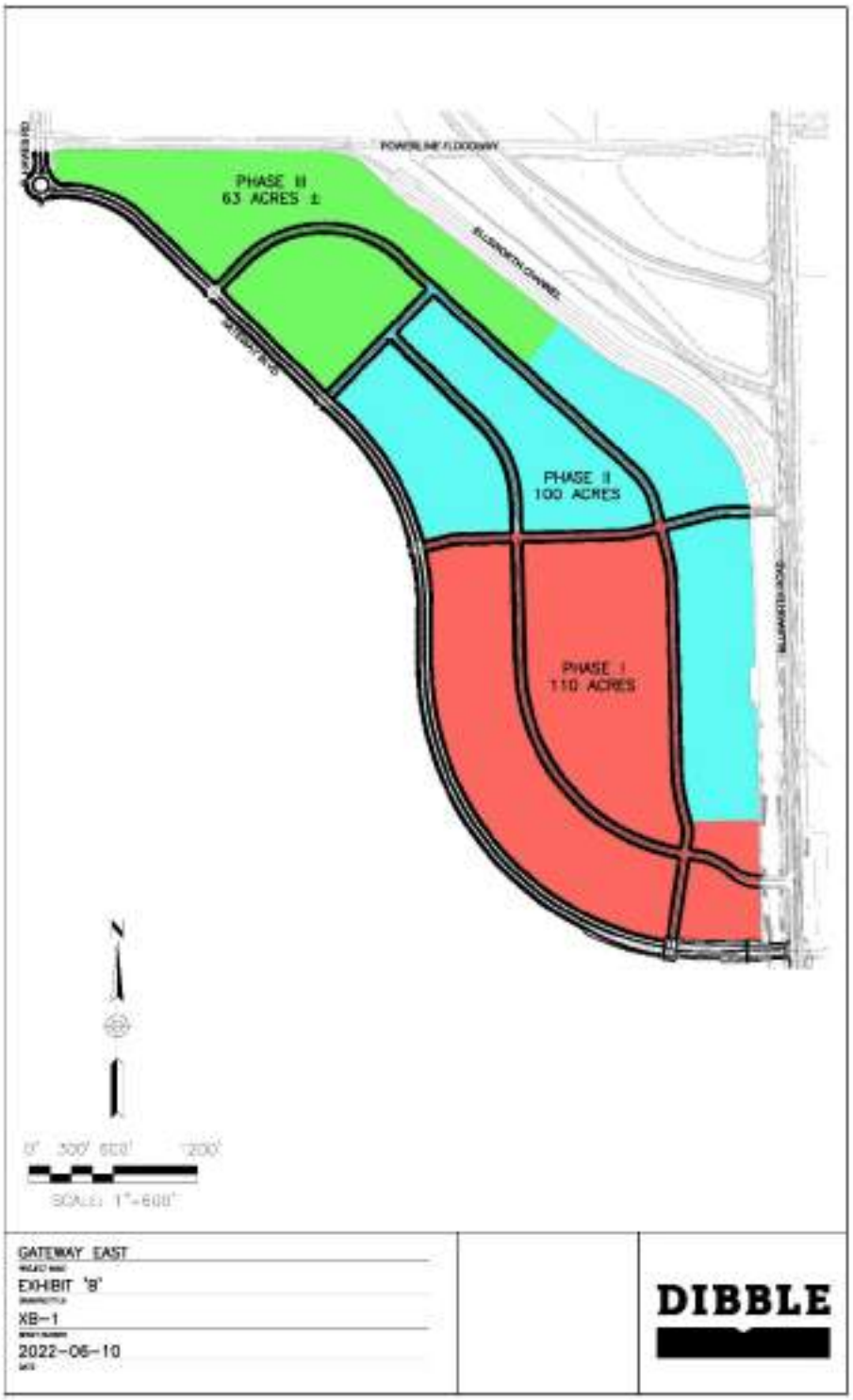

EXHIBIT B-I

Depiction of Development Phase I

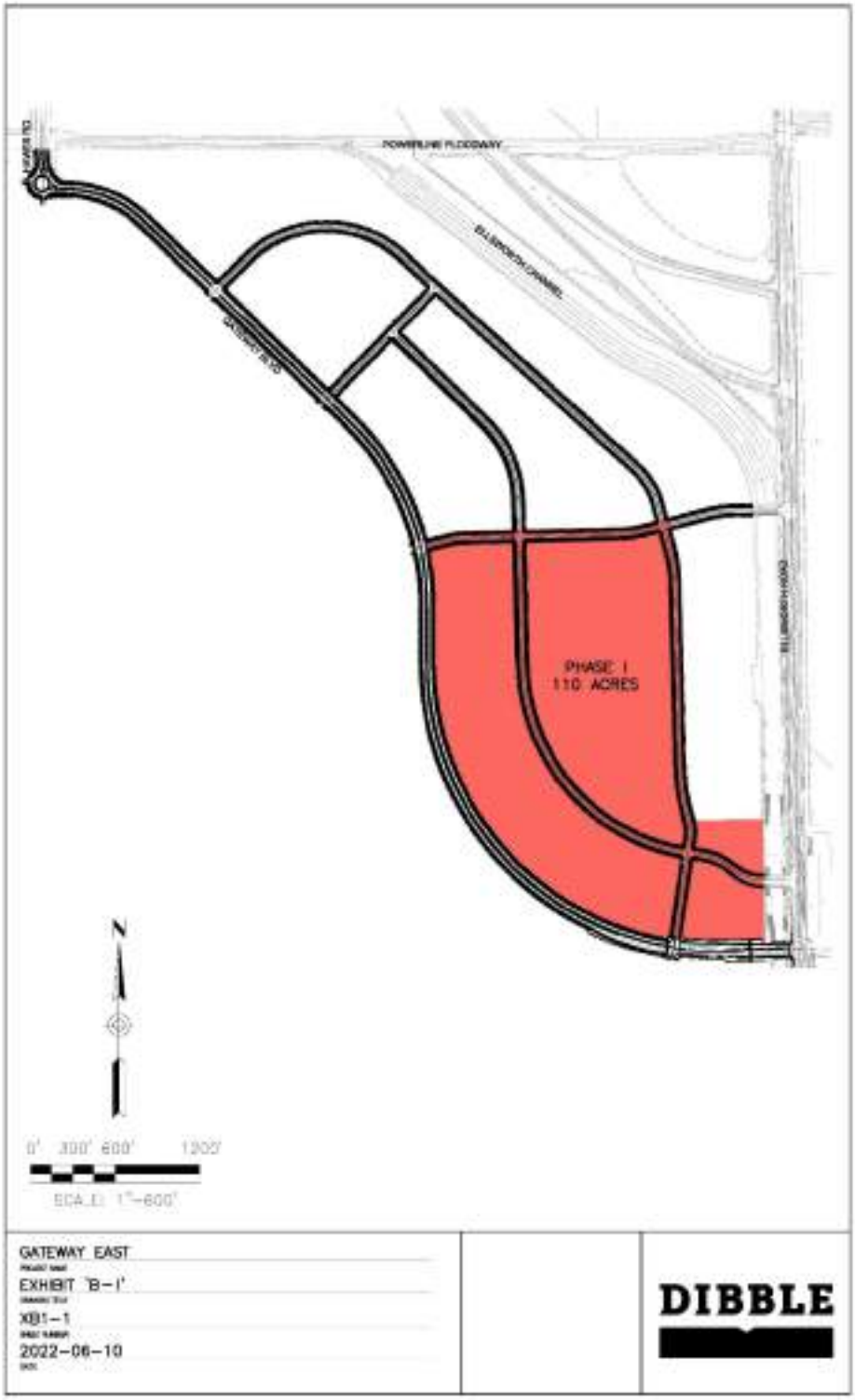

EXHIBIT B-II

Depiction of Development Phase II

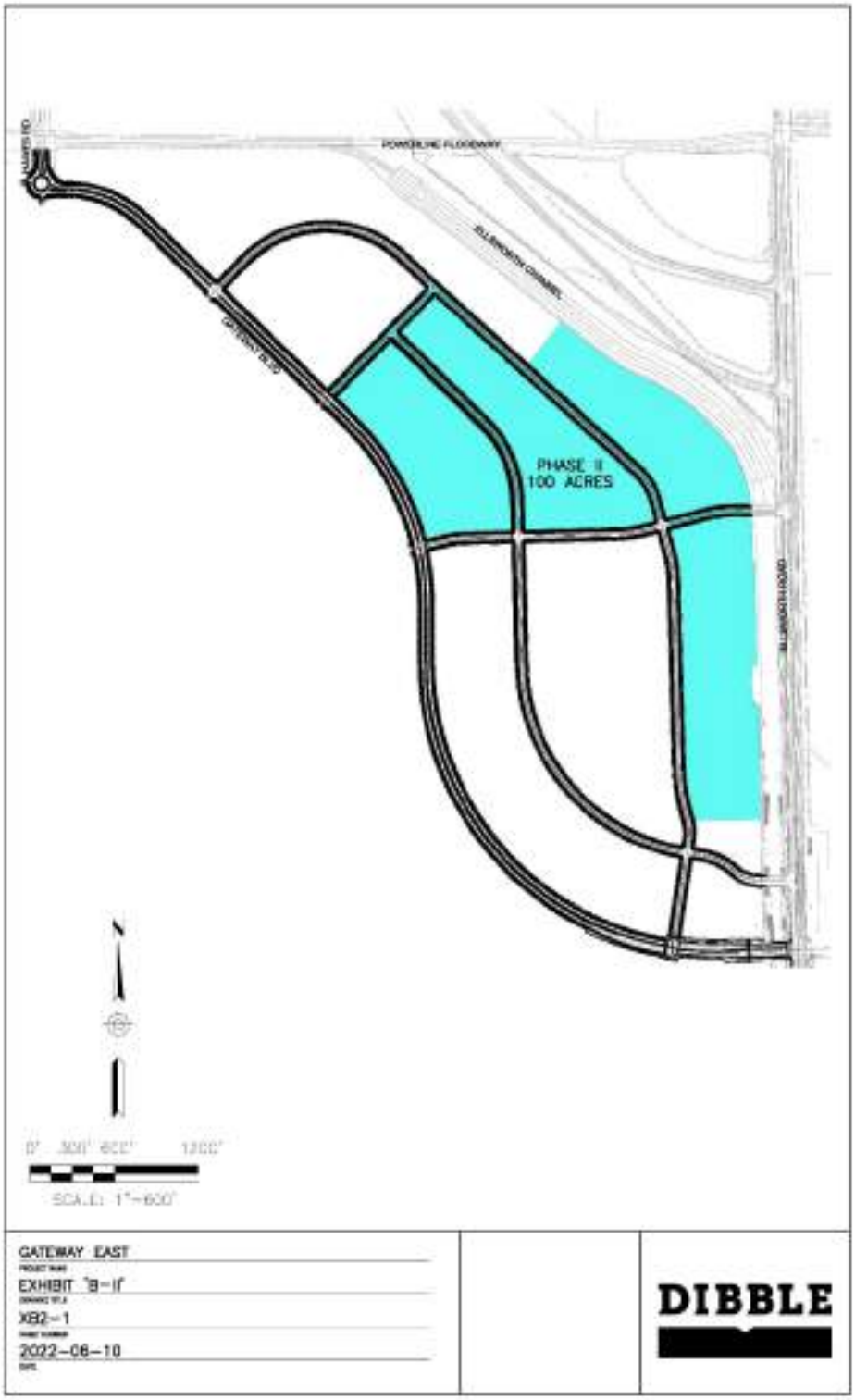

EXHIBIT B-III

Depiction of Development Phase III

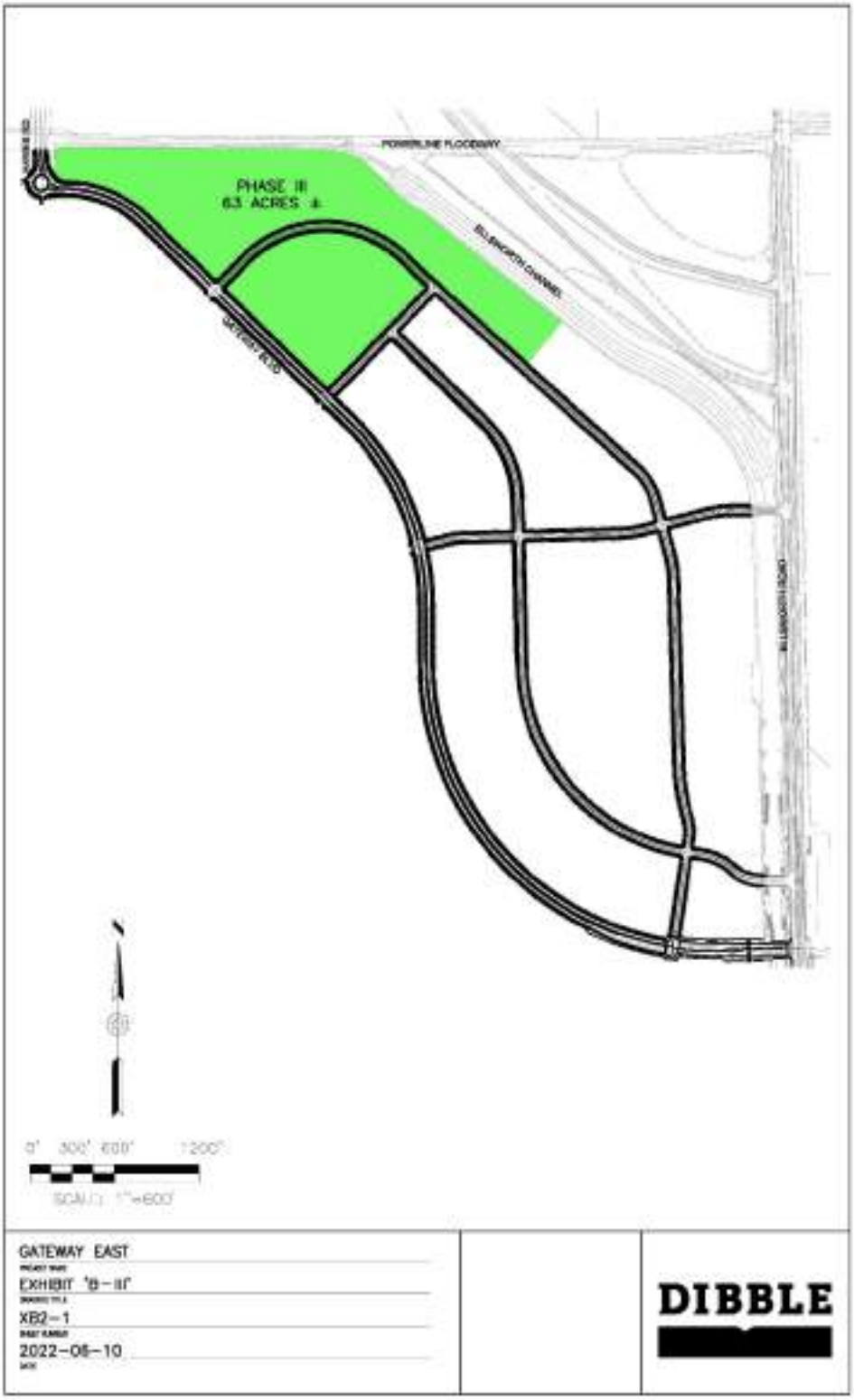

EXHIBIT C

Key Items of the Master Plan

The Master Plan shall include (without limitation) the following items:

(a) A detailed site plan for the Project, including the boundaries of the Development Phases,

(b) A Development Lot map for Development Phase I that complements the Airport's existing lot naming conventions and clearly identifies Development Lots and a conceptual Development Lot map for Development Phase II and Development Phase III,

(c) A land-use plan, zoning map and development standards (if applicable) for the GatewayEast,

(d) A detailed infrastructure plan for Development Phase I showing the Horizontal Improvements to be constructed to serve each Development Lot and a conceptual site plan for Development Phases II and III,

(e) A detailed financing plan for Development Phase I,

(f) A comprehensive landscape plan for Development Phase I,

(g) Vertical Improvement design guidelines for Development Phase I,

(h) A financial analysis of the Project which specifically outlines the anticipated revenue and timing of the revenue due to the Airport (including project revenue sharing) based on market assumptions and on the terms in the Master Lease Agreement and Master Development Agreement,

(i) A detailed marketing plan with associated budget for Development Phase I, and

(j) A detailed traffic study based on City of Mesa requirements.

EXHIBIT D

Description of City Improvements

The City of Mesa is expected to provide the following improvements to the site:

- The design and construction of the main culinary water and sanitary sewer lines that are required to provide service to the overall development. These main lines will run within the Spine Road alignment and will be sized so that they can accommodate the anticipated development of the overall development. Developer has received the design plans for the water and sanitary sewer and acknowledges that it is sufficient for Developer's purposes.

- The design and construction of the initial 1000 linear feet of pavement, sidewalks, landscaping and required utilities within the Spine Road alignment, including the bridge crossing of the Ellsworth Channel. This work is expected to start at Ellsworth Road and run 1000 feet northwest into the site to the first 4-way intersection which connects with Aviation Way.

- The Authority will provide a good faith effort to ensure the design efforts by the City of Mesa are to include coordination with the Developer's design and civil engineering team so that the City Improvements tie into the future planned improvements

EXHIBIT E

Spine Road Alignment

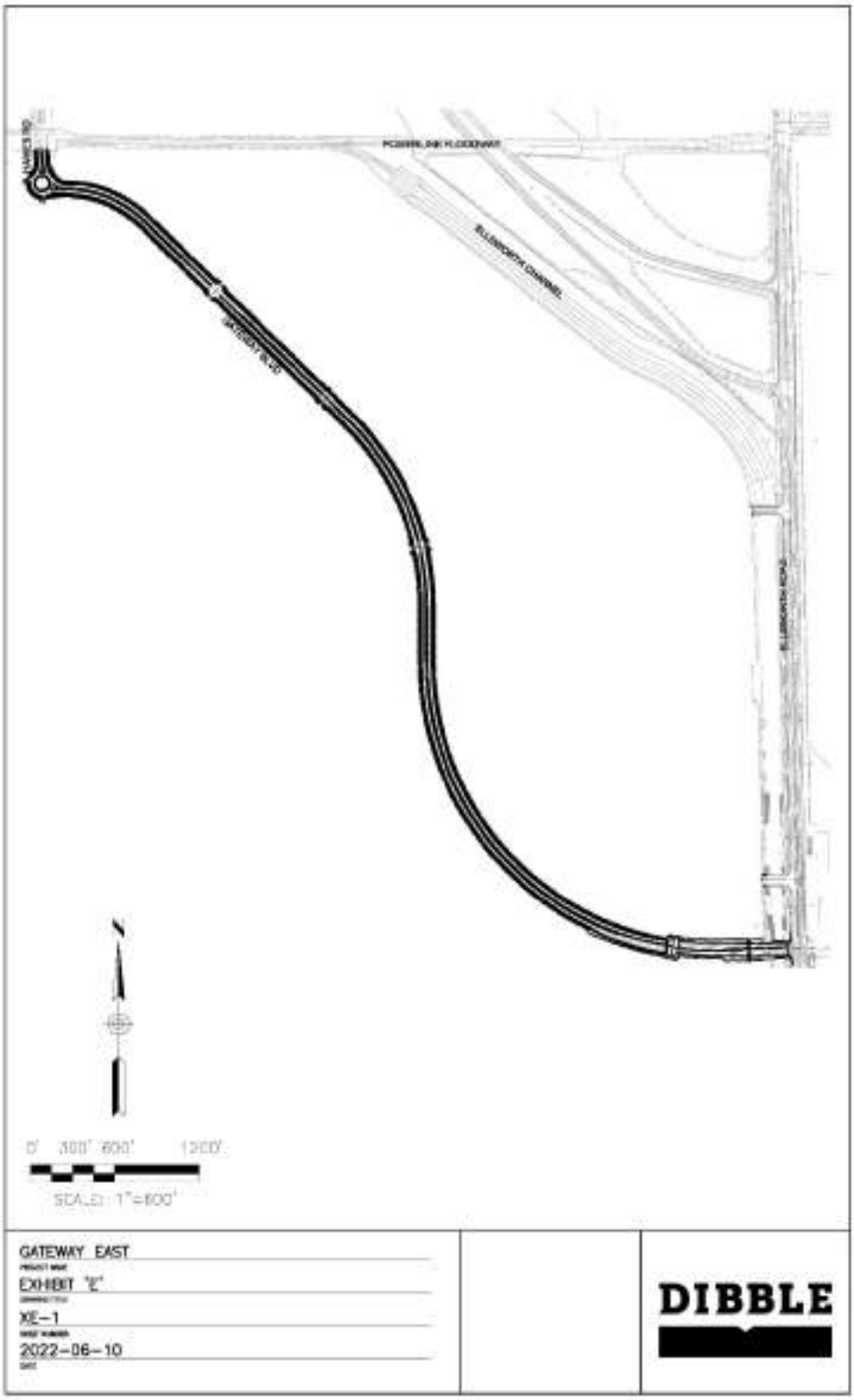

EXHIBIT F

Minimum Development Requirements

Minimum Development Deadline #1	**Minimum Development Requirement(s)**
On or before the 5th anniversary of the Effective Date	**MDR#1:** 500,000 SF of commercial development which must include a minimum of 20,000 SF of retail and/or hospitality development.
	MDR #2: All of the Development Phase I Horizontal Improvements described in the Master Plan
Minimum Development Deadline #2	**Minimum Development Requirement(s)**
On or before the 8th anniversary of the Effective Date	**MDR#3:** 800,000 SF of commercial development (inclusive of MDR#1.)
Minimum Development Deadline #3	**Minimum Development Requirement(s)**
On or before the 10th anniversary of the Effective Date	**MDR#4:** 1,500,000 SF of commercial development which must include a minimum of 50,000 SF of retail and/or hospitality development (inclusive of MDR#1 and MDR#3)).
	MDR#5: All of the Development Phase II Horizontal Improvements described in the Master Plan
Minimum Development Deadline #4	**Minimum Development Requirement(s)**
On or before the 15th anniversary of the Effective Date	**MDR#6:** 2,000,000 SF of commercial development (inclusive of MDR#1, MDR#3, and MDR#4).
Minimum Development Deadline #5	**Minimum Development Requirement(s)**
On or before the 20th anniversary of the Effective Date	**MDR#7:** 2,500,000 SF of commercial development (inclusive of MDR#1, MDR#3, MDR#4, and MDR#6).
	MDR#8: All of the Development Phase III Horizontal Improvements described in the Master Plan

EXHIBIT G

Permitted Exceptions

1. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the year 2022.

2. Reservations contained in the Patent

From:	The United States of America
Recording Date:	July 2, 1917
Recording No:	Book 124 of Deeds, page 92

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.

3. Reservations contained in the Patent

From:	The United States of America
Recording Date:	October 13, 1914
Recording No:	Book 110 of Deeds, page 400

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. Reservations contained in the Patent

From:	The United States of America
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.

5. Reservations contained in the Patent

From: The United States of America
Recording Date: October 16, 1913
Recording No: Book 106 of Deeds, page 484

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.

6. Reservations contained in the Patent

From: The United States of America
Recording Date: October 13, 1914
Recording No: Book 110 of Deeds, page 399

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.

7. Reservations contained in the Patent

From: The United States of America
Recording Date: April 11, 1914
Recording No: Book 108 of Deeds, page 532

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.

8. Water rights, claims or title to water, whether or not disclosed by the public records other than water rights, claims or title to water arising through any unrecorded agreement entered into by Lessor.

9. Matters contained in that certain document

Entitled: County Roads

Recording Date: June 19, 1916
Recording No: Book 1 of Road Maps, page 49

Reference is hereby made to said document for full particulars.

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

Purpose: flood control
Recording Date: December 28, 1961
Recording No: Docket 3973, page 463

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

Purpose: roadway
Recording Date: March 12, 1965
Recording No: Docket 5462, page 358

12. Matters contained in that certain document

Entitled: Designated County Road A Plat
Recording Date: April 28, 1965
Recording No: Book 15 of Road Maps, page 100

Reference is hereby made to said document for full particulars.

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

Purpose: flood control
Recording Date: December 14, 1966
Recording No: Docket 6349, page 175

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

Purpose: flood control channel
Recording Date: January 31, 1967
Recording No: Docket 6417, page 637

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

Purpose: roadway
Recording Date: December 4, 1968
Recording No: Docket 7376, page 829

16. Matters shown on record of survey:

Recording No.: Book 409 of Maps, page 13

17. 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

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

Purpose: underground power
Recording Date: December 15, 1998
Recording No: 98-1131505

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

Purpose: overhead and underground power
Recording Date: December 15, 1998
Recording No: 98-1131506

20. Matters contained in that certain document

Entitled: Road Declared
Recording Date: March 23, 1999
Recording No: 99-0271300

Reference is hereby made to said document for full particulars.

Road Map

Recording Date: August 13, 1999
Recording No.: 99-0769974

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

Purpose: underground power
Recording Date: April 20, 1999
Recording No: 99-0371324

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

Purpose: overhead and underground power
Recording Date: May 25, 1999
Recording No: 99-0496395

23. Any action that may be taken by the Flood Control District of Maricopa County to acquire property or rights of way for flood control, as disclosed by document recorded at Recording No. 1999-0746645.

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

Purpose:	underground power
Recording Date:	November 16, 1999
Recording No:	99-1045434

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

Purpose:	overhead and underground power
Recording Date:	April 12, 2000
Recording No:	2000-0276837

Electric Facilities Location Williams Gateway Airport

Recording Date:	October 13, 1999
Recording No.:	Book 514 of Maps, page 11

26. A Notice

For:	Map of Williams Gateway Airport Traffic Pattern Airspace Recording
Date:	August 18, 2000
Recording No:	2000-0633846

Reference is hereby made to said document for full particulars. Avigation Notice

Recording Date:	April 27, 2017
Recording No.:	20170301390

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

Purpose:	gas pipeline
Recording Date:	November 21, 2002
Recording No:	20021234827

28. 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:	20040436428

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

Purpose:	highway
Recording Date:	December 30, 2008
Recording No:	20081094192

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

Purpose:	drainage and channelization
Recording Date:	December 30, 2008
Recording No:	20081094767

31. Matters contained in that certain document

Entitled:	Intergovernmental Agreement Between City of Mesa and Phoenix-Mesa Gateway Airport Authority For the Northeast Area Development and Ground Transportation Plan
Recording Date:	February 24, 2010
Recording No:	20100151252

Reference is hereby made to said document for full particulars.

32. The right of the State of Arizona to prohibit, limit, control or restrict access to State Route 24, as set forth in the document

Recording Date:	May 30, 2012
Recording No.:	20120459748

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

Purpose:	existing utilities
Recording Date:	March 27, 2019
Recording No:	20190211008

34. The right of the State of Arizona to prohibit, limit, control or restrict access to State Route 24, as set forth in the document

Recording Date:	March 27, 2019
Recording No.:	20190211008

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

Purpose:	line of poles, towers, cables and wires for electrical and telecommunication purposes
Recording Date:	April 15, 2020
Recording No:	20200322266

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

Purpose:	water line
Recording Date:	June 29, 2020
Recording No:	20200573108

37. Any claim based on the failure of the record to disclose recordation of a Final Judgement vesting title in the United States of America condemning the interest of Phyllis Welch in Case CIV. 3533-Phx in U.S. District Court, Phoenix Arizona.

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

Purpose:	sewer line
Recording Date:	June 29, 2020
Recording No:	20200573109

39. Matters contained in that certain document

Entitled:	Flood Control Channel Easement
Recording Date:	July 10, 2020
Recording No:	20200615024

Reference is hereby made to said document for full particulars.

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

Purpose:	Access
Recording Date:	November 17, 2020
Recording No:	20201122829

41. 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:	September 8, 2021
Recording No:	20210967955

42. Matters which may be disclosed by an inspection and/or by a correct ALTA/NSPS Land Title Survey of said Land

Phoenix-Mesa Gateway Airport Authority

MASTER LEASE AGREEMENT

with

Boyer Gateway East, L.C.

<u>Effective Date</u>:

June 21, 2022

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Phoenix-Mesa Gateway Airport Authority
MASTER LEASE AGREEMENT

This Master Lease Agreement ("**Lease**") is executed to be effective the 21st day of JUNE, 2022 ("**Effective Date**") between the **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY**, a joint powers airport authority authorized and existing under the laws of the State of Arizona ("**Lessor**"), and **Boyer Gateway East L.C.,** a Utah limited liability company ("**Lessee**"). Lessor and Lessee may be referred to jointly as "**Parties**," and each separately may be referred to as a "**Party**."

RECITALS:

A. Lessor is the owner and operator of the Phoenix-Mesa Gateway Airport generally located at the intersection of Ray Road and Sossaman Road, City of Mesa, Maricopa County, Arizona ("**Airport**"); and

B. In furtherance of its mission to develop, reuse, operate, and maintain the Airport and facilities at the Phoenix-Mesa Gateway Airport, Lessor commenced a competitive solicitation process to select a master developer for the GatewayEast Business Park ("**GatewayEast**") at the Airport, and Lessor selected Lessee as the master developer for GatewayEast. A depiction of the real property included within GatewayEast is located is set forth on **Exhibit A** attached hereto.

C. Lessor and Lessee are parties to that certain Master Development Agreement dated June 21, 2022 ("**MDA**"), pursuant to which, and in conjunction with this Lease, Lessee intends to develop GatewayEast as a hub for retail, hospitality, manufacturing, office, and other non-aeronautical uses.

D. Pursuant to the MDA, Lessor desires to lease to Lessee, and Lessee desires to lease from Lessor, that certain real property at the Airport consisting of approximately One Hundred (100) acres of land as set forth in **Exhibit B** attached hereto ("**Property**");

E. Lessee shall construct only Horizontal Improvements (as defined in the MDA) on the Property pursuant to this Lease and no Vertical Improvements (as defined in the MDA) shall be constructed on any portion of the Property during such time that such portion of the Property is subject to this Lease; provided, however, that Lessor acknowledges and agrees that certain improvements may be installed and constructed above ground, such as fencing, transformers, lines, tanks, and other similar improvements, as an incidental part of Horizontal Improvements. Vertical Improvements may only be constructed on a Development Lot which is subject to a Development Lease as more particularly set forth in Section 2 below.

F. 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

G. Lessor desires to lease to Lessee, and Lessee desires to lease from Lessor, the Property on the terms and conditions set forth herein.

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

1. LEASE.

Lessor hereby leases the Property to Lessee, subject to all easements, deed restrictions and other similar matters of record in the Official Records of Maricopa County, Arizona on the Effective Date (but excluding any deeds of trust, mortgages, judgment liens, mechanics' liens, and other similar liens not caused by Lessee), that encumber the Property, and further subject to all operational and use restrictions and other terms and conditions expressly set forth in this Lease, and subject to the rights and privileges of Lessee under the MDA.

1.1 Right to Use Property. Lessor agrees that so long as no Event of Default shall have occurred and is continuing, Lessee shall peaceably have and enjoy the use and development of the Property without hindrance from Lessor or those claiming through Lessor. Lessee specifically acknowledges that Lessee has inspected the Property prior to entering into this Lease and agrees to accept the Property in an "as is, where is" condition without any warranty or representation from Lessor, either express or implied, of any kind or nature whatsoever with respect to the Property, including, but not limited to, any warranty of merchantability, habitability, or fitness for any particular or specific purpose, and all such warranties are hereby disclaimed, except for representations and warranties contained in this Lease or the MDA. Should Lessee desire any inspection report, environmental assessment, survey, creation of a legal description, drainage report, or any similar study, Lessee shall be responsible for the same at Lessee's sole expense.

1.2 Access. Lessee is hereby granted the right of reasonable access to and from the Property via such portions of the Airport as are or may be reasonably necessary to allow Lessee to conduct their business operations permitted herein at and on the Property and the Airport. Lessor reserves the right to reasonably designate the location of such access and to change its location from time to time, as Lessor deems reasonably necessary and appropriate; provided such changes do not materially interfere with Lessee's use of or access to the Property.

1.3 Permitted Uses. Subject to the provisions of Section 1.4, Lessee may use the Property consistent with the uses described in this Lease and Lessee's rights and obligations set forth in the MDA and for the purposes of the MDA and for no other purpose. Lessee's use of the Property and operation of its business at and on the Property is subject to all applicable laws, rules and regulations of any governmental authority having jurisdiction over the Property, including Lessor, and to Lessee's compliance with applicable provisions of the *Airport Rules and Regulations* to the extent applicable to the Property (current version is attached to this Lease as **Exhibit D**).

1.4 Prohibited Activities. Lessee shall not use or permit its agents, employees, contractors, invitees, licensees or customers to use the Property for any use that is in material violation of the *Airport Rules and Regulations* or applicable laws, rules and regulations of any governmental authority having jurisdiction over the Property, excluding Lessor, or for any other activity or operation not specified in Section 1.3 herein, or that does not have advance, written approval of Lessor's Executive Director or other authorized signatory of Lessor.

1.5 Lessee Acknowledgement. Lessee acknowledges that, except as otherwise provided in this Lease, its obligations to pay Rent and all other charges due and owing under the terms hereof shall be absolute and unconditional, and shall not be affected by any circumstances whatsoever, including, without limitation: (i) any set-off, counterclaim, recoupment, defense or other right which Lessee may have against Lessor or the United States of America or anyone else for any reason whatsoever; (ii) the Permitted Exceptions (as defined in the MDA); (iii) the invalidity or unenforceability or lack of due authorization or other infirmity of this Lease or any lack of right, power or authority of Lessor or Lessee to enter into this Lease; (iv) any insolvency, bankruptcy, reorganization or similar proceedings by or against Lessee, or any other person; or (v) any other cause, whether similar or dissimilar to the foregoing, any future or present law notwithstanding, it being the intention of the Parties hereto that all rent being payable by Lessee hereunder shall continue to be payable in all events and in the manner and at the times provided herein.

1.6 FAA Review. The parties acknowledge that this Lease may be subject to Federal Aviation Administration ("**FAA**") review and concurrence as and to the extent required under applicable federal law. In the event the FAA objects in writing to any terms in this Lease that could reasonably be expected to result in significant monetary penalties imposed on Lessor or the FAA withholding of grant funding to Lessor, the parties agree to work together in good faith (at no or nominal cost to Lessee) to attempt to resolve and address the FAA's objections, including jointly meeting with the FAA, and upon mutual resolution of the FAA's objections, to amend this Lease in a manner that satisfactorily addresses the FAA's objections. Lessor agrees to promptly provide Lessee with a copy of any objections made by the FAA to this Lease.

2. ADJUSTMENTS TO PROPERTY BOUNDARIES.

2.1 Lessee Takedown of Development Lots.

2.1.1 Takedown Notice. As provided in the MDA and in accordance with this Lease, the Property shall be master planned with separate legally-described lots identified for vertical development (each, "**Development Lot**") as shown on the Master Plan (as defined in the MDA), as amended. At such time as a Development Lot is readied for vertical development, as determined by Lessee, one or more Development Lots may be removed from the Property under this Lease and subjected to a Development Lease (a "**Development Lease**") between Lessor and Lessee or an Affiliate (as defined in the MDA) of Lessee in which event such Development Lot shall no longer be subject to this Lease or the MDA. At such time as Lessee is prepared to either proceed with construction of Vertical Improvements (as defined in the MDA) on a Development Lot or sublease a Development Lot to an Affiliate or a third party that will construct Vertical Improvements on a Development Lot (such person referred to herein as the "**Vertical Developer**"), Lessee will notify Lessor in writing ("**Takedown Notice**") specifying the following:

(a) the Development Lot to be leased pursuant to the Development Lease, or the proposed boundaries for a new Development Lot, together with a request for such development-related easements as are reasonably necessary for the development of such Development Lot, as Lessee may reasonably require;

(b) the Horizontal Improvements that will serve such Development Lot and whether such Horizontal Improvements have been constructed, and if not, the date by which such Horizontal Improvements will be completed;

(c) the estimated dates by which Vertical Improvements will be commenced and completed under the terms of the Development Lease;

(d) the proposed use(s) of the Development Lot;

(e) the Vertical Developer, and if the Vertical Developer does not intend to occupy the Development Lot, the proposed or intended occupants thereof, if known, including whether the Vertical Developer intends to make Vertical Improvements on a spec basis and market such Development Lot and spec Vertical Improvements to third parties;

(f) proposed term of Development Lease, if such proposed term is different from the maximum term permitted hereunder for a Development Lease; and

(g) a title commitment for title insurance or preliminary title report for the new Development Lot and copies of all documents of record referred to in the such title commitment or title report as exceptions to title to the new Development Lot.

2.1.2 Takedown Package. The Takedown Notice shall be accompanied by the proposed Development Lease to be executed by Lessor, as the landlord, and the Vertical Developer, as the tenant, as well as the proposed Adjustment Amendment (as defined in Section 2.1.5) proposed to be executed by Lessor and Lessee (collectively, "**Takedown Package**").

The Takedown Package shall be subject to approval of Lessor, which approval shall not be unreasonably withheld, delayed or conditioned, so long as:

(a) the Takedown Package, including the proposed use, is consistent with this Lease, the MDA, the Master Plan (as amended), and the Airport Layout Plan (as defined in the MDA) (as amended);

(b) the lease of the Development Lot for Vertical Improvements will not leave the remainder of the Property landlocked, and/or if the lease of the Development Lot will leave the remainder of the Property landlocked, Lessor and Lessee agree to work together in good faith to provide for access to such landlocked portions of the Property;

(c) if the Takedown Package is for a new Development Lot not then currently identified on the Master Plan, the proposed Takedown (as defined in the MDA) will not have a material adverse effect on all or a portion of the Airport or otherwise negatively impact the development of the Property (e.g., failing to provide for utilities to serve such Property);

(d) Lessor approves (which approval may not be unreasonably withheld, conditioned or delayed, taking into consideration the commercial development experience, legal standing and financial capability of such Vertical Developer), the Vertical Developer if other than Lessee or an Affiliate and if the Vertical Developer does not intend to occupy the Vertical Improvements, the proposed or intended occupants thereof;

(e) no Event of Default with respect to this Lease and no "Developer Event of Default" with respect to the MDA (as defined therein) on the part of Lessee shall have occurred and is continuing.

Lessor will have THIRTY (30) days following receipt of a Takedown Package to either approve or disapprove the same. If Lessor disapproves, Lessor shall provide Lessee with a reasonably-detailed explanation for Lessor's disapproval and suggestions for revisions that would reasonably satisfy Lessor's disapproval. If Lessor fails to respond within such THIRTY (30)-day period Lessee may give a second notice to Lessor requesting approval of the Takedown Package, on which the following language must appear in bold print: "**FAILURE TO RESPOND TO THIS NOTICE WITHIN FIVE (5) BUSINESS DAYS FROM ITS RECEIPT SHALL RESULT IN THE TAKEDOWN PACKAGE BEING DEEMED APPROVED**." If Lessor fails to respond in writing (in the manner described above) to any matter in such second notice within FIVE (5) business days following delivery of such notice, the Takedown Package shall be deemed to have been approved by Lessor. If Lessor disapproves a request for approval, then Lessee may resubmit a revised Takedown Package for review and approval. This cycle will repeat itself until Lessor either approves the request or is deemed to have approved the same. If the Takedown Package is approved or deemed approved, the Vertical Developer shall execute the Development Lease within NINETY (90) days following approval of the Takedown Package, and Lessor shall execute the Development Lease within FIFTEEN (15) days following receipt of the Development Lease executed by the Vertical Developer. If the Development Lease is not executed by the Vertical Developer within such NINETY (90)-day period, and received by Lessor within FIVE (5) business days thereafter, Lessee shall be required to submit a new Takedown Package, unless an extension to such deadline has been approved in writing by Lessor.

In the event Lessor approves a Takedown Package for a proposed new Development Lot not then

shown on the Master Plan or for a proposed use not then shown on the approved Master Plan, Lessee shall promptly amend the Master Plan in accordance with the MDA to reflect the changed Development Lot(s) or use(s).

2.1.3 Development Lease. A Development Lease shall not be executed until such time as (i) Lessee or an Affiliate of Lessee intends to commence construction within THREE HUNDRED SIXTY-FIVE (365) days after execution of the Development Lease; or (ii) Lessee intends to sublease the Development Lot to a user or developer who intends to commence construction within THREE HUNDRED SIXTY-FIVE (365) days after execution of the Development Lease. Each Development Lease shall conform to the following criteria:

(a) each Development Lease shall include only one Development Lot;

(b) each Development Lease shall prohibit the uses identified in **Exhibit E**;

(c) each Development Lease for a Development Lot shall be for a total term not to exceed SIXTY-FIVE (65) years; and

(d) subject to the terms of the MDA and each such Development Lease, the starting Rent under each Development Lease ("**Takedown Rent**") that is executed prior to the FIFTH (5th) anniversary of the Effective Date shall be as follows:

Term	**Rent (in U.S. Dollars)**
Effective Date of Development Lease to end of Year 2 of such Development Lease	$0.00 / SF
Start of Year 3 of Development Lease	$0.55 per SF per Year

2.1.4 The Takedown Rent set forth herein shall be increased (but never decreased) on every FIFTH (5th) anniversary of the Effective Date of this Lease by a percentage equal to the percentage that the Consumer Price Index (CPI) (as defined below) increased during the immediately preceding SIXTY (60) month period ending NINETY (90) days prior to the end of the adjustment period. For purposes of this Lease, CPI means the United States Department of Labor, Bureau of Statistics Consumer Price Index for all Urban Consumers (CPI-U), U.S. City Average (1982-1984=100). If at any time CPI ceases to exist, Lessor may substitute any official index published by the Bureau of Labor Statistics or by a successor or similar government agency as may then exist and which in Lessor's reasonable business judgment shall be most nearly equivalent to the CPI.

2.1.5 Master Lease Agreement Amendment. To effect the removal of a Development Lot from the Property under this Lease, concurrently with the execution of the Development Lease for the Development Lot, or with respect to any other adjustment contemplated by this Lease, the Parties shall execute an amendment to this Lease substantially in the form attached hereto as **Exhibit C** ("**Adjustment Amendment**"). Lessee shall provide the legal description of the Development Lot.

2.2 Terminated Development Leases.

2.2.1 In the event a Development Lease is terminated in accordance with its terms for any reason prior to the date of commencement of any Vertical Improvements on the Development Lot, Lessee may elect to amend this Lease to include such Development Lot as part of the Property upon full satisfaction of the following conditions:

(a) Lessee shall pay to Lessor an amount equal to TEN THOUSAND Dollars ($10,000) for each terminated Development Lease; provided that such payment shall not be required if the Development Lease is terminated due to a Later-Discovered Pre-Existing Hazmat; and

(b) Lessee shall reimburse Lessor for any and all reasonable Development Lease negotiation costs and expenses and shall indemnify Lessor against all third-party claims arising from such terminated Development Lease, including from any default thereunder by the Vertical Developer;

If Lessee elects to include the Development Lot as part of the Property, Lessee shall provide to Lessor written notice of such election and this Lease shall be automatically amended to include the Development Lot as part of the Property effective as of the date of termination of the Development Lease. Upon request, a Party shall execute an Adjustment Amendment within TEN (10) days of request therefor from the other Party.

2.2.2 In the event a Development Lease is terminated in accordance with its terms on or after the date of commencement of any Vertical Improvements on the Development Lot, the Development Lot shall remain excluded from the Property under this Lease.

2.3 Dedication of Public Streets and Horizontal Improvements. At such time as a portion of the Property has been improved with a public street or other public improvement inspected and approved by City, (i) upon request from City, Lessee shall transfer or assign, to the extent transferable or assignable, to City all warranties, express or implied, under any contract or subcontracts relating to construction of the public street or other public improvement; (ii) the public street or improvement will be removed from the Property under this Lease; and (iii) appropriate adjustments shall be made to this Lease by way of an Adjustment Amendment reasonably acceptable to Lessor and Lessee. Upon acceptance by City of such public improvement, Lessee shall have no further duties, liabilities or obligations relating thereto. Lessor agrees to reasonably cooperate with Lessee in connection with any design, permitting, and construction of such public improvements, including executing any applications or other documents reasonably required in connection with such design, permitting and construction, and any approval of the same, including third-party approval, and, if required by the City, grant a perpetual easement to the City over the real property for such public street or improvement in accordance with FAA guidance. To effect such removal of any public improvements from the Property, a Party shall execute an Adjustment Amendment within TEN (10) days of written request therefor from the other Party. Except as expressly required by law, in no event shall Lessee be obligated to comply with any public procurement laws, procedures or requirements in connection with the completion of any public improvements.

3. TERM.

3.1 Term. The term of this Lease shall be for a period of FORTY (40) years, commencing on the Effective Date and terminating on June 20, 2062 ("**Term**").

3.2 Lease Year. For the purpose of this Lease, subject to the additional provisions set forth below in this Section 3.2, "**Lease Year**" shall mean and refer to that period of TWELVE (12) full consecutive calendar months beginning with the first full calendar month of the Term and each subsequent period of TWELVE (12) consecutive calendar months during the Term.

4. NONEXCLUSIVE RIGHTS.

Lessee shall have the exclusive right to lease, use, occupy and develop the Property in compliance with the terms and conditions of this Lease during the Term. All other rights granted to Lessee under this Lease are nonexclusive. Lessor may, in its sole discretion and at any time, permit third parties to conduct any and all business activities at the Airport (other than on the Property) that Lessor deems appropriate, provided that such activities do not limit, prevent, materially interfere with, or prevent or disrupt the use and development of

the Property by Lessee.

5. RENT.

5.1 Base Rent. There is no Base Rent due under this Lease.

5.2 Payment.

5.2.1 No payment to or receipt by Lessor of a lesser amount than that which is due and payable under the provisions of this Lease at the time of such payment shall be deemed to be other than a payment on account of the earliest payment due, nor shall any endorsement or statement on any check or payment prejudice in any way Lessor's right to recover the balance of such payment or pursue any other remedy provided in this Lease or by law.

5.2.2 All payments required shall be remitted to the following address by the due date(s) specified hereinabove:

Phoenix-Mesa Gateway Airport Authority
Attn.: Department of Finance (Accounts Receivable)
5835 S. Sossaman Road
Mesa, Arizona 85212-6014

or such other address specified in writing by Lessor to Lessee.

5.3 Finance Charges and Late Fees. If Lessee fails to pay any charge due and owing to Lessor in full on or before the applicable due date, Lessee shall be responsible for interest on the unpaid amount at the rate of EIGHTEEN PERCENT (18%) (but not to exceed the maximum interest rate permissible by law) per annum from the due date until payment in full is made. In addition, in the event any charge owing to Lessor is paid more than TEN (10) days after the due date, a late penalty of TEN PERCENT (10%) of the amount of such delinquent charge shall be due and payable in addition thereto.

5.4 Taxes. In the event any governmental authority shall impose a tax or imposition based upon any payments or any other sums paid or owing hereunder, or the receipt of such payments by Lessor, Lessee shall pay such amounts to Lessor at the same time and in addition to payments hereunder, which amounts may include, but are not limited to, any or all rental, transaction privilege, sales, excise or other similar tax except income taxes. Lessor, as a governmental authority or quasi-governmental authority, agrees not to enact or impose any taxes or impositions on any aspect of the business activities, use or development of the Property of Lessee in a discriminatory manner.

5.5 Survival. Lessee's obligation to pay all amounts stated herein, together with any interest thereon and/or penalties therefor, shall survive the termination of this Lease.

6. GUARANTY.

Concurrently with the execution of the MDA, The Boyer Company, L.C. guaranteed the performance of Lessee's obligations hereunder in accordance with Section 13 of the MDA.

7. HORIZONTAL IMPROVEMENTS.

7.1 Construction by Lessee. Subject to Section 2.2.4 of the MDA, Lessee shall, at its sole cost and expense (except for the reimbursement obligations set forth in Section 4.3 of the MDA), construct all Horizontal Improvements on the Property in accordance with all applicable governmental regulations, restrictions, building codes, and any approved GatewayEast Governance Documents (as defined in the MDA).

Lessor and Lessee agree that Lessee shall be solely responsible for: (i) any required curb cuts and other connection(s) between the Property and the terminating point of the existing or future public rights of way, to the extent required by applicable law; (ii) constructing all Horizontal Improvements, if any, necessary to bring all utilities onto the Property, including, without limitation, electrical, gas, water, sewer, cable and telephone utilities; and (iii) installing all utility meters and water and sewer lines to service all Horizontal Improvements constructed on the Property. Lessor agrees to reasonably cooperate with Lessee in connection with any design, permitting, construction and third-party approval, if necessary, of such Horizontal Improvements including executing any applications or other documents reasonably required in connection with such design, permitting and construction, and in connection with obtaining any FAA approval. Lessor agrees not to challenge, object to or oppose any application for approval or any construction or development activities on or at the Property by Lessee that is consistent with the MDA, the Master Plan, any approved GatewayEast Governance Documents, and this Lease. Lessor acknowledges and agrees that in connection with the construction and installation of Horizontal Improvements, certain limited improvements will necessarily be above-ground, such as above-ground transformers, boxes, cabinets, and other related facilities, and all such above-ground improvements and equipment shall be part of Horizontal Improvements.

7.2 No Alterations. Lessee shall make no material improvements or alterations to the Property except as provided for in, and approved by Lessor in accordance with, the MDA and the Master Plan. Any material improvements or alterations to be made by Lessee are subject to prior written approval of Lessor, which approval may not be unreasonably withheld, delayed or conditioned. Lessor will have 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 give a second notice to Lessor requesting approval of material improvements or alterations, on which the following language must appear in bold print: "**FAILURE TO RESPOND TO THIS NOTICE WITHIN FIVE (5) BUSINESS DAYS FROM ITS RECEIPT SHALL RESULT IN THE LESSEE'S PROPOSED IMPROVEMENTS AND ALTERATIONS BEING DEEMED APPROVED**." If Lessor fails to respond in writing (in the manner described above) to any matter in such second notice within FIVE (5) business days following delivery of such notice, Lessee's proposed improvements and alterations shall be deemed to have been approved by Lessor. If Lessor disapproves a request for approval and sets forth the reason for its disapproval, then Lessee may resubmit a revised description of the improvements or alterations for review and approval. This cycle will repeat itself until Lessor either approves the request or is deemed to have approved the same. For clarity, Lessee shall have the right to make any material improvements or alterations to the Property pursuant to approved Construction Drawings (as defined in the MDA) without the consent or approval of Lessor under this Lease.

7.3 Title to Alterations and Improvements. Unless previously dedicated or accepted in accordance with Section 2.3, title to all improvements and alterations on the Property, as amended by any Adjustment Amendment (but not personal property or trade fixtures) shall vest in Lessor upon the expiration of this Lease, and Lessee agrees to execute and deliver to Lessor, after the expiration or termination of this Lease, and within TEN (10) business days after Lessor's written request therefor, a quitclaim deed quitclaiming (without covenant, representation or warranty, express or implied) Lessor's title to such improvements and alterations to Lessor.

7.4 Mechanics' Liens. Lessee shall keep the Property and all improvements constructed by Lessee thereon free of any mechanic or materialmen's liens that arise from the actions or omissions of Lessee or any work done at the request of or on behalf of Lessee ("**Lessee Liens**"). In the event that any Lessee Lien is filed, Lessee shall, at its sole cost, cause such lien to be removed from the Property by bonding or otherwise within FORTY-FIVE (45) calendar days of written notice to Lessee thereof.

7.5 Permit Required. Lessee shall be responsible for determining whether it is subject to local building/construction codes or permit requirements, and for compliance with them to the extent they are

applicable. All structural, electrical, plumbing or mechanical construction or reconstruction by Lessee or its employees, agents or contractors shall conform to City construction and technical codes, to the extent required under applicable law. No such work shall be commenced without first submitting required plans to Lessor for Lessor's approval in accordance with the MDA and/or Section 7.2, which approval may not be unreasonably withheld, delayed or conditioned. Lessee shall be responsible for obtaining any required permit from the City for any improvements to be constructed by Lessee. All such work shall be permitted, inspected and approved by the City prior to concealment or use, to the extent required under applicable law. Lessee shall provide to Lessor a contemporaneous copy of Lessee's permit application and the associated plans and specifications. Lessor agrees to reasonably cooperate with Lessee in connection with any rezoning, land use approval, permitting, variances, and special permits, including any required third-party approval, governmental or otherwise, necessary in connection with the development and use of the Property, Lessor agrees not to challenge, object to or oppose any application for approval or any rezoning, land use approval, permitting, variances, and special permits, including any required third-party approval, governmental or otherwise by Lessee that is consistent with the MDA, the Master Plan, and this Lease.

7.6 Damage or Destruction. During the course of construction and prior to dedication or acceptance in accordance with Section 2.3, Lessee shall maintain insurance on all of Lessee's improvements to the Property. In the event that all or any portion Lessee's improvements are destroyed or rendered unusable due to fire or other catastrophe prior to Lessee's completion of the same and dedication or acceptance of Horizontal Improvements by Lessor or the City, as the case may be, Lessee shall replace, repair, restore, modify or improve said improvements, subject to the provisions of Section 7.5, using available insurance proceeds.

8. MAINTENANCE.

8.1 Lessee Responsibilities. Lessee shall, at its sole cost and expense, keep the Property in a clean condition and in good order, condition and repair throughout the Term, reasonable wear and tear excepted. Lessee's maintenance of the Property shall consist of, as reasonably necessary, the inspection, servicing and repair of all improvements, including pest control, landscaping and grounds maintenance.

8.2 Damage to Lessor Property. Any real or personal property of Lessor damaged or destroyed by Lessee (or its agents, contractors, employees, managers and representatives) as a result of Lessee's use or occupancy of the Property shall be promptly repaired or replaced by Lessee to the reasonable satisfaction of Lessor; provided however, that Lessor acknowledges and agrees that Lessor's real property will be permanently altered, changed and modified as a result of the development and use of the Property, and Lessor hereby consents thereto, and agrees that such development and use of the Property as permitted in accordance with this Lease shall not constitute waste, damage or destruction to Lessor's real property. Lessor also approves of Lessee demolishing any and all improvements located on or under the Property. For clarity, during the Term, neither Lessor nor any of Lessor's affiliates, employees, contractors, agents or invitees shall have any right to place any personal property on the Property without Lessee's prior written consent.

8.3 Trash Removal. Lessee shall at all times keep the Property in a reasonably clean, safe, sanitary and orderly condition and shall keep such area reasonably free of all trash and debris (except for any trash or debris from any third party (other than Lessee) that the Lessor has granted rights to the Property for which Lessor will be responsible), taking into account the construction activities then on the Property, and in any event in compliance with all applicable laws and ordinances. Lessee shall be responsible to remove its trash from the Property and Lessee shall deposit all trash and debris only at collection stations located on or in proximity to the Property, in accordance with City code.

8.4 Emergency Repairs. The names and telephone numbers for 24-hour emergency contact for Lessee for the Property are as follows: Matt Jensen at 801-366-8029. Lessee shall promptly provide Lessor with updated lists and changes as necessary.

9. ASSIGNMENT, SUBLETTING AND OTHER TRANSFERS.

9.1 No Right to Transfer; Except for Leasehold Financings. Subject to Section 22, Lessee may not transfer, assign, sublease, encumber, pledge or hypothecate ("**Transfer**") its interest in this Lease or any right or interest hereunder without the prior consent of Lessor, which consent may not be unreasonably withheld, delayed or conditioned. Lessor will have FORTY-FIVE (45) days following receipt of a written request by Lessee for approval of a Transfer to either approve or disapprove the same. If Lessor disapproves, Lessor shall provide Lessee with a reasonably-detailed explanation for Lessor's disapproval. If Lessor fails to respond within such FORTY-FIVE (45)-day period Lessee may give a second notice to Lessor requesting approval of a Transfer, on which the following language must appear in bold print: "**FAILURE TO RESPOND TO THIS NOTICE WITHIN FIVE (5) BUSINESS DAYS FROM ITS RECEIPT SHALL RESULT IN THE LESSEE'S PROPOSED TRANSFER BEING DEEMED APPROVED**." If Lessor fails to respond in writing (in the manner described above) to any matter in such second notice within FIVE (5) business days following delivery of such notice, Lessee's proposed Transfer shall be deemed to have been approved by Lessor. If Lessor disapproves a request for approval and sets forth the reason for its disapproval, then Lessee may resubmit a revised proposal for a Transfer for review and approval. This cycle will repeat itself until Lessor either approves the request or is deemed to have approved the same.

9.2 Deemed Transfers. For the purposes of this Lease, a Transfer shall be deemed to include the following: (i) the transfer of any ownership interest in Lessee resulting in a change in the present control of Lessee by the person or persons owning a majority of the ownership interest thereof as of the date of this Lease; provided, however, if Lessee is a corporation whose stock is traded on a nationally recognized stock exchange, the transfer of Lessee's stock shall not constitute a Transfer requiring Lessor's consent; and (ii) the sale of greater than FORTY-NINE PERCENT (49%) or more in value of the assets of Lessee, whether in a single transaction or a series of transactions.

10. DEFAULT; TERMINATION BY LESSOR.

10.1 Events of Default. Each of the following shall constitute a material default of this Lease by Lessee ("**Event of Default**"):

10.1.1 Failure to pay any amount due from Lessee hereunder, provided that Lessee does not cure such failure within TEN (10) business days after delivery by Lessor to Lessee of a written notice of such failure.

10.1.2 Failure to perform any of its other obligations under this Lease, provided that Lessee does not cure such failure within THIRTY (30) calendar days after delivery by Lessor to Lessee of a written notice of such default; provided, however, if a cure of the default reasonably requires more than THIRTY (30) calendar days to complete, then the time to cure shall be extended so long as the cure is being diligently pursued.

10.1.3 The Transfer or attempted transfer of any interest in the Lease to any transferee in violation of Section 9, provided that Lessee does not cancel or otherwise negate such Transfer or attempted transfer within THIRTY (30) calendar days after delivery by Lessor to Lessee of a written notice of such default.

10.1.4 The filing of any mechanic's, materialmen's or other lien or any kind against the Property because of any act or omission of Lessee which lien is not discharged, by bonding or otherwise, within FORTY-FIVE (45) calendar days of receipt of actual notice thereof by Lessee.

10.1.5 Failure to cure any "Developer Event of Default" as defined in and pursuant to the MDA within any applicable notice and cure period provided for therein.

10.1.6 The Termination of the MDA.

10.2 Lessor's Remedies. Upon the occurrence of an Event of Default under this Lease, Lessor may, subject to the terms of this Lease, as its sole and exclusive remedy, exercise one or more of the following remedies:

10.2.1 Pursue a claim for specific performance against Lessee to cure the Event of Default (it being acknowledged and understood by Lessee that monetary damages may not be an adequate remedy to Lessor for the Event of Default); or

10.2.2 Pursue a claim for monetary damages; or

10.2.3 Terminate this Lease provided there is no good faith dispute as to the existence of a Lessee Event of Default for which notice has been given in accordance with Section 40.6. If there is a good faith dispute as to the existence of a Lessee Event of Default for which notice has been given in accordance with Section 40.6, Lessor's right to terminate this Lease shall be subject to any additional cure period, if any, provided for in a final resolution pursuant to Section 40.6.

10.3 No Implied Termination. Lessor shall not be deemed to have terminated this Lease unless Lessor shall have notified Lessee in writing that it has so elected to terminate this Lease. Except for Lessor's negligence or willful misconduct, Lessee hereby waives all claims based on Lessor's legally valid reentering and taking possession of the Property, or removing and storing the property of Lessee, and Lessee shall reimburse Lessor for all reasonable costs incurred by Lessor thereby. No such reentry shall be considered or construed to be a forcible entry by Lessor.

10.4 Lessor's Current Damages. Upon the occurrence and during the continuance of an Event of Default, Lessor is authorized to make such repairs, refurbishments or improvements to the Property as may be necessary for the purpose of attempting to re-let the Property, and the reasonable costs and expenses incurred in respect of repairs to maintain the Property in accordance with Section 8.1 and 8.3 shall be paid by Lessee to Lessor within TEN (10) business days after receipt of Lessor's statement. For clarity, Lessee shall not be obligated to pay for any costs or expenses incurred with respect to any refurbishment or other improvements to the Property. If Lessor exercises any of the remedies stated above, Lessor shall be entitled to recover from Lessee all actual damages incurred by Lessor by reason of the Event of Default, which shall include, without limitation, (i) the equivalent of the amount of the present value of all payments which would be payable under this Lease by Lessee for the remainder of the Term as if this Lease were still in effect, less (ii) the net proceeds of any re-letting by Lessor after deducting all of Lessor's reasonable expenses in connection with such re-letting, which shall include, without limitation, repossession costs, repairs, redecorating, refurbishments or improvements to the Property, brokerage commissions, attorneys' fees, and legal expenses. Lessee shall pay such current damages to Lessor, in the amount set forth in the preceding sentence ("**Deficiency**"), as if this Lease were still in effect. In no event shall Lessee be liable for punitive, consequential, speculative, incidental, special, or indirect damages under this Lease. Lessor agrees to satisfy its obligations to mitigate its damages.

10.5 Lessor's Final Damages. In the event this Lease is terminated due to an Event of Default, whether or not Lessor shall have collected any Deficiency as set forth in Section 10.4 above, Lessor shall be entitled to recover (without duplication) from Lessee, and Lessee shall pay to Lessor, promptly on demand, the cost to complete all Horizontal Improvements on the Property and other obligations pursuant to and in accordance with Section 7.1 that are incomplete as of the effective date of termination pursuant to Section 10.2.3, reasonable attorneys' fees, reasonable legal expenses, and all other damages incurred by Lessor as a result of such Event of Default.

10.6 No Waiver by Lessor. No waiver by Lessor of any breach or default by Lessee in the performance of its obligations under this Lease shall be deemed to be a waiver of any subsequent default by Lessee in the performance of any of such obligations, and no express waiver shall affect an Event of Default in a manner other than as specified in said waiver. The consent or approval by Lessor to or of any act by Lessee

requiring Lessor's consent or approval shall not be deemed to waive or render unnecessary Lessor's consent or approval to or of any subsequent similar acts by Lessee.

10.7 Content of Default Notice. Any default notice tendered to Lessee hereunder shall be deemed to be sufficient if it reasonably describes the nature of such default, and is made in accordance with Section 18 herein.

10.8 Limitation on Exercise of Termination Remedy by Lessor. Notwithstanding anything to the contrary in Section 10.2 hereinabove, if an Event of Default occurs, Lessor shall not have the remedy of terminating this Lease or of taking possession of the Property unless: (i) the Event of Default consists of a failure to pay any amounts owed to Lessor; (ii) the Event of Default is Section 10.1.6, Termination of the MDA, or (iii) Lessor has no other remedy that is adequate to protect Lessor's interests. Nothing in this Section 10 shall limit the exercise of any such other remedy.

10.9 Subordination of Landlord's Lien. Lessor hereby agrees from time to time to subordinate to one or more Mortgagees all statutory or common law landlord's lien rights with respect to property or assets of Lessee located on the Property, including, without limitation, Lessor's rights under Arizona Revised Statutes Sections 33-361 and 362 and other similar laws. Upon written request from Lessee, Lessor agrees to promptly execute and deliver such commercially reasonable landlord subordination agreement and access agreement that any Mortgagee may request of Lessor. Lessee shall reimburse Lessor for reasonable third-party costs, including reasonable attorneys' fees, incurred by Lessor in connection with the review and negotiation of any such agreement within THIRTY (30) days after receipt of an invoice from Lessor.

11. INDEMNIFICATION.

11.1 Lessee's Indemnity. Except for the actions and omissions of Lessor and its agents, contractors, employees, managers and representatives, to the fullest extent permitted by law and subject to Section 12, Lessee hereby agrees to defend, indemnify and hold harmless Lessor and its members, elected or appointed officials, agents, contractors, subcontractors, boards, commissions and employees (hereinafter referred to collectively as the "Lessor" for purposes of this Section 11.1) for, from and against any and all third-party claims, causes of action, liability, suits, litigation (including reasonable attorney's fees and other costs of investigation and litigation), actions, losses, damages or claims of any nature whatsoever to the extent such arise out of or in connection with (i) any accident, injury or actual damages occurring within the Property during the Term caused by Lessee or its agents, employees, contractors, or subcontractors, or (ii) any grossly negligent act or omission of Lessee or its agents, employees, contractors, or subcontractors (hereinafter referred to collectively as "Lessee" for purposes of this Section 11.1) on the Property and which result directly or indirectly in the injury to or death of any persons or the damage to or loss of any property, or (iii) the failure of Lessee to comply with any provisions of this Lease. This indemnification shall exclude responsibility for any damages and for claims arising by reason of the acts or omissions of Lessor or its employees, contractors or agents.

11.2 Lessor's Indemnity. Except for the actions and omissions of Lessee and its agents, contractors, employees, managers and representatives, to the fullest extent permitted by law, Lessor hereby agrees to defend, indemnify and hold harmless Lessee and its members, elected or appointed officials, agents, contractors, subcontractors, boards, commissions and employees (hereinafter referred to collectively as the "Lessee" for purposes of this Section 11.2) for, from and against any and all third-party claims, causes of action, liability, suits, litigation (including reasonable attorney's fees and other costs of investigation and litigation), actions, losses, damages or claims of any nature whatsoever to the extent such arise out of or in connection with (i) any 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 11.2) on the Property and which result directly or indirectly in the injury to or death of any persons or the damage to or loss of any property, or (ii) the failure of Lessor to comply with any provisions of this Lease. This

indemnification shall exclude responsibility for any damages and for claims arising by reason of the acts or omissions of Lessee or its employees, contractors or agents.

11.3 Lessor's Damage to Improvements. Lessor shall be responsible and liable for any damage to any improvements or alterations on the Property to the extent caused by Lessor or its agents, employees, contractors or subcontractors Lessor shall promptly repair any damage caused by Lessor or its agents, employees, contractors or subcontractors.

12. ENVIRONMENTAL PROTECTION.

12.1 Definitions. Unless the context shall clearly require otherwise, the terms defined in this Section 12 shall, for all purposes of this Lease and of any agreement amendatory hereof or supplemental hereto, have the meanings herein specified, with the following definitions to be equally applicable to both the single and plural forms of any of the following:

12.1.1 Environmental Laws. The term "**Environmental Laws**" shall mean any one or all of the following, as the same are amended from time to time: the *Comprehensive Environmental Response, Compensation, and Liability Act*, 42 USC Section 9601 et seq.; the *Resource Conservation and Recovery Act*, 42 USC Section 6901, et seq.; the *Toxic Substances Control Act*, 15 USC Section 2601 et seq.; the *Safe Drinking Water Act*, 42 USC Section 300f et seq.; the Clean Water Act, 33 USC Section 1251 et seq.; the *Clean Air Act*, 42 USC Section 7401 et seq.; the *Arizona Hazardous Waste Management Act*, A.R.S. Section 49-921 et seq. the *Arizona Environmental Quality Act,* A.R.S. Title 49, as amended; and all regulations thereunder and any other laws, regulations and ordinances (whether enacted by the local, state or federal government) now in effect or hereafter enacted that deal with the regulation or protection of the environment, including the ambient air, ground water, surface water, and land use, including substrata land, or that govern the use of hazardous materials, hazardous waste and hazardous substances and petroleum products.

12.1.2 Hazardous Material. The term "**Hazardous Material**" shall mean any toxic or hazardous material, substance or waste, or any pollutant or contaminant as defined or regulated pursuant to any Environmental Law and petroleum products. For purposes of this definition, petroleum includes petroleum-based substances comprised of a complex blend of hydrocarbons derived from crude oil through processes of separation, conversion, upgrading and finishing (e.g., distillate fuel oils, petroleum solvents and used oils).

12.2 Environmental Compliance.

12.2.1 Lessee shall, at the Lessee's own expense, comply with all present and hereafter enacted Environmental Law, including any amendments thereto, affecting Lessee's activities on and property interest in the Property during the period of Lessee's occupancy of thereof under this Lease. To the extent that Lessor, or any Lessor's employees, agents or contractors, conducts any activities on the Property during the period of Lessee's occupancy, Lessor shall, at Lessor's own expense, comply with all present and hereafter Environmental Law, including any amendments thereto, affecting any of Lessor's activities on the Property.

12.2.2 Lessee shall not cause or permit any Hazardous Material to be brought upon, kept or used in or about the Property or the Airport by Lessee's agents, employees, contractors or invitees in violation of any Environmental Law. The Parties recognize and agree that Lessee may bring on the Property and Airport and use Hazardous Material that is ordinarily and customarily used in the conduct of Lessee's permitted activities under this Lease, provided that such use shall comply fully with all applicable Environmental Laws. Lessor shall not cause or permit any Hazardous Material to be brought upon, kept, or used in or about the Property or by Lessor's agents, employees, contractors for any activity Lessor conducts on the Property during Lessee's occupancy, without prior notification to and approval by Lessee (which shall not be unreasonably withheld), and any such use or presence shall be in compliance with Environmental Law.

12.3 Indemnification.

12.3.1 Lessee's Indemnity. 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 Property, Airport or neighboring properties, or violation of any Environmental Law or other statute, ordinance, rule, regulation, judgment or order of any government or judicial entity ("**Environmental Damages**") which are incurred or assessed as a result of any of Lessee's activities or operations on the Property. This obligation includes, but is not limited to, all costs and expenses related to cleaning up the property, land, soil and underground or surface water as required under the law. Lessee's obligations and liabilities under this Section 12.3.1 shall survive the termination of this Lease. The indemnification of Lessor by Lessee as described above includes, without limitation, reasonable costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision. Lessor reserves the right to seek injunctive relief as may be permitted under law and equity. This Section 12.3.1 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 Property prior to the Effective Date hereof, or the mere discovery of any Hazardous Materials in, on, under or from the Property as a result of Lessee's activities, except and only to the extent contamination that is known by Lessee or its employees, agents or contractors is exacerbated by Lessee by Lessee's negligence or unknown contamination is exacerbated by Lessee's gross negligence.

12.3.2 Lessor's Indemnity. To the fullest extent permitted by 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 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 Property, Airport or neighboring properties, or violation of any Environmental Law or other statute, ordinance, rule, regulation, judgment or order of any government or judicial entity ("**Environmental Damages**") which are incurred or assessed as a result of any of Lessor's activities or operations on the Property. 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 12.3.2 shall survive the termination of this Lease. The indemnification of Lessee by Lessor as described above includes, without limitation, reasonable 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 12.3.2 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 Property prior to the Effective Date, except and only to the extent contamination that is known to Lessor or is employees, contractors or agents is exacerbated by Lessor by Lessor's negligence or unknown contamination is exacerbated by Lessor's gross negligence.

12.4 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 Property upon or after the Effective Date results in any Release on the Airport or Property in violation of any Environmental Law, Lessee shall promptly take action to remediate the affected property at its sole expense as necessary to return the Airport or Property to the condition existing prior to the introduction of any such Hazardous Material to the Airport or Property; provided that Lessor's approval of such actions shall first be obtained, which approval shall not be unreasonably withheld so long as such actions would not potentially have

any material adverse long-term effect on the Airport and Lessee is not under administrative or court order related to such remediation action. Notwithstanding Lessor's approval pursuant to this Section 12.4, Lessor is not responsible for directing or managing any remediation action. For purposes of this Section 12.4, the term "**Release**" means any releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, disposing, or dumping.

12.5 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 having jurisdiction over the Property ("**Government**") under the Environmental Laws related to Lessee's activities on the Property from the Effective Date. Should the Government determine that a site characterization, site assessment and/or cleanup plan should be prepared and/or that a cleanup should be undertaken because of any Release of Hazardous Material first caused or permitted by Lessee to be brought on the Airport after the Effective Date, then Lessee shall, at the Lessee's own expense, prepare and submit the required plans and financial assurances, and carry out the approved plans.

12.6 Information Sharing. Lessee shall immediately notify Lessor of any of the following: (i) Lessee's receipt of any written notification from any governmental entity either charging or informing Lessee that it will be charged with a violation of Environmental Law (as defined below), and (ii) any significant change in Lessee's activities on the Property that is reasonably likely to adversely change Lessee's obligations or liabilities under the Environmental Laws. In addition, Lessee agrees to provide Lessor with non-privileged copies of documents reflecting the physical condition of the Property, including but not limited to, environmental testing of soils and groundwater, and existing, non-privileged information reasonably requested by Lessor to determine the applicability of the Environmental Laws to the Property, or to assist in the response to any governmental investigation or claim of liability by third parties which is related to environmental contamination of the Property, to the extent that such investigations or claims are related to Lessee's activities thereon.

12.7 Actions of Lessee and Lessor. The activities or actions of Lessee under this Section 12 shall include the activities or actions of Lessee's officers, directors, employees, agents, contractors, and successors. The activities or actions of Lessor under this Section 12 shall include the activities or actions of Lessor's agents, employees, contractors and successors.

12.8 Clean Water Act; NPDES Permits and SWPPPs. Without in any way limiting the foregoing, Lessee shall comply with all Environmental Laws regarding discharges to water and land, including, without limitation, obtaining and complying with an individual National Pollutant Discharge Elimination System (NPDES) permit, or requesting coverage under and complying with any applicable Multi-Sector General Permit ("**MSGP**"). If applicable, Lessee shall also prepare and comply with a site-specific MSGP with an individual Storm Water Pollution Prevention Plan ("**SWPPP**") or any revisions to a SWPPP, with respect to Lessee's operations or activities on the Property or Airport. Proof of individual compliance shall be provided in the form of both the Lessee's Notice of Intent ("**NOI**") that has been received by the Arizona Department of Environmental Quality ("**ADEQ**") and the individual Arizona Multi-Sector General Permit (AZMSGP) number associated with the NOI, within the times prescribed by law.

12.9 Protective Devices and Plans. If Lessee is required by the City to estimate the possible constituents of sanitary sewer discharges in order that the City may define certain discharge limitations for the Property, Lessee shall complete and return an Industrial Wastewater Discharge Questionnaire ("**Questionnaire**") to the City and promptly provide Lessor with updates to the Questionnaire as they arise. Also, if the City so requires, Lessee shall install and maintain appropriate protective devices to prevent accidental discharge of any Hazardous Material into domestic or industrial drains on or near the Property and elsewhere on the Airport, as appropriate, and for any other material for which a slug load discharge could pollute the Airport's storm water discharge or disrupt operations at the sewage treatment plant serving the Property. Lessee shall post a notice in a prominent place on the Property advising employees what actions to

take and whom to call in the event of said discharge, and shall ensure that all employees of Lessee are trained with regard to the spill protection plan hereinafter referenced. Lessee also shall provide Lessor with immediate notice of any spill.

12.10 Right to Enter Property. In addition to the rights afforded to Lessor in Section 17, this Lease specifically includes the right of the United States Government, the Environmental Protection Agency (the EPA), ADEQ and the Arizona Department of Occupational Safety and Health (ADOSH) to enter the Property upon reasonable notice to Lessee for purposes of: (i) inspecting Lessee's compliance with environmental, occupational safety and health laws and regulations, whether or not such party is responsible for enforcing such laws; (ii) conducting environmental investigation or remediation, including, without limitation, performing tests and surveys, drillings, test-pitting, borings, compiling data and/or records, and other activities related to environmental investigation; and (iii) carrying out remedial or removal actions as required or permitted 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.

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

12.11.1 The Parties assume no liability or responsibility for environmental impacts and Environmental Damages or claims of any kind whatsoever caused by or resulting from the U.S. Air Force's use of Hazardous Material on any portion of the Airport, including the Property, prior to the Effective Date, and have no obligation under this Lease to undertake the defense of any claim or action, whether in existence now or brought in the future, solely arising out of the use of or release of any Hazardous Material or deposits of solid waste on or from any part of the Airport, including, but not limited to, the Property, even if such claims or contamination are first discovered or made after the Effective Date. Further, the Parties have no obligation under this Lease to undertake environmental response, remediation, or cleanup relating to any contamination caused by or related to such use or release. For purposes of this Section 12.11.1, "defense" or "environmental response, remediation, or cleanup" shall include liability and responsibility for the costs of damage, penalties, legal and investigative services relating to such use or release. The terms, "Occupation" or "Use" shall mean any activity or presence (in or upon) such portion of, or such building, facility or other improvement on the Property.

12.11.2 Pursuant to Section VII.E.3 of the Deed (as defined herein), the U.S. Air Force warrants and covenants that all remedial action necessary to protect human health and the environment with respect to hazardous substances remaining on the Airport, including the Property, has been completed prior to the date of the Deed and, further, any remedial action found to be necessary after the date of the Deed shall be conducted by the U.S. Air Force; provided, however, that the foregoing covenant does not apply where Lessor or Lessee is a potentially responsible party with respect to any portion of the Property or the Airport.

12.12 Cleanup Requirements.

12.12.1 Lessee agrees that Lessor assumes no liability to Lessee should Hazardous Material cleanup or related requirements, whether imposed by law, regulatory agencies, the U.S. Air Force or Department of Defense cause delays or interferes with Lessee's use of the Property. Lessee shall have no claim against Lessor or any officer, agent, employee or contractor thereof on account of any such interference whether due to entry, performance of remedial or removal investigations, or exercise of any right with respect to the Federal Facilities Agreement (FFA) or the Installation Restoration Program (IRP) or under this Lease or otherwise. Lessee agrees to comply with the provisions of any health or safety plan in effect under the IRP or any hazardous substance remediation or response agreement with environmental regulatory authorities during the course of any of the above described response or remedial actions. Any inspection, survey, investigation, or other response or remedial action conducted by governmental authorities or Lessor shall, to the extent practicable, be coordinated with representatives designated by Lessee.

12.12.2 Lessor agrees that Lessee assumes no liability to Lessor 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 Lessor's use of the Property. Lessor shall have no claim against Lessee 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.

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

12.14 Construction Activities and Surface Disturbances. After construction of Lessee's improvements on the Property, if any, either in the future or as otherwise provided herein, Lessee shall not conduct any subsurface excavation, digging, drilling or other disturbance of the surface other than what is usual and customary for the anticipated uses without the prior written approval of Lessor, which shall not be unreasonably withheld, conditioned or delayed.

12.15 Later Discovered Hazardous Material.

12.15.1 Exclusion of Impacted Property. If any Hazardous Material is newly discovered on a portion of the Property after the Effective Date that: (a) (i) were not placed on or introduced to the Property by Lessee, and (ii) were present on the Property prior to the Effective Date (collectively, "**Later-Discovered, Pre-Existing Hazmat**"); and (b) such Later-Discovered, Pre-Existing Hazmat will cause Unavoidable Delay in the construction of Horizontal Improvements or Lessee's ability to proceed with vertical development under a Development Lease; Lessee shall immediately notify Lessor and cease development activity in the impacted area of the Property, and Lessee shall have the right to either (i) conduct such investigations and remedial actions as necessary under applicable Environmental Law and continue development activity as the remedial process allows (and reserve any rights it may have to seek whatever compensation it is entitled to recover) if Lessor does not agree, within SEVEN (7) business days of receiving notice contemplated under this Section, to promptly investigate and remediate the detected contamination in accordance with Environmental Law, and on a schedule and in a manner that does not interfere with Lessee's development, use or construction plans, or (ii) exclude such portion of the Property ("**Later Excluded Parcel**") from the Property under this Lease, and appropriate adjustments shall be made to this Lease by way of an Adjustment Amendment reasonably acceptable to Lessor and Lessee. To effect such removal of the portion of the Property impacted by the Hazardous Material, a Party shall execute an Adjustment Amendment within TEN (10) days of written request therefor from the other Party. The investigation and remediation of the Later Excluded Parcel, if necessary under Environmental Law to allow the planned development to occur, shall be conducted by the party legally obligated to conduct such investigatory or remedial activities.

In the event a Development Lease is terminated due to Later-Discovered, Pre-Existing Hazmat, the Development Lot subject to the terminated Development Lease shall be deemed a Later Excluded Parcel for purposes of this Lease.

The Parties assume no liability or responsibility for any Later-Discovered, Pre-Existing Hazmat. Lessee's sole remedy with respect to the Later-Discovered, Pre-Existing Hazmat shall be as set forth in (a) or (b) above.

12.15.2 Inclusion of Property. For any portion of the Property that is designated as a Later Excluded Parcel, following remediation, if any, of the Later-Discovered, Pre-Existing Hazmat on the Later Excluded Parcel, Lessor shall notify Lessee in writing, and Lessee shall have NINETY (90) days to perform investigations on the Later Excluded Parcel and notify Lessor in writing if it wishes to add the Later Excluded Parcel to the Property under this. If Lessee elects or is deemed to have elected to not add the Later Excluded

Parcel to the Property, Lessor shall have the right to determine use of the Later Excluded Parcel. If Lessee elects to add the Later Excluded Parcel to the Property, appropriate adjustments shall be made to this Lease by way of an Adjustment Amendment reasonably acceptable to Lessor and Lessee. To effect such addition of the Later Excluded Parcel, a Party shall execute an Adjustment Amendment within TEN (10) days of written request therefor from the other Party.

13. PROTECTION OF WETLANDS.

Lessee shall minimize the destruction, loss, or degradation of any wetlands located on the Property. Lessor believes there are no wetlands existing on the Property as of the Effective Date. However, before locating new construction in wetlands, if any exist, Lessee shall contact Lessor and the permitting authority and obtain a permit or waivers under Section 404 of the Clean Water Act. For purposes of this Section 13, the term, "new construction," includes structures, facilities, draining, dredging, channeling, filling, diking, impounding, and related activities.

14. SPECIAL PROVISIONS.

14.1 Lessee shall comply with all applicable Federal, State, and local laws, rules, regulations, requirements, and ordinances, including occupational safety and health regulations in connection with its use and occupancy of the Property.

14.2 Lessee shall be responsible for determining whether it is subject to State and local sanitation, licensing, building code or building permit requirements and whether or not it requires a permit to do business and for compliance with them to the extent they are applicable.

15. INSURANCE.

15.1 Coverage Required. On or before the Effective Date under this Lease, Lessee shall procure and maintain, or cause to be procured and maintained, the following types and amounts of insurance with respect to the Property:

15.1.1 *Workman's Compensation* insurance as required by law and *Employers Liability* insurance in the amount of $100,000 per accident, $100,000 disease per person, $500,000 disease policy limit or $1,000,000 total.

15.1.2 *Commercial General Liability* insurance including premises and contractual liability in the amount of $5,000,000 per occurrence, and $10,000,000 annual aggregate.

15.1.3 *Commercial Operators/Automobile Liability* insurance for all owned, non-owned and hired vehicles operating on the airside, assigned to or used in the performance of commercial activities in the amount of at least $5,000,000 per occurrence.

15.1.4 *Builders Risk* insurance to cover all approved improvements or facilities during construction for an amount equal to the completed value of the improvement or facility.

15.2 Form. Each insurance policy obtained pursuant to this Section, except for *Worker's Compensation* and *Employer's Liability* and Builders Risk insurance policies, shall: (i) name Lessor as a certificate holder and additional insured; (ii) contain a provision that written notice of cancellation or modification thereof shall be given to Lessor not less than THIRTY (30) calendar days before such cancellation or modification takes effect (TEN (10) days in case of nonpayment of premium); and (iii) contain a waiver of subrogation in favor of Lessor. Lessee shall not permit any insurance policy to be canceled or modified without Lessor's written consent unless equivalent replacement policies are issued with no lapse in coverage. All policies shall be

obtained from insurance companies licensed to do business in the State of Arizona and possessing a rating of at least A – VII or higher from the A.M. Best Company, or an equivalent rating and approved by Lessor.

15.3 Certificates of Insurance. Lessee shall deliver to Lessor a certificate of insurance for each policy required herein, in standard Acord or equivalent form, prior to the Effective Date and shall continue to provide such certificates throughout the Term of this Lease.

15.4 Additional Insurance. At any time during the Term of this Lease, Lessor may, if in its reasonable determination the insurance coverage required by this Section 15 is no longer adequate, require Lessee to increase its coverage to commercially reasonable amounts.

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

15.6 Insurance by Lessor. In the event Lessee shall fail to procure any insurance required hereunder, Lessor may, upon written notice to Lessee, procure and maintain any or all of the insurance required of Lessee under this Section. In such event, all costs of such insurance procured and maintained by Lessor on behalf of Lessee shall be the responsibility of Lessee and shall be fully reimbursed to Lessor within TEN (10) business days after Lessor advises Lessee of the cost thereof.

16. SURRENDER OF POSSESSION.

16.1 Condition of Property.

16.1.1 Upon the expiration or earlier termination of this Lease, Lessee's right to occupy the Property and exercise the privileges and rights granted thereunder shall cease, and Lessee shall peaceably surrender the same and leave the Property in good condition except for normal wear and tear, casualty (subject to Lessee's obligations under Section 7.6) and condemnation. All trade fixtures, equipment, and other personal property installed or placed by Lessee on the Property shall remain the property of Lessee, and Lessee shall have the right at any time during the Term of this Lease, to remove the same from the Airport and Lessee shall repair, at its sole cost, any damage caused by such removal. Any property not removed by Lessee within FIFTEEN (15) calendar days of the expiration or earlier termination of this Lease, or revocation of Lessee's right to occupy the Property, shall be deemed abandoned, and ownership thereof shall vest in Lessor. Lessee shall, however, remain financially liable to Lessor for the cost of repairs to the Property incurred as a result of Lessor's removal and/or relocation of property formerly belonging to Lessee and not otherwise removed from the Property, as provided herein, and shall remit to Lessor payment for such reasonable costs within TEN (10) business days of Lessee's receipt of Lessor's invoice therefor.

16.1.2 Any trade fixtures, equipment or other property affixed to the Property by Lessee shall, by Lessor at be removed from the Property by Lessee, at Lessee's expense, within FIFTEEN (15) business days of Lease termination. Should Lessee fail to remove such trade fixtures, equipment or other property within said time, Lessor may remove and dispose of such trade fixtures, equipment or other property at Lessee's expense, and Lessee shall reimburse Lessor for the costs thereof within TEN (10) business days of receipt of Lessor's invoice therefor.

16.2 Holding Over. Lessee shall not remain in possession of the Property after the expiration or earlier termination of the Term without the express written consent of Lessor. Should Lessee hold over without the express written consent of Lessor, such tenancy shall be at the sufferance of Lessor and not a renewal of the Term. In such case, Lessee shall pay Lessor $1,000 per day, and all other charges due pursuant to this Lease shall be payable at ONE HUNDRED FIFTY PERCENT (150%) of the amount payable during the last year of the Term, and such tenancy at sufferance shall be subject to every other term, covenant and provision of this Lease. In the event Lessee holds over, Lessee shall be liable for all of Lessor's direct and consequential damages, which

shall include, without limitation, costs, fees, expenses, damages and attorneys' fees incurred by Lessor as a result of Lessee's holding over, and damages and expenses incurred by Lessor for its inability to deliver possession of the Property to a new lessee.

17. INSPECTION BY LESSOR.

Lessor may enter upon the Property at reasonable times during Lessee's normal business hours and upon at least TWO (2) business days' prior written notice to Lessee (except in emergencies, in which event Lessor may enter immediately and shall notify Lessee promptly following such emergency entry) for any reasonable purpose, including, but not limited to, compliance with the terms and conditions of this Lease and the exercise of its governmental functions for such activities as fire protection or security. Lessee may accompany Lessor on any Lessor inspections and entries. Lessor shall take reasonable steps to avoid interrupting or disrupting the conduct of business of Lessee on the Property.

18. NOTICES.

18.1 All notices required or permitted under this Lease shall not be effective unless personally delivered or mailed by certified mail, return receipt requested, postage prepaid, or by reputable commercial overnight courier service, to the following addresses or at such address as either Party may designate in writing from time to time:

TO LESSOR:	Phoenix-Mesa Gateway Airport Authority Attn: Business Development Department 5835 South Sossaman Road Mesa, Arizona 85212 Email: sjoachim@gatewayairport.com
TO LESSEE:	Boyer Gateway East, L.C. c/o The Boyer Company, L.C. 101 South 200 East, Suite 200 Salt Lake City, Utah 84111 Attention: Jake Boyer
With a required copy to: (which shall not constitute notice)	Parr Brown Gee & Loveless 101 South 200 East, Suite 700 Salt Lake City, Utah 84111 Attention: Barton L. Gertsch

18.2 Any notice shall be deemed to have been received TWO (2) business days after the date of mailing, if given by certified mail, or upon actual receipt if personally delivered or if given by reputable commercial overnight courier service.

19. SEVERABILITY.

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

20. SALES AND PROPERTY TAXES.

Lessee shall pay any leasehold tax, sales tax, personal property tax, transaction privilege tax, license or permit fee, or any other tax assessed as the result of its occupancy of Property or conduct of any activity at the

Airport under authority of this Lease, including any such tax assessable on Lessor. In the event that laws or judicial decisions result in the imposition of a real property tax or any other form of tax or imposition on the interest of Lessor, such tax shall also be paid by Lessee for the period this Lease is in effect, to the extent such taxes are reasonably attributable to the Property or a portion thereof or the operation of Lessee's business. Lessor agrees not to enact or impose any taxes or impositions on any aspect of the business activities, use or development of the Property of Lessee in a discriminatory manner.

21. APPROVALS, CONSENTS AND NOTICES.

All approvals, consents and notices called for in this Lease shall be in writing, signed by the appropriate Party, and may not be established solely by oral testimony.

22. LIENS AND MORTGAGES.

22.1 General Provisions.

22.1.1 Except as provided in this Section 22, Lessee shall not engage in any financing or other transaction creating any mortgage or deed of trust upon the Property, place or suffer to be placed upon the Property any lien or other encumbrance, or suffer any levy or attachment to be made on Lessee's interest in the Property. Any such mortgage or deed of trust, encumbrance or lien shall be deemed a violation of this Section, constituting a failure by Lessee to comply with the terms of the Lease, on the date of its execution or filing of record regardless of whether or when it is foreclosed or otherwise enforced.

22.1.2 Notwithstanding anything to the contrary in Section 9 herein, Lessee shall, during the Term, be permitted to mortgage, collaterally assign, pledge or otherwise encumber its leasehold interest (including any interest in the improvements) under this Lease pursuant to one or more Mortgages, as defined below, to secure indebtedness, including, without limitation, one or more loans to finance construction of improvements and other development on the Property, and including refinancings thereof, subject to the restrictions of Section 22.1.4, provided that such leasehold liens comply with this Section 22.

22.1.3 Any such encumbrance, including leasehold deed of trust, is referred to as a "**Mortgage**" and the holder thereof a "**Mortgagee**." The Mortgagee, upon taking possession or upon foreclosure or taking an assignment in lieu thereof, shall be liable for all future rents and obligations hereunder and shall attorn to Lessor. The Mortgagee shall not be liable for any act or omission of Lessee's under this Lease except to the extent that any breach of Lessee's obligations under the Lease continues after (i) Mortgagee shall have obtained possession or ownership of the Property, (ii) Mortgagee shall have received written notice of such breach of this Lease at the same time that Lessor notifies Lessee of such breach, and (iii) any notice or cure period related to such breach as provided in this Lease and in Section 22.2 below shall have elapsed without such breach having been cured. No Mortgage shall encumber Lessor's interest in the Property or Lessor's interest in the improvements thereon. Further and promptly after Lessee assigns or encumbers any portion of the Property or the improvements thereon, Lessee shall furnish Lessor with a written notice setting forth the name and address of such Mortgagee or trustee.

22.1.4 No Mortgage or deed of trust shall extend to or affect the fee, the reversionary fee interest or the estate of Lessor in the Property.

22.2 Lessor Agreement. With respect to Mortgagees of the Property, Lessor agrees that:

22.2.1 If requested by a Mortgagee, whose name and address has been provided in writing to Lessor, and if Lessor shall give any notice, demand, election or other communication required hereunder ("**Notices**") to Lessee, Lessor shall concurrently give a copy of each such Notice to the Mortgagee at the address designated by it. Notices shall be sent by registered or certified mail, return receipt requested, and shall

be deemed given SEVENTY-TWO (72) hours after the time they are deposited in a United States Post Office with postage charges prepaid, addressed to the Mortgagee. No Notice given by Lessor to Lessee shall be binding upon or affect Lessee or the Mortgagee unless a copy of the Notice shall be given to the Mortgagee pursuant to this Section 22.2.1.

22.2.2 Such Mortgagee entitled to such Notices, as specified above, shall have any and all rights of Lessee with respect to the curing of any Event of Default hereunder by Lessee but excluding Section 10.1.6, Termination of the MDA, which Event of Default, notwithstanding anything to the contrary in the Lease, is not curable.

22.2.3 If Lessor shall elect to terminate this Lease by reason of any Event of Default by Lessee with respect to the Property, the Mortgagee that shall have become entitled to Notice as provided in this Section 22.2 shall have any and all rights of Lessee with respect to curing of any default with respect to the Property, but excluding Section 10.1.6, Termination of the MDA, which Event of Default, notwithstanding anything to the contrary in the Lease, is not curable..

22.2.4 Nothing herein contained shall be deemed to impose any obligation on the part of Lessor to deliver physical possession of the Property to such holder of a Mortgage, but Lessor agrees to reasonably cooperate with Mortgagee in connection with its efforts to acquire possession.

22.2.5 If more than one Mortgagee shall seek to exercise any of the rights provided for in this Section 22, the holder of the Mortgage having priority of lien over the other Mortgagees shall be entitled, as against the others, to first exercise such rights. Should a dispute arise among Mortgagees regarding the priority of lien, the Mortgagees shall prove to the reasonable satisfaction of Lessor that they have settled that dispute.

22.3 Protection of Mortgagee(s). Until the time, if any, that a Mortgage shall be satisfied and released of record:

22.3.1 A Mortgagee shall have the right, for a period equal to the period afforded Lessee to perform any term, covenant, or condition and to remedy any default by Lessee hereunder, plus such additional time that is reasonably needed for Mortgagee to exercise Lessee's rights to cure any defaults subject to the following: (a) if the default cannot be cured by Mortgage, no additional time shall be allowed; (b) if the default can be cured by Mortgagee, such additional period of time shall not exceed TWELVE (12) months; and (c) if curing the default requires that Mortgagee has possession or control or ownership of the Property, Mortgagee shall be diligently pursuing action to take possession or control or ownership of the Property. Lessor shall accept such performance with the same force and effect as if furnished by Lessee, and the Mortgagee shall thereby and hereby be subrogated to the rights of Lessor. Such Mortgagee cure period shall begin on the later of: (i) the date Mortgagee receives notice pursuant to Section 22.2, or (ii) the date that Lessee's cure period expires under the Lease. During such Mortgagee cure period, Lessor will not terminate this Lease or disturb possession, interest or quiet enjoyment by the Lessee or Mortgagee in the Property or improvements for any reason, subject to the terms of this Lease, until such Mortgagee cure period has expired. The Mortgagees and their respective designees shall have the right to enter upon the Property to give such performance.

22.3.2 In case of an Event of Default by Lessee in the performance or observance of any non-monetary term, covenant or condition to be performed by it hereunder, if such Event of Default cannot practicably be cured by the Mortgagees without taking possession or ownership of the Property, in such Mortgagee's reasonable opinion, or if such Event of Default is not susceptible of being cured by the Mortgagees, then:

(a) The Mortgagee shall proceed diligently to obtain possession or ownership of the Property (including possession by a receiver), and, upon obtaining such possession, shall proceed diligently

to cure such defaults as are reasonably susceptible of cure (subject to any order by a court of competent jurisdiction staying or otherwise precluding such Mortgagee from obtaining such possession); or

(b) The Mortgagee shall institute foreclosure proceedings and diligently prosecute the same to completion (unless in the meantime it shall acquire Lessee's estate hereunder, either in its own name or through a nominee, by assignment in lieu of foreclosure), subject to any order by a court of competent jurisdiction staying or otherwise precluding such Mortgagee from obtaining such possession.

(c) The Mortgagee shall not be required to obtain possession or to continue in possession of the Property pursuant to Section 22.3.2(a), or to continue to prosecute foreclosure proceedings pursuant to Section 22.3.2(b), if and when such Event of Default shall be cured.

(d) If any Mortgagee is prohibited from commencing or prosecuting foreclosure or other appropriate proceedings in the nature thereof by any process or injunction issued by any court, or by reason of any action by any court having jurisdiction of any bankruptcy or insolvency proceeding involving Lessee, the times for commencing or prosecuting foreclosure or other proceedings, including proceedings to obtain possession, shall be extended for the period of the prohibition.

22.4 New Lease. Lessor will not enter into a new lease of the Property.

22.5 Effect of Transfer. Neither the foreclosure of any Mortgage (whether by judicial proceedings or by virtue of any power of sale contained in the Mortgage), nor any conveyance of the leasehold estate created by this Lease by Lessee to any Mortgagee or its designee by an assignment or deed in lieu of foreclosure or other similar instrument, or the transfer of the leasehold estate create by this Lease or a Mortgagee Lease from Mortgagee to a third party, shall require the consent of Lessor or constitute a default or Event of Default under this Lease, and upon such foreclosure, sale or conveyance, Lessor shall recognize the purchaser or other transferee in connection therewith as the Lessee under this Lease, subject only to an assumption in writing by such purchaser or transferee of all obligations of Lessee first arising or first accruing under this Lease from and after the date of such foreclosure, sale or conveyance. Upon the assignment of this Lease or a Mortgagee Lease by a Mortgagee or its affiliates to a third party, such Mortgagee or its affiliates shall have no further obligations under this Lease arising from and after the date of such transfer.

23. GOVERNING LAW; ATTORNEY'S FEES.

The laws of the State of Arizona shall govern the matters set forth in this Lease. Venue of any action brought under this Lease shall, at the option of Lessor, lie in Maricopa County, Arizona.

24. RULES AND REGULATIONS.

Lessee shall at all times comply with all Federal, state and local laws, ordinances, rules, and regulations which are applicable to its activities on the Airport, the Property itself (including but not limited to the *Americans with Disabilities Act*), or the operation, management, maintenance, or administration of the Airport, including all laws, ordinances, rules and regulations adopted after the Effective Date. Lessee shall at all times comply with the *Airport Rules and Regulations*, as the same may be amended from time to time, to the extent applicable to the Property. Copies of the current *Airport Rules and Regulations* are attached hereto as **Exhibit D**. Lessee acknowledges and agrees that Lessor may amend the *Airport Rules and Regulations* at any time in Lessor's sole discretion. Lessee shall be responsible for controlling and preventing disruptive pedestrian and vehicle traffic associated with its activities on the Property.

25. CORPORATE AUTHORIZATION.

In executing this Lease, each of Lessor and Lessee represents and warrants to the other that if such

Party is a corporation, or other legal entity, each Party has obtained and been granted the full right, power and authority to enter into this Lease.

26. UTILITY LINES AND SERVICE CHARGES.

26.1 Lessee shall, at no cost or expense to Lessor, provide or arrange for any public utility, water and sewage lines, connections and services that are needed in connection with any building(s), structure(s) or other improvement(s) placed on the Property by Lessee, or required for Lessee's activities thereon, and shall be responsible for the maintenance of such lines and connections from where they enter the Property. If requested to do so by Lessee from time to time during the Term, Lessor will grant reasonable easements, licenses and rights-of-way on or across the Airport for the proper development and use of the Property, including, without limitation, to suppliers of public or private utility services for the purpose of supplying Lessee with such services, but Lessor reserves the right to reasonably designate the lands along which such easements, licenses and rights-of-way shall be granted so as to minimize the disruption of the operation of the Airport and other Airport tenants.

26.2 Lessee shall pay for all utilities, including trash collection, used in its operations at the Property. The charges and method of payment for each utility or service shall be determined by the appropriate supplier of the utility or service in accordance with applicable laws and regulations, on such basis as the appropriate supplier of the utility or service may establish.

26.3 Notwithstanding the execution of this Lease, Lessor retains the right to the continued use of such utility lines and services as are presently on the Property (so long as Lessor's use does not interfere with or disrupt Lessee's use, occupancy, development and subleasing activities), and the right to repair the same when necessary in Lessor's reasonable discretion, including but not limited to, any utility easements on the Property. Lessor agrees to coordinate any entries onto the Property with Lessee. Lessor shall conduct such use and repairs in such a manner and at such times as to not interfere with Lessee's activities thereon.

27. RESERVATIONS TO LESSOR.

The Property is accepted "as is, where is" by Lessee, subject to the Permitted Exceptions. Lessor reserves the right to grant reasonable easements, rights-of-way, and permits, over, on, or across any portions of the Property for commercially reasonable purposes; provided, that Lessor and the grantee, as applicable, shall not exercise such rights so as to unreasonably interfere with or disrupt Lessee's activities on the Property, including the development of the Property, to be determined in the reasonable judgment of Lessor and Lessee, and all such interference shall be minimized. The location of any such easement, right-of-way and/or permit 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 and shall coordinate with Lessee regarding the execution of such plans to minimize any interference with Lessee's or any subtenant's activities on the Property, that all work shall be in compliance with all applicable laws, including Environmental Law, and that the surface of the Property shall be restored to its original condition, including any necessary remediation in accordance with Environmental Law of any contamination associated with any Hazardous Material disturbed during any construction, at no cost to Lessee, upon the completion of any construction. Lessor agrees that any rights granted to any parties by reason of this clause shall contain provisions obligating such parties to at a minimum the same conditions applicable to Lessor under this Section 27, including but not limited to that the surface of the Property and any Horizontal Improvements shall be promptly restored to their original condition, at no cost to Lessee, promptly upon the completion of any construction.

28. FEDERAL AVIATION ADMINISTRATION (FAA) PROVISIONS.

28.1 Lessee agrees that in the event Lessee's improvements are constructed, maintained, or otherwise operated on the Property for a purpose for which a Department of Transportation (DOT) program or activity is intended, or for another purpose involving the providing of similar services or benefits, Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, *Nondiscrimination in Federally Assisted Programs of the Department of Transportation*, as it may be amended.

28.2 Lessee agrees that: (i) no person shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination on the grounds of race, color, creed, disability, age, sex or national origin in the use of the Property; (ii) that in the construction of any improvements on, over, or under the Property and the furnishing of services thereon, no person shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination on the grounds of race, color, or national origin; and (iii) that Lessee shall use the Property in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, as it may be amended.

28.3 Lessee assures Lessor that it will comply with pertinent statutes, Executive Orders, and rules promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, or sex, age or handicap, be excluded from participating in any activity.

28.4 Lessor reserves the right to further develop or improve the landing area of the Airport as it sees fit, regardless of the desires or view of Lessee, and without interference or hindrance therefrom; provided that the foregoing does not give Lessor the right to develop new landing areas on the Property.

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 Property, which shall include the right to cause in the airspace any noise inherent in the operation of aircraft, now known or hereafter used for navigation of or flight in or through the airspace, and for the use of such airspace for landing on, taking off from, or operation on the Airport.

28.8 Lessee agrees to comply with the notification and review requirements covered in 14 CFR Part 77 in the event future construction of a building is planned for the Property or in the event of any planned modification or alteration of any present or future building or structure situated on the Property.

28.9 Lessee shall not erect or permit the erection of any structure or building, nor permit the growth of any tree on the Property, or any other obstruction that exceeds height requirements contained in 14 CFR Part 77 or amendments thereto, or interferes with the runway and/or taxiway "line of sight" of the control tower. In the event these covenants are breached, Lessor reserves the right to enter upon the Property and to remove the offending structure or object at the expense of Lessee.

28.10 Lessee shall not make use of the Property in any manner that might interfere with the landing and taking off of aircraft from the Airport or otherwise constitute a hazard. In the event this covenant is

breached, Lessor reserves the right to enter upon the Property and cause the abatement of such interference at the expense of Lessee.

28.11 Nothing contained in this Lease shall be construed to grant or authorize the granting of an exclusive right within the meaning 49 U.S.C. §40103(e) and 47107 (a)(4).

28.12 This Lease and all of the provisions hereof shall be subject to whatever right the United States government now has, or in the future may have or acquire, affecting the control, operation, regulation and taking over of the Airport, or the exclusive or non-exclusive use of the Airport by the United States during the time of war or national emergency.

29. TITLE VI OF THE CIVIL RIGHTS ACT OF 1964.

29.1 Lessee agrees to comply with pertinent statues, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color or national origin, sex, age or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. Lessee understands and acknowledges that the FAA requires inclusion of and adherence to the terms and conditions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. §§2000d to 2000d-4) ("Title VI") in all airport/aviation lease agreements where Lessor receives federal funding, including the Lease in this instance.

29.2 During the Term, Lessee, for itself, its assignees, and successors in interest agrees as follows:

29.2.1 Compliance with Regulations: Lessee will comply with the Title VI List of Pertinent Non-Discrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this Lease.

29.2.2 Non-discrimination: Lessee, with regard to the work performed by it during Lease, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. Lessee will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR Part 21.

29.2.3 Solicitations for Subcontracts, Including Procurements of Materials and Equipment: In all solicitations, either by competitive bidding, or negotiation made by Lessee for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by Lessee of Lessee's obligations under this Lease and the Non-discrimination Acts And Authorities on the grounds of race, color, or national origin.

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

29.2.5 Sanctions for Noncompliance: In the event of Lessee's noncompliance with the Nondiscrimination provisions of this Lease, Lessor will impose such default remedies as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:

(a) withholding payments, if any, to Lessee under the Lease until Lessee complies; and/or

(b) cancelling, terminating, or suspending the Lease, in whole or in part, in accordance with Section 10.

29.2.6 Incorporation of Provisions: Lessee will include the provisions subsections 29.2.1 through 29.2.6 in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. Lessee will take action with respect to any subcontract or procurement as the sponsor or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if Lessee becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, Lessee may request Lessor to enter into any litigation to protect the interests of Lessor. In addition, Lessee may request the United States to enter into the litigation to protect the interests of the United States.

29.3 The Lessee for itself, and its successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree that (1) no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land, and the furnishing of services thereon, no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that Lessee will use the Property in compliance with all other requirements imposed by or pursuant to the List of Pertinent Non-Discrimination Acts and Authorities.

29.4 During the performance of this Lease, Lessee, for itself, its assignees, and successors in interest agrees to comply with the following non-discrimination statutes and authorities; including but not limited to the following (which Lessor is required to disclose and include in such Lease and other agreements, pursuant to FAA regulation):

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq*., 78 Stat. 252) (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR Part 21 (Non-discrimination In Federally-Assisted Programs of The Department of Transportation—Effectuation of Title VI of The Civil Rights Act of 1964);
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. § 4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 et seq.), as amended, (prohibits discrimination on the basis of disability); and 49 CFR part 27;
- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 et seq.) (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987 (PL 100-209) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of

the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);

- Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 CFR parts 37 and 38;

- The Federal Aviation Administration's Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);

- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures non-discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;

- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);

- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et *seq.*).

29.5 Lessee agrees that in the event improvements are constructed, maintained, or otherwise operated on the Property for a purpose for which a Department of Transportation (DOT) program or activity is intended, or for another purpose involving the providing of similar services or benefits, Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, as it may be amended.

30. FEDERAL FAIR LABOR STANDARDS ACT

This Lease incorporates by reference the provisions of 29 CFR Part 201, the Federal Fair Labor Standards Act (FLSA), with the same force and effect as if given in full text. Lessee has full responsibility to monitor compliance to the referenced statue or regulation. Lessee must address any claims or disputes that arise from this requirement directly with the U.S. Department of labor – Wage and Hour Division.

31. OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970

This Lease incorporates by reference the provisions of 29 CFR Part 1910 with the same force and effect as if given in full text. Lessee must provide a work environment that is free from recognized hazards that may cause death or serious physical harm to the employee. Lessee retains full responsibility to monitor its compliance and their subcontractor's compliance with the applicable requirements of the Occupational Safety and Health Act of 1970 (20 CFR Part 1910). Lessee must address any claims or disputes that pertain to a

referenced requirement directly with the U.S. Department of labor – Occupational Safety and Health Administration.

32. INCORPORATION OF QUITCLAIM DEED.

Lessor owns the Airport pursuant to a Quitclaim Deed from the United States Government dated April 14, 1998 and recorded in the official records of Maricopa County, Arizona on April 30, 1998 as Entry No. 98-0354787 ("**Deed**"), a copy of which is available to Lessee upon request and is hereby incorporated in its entirety. To the extent the Deed has terms, conditions, obligations, requirements or restrictions that apply to this Lease, Lessor, Lessee or any matter in connection herewith, Lessee agrees to be bound by all the terms, covenants and conditions of the Deed, including the following:

32.1 That this Lease is subject to all terms and conditions of the Deed; and

32.2 That in case of any conflict between the Deed and this Lease, the Deed shall control.

33. REQUIRED PROVISIONS OF QUITCLAIM DEED.

33.1 Section VI (A)(5)(c) of the Deed requires that the following provisions be included in this Lease:

33.1.1 In furnishing services to the public, Lessee shall not discriminate against any person or class of persons by reason of race, color, creed, or national origin, and Lessee shall otherwise provide such services on a fair, equal, and not unjustly discriminatory basis to all users thereof.

33.1.2 Lessee shall charge fair, reasonable, and not unjustly discriminatory prices for each unit for service; except, however, that the Lessee may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

33.2 If the Property are within any of the archaeological sites identified in Section VIII.A of the Deed, then, the provisions of Section VIII of the Deed shall be deemed incorporated in this Lease by this express reference to Section VIII of the Deed.

33.3 To the extent the Deed requires that other specific provisions thereof be inserted in this Lease by express reference to the Deed, this sentence shall constitute an express reference to all such applicable provisions of the Deed.

34. INTENTIONALLY DELETED.

35. DEFAULT BY LESSOR.

In the event of any alleged breach by Lessor of its covenants or duties contained in this Lease, Lessee shall have available all rights and remedies provided in contract, at law and/or in equity, provided, however, Lessee may not exercise any such right or remedy unless Lessee has notified Lessor by written notice of such alleged default, and Lessor has not cured such default within the THIRTY (30) calendar day period subsequent to receipt of such notice or, in the event such alleged default is of such a nature that it cannot reasonably be cured within such THIRTY (30) calendar day period, Lessor has failed to pursue a cure of such alleged default with all due diligence. Notwithstanding anything to the contrary contained in this Lease, in no event shall Lessee be entitled to terminate this Lease or abate or offset any payments to be made by Lessee hereunder except as expressly permitted in this Lease.

36. BROKERS.

Lessee represents and warrants that it has not had any dealings with any real estate brokers, finders or agents in connection with this Lease. Lessee further agrees to indemnify, defend (with counsel selected by Lessor) and hold Lessor and Lessor's nominees, successors and assigns harmless from any and all claims, costs, commissions, fees or damages by any person or firm claiming by or through Lessee or whom Lessee authorized or employed, to act for Lessee in connection with this Lease.

37. SALE BY LESSOR.

Lessee agrees to look solely to Lessor's interest in the Property and any insurance proceeds, including rents, issues, profits, proceeds, and awards for the recovery of any judgment against Lessor, it being agreed that the members, partners, officers, directors or shareholders of Lessor shall not be personally liable for any such judgment. In the event of any sale or other conveyance by Lessor of its interest in the Property, Lessor shall be automatically freed and released from all personal liability accruing from and after the date of such sale or conveyance as respects the performance of any covenant or obligation on the part of Lessor contained in this Lease to be performed, it being intended hereby that the covenants and obligations contained in this Lease on the part of Lessor shall be binding on the Lessor and its successors and assigns only during and in respect to the respective successive periods of ownership of the Property.

38. ESTOPPEL CERTIFICATE.

Each of Lessor and Lessee shall, without charge, at any time and from time to time hereafter, within TEN (10) business days after written request from the other Party to do so, certify, by written instrument duly executed and acknowledged by such Party and certified to the other Party and to any prospective lender or purchaser/assignee: (i) as to whether this Lease has been supplemented or amended, and if so, the substance and manner of such supplement or amendment; (ii) as to the existence of any default hereunder to the best of such Party's knowledge; (iii) as to the date on which Lessee was obligated to commence paying any charges hereunder and the expiration date of the Term; (iv) as to whether this Lessee has assigned or transferred its interests or any portion thereof in this Lease; and (v) as to any other matters relating to this Lease and the Property as may be reasonably requested. The requesting Party and any prospective purchaser or lender to whom the same was certified may rely upon any such certificate.

39. UNAVOIDABLE DELAY.

In the event either Party shall be delayed or hindered in or prevented from the performance of any covenant, agreement, work, service, or other act required under this Lease to be performed by such Party ("**Required Act**"), and such delay or hindrance is due to Unavoidable Delay (as defined below), then the performance of such Required Act shall be excused for the period of delay and the time period for performance of the Required Act shall be extended by the same number of days in the period of Unavoidable Delay. For purposes of this Lease, "**Unavoidable Delay**" shall mean, with respect to either Party, an unavoidable delay in the performance by such Party of any non-monetary conditions or obligations under this Agreement due including but not limited to: (a) construction delay to the extent caused by the other Party,, including delays caused by either Party's failure to timely respond within THIRTY (30) calendar days to any matter submitted for consent or approval, except any consent or approval required under Sections 2.1.2, 7.2, and 9.1 of this Agreement (b) legal proceeding brought by a non-Party with respect to the Horizontal Improvements or any provision or requirement of this Agreement which by its nature prohibits the Horizontal Improvements or Vertical Improvements from being commenced, continued and/or completed, (c) a Party not receiving a governmental permit, license, entitlements, approval or inspection in time to meet a contractual time period imposed hereunder provided that Party, in good faith, was diligent in the application or request for and prosecution of the process to obtain that permit, license, approval or inspection, (d) flood, (e) epidemic, (f) quarantine restriction, (g) unusually severe weather not reasonably anticipated, (h) strike, (i) walkout, (j) lock-out, (k) war, (l) national emergency, (m) fire, (n) act of God, (o) act of terrorism, (p) natural disaster, (q) explosion, (r) default by the other Party hereunder in the performance of its obligations hereunder, (s) delay

caused by the discovery, presences or actions necessary to investigate or remediate Hazardous Material (but excluding Hazardous Material attributable to the Party claiming Unavoidable Delay), (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) days after the commencement of such Unavoidable Delay.

40. MISCELLANEOUS.

40.1 Personal Liability. No member of or employee of either Party shall be charged personally or held contractually liable by or to the other Party under any term or provision of this Lease because of any breach thereof, or because of its execution or attempted execution.

40.2 No Waiver. No provision of this Lease may be waived or modified except by a writing signed by the Party against whom such waiver or modification is sought.

40.3 Non-Waiver of Rights. No waiver or default by Lessor of any of the terms, conditions, covenants or agreements hereof to be performed, kept or observed by Lessee shall be construed or act as a waiver of any subsequent default of any of the terms, covenants, conditions or agreements herein contained to be performed, kept or observed by Lessee, and Lessor shall not be restricted from later enforcing any of the terms and conditions of this Lease.

40.4 Amendment. This Lease and the MDA contain all agreements of the Parties as of the date hereof with respect to any matter mentioned herein. No prior agreement, correspondence, or understanding pertaining to any such matter shall be effective to interpret or modify the terms hereof. Oral commitments or promises are not enforceable and shall not be binding or made part of this Lease. Any revisions or modifications to this Lease must be in writing and mutually accepted by persons with full and complete authority to bind the party.

40.5 Invalid Provisions. Should any provision of this Lease or any application thereof be held invalid by a court of competent jurisdiction, the remainder of this Lease shall not be affected thereby, unless one or both Parties would be substantially and materially prejudiced.

40.6 Alternative Dispute Resolution. In the event of a dispute between Lessor and Lessee with respect to the terms or provisions of this Lease, any Party may make a demand for mediation of this Lease by written notice to the other Party. Such notice shall state that a dispute exists, shall request mediation pursuant to this Section 40.6 and shall set forth a succinct statement of the matter in dispute. Within ten (10) days after the receipt of the notice as provided above, the other Party shall submit to the demanding Party (in the same manner as notices are given hereunder) a written response setting forth a succinct statement of the responding Party's position. Such mediation shall be conducted in accordance with the Commercial Rules of the American Arbitration Association then in effect by a mediator selected by the agreement of the Parties from a list of five (5) potential mediators from the Phoenix, Arizona area with experience relating to the particular matter or matters in dispute, which list shall be furnished to the Parties by the American Arbitration Association (or its successors). If the Parties fail to agree on a single mediator within fifteen (15) days after receipt of such list of potential mediators, then the Parties shall select a mediator from such list by an alternate striking process, with the Party initiating the demand for mediation striking first. The mediator selected by agreement of the Parties or the last unstricken mediator from the striking process shall serve as the mediator for purposes of this Section 40.6. If the matter in dispute has not been resolved within thirty (30) days after the selection of a mediator, if the Parties fail to select a mediator within thirty (30) days after receipt of the list of potential mediators either Party may thereafter initiate litigation. All negotiations pursuant to this Section 40.6 are confidential and shall be treated as compromise and settlement negotiations for purposes of the Federal Rules of Evidence and applicable state rules of evidence. All applicable statutes of limitation and defenses based upon the passage of

time shall be tolled while the procedures specified in this Section 40.6 are pending. The Parties shall take such action, if any, required to effectuate such tolling.

40.7 Litigation Expenses. In the event of litigation between Lessor and Lessee, the prevailing Party shall be entitled to recover its reasonable attorneys' fees and all costs and expenses of litigation, including witness fees, expert witness fees, and court costs.

40.8 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.

40.9 Entire Agreement. This Lease, including exhibits attached hereto at the time of its execution, constitutes the entire agreement between the Parties hereto and supersedes all prior negotiations, understandings and agreements between the Parties concerning such matters, subject to the MDA.

40.10 Memorandum of Lease. Neither Party may record this Lease in part or in whole nor any memorandum thereof in the public records.

41. INCORPORATION OF RECITALS.

The recitals set forth herein are acknowledged by the Parties to be true and correct and are incorporated herein by this reference.

[Signature page follows]

IN WITNESS WHEREOF, the Parties have executed this Lease the day and year first above written.

EXECUTED to be effective on the date specified above.

LESSOR:

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, an Arizona joint powers airport authority

By: _____
J. Brian O'Neill, A.A.E.
Executive Director/CEO

STATE OF ARIZONA)
) ss.
County of Maricopa)

ACKNOWLEDGED before me this ___ day of June, 2022, by J. Brian O'Neill, in his capacity as the Executive Director/CEO of the Phoenix-Mesa Gateway Airport Authority.

_____
Notary Public

My Commission Expires:

_____

LESSEE:

BOYER GATEWAY EAST, L.C., a Utah limited liability company

By: The Boyer Company, L.C., a Utah limited liability company, its Manager

By: _____
Brian Gochnour, Manager

STATE OF UTAH)
) ss.
County of Salt Lake)

ACKNOWLEDGED before me this ___ day of June, 2022, by Brian Gochnour in his capacity as Manager of The Boyer Company, L.C., a Utah limited liability company, the manager of Boyer Gateway East, L.C., a Utah limited liability company, for and on behalf of said limited liability company.

_____
Notary Public

My Commission Expires:

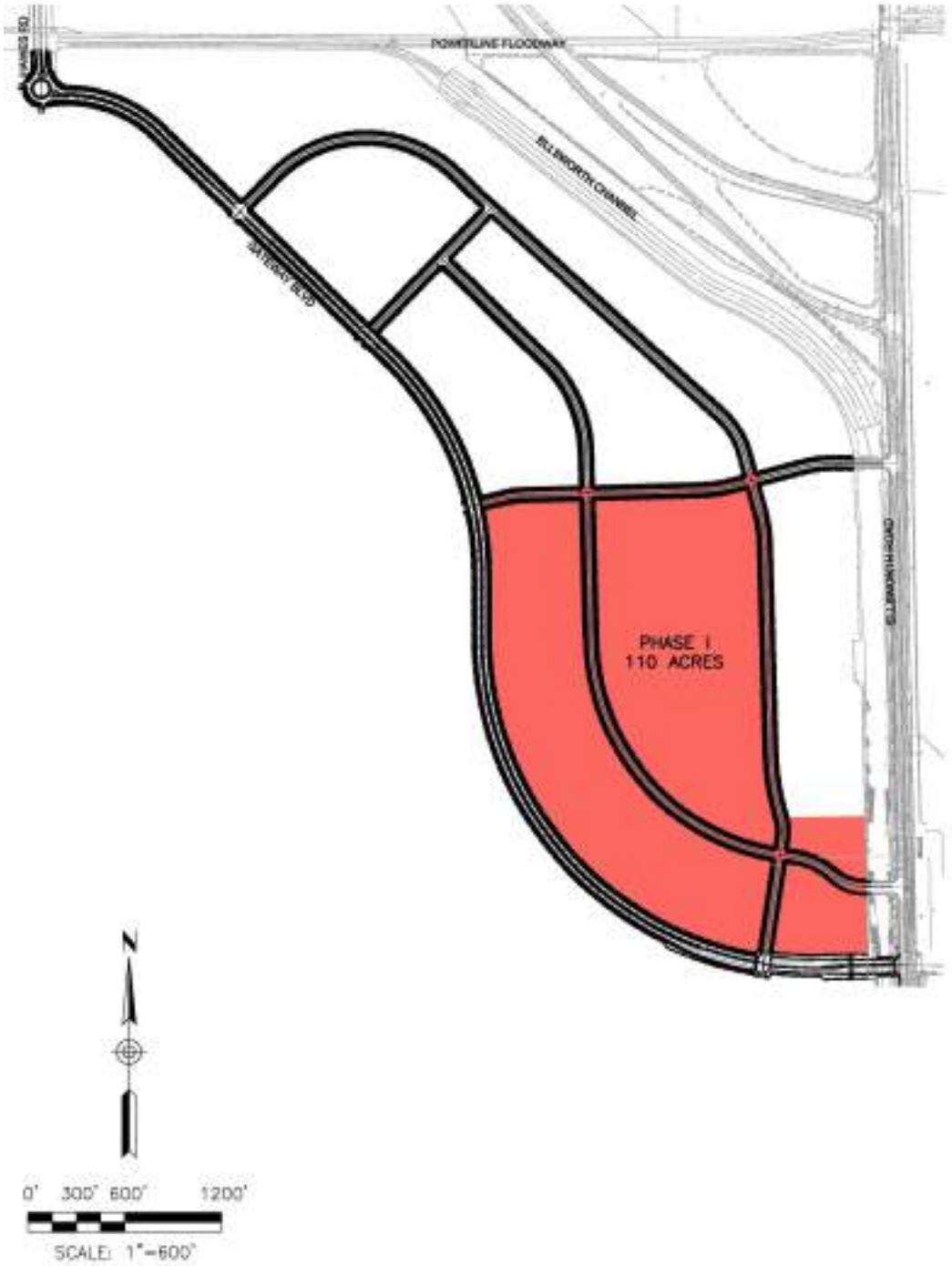
_____

EXHIBIT A

Depiction of GatewayEast

EXHIBIT B

Depiction and Legal Description of Property



[LEGAL DESCRIPTION TO COME]

EXHIBIT C

ADJUSTMENT AMENDMENT

ADJUSTMENT AMENDMENT TO MASTER LEASE AGREEMENT

THIS ADJUSTMENT AMENDMENT TO MASTER LEASE AGREEMENT ("**Amendment**") is made as of the ___ day of _____, 20__ by and between **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY**, a joint powers airport authority authorized and existing under the laws of the State of Arizona ("**Lessor**"), and **<INSERT SPE NAME>** an Arizona limited liability company ("**Lessee**"). Lessor and Lessee may be referred to jointly as "Parties," and each separately may be referred to as a "Party."

RECITALS

A. Lessor and Lessee are parties to that certain Master Lease Agreement dated June 21, 2022 ("**Lease**") covering certain property commonly known as GatewayEast at the Phoenix-Mesa Gateway Airport, which property is more particularly described in the Lease, and referred to in the Lease and in this Amendment as "**Property**."

B. The Parties desire to modify the Lease to

[*remove a Development Lot from the Property in accordance with Section 2.1 of the Lease*]

[*include a Development Lot as part of the Property in accordance with Section 2.2 of the Lease*]

[*remove a Later-Excluded Parcel from the Property in accordance with Section 12.15.1 of the Lease*]

[*include a Later-Excluded Parcel as part of the Property in accordance with Section 12.15.2 of the Lease*]

[*insert applicable language*].

NOW, THEREFORE, in exchange for the mutual covenants and promises contained herein and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee agree as follows:

1. Recitals. The above recitals are hereby confirmed as true and correct and are reaffirmed herein.

2. [*Property Adjustment. Exhibit B to the Lease is deleted in its entirety and the attached Exhibit B inserted in its place.*]

3. Miscellaneous.

(a) Capitalized Terms/Definitions. Each capitalized term used in this Amendment and not defined herein shall be deemed to have the same meaning ascribed to it in the Lease.

(b) Continuing Effect. Except as specifically provided in this Amendment, the provisions of the Lease shall remain unchanged and in full force and effect. In the event of a conflict between the Lease and this Amendment, this Amendment shall control.

(c) Authority. Each person executing this Amendment on behalf of a Party represents and warrants that it has the full power, authority, and legal right to execute and deliver this Amendment on behalf of such Party and that this Amendment constitutes the legal, valid and binding obligations of such Party, its heirs, representatives, successors and assigns, enforceable against such Party or Parties in accordance with its terms.

(d) Counterparts. To facilitate execution of this Amendment, this Amendment may be executed in one or more counterparts as may be convenient or required, and an executed copy of this Amendment delivered electronically by e-mail shall have the effect of an original, executed instrument. All counterparts of this Amendment shall collectively constitute a single instrument; but, in making proof of this Amendment it shall not be necessary to produce or account for more than one such counterpart executed by each Party hereto. It shall not be necessary for the signature of, or on behalf of, each Party hereto, or that the signature of all persons required to bind any such Party appear on each counterpart of this Amendment.

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

LESSOR:

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, an Arizona joint powers airport authority

By: _____

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

LESSEE:

BOYER GATEWAY EAST, L.C., a Utah limited liability company

By: The Boyer Company, L.C., a Utah limited liability company, its Manager

By: _____
<Signatory Name>, <Title>

[*EXHIBIT A*

LEGAL DESCRIPTION OF THE PROPERTY]

EXHIBIT D

AIRPORT RULES AND REGULATIONS

AIRPORT RULES & REGULATIONS

https://www.gatewayairport.com/Documents/DocumentLibrary/Board%20Policies/Airport%20Rules%20and%20Regulations_21-49.pdf?Uniqueifier=iaYgoUmkgi

EXHIBIT E

PROHIBITED USES

1. Outdoor activities or entertainment accessory to a wedding or reception center

2. Any residential development including but not limited to a dwelling unit in conjunction with a primary use intended for occupancy by the proprietor, caretaker or night-watchman of the primary use; a Multiple residence development including apartments, condominiums, and townhouses; and single-family residential development, mobile home parks, and recreational vehicle parks

3. Elementary and secondary schools

4. Crematories

5. Construction yards other than construction yards that are part of a building and screened from public view by walls or other structures

6. Wedding and reception centers

7. Fraternal organizations, service and social clubs, lodges, fraternities and sororities.

8. Nursing and convalescent homes, philanthropic and charitable institutions, residential and out-patient care and rehabilitation centers, hospices

9. Hospitals

10. Mortuaries

11. Self-Storage

12. Outdoor display areas for the sale and rental of items characteristically not enclosed in a building, limited to the following:

    a. Plant nurseries

    b. Building materials such as lumber and masonry supplies

13. Amusement enterprises, such as miniature golf courses, water slides, driving ranges. Batting cages, and similar outdoor uses, but indoor facilities for such uses shall be permitted

14. Commercial automobile, recreational vehicle, and similar vehicular parking and storage lots and garages, as a primary use

15. Plasma centers, charity dining services, homeless shelters, day labor hiring centers, substance abuse detoxification and treatment centers, rescue missions, and similar social service uses

16. Pawn shops and tattoo parlors

17. Assisted living facilities

18. Car washes in Development Phase I (as defined in the MDA)

19. Automobile service stations with or without accessory auto repair facilities in Development Phase I

20. Swap meets, farmer's markets, and similar outdoor sales operations

21. Auto towing and impound yards

22. Animal hospitals, clinics, and boarding kennels

23. Churches

24. Marijuana Dispensaries

25. Any sexually oriented business facility or a facility for the sale or display of pornographic or sexually explicit material, such as adult theaters or adult bookstores, as determined by community standards for the area in which the Property is located

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

Management Information Report

To: Board of Directors
From: Chuck Odom, Chief Financial Officer
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Re: February 2022 Financials
Date: June 21, 2022

Attached is the monthly Financials Report for April 2022.

Phoenix-Mesa Gateway Airport Authority
AIRPORT - All Operations P&L
April, 2022

	Month of April 2022				Y-T-D as of April 2022			
	April FY21 Actual	April FY22 Actual	YOY Variance	B/(W)	YTD FY21 Actual	YTD FY22 Actual	Y-T-D Variance	B/(W)
Aeronautical Operating Revenues								
Aircraft Parking	24,254	19,777	(4,477)	-18%	190,728	194,248	3,520	2%
Fuel Flowage Fees	52,883	68,178	15,295	29%	568,881	560,879	(8,002)	-1%
Landing Fees	139,767	144,297	4,530	3%	1,192,261	1,265,525	73,264	6%
Lease Income Aero	246,182	257,099	10,917	4%	2,257,740	2,770,708	512,968	23%
Fuel Sales	455,294	864,810	409,516	90%	4,485,463	4,940,941	455,478	10%
Services Sold - Aero	399,451	509,679	110,228	28%	4,682,707	4,394,958	(287,749)	-6%
Sub-total Aero Operating Revenues	1,317,831	1,863,840	546,009	41%	13,377,780	14,127,259	749,479	6%
Non-Aeronautical Operating Revenues								
Concessions	87,950	179,035	91,085	104%	580,671	1,001,798	421,127	73%
Lease Income Non-Aero	125,322	119,653	(5,669)	-5%	1,082,799	1,197,598	114,799	11%
Parking	200,506	268,590	68,084	34%	2,077,180	3,389,860	1,312,680	63%
Rental Car Fees	288,285	331,533	43,248	15%	1,218,446	1,979,243	760,797	62%
Svcs Sold - Non Aero	129,062	127,178	(1,884)	-1%	167,884	159,404	(8,480)	-5%
Sub-total Non-Aero Operating Revenues	831,125	1,025,989	194,864	23%	5,126,980	7,727,903	2,600,923	51%
Total Operating Revenues	**2,148,956**	**2,889,829**	**740,873**	**34%**	**18,504,760**	**21,855,162**	**3,350,402**	**18%**
Operating Expenses								
Costs of Goods Sold	269,200	625,098	(355,898)	-132%	2,481,370	3,379,074	(897,704)	-36%
Personnel	680,050	785,676	(105,626)	-16%	7,128,278	7,777,792	(649,514)	-9%
Comm & Utilities	57,220	57,275	(55)	0%	688,251	698,377	(10,126)	-1%
Contractual Services	343,023	478,545	(135,522)	-40%	3,851,755	4,443,811	(592,056)	-15%
Insurance	42,742	46,524	(3,782)	-9%	447,858	476,649	(28,791)	-6%
Other	15,240	11,547	3,693	24%	119,807	359,462	(239,655)	-200%
Repair & Maintenance	51,167	41,029	10,138	20%	449,441	580,541	(131,100)	-29%
Supplies & Materials	59,656	68,079	(8,423)	-14%	612,591	824,841	(212,250)	-35%
Air Service Incentives [2,000,000]	-	-	-	0%	-	-	-	0%
Operating Contingency [2,353,258]	-	-	-	0%	-	-	-	0%
Total Operating Expenses	**1,518,298**	**2,113,773**	**(595,475)**	-39%	**15,779,351**	**18,540,547**	**(2,761,196)**	-17%
Operating Income (Loss) Before Depreciation	**630,658**	**776,056**	**145,398**	23%	**2,725,409**	**3,314,615**	**589,206**	22%
	29.3%	26.9%			14.7%	15.2%		
Depreciation		1,403,390				14,121,076		

ARPA Act Recovery	8,222,781	ARPA Act Fully Drawn
CRRSAA Act Recovery	4,177,264	CRRSAA Act Fully Drawn
CARES Act Recovery	20,530,277	Cares Act Fully Drawn
Total Recovery-to-Date	32,930,322	

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

Management Information Report

To: **Board of Directors**
From: **Chuck Odom, Chief Financial Officer**
Through: **J. Brian O'Neill, A.A.E., Executive Director/CEO**
Re: Solicitation Notification
Date: **June 21, 2022**

This report is to provide notification of the active and upcoming solicitations to help ensure compliance with the Phoenix-Mesa Gateway Airport Authority procurement transparency clause. The active activities include the following:

Active/Pending Solicitations

Type Solicitation	Number	Title	Anticipated Contract Award (Board Action)
Request for Qualifications	2022-024-RFQ	CMAR For Fuel Farm Expansion	June 2022
Invitation for Bid	2022-022-IFB	Taxiway C Connectors	June 2022
Invitation for Bid	2022-017-IFB	Rwy 12C/30C Reconstruct	July 2022
Invitation for Bid	2022-004-IFB	Taxiway W Rehabilitation	June 2022
Request for Proposals	2022-023-RFP	Unarmed Security Services	June 2022
Request for Qualifications	2023-001-RFQ	East Side Terminal Analysis	July 2022
Invitation for Bid	2022-021-IFB	Alpha Apron Expansion Phase IV	July 2022

Future Solicitations

Type Solicitation	Number	Title	Scheduled for Release	Anticipated Contract Award (Board Action)
Request for Qualifications	2023-002-RFQ	Fabrication and Installation of Signs	June 2022	September 2022
Request for Proposals	2023-003-RFP	Banking Services	August 2022	November 2022

Fiscal year totals from sales of decommissioned / nonworking equipment total $7,452.

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

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
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Management Information Report

To: **Board of Directors**
From: **Matt Nebgen, Gateway Aviation Services Director**
Through: **Scott Brownlee, Deputy Director/COO**
J. Brian O'Neill, A.A.E., Executive Director/CEO
Re: **Emergency Fuel Purchase for FY22**
Date: **June 21, 2022**

To authorize the emergency purchase of Jet A and 100LL Avgas fuel from Ascent Aviation Group, Inc. (World Fuel) for Airport Authority resale in the amount of $500,000.

The Phoenix-Mesa Gateway Airport Authority owns and operates Gateway Aviation Services, the airport's sole provider of retail aviation fuel.

Jet-A and 100LL Avgas are needed to provide aircraft fuel to tenant, transient, corporate, flight school, airline, and military customers. Actual cost of fuel is based upon market price at time of order. Airport staff expects to exceed the original requested purchase amount prior to the end of FY22. This is due to higher fuel cost in the second half of the fiscal year. The additional $500,000 purchase will bring the total FY22 Jet A and 100LL Avgas purchase to $4,381,000. We are expecting to exhaust the funds in the existing PO approximately mid-June.

Estimated fuel price per gallon
JetA - $4.25
100LL – $6.10

Request for Proposals No. 2019-05 was issued, and World Fuel was selected as the fuel provider. Board Resolution No. 19-34 approved a multi-year contract between Phoenix-Mesa Gateway Airport Authority and World Fuel.

This purchase will be funded by FY22 operating contingency budget and will be more than offset by an increase in revenue.

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

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Phoenix-Mesa Gateway Airport Authority and to the public that the Phoenix-Mesa Gateway Airport Authority will hold a meeting open to the public on **Tuesday, July 19, 2022 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 Phoenix-Mesa Gateway Airport Authority may attend either in person or by telephone. The Board may vote to hold an executive session for the purpose of obtaining legal advice from the Board's attorney on any matter listed on the agenda pursuant to A.R.S. § 38-431.03 (A)(3)&(4).

The agenda for the meeting is as follows:

1. **Call to Order** (Mayor Brigette Peterson, Chair)
   Members of the Phoenix-Mesa Gateway Airport Authority will attend either in person or via videoconference.

2. **Roll Call** (Mayor Brigette Peterson, Chair)

3. **Pledge of Allegiance**

4. **Call to the Public**
   Members of the Board may not discuss items that are not on the agenda. Therefore, action taken as a result of public comment will be limited to directing staff to study the matter or scheduling the matter for further consideration and decision at a later date. Maximum of three minutes per speaker.

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

6. **Consent Agenda**

   a) **Minutes** of the Board Meeting held on **June 21, 2022**.

   b) **Resolution No. 22-39 –** Authorizing the purchase of pavement materials from **Brewer Cote of Arizona** for FY23, in an amount not to exceed $75,000.

   c) **Resolution No. 22-40 –** Authorizing the purchase of airfield asphalt repair services with **Sunland Asphalt of Arizona, Inc. (Sunland)** for an amount not to exceed $100,000.

   d) **Resolution No. 22-41 –** Approving an Authorization of Services for Alpha Apron Expansion Phase IV Construction Support and Observation Services with **Kimley-Horn & Associates** in an amount not-to-exceed $472,116 under CIP 1231.

   e) **Resolution No. 22-42 –** Authorizing an amendment of the FY23 Capital Budget to provide an additional $6,575,000 in funding for the **Terminal Modernization Construction Project** under CIP 1201.

f) **Resolution No. 22-43 –** Authorizing a contract with **DWL Architects + Planners, Inc.** for Construction Administration Services for the Terminal Modernization Construction Project, in an amount not to exceed $389,399 under CIP 1201.

g) **Resolution No. 22-44 –** Approving an Authorization of Services with **Dibble Engineering** for Construction Phase Services for the Center Runway 12C/30C Reconstruction Project in an amount not to exceed $703,719 under CIP 1202.

h) **Resolution No. 22-45 –** Authorizing an amendment of the FY23 Capital Budget to provide an additional $3,583,000 in funding to CIP 1202 **Center Runway 12/30C Reconstruction Project** under CIP 1202.

i) **Resolution No. 22-46** Authorizing an Intergovernmental Agreement with the **City of Mesa** for the construction of Aviation Way.

j) **Resolution No. 22-47 –** Authorizing a Facility Lease Agreement with **Sierra Building Systems, LLC** for the facility located at 6416 South Sossaman Road. The lease term is five (5) years, commencing August 1, 2022, with five (5) additional one-year renewal options.

k) **Resolution No. 22-48 –** Authorizing a Development Lease with **SkyB Lot 109 LLC**, an Arizona limited liability company, for 15.059 acres located within the SkyBridge Arizona project identified as Lot 109. The lease term is SIXTY (60) years commencing on August 1st, 2022. To authorize an Adjustment Amendment with **MESA SKYBRIDGE, LLC** to concurrently remove Lot 109 from the Master Lease Agreement.

l) **Resolution No. 22-49 –** Authorizing a Development Lease with **SkyB Lot 108 LLC**, an Arizona limited liability company, for 13.8609 acres located within the SkyBridge Arizona project identified as Lot 108. The lease term is SIXTY (60) years commencing on August 1st, 2022. To authorize an Adjustment Amendment with **MESA SKYBRIDGE, LLC** to concurrently remove Lot 108 from the Master Lease Agreement.

Consideration and Possible Approval of:

7. **Resolution No. 22-50 –** Approving a Construction Contract with **Pulice Construction, Inc**. for Construction of the Alpha Apron Expansion Phase IV Project in an amount not to exceed $8,614,693 under CIP 1231.

8. **Resolution No. 22-51 –** Approving a Construction Contract with **Coffman Specialties, Inc**. for Construction of the Center Runway 12C/30C Reconstruction Project in an amount not to exceed $15,777,632 under CIP 1202, subject to receipt of two (2) FAA federal grants to Phoenix-Mesa Gateway Airport Authority.

9. **Resolution No. 22-52 –** Authorizing a contract for the Terminal Modernization Construction Manager at Risk Construction Services and Guaranteed Maximum Price, with **McCarthy Building Companies, Inc.** in an amount not to exceed $25,997,410 under CIP 1201.

10. Board Member Comments/Announcements

11. Next Meeting: Tuesday, September 20, 2022 at 9:00 a.m.

12. 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. Requests should be made as early as possible to allow time to arrange the accommodation.

Phoenix-Mesa Gateway Airport

- **Gilbert Mayor Brigette Peterson Elected PMGAA Chair for FY23**
- **The Boyer Company L.C. to Develop 300-Acres on the East Side of Gateway Airport**
- **Federal Funding Clears Way for Center Runway Reconstruction**
- **SkyBridge Arizona Planning Two Large Industrial Buildings**

Executive Director's Report

July 2022

Financial Snapshot

OPERATING INCOME	May		Month Variance	FYTD Comparison		FYTD Variance
	2021	2022		FY21	FY22	
Revenues	$2,082,068	$2,614,838	**$532,770**	$20,586,680	$24,469,998	$3,883,318
Less Expenses	$2,185,087	$2,037,250	**($147,837)**	$17,976,312	$20,577,798	$2,601,486
Operating Income *(Before Depreciation)*	**($103,019)**	**$577,588**	**$680,607**	**$2,610,368**	**$3,892,200**	**$1,281,832**

Investment Fund Balances: As of May, the Local Governmental Investment Pool (LGIP) 700 = $18,715,450; Wells Fargo; Collateralized Money Market = $7,304,517 and Collateralized CD's = $42,274,504; Total $68,294,471. The increase in the monthly balances was $100,367.

Finance and Accounting

Phoenix-Mesa Gateway Airport Authority (PMGAA, Authority) reported a net operating income for May 2022 of $577,588 and a fiscal-year-to-date 2022 (FYTD22) operating income of $3,892,200. Overall, aeronautical and non-aeronautic revenues at Phoenix-Mesa Gateway Airport (Airport, Gateway Airport) continue to perform well, with increases of 7% and 50% respectively when compared to last fiscal year. Both revenue streams are positively impacted by increased passenger activity and commercial operations. Food, beverage, and retail sales-per-enplaned-passenger have reached an all-time high and continue to trend upward toward PMGAA's goal of $5.00.

Even with increasing inflationary pressures and high fuel costs, May 2022 operating expenditures were 10% less than budget. FYTD22 operating expenditures are currently 3% below budget as PMGAA enters the final month of the fiscal year.

PMGAA Solicitations

Active/Pending Solicitations

TYPE OF SOLICITATION	Number	Title	Anticipated Contract Award
Invitation for Bid	2022-017-IFB	Runway 12C/30C Reconstruct	July 2022
Invitation for Bid	2022-021-IFB	Alpha Apron Phase IV	July 2022
Request for Qualifications	2023-001-RFQ	East Side Terminal Planning Initiative	September 2022

Future Solicitations

TYPE OF SOLICITATION	Number	Title	Scheduled for Release
Invitation for Bid	2023-004-IFB	Lavatory Service Truck	July 2022
Invitation for Bid	2023-005-IFB	Mobile Air Conditioning Unit	July 2022
Request for Proposals	2023-006-RFP	Car Rental Concessions	August 2022

Airport Operations

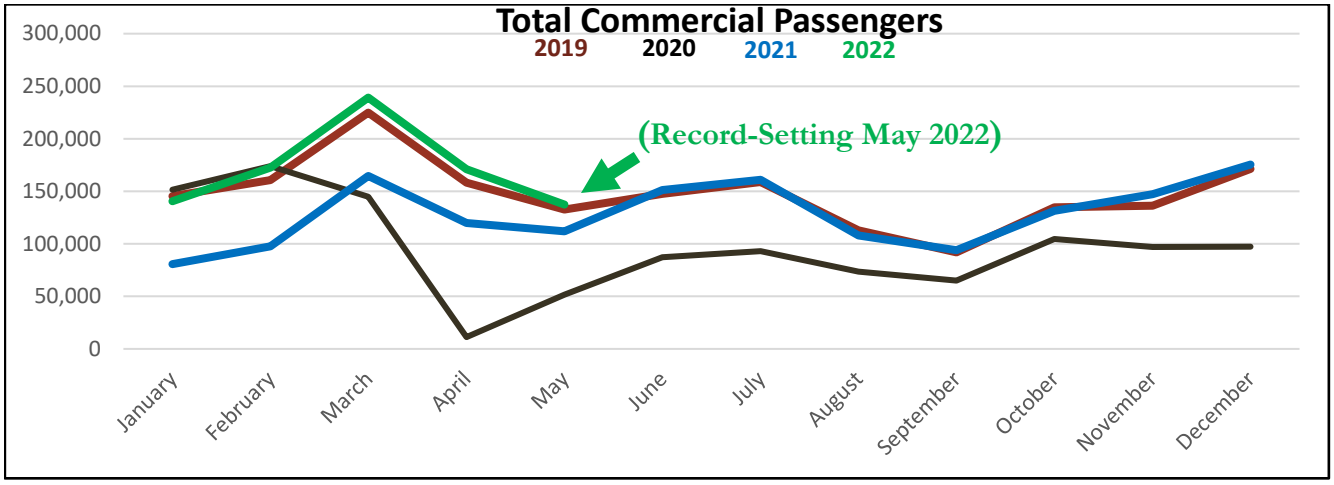
Gateway Airport Upgrading to a New Parking Access Revenue Control System

PMGAA is beginning a major project to replace and upgrade all the parking access revenue control equipment in Gateway Airport's three parking lots – Hourly, Daily, and Ray Road Economy. As part of this exciting and much-needed project, all entry lane, exit lane, and pay station equipment will be upgraded to a new, ticket-based system. So long unpopular parking tokens!

PMGAA will make every effort to minimize disruptions during this project. However, there may be intermittent system outages occurring during the installation period. PMGAA will ensure that plenty of parking staff will be on duty and readily available to lend a hand.

Once installation is complete, the new hardware and software will have much greater capabilities and provide a much higher level of customer service and customer satisfaction.

Gateway Airport Reports <u>Best May Ever</u>!



Operations Statistics

PASSENGER COUNTS		May		% Change	FYTD		% Change
		2021	2022		FY21	FY22	
Passengers	TOTAL	111,959	137,336	23%	1,105,288	1,677,855	52%
	Deplaned	53,550	66,202	24%	555,559	844,824	52%
	Enplaned	58,409	71,134	22%	549,729	833,031	52%
Allegiant	Scheduled	107,606	136,288	27%	1,095,630	1,603,814	46%
WestJet	Scheduled	0	1,317	100%	0	7,959	100%
Swoop	Scheduled	0	946	100%	1,698	25,261	1,388%
Flair	Scheduled	0	3,358	100%	0	11,779	100%
Avelo	Scheduled	3,493	0	-100%	3,493	4,873	40%
Sun Country	Scheduled	0	53	100%	0	22,282	100%
Elite/Swift	Charter	860	49	-94%	4,467	1,887	-58%

OPERATIONS	May		% Change	FYTD		% Change
	2021	2022		FY21	FY22	
Air Carrier	960	1,010	5%	11,211	12,930	15%
Military	527	264	-50%	4,263	4,277	0%
General Aviation	18,041	19,752	9%	223,135	208,165	-7%
TOTAL	**19,528**	**21,026**	**8%**	**238,609**	**225,372**	**-6%**

PMGAA Team Member Spotlight

Employee Name: **Misty Johnson**
Employee Title: **Executive Assistant/Clerk to the Board**
PMGAA Department: **Executive**
Years with PMGAA: **3**

What are your job responsibilities for PMGAA? I am responsible for facilitating the PMGAA Board of Directors' meetings - prepare meeting packets, participate in Board meetings, write/post meeting minutes, and maintain official documents/records. As the Records Officer, I direct the record retention program. I'm also the custodian for public record requests and serve as administrative support to the executive director's office, accounting/finance, and communications/government relations departments.

What is your most memorable Gateway Airport moment? The first time I saw the NASA Super Guppy I felt like a kid at Disneyland. Working here you see some very cool airplanes. Every morning I look forward to seeing what is parked on the ramp. It could be a C-130, an F-18, an Omega Tanker, an Apache helicopter, or The Blue Angels! You never know what you might see.

What is something people may not know about you? I grew up on a small farm in Southern Idaho riding and showing horses. My favorite style of riding when I was young was English. One time, my horse and I were practicing show jumping with three jumps in a row. We were two-thirds successful! I went over all three fences, but my horse only cleared the first two. That's about the time I switched to riding Western.

Engineering and Planning

Federal Funding Clears Way for Center Runway Reconstruction

Thanks to our supportive partners at the Federal Aviation Administration (FAA) and the Arizona Department of Transportation (ADOT), portions of Runway 12C/30C, Gateway Airport's center runway, will be reconstructed during FY23. This very important airfield infrastructure project will cost approximately $15MM and will require the runway to be closed for 6-8 months. Thankfully, the Airport has two additional 10,000-foot runways and will be able to maintain normal operations during the entire project.

Runway 12C/30C Reconstruction Project

1,300 New Parking Spaces Ensures Plenty of Parking Availability at Gateway Airport

1,300 Freshly Striped Parking Spaces

One of the biggest challenges associated with record-setting commercial passenger activity is providing adequate airport facilities and infrastructure to handle all the growth. In recent years, PMGAA has enlarged the TSA Security Screening Checkpoint, increased checked baggage handling capabilities, upgraded food, beverage, and retail concessions, and improved rental car operations.

The Airport's latest capacity enhancing project is now substantially complete. The PMGAA Board of Directors invested approximately $4MM constructing 1,300 new parking spaces in Gateway Airport's Ray Road Economy Parking Lot. With Swoop, Flair, WestJet, and Sun Country returning in October for another winter season, these new parking spaces will most certainly be needed.

Alpha Apron Phase IV to Begin in September

The completion of Alpha Apron Phase III just prior to the 2022 wildfire season proved to be very beneficial for the U.S. Forest Service as they allocated additional firefighting aircraft and other resources to the Southwest to battle this year's fires. In September, PMGAA will begin construction on the final phase of the Alpha Apron Project. Phase IV costs approximately $8.6MM and will add almost 250,000 SF of additional concrete ramp designed to handle the growing number of larger and heavier aircraft using the Airport.

Gateway Aviation Services

PMGAA pumped over 1.5MM gallons of aviation fuel during the month of May 2022, a 10% decrease over the amount of fuel handled in May 2021.

FUEL (Gallons)	May			FYTD		
	2021	2022	% Change	FY21	FY22	% Change
AvGas	43,744	44,059	1%	568,798	429,998	-24%
Retail Jet A	37,216	56,600	52%	426,852	519,287	22%
Contract	479,178	478,581	0%	4,146,857	3,690,685	-11%
Commercial	1,163,325	975,006	-16%	12,673,270	13,537,998	7%
TOTAL	1,723,663	**1,554,246**	-10%	17,815,777	18,177,968	2%

Community Noise Report

PMGAA received aircraft noise calls from seven individuals during the month of May 2022, compared to 13 callers last May. Noise calls typically decrease during the summer months as the temperature in greater Phoenix begins to increase and some residents living adjacent to Gateway Airport start closing their windows and turning on the air conditioning.

The map to the right depicts where the noise calls emanated from during May 2022. As you can see, calls come from across the region without a heavy concentration in any one specific area.

CALLERS	May		FYTD	
	2021	2022	FY21	FY22
Total	13	7	158	127

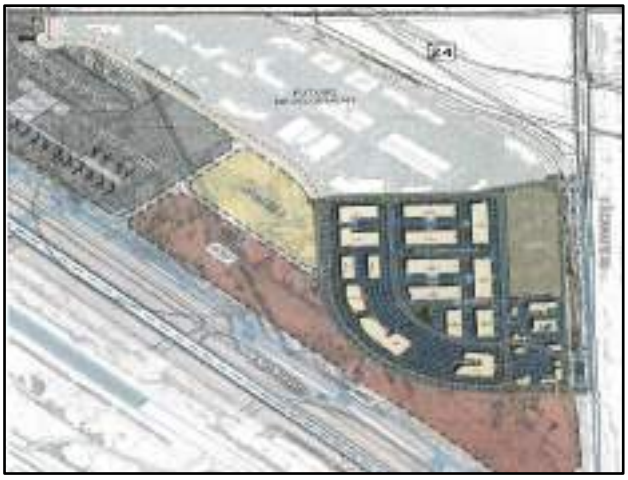
AIRCRAFT TYPE	May		FYTD	
	2021	2022	FY21	FY22
	Callers	Callers	Callers	Callers
Commercial	11	2	66	74
GA Total	1	3	35	15
Helicopter	0	2	35	7
Military	1	2	22	31
Total	13	7	158	127

LOCATION	May		FYTD	
	2021	2022	FY21	FY22
Mesa	7	3	53	46
Gilbert	4	3	55	63
Gold Canyon	0	0	12	1
Queen Creek	2	1	22	12
Queen Valley	0	0	7	3
San Tan Valley	0	0	1	0
Apache Junction	0	0	0	1
Chandler	0	0	8	1
TOTAL	13	7	158	127

Business Development

The Boyer Company L.C. to Develop 300-Acres on the East Side of Gateway Airport

At their June meeting, the PMGAA Board of Directors approved a 40-year Master Development Agreement (MDA) and a 40-year Master Lease with The Boyer Company L.C. from Salt Lake City, UT for approximately 300 acres of non-aeronautical land located on the east side of the Airport. The large parcel of land is currently known as Gateway***East***, and is strategically situated adjacent to Ellsworth Road, SR 24, and the Loop 202 San Tan Freeway. The Boyer Company L.C. envisions a mixed-use development that includes Class A office space, flex industrial buildings, and commercial retail opportunities.



First Phase of GatewayEast Development

SkyBridge Arizona Planning Two Large Industrial Buildings

SkyBridge Arizona is planning two approximately 250,000 SF light industrial buildings located on a total of 29 acres adjacent to Velocity Way at the south end of Gateway Airport. SkyBridge Arizona has already completed construction on a 53,000 SF industrial building, an 82,500 SF hangar, and has broken ground on a new 129-room dual brand hotel.

The experienced developers have also designed between $25-$40MM of site infrastructure including a taxi lane extension, two entrance roadways, and all the necessary wet/dry utilities. Construction on the two large industrial buildings is scheduled to start in 4Q 2022.

Two 250,000 SF Industrial Buildings on 29 Acres

Gateway Executive Airpark Hangars Continue to Make Nice Progress

Hangar A – 34,494 SF

Hangar B – 35,896 SF

Gateway Executive Airpark is a 183,000 SF state-of-the-art, full-service hangar complex located at the north end of Gateway Airport's airfield between Textron Aviation's Mesa Service Center and Embraer's Executive Jet Service Center. This project includes both multi-tenant and single tenant hangars sized to accommodate larger jets, multiple smaller aircraft, and helicopters. The first two hangars will be available for lease by the end of 2022, and the third, larger hangar is scheduled for completion in mid/late 2023.

Community and Government Relations

PMGAA Board of Directors Elects Slate of Officers for FY23

Brigette Peterson
Mayor of Gilbert
Chair

Jim Waring
Phoenix Councilmember
Vice Chair

Chip Wilson
Mayor of Apache Junction
Secretary

Monica Antone
Lt. Governor of GRIC
Treasurer

Are You Travel ID/REAL ID Ready?

Starting on May 3, 2023, all U.S. air travelers must be Travel ID/REAL ID compliant to board domestic flights and access certain federal facilities. The TSA checkpoint at Phoenix-Mesa Gateway Airport will only accept a driver's license with a gold star in the upper right-hand corner, a valid passport, or another Travel ID/Real ID compliant identification.

MINUTES OF PUBLIC MEETING OF THE
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
BOARD OF DIRECTORS | June 21, 2022

A public meeting of the Phoenix-Mesa Gateway Airport Authority (PMGAA) was convened on Tuesday, June 21, 2022, 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 John Giles, Mesa
Councilmember Jim Waring, Phoenix (*via videoconference*)
Mayor Brigette Peterson, Gilbert
Mayor Chip Wilson, Apache Junction
Lt. Governor Monica Antone, Gila River Indian Community (*via videoconference*)
Mayor Gail Barney, Queen Creek (*via videoconference*)

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
Shea Joachim, Business Development Director

** Neither present nor represented*

1. **Call to Order** at 9:02 a.m. (Mayor Giles, Chair)

2. **Roll Call**

3. **Pledge of Allegiance**

4. **Call to the Public**
   There were no public comments.

5. **Executive Director's Report** – J. Brian O'Neill, A.A.E., Executive Director/CEO
   Executive Director O'Neill provided a briefing on PMGAA financial performance, passenger activity, the community noise report, and various Airport projects.

   - Fiscal Year-to-Date 2022 (FYTD22) Net Operating Income is $3,314,615.
   - Record Setting April! Phoenix-Mesa Gateway Airport (Airport, Gateway Airport) welcomed 171,015 commercial passengers during April 2022; a 43% increase in passengers compared to April 2021. Allegiant has notified the Authority of reductions in service for June, July and August due to a pilot shortage impacting their service system wide.
   - Terminal concessions are thriving and providing a significant increase in non-airline revenue. Enplaning passengers are spending an average of $4.30 on food, beverage, and retail purchases.
   - The Copper Plate restaurant is closed while the space is being renovated into a Macayo's Mexican Food/Infusion Coffee & Tea Crafters. The anticipated opening for these two new restaurants will be in August.
   - Progress continues on three hangars totaling 183,000 SF in the Gateway Executive Airpark located at the north end of the airfield. The first two hangars will be available for lease this fall. The steel for the second hangar is currently being erected.

DRAFT

- Gateway***East*** is a 300-acre mixed use non-aeronautical master development opportunity located on the east side of the Airport. Business Development Director, Shea Joachim is giving a presentation today on the planned development for this site. The Master Development Agreement and the Master Lease Agreement with The Boyer Company are listed on today's agenda for the Board's consideration.
- Design for SkyBridge Arizona's horizontal infrastructure – taxi lane extension, entrance roadways, sewer, water, fiber, and other utilities – is complete. SkyBridge Arizona is designing two additional industrial buildings. These two flex industrial buildings will be approximately 200,000 SF and 250,000 SF respectively. These projects may be on the July PMGAA Board agenda for consideration.
- Gateway Tomorrow is a planning initiative to reset and refine the vision for a future commercial passenger terminal campus on the east side of Airport. A Request for Qualifications (RFQ) for the long-range planning project has been issued. The evaluation panel has met and selected the three most qualified submitters to participate in the interview portion of the selection process.
- The Travel ID compliance deadline is May 3, 2023. After that date, TSA Security checkpoints will only accept the Arizona Travel ID with the gold star.
- The exterior of the Air Traffic Control Tower (ATCT) is complete and interior construction work continues. Federal Aviation Administration (FAA) technicians are onsite installing their equipment. The ATCT is on-track to be commissioned at the end of summer 2022.
- PMGAA is waiting to hear if it has received a Bipartisan Infrastructure Law (BIL) grant for a new 30,000 SF, five-gate terminal addition. PMGAA is hoping to secure a $20MM - $25MM grant from the Terminal Modernization Program to complete the important project.
- PMGAA has expanded aircraft parking opportunities for larger/heavier aircraft at the south end of the airfield. Alpha Apron Phase III was completed just before the wildfire season this year and is now in use by the U.S. Forest Service. The design for Alpha Apron IV is complete and construction will begin once the Airport's new ATCT is finished.
- PMGAA is improving the Rental Car Return Lot and the Rental Car Care Facility. Construction will begin following the July 4th Holiday to re-design traffic flow, expand capacity, add new facilities for the car rental companies, and erect shade structures for customer convenience. Customer Facility Charge (CFC) funds are fees assessed to passengers renting cars at the Airport. These funds go into a dedicated account and can only be used to improve the infrastructure and facilities for rental car operations.
- PMGAA is planning to expand its fuel storage capacity to protect against fuel delivery disruptions. In March the Board approved Resolution 22-09 for the fuel farm expansion design. Current fuel storage is 250,000 gallons which is a 3-day supply and is susceptible to fuel delivery disruptions. The additional 4-day, 300,000 gallons in tank storage will provide a 7-day supply of 550,000 gallons to protect against operational failures due to fuel delivery disruptions. Listed on today's agenda for the Board's consideration are Resolutions 22-34 and 22-35 pertaining to this project.
- A ticketing terminal connector has been designed to allow passengers to proceed from the ticketing terminal building directly into the security screening checkpoint area. This customer service enhancement project will increase the queuing area for the security screening checkpoint by approximately 30% and will keep passengers in a climate-controlled environment from ticketing through security screening.

- A Ray Road Economy Parking Lot expansion project is under construction. An additional 600 parking spaces will be completed in time for the busy 4th of July Holiday. A total of 1,300 additional parking spaces will be available by the end of July.

6. Gateway*East* Presentation – Shea Joachim, Business Development Director

Mr. Joachim gave a presentation on the development of the Gateway*East* site and an overview of the Master Development Agreement and Master Lease Agreement with The Boyer Company which is on today's agenda for Board consideration.

Matt Jensen, Partner with The Boyer Company, spoke positively about his experience collaborating over the past six months with the staff of the Phoenix-Mesa Gateway Airport Authority and the City of Mesa and designing and evaluating the options for the Master Plan. He expressed his appreciation for this opportunity the Board is considering. Mr. Jensen was joined by Adrian Evarkiou, Partner with The Boyer Company.

7. Consent Agenda

a) Minutes of the Board Meeting held on **May 17, 2022.**

b) **Resolution No. 22-25 –** Authorizing the **Denver Series of Lockton Companies, LLC (Lockton)** under the terms of its existing Insurance Broker / Risk Management Consulting Agreement with the Phoenix-Mesa Gateway Airport Authority to purchase specific lines of insurance on behalf of the Authority beginning July 1, 2022, not to exceed premium cost of $617,021.

c) Resolution No. 22-26 – Authorizing an agreement for financial participation between the **City of Mesa** and Phoenix-Mesa Gateway Airport Authority to share state and federal lobbyist and consulting services effective July 1, 2022, in the amount of $106,406.40.

d) Resolution No. 22-27 – Authorizing a contract with **Blackstone Security Services, Inc. (Blackstone)** to provide unarmed security guard services for a three-year initial contract term in an amount not to exceed $298,000.00. The contract allows for two optional one-year extensions. Labor is a variable amount based on demand. Hourly labor rates, which include fringe benefits, for year one of the contract are below and may be adjusted on an annual basis:

Description	Est. Weekly Hours	Billable Rate
Unarmed security guard - regular time	60	$23.61
Unarmed security guard - overtime	10	$35.42
Description	Est. Annual Hours	Billable Rate
Unarmed security guard - holiday time	120	$35.42

e) Resolution No. 22-28 – Authorizing the purchase of janitorial supplies from **Network Services Company in partnership with Waxie Sanitary Supply** for FY23, in an amount not to exceed $125,000.

f) Resolution No. 22-29 – Authorizing the purchase of Jet A fuel and 100LL Avgas from **Ascent Aviation** for Airport Authority resale in the amount of $5,250,000.

g) **Resolution No. 22-30 –** 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 $630,000. This amount will provide fuel for the 2023 fiscal year.

h) **Resolution No. 22-31 –** Authorizing the purchase of international waste management services from **Stericycle, Inc. (Stericycle)** in an amount not to exceed $55,000.00 for fiscal year 2023.

i) **Resolution No. 22-32 –** Approving a Construction Contract with **Coffman Specialties, Inc.** for the construction of the TWY Connectors in an amount not to exceed $7,851,927.50 under CIP 1236.

j) **Resolution No. 22-33 –** Approving an Authorization of Services for the TWY Connectors Construction Administration Services with **Kimley-Horn & Associates (KHA)** in an amount not to exceed $246,768 under CIP 1236**.**

k) **Resolution No. 22-34 –** Authorizing an **amendment of the FY23 Capital Budget** to provide an additional $6 million in funding to CIP 1224 Fuel Farm Expansion Construction not to exceed $12 million.

l) **Resolution No. 22-35 –** Approving a Pre-Construction Services Contract with **KEAR Civil Corp.** for CMAR Pre-Construction Services for the Fuel Farm Expansion Construction, in an amount not to exceed $243,671 under CIP 1224.

m) **Resolution No. 22-36 –** Authorizing an amendment to the Ground Lease 2016-093 for **Lot #39** to extend the expiration of the term by nine (9) years, from June 30, 2043, to June 30, 2052, with an associated extension fee of $322,262.68 to be paid by the Lessee, and hereby authorizes approval of a concurrent assignment of the Ground Lease to **Vernon Investments, LLC**.

n) **Resolution No. 22-37 –** Authorizing an amendment to the Ground Lease 2016-093 for **Lot #39A** to extend the expiration of the term by nine (9) years, from June 30, 2043, to June 30, 2052, with an associated extension fee of $122,462.47 to be paid by the Lessee, and hereby authorizes approval of a concurrent assignment of the Ground Lease to **Vernon Investments, LLC**.

Mayor Brigette Peterson moved to approve the Consent Agenda.
Mayor Chip Wilson seconded the motion.
The motion was carried unanimously.

Consideration and Possible Approval of:

8. **Resolution No. 22-38 –** Authorizing a Master Development Agreement and Master Lease Agreement with **Boyer GatewayEast, L.C**. for the property referred to as GatewayEast, each for a term of forty (40) years with no extensions, and each to be guaranteed by The Boyer Company, L.C.

Mayor Chip Wilson moved to approve Resolution No. 22-38.
Mayor Brigette Peterson seconded the motion.
The motion was carried unanimously.

9. **Election of Chair and Vice Chair**

Mayor Chip Wilson motioned to nominate Mayor Brigette Peterson to become Chair and Councilmember Jim Waring to remain Vice Chair.

Lt. Governor Monica Antone seconded the motion.
The motion was carried unanimously.

10. **Election of Secretary and Treasurer**

Mayor Gail Barney motioned to nominate Mayor Chip Wilson to become Secretary and Lt. Governor Monica Antone to become Treasurer.
Councilmember Jim Waring seconded the motion.
The motion was carried unanimously.

11. **Board Member Comments/Announcements.**
Executive Director O'Neill expressed appreciation on behalf of the Authority for Mayor Giles outstanding vision and leadership as PMGAA's Chairman of the Board of Directors during FY22.

Mayor Giles reflected on his time beginning back in 1996 serving on the Mesa City Council just a couple of years after the transition from the former Williams Air Force Base. Mayor Giles spoke of the honor he felt returning to the Mesa City Council eight years ago as Mayor and of the progress and development that has come to fruition over the past 26 years. He expressed his pleasure to serve on this Board and his appreciation for the hard work of all the people that have made this a success story.

12. **Next Meeting: Tuesday, July 19, 2022** 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 Phoenix-Mesa Gateway Airport Authority may attend either in person or by telephone/videoconference.

13. **Adjournment.**
The meeting adjourned at 9:52 a.m.

Dated this _____ day of _____ 20___.

_____
Misty Johnson, Clerk of the Board

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

Board Action Item

Re: Resolution 22-39

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:	**Pavement Repair Materials**
Date:	**July 19, 2022**

Proposed Motion
To authorize the purchase of pavement materials from Brewer Cote of Arizona for FY23, in an amount not to exceed $75,000.

Narrative
Pavement is a fundamental material for airport runways, parking lots, and streets. Due to use, age and weather, the condition of the pavement requires maintenance as needed throughout the year to reduce further deterioration and complete necessary repairs to meet Part 139 compliance. Increased activity coincides with an increase in repairs. Last Fiscal year resulted in over 450 pavement repairs.

The recommended course of action includes purchasing necessary paving materials as needed for maintenance repairs. Authorization of the purchase for paving materials is necessary to repair deterioration and continue use and access to pavement areas on the airport.

PMGAA and Brewer Cote of Arizona are both participants of the Strategic Alliance of Volume Expenditures (S.A.V.E.) Purchasing Group. Under S.A.V.E., Brewer Cote of Arizona was awarded Contract #147037 for cold mix asphalt and various paving materials, and it is through this competitive selection that PMGAA will utilize Brewer Cote of Arizona for paving materials. This contract is available upon request.

Fiscal Impact
The supply expenses were included in the FY23 operating budget under Repair and Maintenance: Pavements.

Attachment(s)
n/a

RESOLUTION NO. 22-39

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

WHEREAS the Authority desires to authorize the purchase of pavement materials from Brewer Cote of Arizona for FY23, in an amount not to exceed $75,000**.**

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

> **The Board of Directors of the Authority hereby authorizes the purchase of pavement materials from Brewer Cote of Arizona for FY23, in an amount not to exceed $75,000. 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 19th day of July, 2022.

Brigette Peterson, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

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

Board Action Item

Re: Resolution 22-40

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 maintenance and repairs**
Date:	**July 19, 2022**

Proposed Motion
To authorize the purchase of airfield asphalt repair services with Sunland Asphalt of Arizona, Inc. (Sunland) for an amount not to exceed $100,000.

Narrative
Due to use, age and weather, the condition of the asphalt requires crack-fill and seal coating maintenance to reduce further deterioration. Increased activity coincides with an increase in deterioration. Last fiscal year had record breaking activity for 7 out of 12 months.

The recommended course of action includes crack-fill and seal coat of asphalt surfaces 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.

PMGAA and Sunland are both participants of the Mohave Educational Service Cooperative (MESC) Purchasing Group. Under MESC, Sunland was awarded Contract #19P-ACE-0318 for asphalt products and services, and it is through this competitive selection that PMGAA will utilize Sunland for asphalt services. This contract is available upon request.

Fiscal Impact
The maintenance expenses were included in the FY23 operating budget under Repair and Maintenance: Pavements.

Attachment(s)
Agreement to Use

RESOLUTION NO. 22-40

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

WHEREAS the Authority desires to authorize the purchase of airfield asphalt repair services with Sunland Asphalt of Arizona, Inc. (Sunland) for an amount not to exceed $100,000**.**

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

> **The Board of Directors of the Authority hereby authorizes the purchase of airfield asphalt repair services with Sunland Asphalt of Arizona, Inc. (Sunland) for an amount not to exceed $100,000. 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 19th day of July, 2022.

Brigette Peterson, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
5835 SOUTH SOSSAMAN ROAD
MESA, ARIZONA 85212-6014

PHONE (480) 988 7600
FAX (480) 988 2315

Agreement to Use
Mohave Cooperative Contract #19-ACE-0318
via Cooperative Purchasing Agreement

Whereas, the Phoenix-Mesa Gateway Airport Authority (PMGAA) is a member of the Mohave Cooperative allowing it to utilize existing contracts entered into by other Mohave Cooperative members; and

Whereas, Mohave Cooperative has executed contract 19-ACE-0318 with Ace Asphalt of Arizona, Inc. for Asphalt Products & Services; and

Whereas, PMGAA and Ace Asphalt of Arizona, Inc. desire to utilize the terms and conditions of Mohave Cooperative contract 19-ACE-0318, including pricing that was competitively bid.

NOW THEREFORE, in consideration of the payment of fees and the performance by the parties of the mutual covenants and conditions set forth herein, the parties hereby agree as follows:

A. **CONTRACT:** This Agreement incorporates by reference and attachment all the terms and conditions of that certain cooperative purchasing contract 19-ACE-0318, between Mohave Cooperative and Ace Asphalt of Arizona, Inc., except:
   1. All references to Mohave Cooperative shall be replaced with Phoenix-Mesa Gateway Airport Authority;
   2. The contract between Ace Asphalt of Arizona, Inc. and Phoenix-Mesa Gateway Airport Authority is independent of the Mohave Cooperative contract 19-ACE-0318.
   3. Billing and Delivery information shall be stated on PMGAA's purchase order(s).
   4. This Agreement to Use shall not obligate PMGAA to purchase goods and/or services until PMGAA issues a purchase order to Ace Asphalt of Arizona, Inc. for such goods/and or services.

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

B. **FEE FOR SERVICES:** The fees to be utilized for this contract shall be as per original bid with Mohave Cooperative, with the following exceptions:
   1. Quantities shall be adjusted to reflect the actual needs of PMGAA and detailed in PMGAA's purchase order issued to Ace Asphalt of Arizona, Inc.

C. **CONTRACT TERM**
   This Agreement is effective as of March 18, 2020 and shall terminate on March 18, 2025 unless terminated, cancelled, or extended as provided in the original contract between Mohave Cooperative and Ace Asphalt of Arizona, Inc.

   The approval and continuation of this contract is subject to the availability of funds either provided to, made available to, or appropriated by the Phoenix-Mesa Gateway Airport Authority for this purpose. In the event that funds are not available or appropriated for Phoenix-Mesa Gateway Airport Authority's payment requirements under this contract for the goods and/or services to be provided hereunder the Phoenix-Mesa

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
5835 SOUTH SOSSAMAN ROAD
MESA, ARIZONA 85212-6014

PHONE (480) 988 7600
FAX (480) 988 2315

Gateway Airport Authority may terminate this contract by providing notice to the contractor of the lack of the availability of funds.

Executed as of the Effective Date.

Ace Asphalt of Arizona, Inc.
A(n) Arizona corporation

By: _____

Name: Scott Phillips

Title: President

Date: 3/19/2020

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

By: _____

Name: Chuck Allen

Title: CEO

Date: 3/23/2020

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

Board Action Item

Re: Resolution 22-41

To:	**Board of Directors**
From:	**R. J. Draper, P.E., LEED AP, CM, Engineering & Facilities Director**
Through:	**Scott Brownlee, Deputy Director/COO**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject:	**Alpha Apron Expansion Phase IV Construction Support and Observation Services – Kimley Horn & Associates**
Date:	**July 19, 2022**

Proposed Motion

To approve an Authorization of Services for Alpha Apron Expansion Phase IV Construction Support and Observation Services with Kimley-Horn & Associates in an amount not to exceed $472,116 under CIP 1231.

Narrative

In FY04 PMGAA completed a 250,000 square foot aircraft parking apron, which resulted in a private development along its edge. Expansions to that apron (Phase II and Phase III) were constructed in FY11 and FY22, respectively and are used for various federal government and private operations. In order to ensure the Airport continues to have adequate apron capacity for the future, the Alpha Apron Expansion Phase IV design was refreshed in FY22 and this project is now ready to be constructed to create additional apron space needed to accommodate large aircraft for our our current, and future, customers.

Kimley Horn & Associates will provide Construction Support and Observation Services for this project, which will expand the Alpha Apron Phase IV to the North/West, while tying into adjacent Taxiway "A" and Taxiway "V". This project will include the construction of a Portland cement concrete apron pavement section, asphalt paved shoulders, taxiway/apron lighting, grading and drainage, pavement markings, utility improvements, and is anticipated to be constructed in two main phases.

In 2019, a Request for Qualifications, 2020-007-RFQ for On-Call Engineering Services was issued. Kimley-Horn and Associates (KHA) was one of two firms selected as the most qualified. In accordance with the terms of our agreement, C-2020007-A, KHA worked with Airport staff to refine a Scope of Work for Construction Support Services for the Alpha Apron Expansion Phase IV Reconstruction project. The cost for these services was negotiated based upon the contract fee schedule at a cost not-to-exceed $472,116.

Fiscal Impact

This project is included in the FY23 Capital Budget and will be funded with FAA approved PFC funding under CIP 1231.

Attachment(s): AOS, Proposal

RESOLUTION NO. 22-41

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

WHEREAS the Authority desires to approve an Authorization of Services for Alpha Apron Expansion Phase IV Construction Support and Observation Services with Kimley-Horn & Associates in an amount not to exceed $472,116 under CIP 1231.

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

> **The Board of Directors of the Authority hereby approves an Authorization of Services for Alpha Apron Expansion Phase IV Construction Support and Observation Services with Kimley-Horn & Associates in an amount not to exceed $472,116 under CIP 1231. 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 19th day of July, 2022.

Brigette Peterson, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

AUTHORIZATION OF SERVICES
Kimley-Horn & Associates, AOS 20A-2301

The signing of this Authorization (Agreement) by Phoenix-Mesa Gateway Airport Authority (PMGAA) and Kimley-Horn & Associates, 7740 N. 16th Street, Suite 300, Phoenix, AZ 85020 ("Kimley-Horn"), authorizes Kimley-Horn to carry-out and complete the services described below in consideration of the mutual covenants set forth below:

1. **PROJECT**: Alpha Apron Phase IV Construction Support and Observation Services under CIP 1231.

2. **SCOPE OF WORK**: Perform and provide Construction Support and Observation Services for the Alpha Apron Phase IV Construction which will expand the Alpha Apron Phase IV to the North/West while tying into the adjacent Taxiway "A" and Taxiway "V". This project will include the construction of a Portland cement concrete apron pavement section, asphalt paved shoulders, taxiway/apron lighting, grading and drainage, pavement markings, utility improvements, and is anticipated to be constructed in two main phases.

3. **FEE FOR SERVICES**: The fee for services shall be based upon the attached scope of work, not to exceed Four hundred seventy-two thousand, one hundred-sixteen dollars and zero cents ($472,116), with PFC funding under CIP 1231, without the express written approval of PMGAA.

4. **AVAILABILITY OF PROJECT FUNDING:** The approval and continuation of this contract is subject to the availability of funds provided to, made available to, or appropriated by PMGAA for this purpose. In the event that funds are not available or appropriated for PMGAA's payment requirements under this contract for the goods and/or services to be provided hereunder, PMGAA may terminate this contract by providing notice to the consultant of the lack of the availability of funds. The consultant acknowledges and agrees that one source of funding for this contract may be funds made available from the Federal Aviation Administration and/or Arizona Department of Transportation, and that this contract, its approval and continuation, may contingent on the availability of those funds being made to PMGAA.

5. **INCORPORATED:** The following documents are hereby incorporated with this Authorization of Services and made part thereof:

   ☑ PMGAA Agreement C-2020007-A dated December 17, 2019.

6. **ATTACHED:** The following documents are attached to this Agreement and are incorporated herein by this reference made part thereof:

☑ Scope and Fee Proposal dated May 2022.

PMGAA and Kimley-Horn acknowledge that they are in agreement with the terms and conditions as set forth in this Authorization.

APPROVED FOR PMGAA:

By:_____

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

Title: Executive Director/CEO

Date:_____

ACCEPTED FOR Kimley-Horn & Associates:

By: Steve Reeder

Print: Steve Reeder, P.E.

Title: Senior Project Manager/VP

Date: 06/28/2022

EXHIBIT A

SCOPE OF WORK

Construction Support and Observation
for
Alpha Apron Expansion Phase IV

A. PROJECT DESCRIPTION: Demand for aircraft-parking/hangar-buildings at the Phoenix-Mesa Gateway Airport (the Airport) created the need for additional apron areas to be constructed on the southwest side of the airfield. The "*Cargo Apron and Taxiway B*" project built the first phase of the current Alpha Apron area, followed by a second project which extended the apron to the south (referred to as the "*Alpha Apron Phase II*" project). Later a third project that extended the apron further to the north (referred to as the "*Alpha Apron Phase III*" project) was completed in early 2022, and plans for a fourth phase expansion (again to the north) were being developed during the construction of Phase III. Kimley-Horn provided the design of the Phase IV apron expansion to meet current FAA geometric standards, which included the addition of a new connector taxiway from the proposed apron area to existing Taxiway V.

The project will expand the existing Alpha Apron to the North/West, while tying into adjacent Taxiways 'A' and 'V'. This project will include the construction of a Portland cement concrete apron pavement section, asphalt paved shoulders, taxiway/apron lighting, grading and drainage, pavement markings, utility improvements, and is anticipated to be constructed in two main phases. A general layout of the proposed Alpha Apron Expansion Phase IV project is shown in the Figure **below**.

Construction is tentatively scheduled to start in September of 2022 with PFC funding and is anticipated to take **<u>180</u>** calendar days to construct.

General Project Layout

B. PROJECT SCOPE: the Kimley-Horn team will provide Construction Administration and Design Support and Observation for the construction of Alpha Apron Expansion Phase IV and will perform the following specific tasks to complete this work:

1. **PROJECT ADMINISTRATION:** The following general tasks will be performed for the project:
   a) Provide project administrative tasks for support of our contract throughout the project.
   b) Provide monthly invoicing and attend general client meetings for the project.
   c) Will review, and coordinate activities, scheduling, and deliverables being performed by all sub-consultants.

2. **PRE-CONSTRUCTION:** The following general tasks will be performed for the project:
   a) The Kimley-Horn team will attend the pre-construction meeting and discuss items related to the contract, such as the items provided in the FAA Advisory Circular AC 150/5300-9A, Pre-Construction Conferences for Airport Grant Projects.
   b) Pre-Construction Submittal Review. Kimley-Horn will assist in the preparation of the initial Construction Management Plan (CMP). The contractor must submit his Quality Control Plan for inclusion into the Final CMP that will be reviewed and then submitted to FAA. Kimley-Horn will also review or take other appropriate action in respect to Contractor Quality Control plan and Contractor Airport Safety plan for compliance with project plans and specifications.

3. **CONSTRUCTION SUPPORT AND OBSERVATION:** The Kimley-Horn team will provide Construction Administration and Design Support services during construction of the project. Construction Administration will entail contract administration, on-site observation/monitoring of construction materials, finishes, and workmanship and quality assurance materials testing. Design Support will be composed of site visits, weekly meeting participation, review of contractor submittals, review/respond to RFI's, review of contractor Change Orders requests and proposals. The Kimley-Horn team will also provide Quality Assurance Testing for the project.

   The Kimley-Horn team will lead weekly construction meetings for the duration of the project. The purpose of weekly construction meeting attendance is to enable the airport/team to communicate the expectations and project requirements to the Contractor. Kimley-Horn will also hold pre-activity meeting prior to principal work activities. Project meetings and construction observation will permit the Kimley-Horn team to carry out the duties and responsibilities specifically assigned in this Agreement, and to provide PMGAA a greater degree of confidence that the completed Work will conform to the Contract Documents.

   The following tasks will be performed for the project:

   a) *Review and Monitor Construction Schedule:* The Kimley-Horn team will review the baseline and subsequent monthly progress schedules submitted by the Contractor for conformance with the Contract Documents. The team will discuss schedule concerns with the PMGAA.

   b) *Construction Observation:* The Kimley-Horn team will provide on-site review/monitoring of construction materials, finishes, and workmanship. Site visits and construction observation are not intended to be exhaustive or to extend to every aspect of Contractor's work in progress. Observations are to be limited to spot checking, selective measurement, and similar methods of general observation of the Work based on the engineer's exercise of professional judgment. Based on information obtained during such visits and such observations, the engineer will evaluate whether the Contractor's work is generally proceeding in accordance with the Contract Documents. Kimley-Horn will keep the PMGAA informed verbally and by email of the general

progress of the Work. Kimley-Horn shall notify the PMGAA as soon as practical, verbally and in a memorandum in electronic PDF format, of observed deviations and/or defects in materials, finish, equipment, systems, and workmanship. Kimley-Horn will not, during such meeting or on-site activities/visits or as a result of such observations of Contractor's work in progress, supervise, direct, or have control over Contractor's work, nor shall Kimley-Horn have authority over or responsibility for the means, methods, techniques, equipment choice and usage, sequences, schedules, or procedures of construction selected by Contractor, for safety precautions and programs incident to Contractor's work, nor for any failure of Contractor to comply with laws and regulations applicable to Contractor's furnishing and performing the Work. Accordingly, Kimley-Horn neither guarantees the performance of any Contractor nor assumes responsibility for any Contractor's failure to furnish and perform its work in accordance with the Contract Documents.

The Kimley-Horn team will complete daily observation logs documenting observed day-to-day construction activities, crews, weather conditions, subcontractors, quality control testing, quality assurance testing, and construction quantities. Daily observation logs will be kept on-site and distributed in electronic PDF format as requested by the PMGAA.

c) *Construction Progress Meetings:* Kimley-Horn team will conduct up to **twenty-four (24)** weekly construction progress meetings for the duration of the construction season. Kimley-Horn will prepare and distribute an agenda prior to the construction progress meetings. The resident project representative, site observers, and other Subconsultant will be invited to attend the meeting and will prepare an attendance log and meeting notes, and distribute to all attendees and the PMGAA summarizing the discussions held during each meeting.

d) *Quality Acceptance Testing:* The Kimley-Horn team will provide materials quality acceptance testing in accordance with the Construction Management Program described herein, based on standards described in the project plans and specifications using ASTM or other approved standards, for the project.

e) *Review Quality Control Testing:* Kimley-Horn will review quality control testing results provided by the Contractor. The team will compare quality control test results against the project plans and specification standards and quality assurance test results and notify the PMGAA of any concerns.

f) *Review and Respond to Requests for Information (RFI's):* Kimley-Horn will respond to reasonable and appropriate Contractor requests for information and issue necessary clarifications and interpretations of the Contract Documents to PMGAA as appropriate to the orderly completion of Contractor's work. Any orders authorizing variations from the Contract Documents will be made by PMGAA.

g) *Change Orders*. Kimley-Horn may recommend Change Orders to PMGAA, and will review and make recommendations related to Change Orders submitted or proposed by the Contractor or the PMGAA.

h) *Shop Drawings and Samples*. Kimley-Horn will review or take other appropriate action in respect to submittals, shop drawings and samples and other data which Contractor is required to submit, but only for conformance with the information given in the Contract Documents. Such review or other action will not extend to means, methods, techniques, equipment choice and usage, sequences, schedules, or procedures of construction or to related safety precautions and programs.

i) *Substitutes and "or-equal":* Kimley-Horn will, evaluate and determine the acceptability of substitute or "or-equal" materials and equipment proposed by Contractor in accordance with the Contract Documents, but subject to the provisions of applicable standards of state or local government entities.

j) *Disagreements between PMGAA and Contractor*. Kimley-Horn will, if requested by PMGAA, render written recommendation on a claim of PMGAA or Contractor relating to the acceptability of Contractor's work or the interpretation of the requirements of the Contract Documents pertaining to the progress of Contractor's work. In rendering such recommendation, Kimley-Horn shall be fair and not show partiality to PMGAA or Contractor.

k) *Applications for Payment*. Kimley-Horn will review the monthly draft application for payment prepared by the Contractor and provide the Airport Authority with a recommendation regarding the quantities for which the Contractor should be paid. Such recommendations for payment will be submitted by email and will constitute the Kimley-Horn's representation to the PMGAA, based on such observations and review, that, to the best of the engineer's knowledge, information and belief, the Contractor's work has progressed to the point indicated, such work-in-progress is generally in accordance with the contract documents (subject to an evaluation of the work as a functioning whole prior to or upon substantial completion, to the results of any subsequent tests called for in the contract documents, and to any other qualifications stated in the recommendation), and the conditions precedent to the Contractor's being entitled to such payment appear to have been fulfilled insofar as it is the engineer's responsibility to so determine. In the case of unit price work, recommendations of payment will include final determinations of quantities and classifications of the Contractor's work, based on observations and measurements of quantities provided with pay requests.

By recommending any payment, the Kimley-Horn will not thereby be deemed to have represented that observations made by the team to check the Contractor's work as it is performed and furnished have been exhaustive, extended to every aspect of Contractor's work in progress, or involved detailed inspections of the work beyond the responsibilities specifically assigned to the Kimley-Horn in this agreement.

l) *Prepare FAA Weekly Progress Reports:* The Kimley-Horn team will prepare up to thirty-six weekly FAA Construction Progress and Inspection Reports and submit them to the PMGAA in electronic PDF format.

m) *Substantial Completion.* The Construction Contract requires the Contractor to achieve Substantial completion of the Contract within 180 calendars days from the written notice to proceed. Kimley-Horn will conduct a site visit to determine if the completed Work of the Contractor is generally in accordance with the Contract Documents. If necessary, the team will prepare and submit, in electronic PDF format to the Contractor and the PMGAA, a punch list of observed items requiring completion or correction for the project to be considered complete. Upon completion of the punch list items, the Designer will submit an email to the Contractor recommending their submittal of the Contractor's final pay application. The Designer will track the completion of the punch list items and inform the PMGAA when complete.

n) *Final Notice of Acceptability of the Work.* Kimley-Horn will attend a final site visit to verify if the completed work of Contractor is generally in accordance with the Contract Documents. Kimley-Horn will provide, if requested by PMGAA, a written notice that the Work is generally in accordance with the Contract Documents to the best of Kimley-Horn's knowledge, information, and belief based on the extent of its services and based upon information provided to Kimley-Horn upon which it is entitled to rely.

o) *Final Construction Report*: The Kimley Horn team will prepare the Final Construction Report as required by FAA and will consist of the following information:

- Description of Work Summary including project location, narrative of work constructed, and work bid but not constructed,
- Preconstruction Activities: List of Bids Received, copy of Notice of Award, Pre-Construction Conference meeting notes, copy of Notice to Proceed documents, Construction Contract and Change Orders,

- Construction summary; Daily and Weekly reports, sequence and resolution of construction issues, change orders and supplemental agreements, contract timeline, labor compliance supplied by the Contractor, and Contractor's partial and final payment certifications,
- Summary of quality assurance test results,
- Summary of project costs.

p) *Record Drawings:* The Kimley Horn team will prepare record drawings in AutoCAD format for the project based on information provided by the Contractor regarding field changes recorded and will incorporate those changes into the construction plans. Kimley-Horn will prepare the record drawings in accordance with the Airports-GIS standards as identified in Chapters 3 and 5 of the FAA Advisory Circular 150/5300-18B and submit to the PMGAA in electronic AutoCAD format, PDF format, and one full size bound set of drawings.

q) *Limitation of Responsibilities.* Kimley-Horn shall not be responsible for the acts or omissions of any Contractor, or of any of their subcontractors, suppliers, or of any other individual or entity performing or furnishing the Work. Kimley-Horn shall not have the authority or responsibility to stop the work of any Contractor.

4. POST CONSTRUCTION PHASE. Kimley-Horn will provide assistance and consultation to the PMGAA for up to 30 calendar days following the project substantial completion. This will include site observation of any Contractor deficiencies in their work and assist the PMGAA in recommendations in correcting such Contractor deficiencies. Any assistance beyond the 30 days will be on a time and material basis.

C. CONTRACT TIME. Kimley-Horn will provide construction administration and design support services as described above, during the designated construction contract period as approved and awarded by the Airport Authority. The services by Kimley-Horn shall include the base bid for a construction period of **180 calendar days** after the contract times commence to run as provided in the Contract Documents and all Work shall be finally completed and ready for final payment within **30 calendar days** thereafter. As-built (record drawings) will be completed two weeks after the approved red lines drawings have been received.

D. DELIVERABLES. Kimley-Horn will provide the following deliverables:

a) As-built (Record) Drawings:

- Review the contractor prepared redline record drawings; Review and incorporate field changes based on documented observations; As part of weekly site visits Conduct a field review to verify the completeness of the contractor prepared redline drawings and
- Prepare and submit one hardcopy full size set and one half size set of the final Record Drawings and electronic versions in both PDF and AutoCad formats.

b) Final Construction Report:

- Draft report in Microsoft Word format to the PMGAA for review and comment
- Three final bound reports (with pdf copies) to the PMGAA

E. KIMLEY-HORN'S COMPENSATION FOR SERVICES: Kimley-Horn shall be compensated for services according to a "NTE (Not to Exceed)" method of compensation with an allowance for expenses shall be used for this contract. Kimley-Horn's total compensation for these construction Design Support Services shall be: **$ 472,116.**

The derivation of engineering fee for design services are attached to this authorization as Exhibits. Kimley-Horn shall not proceed with any additional requested services without written approval from the PMGAA.

F. ASSUMPTIONS: The estimated engineering fee is based on the assumptions attached hereto, see Exhibits attached. If the Contractor's schedule requires additional hours or additional contract time, then additional man-hours and compensation will need to be negotiated.

ALPHA APRON EXPANSION PHASE IV - CONSTRUCTION SUPPORT, OBSERVATION, AND QA TESTING **KIMLEY-HORN ASSOCIATES**

PHX-MESA GATEWAY AIRPORT **Mesa, Arizona**

PHOENIX MESA GATEWAY AIRPORT AUTHORITY

DATE: May 2022

EXHIBIT I - DESIGN DOCUMENTS - ENGINEERING FEE
ALPHA APRON EXPANSION PHASE IV - CA & DESIGN SUPPORT

DERIVATION OF COST OF PROPOSAL FEE

1. DIRECT LABOR

TASK	DESCRIPTION	MANHOURS	TOTAL	EXTENDED TOTAL
001	Project Administration	54	2,853.20	
002	Pre-Construction	40	2,467.00	
003	Constrution Adminstration and Design Support	220	11,874.70	
004	Post Construction	70	3,150.80	
TOTAL DIRECT LABOR		384		$20,345.70

2. EXPENSES:

Expense (Printing and Mileage)		1,000.00	
TOTAL EXPENSES:			$1,000.00

3. CONSULTANTS:

CEI (Construction Administration/Inspection)		$303,159.00	
Quality Testing (QA Materials Testing)		$72,838.63	
Quality Testing (Lab Work and Expenses)		$28,412.00	
Survey Verification (Trace, as needed)(DBE)		$1,000.00	
TOTAL CONSULTANTS			$405,409.63

4. ENGINEERING FEE

TOTAL LABOR		20,345.70	
OVERHEAD (%)	193.59%	39,387.24	
FEE (% OF NET)	10%	5,973.29	
CONSULTANTS		405,409.63	
DIRECT EXPENSES		1,000.00	
TOTAL ENGINEERING FEE			**$472,115.86**

Estimated Construction Value	$	8,128,083.00
CA and Design Support Services % of Construction		5.81%
DBE Services as % of Total Fee		0.21%

ALPHA APRON EXPANSION PHASE IV - CONSTRUCTION SUPPORT, OBSERVATION, AND QA TESTING **KIMLEY-HORN ASSOCIATES**

PHX-MESA GATEWAY AIRPORT **Mesa, Arizona**

PHOENIX MESA GATEWAY AIRPORT AUTHORITY

DATE: May 2022

EXHIBIT II - DESIGN DOCUMENTS - ENGINEERING FEE
ALPHA APRON EXPANSION PHASE IV - CA & DESIGN SUPPORT

DERIVATION OF COST OF PROPOSAL FEE

1. DIRECT LABOR

TASK	DESCRIPTION	MANHOURS	TOTAL	EXTENDED TOTAL w/ OH
001	Project Administration	54	2,853.20	$9,214.38
002	Pre-Construction	40	2,467.00	$7,967.15
003	Constrution Adminstration and Design Support	220	11,874.70	$38,349.22
004	Post Construction	70	3,150.80	$10,175.48
TOTAL DIRECT LABOR		384	20,345.70	$65,706.23

2. EXPENSES:

Expense (Printing and Mileage)	1,000.00	
TOTAL EXPENSES:		$1,000.00

3. CONSULTANTS:

Sub-Consultants	
TOTAL CONSULTANTS	$405,409.63

4. ENGINEERING FEE

TOTAL ENGINEERING FEE	**$472,115.86**

ALPHA APRON EXPANSION PHASE IV - CONSTRUCTION SUPPORT, OBSERVATION, AND QA TESTING **KIMLEY-HORN ASSOCIATES**

PHX-MESA GATEWAY AIRPORT **Mesa, Arizona**

PHOENIX MESA GATEWAY AIRPORT AUTHORITY

DATE: May 2022

EXHIBIT III - DESIGN DOCUMENTS - ENGINEERING FEE
ALPHA APRON EXPANSION PHASE IV - CA & DESIGN SUPPORT

DERIVATION OF COST OF PROPOSAL FEE

1. Direct Salary Costs

Title	Hours	Labor Rate	Total Labor	EXTENDED TOTAL
Senior Project Manager (Steve Reeder)	112	68.60	6,860.00	
Principal Engineer (Mike Norby)	2	81.50	163.00	
Electrical Engineer (Dustin Colwell)	33	59.20	1,953.60	
Senior Professional/Engineer (Jarrett Moore)	165	55.30	9,124.50	
CADD Operator (Jaun Cruz)	46	31.30	1,439.80	
Finance/Admin Manager (Andrew Hacker)	14	37.60	526.40	
Clerical (Jessica Jensen)	12	23.20	278.40	
Total Direct Salary Costs	384		$20,345.70	

2. Labor and General & Administrative Overhead

Percentage of Direct Salary Costs By 193.59%			$39,387.24	
3. Subtotal of Items 1 and 2				**$59,732.94**
4. Fixed Payment				
10 % of Item No. 3:				**$5,973.29**
5. Direct Non-Salary Expenses				
Expense (Printing and Mileage)			1,000.00	
Total Direct Non-Salary Expenses				**$1,000.00**
6. Subcontract Costs				
Sub-Consultants				
Subtotal of subcontract Costs				**$405,409.63**
7. TOTAL ENGINEERING FEE				**$472,115.86**

ALPHA APRON EXPANSION PHASE III - CONSTRUCTION SUPPORT, OBSERVATION, AND QA TESTING
PHX-MESA GATEWAY AIRPORT
PHOENIX MESA GATEWAY AIRPORT AUTHORITY ***ALPHA APRON EXPANSION PHASE IV - CA & DESIGN SUPPORT***

DATE: May 2022

		Senior Project Manager	Principal Engineer	Electrical Engineer	Senior Engineer	CADD Tech	Finance/ Admin	Clerical	TOTAL MAN-HRS	TOTAL LABOR COST
001 Project Administration										
1	Project Administration-Client Coordination	4	2		4			2	12	$705
2	Contract Administration	4					4		8	$425
	- Office Administration Activities -Monthly accounting	6					6	6	18	$776
	- Sub-consultant coordination	10			2		4		16	$947
	Subtotal Task 001	24	2		6		14	8	54	$2,853
002 Pre-Construction										
1	Pre-Construction Conference	6		2	6				14	$862
2	Pre-Construction Activities	12		2	12				26	$1,605
	- Review Contractor's QC Program, Const. Mgt Plan, and Airport Safety Plan									
	Subtotal Task 002	18		4	18				40	$2,467
003 Constrution Adminstration and Design Support										
1	Submittal Review	22		10	50	6			88	$5,054
2	Attend Weekly Meetings /Site Visit (24 weeks)	24		4	24				52	$3,210
3	Attend Pre-Activity Meetings (5 max activities)	5			5				10	$620
4	Review/ Respond to RFI's	6		6	30	10			52	$2,327
5	QC/QA Testing results review	6			12				18	$664
	Subtotal Task 003	63		20	121	16			220	$11,875
004 Post Construction										
1	Final Close-out									
	- Final Change Order for Final Quantities	2		2	4			2	10	$523
	- Contract Close-out - Final Payment									
2	Record Drawings									
	- Production of As-Built Drawings	2		6	12	30		2	52	$2,141
3	Final Construction Report (review)	3		1	4				8	$486
	Subtotal Task 004	7		9	20	30		4	70	$3,151
SUBTOTAL PHASE II DESIGN		112	2	33	165	46	14	12	384	20,346

PhxMesa Gateway Airport
Alpha Apron Phase 4
Construction Administration, Inspection, and Quality Assurance Testing
Cost - SUMMARY

DESCRIPTION	Total Amount
Cost Proposal Summary Sheet	
CEI - Labor	$ 303,159
Subconsultants	$ 101,251
Total	*$ 404,410*

PhxMesa Gateway Airport
Alpha Apron Phase 4
Construction Administration, Inspection, and Quality Assurance Testing
Cost - CEI LABOR

DESCRIPTION	Loaded Rate	Rate	Billing Units	Period								Total	Costs	OH(168.97%)	Fee(10%)	Total Amount
				Pre-Con	1	2	3	4	5	6	Post-Con					
Labor																
Resident Engineer - Reg Hrs	*$ 190.83*	*$ 64.50*	*hour*	20	84	84	84	84	84	84	40	564	$ 36,378.00	$ 61,467.91	$ 9,784.59	$ 107,630.50
OT Hrs												-	$ -	$ -	$ -	$ -
Chief Inspector - Reg Hrs	*$ 147.93*	*$ 50.00*	*hour*	8	168	168	168	168	168	168		1,016	$ 50,800.00	$ 85,836.76	$ 13,663.68	$ 150,300.44
OT Hrs					40	40	40	40	40	40		240	$ 18,000.00	$ 20,276.40	$ 3,827.64	$ 42,104.04
Office Administrator	*$ 97.64*	*$ 33.00*	*hour*	4	4	4	4	4	4	4	4	32	$ 1,056.00	$ 1,784.32	$ 284.03	$ 3,124.36
												-	$ -	$ -	$ -	$ -
Total															**LABOR TOTAL**	*$ 303,159*

Assumptions:
* Project Duration is 180 CD or approx 26 weeks or approx 6 monthly periods
* Hours per period based on 40 hrs/wk x 52 wks = 2080 hrs/yr - (8 holidays x 8 hrs) = 2016 hrs/yr / 12 mo/yr = 168 hrs/mo
* Overhead rate of 168.97% covers all direct costs including vehicle and related costs, phone, and computer. Profit fee is 10%.
* Overtime is after 40 hours per week and is calculated at 1.5 x the hourly rate for the inspectors.
* Contractor working 5-8 hour days per week
* Allow for 30 CD Post Substantial Completion Window
* Primarily single shift with possible night work for concrete placement.
* NTP estimated for 9/5/22 + 180 CD = 3/4/23 completion
* Cert Payroll, DBE compliance tracking not required.

PhxMesa Gateway Airport
Alpha Apron Phase 4
Construction Administration, Inspection, and Quality Assurance Testing
Cost - SUBCONSULTANTS

DESCRIPTION		Total Amount
Quality Testing (QA Materials Testing)		
Labor Fees		$ 72,838.63
Lab Testing Fees		$ 28,412.00
Total	**Materials Testing Total**	*$ 101,250.63*

Assumptions:
* Project Duration is 180 CD or approx 26 weeks or approx 6 monthly periods
* Contractor working 5-8 hour days per week
* Primarily single shift with possible night work for concrete placement.
* NTP estimated for 9/5/22 + 180 CD = 3/4/23 completion
* Testing requirements and frequency per specifications

COST PROPOSAL SUMMARY

Phoenix-Mesa Gateway Airport Authority

CONSULTANT : **Quality Testing, LLC - Owner Acceptance Testing Services**

PROJECT NAME : **Alpha Apron Expansion Phase IV**

LABOR FEES

CLASSIFICATION	REG HOURS	REG RATES	ASS'D % O/T	O/T HOURS	O/T RATES	LABOR COSTS	LABOR TYPE
Registered Engineer	4	$ 215.53			$ 323.30	$ 862.12	8
Staff Engineer	101	$ 144.46			$ 216.69	$ 14,590.46	Direct
Materials Supervisor		$ 135.93			$ 203.90		Direct
Materials Technician II (ACI/ATTI) - Field	220	$ 81.91	15%	33	$ 122.87	$ 22,074.91	Direct
Materials Technician III (ACI/ATTI) - Lab	280	$ 98.97	15%	42	$ 148.46	$ 33,946.92	Direct
Admin Support	22	$ 62.01			$ 93.02	$ 1,364.22	Direct
		$ -					
		$ -					
Lab Technicians	100	$ -					
		$ -					
		$ -					
		$ -					

**** Regular Rate x Overtime Premium of 1.50**

(1) Direct Billable Labor Cost	$	72,838.63
(2) Indirect (Non-Billable) Labor Cost	$	-
(3) Subtotal	$	72,838.63
Subtract Indirect Labor (2)	$	-
TOTAL EXTENDED QT DIRECT BILLABLE LABOR	**$**	**72,838.63**

OTHER FEES

CLASSIFICATION	NO. UNITS	UNITS	UNIT PRICE	EXTENDED PRICE
Daily Vehicle, Per Trip		EA	$ 75.00	$ -
		EA		$ -
				$ -
			TOTAL OTHER FEES	**$ -**

LAB TESTING FEES

LAB TESTING FEES	NO. UNITS	UNITS	UNIT PRICE	EXTENDED PRICE
301-Concrete Compressive Strength Cylinders	60	EA	$ 16.00	$ 960.00
302-Flexural Beam Testing	64	EA	$ 40.00	$ 2,560.00
PCCP Core thickness Measurement	64	EA	$ 15.00	$ 960.00
404-Fracture Faces	1	EA	$ 97.00	$ 97.00
403-Flat 7 Elongated Particles	1	EA	$ 112.00	$ 112.00
411-Plasticity Index (Wet Prep)	6	EA	$ 120.00	$ 720.00
412-Modified Proctor	3	EA	$ 150.00	$ 450.00
413-Standard Proctor	2	EA	$ 120.00	$ 240.00
415-Sand Equivalent		EA	$ 95.00	$ -
416-Sieve Analysis	6	EA	$ 75.00	$ 450.00
406-Sulfate Soundness Test	1	EA	$ 320.00	$ 320.00
417-Specific Gravity of CA		EA	$ 57.00	$ -
420/421-pH & Resistivity		EA	$ 102.00	$ -
425-One Dimensional Swell		EA	$ 150.00	$ -
501-AC Core, Density	80	EA	$ 20.00	$ 1,600.00
405- Abrasion of Coarse Aggregate (LA)	1	EA	$ 225.00	$ 225.00
504-Ignition Furnace Calibration	2	EA	$ 699.00	$ 1,398.00
505/506-AC Content with Gradation (Ignition Method)	3	EA	$ 200.00	$ 600.00
507/508-AC Marshall Bulk Density & Stab and Flow		Set of 3	$ 168.00	$ -
509-AC Max. Specific Gravity	40	Set of 3	$ 155.00	$ 6,200.00
510-AC Gyratory Compaction	40	Set of 2	$ 190.00	$ 7,600.00
601-PG Verification	4	ES	$ 980.00	$ 3,920.00
			TOTAL LAB TESTING FEES	**$ 28,412.00**

TOTAL ESTIMATE OF ALL FEES $ 101,250.63

Shekhar R. Shah
Estimated By

April 28, 2022
Date Revised

SCHEDULED PROJECTED MAN-HOURS
Phoenix-Mesa Gateway Airport Authority

PROJECT NAME : **Alpha Apron Expansion Phase IV**

CONSULTANT : **Quality Testing, LLC - Owner Acceptance Testing Services**

DATE: **April 28, 2022**

ESTIMATED MAN-HOURS IN THE MONTH (Regular)

PROJECT PERSONNEL / SUB CONSULTANT MAN-HOURS	Pre	1	2	3	4	5	6	Post	8	9	10	11	12	13	14	15	16	17	18	19	20	SUBTOTAL REGULAR	% O/T	SUBTOTAL O/T	TOTAL
JUL 21 through MAR 23	J-21	A-21	S-21	O-21	N-21	D-21	J-22	F-22	M-22	A-22	M-22	J-22	J-22	A-22	S-22	O-22	N-22	D-22	J-23	F-23	M-23				
Registered Engineer		1		1	1	1																4 m-h	0%	m-h	4 m-h
Staff Engineer	8	15	14	14	14	14	14	8														101 m-h		m-h	101 m-h
Materials Supervisor																						m-h		m-h	m-h
Materials Technician II (ACI/ATTI) - Field		40	40	40	40	40	20															220 m-h	15%	33 m-h	253 m-h
Materials Technician III (ACI/ATTI) - Lab			40	80	80	40	40															280 m-h	15%	42 m-h	322 m-h
Admin Support		2	4	4	4	4	4															22 m-h		m-h	22 m-h
																						m-h	0%	m-h	m-h
																						m-h		m-h	m-h
Lab Technicians		10	20	20	20	20	10															100 m-h		m-h	100 m-h
																						m-h	0%	m-h	m-h
																						m-h	0%	m-h	m-h
																						m-h		m-h	m-h
ABOVE PERIOD - MONTHLY FULL TIME EQUIV. (FTEs)						**Full Time = 176 HRs/Mo**																**SUBTOTAL REGULAR**	**% OT**	**SUBTOTAL O/T**	**TOTAL**
TOTAL FTEs (DIRECT LABOR ONLY)	0.05	0.10	0.10	0.11	0.11	0.11	0.10	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.73	0%	0.00	0.73
TOTAL FTEs (DIRECT LABOR & VEHICLE)	0.00	0.23	0.45	0.68	0.68	0.45	0.34	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.83	15%	0.42	3.25
TOTAL FTEs (INDIRECT LABOR ONLY)	0.00	0.06	0.11	0.11	0.11	0.11	0.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.56	0%	0.00	0.56
TOTAL FTEs (ALL LABOR CLASSES)	0.05	0.39	0.66	0.90	0.90	0.67	0.50	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.12		0.42	4.54

PROJECT PERSONNEL / SUB CONSULTANT MAN-HOURS																						SUBTOTAL REGULAR	% O/T	SUBTOTAL O/T	TOTAL
APR 23 through DEC 24	A-23	M-23	J-23	J-23	A-23	S-23	O-23	N-23	D-23	J-24	F-24	M-24	A-24	M-24	J-24	J-24	A-24	S-24	O-24	N-24	D-24				
Registered Engineer																						m-h	0%	m-h	m-h
Staff Engineer																						m-h	0%	m-h	m-h
Materials Supervisor																						m-h		m-h	m-h
Materials Technician II (ACI/ATTI) - Field																						m-h		m-h	m-h
Materials Technician III (ACI/ATTI) - Lab																						m-h		m-h	m-h
Admin Support																						m-h		m-h	m-h
																						m-h	0%	m-h	m-h
																						m-h		m-h	m-h
Lab Technicians																						m-h	0%	m-h	m-h
																						m-h	0%	m-h	m-h
																						m-h	0%	m-h	m-h
																						m-h	0%	m-h	m-h
ABOVE PERIOD - MONTHLY FULL TIME EQUIV. (FTEs)						**Full Time = 176 HRs/Mo**																**SUBTOTAL REGULAR**	**% OT**	**SUBTOTAL O/T**	**TOTAL**
TOTAL FTEs (DIRECT LABOR ONLY)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0%	0.00	0.00
TOTAL FTEs (DIRECT LABOR & VEHICLE)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0%	0.00	0.00
TOTAL FTEs (INDIRECT LABOR ONLY)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0%	0.00	0.00
TOTAL FTEs (ALL LABOR CLASSES)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00

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

Board Action Item

Re: Resolution 22-42

To:	**Board of Directors**
From:	**R. J. Draper, P.E., LEED AP, CM Engineering & Facilities Director**
Through:	**Scott Brownlee, Deputy Director/COO**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject:	**FY23 Capital Budget Amendment – Terminal Modernization Construction–CIP1201**
Date:	**July 19, 2022**

Proposed Motion

To authorize an amendment of the FY23 Capital Budget to provide an additional $6,572,272 in funding for the Terminal Modernization Construction Project under CIP 1201.

Narrative

The Phoenix-Mesa Gateway Airport has experienced unprecedented growth and the Terminal Modernization project has become necessary due to the age of the current temporary modular facility (Annex), the inefficient mechanical systems, and deteriorating facility along with the increase in passenger traffic and additional airlines utilizing PMGAA. The current Annex is severely limited in its current configuration and the intent of this project is to modernize the facility and increase its capacity for the overall passenger experience and the health and safety of our passengers. The improvements will be the final large improvement in the terminal facility until a demand driven East Side Terminal is pursued.

The original estimated total cost for the Terminal Modernization Construction Project was $21,500,000; however, based on the cost of supplies and labor, the total cost of this project is now estimated at $28,072,272. McCarthy Building Companies, Inc. is currently providing Pre-Construction Management Services as a CMAR for the replacement of the existing Terminal Annex Modular Building with a new, connected Terminal Concourse containing five (5) gates, while maintaining the existing passenger service to three (3) aircraft parking spots.

Fiscal Impact

This project was included in the FY22 Capital Budget with a planned carry-over to the FY23 Capital Budget utilizing FAA grants under CIP 1201. This request is contingent upon receipt of an FAA grant.

Attachment(s)

None.

RESOLUTION NO. 22-42

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

WHEREAS the Authority desires to authorize an amendment of the FY23 Capital Budget to provide an additional $6,572,272 in funding for the Terminal Modernization Construction Project under CIP 1201.

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

> **The Board of Directors of the Authority hereby authorizes an amendment of the FY23 Capital Budget to provide an additional $6,572,272 in funding for the Terminal Modernization Construction Project under CIP 1201. 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 19th day of July, 2022.

Brigette Peterson, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

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

Board Action Item

Re: Resolution 22-43

To:	**Board of Directors**
From:	**R. J. Draper, P.E., LEED AP, CM Engineering & Facilities Director**
Through:	**Scott Brownlee, Deputy Director/COO** **J. Brian O'Neill, A.A.E., Executive Director/CEO**
Subject:	**Terminal Modernization Construction Project – Construction Administration Services – DWL Architects + Planners, Inc.**
Date:	**July 19, 2022**

Proposed Motion

To authorize a contract with DWL Architects + Planners, Inc. (DWL) for Construction Administration Services for the Terminal Modernization Construction Project, in an amount not to exceed $389,399 under CIP 1201.

Narrative

The Terminal Annex Modernization project has become necessary due to the age of the current modular facility, and the inefficient mechanical systems, deteriorated facility along with the increase in passenger traffic and additional airlines utilizing PMGAA. The current Annex is severely limited in its current configuration and the intent of this project is to modernize the facility and increase its capacity.

This project will include the replacement of the current Terminal Annex Modular Building with a new connected Terminal Concourse containing five (5) gates while maintaining the existing passenger service to three (3) aircraft parking spots. DWL will provide limited Construction Administration Services which include (but are not limited to) Administrative activities, field observation, submittals, Requests For Information (RFI), Architects Supplemental Instructions (ASI), Proposal Requests (PR), Project-Close Out activities, Punchlist, review of O&M Manuals, Record Drawings and conduct warranty inspections.

The Notice of Request for Qualifications (RFQ), Solicitation 2021-027-RFQ was issued on April 13, 2021 and advertised in the Arizona Business Gazette on 4/15, 4/22, 4/29 and 5/6/21; it was also posted on the AzAA, ACC, ACI-NA, and SWAAAE Websites as well as the Phoenix-Mesa Gateway Airport Authority Website. In addition, the RFQ was emailed to a list of 61 prospective firms and included Small Business outreach. PMGAA Staff received four (4) Statements of Qualifications on May 13, 2021. The Evaluation Panel unanimously ranked DWL as the firm that best satisfied the requirements and had the best overall experience and qualifications for this project.

Fiscal Impact

This contract is included in the FY22 Capital Budget with carryover to FY23 utilizing FAA Grant Funding, under CIP 1201 and contingent upon receipt of a FAA grant.

Attachment: Contract

RESOLUTION NO. 22-43

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

WHEREAS the Authority desires to authorize a contract with DWL Architects + Planners, Inc. (DWL) for Construction Administration Services for the Terminal Modernization Construction Project, in an amount not to exceed $389,399 under CIP 1201.

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

> **The Board of Directors of the Authority hereby authorizes a contract with DWL Architects + Planners, Inc. (DWL) for Construction Administration Services for the Terminal Modernization Construction Project, in an amount not to exceed $389,399 under CIP 1201. 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 19th day of July, 2022.

Brigette Peterson, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY

AND

DWL ARCHITECTS + PLANNERS

FOR

CONSTRUCTION ADMINISTRATION SERVICES FOR THE TERMINAL MODERNIZATION PROJECT

CONTRACT NUMBER 20230005

CIP NUMBER 1201

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

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Phoenix-Mesa Gateway Airport Authority, a joint powers airport authority authorized by the State of Arizona ("PMGAA") desires performance of the services more fully described in this **Contract Number 20230005** ("Contract") and the attached exhibits. DWL Architects + Planners, an Arizona Corporation ("Consultant"), with its principal offices located at 2333 North Central Avenue, Phoenix, Arizona, 85004, desires to perform these services.

Recitals

A. PMGAA requires the services as described in this Contract, including any and all exhibits and amendments, and Consultant is willing to provide these and other services under this Contract; and

B. PMGAA desires to contract with Consultant to provide services as noted herein.

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

SECTION I – CONSULTANT SERVICES

The services to be performed by Consultant are specified in this Contract. PMGAA will not pay Consultant for any services that have not been authorized under the Contract. There is no guarantee of a minimum purchase of services.

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

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

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

SECTION II – PMGAA RESPONSIBILITIES

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

A. Access to copies of readily available maps, records, as-built drawings, benchmarks or other data pertinent to work assignments affiliated with this Contract. This does not, however, relieve Consultant of the responsibility of searching records for additional information, for requesting specific information or for verification of that information provided. PMGAA does not warrant the accuracy or comprehensiveness of any information or documents provided to Consultant.

B. In PMGAA's discretion and upon Consultant's reasonable request, access to staff for consultation with Consultant during the performance of this contract in order to identify the problems, needs, and other functional aspects of the work.

C. Prompt review of and feedback on Consultant's deliverables. PMGAA will advise Consultant concerning progress of PMGAA's review of the work, as needed.

SECTION III - PERIOD OF SERVICE

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

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

The term of this Contract shall commence on the date signed by Owner and ends upon final completion and acceptance by PMGAA of the project, as defined by the Scope of Services ("Base Term"), unless terminated, canceled or extended as provided in this Contract.

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

SECTION IV – KEY PERSONNEL

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

LSW Engineers Arizona, Inc.
Martin, White & Griffins Structural Engineers, Inc.
Dibble Engineering
Logan Simpson Design, Inc.
McKay Conant Hoover, Inc.

SECTION V - PAYMENTS TO THE CONSULTANT

Consultant will be paid for work performed under this Contract plus any adjustments that have been approved in writing by PMGAA in accordance with PMGAA's Procurement Policy. Payments will be made in accordance with **EXHIBIT B**, "Compensation."

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

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

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

SECTION VI - ALTERATION IN SCOPE OF SERVICES

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

SECTION VII - WORK ASSIGNMENT COMPLETION

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

SECTION VIII - OWNERSHIP OF DOCUMENTS

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

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

SECTION IX - COMPLIANCE WITH LAWS

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

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

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

SECTION X - GENERAL CONSIDERATIONS

A. The failure of either party to enforce any of the provisions of this Contract or require performance of the other party of any of the provisions hereof shall not be construed to be a waiver of the provisions, nor shall it affect the validity of this Contract or the right of either party to enforce each and every provision.

B. The fact that PMGAA has accepted or approved Consultant's work shall in no way relieve Consultant of responsibility for the work under this Contract.

C. This Contract shall be governed by the laws of the state of Arizona, both as to interpretation and performance. Any action at law, suit in equity, or judicial proceeding for the enforcement of this Contract, or any provision thereof, shall be instituted only in the courts of the state of Arizona.

D. All exhibits to this Contract and any amendments to the Contract are incorporated into it.

SECTION XI - NO KICK-BACK CERTIFICATION

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

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

SECTION XII – SUSPENSION OF SERVICES

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

SECTION XIII – TIMES OF PAYMENTS

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

SECTION XIV – TIMELY REVIEW

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

SECTION XV – DISPUTE RESOLUTION

All disputes between PMGAA and Consultant arising out of or relating to this Contract will be subject to the Dispute Resolution provisions as set forth in **EXHIBIT D**, "PMGAA Standard Terms and Conditions", attached hereto and incorporated herein by reference.

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

SECTION XVI - LIABILITY OF CONSULTANT

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

SECTION XVII - LAWS AND REGULATIONS

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

SECTION XVIII – ARCHAEOLOGICAL RESOURCE PROTECTION

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

SECTION XIX INSURANCE REQUIREMENTS

A. Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees.

B. All insurance policies required by this Contact, except *Workers Compensation* and *Professional Liability*, shall name PMGAA, its agents, representatives, officers, directors, officials and employees as Additional Insured.

C. Minimum Scope and Limits of Insurance. Coverage shall be at least as broad as:

   i. Professional Liability (Errors and Omissions): Insurance appropriate to the Consultant's profession, with limit no less than $1,000,000 per occurrence or claim, $2,000,000 aggregate.
   ii. Commercial General Liability: Insurance Services Office Form CG 00 01 covering Bodily Injury and Property Damage on an "occurrence" basis, including personal & advertising injury with limits no less than $1,000,000 per occurrence, $2,000,000 General Aggregate.
   iii. Auto Liability: ISO Form CA 00 01 covering any auto (Symbol 1), or if Consultant has no owned autos, hired, (Symbol 8) and non-owned autos (Symbol 9), with limit no less than $1,000,000 Combined Single limit per accident for bodily injury and property damage ($5,000,000 if operating in the Air Operations Area of the Airport).
   iv. Workers' Compensation: Statutory Limits as required by the state of Arizona, and Employer's Liability Insurance with limit of no less than $1,000,000 per accident for bodily injury or disease.

D. If the Consultant maintains higher limits than the minimums shown above, PMGAA requires and shall be entitled to coverage for the higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to PMGAA.

E. Additional insurance provisions. The insurance policies shall provide, or be endorsed to include, the following provisions:

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

contribute with it.

iv. Deductibles and Self-Insured Retentions: Any deductibles or self-insured retentions must be declared to and approved by PMGAA. PMGAA may require the Consultant to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.

v. Acceptability of Insurers: Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A, VII, unless otherwise acceptable to PMGAA.

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

a) The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.

b) Insurance must be maintained, and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.

c) If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Consultant must purchase "extended reporting" coverage for a minimum of five (5) years after completion of work.

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

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

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

SECTION XX NOTICES

Any notice, report or information which may be or is required to be given under this Contract will be in writing and shall be sent by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

TO PMGAA: Phoenix-Mesa Gateway Airport Authority
Attn: Engineering and Facilities Director
5835 South Sossaman Road
Mesa, Arizona 85212

TO CONSULTANT: DWL Architects + Planners
Attn: Sandra Kukla
2333 North Central Avenue
Phoenix, AZ 85004

or to such other person(s) or address(es) as any such Party may designate from time to time by notice to the other Parties in accordance with this Section.

Executed as of the Effective Date.

CONSULTANT
DWL Architects + Planners,
an Arizona Corporation

By: _____

Name: _____

Title: _____

Date: _____

PMGAA
PHOENIX 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: _____

EXHIBIT A – SCOPE OF SERVICES & FEE SCHEDULE

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

For the services provided herein, PMGAA agrees to pay Consultant the not to exceed amount of $389,399.00

June 1, 2022

Mr. Bob Draper, PE, LEED AP
Engineering & Facilities Director
Phoenix Mesa Gateway Airport Authority (PMGAA)
5835 S. Sossaman Road
Mesa, AZ 85212-0919
T (480) 988-7705 | BDraper@gatewayairport.com

RE: Terminal Annex Modernization Design Services
2021-027-RFQ
Design and Engineering Services – Construction Administration Services
DWL Project No. 2129.00

Dear Bob:

We are very pleased for this opportunity to submit the limited Construction Administration (CA) services proposal for the construction of the Terminal Modernization project at Phoenix-Mesa Gateway Airport (AZA/IWA).

Assumptions:

1. The selected project delivery method is Construction Manager at Risk (CMAR) and the CMAR is McCarthy Building Companies. PMGA will provide primary Construction Administration (CA) and Project Management (PM). DWL team to provide limited CA services as outlined in this proposal.
2. Sub consultants included in this project scope:

   LSW Engineers (LSW): Mechanical, Electrical, Plumbing and Special Systems
   MWG : Structural Engineering
   Dibble Engineering: Civil
   Logan Simpson Design: Landscape
   McKay Conant Hoover: Acoustics

3. For purposes of fee development, the following overall construction durations are used based on ongoing discussions with McCarthy construction and PMGA:

A.	NTP	07/20/2022
B.	Pre-Construction:	07/20/2022 – 12/6/2022 (19 weeks)
C.	Active Construction Start/End:	12/6/2022 – 1/4/2024 (56 weeks)
D.	Project Substantial:	1/4/2024
E.	Project Final Completion:	2/15/2024 (6 weeks)

Active Construction Duration in Weeks: 56 weeks

* For DWL Team CA Service purposes, 82 weeks for Construction Administration (line A to line E)

4. Any delay to schedule due to other projects or scope not identified in this proposal is subject to reevaluation of the associated fees by the DWL Team. DWL Team assumes that PMGA understands that increased time to this schedule directly impacts the service fee provided. Any expediting of the schedule does not necessarily change the amount of support needed to be provided by the design team.

5. PMGA agrees that for those services set forth in this proposal DWL shall not be responsible for any Actions and Indemnification Costs that are determined by a court of competent jurisdiction to be the sole responsibility of PMGA, CMAR, or others for whom DWL is legally not liable.

Scope of work – Limited Construction Phase Services

1. Pre-Construction Activities: (19 weeks) The DWL team shall perform the following services:
    a. General pre-construction coordination and conduct one pre-construction conference (per AC 150/1500-14d, page 72 and AC 150/5300-9b) with the Airport, CMAR, FAA, ADOT and others who will be affected by the construction. DWL will prepare agenda, minutes and distribute to participants. Attendance as follows:
        a. DWL PM
2. Construction Administration Activities: (56 weeks)
    a. General Communication: As construction is anticipated to be fast-paced DWL anticipates questions from the field that need immediate response. General communication time (6 hours/ per week for the PM) is included for coordination with PMGA-PM, CMAR, DWL project staff and consultants. The DWL team is to clarify and support the PMGA-PM with scope, documents and CMAR responsibility. This task also includes management of the contracts and consultants. In order for efficient time use, we request email clarifications of on-site issues to be accompanied by clear photos clearly indicating areas that require attention using clouds, arrows, etc. Each clarification item shall be considered as an RFI.
        a. Attend progress meetings weekly at a location to be determined by PMGAA to review the current schedule and work progress and to facilitate resolution of construction issues. Preparation and distribution of meeting minutes is assumed by
        b. Maintain a document file tracking system in conjunction with the contractor for submittals, Proposal Requests and Architect's Supplemental Instructions (ASI's). It is assumed that the contractor will maintain logs for the RFI's, change order requests, change orders, and submittals.
    b. Field Observation:
        a. DWL will observe the site 1 time per week on average. (56 visits) By reviewing with the contractor's schedule we will determine the observation schedule. Each site visit includes a field report and assumes to occur during normal business hours.
        b. Inspect mechanical, electrical, plumbing & special system elements of the project. See attached consultant proposal.
        c. Inspect erection of structural steel and other structural components including steel reinforcing, formwork, concrete placement, and masonry. See attached consultant proposal.
    c. Submittals: DWL fee estimate anticipates 145 submittals at average 3 hrs each for review time for each specification section based on assumption that specifications which call for multiple submittals items to review (i.e. Product Data and Shop Drawings) are included in the total submittals. Duration of review per specifications starts from the time the submittals are received by DWL. Such review or other action shall not extend to means, methods, sequences, techniques or procedures of construction selected by the CMAR, or to safety precautions and programs associated thereto. A submittal schedule shall be submitted by the CMAR within 14 days of NTP

to DWL. This schedule shall be reviewed by the PMGA-PM for submittals requiring Owner pre-approvals. This submittal schedule is required by DWL to schedule reviews in advance. We understand that the PMGA-PM will control the receipt and distribution of submittals to the Owner, PMGA Staff and other responsible parties who require submittal review. Complete submittals shall be provided by the CMAR in accordance with specification section 01 30 00. DWL assumes a maximum of 2 reviews per submittal. DWL and our consultants shall track the time spent on additional reviews separately and reserves the right to request additional services if time is exhausted prior to project completion. See engineer's proposal for submittal review detail.

d. Requests for Information (RFI): Review and respond to formal Requests for Information. DWL Team fee estimate includes 120 RFI's within the base estimate. This includes informal and formal RFI's. Each distinct question is considered a separate RFI. RFIs shall be submitted to DWL by the CMAR. Duration of review per specifications starts from the time the RFI is received by DWL. See table below.

e. Architects Supplemental Instructions (ASI): Assuming a percentage of the RFIs would require ASIs in the form of sketches, we assume the following quantity of ASIs.

Discipline	RFIs*	ASIs*	CORs*
Architectural	120	12	0
MEP	40	4	0
Structural	20	3	0
Civil	20	3	0
	120	12	0

1. * DWL Team to inform PM prior to reaching 75% of this CAP to evaluate need for additional RFI's and ASI's to be compensated through change order towards the Owner contingency or by the CMAR.
2. * DWL Team scope also includes scope as detailed in attached sub-consultant's proposals.

f. Proposal Requests: Prepare Proposal Requests (PR's) and required drawings, specifications and other supporting data as directed by the PMGAA representative. DWL will prepare the Proposal Request and distribute to the CMAR. DWL assumes preparation of drawings for 5 PRs (includes consultants as necessary). This assumes a reasonably sized proposal request with an average construction value of a PR is $20,000 each. Should the PR be a significant design change, DWL will request additional services.

g. Substitution Requests: Up to (10) Completed substitution requests will be reviewed for the airport provided there is a benefit to the airport such as time and cost saving. Consideration for redesign. 1 hour.

3. Project Close-Out Activities (6 weeks): The DWL team shall provide the followings services:

a. General Communications and Meetings: After Substantial Completion DWL will participate in bi-weekly in-person meetings (3 meetings). General communication time (4 hours/ per week for the PM) is included for coordination with PMGA and the CMAR. An additional 1 hour is included for consultant coordination.

b. Prepare a Punch List for the contractor's use prior to the final project walk-through. DWL assumes that contractor will conduct their own punch list (or deficiency list) prior the architect's and

engineer's punch list. The architect's punch list shall be a comprehensive excel based format, that identifies items that do not meet the construction documents (drawings and specifications). Conduct one "back-check" per punch list with the airport representative and the contractor at the completion of the construction and once the contractor declares they are ready for the back-check. Punch lists will be limited to 3 separate areas/lists. Punch list beyond quantity listed will require additional services. DWL and our consultants shall track the time spent on additional punch lists separately.

c. Review of Operation and Maintenance (O&M) Manuals: Review O&M Manuals submitted and assembled by the Contractor in accordance with the construction documents. DWL assumes a maximum of 2 reviews per submittal. DWL and our consultants shall track the time spent on additional reviews separately and reserves the right to request additional services if time is exhausted prior to project completion.

d. Record Drawings: Record drawings prepared from complete CMAR mark-ups (as-builts) shall be provided after final completion. The CMAR shall keep a record set of as-built redline drawings on-site in accordance with the specifications. Weekly review during the course of construction will be performed by PMGA for the completeness of the as-built drawings. PDF files and (1) 24x36 set of record documents will be provided to PMGA. AutoCAD files directly converted from Revit shall be provided for the floor plans on disk.

e. Conduct warranty inspections and prepare a warranty list for the contractor prior to the expiration of the contractor's one-year warranty period.

Additional Services:

The following additional services will be broken out separately from other construction administration services.

1. Additional Renderings are proposed for use by PMGA. Since renderings were last prepared during schematic design the project has evolved, therefore the following rendering services are recommended, but are optional.

   a. Semi-Photo realistic renderings: 1 birds-eye, 1 exterior, 2 interiors.

Exclusions:

In order to provide clarity and to prevent any misunderstandings, we want to identify items that are excluded from this proposal. If for any reason the Airport requires these services, we can provide them for additional compensation.

1. Services from engineers or consultants not identified in this proposal and beyond this project's scope.
2. Construction phasing plans.
3. Contractor Schedule Analysis
4. Observation of job site conditions and traffic control
5. Security Sensitive Information (SSI) tracking and management
6. Value Engineering
7. Move-In coordination and scheduling
8. Deliverables beyond those described below.
9. Government permit and plan review fees.

10. Quality control construction materials testing including, but not limited, to tasks listed below.
    a. Concrete testing including:
    b. PCCP, beams, cylinders and cores.
    c. Foundations including footings, caissons, and grade beams.
    d. Slabs-on-grade.
    e. Miscellaneous concrete (sidewalks, concrete benches, etc.)
    f. Subgrade Compaction (slab-on-grade and footings).
    g. Aggregate Base Course (ABC) compaction.
    h. Masonry grout and mortar mix.
    i. Ultrasonic testing including steel beams, columns and miscellaneous steel.
    j. Spray Applied and Intumescent Paint Fire Proofing.
    k. Asphalt.
    l. Utility trench backfill field density testing.
11. Quality Control Testing which is required by the Contractor
    a. Epoxy Anchor Bolts
    b. Anchor Bolts
    c. Ultrasonic testing for splices at reinforcing
    d. Survey of subgrade utilities, piping
    e. Plumbing testing (DWL/LSW to review results)
    f. Fire Alarm
    g. Special Systems (DWL/LSW to review results)
    h. Mechanical Systems
    i. Utility Trench backfill for Quality Control
12. Civil services: Construction Staking, survey, Utility Locating/Potholing, As-built survey

1. Resident engineer and associated duties, inspection calls, project management, meeting minutes
2. Special Structural Inspections
3. Field materials and performance tests, periodic observations and documentation required by the specifications other than what is specifically identified in this proposal or consultant proposals. Tests or investigations requiring demolition of existing construction or other types of forensic investigation.
4. Change Order Requests and Reviews, Construction Change Directives (CCDs), and Pay Application review is not included in DWL's base scope
5. Substantial Completion certificate and Final Completion letter.
6. FAA Reports (weekly, closeout, etc.) or Federal Funding tasks, such as Davis Bacon Compliance.

Deliverables:

1. General Project Correspondence Letters and Memorandums
2. Site Observation Reports, Substitution Requests, Proposal Requests, Submittal Reviews, RFI's, and ASI's
3. Punch lists, O&M Reviews, Record Drawings

Compensation:

The previously mentioned services will be provided on an Hourly Not to Exceed Basis. We have estimated the total amount as summarized below.

Construction Administration	
Architectural - DWL	$ 262,368.00
MPE and Special Systems - LSW	$ 49,610.00
Structural - MWG	$ 17,740.00
Civil - Dibble	$ 26,421.00
Landscape - LSD	$ 7,224.00
Acoustics - MCH	$ 8,500.00
Design & Engineering Total	**$ 371,863.00**
Renderings	$ 5,536.00
Design Allowance	$ 10,000.00
Reimbursable	$ 2,000.00
Proposal Total	**$ 389,399.00**

We will invoice at cost for project related expenses such as travel, mileage, long-distance telephone, courier, printing, copying (in or out of office).

DWL will closely monitor use of hours by DWL and sub-consultant personnel and advice the PMGA PM immediately of any areas where premature exhaustion of hours is anticipated.

Once again, we are very grateful for this opportunity and look forward to working with you and the PMGA Team. If you have any questions or require further explanation regarding any item, please do not hesitate to contact me or Shawn Filip.

Sincerely,
DWL ARCHITECTS + PLANNERS, INC.

Sandra Kukla, AIA, LEED AP
President

SMK.vr

cc: Shawn Filip
Anna Alexander
Mary Ann Modzelewski

DWL ARCHITECTS + PLANNERS, INC.

PMGA Terminal Annex Modernization | 2021-027-RFQ
Construction Administration
DWL Project No. 2129.00

DWL ARCHITECTS+

COMPENSATION ESTIMATE Hourly Not-to-Exceed Construction Budget: $23 M 06.01.2022

ARCHITECTURAL - Construction Administration Phase

Labor Hours

	Task Description	Principal 217.00 per hr. Hours	Principal Direct Cost	Design Director 199.00 per hr. Hours	Design Director Direct Cost	Proj. Manager 128.00 per hr. Hours	Proj. Manager Direct Cost	Sr. Architect 135.00 per hr. Hours	Sr. Architect Direct Cost	Project Architect 121.00 per hr. Hours	Project Architect Direct Cost	Apprentice Architect 88.00 per hr. Hours	Apprentice Architect Direct Cost	Building Code Manager 147.00 per hr. Hours	Building Code Manager Direct Cost	CADD/BIM Technician 93.00 per hr. Hours	CADD/BIM Technician Direct Cost	Interior Designer 84.00 per hr. Hours	Interior Designer Direct Cost	Spec Writer 150.00 per hr. Hours	Spec Writer Direct Cost	Clerical 81.00 per hr. Hours	Clerical Direct Cost	Task Total
1	**Pre-Construction**	12	2,604.00	0	0.00	33	4,224.00	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	6,828.00
2.a	**General Communication**	28	6,076.00	0	0.00	336	43,008.00	0	0	0	0	56	4,928.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	54,012.00
2b	**Field Observation**	0	0.00	0	0.00	336	43,008.00	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	43,008.00
2c	**Submittals**	6	1,302.00	0	0.00	135	17,280.00	0	0	150	18150	60	5,280.00	0	0	0	0.00	90	7,560.00	0	0.00	0	0.00	49,572.00
2d	**Requests for Information (RFI)**	14	3,038.00	0	0.00	300	38,400.00	0	0	0	0	60	5,280.00	0	0	0	0.00	16	1,344.00	0	0.00	0	0.00	48,062.00
2e	**Architects Supplemental Instruction s (ASI)**	12	2,604.00	0	0.00	48	6,144.00	0	0	24	2904	24	2,112.00	0	0	0	0.00	16	1,344.00	8	1,200.00	0	0.00	16,308.00
2f	**Proposal Requests**	8	1,736.00	0	0.00	20	2,560.00	0	0	20	2420	30	2,640.00	0	0	0	0.00	20	1,680.00	4	600.00	0	0.00	11,636.00
2g	**Substitution Requests**	8	1,736.00	0	0.00	20	2,560.00	0	0	0	0	0	0.00	0	0	0	0.00	80	6,720.00	0	0.00	0	0.00	11,016.00
3a	**Close-Out - General Communcation/Meetings**	6	1,302.00	0	0.00	42	5,376.00	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	6,678.00
3b	**Close-Out - Punch List**	4	868.00	0	0.00	36	4,608.00	0	0	0	0	0	0.00	0	0	0	0.00	20	1,680.00	0	0.00	0	0.00	7,156.00
3c	**Close-Out - O&M Manuals**	0	0.00	0	0.00	8	1,024.00	0	0	4	484	0	0.00	0	0	0	0.00	8	672.00	0	0.00	0	0.00	2,180.00
3d	**Close-Out - Record Drawings**	0	0.00	0	0.00	4	512.00	0	0	0	0	0	0.00	0	0	40	3,720.00	20	1,680.00	0	0.00	0	0.00	5,912.00
	DWL CA PHASE TOTAL	98	21,266.00	0	0.00	1318	168,704.00	0	0.00	198	23,958.00	230	20,240.00	0	0.00	40	3,720.00	270	22,680.00	12	1,800.00	0	0.00	1156 **$262,368.00**
	Renderings	0	0.00	0	0.00	2	256.00	0	0	0	0	60	5,280.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	5,536.00
	DWL TOTAL	0	0.00	0	0.00	2	256.00	0	0.00	0	0.00	60	5,280.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	62 **$5,536.00**

262,368.00

TEAM SUMMARY

Discipline	Construction Administration: Construction Administration			Add'l Services: Renderings						Totals
Basic Design & Engineering										
Architectural - DWL	$262,368.00			$5,536.00						267,904.00
Structural - MWG	17,740.00									17,740.00
MPE & Special Systems - LSW	49,610.00									49,610.00
Subtotal - Basic Design & Engineering 329,718.00				Subtotal - Basic Design & Eng. 5,536.00						
								Basic Design & Engineering Sub-Total		**$335,254.00**
Other Design & Engineering										
Civil - Dibble	26,421.00									26,421.00
Landscape Design - LSD	7,224.00									7,224.00
Audio Visual (HAS) - MCH	8,500.00									8,500.00
	$371,863.00	-	-	*$5,536.00*	-	-	-	-	-	
Subtotal - Other Design & Engineering 42,145.00				Subtotal - Other Design & Engineering 0.00						
								Other Design & Engineering Sub-Total		**$42,145.00**
								Total		**$377,399.00**
								Design Allowance		$10,000.00
								Total with Allowance		**$387,399.00**

REIMBURSABLE EXPENSES

Firm	Expense	
DWL / Consultants	Printing, Copies, Courier - Billed only as needed	2,000.00
	Total Reimbursable	**$2,000.00**

DWL's personnel hourly rates are based on an Overhead Rate of 1.7335 and includes 10% profit.

***Fees Include Change Order C01**

Total w/ Reimbursable $389,399.00

EXHIBIT B - COMPENSATION

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

1. Fees to be Specified in Contract

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

2. Method of Payment

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

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

3. Consultant Responsibilities for Compensation

Consultant shall prepare monthly invoices and/or progress reports in accordance with terms specified in the Contract. Progress reports will clearly indicate the progress to date and the amount of compensation due by virtue of that progress. All invoices for payment shall be for work completed unless otherwise agreed to by PMGAA. Invoices/requisitions for payment for services subject to funding by the FAA and/or ADOT shall include the documentation requirements of the FAA and/or ADOT, which are outlined in the *Airport Improvement Program (AIP) Handbook* dated September 30, 2014, or most current version.

4. PMGAA Responsibilities for Compensation

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

5. Billing Address

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

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

EXHIBIT C - SPECIAL PROVISIONS

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

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

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

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

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

b. Nondiscrimination – The contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR Part 21.

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

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

e. Sanctions for Noncompliance – In the event of a contractor's noncompliance with the Nondiscrimination provisions of this contract, the Recipient will impose such contract sanctions as it or the FAA may determine to be appropriate, including, but not limited to:

i) Withholding of payments to the contractor under the contract until the contractor complies, and/or;
ii) Cancellation, termination, or suspension of the Contract, in whole or in part.

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

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

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

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

4. <u>Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion</u>

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

5. <u>Project Security</u>

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

a. <u>Secured Area Access</u> – All Consultant personnel who require unescorted access to the secured area of the Airport, prior to the issuance of an Airport Identification badge, must successfully complete the Security Badge Application and Security Badge Authorization forms.

b. Employee Security Badges – If deemed necessary by PMGAA all Contractor and/or subcontractor personnel performing work functions in accordance with this Contract shall obtain and properly display an Airport security badge. Consultant shall submit a Security Badge Application form to the PMGAA security office for each employee requiring unescorted access, along with the current fee for each badge. Badge fees are identified on the current *Airport Fees, Services and Rental Rates* available via the Airport website at www.gatewayairport.com and are subject to change.

i. All fees must be paid to PMGAA by cash or check.
ii. Airport Security Badge Application forms and instructions are available via the Airport website at www.gatewayairport.com.
iii. An authorized representative of Consultant must also obtain and submit a Security Media Authorization form, which is to be submitted to the PMGAA badging office. The Security Media Authorization form and instructions are available via the Airport website at www.gatewairport.com.
iv. A training class on aviation security must be successfully completed before individuals are issued a badge. Fees for the security badge include attendance for the necessary training classes. Attendance at the security classes and issuance of the security badge may take two hours per person.
v. Additional information, including a "Frequently Asked Questions" is available via the Airport website at www.gatewairport.com or by contacting the PMGAA Badging Office at (480) 988-7522. The Badging Office is located at 5803 S. Sossaman Road, Mesa AZ 85212.
vi. Consultant shall immediately notify the PMGAA Badging Office of any Consultant personnel whose employment status has changed.
vii. Consultant shall retrieve all security badges and keys and return them to the PMGAA Badging Office. A fee, as indicated on the most current *Airport Rates and Charges Schedule*, will be charged for each badge that is damaged, lost or not returned.
viii. The PMGAA Badging Office will require a completed Security Badge Application from each Consultant employee so certified by Consultant as requiring such before a Security Badge is issued.
ix. Under certain circumstances and out of control of PMGAA, security measures may change on short notice. No deviations from any security measure shall be allowed at any time.
x. At all times, aircraft shall have the right-of-way over all vehicle traffic.

c. Fines – Due to both the safety and security precautions necessary at the Airport, any failure of the Consultant to adhere to prescribed Airport requirements/regulations has consequences that may jeopardize the health, welfare and lives of Airport customers and employees, as well as the Consultant's own employees. Therefore, if Consultant is found to be in non-compliance with any security, airfield badging/licensing and airfield safety requirement, a Notice of Violations (NOV) may be issued. A current listing of fines is available by contacting the PMGAA Badging Office.

6. Standard Terms & Conditions

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

7. Federal and State Guidelines and Regulations

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

Consultant shall perform the services as described in approved Contract in accordance with the applicable requirements imposed by PMGAA, ADOT, FAA and any other applicable sponsoring agencies. Consultant and its subconsultants/subcontractors, if any, shall comply with any and all applicable laws, regulations, executive orders, policies, guidelines, and any other requirements for FAA Airport Improvement Program (AIP) projects. Consultant shall provide PMGAA all information, reports, documents, and/or certifications requested by PMGAA for the satisfaction of any grant requirements for the reimbursement of services, including, without limitation, identifying

the specific services provided by Consultant and the billing period(s) during which services were or are to be provided. Nothing herein shall be construed as making the FAA or ADOT a party to this Contract.

8. Right to Contract With Other Firms

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

9. Independent Contractor Status

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

EXHIBIT D – PMGAA STANDARD TERMS & CONDITIONS

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

2. **Termination of Contract.**

   a. PMGAA reserves the right to cancel this Contract in whole or in part due to failure of Consultant to carry out any term, promise, or condition of the Contract. At least ten (10) business days before terminating the Contract, PMGAA will issue a written notice of default specifying one of the following reasons. PMGAA shall, at all times during the term of the Contract or any extension term thereto, have the sole authority to determine if the default has been cured to its satisfaction.

      (1) Consultant has provided personnel that do not meet the requirements of the Contract.

      (2) Consultant has failed to perform adequately the stipulations, conditions or services/specifications required in this Contract.

      (3) Consultant has attempted to impose on PMGAA personnel or materials, products, or workmanship of unacceptable quality.

      (4) Consultant has failed to furnish the required service(s) and/or product(s) within the time stipulated in the Contract or associated Authorization of Services.

      (5) Consultant has failed to make progress in the performance of the requirements of the Contract or Authorization of Services, or Consultant fails to give PMGAA adequate assurance the Consultant will perform the Contract in full and on time.

      (6) Each payment obligation of PMGAA created hereby is conditioned on the availability of PMGAA, state, or federal funds appropriated for payment of the obligation. If funds are not available or allocated by PMGAA for continuance of service under this Contract, then PMGAA may terminate the Contract. PMGAA shall promptly notify Consultant regarding the service that may be affected by a shortage of funds. No penalty accrues to PMGAA if this provision is exercised, and PMGAA shall not be liable for any future payments due or for any damages as a result of termination under this paragraph.

   b. This Contract may be terminated at any time by mutual written consent or by PMGAA - with or without cause - provided the terminating party gives fourteen (14) calendar days' advance written notice to the other party. PMGAA may terminate this Contract, in whole or in part, for PMGAA's convenience and with fourteen (14) days' written notice. If this Contract is terminated, then PMGAA is liable only for services rendered and material received, certified, and approved by PMGAA under the Contract before the termination effective date.

3. **Dispute Resolution**.

   a. **Negotiations**. If a dispute arises out of or relates to this Contract or its breach, the parties to this Contract shall endeavor to settle the dispute through direct discussions as a condition precedent to mediation or binding dispute resolution.

   b. **Mediation**. Should the parties to this Contract be unable to resolve their dispute through direct negotiations, the parties to this Contract, upon the written request of either, shall engage in mediation, to be administered privately by a mediator and according to rules mutually agreed upon by the parties to this Contract, or, the absence of such mutual agreement, by a mediator appointed by JAMS and

administered by JAMS in accordance with its then-current mediation rules. The fees and costs of mediation shall be split equally by the parties to this Contract, but subject to reallocation following binding dispute resolution.

c. **Binding Dispute Resolution**. Should the parties to this Contract be unable to resolve their dispute through direct negotiations or mediation, either party may, within the time limitations for bringing claims under Arizona law and this Contract, commence formal dispute resolution proceedings. Both parties to this Contract consent to binding arbitration administered by JAMS according to its then current arbitration rules, provided, however, that (i) in the event both parties agree, the arbitration may be administered privately by an arbitrator and according to rules mutually agreed upon by the parties to this Contract, and (ii) in the event any party seeks relief against the other party or against a non-party which cannot fully be granted in arbitration, by reason of non-joinder or otherwise, the parties to this Contract are excused from this arbitration requirement and the parties to this Contract shall proceed in the state or federal courts of competent jurisdiction and located in Maricopa County, Arizona. In any arbitration or litigation, the prevailing party shall be entitled to an award of its reasonable attorneys' fees and costs as determined by the arbitrator or court as applicable.

4. **Independent Contractor.** At all times, each party acts in its individual capacity not as agent, employee, partner, joint venturer, or associate of the other party. An employee or agent of one party may not be deemed or construed to be the employee or agent of the other party for any purpose whatsoever. Neither Consultant nor any of its employees are entitled to compensation from PMGAA in the form of salaries, paid vacation, or sick days. PMGAA will not provide any insurance to Consultant, including *Workers' Compensation* coverage. PMGAA will not withhold FICA, taxes, or any similar deductions from PMGAA's payments under this Contract.

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

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

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

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

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

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

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

the laws of the state of Arizona, and suits pertaining to this Contract shall be brought only in federal or state courts in the state of Arizona.

12. **Contract**. This Contract is based on and the result of a negotiated Scope of Work and Proposal, Bid or Statement of Qualifications submitted by Consultant under this RFP, IFB or RFQ. The Contract contains the entire agreement between PMGAA and Consultant. No prior oral or written agreements, contracts, proposals, negotiations, purchase orders, or master agreements (in any form) are enforceable between the parties.

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

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

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

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

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

18. **Subcontracts.** Consultant shall not assign any rights or interest nor enter into any subcontract with any other party to furnish any of the materials, goods or services specified herein without the prior written permission of PMGAA. PMGAA may, at its sole discretion, accept or reject proposed subcontractors or assignment. PMGAA shall notify Consultant of its acceptance or rejection within forty-five (45) days or written request by Consultant. All subcontracts shall comply with federal and state laws and regulations applicable to the materials, goods or services covered by the subcontract and shall include all the terms and conditions set forth herein, which shall apply with equal force to the subcontract, as if the subcontractor were the Consultant referred to herein. Consultant is responsible for Contract performance whether subcontractors are used.

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

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

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

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

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

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

25. **Force Majeure.** 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 Contract to be performed by such party ("Required Act"), and such delay or hindrance is due to causes entirely beyond its control such as riots, insurrections, martial law, civil commotion, war, fire, flood, earthquake, or other casualty or acts of God ("Force Majeure Event"), 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 delay. For purposes of this Contract, the financial inability of Consultant to perform any Required Act, including, without limitation, failure to obtain adequate or other financing shall not be deemed to constitute a Force Majeure Event. A Force Majeure Event shall not be deemed to commence until ten (10) days before the date on which the party who asserts some right, defense, or remedy arising from or based upon such Force Majeure Event gives written notice thereof to the other party. If abnormal adverse weather conditions are the basis for a claim for an extension of time due to a Force Majeure Event, the written notice shall be accompanied by data substantiating (a) that the weather conditions were abnormal for the time and could not have been reasonably anticipated and (b) that the weather conditions complained of had a significant adverse effect on the performance of a Required Act. To establish the extent of any delay to the performance of a Required Act due to abnormal adverse weather, a comparison will be made of the weather for the time of performance of the Required Act with the average of the preceding ten (10) years' climatic range based on the National Weather Service statistics for the nearest weather reporting station to the Premises. No extension of time for or excuse for a delay in the performance of a Required Act will be granted for rain, snow, wind, cold temperatures, flood, or other natural phenomena of normal intensity for the locality where the Premises are located.

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

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

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

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

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

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

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

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

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

35. **E-Verify Requirements.** To the extent applicable under A.R.S. § 41-4401, Consultant and its subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees, and compliance with the E-Verify requirements under A.R.S. §23-214(A). Consultant's or its subcontractors' failure to comply with such warranty shall be deemed a material breach of this Contract and may result in the termination of this Contract by PMGAA. PMGAA shall have the right to inspect the papers of Consultant's and any of Consultant's subcontractor's employee who works on this Contract to ensure the Consultant is complying with this paragraph.

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

Board Action Item

Re: Resolution 22-44

To:	**Board of Directors**
From:	**R. J. Draper, P.E., LEED AP, CM Engineering & Facilities Director**
Through:	**Scott Brownlee, Deputy Director/COO** **J. Brian O'Neill, A.A.E., Executive Director/CEO**
Subject:	**Center Runway 12C/30C Reconstruction – Construction Phase Services – Dibble Engineering**
Date:	**July 19, 2022**

Proposed Motion

To approve an Authorization of Services with Dibble Engineering for Construction Phase Services for the Center Runway 12C/30C Reconstruction Project in an amount not to exceed $703,719 under CIP 1202.

Narrative

Due to the continued commercial aircraft usage and the age of the pavement, the Center Runway 12C/30C pavement is deteriorated and has been recommended for major reconstruction. The Center Runway 12C/30C Reconstruction Project consists of the reconstruction of the first 1000ft of RWY 12C, (FAA BIL funding) and 2500ft of RWY 30C beginning 1000' from the threshold, (FAA entitlement and discretionary funding).

Dibble Engineering will provide construction phase services that include Construction Management and Administration, conduct a Preconstruction Conference, prepare a Construction Management Plan, conduct site visits, facilitate weekly construction meetings, review Certified Payrolls, complete FAA Reports, review and track project quantities, coordinate and review Change Orders, Material Shop Drawing Review and Coordination, RFI and ESI Review Coordination, DBE Compliance, QA Testing Coordination/Review, Substantial Completion Inspection, Punchlist Coordination and Post Construction Services.

In 2019, a Request for Qualifications, 2020-007-RFQ for On-Call Engineering Services was issued. Dibble Engineering was one of two firms selected as the most qualified. In accordance with the terms of our agreement, C-2020007-B, Dibble Engineering worked with Airport staff to refine a Scope of Work for Engineering Construction Phase Services for the Center RWY 12C/30C Reconstruction project. The cost for these services were negotiated based upon the contract fee schedule at a cost not-to-exceed $703,719.

Fiscal Impact

This project is included in the FY22 Capital Budget with a carryover to FY23 utilizing FAA, ADOT and PMGAA Matching Grant Funds under CIP 1202.

Attachment(s): AOS, Proposal

RESOLUTION NO. 22-44

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

WHEREAS the Authority desires to approve an Authorization of Services with Dibble Engineering for Construction Phase Services for the Center Runway 12C/30C Reconstruction Project in an amount not to exceed $703,719 under CIP 1202.

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

> **The Board of Directors of the Authority hereby approves an Authorization of Services with Dibble Engineering for Construction Phase Services for the Center Runway 12C/30C Reconstruction Project in an amount not to exceed $703,719 under CIP 1202. 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 19th day of July, 2022.

Brigette Peterson, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

AUTHORIZATION OF SERVICES
Dibble, AOS 20B-2301

The signing of this Authorization (Agreement) by Phoenix-Mesa Gateway Airport Authority (PMGAA) and Dibble & Associates Consulting Engineers Inc., 7878 N. 16th Street, Ste 300, Phoenix, AZ 85202, ("Dibble"), authorizes Dibble to carry-out and complete the services described below in consideration of the mutual covenants set forth below:

1. **PROJECT**: RWY 12C-30C Reconstruction – Construction Phase Services under CIP 1202.

2. **SCOPE OF WORK**: Perform and provide Engineering Construction Phase Services for the Runway 12C-30C Reconstruction Project. All services are to be performed in accordance with PMGAA Agreement C-2020-007-B, including the Standard Terms, and the attached detailed scope of work. Services shall be coordinated with and approved by PMGAA Authorized Representative prior to start of work.

3. **FEE FOR SERVICES**: The fee for services shall be based upon the attached scope of work, not to exceed Seven hundred three thousand, seven hundred nineteen dollars and zero cents ($703,719), of funds without the express written approval of PMGAA.

4. **AVAILABILITY OF PROJECT FUNDING:** The approval and continuation of this contract is subject to the availability of funds provided to, made available to, or appropriated by PMGAA for this purpose. In the event that funds are not available or appropriated for PMGAA's payment requirements under this contract for the goods and/or services to be provided hereunder, PMGAA may terminate this contract by providing notice to the consultant of the lack of the availability of funds. The consultant acknowledges and agrees that one source of funding for this contract may be funds made available from the Federal Aviation Administration and/or Arizona Department of Transportation, and that this contract, its approval and continuation, may contingent on the availability of those funds being made to PMGAA.

5. **INCORPORATED:** The following documents are hereby incorporated with this Authorization of Services and made part thereof:

   ☑ PMGAA Agreement C-2020007-B dated December 17, 2019.

6. **ATTACHED:** The following documents are attached to this Agreement and are incorporated herein by this reference made part thereof:

☑ Updated Scope and Fee Proposal dated June 28, 2022.

PMGAA and Dibble acknowledge that they are in agreement with the terms and conditions as set forth in this Authorization.

APPROVED FOR PMGAA:

By:_____

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

Title: Executive Director/CEO

Date:_____

ACCEPTED FOR Dibble:

By: Kenneth L. Snyder

Print: Kenneth L. Snyder, P.E.

Title: Vice President

Date: 06.28.22

7878 North 16th Street
Suite 300
Phoenix, Arizona 85020
P 602.957.1155
F 602.957.2838
www.dibblecorp.com

June 28, 2022 *(revision 2)*

Phoenix-Mesa Gateway Airport
5835 South Sossaman Road
Mesa, Arizona 85212

Attention: Mr. Bob Draper, P.E., LEED-AP, C.M.
Engineering & Facilities Director

RE: ENGINEERING SERVICES PROPOSAL
PMGAA Contract No: C-2020007-B
PMGAA Project No: 1202
Authorization of Services No: 20B-*TBD*
RW 12C-30C Reconstruction – Construction Phase Services

We sincerely appreciate the opportunity to provide construction phase services for the *RW 12C-30C Reconstruction* project at the Phoenix-Mesa Gateway Airport. Dibble in conjunction with their subconsultants will perform these services, per the attached Scope of Work, for the following Time-and-Material (T&M), Not-To-Exceed (NTE) fees:

1. **CM&A for Base Bid (Schedule I)**:

1.	Dibble Engineering	Construction Management and Admin	$236,751.00
2.	Dibble CM	Construction Inspection	$135,908.00
3.	CR Engineers (DBE)	Electrical Inspection	$7,341.00
4.	ACS Services (DBE)	QA Testing	$42,388.00
5.	SWCA	Archaeological Monitoring	$34,226.00
		Base Bid Subtotal	**$456,614.00**

***DBE participation (CR and ACS) of 10.9%**

2. **CM&A for Add Alt No. 1 (Schedule II)**:

1.	Dibble Engineering	Construction Management and Admin	$124,818.00
2.	Dibble CM	Construction Inspection	$90,170.00
3.	CR Engineers (DBE)	Electrical Inspection	$9,211.00
4.	ACS Services (DBE)	QA Testing	$22,906.00
		Combined Subtotal	**$247,105.00**

***DBE participation (CR and ACS) of 13.0%**

Transmitted herewith is our proposed Scope of Work, Fee Summaries, Derivation of Fee Proposals, Estimated Manhours matrices, Estimated Allowance for Direct Costs (expenses), Construction Cost Estimates, Construction Phasing Exhibit, and PMGAA Historic Properties and Archaeological Map.

We are very grateful for this opportunity to work with the Phoenix-Mesa Gateway Airport on this important project. If you need additional information or have questions, please do not hesitate to contact us. We have also included full subconsultant proposals for your review.

Sincerely,

Dibble

Jared Bass, P.E.
Airport Development - Senior Project Manager
Vice President

Kenneth L. Snyder, P.E.
Airport Development - Principal
Vice President

Enclosures

SCOPE OF WORK
Runway 12C-30C Reconstruction
PMGAA Project No. 1202
Construction Phase Services

The following scope of work is provided for the construction phase services for the *Runway 12C-30C Reconstruction* project at the Phoenix-Mesa Gateway Airport (PMGAA or Airport). The Dibble Team key members consist of the following, (Dibble staff titles below are consistent with the classifications in the Manhour Matrix included with this proposal):

- Senior Project/Construction Manager (Dibble) — Peter Knudson, P.E.
- Senior Project Manager (Dibble) — Jared Bass, P.E.
- Construction Inspection (Dibble CM) — Peter Carpentieri
- Electrical Project Manager (CR Engineers) — Catherine Alcorn, P.E.
- Electrical Inspector (CR Engineers) — Shane Woodard
- Quality Assurance Testing – ACS Services
- Archeological Monitoring - SWCA

This proposal consists of comprehensive construction phase services as outlined herein, (reference *Overall Construction Phasing Plan* exhibit attached). As there are multiple bid schedules and separate grants, this proposal will be broken into two separate efforts:

- Base Bid (Schedule I) - Runway 30C, 120 Calendar Days
- Additive Alternate (Schedule II) - Runway 12C, 90 Calendar Days

1) <u>Pre-Construction and General Services (T&M)</u>:

a) <u>Construction Management and Administration</u>: provide as-needed and on-going project management, coordination, support, and administration necessary to monitor the Contractor's operations and deliverables over the course of the construction project. This item also includes all project communications and coordination with PMGAA.

b) <u>Preconstruction Conference</u>: Dibble will conduct the Pre-Construction Conference and provide support and/or coordination of the design documents as needed. Dibble will prepare and provide the meeting agenda and sign-in sheet, facilitate the meeting, and issue meeting minutes. The Dibble Team will be in attendance to provide technical support. The Dibble team key members will each provide a representative at this meeting, (i.e. Dibble, Dibble CM, CR Engineers, SWCA, and ACS).

c) <u>Construction Management Plan (CMP)</u>: prepare a CMP in accordance with the FAA Phoenix ADO standard requirements. At a minimum the CMP shall include: project scope of work and description, Engineer's roles and responsibilities, Contractor's responsibilities, Quality Assurance (QA) Testing Standards and frequency for each material, Quality Control (QC) Testing Standards and frequency for each material, and procedures to verify compliance. The standard requirements for the CMP are in accordance with Advisory Circular 150/5370-12B *Quality Management for Federally Funded Airport Construction Projects*. Dibble will anticipate at least one revision to the CMP.

The CMP shall be submitted to the FAA a minimum of 10 calendar days before the anticipated start of construction.

d) Preconstruction Submittal Reviews and Coordination: review project submittals required to be submitted prior to or at the Preconstruction Conference as identified within the contract documents but shall include at a minimum:
   - SWPPP
   - Contractor's Safety Plan Compliance Document
   - Overall Construction Schedule
   - 3-Week Look Ahead Construction Schedule
   - Material Submittal Schedule
   - Contractor's Emergency Contact Information
   - List of Proposed Construction Equipment
   - Barricade Plan
   - Traffic Control Plan
   - Letter of Survey Verification
   - DBE Data Collection Form

2) Construction Coordination and Inspection Services (T&M):

a) Site Visits and Observations: The Sr. Construction Manager will provide periodic observation, and the Inspectors (RPRs) will perform full-time construction inspection on the project as identified below. It is anticipated that one Inspector will be used during day-time operations. Daily inspection reports will be developed. Additionally, the Sr. Project Manager will make periodic project site visits to assist the Sr. Construction Manager over the course of the construction project.

   Base Bid (Schedule I) Daily Site Visits: 120 calendar days (17.14 working weeks), assuming contractor will work five days each week, 10-hour days.
   - Sr. Construction Manager (4 days/week, 2 hours each day): 137 hours
   - Construction Inspector (5 days/week, 10-hour days): 857 hours
   - Secondary Construction Inspector for Night-time Paving Operations: 100 hours
   - Sr. Project Manager (2 days every 3 weeks, 10 hours per visit): 114 hours

   Additive Alternate No. 1 (Schedule II) Daily Site Visits: 90 calendar days (12.9 working weeks), assuming contractor will work five days each week, 10-hour days.
   - Sr. Construction Manager (4 days/week, 2 hours each day): 103 hours
   - Construction Inspector (5 days/week, 8-hour days): 516 hours
   - Secondary Construction Inspector for Nighttime Paving Operations: 100 hours
   - Sr. Project Manager (2 days every 3 weeks, 10 hours per visit): 86 hours

b) Weekly Construction Meetings: Dibble will prepare the weekly construction meeting agendas, facilitate the meetings, and issue meeting minutes. The Sr. Construction Manager and Inspector will attend each weekly meeting.

   Base Bid (Schedule I) Weekly Meetings:
   - Sr. Construction Manager: 17 meetings
   - Sr. Project Manager: 7 meetings (in person), 10 meetings (virtual attendance)
   - Inspector: 16 meetings

Additive Alternate No. 1 (Schedule II) Weekly Meetings:

- Sr. Construction Manager: 13 meetings
- Sr. Project Manager: 5 meetings (in person), 8 meetings (virtual attendance)
- Inspector: 12 meetings

Weekly Certified Payroll and Davis Bacon Review: PMGAA will have the LCP Tracking system for use to manage all Certified Payrolls. Dibble will assist with the review of the Certified Payrolls of the Prime Contract and their subcontractors through this system. Dibble will also assist the contractor in obtaining federally-approved rates that may not be included in the Wage Determinations.

c) Contractor Employee Interviews: the Construction Inspector will perform these interviews in accordance with FAA requirements for Labor Standards compliance verification, on a regular basis.

d) Weekly FAA Reports (5370-1): develop the weekly FAA 5370-1 *Construction Progress and Inspection Reports* and submit to the FAA.

e) Weekly Quantity Calculations: continuously monitor and track the construction material quantities throughout the course of the construction phase and provide weekly review summaries to PMGAA and FAA. The Construction Inspector will assist with the tracking of quantities during the full-time inspection services. Quantities will be coordinated with the contractor and discrepancies will be resolved prior to the Contractor submitting periodic pay applications.

f) Monthly Payment Application Coordination and Review: regularly review and track project quantities in the field and on the Contractor's As-Builts. Coordinate these inspected quantities with the contractor and coordinate prior to the submittal of monthly payment applications. Review the Contractor's on-site redline as-builts prior to their submittal of each monthly payment application.

g) Change Order Review and Coordination: coordinate and review Contractor Change Order Requests (COR) that occur from unforeseen items that impact construction. This item will include verification of project design elements and quantities as impacted by unforeseen items. A complete cost analysis will be prepared (as needed) for each change order that may occur.

- The estimated number of Change Orders for Base Bid (Schedule I): 1
- The estimated number of Change Orders for Add Alt No. 1 (Schedule II): 1

h) Material Shop Drawing Review and Coordination: review and provide a response to construction material and general project submittals. The majority of the material submittal review process will take place during the Base Bid (Schedule I) project. A few additional material submittals are anticipated on the Additive Alternate No. 1 (Schedule II) project.

- The estimated number of Material Submittals for Base Bid (Schedule I): 50
- The estimated number of Material Submittals for Add Alt No. 1 (Schedule II): 10

i) RFI Review and Coordination: coordinate, review and provide a response to construction and general project Requests for Information (RFI).

- The estimated number RFI's for Base Bid (Schedule I): 8
- The estimated number of RFI's for Add Alt No. 1 (Schedule II): 4

j) ESI Review and Coordination: coordinate, review and develop necessary Engineer's Supplemental Information (ESI) documents, additional details, or sketches as clarification to the construction specifications and/or plans**.**
   - The estimated number of ESI's for Base Bid (Schedule I): 2
   - The estimated number of ESI's for Add Alt No. 1 (Schedule II): 1

k) DBE Compliance and Coordination: coordinate and review all DBE efforts and documentations required for this project to be compliant with the Contract Documents.

l) Quality Assurance (QA) Testing Coordination and Review: coordinate and review QA actions including scheduling of testing activities, reporting, review of results, and recommendations. The construction Inspector shall assist in the coordination and management of the QA services.

m) Substantial Completion Inspection: conduct the Substantial Completion Walk required before the opening the phase. The Construction Inspector shall also attend this inspection.

n) Punchlist(s) and Coordination(s): prepare, submit, and update the punchlist as items are resolved.

3) Post Construction Services (Lump Sum):

a) QA Testing Summary Report: prepare a final report that collects and summarizes the quality assurance testing and results that took place during the construction project. The report shall meet the FAA Phoenix ADO guidelines and requirements. The report shall include, at a minimum:
   - QA Testing Summary including narrative explaining how many tests were taken and if acceptable, all failing tests, and remedial actions taken
   - CMP Testing Frequency
   - Test Result summary of all FAA Specs (i.e. P-152, P-155, P-209, P-304, P-401, P-403, P-501, P-605, P-610, P-620, etc.)
   - Project Details
   - Inspector's Reports

b) Final Completion Inspection: conduct Final Completion walk for the construction project. The FAA, PMGAA, Construction Manager, and Construction Inspector shall all attend.

c) Final Construction Report and Coordination with FAA: coordinate, prepare, and submit the Final Construction Report in accordance with the FAA Phoenix ADO guidelines and requirements. The report shall include, at a minimum:

   - Summary of Project (detailed chronological explanation of project progression including all critical dates)
   - Summary of Change Orders including the Final Quantity Adjustment
   - Summary of contract time, delay days, completion time, and Liquidated Damages if any
   - Summary of Testing Reports (QA and QC)
   - Project Fee Breakout (actual total cost for administrative expenses and construction cost as well as the fee. Also details the quantity variations and explanation and justification)
   - Record Drawings
   - DBE Summary

- Federal Labor Summary
- Before and After Construction Photos

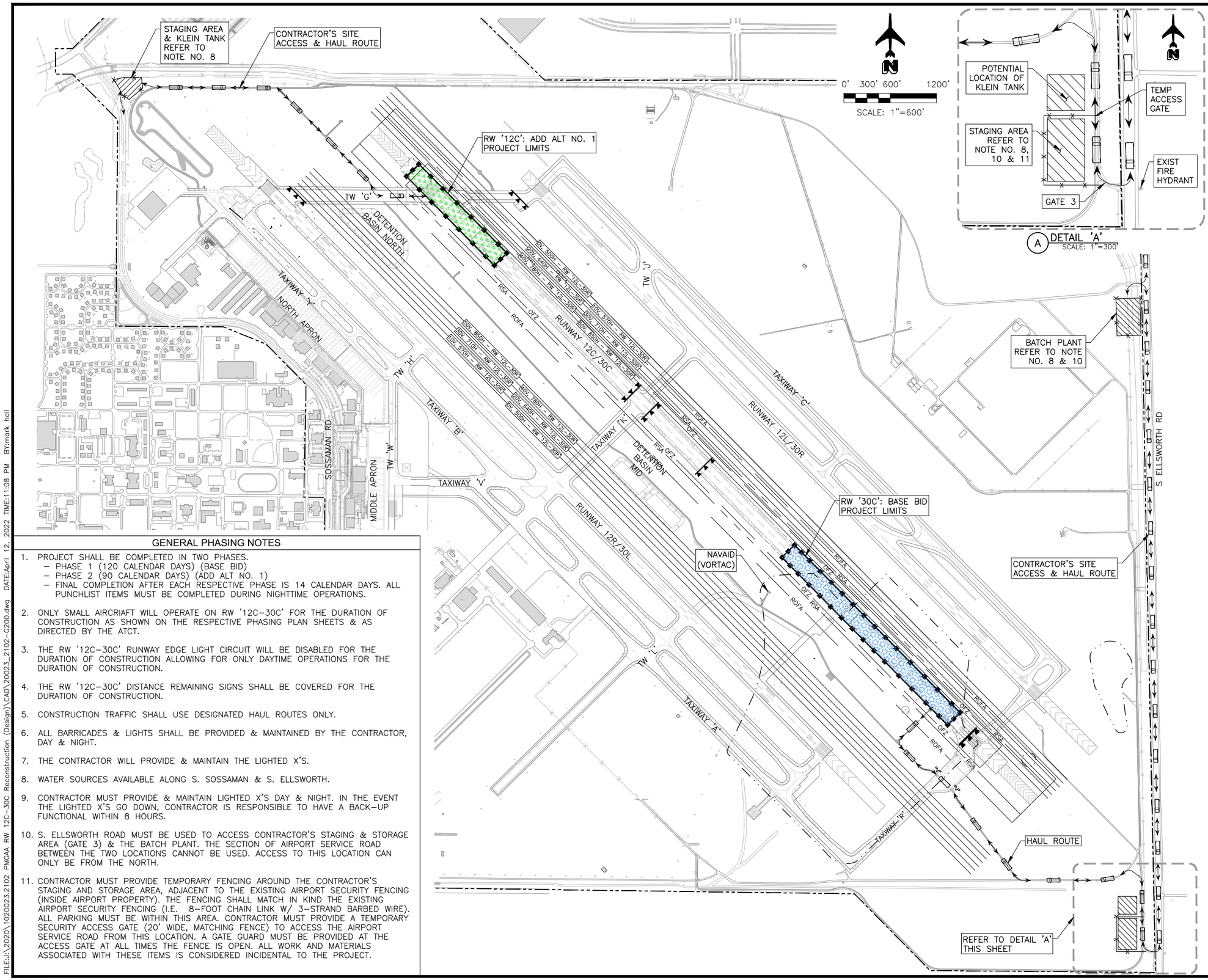
d) Record Drawings: develop and submit Final Record Drawings based on Contractor redlines and field changes issued during construction, including RFI's/ESI's, (estimated to be approx. 112 sheets with additional notes and ESI's that occur during construction).

e) Final Payment Application: coordinate the final inspected quantities with the Contractor and coordinate prior to the submittal of final payment applications.

4) Exclusions:

a) Contractor's jobsite safety and compliance with all OSHA requirements are excluded (Contractor's responsibility).

b) Construction staking and/or layout services.



GENERAL PHASING NOTES

1. PROJECT SHALL BE COMPLETED IN TWO PHASES.
   - PHASE 1 (120 CALENDAR DAYS) (BASE BID)
   - PHASE 2 (90 CALENDAR DAYS) (ADD ALT NO. 1)
   - FINAL COMPLETION AFTER EACH RESPECTIVE PHASE IS 14 CALENDAR DAYS. ALL PUNCHLIST ITEMS MUST BE COMPLETED DURING NIGHTTIME OPERATIONS.
2. ONLY SMALL AIRCRIAFT WILL OPERATE ON RW '12C–30C' FOR THE DURATION OF CONSTRUCTION AS SHOWN ON THE RESPECTIVE PHASING PLAN SHEETS & AS DIRECTED BY THE ATCT.
3. THE RW '12C–30C' RUNWAY EDGE LIGHT CIRCUIT WILL BE DISABLED FOR THE DURATION OF CONSTRUCTION ALLOWING FOR ONLY DAYTIME OPERATIONS FOR THE DURATION OF CONSTRUCTION.
4. THE RW '12C–30C' DISTANCE REMAINING SIGNS SHALL BE COVERED FOR THE DURATION OF CONSTRUCTION.
5. CONSTRUCTION TRAFFIC SHALL USE DESIGNATED HAUL ROUTES ONLY.
6. ALL BARRICADES & LIGHTS SHALL BE PROVIDED & MAINTAINED BY THE CONTRACTOR, DAY & NIGHT.
7. THE CONTRACTOR WILL PROVIDE & MAINTAIN THE LIGHTED X'S.
8. WATER SOURCES AVAILABLE ALONG S. SOSSAMAN & S. ELLSWORTH.
9. CONTRACTOR MUST PROVIDE & MAINTAIN LIGHTED X'S DAY & NIGHT. IN THE EVENT THE LIGHTED X'S GO DOWN, CONTRACTOR IS RESPONSIBLE TO HAVE A BACK–UP FUNCTIONAL WITHIN 8 HOURS.
10. S. ELLSWORTH ROAD MUST BE USED TO ACCESS CONTRACTOR'S STAGING & STORAGE AREA (GATE 3) & THE BATCH PLANT. THE SECTION OF AIRPORT SERVICE ROAD BETWEEN THE TWO LOCATIONS CANNOT BE USED. ACCESS TO THIS LOCATION CAN ONLY BE FROM THE NORTH.
11. CONTRACTOR MUST PROVIDE TEMPORARY FENCING AROUND THE CONTRACTOR'S STAGING AND STORAGE AREA, ADJACENT TO THE EXISTING AIRPORT SECURITY FENCING (INSIDE AIRPORT PROPERTY). THE FENCING SHALL MATCH IN KIND THE EXISTING AIRPORT SECURITY FENCING (I.E. 8–FOOT CHAIN LINK W/ 3–STRAND BARBED WIRE). ALL PARKING MUST BE WITHIN THIS AREA. CONTRACTOR MUST PROVIDE A TEMPORARY SECURITY ACCESS GATE (20' WIDE, MATCHING FENCE) TO ACCESS THE AIRPORT SERVICE ROAD FROM THIS LOCATION. A GATE GUARD MUST BE PROVIDED AT THE ACCESS GATE AT ALL TIMES THE FENCE IS OPEN. ALL WORK AND MATERIALS ASSOCIATED WITH THESE ITEMS IS CONSIDERED INCIDENTAL TO THE PROJECT.

AIRPORT CRITICAL AREAS

	RSA	ROFA	ROFZ
RUNWAY '12L–30R'	500'	800'	400'
RUNWAY '12C–30C'	500'	800'	400'
RUNWAY '12R–30L'	500'	800'	400'

	TSA	TOFA
TAXIWAY 'G'	214'	320'
TAXIWAY 'P'	214'	320'
TAXIWAY 'K'	214'	320'

LEGEND

- PHASE I – PROJECT AREA (BASE BID – SCHEDULE I) – 120 CALENDAR DAYS
- PHASE II – PROJECT AREA (ADD ALT – SCHEDULE II) – 90 CALENDAR DAYS
- CONTRACTOR'S HAUL ROUTE
- CONTRACTOR'S STAGING & STORAGE AREA
- LOW–PROFILE BARRICADES 10' OC DET 1, SHT G2.1
- VERTICAL PANEL BARRICADES PER MUTCD @ 100' OC W/OMNIDIRECTIONAL RED LIGHTS
- WILL E. COYOTE AZ U:10:127 (ASM) ARCHAEOLOGICAL SITE

30V, 710H – RW '12L–30R'

THE 14 CFR PART 77 SAFE, EFFICIENT USE, AND PRESERVATION OF NAVIGABLE AIRSPACE ESTABLISHES SEVERAL IMAGINARY SURFACES THAT ARE USED AS A GUIDE TO PROVIDE A SAFE AND UNOBSTRUCTED OPERATING ENVIRONMENT FOR AVIATION. THE CFR PART 77 CONTOURS SHOWN ARE FOR INFORMATION PURPOSES ONLY AND DEPICT THE MAXIMUM ALLOWABLE VERTICAL HEIGHT (IN FEET, LABEL V) OF CONSTRUCTION EQUIPMENT ABOVE THE RUNWAY CENTERLINE ELEVATION. THE CONTRACTOR'S EQUIPMENT SHALL REMAIN BELOW ALL CFR PART 77 SURFACES AT ALL TIMES, UNLESS APPROVED OTHERWISE BY ENGINEER.

REV	DATE	DESCRIPTION

DIBBLE

Registered Professional Engineer (Civil) CERTIFICATE NO. 53003 M. JARED BASS Date Signed 04/13/22 ARIZONA, U.S.A.

DATE:	04/13/22
DESIGNED BY:	CMR
DRAWN BY:	DSO,JS,MJH
REVIEWED BY:	MJB/KLS
FILE NAME:	20023_2102-G200

Phoenix-Mesa Gateway Airport

RUNWAY '12C-30C' RECONSTRUCTION

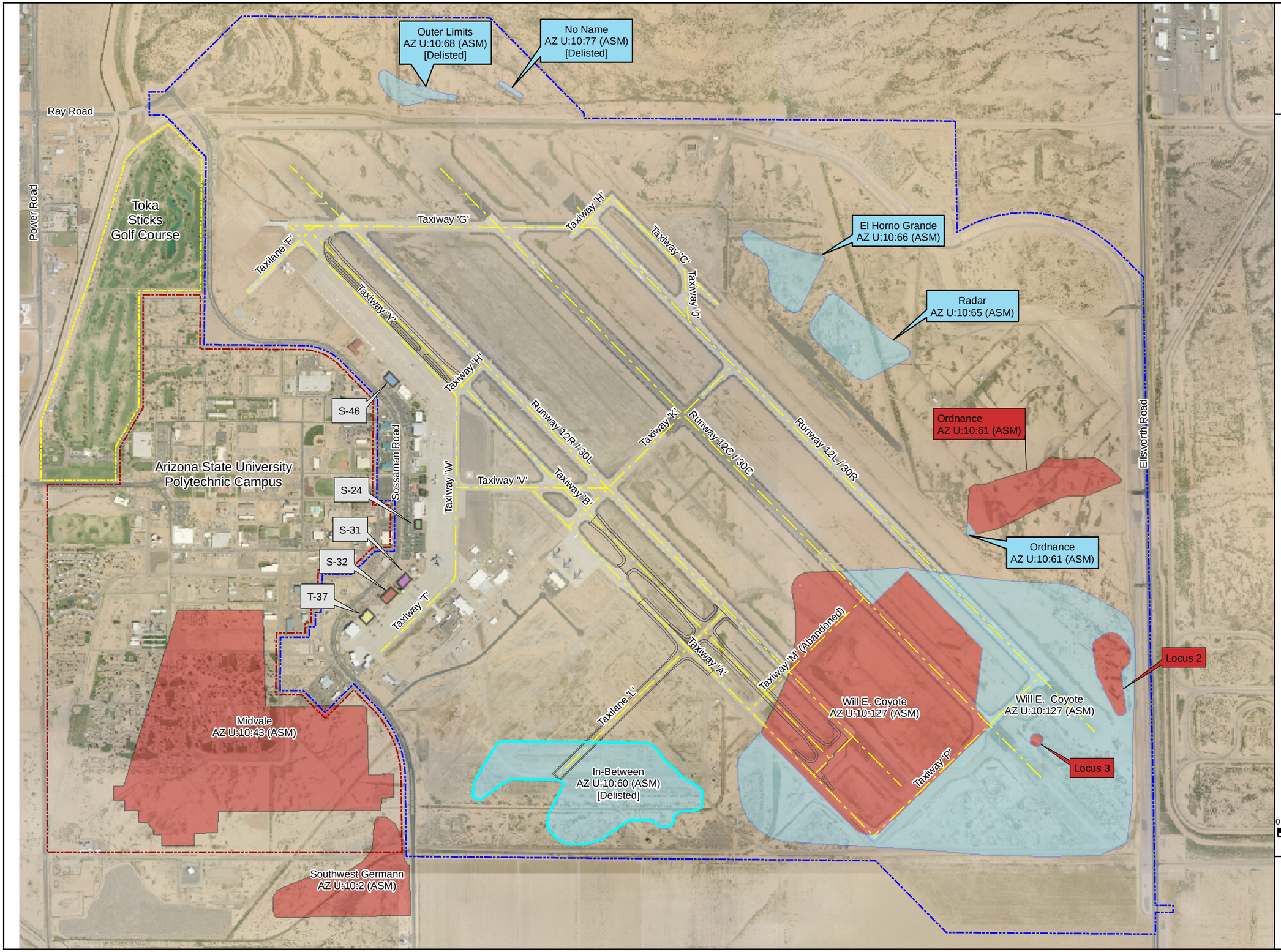
OVERALL SITE ACCESS, PHASING & DETOUR PLAN

G2.0

SHEET NO. 7 OF 72

Call at least two full working days before you begin excavation. ARIZONA 811

FILE:J:\2020\1020023.2102 PMGAA RW 12C–30C Reconstruction (Design)\CAD\20023_2102–G200.dwg DATE:April 12, 2022 TIME:11:08 PM BY:mark hall



PhxMesa Gateway Airport

Legend

Boundary

- Arizona State University Polytechnic
- Gila River Indian Community
- Phoenix-Mesa Gateway Airport

Historic Property

- Archaeological Site
- Testing or Data Recovery Complete

World War II Hangars

- S-46
- S-24
- S-31
- S-32
- T-37

This exhibit is the property of Phoenix-Mesa Gateway Airport.

0 0.125 0.25 0.5 Miles

Phoenix-Mesa Gateway Airport
Historic Properties
and Archaeological Sites

November 2008

Firm: Dibble
On-Call Engineering
Project: **Runway 12C-30C Reconstruction**
Construction Phase Services

Date: 06/28/22

Contract Number: C-2020007-B
PMGAA Project Number: 1202
Task Number: TBD
Amendment Number: N/A
FAA Number: 3-04-0078-TBD-2022
ADOT Number: TBD

Fee Summary

		Fee	Type	Dibble	Dibble CM	Subconsultants
A. Construction Phase Services - Base Bid (Schedule I)						
1	Construction Management and Administration (Dibble)	$236,751	T&M	$236,751		
2	Inspection and Observations (Dibble CM)	$135,908	T&M		$135,908	
3	Electrical Design Support Services (CR)(DBE)	$7,341	T&M			$7,341
4	Quality Assurance Testing (ACS)(DBE)	$42,388	T&M			$42,388
5	Archaeological Monitoring (SWCA)	$34,226	T&M			$34,226
Base Bid (Schedule I) Subtotal		***$456,614***		***$236,751***	***$135,908***	***$83,955***

Subtotal DBE Participation (Base Bid %): 10.9%

		Fee	Type	Dibble	Dibble CM	Subconsultants
B. Construction Phase Services - Add Alt No. 1 (Schedule II)						
1	Construction Management and Administration (Dibble)	$124,818	T&M	$124,818		
2	Inspection and Observations (Dibble CM)	$90,170	T&M		$90,170	
3	Electrical Design Support Services (CR)(DBE)	$9,211	T&M			$9,211
4	Quality Assurance Testing (ACS)(DBE)	$22,906	T&M			$22,906
Add Alt No. 1 (Schedule II) Subtotal		***$247,105***		***$124,818***	***$90,170***	***$32,117***

Subtotal DBE Participation (Add Alt No. 1 %): 13.0%

Firm:	Dibble	Contract Number:	C-2020007-B
	On-Call Engineering	PMGAA Project Number:	1202
PROJECT:	**Runway 12C-30C Reconstruction**	Task Number:	TBD
	Construction Phase Services	Amendment Number:	N/A
	Base Bid (Schedule I)	FAA Number:	3-04-0078-TBD-2022
DATE:	6/28/2022	ADOT Number:	TBD

DERIVATION OF FEE PROPOSAL SUMMARY - BASE BID

BASIC FEE - BASE BID

	Classification		Manhours	Direct Labor Rate	Labor Costs	Extended Costs
1	Project Principal	(Ken Snyder)	24	$88.36	$2,120.64	$6,748.51
2	Sr. Project Manager	(Jared Bass)	288	$70.50	$20,304.00	$64,613.42
3	Sr. Constr Manager	(Peter Knudson)	477	$70.50	$33,628.50	$107,015.98
4	Project Manager		0	$56.89	$0.00	$0.00
5	Sr. Engineer		0	$57.60	$0.00	$0.00
6	Project Engineer		0	$45.05	$0.00	$0.00
7	Sr. Designer	(Darin Oakeley)	120	$40.37	$4,844.40	$15,416.33
8	Assist Project Engineer	(Jim Hodge)	384	$31.77	$12,199.68	$38,823.04
9	Land Survey Manager		0	$49.88	$0.00	$0.00
10	Survey Crew		0	$64.70	$0.00	$0.00
11	Sr. Survey Tech		0	$42.63	$0.00	$0.00
12	Admin Assistant		0	$31.01	$0.00	$0.00
	Total		1293 hrs			

a. Total Labor			$73,097.22
b. Overhead at	189%		$138,373.04
c. Subtotal Labor + Overhead			$211,470.26
d. Net Fee	10%	of c.	$21,147.03
e. Total Basic Fee (c + d) (rounded)			***$232,618.00***

ALLOWANCE FOR DIRECT COSTS - BASE BID

(Listed by Item at Actual Cost - NO MARKUP)

	Item		Cost	
1	Travel (Dibble)	$	2,187.90	T&M
2	Printing	$	1,945.00	T&M

f. Sub-Total Allowances for Direct Costs ***$4,132.90***

ALLOWANCE FOR ADDITIONAL COSTS, OUTSIDE SERVICES & SUBCONSULTANTS

(Listed by Item at Actual Cost - NO MARKUP)

	Firm		Cost	Method of Compensation
1	Inspection and Observations (Dibble CM)	$	135,908.00	T&M
2	Electrical Design Support Services (CR)(DBE)	$	7,341.00	T&M
3	Quality Assurance Testing (ACS)(DBE)	$	42,388.00	T&M
4	Archaeological Monitoring (SWCA)	$	34,226.00	T&M

g. Sub-Total Allowance for Add'l Costs: ***$219,863.00***

TOTAL FEE - BASE BID

h. Total Estimated Cost to Consultant....(e. + f. + g.) (rounded) ***$456,614.00***

DIBBLE

Firm:	Dibble	Contract Number:	C-2020007-B
	On-Call Engineering	PMGAA Project Number:	1202
PROJECT:	**Runway 12C-30C Reconstruction**	Task Number:	TBD
	Construction Phase Services	Amendment Number:	N/A
	Base Bid (Schedule I)	FAA Number:	3-04-0078-TBD-2022
DATE:	6/28/2022	ADOT Number:	TBD

ESTIMATED MANHOURS - BASE BID

TASK	PROJECT PRINCIPAL	SENIOR PM (Jared Bass)	SENIOR PM (Peter Knudson)	PROJECT MANAGER	SENIOR ENGINEER	PROJECT ENGINEER	SENIOR DESIGNER	ASSISTANT PROJECT ENGINEER	LAND SURVEY MANAGER	SURVEY CREW	SENIOR SURVEY TECH	ADMIN ASSISTANT	TOTAL HOURS
1 PRECONSTRUCTION AND GENERAL													
1a Construction Management and Administration	8	68	34										110
1b Pre-Construction Conference			2										2
1c Construction Management Plan			8					12					20
1d Pre-Con Submittal Reviews and Coordination			18					12					30
2 CONSTRUCTION COORDINATION & INSPECTION													
2a Site Visits and Observations		114	137										251
2b Weekly Construction Meetings			36					36					72
2c Weekly Certified Payroll and Davis Bacon Review			36					18					54
2d Contractor Employee Interviews			8										8
2e Weekly FAA Reports (5370-1)		4	8					16					28
2f Weekly Quantity Calculations		4	16					16					36
2g Monthly Payment Application Coordiantion and Review		2	8					8					18
2h Change Order Review and Coordination		2	12				16	12					42
2i Material Shop Drawing Review and Coordination		12	24					54					90
2j RFI Review and Coordination		8	12					8					28
2k ESI Review and Coordination		8	12				24	24					68
2l Quality Assurance (QA) Testing Coordination and Review		8	16					8					32
2m Substantial Completion Inspection		2	2										4
2n Punchlist(s) and Coodination(s)		2	6					8					16
3 POST CONSTRUCTION SERVICES													
3a QA Testing Summary Report		12	24					36					72
3b Final Completion Inspection		2	2										4
3c Final Construction Report and Coordination with FAA	8	12	24					48					92
3d Record Drawings	8	24	24				80	60					196
3e Final Payment Application		4	8					8					20
TOTALS	24	288	477	0	0	0	120	384	0	0	0	0	1,293

Firm:	Dibble	Contract Number:	C-2020007-B
	On-Call Engineering	Project Number:	1202
Project:	**Runway 12C-30C Reconstruction**	Task Number:	TBD
	Construction Phase Services	Amendment Number:	N/A
	Base Bid (Schedule I)	FAA Number:	3-04-0078-TBD-2022
Date:	6/28/2022	CDOT Number:	TBD

CONSTRUCTION COORDINATION AND INSPECTION SERVICES DIRECT COSTS - BASE BID

1. Lodging			**CURRENT ADOT/FAA RATE**		
a.	0 Trips (Construction Manager)	0 nights/trip	$133.00	/Day	$0
b.	0 Trips (Sr. PM)	0 nights/trip	$133.00	/Day	$0
2. Travel					
a.	0 Trips (Construction Manager)	1	$0.00	/Flight	$0
b.	0 Trips (Sr. PM)	1	$0.00	/Flight	$0
c.	0 Rental Car Days		$0.00	/Day	$0
d.	34 Trips	110 miles/trip	$0.585	/mile	$2,188
3. Meals					
a.	0 Days (Construction Manager)	1 Staff	$56.00	/Day	$0.00
b.	0 Days (Sr. PM)	1 Staff	$56.00	/Day	$0.00

4. Printing

a.	1	Submittals of (2 Copies Full-Size Bond Plans)	50 sheets =	50 Sheets @	$6.00	/sheet	$600.00
b.	1	Submittals (5 Copies Scaled 1/2-Size Plans)	50 sheets =	50 Sheets @	$0.50	/sheet	$125.00
c.	1	Plotting	50 sheets =	50 Sheets @	$2.00	/sheet	$200.00
d.	1	Submittals for Final Constr Report (2 copies @ 550 pages each)	@	850 Sheets @ (double-sided)	$0.60	/sheet	$1,020.00

CONSTRUCTION PHASE TOTAL **$4,133**

Firm:	Dibble	Contract Number:	C-2020007-B
	On-Call Engineering	PMGAA Project Number:	1202
PROJECT:	**Runway 12C-30C Reconstruction**	Task Number:	TBD
	Construction Phase Services	Amendment Number:	N/A
	Add Alt No. 1 (Schedule II)	FAA Number:	3-04-0078-TBD-2022
DATE:	6/28/2022	ADOT Number:	TBD

DERIVATION OF FEE PROPOSAL SUMMARY - ADD ALT No. 1

BASIC FEE - ADD ALT No. 1

	Classification		Manhours	Direct Labor Rate	Labor Costs	Extended Costs
1	Project Principal	(Ken Snyder)	0	$88.36	$0.00	$0.00
2	Sr. Project Manager	(Jared Bass)	154	$70.50	$10,857.00	$34,550.23
3	Sr. Constr Manager	(Peter Knudson)	261	$70.50	$18,400.50	$58,555.91
4	Project Manager		0	$56.89	$0.00	$0.00
5	Sr. Engineer		0	$57.60	$0.00	$0.00
6	Project Engineer		0	$45.05	$0.00	$0.00
7	Sr. Designer	(Darin Oakeley)	66	$40.37	$2,664.42	$8,478.98
8	Assist Project Engineer	(Jim Hodge)	194	$31.77	$6,163.38	$19,613.72
9	Land Survey Manager		0	$49.88	$0.00	$0.00
10	Survey Crew		0	$64.70	$0.00	$0.00
11	Sr. Survey Tech		0	$42.63	$0.00	$0.00
12	Admin Assistant		0	$31.01	$0.00	$0.00
	Total		675 hrs			

a. Total Labor			$38,085.30
b. Overhead at	189%		$72,095.47
c. Subtotal Labor + Overhead			$110,180.77
d. Net Fee	10%	of c.	$11,018.08
e. Total Basic Fee (c + d) (rounded)			***$121,199.00***

ALLOWANCE FOR DIRECT COSTS - ADD ALT No. 1

(Listed by Item at Actual Cost - NO MARKUP)

	Item		Cost	
1	Travel (Dibble)	$	1,673.10	T&M
2	Printing	$	1,945.00	T&M

f. Sub-Total Allowances for Direct Costs ***$3,618.10***

ALLOWANCE FOR ADDITIONAL COSTS, OUTSIDE SERVICES & SUBCONSULTANTS

(Listed by Item at Actual Cost - NO MARKUP)

	Firm		Cost	Method of Compensation
1	Inspection and Observations (Dibble CM)	$	90,170.00	T&M
2	Electrical Design Support Services (CR)(DBE)	$	9,211.00	T&M
3	Quality Assurance Testing (ACS)(DBE)	$	22,906.00	T&M

g. Sub-Total Allowance for Add'l Costs: ***$122,287.00***

TOTAL FEE - ADD ALT No. 1

h. Total Estimated Cost to Consultant....(e. + f. + g.) (rounded) ***$247,105.00***

DIBBLE

Firm:	Dibble	Contract Number:	C-2020007-B
	On-Call Engineering	PMGAA Project Number:	1202
PROJECT:	**Runway 12C-30C Reconstruction**	Task Number:	TBD
	Construction Phase Services	Amendment Number:	N/A
	Add Alt No. 1 (Schedule II)	FAA Number:	3-04-0078-TBD-2022
DATE:	6/28/2022	ADOT Number:	TBD

ESTIMATED MANHOURS - ADD ALT No. 1

TASK	PROJECT PRINCIPAL	SENIOR PM (Jared Bass)	SENIOR PM (Peter Knudson)	PROJECT MANAGER	SENIOR ENGINEER	PROJECT ENGINEER	SENIOR DESIGNER	ASSISTANT PROJECT ENGINEER	LAND SURVEY MANAGER	SURVEY CREW	SENIOR SURVEY TECH	ADMIN ASSISTANT	TOTAL HOURS
1 PRECONSTRUCTION AND GENERAL													
1a Construction Management and Administration		34	16										50
1b Pre-Construction Conference													0
1c Construction Management Plan													0
1d Pre-Con Submittal Reviews and Coordination													0
2 CONSTRUCTION COORDINATION & INSPECTION													
2a Site Visits and Observations		86	103										189
2b Weekly Construction Meetings			26					26					52
2c Weekly Certified Payroll and Davis Bacon Review			26					26					52
2d Contractor Employee Interviews			6										6
2e Weekly FAA Reports (5370-1)		4	6					12					22
2f Weekly Quantity Calculations		4	6					12					22
2g Monthly Payment Application Coordiantion and Review		2	6					6					14
2h Change Order Review and Coordination		4	6				6	6					22
2i Material Shop Drawing Review and Coordination		2	6					12					20
2j RFI Review and Coordination		2	6					8					16
2k ESI Review and Coordination		2	6				12	12					32
2l Quality Assurance (QA) Testing Coordination and Review		2	12					8					22
2m Substantial Completion Inspection		2	2										4
2n Punchlist(s) and Coodination(s)		2	6					4					12
3 POST CONSTRUCTION SERVICES													
3a QA Testing Summary Report		2	4					4					10
3b Final Completion Inspection			2										2
3c Final Construction Report and Coordination with FAA		2	6					8					16
3d Record Drawings		2	8				48	48					106
3e Final Payment Application		2	2					2					6
TOTALS	0	154	261	0	0	0	66	194	0	0	0	0	675

Firm:	Dibble	Contract Number:	C-2020007-B
	On-Call Engineering	Project Number:	1202
Project:	**Runway 12C-30C Reconstruction**	Task Number:	TBD
	Construction Phase Services	Amendment Number:	N/A
	Add Alt No. 1 (Schedule II)	FAA Number:	3-04-0078-TBD-2022
Date:	6/28/2022	CDOT Number:	TBD

CONSTRUCTION COORDINATION AND INSPECTION SERVICES DIRECT COSTS - ADD ALT No. 1

1. Lodging			**CURRENT ADOT/FAA RATE**		
a.	0 Trips (Construction Manager)	0 nights/trip	$133.00	/Day	$0
b.	0 Trips (Sr. PM)	0 nights/trip	$133.00	/Day	$0
2. Travel					
a.	0 Trips (Construction Manager)	1	$0.00	/Flight	$0
b.	0 Trips (Sr. PM)	1	$0.00	/Flight	$0
c.	0 Rental Car Days		$0.00	/Day	$0
d.	26 Trips	110 miles/trip	$0.585	/mile	$1,673
3. Meals					
a.	0 Days (Construction Manager)	1 Staff	$56.00	/Day	$0.00
b.	0 Days (Sr. PM)	1 Staff	$56.00	/Day	$0.00
4. Printing					
a.	1 Submittals of (2 Copies Full-Size Bond Plans)	50 sheets = 50 Sheets @	$6.00	/sheet	$600.00
b.	1 Submittals (5 Copies Scaled 1/2-Size Plans)	50 sheets = 50 Sheets @	$0.50	/sheet	$125.00
c.	1 Plotting	50 sheets = 50 Sheets @	$2.00	/sheet	$200.00
d.	1 Submittals for Final Constr Report (2 copies @ 550 pages each)	@ 850 Sheets @ (double-sided)	$0.60	/sheet	$1,020.00
			CONSTRUCTION PHASE TOTAL		**$3,618**

May 23, 2022

Dibble
7878 N. 16th Street, Ste. 300
Phoenix, AZ 85020

Attn: Mr. Jared Bass

Re: Phoenix Mesa Gateway Airport
Runway 30C – 12C Reconstruction
Proposal for Inspection Services-R1

Dear Mr. Bass

Dibble CM is pleased to provide this proposal for inspection services for this project as described below:

Construction Inspection Services

1. Furnish one qualified field technician daily for the purposes of providing construction inspection and surveillance of the contractor's work during normal scheduled construction operations. Prepare a written daily report of activities and observations. A separate subtotal is shown for coverage of night inspections.
2. Maintain files and documentation of information related to the project including field correspondence, inspection reports, test reports, and project photos.
3. Verify and document quantities of work completed daily.
4. Monitor the progress of construction in relation to the current project schedule. Analyze the contractor's 3-week schedule updates to confirm conformance with the overall schedule. Review schedule recovery plans and revised schedules when needed. Review and provide comments to schedule updates submitted by the Contractor.
5. Review contractor's red-lined as-built drawings to verify accuracy with actual field conditions and completed improvements.
6. Review monthly contractor's pay requests and provide comments to the Engineer.
7. Provide field coordination of Quality Assurance material testing, review test results, and notify the Engineer and contractor of deficiencies in the work when necessary.

Project Close-Out Services

Dibble CM will provide the following services:

1. Schedule and conduct a pre-final walk-through with the Contractor and Engineer and prepare a punch list for the Contractor's use prior to the final project walk-through.
2. Conduct a final project walk-through with the Contractor, Engineer, and Owner when appropriate.
3. Review Contractor request for final payment, verify final quantities, and make recommendation to the Engineer Owner for final payment.
4. Review Contractor final red line drawings for overall accuracy with respect to project conditions and completed improvements.

Proposed Fee Schedule

Summary of proposed fees are below. Detailed breakout is on Exhibit "A", attached:

Fee Summary	Base Bid	Add Alt. No. 1
Regular Hours	$ 89,515.80	$ 67,300.20
Scheduled Overtime	$ 33,323.40	$ 9,801.00
Night Work	$ 13,068.00	$ 13,068.00
Total Fee	**$ 135,907.20**	**$ 90,169.20**

Thank you for the opportunity to submit our inspection services proposal for this project.

Respectfully,

KC Brandon

KC Brandon
President
Dibble CM

Client: Dibble
Contact: Jared Bass
Project: Phoenix Mesa Gateway Airport
Runway 30C-12C Reconstruction

EXHIBIT "A"
Fee Proposal

	Contract Billing Rate	$ 130.68	$ 196.02	$ 130.68	$ 130.68	$ 196.02	$ 130.68
Task No.	Task	**Senior Inspector Base Bid**	**Sr Insp OT Base Bid**	**Sr Insp Night Work Base Bid**	**Sr Insp Add Alt. No. 1**	**Sr Insp OT Add Alt. No. 1**	**Sr Insp Night Work Add Alt. No. 1**
1	Construction Inspection Services	645	170	100	515	50	100
1.1	Construction Inspection						
1.2	Project documentation						
1.3	Quantity verification						
1.4	Schedule tracking						
1.5	As-built drawing review						
1.6	Pay application review						
1.7	Quality Assurance coordination						
2	Project Close Out Services	40					
2.1	Pre-final walk through and punch list						
2.2	Final walk through						
2.3	Final pay application review						
2.4	Review Contractor Red Line Drawings						
	Total Hours	685	170	100	515	50	100
	Total Fee Labor	**$ 89,515.80**	**$ 33,323.40**	**$ 13,068.00**	**$ 67,300.20**	**$ 9,801.00**	**$ 13,068.00**

Fee Summary	**Base Bid**	**Add Alt. No. 1**
Regular Hours	$ 89,515.80	$ 67,300.20
Scheduled Overtime	$ 33,323.40	$ 9,801.00
Night Work	$ 13,068.00	$ 13,068.00
Total Fee	**$ 135,907.20**	**$ 90,169.20**

- All services are provided as T & M Not-To-Exceed Total Proposal. You only pay for actual services received.
- Unit Prices are all-inclusive. No additional charges for mileage or other incidental expenses.
- Proposal is based on a maximum of 50 hours hours per week for daytime inspection services and 40 hours per week for night inspections.
- Proposal is based on 30 weeks from NTP to substantial completion for the overall project.
- Additional Inspection coverage that may be required due to delayed schedules will require a commensurate adjustment in fee.
- Overtime for weeks worked over 40 hours will be charged at 1.5 times the contract billing rate.

CR engineers

May 23, 2022

Dibble Engineering
2696 South Colorado Blvd., Suite 330
Denver, Colorado 80222

Attn.: Mr. Jared Bass, P.E.

Re: Project Name: PMGAA Runway 12C-30C Reconstruction
Revised Proposal for Electrical Construction Administration Services
CRE Proposal No. 21037SDC

Dear Mr. Bass,

We thank you for choosing our firm to work as your engineer for the above project. We are pleased to present our revised proposal for each project in the listed attachments below.

Scope of Work: See attached Exhibit A.

Fee Proposal: See attached Exhibit B.

This proposal will be valid for the next ninety (90) days, and we reserve the right to renegotiate it if it has not been accepted within that period. Should conditions of the work change so as to materially affect the level of effort or the time required, then equitable adjustments to fee and schedule will be made. Consultant will notify Client when a changed condition becomes apparent. Failure of Client to provide a timely and equitable adjustment is cause for termination by Consultant.

We will bill you for services rendered to date. Payment will be due within thirty (30) days of billing date.

Please do not hesitate to call if you have any questions.

Sincerely yours,

CR ENGINEERS, INC.

Catherine Alcorn, P.E.
President

16719 E. Palisades Boulevard
Suite 202
Fountain Hills, AZ 85268

Telephone: 480-816-5541
Fax: 480-816-5540
Web: www.creng.com

SCOPE OF WORK

RW 12C-30C RECONSTRUCTION
CONSTRUCTION ADMINISTRATION SERVICES

Prepared by CR Engineers, Inc.
MAY 23, 2022

CR Engineers (CRE) shall electrical construction phase services for the reconstruction of Runway 12C-30C. This scope of work consists of construction phase services as outlined below for each Bid Schedule:

Engineering Support Services

- Review of shop drawings/submittals.
- Provide Engineer's Supplemental Information (ESI) drawings and/or sketches for Contractor clarifications.
- Respond to Contractor's Requests for Information (RFI's)
- Prepare Final Record Drawings based on Contractor as-builts and field changes.

Exclusions:

Field inspections, attendance to meetings, and review of Contractor's pay applications are excluded from this scope of services.

CR Engineers, Inc.
Fee Proposal Summary

Project Name: PMGAA RW 12C-30C
Construction Administration Services
Date: 5/23/2022
CRE Proposal No.: 21037SDC

FEES

Overhead Rate:	150 %	
Profit Margin:	10 %	
1.0 CA Services Base Bid Fees		$7,340.69
Total Fees Base Bid		**$7,340.69**
2.0 CA Services Add Alternate No. 1 Fees		$9,210.85
Total Fees Add Alternate No. 1		**$9,210.85**

CR Engineers, Inc.
1.0 Construction Administration Services Fee Proposal Worksheet - Base Bid

Firm: **PMGAA RW 12C-30C** **Date:** **5/23/2022**
Project: **Construction Administration Services** **CRE Proposal No.:** **21037SDC**

	Task Description	Project Manager, PE	Senior Inspector	CADD Manager	Admin Assistant	Total Hours
1.0	**Preconstruction**					
1.1	Preconstruction Conference					
2.0	**Construction**					
2.1	Submittal/Shop Dwg Review	2.0	16.0		4.0	22.0
2.2	RFI Responses	3.0	6.0		2.0	11.0
2.3	Review of Contractor's Pay Applications					
2.4	Inspection(s)/Observation(s)					
2.5	ESI Preparation	4.0	6.0	8.0		18.0
3.0	**Postconstruction**					
3.1	Final Inspection(s)/Walk					
3.2	Initiate Final Punch List					
3.3	Final Review of As-Builts /	2.0	4.0	8.0		14.0
	Totals	**11.0**	**32.0**	**16.0**	**6.0**	**65.0**

Overhead Rate	150 %					
Profit Margin	10 %					
	Labor Rates Per Hour:	$64.86	$40.70	$32.18	$23.10	
	Direct Labor:	$713	$1,302	$515	$139	
	Overhead:	$1,070	$1,954	$772	$208	
	Overhead + Direct Lab:	$1,784	$3,256	$1,287	$347	
	(OH + Direct) x Profit:	$178	$326	$129	$35	
	Total Fees	**$1,962**	**$3,582**	**$1,416**	**$381**	**$7,341**

CR Engineers, Inc.
2.0 Construction Administration Services Fee Proposal Worksheet - Add Alternate No. 1

Firm: **PMGAA RW 12C-30C**
Project: **Construction Administration Services**

Date: **5/23/2022**
CRE Proposal No.: **21037SDC**

	Task Description	Project Manager, PE	Senior Inspector	Sr. CADD Designer	Admin Assistant	Total Hours
1.0	**Preconstruction**					
1.1	Preconstruction Conference					
2.0	**Construction**					
2.1	Submittal/Shop Dwg Review	9.0	20.0		6.0	35.0
2.2	RFI Responses	3.0	6.0		2.0	11.0
2.3	Review of Contractor's Pay Applications					
2.4	Inspection(s)/Observation(s)					
2.5	ESI Preparation	4.0	8.0	6.0		18.0
3.0	**Postconstruction**					
3.1	Final Inspection(s)/Walk					
3.2	Initiate Final Punch List					
3.3	Final Review of As-Builts / Record Drawings	2.0	4.0	8.0		14.0
	Totals	**18.0**	**38.0**	**14.0**	**8.0**	**78.0**

Overhead Rate 150 %
Profit Margin 10 %

	Labor Rates Per Hour:	$64.86	$40.70	$32.18	$23.10	
	Direct Labor:	$1,167	$1,547	$451	$185	
	Overhead:	$1,751	$2,320	$676	$277	
	Overhead + Direct Lab:	$2,919	$3,867	$1,126	$462	
	(OH + Direct) x Profit:	$292	$387	$113	$46	
	Total Fees	**$3,211**	**$4,253**	**$1,239**	**$508**	**$9,211**

ACS Services LLC

Geotechnical Engineering, Construction Material Testing, Special Inspections
DBE - WBE - SBE

Date: May 2, 2022

Dibble Corp.
Attn: Jared Bass
7878 North 16th St. Ste. 300
Phoenix, Arizona 85701

Phone: 303-872-5756 Mobile: 805-815-2160 Email: jared.bass@dibblecorp.com

Subject: PMGAA RW 12C-30C - QA Estimate -BASE BID

Proposal No.: 2230126

ACS Service LLC is pleased to present the following proposal to conduct Quality Control Materials Testing Services at the subject site. Our fee estimate for this project is based on the lab testing quantities calculated directly from plan quantities and testing frequency required in the specifications. ACS looks forward to the opportunity of working with you.

Our Contact Information: 2235 West Broadway Road, Mesa, Arizona 85202
Office: (480) 968-0190 Fax: (480) 968-0156
Estimator: Steve Ochoa - sochoa@acsservicesllc.com

Estimate Includes:

A. Fee for technician includes: portal to portal technician time and field testing equipment.

B. Standard Contractor Quality Control testing typical of related projects, excluding those items listed below.

C. This quote is based on 2 hour minimum technician charge per trip. Overtime will be billed at a 1.5 multiplier of normal hourly rate for weekends, holidays, and over 40 hours in a week.

D. Laboratory testing is based on per test pricing.

Estimate Excludes:

E. Accelerated construction schedule and unforeseen conditions such as weather, stand by delays, re-testing, repairs, schedule changes, project sequencing, customer requests, change orders, etc.

F. Process control testing on the production of mineral aggregates, concrete aggregates, and additional other construction materials is the responsibility of the respective material suppliers.

G. Other testing/services: concrete and asphalt prequalification mix design; batch plant/precast plant inspections; environmental testing.

H. Contractor to provide electricity, space, water, sewer and internet to mobile laboratory if mobile lab required

Based upon the estimated schedule, materials quantities and specified testing requirements, the estimated cost for conducting our services is:

$42,388.00

A breakdown of this pricing is attached. All prices quoted are valid for 6 months from the date stated on this proposal.

Actual Cost based on Time and Materials and Unit Pricing

Pricing Breakdown

ACS

Item: **Subgrade P-152**

Direct Labor

Description	Qty	Unit	Rate/Unit	Total
Field Technician	6	Hour	$60.00	$360.00
Professional Engineer	0.5	Hour	$145.00	$72.50
Project Manager	1	Hour	$95.00	$95.00
Administration/clerical	2	Hour	$50.00	$100.00
Trip Charge	3	Trip	$64.00	$192.00

Laboratory

Description	Qty	Unit	Rate/Unit	Total
Proctor, Standard Compaction Test	1	Each	$110.00	$110.00
Sieve Analysis Fine and Coarse Aggregate, Gradation	0	Each	$70.00	$0.00
Plasticity Index, Liquid and Plastic Limits	0	Each	$70.00	$0.00
	Estimated Sub Total			**$929.50**

Item: **Lime Treated Subgrade - P-155**

Direct Labor

Description	Qty	Unit	Rate/Unit	Total
Field Technician (Denisties and Thickness)	96	Hour	$60.00	$5,760.00
Professional Engineer	3	Hour	$145.00	$435.00
Project Manager	6	Hour	$95.00	$570.00
Administration/clerical	12	Hour	$50.00	$600.00
Trip Charge	24	Trip	$64.00	$1,536.00

Laboratory

Description	Qty	Unit	Rate/Unit	Total
Proctor, Standard Compaction Test	1	Each	$120.00	$120.00
Sieve Analysis Fine and Coarse Aggregate, Gradation	1	Each	$70.00	$70.00
Plasticity Index, Liquid and Plastic Limits, Wet Prep.	1	Each	$75.00	$75.00
	Estimated Sub Total			**$9,166.00**

Item: **Aggregate Base Course - P-209**

Direct Labor

Description	Qty	Unit	Rate/Unit	Total
Field Technician (Denisties and Thickness)	4	Hour	$60.00	$240.00
Professional Engineer	0	Hour	$145.00	$0.00
Project Manager	0.5	Hour	$95.00	$47.50
Administration/clerical	0.5	Hour	$50.00	$25.00
Trip Charge	2	Trip	$64.00	$128.00

Laboratory

Description	Qty	Unit	Rate/Unit	Total
Proctor, Standard Compaction Test	1	Each	$120.00	$120.00
Sieve Analysis Fine and Coarse Aggregate, Gradation	1	Each	$70.00	$70.00

Plasticity Index, Liquid and Plastic Limits, Wet Prep.	1	Each	$75.00	$75.00
	Estimated Sub Total			**$705.50**

Item: **Cement Treated Base - P-304**

Direct Labor

Description	Qty	Unit	Rate/Unit	Total
Field Technician (Denisties and Thickness)	100	Hour	$60.00	$6,000.00
Professional Engineer	3	Hour	$145.00	$435.00
Project Manager	6	Hour	$95.00	$570.00
Administration/clerical	12	Hour	$50.00	$600.00
Trip Charge	25	Trip	$64.00	$1,600.00

Laboratory

Description	Qty	Unit	Rate/Unit	Total
Proctor, Standard Compaction Test- ASTM D-558	1	Each	$120.00	$120.00
Sieve Analysis Fine and Coarse Aggregate, Gradation	1	Each	$70.00	$70.00
Cemented Treated Plug (set of 3)	1	Set	$90.00	$90.00
	Estimated Sub Total			**$9,485.00**

Pricing Breakdown

ACS

Item: **PCCP P-501**

Direct Labor

Description	Qty	Unit	Rate/Unit	Total
Field Technician	128	Hour	$60.00	$7,680.00
Professional Engineer	2	Hour	$145.00	$290.00
Project Manager	8	Hour	$95.00	$760.00
Administration/clerical	8	Hour	$50.00	$400.00
Trip Charge	16	Trip	$64.00	$1,024.00
Speciman Pick Up	16	Trip	$64.00	$1,024.00

Laboratory

Description	Qty	Unit	Rate/Unit	Total
PCCP Flexural Strength (set of 2, every sublot)	96	Each	$60.00	$5,760.00
	Estimated Sub Total			**$16,938.00**

Item: **Asphaltic Concrete P-401**

Direct Labor

Description	Qty	Unit	Rate/Unit	Total
Field Technician	4	Hour	$60.00	$240.00
Field Technician - Coring	4	Hour	$60.00	$240.00
Professional Engineer	1	Hour	$145.00	$145.00
Project Manager	1	Hour	$95.00	$95.00
Administration/clerical	2	Hour	$50.00	$100.00
Trip Charge	2	Trip	$64.00	$128.00
Trip Charge - Coring	2	Trip	$130.00	$260.00

Laboratory

Description	Qty	Unit	Rate/Unit	Total
Marshall Density	1	Each	$135.00	$135.00
Theoretical Max Density (rice)	1	Each	$135.00	$135.00
Thickness	4	Each	$18.00	$72.00
% Asphalt Binder	1	Each	$70.00	$70.00
Core Rig Equipment	3	Day	$100.00	$300.00
Core Thickness & Density	3	Each	$30.00	$90.00
	Estimated Sub Total			**$2,010.00**

Item: **Asphaltic Concrete P-403**

Direct Labor

Description	Qty	Unit	Rate/Unit	Total
Field Technician	6	Hour	$60.00	$360.00
Field Technician - Coring	6	Hour	$60.00	$360.00
Professional Engineer	1	Hour	$145.00	$145.00
Project Manager	1	Hour	$95.00	$95.00
Administration/clerical	2	Hour	$50.00	$100.00
Trip Charge	3	Trip	$64.00	$192.00
Trip Charge - Coring	3	Trip	$130.00	$390.00

Laboratory

Description	Qty	Unit	Rate/Unit	Total
Marshall Density	3	Each	$135.00	$405.00
Theoretical Max Density (rice)	3	Each	$135.00	$405.00
Thickness	4	Each	$18.00	$72.00
% Asphalt Binder	3	Each	$70.00	$210.00
Core Rig Equipment	3	Day	$100.00	$300.00
Core Thickness & Density	4	Each	$30.00	$120.00
	Estimated Sub Total			**$3,154.00**

While ACS Services LLC strives to do work in a non invasive manner, we cannot accept liability for work done at the request of the Customer under circumstances beyond our knowledge and/or control. Customer shall indemnify, defend, save and hold harmless ACS Services LLC dba ACS Engineering Group and their respective officers, directors, officials, agents, and employees (hereinafter referred to as “Indemnitee”) from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys’ fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as “Claims”) for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part during or from work performed by ACS Services LLC.

This indemnity includes any claim or amount arising out of or recovered under the Workers’ Compensation Law or arising out of the failure of such Customer to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by Customer from and against any and all Claims. It is agreed that Customer will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable.

These General Conditions are an integral part of this proposal and are incorporated herein.

Please contact ACS Services LLC if you have any questions.

Respectfully Submitted,
ACS Services LLC

Sean M. Mayfield
Material Testing Manager

Client acknowledges acceptance of this estimate and Terms and Conditions by signing below and returning, faxing or emailing the signed proposal to ACS Services LLC.

Authorized Signature: _____

Date

Print Name: _____

Title: _____

Firm: _____

ACS Services LLC

Geotechnical Engineering, Construction Material Testing, Special Inspections
DBE - WBE - SBE

Date: May 2, 2022

Dibble Corp.
Attn: Jared Bass
7878 North 16th St. Ste. 300
Phoenix, Arizona 85701

Phone: 303-872-5756 Mobile: 805-815-2160 Email: jared.bass@dibblecorp.com

Subject: PMGAA RW 12C-30C - QA Estimate -ALT. BID

Proposal No.: 2230126

ACS Service LLC is pleased to present the following proposal to conduct Quality Control Materials Testing Services at the subject site. Our fee estimate for this project is based on the lab testing quantities calculated directly from plan quantities and testing frequency required in the specifications. ACS looks forward to the opportunity of working with you.

Our Contact Information: 2235 West Broadway Road, Mesa, Arizona 85202
Office: (480) 968-0190 Fax: (480) 968-0156
Estimator: Steve Ochoa - sochoa@acsservicesllc.com

Estimate Includes:

A. Fee for technician includes: portal to portal technician time and field testing equipment.

B. Standard Contractor Quality Control testing typical of related projects, excluding those items listed below.

C. This quote is based on 2 hour minimum technician charge per trip. Overtime will be billed at a 1.5 multiplier of normal hourly rate for weekends, holidays, and over 40 hours in a week.

D. Laboratory testing is based on per test pricing.

Estimate Excludes:

E. Accelerated construction schedule and unforeseen conditions such as weather, stand by delays, re-testing, repairs, schedule changes, project sequencing, customer requests, change orders, etc.

F. Process control testing on the production of mineral aggregates, concrete aggregates, and additional other construction materials is the responsibility of the respective material suppliers.

G. Other testing/services: concrete and asphalt prequalification mix design; batch plant/precast plant inspections; environmental testing.

H. Contractor to provide electricity, space, water, sewer and internet to mobile laboratory if mobile lab required

Based upon the estimated schedule, materials quantities and specified testing requirements, the estimated cost for conducting our services is:

$22,905.50

A breakdown of this pricing is attached. All prices quoted are valid for 6 months from the date stated on this proposal.

Actual Cost based on Time and Materials and Unit Pricing

Pricing Breakdown

ACS

Item: **Subgrade P-152**

Direct Labor

Description	Qty	Unit	Rate/Unit	Total
Field Technician	4	Hour	$60.00	$240.00
Professional Engineer	0.5	Hour	$145.00	$72.50
Project Manager	0.5	Hour	$95.00	$47.50
Administration/clerical	1	Hour	$50.00	$50.00
Trip Charge	2	Trip	$64.00	$128.00

Laboratory

Description	Qty	Unit	Rate/Unit	Total
Proctor, Standard Compaction Test	1	Each	$110.00	$110.00
Sieve Analysis Fine and Coarse Aggregate, Gradation	0	Each	$70.00	$0.00
Plasticity Index, Liquid and Plastic Limits	0	Each	$70.00	$0.00
	Estimated Sub Total			**$648.00**

Item: **Lime Treated Subgrade - P-155**

Direct Labor

Description	Qty	Unit	Rate/Unit	Total
Field Technician (Denisties and Thickness)	40	Hour	$60.00	$2,400.00
Professional Engineer	1	Hour	$145.00	$145.00
Project Manager	2	Hour	$95.00	$190.00
Administration/clerical	5	Hour	$50.00	$250.00
Trip Charge	10	Trip	$64.00	$640.00

Laboratory

Description	Qty	Unit	Rate/Unit	Total
Proctor, Standard Compaction Test	1	Each	$120.00	$120.00
Sieve Analysis Fine and Coarse Aggregate, Gradation	1	Each	$70.00	$70.00
Plasticity Index, Liquid and Plastic Limits, Wet Prep.	1	Each	$75.00	$75.00
	Estimated Sub Total			**$3,890.00**

Item: **Aggregate Base Course - P-209**

Direct Labor

Description	Qty	Unit	Rate/Unit	Total
Field Technician (Denisties and Thickness)	4	Hour	$60.00	$240.00
Professional Engineer	0	Hour	$145.00	$0.00
Project Manager	0.5	Hour	$95.00	$47.50
Administration/clerical	0.5	Hour	$50.00	$25.00
Trip Charge	2	Trip	$64.00	$128.00

Laboratory

Description	Qty	Unit	Rate/Unit	Total
Proctor, Standard Compaction Test	1	Each	$120.00	$120.00
Sieve Analysis Fine and Coarse Aggregate, Gradation	1	Each	$70.00	$70.00

Plasticity Index, Liquid and Plastic Limits, Wet Prep.	1	Each	$75.00	$75.00
	Estimated Sub Total			**$705.50**

Item: **Cement Treated Base - P-304**

Direct Labor

Description	Qty	Unit	Rate/Unit	Total
Field Technician (Denisties and Thickness)	36	Hour	$60.00	$2,160.00
Professional Engineer	1	Hour	$145.00	$145.00
Project Manager	3	Hour	$95.00	$285.00
Administration/clerical	5	Hour	$50.00	$250.00
Trip Charge	9	Trip	$64.00	$576.00

Laboratory

Description	Qty	Unit	Rate/Unit	Total
Proctor, Standard Compaction Test- ASTM D-558	1	Each	$120.00	$120.00
Sieve Analysis Fine and Coarse Aggregate, Gradation	1	Each	$70.00	$70.00
Cemented Treated Plug (set of 3)	1	Set	$90.00	$90.00
	Estimated Sub Total			**$3,696.00**

Pricing Breakdown

Item: **PCCP P-501**

Direct Labor

Description	Qty	Unit	Rate/Unit	Total
Field Technician	72	Hour	$60.00	$4,320.00
Professional Engineer	1	Hour	$145.00	$145.00
Project Manager	3	Hour	$95.00	$285.00
Administration/clerical	5	Hour	$50.00	$250.00
Trip Charge	9	Trip	$64.00	$576.00
Speciman Pick Up	9	Trip	$64.00	$576.00

Laboratory

Description	Qty	Unit	Rate/Unit	Total
PCCP Flexural Strength (set of 2, every sublot)	56	Each	$60.00	$3,360.00
	Estimated Sub Total			**$9,512.00**

Item: **Asphaltic Concrete P-401**

Direct Labor

Description	Qty	Unit	Rate/Unit	Total
Field Technician	4	Hour	$60.00	$240.00
Field Technician - Coring	4	Hour	$60.00	$240.00
Professional Engineer	1	Hour	$145.00	$145.00
Project Manager	1	Hour	$95.00	$95.00
Administration/clerical	2	Hour	$50.00	$100.00
Trip Charge	2	Trip	$64.00	$128.00
Trip Charge - Coring	2	Trip	$130.00	$260.00

Laboratory

Description	Qty	Unit	Rate/Unit	Total
Marshall Density	1	Each	$135.00	$135.00
Theoretical Max Density (rice)	1	Each	$135.00	$135.00
Thickness	4	Each	$18.00	$72.00
% Asphalt Binder	1	Each	$70.00	$70.00
Core Rig Equipment	3	Day	$100.00	$300.00
Core Thickness & Density	3	Each	$30.00	$90.00
	Estimated Sub Total			**$2,010.00**

Item: **Asphaltic Concrete P-403**

Direct Labor

Description	Qty	Unit	Rate/Unit	Total
Field Technician	6	Hour	$60.00	$360.00
Field Technician - Coring	6	Hour	$60.00	$360.00
Professional Engineer	1	Hour	$145.00	$145.00
Project Manager	1	Hour	$95.00	$95.00
Administration/clerical	2	Hour	$50.00	$100.00
Trip Charge	3	Trip	$64.00	$192.00
Trip Charge - Coring	3	Trip	$130.00	$390.00

Laboratory

Description	Qty	Unit	Rate/Unit	Total
Marshall Density	1	Each	$135.00	$135.00
Theoretical Max Density (rice)	1	Each	$135.00	$135.00
Thickness	4	Each	$18.00	$72.00
% Asphalt Binder	1	Each	$70.00	$70.00
Core Rig Equipment	3	Day	$100.00	$300.00
Core Thickness & Density	3	Each	$30.00	$90.00
	Estimated Sub Total			**$2,444.00**

While ACS Services LLC strives to do work in a non invasive manner, we cannot accept liability for work done at the request of the Customer under circumstances beyond our knowledge and/or control. Customer shall indemnify, defend, save and hold harmless ACS Services LLC dba ACS Engineering Group and their respective officers, directors, officials, agents, and employees (hereinafter referred to as “Indemnitee”) from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys’ fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as “Claims”) for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part during or from work performed by ACS Services LLC.

This indemnity includes any claim or amount arising out of or recovered under the Workers’ Compensation Law or arising out of the failure of such Customer to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by Customer from and against any and all Claims. It is agreed that Customer will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable.

These General Conditions are an integral part of this proposal and are incorporated herein.

Please contact ACS Services LLC if you have any questions.

Respectfully Submitted,
ACS Services LLC

Sean M. Mayfield
Material Testing Manager

Client acknowledges acceptance of this estimate and Terms and Conditions by signing below and returning, faxing or emailing the signed proposal to ACS Services LLC.

Authorized Signature: _____

Date

Print Name: _____

Title: _____

Firm: _____

SWCA
ENVIRONMENTAL CONSULTANTS
Sound Science. Creative Solutions.®

20 East Thomas Road, Suite 1700
Phoenix, Arizona 85012
Tel 602.274.3831 Fax 602.274.3958
www.swca.com

May 26, 2022

Jared Bass, PE
Vice President – Sr. Project Manager
Dibble Engineering
2696 S. Colorado Blvd, Suite 585
Denver, Colorado 80222
Submitted via email: jared.bass@dibblecorp.com

Re: Archaeological Monitoring within AZ U:10:69(ASM) during the Rehabilitation/Reconstruction of Phoenix-Mesa Gateway Airport Runway 12C/30C

Dear Mr. Bass:

SWCA Environmental Consultants (SWCA) appreciates the opportunity to provide you with our scope of work and cost estimate to provide archaeological monitoring services during soil-disturbing activities associated with the planned rehabilitation/reconstruction of Phoenix-Mesa Gateway Runway 12C/30C. The runway work falls within archaeological site AZ U:10:69(ASM), also known as AZ U:10:127(ASM). Our scope of work includes archaeological monitoring during construction, report preparation, and the labor associated with registering the results of the monitoring at the Arizona State Museum.

The cost to complete the services as described in the attached scope of work, is a **Not-to-exceed total of $34,226.00**, to be billed on a time and materials basis. The cost estimate is valid for 2 months, after which time SWCA reserves the right to create a new cost estimate.

Thank you for providing us with the opportunity to work with you. SWCA can begin work immediately upon receipt of a services agreement and notice to proceed. Please do not hesitate to contact me at jhesse@swca.com if you have any questions regarding this proposal.

Sincerely,

Jerome Hesse
Principal Cultural Resources Team Lead, Arizona

SCOPE OF WORK

ARCHAEOLOGICAL MONITORING AND REPORTING

SWCA Environmental Consultants (SWCA) will provide an archaeologist to monitor soil-disturbing activities during the rehabilitation/reconstruction of Runway 12C/30C within archaeological site AZ U:10:69(ASM) at Phoenix-Mesa Gateway Airport. The monitoring will be conducted under the authority of an Arizona Antiquities Act (AAA) project specific permit and following the methods of a monitoring and discovery plan (MDP) to be approved by the Arizona State Museum. The acquisition of the AAA permit and the preparation of the MDP will be completed by SWCA under a separate contract with the Phoenix-Mesa Gateway Airport Authority (PMGAA) and is not part of this scope of work. SWCA will provide a monitor for an estimated five days of construction.

Upon completion of the monitoring fieldwork, SWCA will prepare a report on the results of monitoring that meets the standards for reports conducted under a AAA permit. This report will be sent to Dibble and the PMGAA for review, and upon approval sent to the ASM for final review by the ASM permits coordinator. Once approved by the ASM, SWCA will prepare the required paperwork and digital archives for permanent curation at the ASM.

Total not-to-exceed cost to complete this scope of work: $34,226.00.

ASSUMPTIONS

- This scope of work includes up to one pre-construction meeting of no more than 2 hours duration.
- This scope includes no more than 30 days of monitoring; days are assumed to be no more than 10 hours on site.
- This scope of work assumes no discoveries of archaeological features that would require further investigation, such as excavation.
- No archaeological artifacts or samples will be collected during the monitoring period.
- Any task not expressly described herein is not included in the proposed cost.

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

Board Action Item

Re: Resolution 22-45

To:	**Board of Directors**
From:	**R. J. Draper, P.E., LEED AP, CM Engineering & Facilities Director**
Through:	**Scott Brownlee, Deputy Director/COO** **J. Brian O'Neill, A.A.E., Executive Director/CEO**
Subject:	**FY23 Capital Budget Amendment - Center Runway 12C/30C Reconstruction–CIP1202**
Date:	**July 19, 2022**

Proposed Motion

To authorize an amendment of the FY23 Capital Budget to provide an additional $3,583,000 in funding to CIP 1202 Center Runway 12/30C Reconstruction Project under CIP 1202.

Narrative

Due to the continued commercial aircraft usage and age of the pavement, the Center Runway 12C/30C pavement is deteriorated and has been recommended for major reconstruction. The Center Runway 12C/30C Reconstruction Project consists of the reconstruction of the first 1000ft of RWY 12C (FAA BIL Funded) and 2500ft of RWY 30C beginning 1000' from the threshold (FAA entitlement and discretionary funded).

The original estimated total cost for the Center Runway 12C/30C Reconstruction was $14,000,000; however, based on the cost of supplies and labor, the total cost of this project is now estimated at $17,583,000. Coffman Specialties, Inc. will provide construction services that include demolition of existing pavement, earthwork, new Portland Cement Concrete Pavement, taxiway pavement, shoulder pavement, crushed Aggregate Base, Cement-Treated Base, Lime-Treated Subgrade, new pavement markings, crack seal, seal coat and airfield electrical.

The Invitation for Bid (IFB), Solicitation 2022-017-IFB – Center RWY 12C/30C Reconstruction, was issued on April 19, 2022, and advertised in the Arizona Business Gazette on 4/14, 4/21, 4/28 and 5/5/22. It was also posted on the AzAA, ACC, ACI-NA, SWAAAE, and FAA Matchmaker Websites, as well as the Phoenix-Mesa Gateway Airport Authority Website. In addition, the IFB was emailed to a list of 88 prospective firms along with DBE/SBE Outreach. The bid opening was held on May 19, 2022, and three (3) bids were received. Coffman Specialties, Inc. submitted the lowest, responsive bid.

Fiscal Impact

This project was included in the FY22 Capital Budget with a planned carry-over to the FY23 Capital Budget utilizing FAA grants (BIL, Entitlement and Discretionary funds), ADOT grants and PMGAA Matching Grant Funds under CIP 1202.

Attachment(s)

None

RESOLUTION NO. 22-45

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

WHEREAS the Authority desires to authorize an amendment of the FY23 Capital Budget to provide an additional $3,583,000 in funding to CIP 1202 Center Runway 12/30C Reconstruction Project under CIP 1202.

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

> **The Board of Directors of the Authority hereby authorizes an amendment of the FY23 Capital Budget to provide an additional $3,583,000 in funding to CIP 1202 Center Runway 12/30C Reconstruction Project under CIP 1202. 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 19th day of July, 2022.

Brigette Peterson, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

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

Board Action Item

Re: Resolution 22-46

To:	**Board of Directors**
From:	**R. J. Draper, P.E., LEED AP, CM Engineering & Facilities Director**
Through:	**Scott Brownlee, Deputy Director/COO** **J. Brian O'Neill, A.A.E., Executive Director/CEO**
Subject:	**Intergovernmental Agreement (IGA) with City of Mesa (City) for the Construction of Aviation Way.**
Date:	**July 19, 2022**

Proposed Motion
To authorize an Intergovernmental Agreement with the City of Mesa for the construction of Aviation Way.

Narrative
PMGAA and the City have a shared interest in the development of vacant airport property adjacent to the intersection of Ellsworth Road and Williams Filed Road. The City and PMGAA have coordinated plans for design and construction of necessary roadway and utility infrastructure within this undeveloped portion of airport property adjacent to the future Gulfstream facility.

The purpose of the IGA is to allow the City to include the construction of Aviation Way and associated utility improvements as part of a larger adjacent City project. Combining the two roadway projects under one contract will result in efficiencies by not having multiple contractors working within the same area.

Fiscal Impact
This project was included in the FY22 Capital Budget with a planned carry-over to the FY23 Capital Budget utilizing PMGAA non-grant funds.

Attachment(s)
Letter of Agreement with City of Mesa.

RESOLUTION NO. 22-46

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

WHEREAS the Authority desires to authorize an Intergovernmental Agreement with the City of Mesa for the construction of Aviation Way.

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

> **The Board of Directors of the Authority hereby authorizes an Intergovernmental Agreement with the City of Mesa for the construction of Aviation Way. 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 19th day of July, 2022.

Brigette Peterson, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

INTERGOVERNMENTAL AGREEMENT

BETWEEN
THE CITY OF MESA
AND
THE PHOENIX-MESA GATEWAY AIRPORT AUTHORITY

THIS INTERGOVERNMENTAL AGREEMENT ("Agreement") is entered into this date _____, 2022 (the "Effective Date") pursuant to the Arizona Revised Statutes ("A.R.S.") §§ 11-951 et seq., between the CITY OF MESA, an Arizona municipal corporation (the "City"), and PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, a joint powers airport authority authorized and existing under the laws of the State of Arizona ("PMGAA"). The City and the PMGAA are collectively referred to as "Parties."

I. RECITALS

1. A.R.S. §§ 11-951 et seq., authorizes the City and PMGAA to enter into intergovernmental agreements for the provision of services, or for joint or cooperative actions.

2. A.R.S. § 48-572 also empowers the City to enter into this Agreement, and it has by resolution (a copy of which is attached and made a part of) resolved to enter into this Agreement and has authorized the undersigned to execute this Agreement on behalf of the City.

3. Under an agreement with the adjacent developer, PMGAA is committed to designing and building the Aviation Way improvements (the "Project."), which will aid in the future development of southeast Mesa and the eastside of the Phoenix-Mesa Gateway Airport generally located in the City of Mesa, Maricopa County, Arizona (the "Airport"). This agreement is being enter into with the City to assist PMGAA in the construction of the Project.

4. The Project includes the construction of Aviation Way roadway and associated utilities (specifically water, wastewater, and stormwater infrastructure) within PMGAA property, to serve the future development and the Airport. Portions of that infrastructure will become part of the City's roadway, drainage, water and wastewater systems. PMGAA has 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. The approved GMP, not attached to this Agreement, will provide a breakdown of the actual costs of the work proposed for the Project and identifies the portions thereof, plus any other City costs associated with the construction; including but not limited to the GMP costs, permitting, capital overhead, staff time, materials testing and change orders; for which PMGAA will reimburse the City. PMGAA will be consulted on any proposed construction change orders prior to authorization of said change orders that will increase the cost of the Construction Reimbursables.

5. This Agreement is intended to set forth the roles and responsibilities of the Parties with respect to the Project, including contracting consultant engineering design services, design review, construction administration, construction permitting and inspection, and ownership of the completed project.

THEREFORE, in consideration of the mutual terms expressed in this Agreement, it is agreed as follows:

II. SCOPE

1. **Responsibilities of PMGAA:**

1.1. PMGAA shall certify the design of the Aviation Way portion of the Project according to the current City of Mesa Engineering & Design Standards. PMGAA will also submit for and obtain any permits necessary to build the work including but not limited to permits from Maricopa County Environmental Services Department.

1.2. PMGAA will submit the plans, specifications, and estimates ("PS&E") to the City for review and approval of the Project prior to the commencement of any construction for the Project under City jurisdiction.

1.3. PMGAA will provide a Roadway Easement and Public Utility Easement (PUE), and Temporary Construction Easements (TCE) (in a form acceptable to the City) along the length of Aviation Way, and for the water line and wastewater line along the future Gateway Boulevard alignment for the City to access it on PMGAA property.

1.4. PMGAA will reimburse to the City the actual costs associated with the approved Construction Reimbursables for the Aviation Way portion of the Project. The total amount for Construction Reimbursables shall be the extent of PMGAA's financial obligation for the Project. PMGAA will reimburse the final agreed upon Project costs to the City within 30 days of PMGAA receiving from the City, 1) sealed record drawings of the Project; 2) a signed Maricopa County Environmental Services Department (MCESD) Approval of Construction Certificate; and 3) a copy of the "Letter of Acceptance" for the Aviation Way portion of the Project. The required documents as described are herein referred to as the Project Approval Documentation.

1.5. Upon the Parties' mutual agreement and subject to all necessary approvals, PMGAA shall have the option to make payment for the Construction Reimbursable in the form of a dollar-for-dollar credit towards the City's future Member contributions, which the PMGAA Board of Directors assesses on all Members of the Airport Authority annually.

1.6. PMGAA will require PMGAA's developer to assume responsibility for the operation and maintenance of the Project landscaping on Gateway Boulevard and Aviation Way.

1.7. PMGAA agrees that ownership of the specified roadway and infrastructure improvements shall transfer to the City (without any further documentation) upon the City accepting the work.

1.8. PMGAA acknowledges that utility service provided by the City, including but not limited to service through the Project is subject to the City's Terms and Conditions for the Sale of Utilities and payment of applicable rates, fees and charges, all as adopted and made effective by the City.

2. **Responsibilities of the City:**

2.1. The City shall review all pertinent documents associated with the Aviation Way portion of the Project including, but not limited to, the PS&E, construction documentation, and the MCESD

documentation. The City shall provide comments, if necessary, and approve the final PS&E, sealed by a Registered Professional Engineer - Civil in the State of Arizona, prior to the start of the Project construction.

2.2. City shall upfront all costs associated with the construction, pre-construction, applicable permit fees (if any), construction administration, staff time and administration of the Project. Upon PMGAA receiving and accepting, in writing, the City's Project Approval Documentation, the City will prepare final accounting for costs not previously paid, including applicable change orders and the items of work previously identified and invoice PMGAA for reimbursement.

2.3. The City will complete the construction of the Aviation Way transportation and utility improvements (including but not limited to roadway, lighting, storm drain, water, and sewer) as part of the City's project to construct the first 1000-feet of Gateway Boulevard within PMGAA property.

2.4. The City will perform all required inspections and QA services to verify that the construction of the Project is in compliance with the approved PS&E. The City will coordinate with the Airport to obtain times when construction activities and QA services for the Project are to be performed.

2.5. The City will assume the ownership (including operation and maintenance), for the completed roadway, water and wastewater improvements upon the City's acceptance of the work.

2.6. The City will consult with PMGAA prior to approving any change order that will cause the cost of completing the Construction Reimbursables to exceed the approved GMP estimate.

3. <u>Term:</u>

3.1. The term of this Agreement shall commence on the Effective Date and shall automatically terminate upon the PMGAA's reimbursement to the City, provided, however, termination of this Agreement shall not affect the transfer of ownership as described in this Agreement.

4. <u>General Provisions:</u>

4.1. Each Party reserves all rights that it may have to cancel this Agreement under A.R.S. § 38-511.

4.2. PMGAA warrants compliance with all federal immigration laws and regulations that relate to their employees and compliance with the E-verify requirements under A.R.S. § 23-214(A). PMGAA will require any contractor, and all subcontractors, to provide the same warranty. Failure by PMGAA, PMGAA's contractors, or subcontractors, to comply with such warranty shall be deemed a material breach of this Agreement and may result in the termination of this Agreement.

4.3. This Agreement contains the entire understanding between the Parties with respect to the subjects addressed and supersedes all prior negotiations and agreements.

4.4. This Agreement may be amended only by an instrument in writing signed by authorized representatives of the Parties.

4.5. Each Party shall (as "Indemnitor") indemnify, defend, and hold harmless the other Party, any of its departments, agencies, officers or employees (collectively referred to in this paragraph as "Indemnitee") from any and all claims, demands, suits, actions, proceedings, loss, cost and damages of every kind and description, including reasonable attorneys' fees and/or litigation

expenses (collectively referred to in this paragraph as the "Claims"), which may be brought or made against or incurred by the Indemnitee on account of loss of or damage to any property or for injuries to or death of any person, to the extent caused in whole or in part by, arising out of, or contributed to, by reasons of any alleged act, omission, professional error, fault, mistake, or negligence of Indemnitor, its employees, officers, directors, agents, representatives, or contractors, their employees, agents, or representatives in connection with or incident to the performance of this Agreement. Indemnitor's obligations under this paragraph shall not extend to any Claims to the extent caused by the negligence of the Indemnitee. The obligations under this paragraph shall survive the termination of this Agreement.

4.6. The Parties are governmental agencies which rely upon the appropriation of funds by their respective governing bodies to satisfy their obligations. If a party reasonably determines that it does not have funds to meet its obligations under this Agreement, such party shall have the right to terminate this Agreement without penalty on the last day of the fiscal period for which funds were legally available. In the event of such a termination, such terminating party agrees to provide written notice of its intent to terminate 30 days prior to the termination date.

4.7. In accordance with A.R.S. § 11-952 (D), attached and incorporated in this Agreement is the written determination of each Party's legal counsel that the Parties are authorized under the laws of this State to enter into this Agreement and that the Agreement is in proper form

[Signatures on following page]

IN WITNESS WHEREOF, the Parties have executed this Agreement on or as of the day and year first written above

Phoenix-Mesa Gateway Airport Authority, a Joint Powers Airport Authority Authorized by the State of Arizona

By:_____
J. Brian O'Neill, A.A.E.
Executive Director/CEO

Date:_____

Approved as to form by Phoenix-Mesa Gateway Airport Authority Legal Counsel

By:_____
Jill Casson Owen, Esq.

City of Mesa, an Arizona Municipal Corporation

By:_____
Christopher J. Brady
City Manager

Date:_____

Approved as to form by City of Mesa Attorney's Office

By:_____
Name: _____

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

Board Action Item

Re: Resolution 22-47

To: Board of Directors
From: Shea Joachim, CEcD, Business Development Director
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: Facility Lease Agreement with Sierra Building Systems, LLC
Date: July 19, 2022

Proposed Motion

To authorize a Facility Lease Agreement with Sierra Building Systems, LLC for the facility located at 6416 South Sossaman Road. The lease term is five (5) years, commencing August 1, 2022, with five (5) additional one-year renewal options.

Narrative

Sierra Building Systems, LLC has been in business since 2007. Sierra Building Systems, LLC performs a variety of general commercial contracting functions for commercial developments. Sierra Building Systems, LLC intends to utilize the 2,298 square feet building as office space for their operation and the 83,992 square foot lot for parking and storage of company vehicles and equipment.

Agreement Term and Rate

This agreement has a term of five (5) years and offers five (1) one-year renewal options. The lease will commence on August 1, 2022.

The lease rate in the initial year is $2,022.24 per month. The lease rate will increase by 4% on each 12-month anniversary.

Attachment(s)

Facility Lease

RESOLUTION NO. 22-47

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize a Facility Lease Agreement with Sierra Building Systems, LLC for the facility located at 6416 South Sossaman Road. The lease term is five (5) years, commencing August 1, 2022, with five (5) additional one-year renewal options.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

> **The Board of Directors of the Authority hereby authorizes a Facility Lease Agreement with Sierra Building Systems, LLC for the facility located at 6416 South Sossaman Road. The lease term is five (5) years, commencing August 1, 2022, with five (5) additional one-year renewal options. 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 19th day of July, 2022.

Brigette Peterson, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

Phoenix-Mesa Gateway Airport Authority

FACILITY LEASE

with

Sierra Building Systems, LLC

<u>Effective Date</u>: August 1, 2022

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Phoenix-Mesa Gateway Airport Authority
FACILITY LEASE

This Facility Lease ("Lease") is executed to be effective the FIRST (1) day of AUGUST 2022 ("Effective Date") between the **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY**, a joint powers authority authorized by the State of Arizona ("Lessor"), and **SIERRA BUILDING SYSTEMS, LLC**, an Arizona limited liability company ("Lessee"). Lessor and Lessee may be referred to jointly as "Parties," and each separately may be referred to as a "Party."

WITNESSETH:

WHEREAS, Lessor is the owner and operator of the Phoenix-Mesa Gateway Airport generally located at the intersection of Ray Road and Sossaman Road, City of Mesa, Maricopa County, Arizona (Airport"); and

WHEREAS, Lessor has the right to lease, license and grant the use of property and facilities on the Airport and has full power and authority to enter into this Lease in respect thereof; and

WHEREAS, Lessor desires to lease to Lessee, and Lessee desires to lease from Lessor, that certain real property at the Airport located at 6416 S. Sossaman Road, Mesa AZ 85212, and described as Building 531, consisting approximately TWO THOUSAND TWO HUNDRED NINTY-EIGHT (2,298) square feet, and is situated on an EIGHTY-THREE THOUSAND NINE HUNDRED NINTY-TWO (83,992) square foot lot, as set forth in **EXHIBIT A** attached hereto ("Premises"); and

WHEREAS, Lessor desires to lease the Premises to Lessee on the terms and conditions set forth herein;

NOW THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements herein contained, the Parties do hereby undertake, promise and agree, each for itself and its successors and assigns, as follows:

1. LEASE

Lessor hereby leases the Premises to Lessee, subject to all easements and rights of way that may encumber the Premises, and further subject to all operational and use restrictions and other terms and conditions set forth in this Lease.

1.1 Right to Use Premises. Lessor agrees that so long as Lessee shall timely pay the Base Rent and other charges required to be paid hereunder, and perform all of its other obligations under this Lease, Lessee shall peaceably have and enjoy the use of the Premises without hindrance from Lessor. Lessee specifically acknowledges that Lessee has inspected the Premises prior to entering into this Lease and agrees to accept the Premises in an "as is, where is" condition without any warranty or representation from Lessor, either express or implied, of any kind or nature whatsoever with respect to the Premises, including, but not limited to, any warranty of merchantability, habitability, or fitness for any particular or specific purpose, and all such warranties are hereby disclaimed. Should Lessee desire any inspection report, environmental assessment, survey,

creation of a legal description, drainage report, or any similar study, Lessee shall be responsible for the same at Lessee's sole expense.

1.2 Substitution of Premises. In addition to Lessor's other rights set forth in this Lease, Lessor reserves the right, upon no less than Ninety (90) calendar days prior written notice to Lessee, to substitute Comparable Areas for all or any portion of the Premises, including any additions, alternations or improvements thereon, should Lessor, in its reasonable discretion, determine that taking of the Premises, any portion thereof or any improvement thereon, is required for other Airport purposes, and there exists no appropriate alternative. In the event Lessor makes the determination to exercise its rights to substitute, all title, right and interest to the portion of the Premises taken shall immediately vest in Lessor on the date that is Ninety (90) calendar days following receipt of Lessor's notice, or such later date as specified therein. Furthermore, Lessor may require Lessee to vacate any portion or all of the Premises taken. For the purposes of this Section 1.2, the term "Comparable Areas" is defined to mean other facilities at the Airport, or any additions or extensions thereof, similar in size to the Premises, brought to the same level of improvement as the Premises and having the same or similar usefulness to Lessee as the portion taken. Lessor shall bear all expenses of bringing the substituted area to the same level of improvement as the Premises, and of moving Lessee's improvements, equipment, furniture and fixtures to the substituted area. If any of Lessee's improvements, equipment, furniture or fixtures cannot be relocated, Lessor shall replace, at Lessor's expense, such non-relocatable improvements and other property with comparable property in the Premises, and Lessor shall be deemed the owner of the non-relocated improvements and other property, free and clear of all claims of any interest or title therein by Lessee, or any other third party whomsoever. It is the specific intent of this Section 1.2 that Lessee be placed, to the extent possible, in the same position it would have been, had Lessor not substituted new premises for the Premises; provided, however, that Lessor shall not be obligated to reimburse Lessee for any damages, including lost profits or revenues, due to such substitution. Notwithstanding the foregoing, Lessor shall use reasonable efforts to avoid disruption to Lessee's business.

1.3 Access. Lessee is granted the right of reasonable access to and from the Premises via such portions of the Airport as are or may be necessary to allow Lessee to conduct its business operations permitted herein at and on the Premises and the Airport. Lessor reserves the right to designate the location of such access and to change its location from time to time, as Lessor deems reasonably necessary and appropriate; provided such changes do not materially interfere with Lessee's use of or access to the Premises.

1.4 Permitted Uses. Subject to the provisions of Section 1.5, Lessee may use the Premises for general administrative office space and contractors yard for storage of trucks and light equipment directly supporting Lessee's business operation. Lessee may park trucks and equipment only on the Midvale site provided the ground is not disturbed (see Exhibit A). Lessee's use of the Premises and operation of its business at and on the Airport and the Premises is subject to all applicable laws, rules and regulations of any governmental authority, including Lessor, and to Lessee's compliance with applicable provisions of the *Airport Rules and Regulations* and *Airport Minimum Standards*.

1.5 Prohibited Activities. Lessee shall not use or permit its agents, employees, contractors, invitees, licensees or customers to use the Premises or the Airport for any use that is in violation of the *Airport Rules and Regulations*, the *Airport Minimum Standards*, any matters of record, or applicable laws, rules, regulations and operating policies of any governmental authority, including Lessor, or for any other activity or operation not specified in Section 1.4 herein, or that does not have advance, written approval of Lessor's Executive Director.

1.6 Continuous Operation. Upon commencement of business operations at and on the Premises and the Airport, Lessee shall designate an on-site manager for the term of this Lease who shall be available to Lessor and Lessee's customers, if any, during normal business hours, and otherwise as required by the *Airport Minimum Standards*, as applicable.

1.7 Lessee Acknowledgement. Lessee acknowledges and agrees that its obligations to pay Base Rent and all other charges due and owing under the terms hereof shall be absolute and unconditional, and shall not be affected by any circumstances whatsoever, including, without limitation: (i) any set-off, counterclaim,

recoupment, defense or other right which Lessee may have against Lessor or the United States of America or anyone else for any reason whatsoever; (ii) any liens, encumbrances or rights of others with respect to the Premises; (iii) the invalidity or unenforceability or lack of due authorization or other infirmity of this Lease or any lack of right, power or authority of Lessor or Lessee to enter into this Lease; (iv) any insolvency, bankruptcy, reorganization or similar proceedings by or against Lessee, or any other person; or (v) any other cause, whether similar or dissimilar to the foregoing, any future or present law notwithstanding, it being the intention of the Parties hereto that all rent being payable by Lessee hereunder shall continue to be payable in all events and in the manner and at the times provided herein.

2. TERM

2.1 Initial Term. The term of this Lease shall be for a period of FIVE (5) years, commencing on the Effective Date and terminating on JULY 31, 2027, thereafter ("Term").

2.2 Renewal Term(s). 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 of FIVE (5) additional periods of ONE (1) year each (each, individually, an "Extension"). Lessee may initiate an Extension by giving written notice to Lessor of its desire to do so no later than SIXTY (60) calendar days prior to the expiration of the Term, as set forth in Section 2.1 herein. If Lessee has properly notified Lessor of its desire to exercise an Extension and Lessor approves such in writing, then Lessee's Extension of the Term of this Lease shall become effective and all references herein to the "Term" shall mean the initial term as extended.

3. NON-EXCLUSIVE RIGHTS

Lessee shall have the exclusive right to occupy and use the Premises while in compliance with the terms and conditions of this Lease. All other rights granted to Lessee under this Lease are nonexclusive. Lessor may, in its sole discretion and at any time, permit third parties to conduct any and all business activities at the Airport that Lessor deems appropriate, or conduct such activities itself, provided that such activities do not require or materially interfere with Lessee's use of the Premises.

4. RENT

4.1 Base Rent. Lessee agrees to pay Lessor annual rental for the use of the Premises in the amount of TWENTY-FOUR THOUSAND TWO HUNDRED SIXTY-SIX AND 88/00 DOLLARS ($24,266.88), payable in equal monthly installments of TWO THOUSAND TWENTY-TWO AND 24/100 DOLLARS ($2,022.24) ("Base Rent"). The Base Rent shall be payable in advance, without any prior demand therefor and without any abatement, deductions or set-offs whatsoever, and tendered in lawful currency of the United States, either by check or electronic transfer.

4.2 Base Rent Increases. The annual Base Rent paid by Lessee shall be increased (but never decreased) on every TWELVE (12) month anniversary of the Effective Date of this Lease by FOUR PERCENT (4%).

4.3 Reserved.

4.4 Airport Rates and Charges Schedule. Lessee or its subtenants, as applicable and including its contractors, agents, etc., shall pay all fees identified in the most current *Airport Rates and Charges Schedule* 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/or *Airport Fees, Services and Rental Rates Schedule* is included as **EXHIBIT B** and incorporated herein by reference and is subject to change without prior notice or approval of Lessee. Lessee acknowledges and agrees that Lessor may amend the *Airport Rates and Charges Schedule* and/or *Airport Fees, Services and Rental Rates Schedule* at any time at Lessor's sole discretion, and that no fee referenced in the *Airport Rates and Charges Schedule* and/or *Airport Fees, Services and Rental Rates Schedule* shall apply to the use of the Premises or access to the Premises.

4.5 Payment.

4.5.1 Unless otherwise specified herein, the first payment of Base Rent shall be paid to Lessor upon the delivery of this Lease, for the period from the Effective Date until the end of the calendar month in which the Effective Date occurs, prorated on the basis of the number of such days to the total number of days in said month. All payments referenced in this Lease shall be payable exclusively in United States Dollars. Thereafter, all Base Rent payments shall be paid in monthly installments, in advance, on the first day of each calendar month ("Base Rent Due Date"). On each such date, Lessee shall pay the full Base Rent payment.

4.5.2 No payment to or receipt by Lessor of a lesser amount than that which is due and payable under the provisions of this Lease at the time of such payment shall be deemed to be other than a payment on account of the earliest payment due, nor shall any endorsement or statement on any check or payment prejudice in any way Lessor's right to recover the balance of such payment or pursue any other remedy provided in this Lease or by law.

4.5.3 All payments (and reports, if any) required by this Section 4.5 shall be remitted to the following address by the due date(s) specified hereinabove:

Phoenix-Mesa Gateway Airport Authority
Attn.: Department of Finance (Accounts Receivable)
5835 S. Sossaman Road
Mesa, Arizona 85212-6014
or such other address specified in writing by Lessor to Lessee.

4.6 Finance Charges and Late Fees. If Lessee fails to pay any installment of Base Rent or any other charge due and owing to Lessor in full on or before the applicable due date, Lessee shall be responsible for interest on the unpaid installment at the rate of Eighteen Percent (18%) per annum from the due date until payment in full is made. In addition, in the event any installment of Base Rent or other charge owing to Lessor is paid more than Ten (10) 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.

4.7 Taxes. In the event any governmental authority shall impose a tax or imposition based upon any Base Rent payments or any other sums paid or owing hereunder, or the receipt of such payments by Lessor, Lessee shall pay such amounts to Lessor at the same time and in addition to payments hereunder, which amounts may include, but are not limited to, any or all rental, transaction privilege, sales, excise or other similar tax except income taxes.

4.8 Survival. Lessee's obligation to pay all amounts stated herein, together with any interest thereon and/or penalties therefor, shall survive the termination of this Lease.

5. PERFORMANCE GUARANTEE

5.1 Security Deposit.

5.1.1 On or before the Effective Date, Lessee shall pay to Lessor an amount equivalent to TWO (2) month's Base Rent, or FOUR THOUSAND FORTY-FOUR AND 48/100 DOLLARS ($4,044.48), 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 Reserved.

6. AIRCRAFT OPERATIONS GUIDELINES

If and to the extent that Lessee, including its subtenants, contractors, agents, etc., operates aircraft at or on the Airport, Lessee shall be subject to the provisions of **EXHIBIT C**. If any subtenant, contractor or agent of Lessee conducting activities on or at the Premises operates aircraft at the Airport, all shall be subject to the provisions of **EXHIBIT C**, which Lessor may enforce directly against such subtenant, contractor or agent, but Lessee shall have no direct liability or responsibility with respect to such matters; except, however, Lessee shall be responsible for compliance by its subtenants, contractors and/or agents with the *Airport Rules and Regulations* and *Airport Minimum Standards*, as appropriate.

7. IMPROVEMENTS

7.1 Reserved.

7.2 Reserved.

7.3 No Alterations. Lessee shall make no material improvements or alterations to the Premises during the Term of this Lease without the prior written permission of Lessor, which shall not be unreasonably withheld or delayed and, if and to the extent applicable, without the approval by Lessor's Design Review Committee. Lessee shall provide Lessor with electronic as-built drawings (or their equivalent) when any improvement or alteration is completed for which such drawings are reasonably required.

7.4 Title to Alterations and Improvements. Title to all Improvements and alterations on the Premises (but not personal property or trade fixtures) shall vest in Lessor upon the expiration of this Lease, and Lessee agrees to execute and deliver to Lessor, within Ten (10) business days after Lessor's request therefor, a quitclaim deed confirming that title to such improvements and alterations is vested in Lessor.

7.5 Mechanics' Liens. Lessee shall keep the Premises and all improvements constructed by Lessee thereon free of any mechanic or materialmen's liens. In the event that any such lien is filed, Lessee shall, at its sole cost, cause such lien to be removed from the Premises by bonding or otherwise within Thirty (30) calendar days of notice thereof.

7.6 Permit Required. Lessee shall be responsible for determining whether it is subject to local building/construction codes or permit requirements, and for compliance with them to the extent they are applicable. All structural, electrical, plumbing or mechanical construction or reconstruction shall conform to City of Mesa ("City") construction and technical codes. No such work shall be commenced without first submitting required plans and obtaining required permits from the City. All such work shall be permitted, inspected and approved by the City prior to concealment or use. Lessee shall provide to Lessor a contemporaneous copy of Lessee's permit application and the associated plans and specifications.

7.7 Damage or Destruction. Lessee shall maintain insurance on all of Lessee's improvements to the Premises. In the event that all or any portion Lessee's improvements are destroyed or rendered unusable due to fire or other catastrophe, Lessee shall replace, repair, restore, modify or improve said improvements, subject to the provisions of Section 7.6, using available insurance proceeds together with any additional funds from other available sources, or, alternatively, Lessee shall pay the replacement cost of the improvements to Lessor.

8. MAINTENANCE

8.1 Responsibilities.

8.1.1 *Lessee.* Lessee shall, at its sole cost and expense, keep the Premises and all improvements therein in a neat and clean condition and in good order, condition, and repair throughout the Term. In doing so, Lessee shall prepare, maintain and follow a preventative maintenance schedule for all mechanical, electrical, plumbing, drain, piping and air conditioning systems on the Premises, and, upon request, provide a copy of such schedule to Lessor and, if required by Lessor, a list of the dates on which such maintenance was actually done. Lessee's maintenance of the Premises shall consist of the inspection, servicing and repair of all systems and improvements, including the boilers, interior roof and structures, electrical, plumbing, heating and cooling, fire detection, pavements, pest control, landscaping and grounds maintenance.

8.1.2 *Lessor.* Lessor shall, at its sole cost and expense, sustain and maintain the structural integrity of the Premises, including the exterior roof, fire suppression system and all utility connections where they enter the Premises throughout the Term.

8.2 Damage to Lessor Property. Any real or personal property of Lessor damaged or destroyed by Lessee as a result of Lessee's use or occupancy of the Premises shall be promptly repaired or replaced by Lessee to the satisfaction of Lessor. In lieu of such repair or replacement, where required by Lessor, Lessee shall pay to Lessor an amount sufficient to compensate for the loss sustained by Lessor.

8.3 Trash Removal. Lessee shall at all times keep the Premises in a neat, clean, safe, sanitary and orderly condition and shall keep such area free of all trash and debris. Lessee shall, at Lessee's expense, be responsible for all trash removal from the Premises. Such trash removal shall be performed on a not less than weekly basis, and all trash shall be disposed of off the Airport. Prior to its removal from the Airport, Lessee shall deposit all trash and debris only at collection stations located on the Premises, in accordance with City code.

8.4 Emergency Repairs. Within FIFTEEN (15) 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 necessary.

9. ASSIGNMENT, SUBLETTING AND OTHER TRANSFERS

9.1 Any Transfer of Lease Interest Requires Lessor Advance Written Approval. In the event Lessee desires to transfer, assign, encumber, pledge or hypothecate any portion of its interest in this Lease or any right or interest hereunder (including, but not limited to as part of a mortgagor deed of trust or an assignment by means of a foreclosure or trustee's sale thereunder)(individually and collectively, "Transfer"), Lessee must obtain the prior written consent of Lessor, with such consent to be the in sole and absolute discretion of Lessor without exception. Where Lessor approves in writing of such Transfer, Lessor shall be entitled to request and acquire written financial assurances, including, but not limited to financial statements, business plans and other information related to the financial condition and plans of any proposed transferee. Further, Lessor, may in its sole and absolute discretion require that Lessee still be liable at law and at equity, as well as financially liable, under the Lease, regardless of whether the assignee expressly assumes in writing all of Lessee's obligations under this Lease or in the case of a sublease. Lessee understands and agrees to these terms and conditions regarding any proposed Transfer, and that any violation of this Section 9, may irreparably harm Lessor as the requirements set forth herein are directly related to PMGAA's (and any Lessee's) legal and financial obligations to the Federal Aviation Administration. This Section 9 shall remain valid and enforceable even in the event of amendment to or repeal of FAA regulations, so long as this Section 9 does not directly conflict therewith.

9.2 Lessee's Required Advance Notice to Lessor of Proposed Transfer. In order for Lessor to even consider a Transfer, Lessee must: (i) notify Lessor in writing at least Forty-five (45) calendar days prior to such proposed transfer; (ii) deliver to Lessor, at the time of Lessee's notice, current financial statements of Lessee and the proposed transferee (along with transferee's business plans) that are reasonably acceptable to Lessor; and (iii) the transferee assumes and agrees in writing to perform Lessee's obligations under this Lease. However, nothing herein shall be construed as Lessor providing its consent to any Transfer or relieving Lessee of any legal, financial or other obligation under the Lease, regardless of Lessor's acceptance or refusal to accept

such proposed transfer of Lease. For purposes of this Section 9.2, "Affiliate" means any person or entity that, directly or indirectly, controls, is controlled by or is under common control with Lessee. For purposes of this definition, "control" shall mean possessing the power to direct or cause the direction of the management and policies of the entity by the ownership of a majority of the voting securities of the entity.

9.3 Deemed Transfers. For the purposes of this Lease, a Transfer shall be deemed to include, but not be limited to, the following: (i) if Lessee is a corporation, partnership, limited liability company or other legal entity, the transfer of any ownership interest in such entity resulting in a change in the present control of such entity by the person or persons owning a majority of the ownership interest thereof as of the date of this Lease; provided, however, if Lessee is a corporation whose stock is traded on a nationally recognized stock exchange, the transfer of Lessee's stock shall not constitute a Transfer requiring Lessor's consent; or (ii) the sale of Twenty-Five Percent (25%) or more in value of the assets of Lessee.

9.4 Subletting. Lessee shall not sublease the Premises or any portion thereof at any time during the Term of this Lease.

9.5 Reserved.

9.6 This Lease and all provisions hereof are subject and subordinate to the terms and conditions of the instruments and documents under which PMGAA acquired the subject property from the United States of America and shall be given only such effect as will not conflict or be inconsistent with the terms and conditions contained in the lease of said lands from PMGAA and any existing or subsequent amendments thereto, and are subject to any ordinances, rules or regulations which have been, or may hereafter be adopted by PMGAA pertaining to the Airport.

10. IDENTIFICATION SIGNS

Lessee may install on the Premises, a sign or signs identifying its business on the exterior of the Premises; provided, however, that the general type, size, and location of such sign(s) shall conform to Lessor's Comprehensive Sign Plan, be approved in writing by Lessor in advance of installation and be subject to any signage rules, codes and/or regulations of any governmental authority.

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, or required by any other agreement between the Parties, provided that Lessee does not cure such failure within Ten (10) business days after delivery by Lessor of a written notice of such failure.

11.1.2 Failure to perform any of its other obligations under this Lease, provided that Lessee does not cure such failure within Thirty (30) calendar days after delivery by Lessor of a written notice of such default; provided, however, if a cure of the default reasonably requires more than Thirty (30) calendar days to complete, then the time to cure shall be extended so long as the cure is being diligently pursued.

11.1.3 The filing of any mechanic's, materialmen's or other lien of any kind against the Premises because of any act or omission of Lessee which lien is not discharged, by bonding or otherwise, within Thirty (30) calendar days of receipt of actual notice thereof by Lessee.

11.1.4 The Transfer or attempted transfer of any interest in the Lease to any transferee without Lessor's advance written authorization, which Lessor may withhold in its sole and absolute discretion.

11.2 Lessor's Remedies. Upon the occurrence of an Event of Default under this Lease, Lessor may, without prejudice to any other rights and remedies available to a Lessor at law, in equity or by statute, but subject to the provisions of Sections 9.2 and 23 herein, exercise one or more of the following remedies, all of which shall be construed and held to be cumulative and non-exclusive:

11.2.1 Terminate this Lease and re-enter and take possession of the Premises; or

11.2.2 Without terminating this Lease, re-enter and take possession of the Premises; or

11.2.3 Without such re-entry, recover possession of the Premises in the manner prescribed by any statute relating to summary process, and any demand for Base Rent, re-entry for condition broken, and any and all notices to quit, or other formalities of any nature to which Lessee may be entitled, are hereby specifically waived to the extent permitted by law; or

11.2.4 With or without terminating this Lease, Lessor may re-let the Premises or any portion thereof.

11.3 No Implied Termination. Lessor shall not be deemed to have terminated this Lease unless Lessor shall have notified Lessee in writing that it has so elected to terminate this Lease. Lessee hereby waives all claims based on Lessor's reentering and taking possession of the Premises, or removing and storing the property of Lessee, and shall save Lessor harmless from all losses, costs or damages occasioned thereby. No such reentry shall be considered or construed to be a forcible entry by Lessor.

11.4 Lessor's Current Damages. Lessor is authorized to make such repairs, refurbishments or improvements to the Premises as may be necessary for the purpose of attempting to re-let the Premises, and the costs and expenses incurred in respect of such repairs, redecorating, refurbishments and improvements shall be paid by Lessee to Lessor within Five (5) business days after receipt of Lessor's statement. If Lessor exercises any of the remedies stated above, Lessor shall be entitled to recover from Lessee all damages incurred by Lessor by reason of the Event of Default, which shall include, without limitation, (i) the equivalent of the amount of the Base Rent and all other payments which would be payable under this Lease by Lessee for the remainder of the Term as if this Lease were still in effect, less (ii) the net proceeds of any re-letting by Lessor after deducting all of Lessor's expenses in connection with such re-letting, which shall include, without limitation, repossession costs, repairs, redecorating, refurbishments or improvements to the Premises, brokerage commissions, attorneys' fees, and legal expenses. Lessee shall pay such current damages to Lessor, in the amount set forth in the preceding sentence (hereinafter called "Deficiency"), in monthly installments on the days on which the Base Rent would have been payable under this Lease as if this Lease were still in effect. All amounts collected by Lessor from subtenants shall be credited against Lessor's damages.

11.5 Lessor's Final Damages. At any time after an Event of Default, whether or not Lessor shall have collected any monthly Deficiency as set forth above, Lessor shall be entitled to recover from Lessee, and Lessee shall pay to Lessor, on demand, as final damages for the applicable Event of Default, the sum of (a) the then present worth (at a discount at the rate of Six Percent (6%) per annum) of (i) the aggregate of the Base Rent and all other amounts to be paid by Lessee hereunder for the unexpired portion of the term of this Lease (assuming this Lease had not been terminated), less (ii) the amount of such loss that could have been reasonably avoided, plus (b) repossession costs, Lessor's expenses in connection with any attempts it may have made to re-let the Premises (which shall include, without limitation, repairs, refurbishments or improvements to the Premises and brokerage commissions), attorneys' fees, legal expenses, and all other damages incurred by Lessor as a result of such Event of Default. In determining the amount of loss that could reasonably be provided, rents to be paid by subtenants pursuant to Section 9.4, if applicable, and other reasonably projected rental income from leasing the Premises shall be taken into account.

11.6 No Waiver by Lessor. No waiver by Lessor of any breach or default by Lessee in the performance of its obligations under this Lease shall be deemed to be a waiver of any subsequent default by Lessee in the performance of any of such obligations, and no express waiver shall affect an Event of Default in a manner other than as specified in said waiver. The consent or approval by Lessor to or of any act by Lessee requiring Lessor's consent or approval shall not be deemed to waive or render unnecessary Lessor's consent or approval to or of any subsequent similar acts by Lessee.

11.7 Content of Default Notice. Any default notice tendered to Lessee hereunder shall be deemed to be sufficient if it is reasonably calculated to put Lessee on inquiry as to the nature and extent of such default, and is made in accordance with Section 20 herein.

11.8 Limitation on Exercise of Termination Remedy by Lessor. Notwithstanding anything to the contrary in Section 11.2 hereinabove, if an Event of Default occurs, Lessor shall not have the remedy of terminating this Lease or of taking possession of the Premises unless: (i) the Event of Default consists of a failure to pay off Base Rent or other amounts owed to Lessor; or (ii) Lessor has no other remedy that is adequate to protect Lessor's interests. Other remedies that are available to Lessor include self-help and recovery of damages, and nothing in this Section 11 shall limit the exercise of any such other remedy.

11.9 Waiver of Landlord's Lien. Lessor hereby waives all statutory or common law landlord's lien rights with respect to personal property located on the Premises.

12. RESERVED

13. INDEMNIFICATION

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 "Lessor" for purposes of this Section 13) for, from and against any and all claims, causes of action, liability, suits, litigation (including reasonable attorney's fees and other costs of investigation and litigation), actions, losses, damages or claims of any nature whatsoever which arise out of or in connection with (i) any accident, injury or damages occurring within the Premises, or (ii) any negligent act or omission of Lessee or its agents, employees, contractors, or subcontractors (hereinafter referred to collectively as "Lessee" for purposes of this Section 13) in connection with Lessee's operations hereunder and which result directly or indirectly in the injury to or death of any persons or the damage to or loss of any property, or (iii) the failure of Lessee to comply with any provisions of this Lease. This indemnification shall exclude responsibility for any consequential damages and for claims arising by reason of the negligent or wrongful act of Lessor or its employees, contractors or agents.

14. ENVIRONMENTAL PROTECTION

14.1 Definitions. Unless the context shall clearly require otherwise, the terms defined in this Section 14 shall, for all purposes of this Lease and of any agreement amendatory hereof or supplemental hereto, have the meanings herein specified, with the following definitions to be equally applicable to both the single and plural forms of any of the following:

14.1.1 *Environmental Laws.* The term "Environmental Laws" shall mean any one or all of the following, as the same are amended from time to time: the Comprehensive Environmental Response, Compensation, and Liability Act, 42 USC Section 9601 et seq.; the Resource Conservation and Recovery Act, 42 USC Section 6901, et seq.; the Toxic Substances Control Act, 15 USC Section 2601 et seq.; the Safe Drinking Water Act, 42 USC Section 300f et seq.; the Clean Water Act, 33 USC Section 1251 et seq.; the Clean Air Act, 42 USC Section 7401 et seq.; the Arizona Hazardous Waste Management Act, A.R.S. Section 49-921 et seq. the Arizona Environmental Quality Act, A.R.S. Title 49, as amended; and all regulations thereunder and any other laws, regulations and ordinances (whether enacted by the local, state or federal government) now in effect or hereafter enacted that deal with the regulation or protection of the environment, including the ambient air, ground water, surface water, and land use, including substrata land, or that govern the use of hazardous materials, solid and hazardous waste, hazardous substances and petroleum products.

14.1.2 *Hazardous Material.* The term "Hazardous Material" shall mean any toxic or hazardous material, substance or waste, or any pollutant or contaminant as defined or regulated pursuant to any Environmental Law and petroleum products. For purposes of this definition, petroleum includes petroleum-based substances comprised of a complex blend of hydrocarbons derived from crude oil through processes of separation, conversion, upgrading and finishing (e.g., distillate fuel oils, petroleum solvents and used oils).

14.2 Release by Lessor. Lessor shall indemnify Lessee to the fullest extent permitted by law for any and all environmental damage of any kind, or for the effects of Hazardous Material on the environment, or on any person or property, if any, which have been caused by the use of, or releases from, the Premises and the Airport prior to Lessee's occupancy of any part thereof. Lessee is not liable for any claims or damages

arising from environmental damage resulting from or that are the result of contamination of any kind existing on the Premises or surrounding sites prior to Lessee's occupancy of thereof.

14.3 Lessee Compliance.

14.3.1 Lessee shall, at the Lessee's own expense, comply with all present and hereafter enacted Environmental Laws, including any amendments thereto, affecting Lessee's activities on and property interest in the Premises during the period of Lessee's occupancy thereof under this Lease. To the extent that Lessor, or any of Lessor's employees, agents or contractors, conducts any activities on the Premises during the period of Lessee's occupancy, Lessor shall, at Lessor's own expense, comply with all present and hereafter Environmental Law, including any amendments thereto, affecting any of Lessor's activities on the Premises.

14.3.2 Lessee shall not cause or permit any Hazardous Material to be brought upon, kept or used in or about the Premises or the Airport by Lessee's agents, employees, contractors or invitees in violation or threatened or suspected violation of any Environmental Law. The Parties recognize and agree that Lessee may bring on the Premises and Airport and use Hazardous Materials that are ordinarily and customarily used in the conduct of Lessee's permitted activities under this Lease, provided that such use shall comply fully with all applicable Environmental Laws.

14.4 Indemnification. To the fullest extent permitted by law, Lessee shall indemnify, defend (with counsel reasonably acceptable to Lessor), protect and hold harmless Lessor and its employees and agents for, from and against any and all liability, loss, damage, expense, penalties and legal and investigation fees or costs, arising from or related to any claim or action for injury, liability, or damage to persons or property and any and all claims or actions brought by any person, entity or governmental body, alleging or arising in connection with contamination of the environment or violation of any Environmental Law or other statute, ordinance, rule, regulation, judgment or order of any government or judicial entity ("Environmental Damages") which are incurred or assessed as a result of any of Lessee's activities or operations on the Premises or Airport. This obligation includes, but is not limited to, all costs and expenses related to cleaning up the property, land, soil and underground or surface water as required under the law. Lessee's obligations and liabilities under this Section 14.4 shall survive the termination of this Lease. The indemnification of Lessor by Lessee as described above includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision. Lessor reserves the right to seek injunctive relief as may be permitted under law and equity. This Section 14.4 explicitly excludes Lessee duty, liability or indemnity to Lessor for any claims or Environmental Damages of any kind whatsoever arising from or in connection with any contamination of any kind existing on the Premises prior to the Effective Date, except and only to the extent known contamination is exacerbated by Lessee or unknown contamination is exacerbated by Lessee's negligence.

14.5 Remediation. Without limiting the foregoing, if the presence of any Hazardous Material during the Term of this Lease caused or permitted by Lessee to be first brought on the Airport or Premises upon or after the Effective Date results in any Release on the Airport or Premises in violation of any Environmental Law, Lessee shall promptly take action to remediate the affected property at its sole expense as necessary to return the Airport or Premises to the condition existing prior to the introduction of any such Hazardous Material to the Airport or Premises; provided that Lessor's approval of such actions shall first be obtained, which approval shall not, except in an emergency, be unreasonably withheld so long as such actions would not potentially have any material adverse long-term effect on the Airport and Lessee is not under administrative or court order related to such remediation action. Notwithstanding Lessor's approval pursuant to this Section 14.5, Lessor is not responsible for directing or managing any remediation action. For purposes of this Section 14.5, the term "Release" means any releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, disposing, or dumping. This Section 14.5 also applies to Lessee's remediation of any contamination of any kind existing on the Premises or Airport prior to the Effective Date, including any such contamination that may be first discovered after the Effective Date but not caused by Lessee, except and only to the extent known contamination is exacerbated by Lessee or unknown contamination is exacerbated by Lessee's negligence.

14.6 Governmental Submittals. Lessee shall, at Lessee's own expense, make all submissions to, provide all information to, and comply with all requirements of the appropriate governmental authority ("Government") under the Environmental Laws. Should the Government determine that a site characterization, site assessment and/or cleanup plan should be prepared and/or that a cleanup should be undertaken because of any spills or discharges of Hazardous Material by reasons of Lessee's activities or actions at the Airport which occur during the Term of this Lease, then Lessee shall, at the Lessee's own expense, prepare and submit the required plans and financial assurances, and carry out the approved plans.

14.7 Information Sharing. Lessee shall immediately notify Lessor of any of the following: (i) Lessee's receipt of any notification from any governmental entity either charging or informing Lessee that it will be charged with a significant violation of Environmental Law (as defined below), and (ii) any significant change in Lessee's activities on the Premises that is reasonably likely to adversely change Lessee's obligations or liabilities under the Environmental Laws. In addition, Lessee agrees to provide Lessor with non-privileged copies of documents reflecting the physical condition of the Premises, including but not limited to, environmental testing of soils and groundwater, and existing, non-privileged information reasonably requested by Lessor to determine the applicability of the Environmental Laws to the Premises, or to assist in the response to any governmental investigation or claim of liability by third parties which is related to environmental contamination of the Premises, to the extent that such investigations or claims are related to Lessee's activities thereon. A "significant violation of Environmental Law" shall be any violation that requires more than One Hundred Eighty (180) calendar days to resolve.

14.8 Reserved.

14.9 Actions of Lessee. The activities or actions of Lessee under this Section 14 shall include the activities or actions of Lessee's officers, directors, employees, agents, contractors, invitees and successors.

14.10 Clean Water Act; NPDES Permits and SWPPPs. Without in any way limiting the foregoing, Lessee shall comply with all Environmental Laws regarding discharges to water and land, including, without limitation, obtaining and complying with an individual National Pollutant Discharge Elimination System (NPDES) permit, or requesting coverage under and complying with any applicable Multi-Sector General Permit ("MSGP"). If applicable, Lessee shall also prepare and comply with a site-specific MSGP with an individual Storm Water Pollution Prevention Plan ("SWPPP") or any revisions to a SWPPP, with respect to Lessee's operations or activities on the Premises or Airport. Proof of individual compliance shall be provided in the form of both the Lessee's Notice of Intent ("NOI") that has been received by the Arizona Department of Environmental Quality ("ADEQ") and the individual Arizona Multi-Sector General Permit (AZMSGP) number associated with the NOI, within the times prescribed by law.

14.11 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 19 this Lease specifically includes the right of the United States Government, the Environmental Protection Agency (the 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 entries by the United States, EPA, ADEQ, Arizona ADOSH, or any officer, agent, employee or contractor thereof.

14.13 U.S. Air Force Use and Remedial Action.

14.13.1 The Parties assume no liability or responsibility for environmental impacts and Environmental Damages or claims of any kind whatsoever caused by or resulting from the U.S. Air Force's use of Hazardous Material on any portion of the Airport, including the Premises, prior to the Effective Date, and have no obligation under this Lease to undertake the defense of any claim or action, whether in existence now or brought in the future, solely arising out of the use of or release of any Hazardous Material or deposits of solid waste on or from any part of the Airport, including, but not limited to, the Premises, even if such claims or contamination are first discovered or made after the Effective Date. Further, the Parties have no obligation under this Lease to undertake environmental response, remediation, or cleanup relating to any contamination caused by or related to such use or release. For purposes of this Section 14.14, "defense" or "environmental response, remediation, or cleanup" shall include liability and responsibility for the costs of damage, penalties, legal and investigative services relating to such use or release. The terms, "Occupation" or "Use" shall mean any activity or presence (in or upon) such portion of, or such building, facility or other improvement on the Premises.

14.13.2 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.

14.15 Spill Protection Plan. In the event Lessee undertakes any type of manufacturing, maintenance or other activities on the Premises involving the use or generation of any Hazardous Material regulated by Hazardous Material Laws, Lessee shall have a plan for responding to Hazardous Material, fuel, and other chemical spills prior to commencement of activities on the Premises and other approved Airport locations. Such plan shall comply with all applicable requirements of said plan which shall be updated from time to time or as may be required to comply with changes in site conditions or applicable requirements, and shall be approved by all agencies that are obligated by law to approve such plan. Such plan shall be independent of Lessor's spill prevention and response plans, if any. Lessee shall not rely on use of Lessor or Lessor personnel or equipment in execution of its plan. Lessee shall file a copy of the plan and amendments thereto with Lessor's Environmental and Safety Coordinator within thirty (30) calendar days of receipt of a CofO from the City. Notwithstanding the foregoing, should Lessor provide any personnel or equipment, whether for initial fire response and/or spill containment, on the request of Lessee, or because Lessee was not, in the opinion of Lessor, conducting firefighting, containment or timely cleanup actions, Lessee agrees to reimburse Lessor for

its actual costs in accordance with all applicable laws and regulations, except to the extent that Lessor was responding to conditions caused by events occurring at the Airport (not including the Premises) or by the negligence or omission of Lessor or its employees, agents or contractors.

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, if any, either in the future or as otherwise provided herein, Lessee shall not conduct any subsurface excavation, digging, drilling or other disturbance of the surface other than what is usual and customary for the anticipated uses without the prior written approval of Lessor, which shall not be unreasonably withheld, conditioned or delayed.

14.18 Later Discovered Hazmat. If any Hazardous Material is newly discovered on a portion of the Property after the Effective Date that: (a) (i) were not placed on or introduced to the Property by Lessee, and (ii) were present on the Premises prior to the Effective Date (collectively, "Later-Discovered, Pre-Existing Hazmat"); and (b) such Later-Discovered, Pre-Existing Hazmat will cause Unavoidable Delay in the construction of Improvements; Lessee shall immediately notify Lessor and cease development activity in the impacted area of the Premises, and Lessee shall have the right to either (a) conduct such investigations and remedial actions as necessary under applicable Environmental Law and continue development activity as the remedial process allows (and reserve any rights it may have to seek whatever compensation it is entitled to recover), if Lessor does not agree, within Seven (7) business days of receiving notice contemplated under this Section, to promptly investigate and remediate the detected contamination in accordance with Environmental Law, and on a schedule and in a manner that does not interfere with Lessee's development, use or construction plans, or (b) terminate this Lease upon written notice to Lessor.

15. PROTECTION OF WETLANDS

Lessee shall minimize the destruction, loss, or degradation of any wetlands located on the Premises. Lessor believes there are no wetlands existing on the Premises as of the Effective Date. However, before locating new construction in wetlands, if any exist, Lessee shall contact Lessor and the United States Army Corps of Engineers and obtain a permit or waivers under Section 404 of the *Clean Water Act*. For purposes of this Section 15, the term, "new construction," includes structures, facilities, draining, dredging, channeling, filling, diking, impounding, and related activities.

16. SPECIAL PROVISIONS

16.1 Lessee shall comply with all applicable Federal, State, and local occupational safety and health regulations.

16.2 Lessee shall be responsible for determining whether it is subject to State and local sanitation, licensing, building code or building permit requirements and whether or not it requires a permit to do business and for compliance with them to the extent they are applicable.

16.3 Lessee agrees to and shall at all times comply with the Lessor's *Standard Terms and Conditions*, as attached hereto as **EXHIBIT E**.

17. INSURANCE

17.1 Coverage Required. Lessee shall procure and maintain, or cause to be procured and maintained, the following types and amounts of insurance with respect to the Premises:

17.1.1 *Comprehensive General Liability* insurance in the amount of $2,000,000 per occurrence covering third party bodily injury and property damage, including coverage for "premises/operations," "products and completed operations," "professional," "host liquor" and "blanket contractual liabilities."

17.1.2 *Personal Property* insurance providing coverage at least as broad as the current ISO Special Form ("all-risks") policy in an amount not less than the full insurable replacement cost of all of Lessee's

trade fixtures and other personal property within the Premises and including business income insurance covering at least twelve (12) months loss of income from Lessee's business in the Premises.

17.1.3 *Worker's Compensation* insurance, as required by law, and *Employer's Liability* insurance in the amount of $1,000,000 covering work-related injuries to employees and others permitted to operate or otherwise conduct business on the Premises.

17.2 Form. Each insurance policy obtained pursuant to this Section, except for *Worker's Compensation* and *Employer's Liability* policies, shall: (i) name Lessor as a certificate holder 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.

17.3 Certificates of Insurance. Lessee shall deliver a certificate of insurance for each policy required herein to Lessor, in standard Acord or equivalent form, prior to the Effective Date and shall continue to provide such certificates throughout the term of this Lease.

17.4 Additional Insurance. At any time during the term of this Lease, Lessor may, if in its reasonable determination the insurance coverage required by this Section 17 is no longer adequate, require Lessee to increase its coverage to commercially reasonable amounts.

17.5 Blanket Insurance. Lessee's insurance obligations under this Lease may be satisfied by means of "blanket" or excess policies.

17.6 Insurance by Lessor. In the event Lessee shall fail to procure any insurance required hereunder, Lessor may, upon written notice to Lessee, procure and maintain any or all of the insurance required of Lessee under this Section. In such event, all costs of such insurance procured and maintained by Lessor on behalf of Lessee shall be the responsibility of Lessee and shall be fully reimbursed to Lessor within Ten (10) business days after Lessor advises Lessee of the cost thereof.

18. SURRENDER OF POSSESSION.

18.1 Condition of Property.

18.1.1 Upon the expiration or earlier termination of this Lease, Lessee's right to occupy the Premises and exercise the privileges and rights granted thereunder shall cease, and Lessee shall peaceably surrender the same and leave the Premises broom clean and in good condition except for normal wear and tear. All trade fixtures, equipment, and other personal property, to include all hazardous material, installed or placed by Lessee on the Premises which are not permanently affixed thereto shall remain the property of Lessee, and Lessee shall have the right at any time during the term of this Lease, to remove the same from the Airport and Lessee shall repair, at its sole cost, any damage caused by such removal. Any property not removed by Lessee within Fifteen (15) calendar days of the expiration or earlier termination of this Lease, or revocation of Lessee's right to occupy the Premises, shall become a part of the Premises, and ownership thereof shall vest in Lessor. Lessee shall, however, remain financially liable to Lessor for removal and disposal of any hazardous materials and the cost of repairs to the Premises incurred as a result of Lessor's removal and/or relocation of property formerly belonging to Lessee and not otherwise removed from the Premises, as provided herein, and shall remit to Lessor payment for such costs within Ten (10) business days of Lessee's receipt of Lessor's invoice therefor.

18.1.2 Any trade fixtures, equipment or other property affixed to the Premises by Lessee shall, if required by Lessor, be permanently removed from the Premises by Lessee, at Lessee's expense, within Five (5) business days of Lease termination. Should Lessee fail to remove such trade fixtures, equipment or other property within said time, Lessor may remove and dispose of such trade fixtures, equipment or other

property at Lessee's expense, and Lessee shall reimburse Lessor for the costs thereof within Ten (10) business days of receipt of Lessor's invoice therefor.

18.2 Holding Over. Lessee shall not remain in possession of the Premises after the expiration or earlier termination of the Term without the express written consent of Lessor. Should Lessee hold over without the express written consent of Lessor, such tenancy shall be at the sufferance of Lessor and not a renewal of the Term. In such case, the Base Rent and all other charges due pursuant to this Lease shall be payable at One Hundred Fifty Percent (150%) of the amount payable during the last year of the Term, and such tenancy at sufferance shall be subject to every other term, covenant and provision of this Lease. In the event Lessee holds over, Lessee shall be liable for all of Lessor's direct and consequential damages, which shall include, without limitation, costs, fees, expenses, damages and attorneys' fees incurred by Lessor as a result of Lessee's holding over, and damages and expenses incurred by Lessor for its inability to deliver possession of the Premises to a new lessee.

19. INSPECTION BY LESSOR

Lessor may enter upon the Premises at reasonable times and upon reasonable notice for any reasonable purpose, including, but not limited to, compliance with the terms and conditions of this Lease and the exercise of its governmental functions for such activities as fire protection or security.

20. NOTICES

20.1 All notices required or permitted under this Lease shall not be effective unless personally delivered or mailed by certified mail, return receipt requested, postage prepaid, or by reputable commercial overnight courier service, to the following addresses:

TO LESSOR: Phoenix-Mesa Gateway Airport Authority
Attn: Business Development Department
5835 South Sossaman Road
Mesa, Arizona 85212-6014

TO LESSEE: Sierra Building Systems, LLC
Attn.: Todd Johnson
6416 S. Sossaman Rd.
Mesa, AZ 85212-6014
Office: (480) 722-9503
Email: todd@sierrabldg.com

20.2 Any notice shall be deemed to have been received Two (2) business days after the date of mailing, if given by certified mail, or upon actual receipt if personally delivered or if given by reputable commercial overnight courier service. Any Party may designate in writing a different address for notice purposes pursuant to this Section.

21. SEVERABILITY

The provisions of this Contract are severable to the extent that any provision or application held to be invalid shall not affect any other provision or application of the Contract, which may remain in effect without the valid provision, or application.

22. SALES AND PROPERTY TAXES

Lessee shall pay any leasehold tax, sales tax, personal property tax, transaction privilege tax, license or permit fee, or any other tax assessed as the result of its occupancy of Premises or conduct of any activity at the Airport under authority of this Lease, including any such tax assessable on Lessor. In the event that laws or judicial decisions result in the imposition of a real property tax or any other form of tax or imposition on the interest of Lessor, such tax shall also be paid by Lessee for the period this Lease is in effect, to the extent such taxes are reasonably attributable to the Premises or a portion thereof or the operation of Lessee's business.

23. APPROVALS, CONSENTS AND NOTICES

All approvals, consents and notices called for in this Lease shall be in writing, signed by the appropriate Party, and may not be established solely by oral testimony.

24. LIENS AND MORTGAGES

24.1 General Provisions.

24.1.1 Except as provided in this Section 24, Lessee shall not engage in any financing or other transaction creating any mortgage or deed of trust upon the Premises, place or suffer to be placed upon the Premises any lien or other encumbrance, or suffer any levy or attachment to be made on Lessee's interest in the Premises. Any such mortgage or deed of trust, encumbrance or lien shall be deemed a violation of this Section, constituting a failure by Lessee to comply with the terms of the Lease, on the date of its execution or filing of record regardless of whether or when it is foreclosed or otherwise enforced.

24.1.2 Notwithstanding anything to the contrary in Section 9 herein, Lessee shall, during the Term, be permitted to mortgage, collaterally assign, or otherwise encumber its leasehold interest under this Lease to secure indebtedness, including, without limitation, a loan to finance construction of improvements and other development on the Premises, and including refinancing's thereof, subject to the restrictions of Section 24.1.3, and provided that the language of such mortgage or dead of trust and of all related documents that require the execution, approval, or consent of Lessor shall be subject to the prior review and approval of legal counsel for Lessor, and that all legal fees incurred by Lessor in connection with such legal counsel review and approval shall be paid by Lessee. Any such encumbrance is referred to as "Mortgage" and the holder thereof, "Mortgagee." The Mortgagee, upon taking possession or upon foreclosure or taking an assignment in lieu thereof, shall be liable for all future rents and obligations hereunder and shall attorn to Lessor. No Mortgage shall encumber Lessor's interest in the Premises or the improvements thereon. Further and promptly after Lessee assigns or encumbers any portion of the premises or the improvements thereon, Lessee shall furnish Lessor with a written notice setting forth the name and address of such Mortgagee or trustee.

24.1.3 No Mortgage or deed of trust shall extend to or affect the fee, the reversionary interest or the estate of Lessor in the Premises. No Mortgage or dead of trust shall be binding upon Lessor in the enforcement of its rights and remedies under this Lease and by law provided, unless and until a copy thereof shall have been delivered to Lessor and such Mortgage or dead of trust is authorized in accordance with provisions of this Section 24.

24.2 Lessor Agreement. With respect to Mortgagees of the Premises, Lessor agrees that:

24.2.1 If requested by a Mortgagee which shall have duly registered in writing with Lessor its name and address, and if Lessor shall give any notice, demand, election or other communication required hereunder (hereafter, collectively, "Notices") to Lessee, Lessor shall concurrently give a copy of each such Notice to the Mortgagee at the address designated by it. Notices shall be sent by registered or certified mail, return receipt requested, and shall be deemed given Seventy-Two (72) hours after the time they are deposited in a United States Post Office with postage charges prepaid, addressed to the Mortgagee. No Notice given by Lessor to Lessee shall be binding upon or affect Lessee or the Mortgagee unless a copy of the Notice shall be given to the Mortgagee pursuant to this Section 24.2.1.

24.2.2 Such Mortgagee entitled to such Notices, as specified above, shall have any and all rights of Lessee with respect to the curing of any default hereunder by Lessee.

24.2.3 If Lessor shall elect to terminate this Lease by reason of any default by Lessee with respect to the Premises, the Mortgagee that shall have become entitled to Notice as provided in this Section 24.2 shall have any and all rights of Lessee with respect to curing of any default with respect to the Premises.

24.2.4 Nothing herein contained shall be deemed to impose any obligation on the part of Lessor to deliver physical possession of the Premises to such holder of a Mortgage. To the extent the physical possession of the Premises by a secured creditor is not inconsistent with the terms of this Lease, or is

incompatible with the Lessor's selection of available remedies in the Event of Default, Lessor shall not prevent such physical possession.

24.2.5 If more than one Mortgagee shall seek to exercise any of the rights provided for in this Section 24, the holder of the Mortgage having priority of lien over the other Mortgagees shall be entitled, as against the others, to exercise such rights. Should a dispute arise among Mortgagees regarding the priority of lien, the Mortgagees shall prove to the satisfaction of Lessor that they have settled that dispute.

24.3 Protection of Mortgagee(s). Until the time, if any, that an approved Mortgage shall be satisfied and released of record:

24.3.1 A Mortgagee shall have the right, for a period equal to the period afforded Lessee to perform any term, covenant, or condition and to remedy any default by Lessee hereunder, and Lessor shall accept such performance with the same force and effect as if furnished by Lessee, and the Mortgagee shall thereby and hereby be subrogated to the rights of Lessor. Such Mortgagee cure period shall begin on the later of: (i) the date Mortgagee receives notice pursuant to Section 24.2, or (ii) the date that Lessee's cure period expires under the Lease. During such Mortgagee cure period, Lessor will not disturb possession, interest or quiet enjoyment by the Lessee or Mortgagee in the real property for any reason, subject to the terms of the Lease, until such Mortgagee cure period has expired. The Mortgagee shall have the right to enter upon the Premises to give such performance.

24.3.2 In case of a default by Lessee in the performance or observance of any non-monetary term, covenant or condition to be performed by it hereunder, if such default cannot practicably be cured by the Mortgagee without taking possession of the Premises, in such Mortgagee's reasonable opinion, or if such default is not susceptible of being cured by the Mortgagee, then Lessor shall not serve a notice of lease termination if and so long as:

a. The Mortgagee shall proceed diligently to obtain possession of the Premises (including possession by a receiver), and, upon obtaining such possession, shall proceed diligently to cure such defaults as are reasonably susceptible of cure (subject to any order by a court of competent jurisdiction staying or otherwise precluding such Mortgagee from obtaining such possession); or

b. The Mortgagee shall institute foreclosure proceedings and diligently prosecute the same to completion (unless in the meantime it shall acquire Lessee's estate hereunder, either in its own name or through a nominee, by assignment in lieu of foreclosure), subject to any order by a court of competent jurisdiction staying or otherwise precluding such Mortgagee from obtaining such possession.

c. The Mortgagee shall not be required to obtain possession or to continue in possession of the Premises pursuant to Section 24.3.2a, or to continue to prosecute foreclosure proceedings pursuant to Section 24.3.2b, if and when such default shall be cured. If a Mortgagee, its nominee, or a purchaser at a foreclosure sale shall acquire title to Lessee's leasehold estate hereunder, a default that is not reasonably susceptible to cure by the person succeeding to the leasehold interest shall no longer be deemed a default under this Lease.

d. If any Mortgagee is prohibited from commencing or prosecuting foreclosure or other appropriate proceedings in the nature thereof by any process or injunction issued by any court, or by reason of any action by any court having jurisdiction of any bankruptcy or insolvency proceeding involving Lessee, the times for commencing or prosecuting foreclosure or other proceedings, including proceedings to obtain possession, shall be extended for the period of the prohibition.

24.4 New Lease.

24.4.1 Subject to FAA regulations, Lessor agrees that, in the event of early termination of this Lease for any reason (including but not limited to any default by Lessee), Lessor, if requested by any Mortgagee, will enter into a new lease of the Premises with the most senior Mortgagee requesting a new lease, which new lease shall commence as of the date of termination of this Lease and shall run for the remainder of

the original term of this Lease, at the rent and upon the terms, covenants and conditions herein contained, provided that:

a. Such Mortgagee shall make written request upon Lessor for the new lease within Sixty (60) calendar days after the date such Mortgagee receives written notice from Lessor that this Lease has been terminated;

b. Such Mortgagee shall pay to Lessor, at the time of the execution and delivery of the new lease, any and all sums which would, at that time, be due and unpaid pursuant to this Lease but for its termination, and in addition thereto all reasonable expenses, including reasonable attorneys' fees, which Lessor shall have incurred by reason of such termination;

c. Such Mortgagee shall perform and observe all covenants in this Lease to be performed and observed by Lessee, and shall further remedy any other conditions which Lessee under the Lease was obligated to perform under its terms, to the extent the same are reasonably susceptible of being cured by the Mortgagee; and

d. The Lessee under the new lease shall have the same right of occupancy to the buildings and improvements on the Premises and elsewhere on the Airport as Lessee had under this Lease immediately prior to its termination.

Notwithstanding anything to the contrary expressed or implied in this Lease, any new lease made pursuant to this Section 24 shall have the same priority as this Lease with respect to any mortgage, deed of trust, or other lien, charge, or encumbrance on the fee of the Premises, and any sublease under this Lease shall be a sublease under the new Lease and shall not be deemed to have been terminated by the termination of this Lease.

24.4.2 Nothing herein contained shall require any Mortgagee to enter into a new lease pursuant to this Section 24.4, or to cure any default of Lessee referred to above.

24.4.3 If any Mortgagee shall request a new lease as provided in this Section 24.4, Lessor agrees, at the request of, on behalf of and at the expense of the Mortgagee, upon a guaranty from it reasonably satisfactory to Lessor, to institute and pursue diligently to conclusion the appropriate legal remedy or remedies to oust or remove the original Lessee from the Premises, but not any authorized subtenants actually occupying the Premises or any part thereof.

24.4.4 Unless and until Lessor has received notice from each Mortgagee that the Mortgagee elects not to demand a new lease as provided herein, or until the period therefor has expired, Lessor shall not cancel or agree to the termination or surrender of any existing subleases nor enter into any new leases or subleases with respect to the Premises without the prior written consent of each Mortgagee.

24.5 Effect of Transfer. Neither the foreclosure of any Mortgage (whether by judicial proceedings or by virtue of any power of sale contained in the Mortgage), nor any conveyance of the leasehold estate created by this Lease by Lessee to any Mortgagee or its designee by an assignment or deed in lieu of foreclosure or other similar instrument, shall require the consent of Lessor or constitute a default under this Lease, and upon such foreclosure, sale or conveyance, Lessor shall recognize the purchaser or other transferee in connection therewith as the Lessee under this Lease, subject only to an assumption in writing by such purchaser or transferee of all obligations of Lessee under this Lease.

25. GOVERNING LAW

The laws of the State of Arizona shall govern the matters set forth in this Lease. Venue of any action brought under this Lease shall, at the option of Lessor, lie in Maricopa County, Arizona.

26. RULES AND REGULATIONS

Lessee shall at all times comply with all Federal, state and local laws, ordinances, rules, and regulations which are applicable to its activities on the Airport, the Premises itself (including but not limited to the *Americans with Disabilities Act, Public Law 101-336, 42 U.S.C. 12101-12213*), or the operation, management, maintenance,

or administration of the Airport, including all laws, ordinances, rules and regulations adopted after the Effective Date. Lessee shall at all times comply with the *Airport Minimum Standards* and *Airport Rules and Regulations*, as the same may be amended from time to time. Copies of the current *Airport Minimum Standards* and *Airport Rules and Regulations* are attached hereto as **EXHIBIT D**. Lessee acknowledges and agrees that Lessor may amend the *Airport Minimum Standards* and *Airport Rules and Regulations* at any time in Lessor's sole discretion. Lessee shall be responsible for controlling and preventing disruptive pedestrian and vehicle traffic associated with its activities on the Premises and at the Airport. Lessee also shall display to Lessor any permits, licenses, or other evidence of compliance with laws upon request.

27. CORPORATE AUTHORIZATION

In executing this Agreement, Lessee represents and warrants to Lessor that if Lessee is a corporation, Lessee has obtained and been granted the full right, power and authority to enter into this Lease.

28. UTILITY LINES AND SERVICE CHARGES

28.1 Lessee shall, at no cost or expense to Lessor, provide or arrange for any public utility, water and sewage lines, connections and services that are needed in connection with any building(s), structure(s) or other improvement(s) placed on the Premises by Lessee, or required for Lessee's activities thereon, and shall be responsible for the maintenance of such lines and connections from where they enter the Premises. If requested in advance to do so by Lessee, Lessor will grant reasonable rights-of-way on or across the Airport to suppliers of public utility services for the purpose of supplying Lessee with such services, but Lessor reserves the right to designate the lands along which such rights-of-way shall be granted so as to cause the least inconvenience in the operation of the Airport and other Airport tenants.

28.2 Lessee shall pay for all telecommunications, refuse, and custodial services, plus any other utilities and services necessary for their operation at the Premises not listed in Section 28.1. The charges and method of payment for each utility or service shall be determined by the appropriate supplier of the utility or service in accordance with applicable laws and regulations, on such basis as the appropriate supplier of the utility or service may establish.

28.3 Lessee shall, at no cost or expense to Lessor, provide or arrange for any additional public utility, water and sewage lines, and telecommunications connections and services that are needed in connection with any building(s), structure(s) or other improvement(s) placed on the Premises by Lessee, or required for Lessee's activities thereon, and shall be responsible for the maintenance of such lines and connections from where they enter the Premises. If requested in advance to do so by Lessee, Lessor will grant reasonable rights-of-way on or across the Airport to suppliers of public utility services for the purpose of supplying Lessee with such services, but Lessor reserves the right to designate the lands along which such rights-of-way shall be granted so as to cause the least inconvenience in the operation of the Airport and other Airport tenants.

28.4 Notwithstanding the execution of this Lease, Lessor retains the right to the continued use of such utility lines and services as are presently on the Premises and the right to repair the same when necessary in Lessor's sole discretion, including but not limited to, any utility easements on the Premises. Lessor shall conduct such repairs in such a manner and at such times as to not unreasonably interfere with Lessee's activities thereon.

29. RESERVATIONS TO LESSOR

The Premises are accepted "as is, where is" by Lessee, subject to any and all existing easements or other encumbrances, and Lessor shall have the right to install, lay, construct, maintain, repair and operate such sanitary sewers, drains, storm water sewers, pipelines, manholes, connections; water, oil and gas pipelines; telephone and telegraph power lines; and such other appliances and appurtenances necessary or convenient to use in connection therewith, over, on, across or in proximity to the Premises, or any part thereof, as will not unreasonably interfere with Lessee's or any subtenant's operations hereunder, and to enter upon the Premises for such purposes. Lessor also reserves the right to grant franchises, easements, rights-of-way, and permits, over, on, across or in proximity to any portions of the Premises for the same purposes; provided, that Lessor

or the grantee, as applicable, shall not exercise such rights so as to interfere unreasonably with Lessee's or any subtenant's activities on the Premises and all such interference shall be minimized. Lessor agrees that any rights granted to any parties by reason of this clause shall contain provisions that the surface of the Premises shall be restored to its original condition, at no cost to Lessee, upon the completion of any construction.

30. FEDERAL AVIATION ADMINISTRATION (FAA) PROVISIONS

30.1 Lessor reserves the right to further develop or improve the landing area of the Airport as it sees fit, regardless of the desires or view of Lessee, and without interference or hindrance therefrom.

30.2 Lessor reserves the right, but shall not be obligated to Lessee, to maintain and keep in repair the landing area of the Airport and all publicly owned facilities of the Airport, together with the right to direct and control all activities of Lessee in this regard. Lessor and Lessee agree that Lessee has no responsibility whatsoever with respect to maintenance and repair of the landing area of the Airport, or any publicly owned facilities of the Airport.

30.3 This Lease shall be subordinate to the provisions and requirements of any existing or future agreement between Lessor and the United States relative to the development, operation or maintenance of the Airport.

30.4 There is reserved unto Lessor, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Premises, which shall include the right to cause in the airspace any noise inherent in the operation of aircraft, now known or hereafter used for navigation of or flight in or through the airspace, and for the use of such airspace for landing on, taking off from, or operation on the Airport.

30.5 Lessee agrees to comply with the notification and review requirements covered in 14 CFR Part 77 in the event future construction of a building is planned for the Premises or in the event of any planned modification or alteration of any present or future building or structure situated on the Premises.

30.6 Lessee shall not erect or permit the erection of any structure or building, nor permit the growth of any tree on the Premises, or any other obstruction that exceeds height requirements contained in 14 CFR Part 77 or amendments thereto, or interferes with the runway and/or taxiway "line of sight" of the control tower. In the event these covenants are breached, Lessor reserves the right to enter upon the Premises and to remove the offending structure or object at the expense of Lessee.

30.7 Lessee shall not make use of the Premises in any manner that might interfere with the landing and taking off of aircraft from the Airport or otherwise constitute a hazard. In the event this covenant is breached, Lessor reserves the right to enter upon the Premises and cause the abatement of such interference at the expense of Lessee.

30.8 Nothing contained in this Lease shall be construed to grant or authorize the granting of an exclusive right within the meaning 49 U.S.C. §40103(e) and 47107 (a)(4).

30.9 This Lease and all of the provisions hereof shall be subject to whatever right the United States government now has, or in the future may have or acquire, affecting the control, operation, regulation and taking over of the Airport, or the exclusive or non-exclusive use of the Airport by the United States during the time of war or national emergency.

30.10 To the extent that Lessee conducts or engages in any aeronautical activity for furnishing services to the public at the Airport, Lessee shall furnish its services on a reasonable and not unjustly discriminatory basis to all users and charge reasonable and not unjustly discriminatory prices for each unit or service; except, however, that Lessee may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar type of price reductions to volume purchasers.

30.11 Lessee shall conform to Lessor and FAA safety and security rules and regulations regarding use of the Airport air operations area including runways, taxiways, taxilanes and aircraft aprons by vehicles, employees, customers, visitors, etc., in order to prevent security breaches and avoid aircraft incursions and

vehicle/pedestrian deviations; complete and pass an airfield safe driving instruction program when offered or required by Lessor; and be subject to penalties as prescribed by Lessor for violations of Airport safety and security requirements.

31. TITLE VI

31.1 The tenant/Lessee and its transferee agree to comply with pertinent statues, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color or national origin, sex, age or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. Lessee understands and acknowledges that the FAA requires inclusion of and adherence to the terms and conditions of Title VI in all airport/aviation lease agreements where Lessor receives federal funding, including, Lessor in this instance.

31.2 During the performance of this contract, the tenant/lessee, for itself, its assignees, and successors in interest agrees as follows:

1. Compliance with Regulations: The tenant/lessee (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.

2. Non-discrimination: The tenant/lessee, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The tenant/lessee will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR Part 21.

3. Solicitations for Subcontracts, Including Procurements of Materials and Equipment: In all solicitations, either by competitive bidding, or negotiation made by the tenant/lessee for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the tenant/lessee of the tenant/lessee's obligations under this contract and the Non-discrimination Acts And Authorities on the grounds of race, color, or national origin.

4. Information and Reports: The tenant/lessee will provide all information and reports required by the Acts, the Regulations and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the sponsor or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of a tenant/lessee is in the exclusive possession of another who fails or refuses to furnish the information, the tenant/lessee will so certify to the sponsor or the Federal Aviation Administration as appropriate, and will set forth what efforts it has made to obtain the information.

5. Sanctions for Noncompliance: In the event of a tenant/lessee's noncompliance with the Nondiscrimination provisions of this contract, the Recipient will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:

a. withholding payments to the tenant/lessee under the contract until the tenant/lessee complies; and/or

b. cancelling, terminating, or suspending a contract, in whole or in part.

6. Incorporation of Provisions: The tenant/lessee will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. The tenant/lessee will take action with respect to any subcontract or procurement as the sponsor or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the tenant/lessee becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the tenant/lessee may request the sponsor to enter into any litigation to protect the interests of

the sponsor. In addition, the tenant/lessee may request the United States to enter into the litigation to protect the interests of the United States.

31.3 The Lessee for himself/herself, his/her heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree that (1) no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land, and the furnishing of services thereon, no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the lessee will use the premises in compliance with all other requirements imposed by or pursuant to the List of discrimination Acts And Authorities.

31.4 During the performance of this Lease, the tenant/Lessee, for itself, its assignees, and successors in interest agrees to comply with the following non-discrimination statutes and authorities; including but not limited to the following (which Lessor is required to disclose and include in such Lease and other agreements, pursuant to FAA regulation):

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq*., 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR part 21 (Non-discrimination In Federally-Assisted Programs of The Department of Transportation—Effectuation of Title VI of The Civil Rights Act of 1964);
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 *et seq*.), as amended, (prohibits discrimination on the basis of disability); and 49 CFR part 27;
- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 *et seq*.), (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 CFR parts 37 and 38;
- The Federal Aviation Administration's Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures non-discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;

- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq).

31.5 Lessee agrees that in the event improvements are constructed, maintained, or otherwise operated on the Premises for a purpose for which a Department of Transportation (DOT) program or activity is intended, or for another purpose involving the providing of similar services or benefits, Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, *Nondiscrimination in Federally Assisted Programs of the Department of Transportation*, as it may be amended.

32. FEDERAL FAIR LABOR STANDARDS ACT

This contract and all subcontracts that result from this contract incorporate by reference the provisions of 29 CFR part 201, the Federal Fair Labor Standards Act (FLSA), with the same force and effect as if given in full text.

The Lessee has full responsibility to monitor compliance to the referenced statue or regulation. The Lessee must address any claims or disputes that arise from this requirement directly with the U.S. Department of Labor – Wage and Hour Division.

33. OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970

This contract and all subcontracts that result from this contract incorporate by reference the provisions of 29 CFR part 1910 with the same force and effect as if given in full text. Lessee must provide a work environment that is free from recognized hazards that may cause death or serious physical harm to the employee. The Lessee retains full responsibility to monitor its compliance and their subcontractor's compliance with the applicable requirements of the Occupational Safety and Health Act of 1970 (20CFR Part 1910). Lessee must address any claims or disputes that pertain to a referenced requirement directly with the U.S. Department of Labor – Occupational Safety and Health Administration

34. INCORPORATION OF QUITCLAIM DEED

Lessor owns the Airport pursuant to a Quitclaim Deed from the United States Government ("Deed"), a copy of which is available to Lessee upon request and is hereby incorporated in its entirety. To the extent the Deed has terms, conditions, obligations, requirements or restrictions that apply to this Lease, Lessor, Lessee or any matter in connection herewith, Lessee agrees to be bound by all the terms, covenants and conditions of the Deed, including the following:

34.1 That this Lease is subject to all terms and conditions of the Deed; and

34.2 That in case of any conflict between the Deed and this Lease, the Deed shall control.

35. REQUIRED PROVISIONS OF QUITCLAIM DEED

35.1 Section VI (A)(5)(c) of the Deed requires that the following provisions be included in this Lease:

35.1.1 In furnishing services to the public, Lessee shall not discriminate against any person or class of persons by reason of race, color, creed, or national origin, and Lessee shall otherwise provide such services on a fair, equal, and not unjustly discriminatory basis to all users thereof.

35.1.2 Lessee shall charge fair, reasonable, and not unjustly discriminatory prices for each unit for service; except, however, that the Lessee may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

35.2 If the Premises are within any of the archaeological sites identified in Section VIII.A of the Deed, then, the provisions of Section VIII of the Deed shall be deemed incorporated in this Lease by this express reference to Section VIII of the Deed.

35.3 To the extent the Deed requires that other specific provisions thereof be inserted in this Lease by express reference to the Deed, this sentence shall constitute an express reference to all such applicable provisions of the Deed.

36. ARCHEOLOGICAL OR CULTURAL RESOURCES

In the event any archeological or cultural resources are discovered during any construction contemplated or permitted by this Lease, Lessor shall use its best efforts to expedite any necessary actions with respect thereto, at Lessor's sole cost and expense; provided, however, that in the event the necessary actions with respect to any archeological or cultural resources exceeds or is estimated to exceed $10,000.00, Lessee shall be entitled to terminate this Lease upon Ten (10) business days' prior written notice to Lessor.

37. AIRPORT SECURITY

37.1 PMGAA Operations Department maintains an approved Airport Security Plan (the "Security Plan") pursuant to 49 CFR Parts 1540 and 1542, and 14 CFR Part 139. Lessee shall at all times comply with PMGAA Operations Department security directives, security bulletins, or verbal notifications existing now or in the future.

37.1.1 Lessee is responsible for maintaining security practices, facilities, and perimeter boundaries on their leasehold that meet the security standards set forth by PMGAA Operations Department.

37.1.2 Lessee shall immediately correct physical or procedural deficiencies which are contrary to PMGAA Operations Department, security directives, security bulletins, or verbal notifications existing now or in the future.

37.1.3 Lessee shall, to the fullest extent permitted by law, indemnify, defend and hold PMGAA harmless for, from and against any security violation committed by any agents, employees, invitees, subcontractors, sub-lessees or independent contractors of Lessee.

37.1.4 Lessee shall conduct and document all self-audits and self-inspections as required by TSA or Airport Operations and make such audits available for inspection.

37.1.5 Lessee shall designate a primary security coordinator to receive security related briefings, bulletins and sensitive security information.

37.1.6 PMGAA reserves the right to modify the Security Plan from time to time, as necessary or as directed by TSA. PMGAA Airport Operations shall notify the Lessee security coordinator regarding modifications that effect Lessee.

37.2 Airport Security Badge.

37.2.1 Lessee employees/contractors that require a Badge shall be obligated to complete all training and comply with all security requirements and directives issued by PMGAA Airport Operations, Transportation Security Administration or other entity having security jurisdiction at PMGAA. Lessee, employees, and contractors will surrender security badges upon request by Airport Operations; physical security media (badges and keys) remain the property of PMGAA.

37.2.2 Lessee, employees and contractors shall comply with all security related audits, inspections, and screenings conducted by the PMGAA Airport Operations Department

37.2.3 Lessee will immediately return badges to the Airport Badging office when badge holders' employment is terminated, the badge is no longer needed, or the employee/contractor is on extended leave.

37.2.4 Misuse of a Badge or security procedures will bring about punitive action including suspension or revocation of one or all badges.

38. DEFAULT BY LESSOR

In the event of any alleged breach by Lessor of its covenants contained in this Lease, Lessee shall have available all rights and remedies provided at law or in equity, subject to the terms and conditions of this Lease; provided, however, Lessee may not exercise any such right or remedy unless Lessee has notified Lessor by written notice of such alleged default, and Lessor has not cured such default within the Thirty (30) calendar day period subsequent to receipt of such notice or, in the event such alleged default is of such a nature that it cannot reasonably be cured within such Thirty (30) calendar day period, Lessor has failed to cure such alleged default with all due diligence. Notwithstanding anything to the contrary contained in this Lease, in no event shall Lessee be entitled to terminate this Lease or abate or offset any installment of Base Rent, or any other payments to be made by Lessee hereunder.

39. BROKERS

Lessee represents and warrants that it has not had any dealings with any real estate brokers, finders or agents in connection with this Lease. Lessee further agrees to indemnify, defend (with counsel selected by Lessor) and hold Lessor and Lessor's nominees, successors and assigns harmless from any and all claims, costs, commissions, fees or damages by any person or firm whom Lessee authorized or employed, or acted by implication to authorize or employ, to act for Lessee in connection with this Lease.

40. SALE BY LESSOR

Lessee agrees to look solely to Lessor's interest in the Premises for the recovery of any judgment from Lessor, it being agreed that neither Lessor nor the holders of the equity interests of Lessor, nor the members, partners, officers, directors or shareholders of Lessor shall be personally liable for any such judgment. In the event of any sale or other conveyance by Lessor of its interest in the Premises, Lessor shall be automatically freed and released from all personal liability accruing from and after the date of such sale or conveyance as respects the performance of any covenant or obligation on the part of Lessor contained in this Lease to be performed, it being intended hereby that the covenants and obligations contained in this Lease on the part of Lessor shall be binding on the Lessor and its successors and assigns only during and in respect to the respective successive periods of ownership of the Premises.

41. ESTOPPEL CERTIFICATE

Lessee shall, without charge, at any time and from time to time hereafter, within Ten (10) business days after written request of Lessor to do so, certify, by written instrument duly executed and acknowledged by Lessee and certified to Lessor and to any prospective lender or purchaser: (i) as to whether this Lease has been supplemented or amended, and if so, the substance and manner of such supplement or amendment; (ii) as to the existence of any default hereunder to the best of Lessee's knowledge; (iii) as to the date on which Lessee was obligated to commence paying Base Rent and all other charges hereunder and the expiration date of the Term; (iv) as to whether the Lessee has assigned or transferred its interests or any portion thereof in this Lease; and (v) as to any other matters as may be reasonably requested. Lessor and any prospective purchaser or lender to whom the same was certified may rely upon any such certificate.

42. MISCELLANEOUS

42.1 Personal Liability. No member of or employee of either Party shall be charged personally or held contractually liable by or to the other Party under any term or provision of this Lease because of any breach thereof, or because of its execution or attempted execution.

42.2 No Waiver. No provision of this Lease may be waived or modified except by a writing signed by the Party against whom such waiver or modification is sought.

42.3 Non-Waiver of Rights. No waiver or default by Lessor of any of the terms, conditions, covenants or agreements hereof to be performed, kept or observed by Lessee shall be construed or act as a waiver of any subsequent default of any of the terms, covenants, conditions or agreements herein contained to be performed, kept or observed by Lessee, and Lessor shall not be restricted from later enforcing any of the terms and conditions of this Lease.

42.4 Amendment. This Contract shall be modified only by a written amendment mutually agreed to and signed by both Parties, by persons duly authorized to enter into contracts on behalf of each Party.

42.5 Invalid Provisions. Should any provision of this Lease or any application thereof be held invalid by a court of competent jurisdiction, the remainder of this Lease shall not be affected thereby, unless one or both Parties would be substantially and materially prejudiced.

42.6 Litigation Expenses. In the event of litigation between Lessor and Lessee, the prevailing Party shall be entitled to recover its attorneys' fees and all costs and expenses of litigation, including witness fees, expert witness fees, and court costs.

42.7 Headings. The headings contained herein are for convenience in reference only and are not intended to define or limit the scope of this Lease or any term thereof.

42.8 Entire Agreement. This Lease, including exhibits attached hereto at the time of its execution, constitutes the entire agreement between the Parties hereto and supersedes all prior negotiations, understandings and agreements between the Parties concerning such matters.

43. INCORPORATION OF RECITALS

The recitals set forth herein are acknowledged by the Parties to be true and correct and are incorporated herein by this reference.

IN WITNESS WHEREOF, the Parties have executed this Lease the day and year first above written.

EXECUTED to be effective on the date specified above.

LESSOR:

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, a joint powers authority authorized by the State of Arizona

By: _____
J. Brian O'Neill, A.A.E.
Executive Director/CEO

STATE OF ARIZONA)
) ss.
County of Maricopa)

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me this ___ day of _____, 2022, by J. Brian O'Neill, A.A.E., in his capacity as the Executive Director/CEO of the Phoenix-Mesa Gateway Airport Authority, a joint powers authority authorized by the State of Arizona.

_____
Notary Public

LESSEE:

SIERRA BUILDING SYSTEMS, LLC, an Arizona limited liability company

By: _____
Todd Johnson, Manager

STATE OF _____)
) ss.
County of _____)

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me this ___ day of _____, 2022, by Todd Johnson, in his capacity as Manager for Sierra Building Systems, LLC., an Arizona limited liability company, for and on behalf of said LLC.

_____
Notary Public

EXHIBIT A

DEPICTION OF THE PREMISES

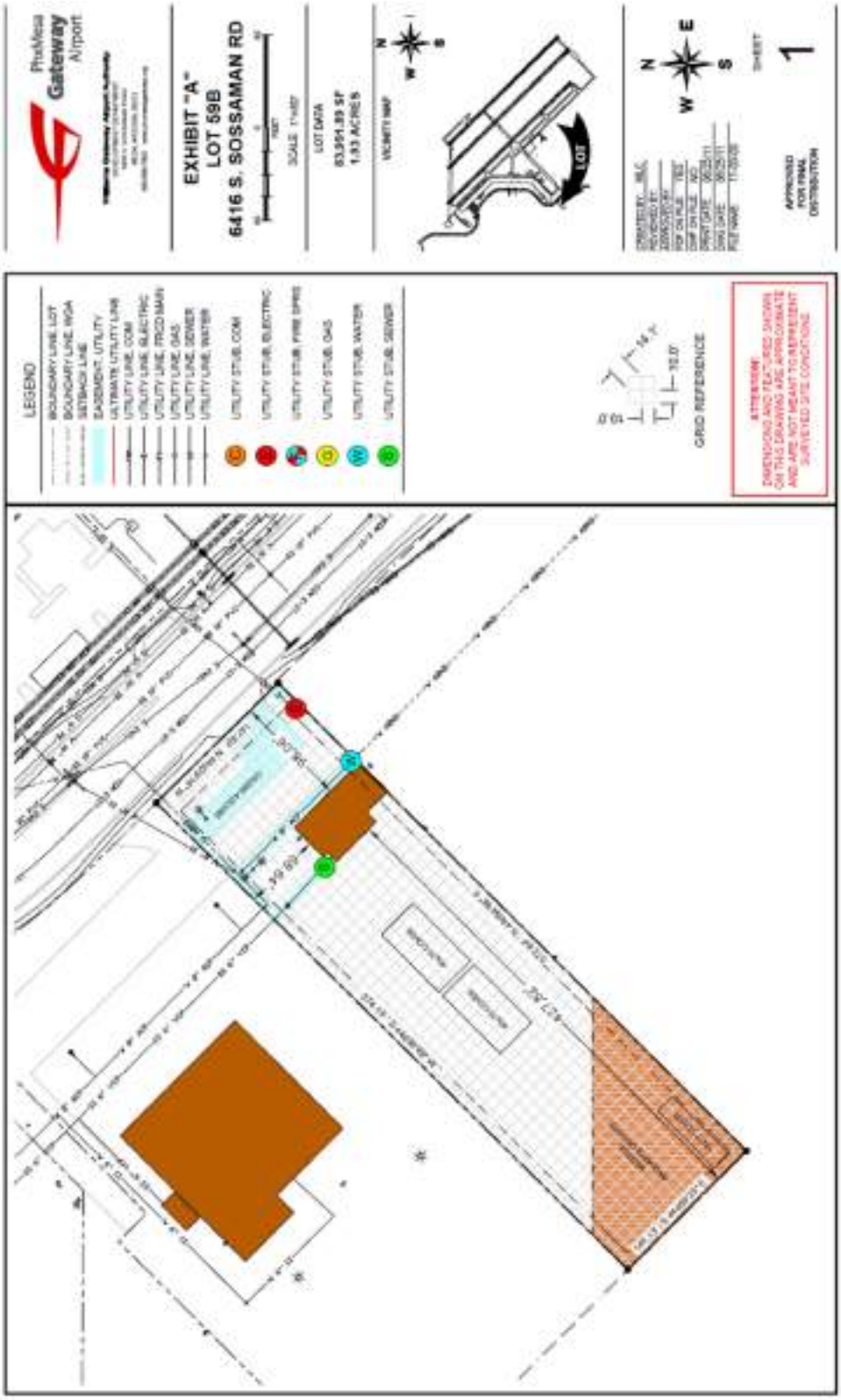

EXHIBIT A

DEPICTION OF THE PREMISES (CONTINUED)

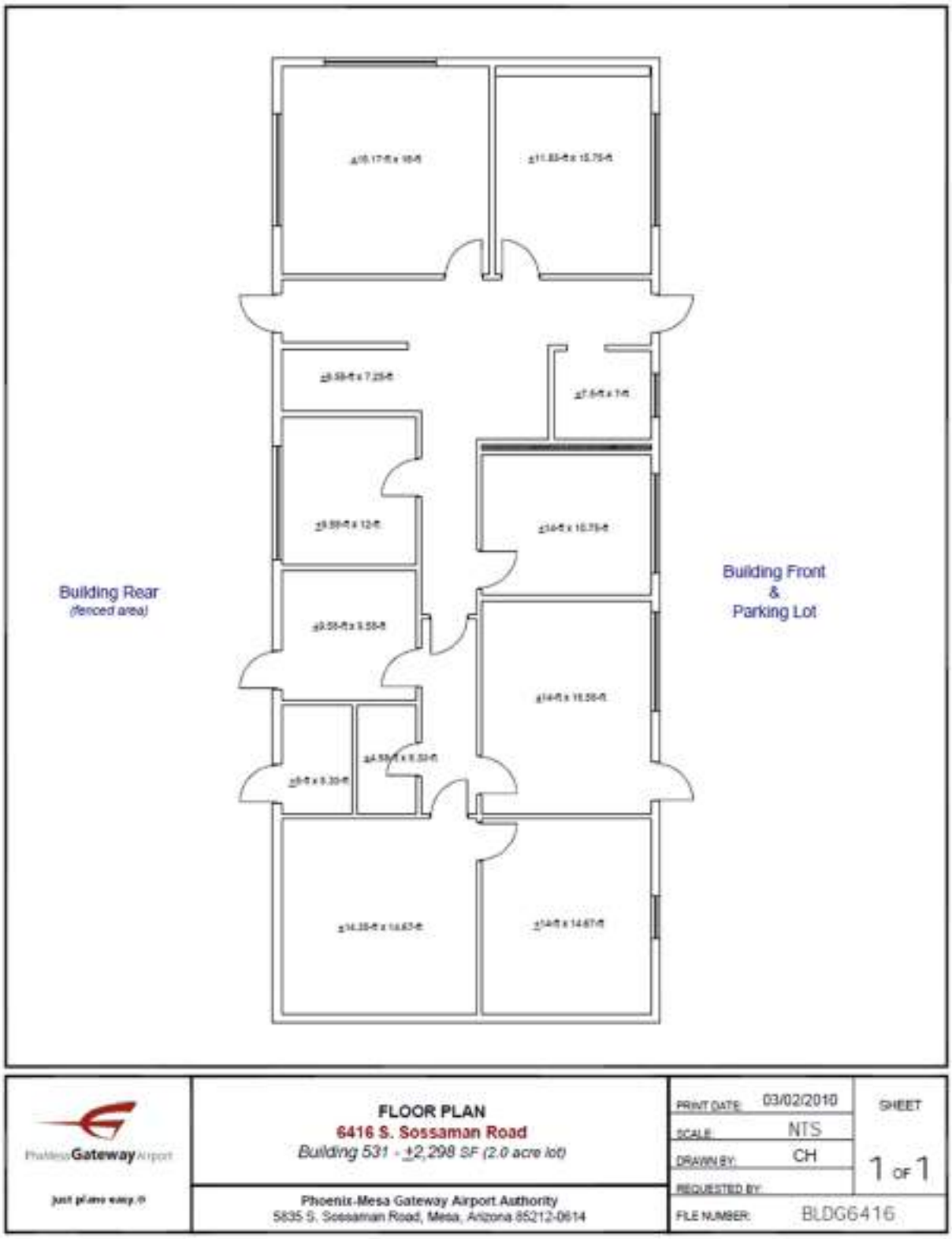

EXHIBIT B

AIRPORT RATES AND CHARGES SCHEDULE AND AIRPORT FEES, SERVICES AND RENTAL RATES SCHEDULE

AIRPORT RATES AND CHARGES SCHEDULE

https://www.gatewayairport.com/Documents/DocumentLibrary/Airport%20Rates%20and%20Charges/Airport_Rates_and_Charges_22-02_effective_02-16-22.pdf?Uniqueifier=rzJgFjhyt3

AIRPORT FEES, SERVICES AND RENTAL RATES SCHEDULE

https://www.gatewayairport.com/Documents/DocumentLibrary/ExecDirSect/Signed%20Airport%20Fees,%20Services%20and%20Rental%20Rates%20Effective%202-1-22.pdf?Uniqueifier=AcCRiKIM4J

EXHIBIT C

AIRCRAFT OPERATIONS GUIDELINES

C1. **Use of Airport**. Lessee, Lessee's assigns, sub-lessees, or transferees who operate aircraft at the Airport and are engaged in a private, government, or commercial aeronautical business or service and desire to use the Airport landing facilities for certain types of operations including, but not limited to: 1) taxiing and maneuvering on Airport runways, taxiways, ramps and aprons; 2) landings and approaches ("touch and go", "stop and go"); and 3) low approaches shall be subject to the provisions of this **EXHIBIT C**.

C2. **Fees**. As appropriate, Lessee shall pay Lessor fees as outlined below:

C2.1 *Landing Fee*: Lessee shall pay a landing fee at a rate equal to the amount reflected on the most current *Airport Rates and Charges Schedule* at the time of the aircraft operation, for each flight subject to a landing fee operated by or in conjunction with Lessee. The weight of any particular aircraft shall be its maximum certificated gross landing weight (MGLW). The amount owed to Lessor for each chargeable aircraft landing for each preceding calendar month shall be due and payable no later than the Twentieth (20th) day of the month succeeding the calendar month in which said aircraft landings took place. Lessee's written listing of all aircraft landings subject to such fee shall accompany said payment. Each entry in such listing shall include the date of the landing, the aircraft registration number, the type and model aircraft, the aircraft MGLW and the amount of the fee due.

C2.2 *Aircraft Ramp Space*. Lessee shall pay Lessor monthly, an aircraft-parking fee in an amount equal to that specified in the most current *Airport Rates and Charges* Schedule at the time of use, for each overnight aircraft parking position used by Lessee that is situated on Airport ramp outside Lessee's Premises. Such fees, if any, shall be payable to Lessor no later than the Twentieth (20th) day of the month following that in which Lessee occupied or used such space, and such payment shall be accompanied by a written listing of the aircraft (including registration number, make and model), dates and times of usage.

C2.3 *Other Space*. When available and specifically assigned to Lessee, Lessee shall pay Lessor monthly, in advance, a fee for Lessee's non-exclusive use of other space not situated on or part of the Premises. The location and cost of such other space shall be determined by Lessor at its sole discretion, and both may be subject to change from time to time by Lessor, as necessary.

C2.4 *Additional Space/Services*. In the event that Lessee requires space or special services such as, but not limited to, aircraft line services, out-of-station ARFF standby, operations safety officers, ground service equipment, or fuel spills response teams, Lessee shall pay Lessor's standard fees for such services at the time the service is rendered, unless a secured account or agreement is established prior to requesting additional services.

C3. **Books and Records**. Lessee shall maintain permanent books, records and ledgers accurately reflecting the total number of monthly Aircraft landings for each aircraft subject to a landing fee and any other aforementioned fee indicating the make, type (including model designation), registration, maximum certificated gross landing weight, and arrival and departure time of each aircraft involved. These records shall be made available to Lessor upon request. In addition to monthly payment as set forth in Section C2 herein and together therewith, Lessee shall provide Lessor with a written report, indicating all aircraft operations and related information for the preceding calendar month.

C4. **Disabled or Abandoned Aircraft**. Should any aircraft owned or operated by Lessee through accident or for any other reason, become disabled or be abandoned in any area which could interfere with the continuous, normal operations of any of the runways, taxiways and airfield facilities at the Airport, Lessee shall:

C4.1 Immediately remove said aircraft to such location as may be designated by Lessor, unless such aircraft is required to remain in place pending investigation by the appropriate regulatory agency or agencies of the federal government; and

C4.2 In the event of any accident where federal investigation in place is required, immediately upon receiving clearance to do so from the appropriate federal agency, remove said aircraft and any wreckage or debris resulting therefrom to the area(s) designated by said federal agency authorizing such removal; otherwise, such aircraft wreckage and debris shall be immediately removed from the Airport or stored at a location approved by Lessor.

C4.3 Should Lessee fail to proceed immediately to remove disabled aircraft, or should aircraft owned or operated by Lessee be abandoned on the Airport, Lessor shall have the right to remove such aircraft by any means Lessor deems necessary under the circumstances, and Lessee shall indemnify, defend, keep and hold Lessor, its members, board of directors, officers, agents, officials, servants, employees and contractors harmless from and against any and all claims, costs, loss, liability, actions, suits, proceedings, damage or expense (including costs of suit and attorneys' fees and expenses) incurred by Lessor or claimed by anyone by reason of removal of said aircraft, injury to persons or property or damages to such aircraft caused by such removal, as well as storage costs therefor. Lessee shall reimburse Lessor for any costs incurred by Lessor in removing and storing any aircraft, any property damage to the airport caused by such aircraft or removal within Ten (10) business days of demand therefor.

C5. **Aviation Fuel**. Lessee, at Lessee's sole cost and expense, shall procure aviation fuel delivered to its aircraft on the Airport. If fueling or defueling aircraft owned or operated by Lessee, or under Lessee's direct control, Lessee shall comply fully with Lessor's *Aviation Fuel Storage, Dispensing and Handling Guidelines* and applicable federal regulations.

C6. **Fly Friendly Procedures**. Lessee acknowledges that Lessor maintains *Fly Friendly* noise abatement procedures, and shall provide such information to flight crews, post the information in the Lessee's flight planning area, and use the procedures to the extent possible, when consistent with safety and Air Traffic Control directives.

EXHIBIT D

AIRPORT MINIMUM STANDARDS AND AIRPORT RULES AND REGULATIONS

AIRPORT MINIMUM STANDARDS

http://www.gatewayairport.com/Documents/DocumentLibrary/Board%20Policies/Airport%20Minimum%20Standards.pdf

AIRPORT RULES AND REGULATIONS

https://www.gatewayairport.com/Documents/DocumentLibrary/Board%20Policies/Airport%20Rules%20and%20Regulations_21-49.pdf?Uniqueifier=VuXzM7dqDn

EXHIBIT E

STANDARD TERMS AND CONDITIONS

1. **Certification.** By executing this Contract, Lessee certifies:

   a. The award of this Contract did not involve collusion or other anti-competitive practices.

   b. It shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11246, or A.R.S. Section 31-1461, et. seq.

   c. It has not given, offered to give, nor intends to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with this Contract; and Lessee hereby certifies that the individual signing this Contract is an authorized agent for Lessee and has the authority to bind the Lessee to the Contract.

2. **Arbitration**. At PMGAA's sole option, disputes between the parties may be resolved through arbitration as provided in A.R.S. Section 12-1501, *et seq*. Lessee shall continue to render the services required by this Contract without interruption, notwithstanding either party has filed suit against the other or PMGAA has expressly agreed to arbitration and either party has demanded arbitration.

3. **Affirmative Action.** Lessee shall abide by all the federal and state of Arizona provisions for equal opportunity in the workplace.

4. **Human Relations**. Lessee shall abide by all the federal and state of Arizona provisions against discrimination of disadvantaged business enterprises in applicable PMGAA contracts.

5. **Gratuities.** PMGAA may, by written notice to the Lessee, cancel this Contract if it is found that gratuities, in the form of entertainment, gifts or otherwise, were offered or given by Lessee or any agent or representative of Lessee, to any officer or employee of PMGAA amending, or the making of any determinations with respect to the performing of such Contract. If this Contract is canceled by PMGAA under this provision, PMGAA shall be entitled, in addition to any other rights and remedies, to recover or withhold from the Lessee the amount of the gratuity.

6. **Provisions Required by Law**. Each and every provision of law and any clause required by law to be in the Contract shall be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party the Contract shall forthwith be physically amended to make such insertion or correction.

7. **Rights and Remedies.** No provision in this Contract shall be construed, expressly or by implication, to waive either party's existing or future claim, right, or remedy available by law for breach of contract. The failure of either party to insist on strict performance of any Contract term or condition; to exercise or delay exercising any right or remedy provided in the Contract or by law; or to accept materials, services, or Lessee's services under this Contract or imposed by law, shall not be deemed a waiver of any right of either party to insist upon strict performance of the Contract.

8. **Right to Assurance.** Whenever one party to this Contract in good faith has reason to question the other party's intent to perform, the former party may demand that the other party give a written assurance of this intent to perform. If a demand is made and no written assurance is given within Five (5) business days, the demanding party may treat this failure as an anticipatory repudiation with this Contract.

9. **Advertising.** Lessee shall not advertise or publish information concerning this Contract without prior written consent of PMGAA.

10. **Force Majeure**

a. Neither party is liable to the other, and neither party may be deemed in default under this Contract, if and to the extent that such party's performance of this Contract is prevented by reason of Force Majeure. The term "Force Majeure" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Force Majeure does not include late performance by a subcontractor unless the delay arises out of a specific Force Majeure in accordance with this Force Majeure term and condition.

b. If either party is delayed at any time in the progress of the work by Force Majeure, the delayed party shall notify the other party in writing, as soon as practical, of the delay and shall specify the causes of delay in the notice. The notice must be hand-delivered or mailed certified-return receipt and must specifically refer to this Section. The delayed party shall cause the delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The date of completion will be extended by Contract modification or amendment for the period of time that the completion date is necessarily delayed. This time extension is the Consultant's exclusive remedy for delay.

11. **Exclusive Possession.** All services, information, computer program elements, reports, and other deliverables, which may be created under this Contract, are the sole property of PMGAA and shall not be used or released by Lessee or any other person except with prior written permission by PMGAA.

12. **Licenses.** Lessee shall maintain in current status all federal, state, and local licenses and permits required for the operation of the business conducted by Lessee as applicable to this Contract.

13. **Subsequent Employment.** PMGAA may cancel this Contract without penalty or further obligation in accordance with A.R.S. Section 38-511 if any person significantly involved in initiating, negotiating, securing, drafting, or creating the contract, on behalf of the PMGAA is or becomes, at any time while the Contract or any extension of the contract is in effect, an employee of, or a contractor to any other party to this Contract with respect to the subject matter of the Contract. Such cancellation shall be effective when the parties to this Contract receive written notice from PMGAA, unless the notice specifies a later time.

14. **Patents.** Lessee shall defend, indemnify, and hold harmless PMGAA, its officers and employees from all liabilities, claims, damages, costs, or expenses, including, but not limited to attorneys' fees, for any alleged infringement of any person's patent rights or copyrights in consequence of the use by PMGAA, its officers, employees, agents, and other duly authorized representatives of tangible or intellectual property supplied to PMGAA by Lessee under this Contract.

15. **E-Verify Requirements.** To the extent applicable under A.R.S. § 41-4401, Offeror and its subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees, and compliance with the E-Verify requirements under A.R.S. §23-214(A). Offeror's or its subcontractors' failure to comply with such warranty shall be deemed a material breach of this Contract and may result in the termination of this Contract by PMGAA.

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 22-48

To: Board of Directors
From: Shea Joachim, CEcD, Business Development Director
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: SkyBridge Arizona – Lot 109 Adjustment Amendment & Development Lease
Date: July 19, 2022

Proposed Motion

To authorize a Development Lease with SkyB Lot 109 LLC, an Arizona limited liability company, for 15.059 acres located within the SkyBridge Arizona project identified as Lot 109. The lease term is SIXTY (60) years commencing on August 1st, 2022. To authorize an Adjustment Amendment with MESA SKYBRIDGE, LLC to concurrently remove Lot 109 from the Master Lease Agreement.

Narrative

The Phoenix-Mesa Gateway Airport Authority ("PMGAA") and Mesa SkyBridge, LLC ("SkyBridge") entered into a Master Lease Agreement on April 1, 2018 for the approximately 360-acres located at the southeast corner of Sossaman Road and Velocity Way ("Property"). The Master Lease transferred leasehold control of the Property to SkyBridge but did not convey vertical development rights. As part of the Master Lease, PMGAA and SkyBridge agreed to "spin out" property from the Master Lease into Development Leases as projects became ready for vertical development.

SkyBridge has proposed to build an approximately 250,000 SF light industrial building. Lot 109 is approximately 655,951.76 SF and has been identified as a non-aeronautical parcel. The proposed development is compliant with the SkyBridge Arizona Master Plan. The attached Adjustment Amendment will formally remove Lot 109 from the Master Lease and allow Lot 109 to be included in the proposed Development Lease.

Agreement Term and Rate

The Lot 109 Development Lease proposes a lease term of SIXTY (60) years with ONE (1) renewal options of FIFTEEN (15) years. The Base Rent for Lot 109 will be $0.00 annually for the first TWO (2) years and $65,595.18 annually starting on the Third (3rd) anniversary of the Effective Date subject to Base Rent Adjustments and Market Adjustments as stipulated in the Development Lease.

Attachment(s)

Lot 109 Development Lease
Master Lease Adjustment Amendment #9

RESOLUTION NO. 22-48

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize a Development Lease with SkyB Lot 109 LLC, an Arizona limited liability company, for 15.059 acres located within the SkyBridge Arizona project identified as Lot 109. The lease term is SIXTY (60) years commencing on August 1st, 2022. To authorize an Adjustment Amendment with MESA SKYBRIDGE, LLC to concurrently remove Lot 109 from the Master Lease Agreement.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

> **The Board of Directors of the Authority hereby authorizes a Development Lease with SkyB Lot 109 LLC, an Arizona limited liability company, for 15.059 acres located within the SkyBridge Arizona project identified as Lot 109. The lease term is SIXTY (60) years commencing on August 1st, 2022. To authorize an Adjustment Amendment with MESA SKYBRIDGE, LLC to concurrently remove Lot 109 from the Master Lease Agreement. 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 19th day of July, 2022.

Brigette Peterson, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

ADJUSTMENT AMENDMENT TO MASTER LEASE

Development Parcel for Lot 109, SkyB Lot 109 LLC, an Arizona limited liability company

THIS ADJUSTMENT AMENDMENT TO MASTER LEASE ("**Amendment**") is made as of the 1st day of August, 2022, by and between **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY**, a joint powers airport authority authorized and existing under the laws of the State of Arizona ("**Lessor**"), and **MESA SKYBRIDGE LLC**, an Arizona limited liability company ("**Lessee**"). Lessor and Lessee may be referred to jointly as "Parties," and each separately may be referred to as a "Party."

RECITALS

A. Lessor and Lessee are parties to that certain Master Lease dated April 1, 2018 ("**Lease**") covering certain property commonly known as Gateway Aerospace Park at the Phoenix-Mesa Gateway Airport, which property is more particularly described in the Lease, and referred to in the Lease and in this Amendment as "**Property**."

B. The Parties desire to modify the Lease to remove Development Parcel Lot 109 from the Property in accordance with Section 2.1.4 of the Lease.

NOW, THEREFORE, in exchange for the mutual covenants and promises contained herein and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee agree as follows:

1. Recitals. The above recitals are hereby confirmed as true and correct and are reaffirmed herein.

2. Property Adjustment. Lot 109, as described in Exhibit A, is hereby removed from the Lease and from the Rentable Premises. As of the date of this Amendment, after removing Lot 109 from the Lease, the Rentable Premises is 13,750,891.24 square feet.

4. Miscellaneous.

(a) Capitalized Terms/Definitions. Each capitalized term used in this Amendment and not defined herein shall be deemed to have the same meaning ascribed to it in the Lease.

(b) Continuing Effect. Except as specifically provided in this Amendment, the provisions of the Lease shall remain unchanged and in full force and effect. In the event of a conflict between the Lease and this Amendment, this Amendment shall control.

(c) Authority. Each person executing this Amendment on behalf of a Party represents and warrants that it has the full power, authority, and legal right to execute and deliver this Amendment on behalf of such Party and that this Amendment constitutes the legal, valid and binding obligations of such Party, its heirs, representatives, successors and assigns, enforceable against such Party or Parties in accordance with its terms.

(d) Counterparts. To facilitate execution of this Amendment, this Amendment may be executed in one or more counterparts as may be convenient or required, and an executed copy of

this Amendment delivered electronically by e-mail shall have the effect of an original, executed instrument. All counterparts of this Amendment shall collectively constitute a single instrument; but, in making proof of this Amendment it shall not be necessary to produce or account for more than one such counterpart executed by each Party hereto. It shall not be necessary for the signature of, or on behalf of, each Party hereto, or that the signature of all persons required to bind any such Party appear on each counterpart of this Amendment.

IN WITNESS WHEREOF, the Parties have executed this Amendment as of the day and year first above written.

LESSOR:

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, an Arizona joint powers airport authority

By:_____

J. Brian O'Neill, A.A.E.

Executive Director/CEO

LESSEE:

MESA SKYBRIDGE LLC, an Arizona limited liability company

By:_____

Felipe Monroy Torres

CEO

EXHIBIT A

LEGAL DESCRIPTION

A PARCEL OF LAND BEING A PORTION OF THAT TRACT AS CONVEYED TO PHOENIX –MESA GATEWAY AIRPORT AUTHORITY BY DEED OF RECORDED IN INSTRUMENT NO. 2012–0267529, MARICOPA COUNTY RECORDS AND LYING WITHIN THE WEST HALF OF SECTION 32, TOWNSHIP 1 SOUTH, RANGE 7 EAST OF THE GILA AND SALT RIVER MERIDIAN, CITY OF MESA, MARICOPA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 32 (1.5" IRON PIPE) FROM WHICH POINT THE SOUTH QUARTER CORNER THEREOF (2.5" ALUMINUM CAP 1.5' BELOW GROUND) BEARS S 89°29'18" E A DISTANCE OF 2637.95 FEET;

THENCE N35°02'38"E A DISTANCE OF 3131.59 FEET TO A POINT ON THE NORTH RIGHT OF WAY LINE OF PROPOSED OF PEAK AIR CIRCLE THE POINT OF BEGINNING;

THENCE S45°25'29"W, ALONG THE SAID PROPOSED NORTH RIGHT OF WAY LINE, A DISTANCE OF 938.91 FEET TO THE PROPOSED RIGHT OF WAY INTERSECTION OF PEAK AIR CIRCLE AND INTERNATIONAL WAY;

THENCE ALONG THE EAST RIGHT OF WAY LINE OF PROPOSED INTERNATIONAL WAY THE FOLLOWING EIGHT (8) COURSES AND DISTANCES:

THENCE 23.56 FEET ALONG THE ARC OF A CURVE RIGHT HAVING A RADIUS OF 15.00 FEET THROUGH A CENTRAL ANGLE OF 89°59'41", CHORD BEARING N89°34'41"W;

THENCE N44°34'50"W A DISTANCE OF 34.70 FEET;

THENCE 28.04 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 70.00 FEET THROUGH A CENTRAL ANGLE 22°57'00", CHORD BEARING OF N33°06'20"W;

THENCE N21°37'50"W A DISTANCE OF 193.20 FEET;

THENCE 39.63 FEET ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 130.00 FEET THROUGH A CENTRAL ANGLE 17°27'53", CHORD BEARING N30°21'46"W;

THENCE N39°05'42"W A DISTANCE OF 398.25 FEET;

PARCEL 109
SKY BRIDGE PROJECT
LEGAL EXHIBIT

REGISTERED LAND SURVEYOR
57280
MARK R. SANDWICK
Date Signed 2/15/22
ARIZONA, U.S.A.

Preparing Firm: RPA **RITOCH-POWELL & Associates**
602-263-1177
www.rpaeng.com

DATE:	2/15/22
DSN:	SS
DRN:	SS
CHK:	MRS
SHEET	3 OF 4

LEGAL DESCRIPTION

THENCE 85.16 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 220.00 FEET THROUGH A CENTRAL ANGLE 22°10'41", CHORD BEARING N28°00'22"W;

THENCE N16°55'01"W A DISTANCE OF 99.32 FEET TO A POINT ON SOUTH LINE OF THAT PUFE (PUBLIC UTILITY AND FACILITY EASEMENT) AS RECORDED IN MAP OF DEDICATION FOR VELOCITY WAY, SOUTH TAXI WAY CIRCLE AND SOUTH CARGO WAY RECORDED IN BK. 733, PG. 39, MARICOPA COUNTY RECORDER;

THENCE ALONG SAID SOUTH PUFE LINE THE FOLLOWING THREE (3) COURSES AND DISTANCES:

THENCE N73°05'49"E A DISTANCE 85.47 FEET;

THENCE 409.64 FEET, ALONG THE ARC OF A CURVE TO THE LEFT HAVE A RADIUS OF 848.00 FEET, THROUGH A CENTRAL ANGLE 27°40'39", CHORD BEARING OF N59°15'29"E;

THENCE N45°25'10"E A DISTANCE 285.35 FEET;

THENCE S44°35'11"E A DISTANCE 722.03 FEET TO THE POINT OF BEGINNING.

THE ABOVE DESCRIBED PARCEL CONTAINS 655,951.76 SQ. FT. (15.059 ACRES) OF LAND, MORE OR LESS, INCLUDING ANY EASEMENTS OF RECORD.

THE BASIS OF BEARING FOR THE ABOVE DESCRIPTION IS S89°29'18"E FOR THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SECTION 32, TOWNSHIP 1 SOUTH, RANGE 7 EAST OF THE GILA & SALT RIVER MERIDIAN AS CALCULATED FROM A PLSS SUBDIVISION RECORD OF SURVEY MARICOPA COUNTY GEODETIC DENSIFICATION AND CADASTRAL SURVEY (GDACS) RECORDED IN BOOK 609, PAGE 29, MARICOPA COUNTY RECORDS

PARCEL 109
SKY BRIDGE PROJECT
LEGAL EXHIBIT

REGISTERED LAND SURVEYOR
57280
MARK R.
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DATE:	2/15/22
DSN:	SS
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CHK:	MRS
SHEET 4 OF 4	

Phoenix-Mesa Gateway Airport Authority

DEVELOPMENT LEASE NO. 004
Non-Aeronautical Development Parcel for Lot 109

with

SKYB LOT 109 LLC, an Arizona limited liability company

Effective Date:

August 1, 2022

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Phoenix-Mesa Gateway Airport Authority
DEVELOPMENT LEASE

a Non-Aeronautical Development Parcel for Lot 109

This Development Lease ("**Lease**") is executed to be effective the FIRST (1st) day of August 2022 ("**Effective Date**") between the **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY**, a joint powers airport authority authorized and existing under the laws of the State of Arizona ("**Lessor**"), and **SKYB LOT 109 LLC** , an Arizona limited liability company ("**Lessee**"). Lessor and Lessee may be referred to jointly as "Parties," and each separately may be referred to as a "Party."

RECITALS:

A. Lessor is the owner and operator of the Phoenix-Mesa Gateway Airport generally located at the intersection of Ray Road and Sossaman Road, City of Mesa, Maricopa County, Arizona ("**Airport**"); and

B. 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 known as Lot 109 on the Master Plan containing approximately 655,951.76 square feet of land, as set forth in **Exhibit A** attached hereto ("**Premises**");

D. The Premises is identified in the Master Plan and the Airport Layout Plan as a Non-Aeronautical Development Parcel; and

E. Lessor desires to lease the Premises to Lessee on the terms and conditions set forth herein;

NOW THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements herein contained, the Parties do hereby undertake, promise and agree, each for itself and its successors and assigns, as follows:

1. LEASE.

Lessor hereby leases the Premises to Lessee, subject to all easements, deed restrictions and other similar matters of record in the Official Records of Maricopa County, Arizona, that encumber the Premises, and further subject to all operational and use restrictions and other terms and conditions expressly set forth in this Lease.

1.1 Right to Use Premises. Lessor agrees that so long as no Event of Default shall have occurred and is continuing, Lessee shall peaceably have and enjoy the use of the Premises without hindrance from Lessor and those claiming through Lessor. Lessee specially acknowledges that Lessee has inspected the Premises prior to entering into this Lease and agrees to accept the Premises in an "as is, where is" condition without any warranty or representation from Lessor, either express or implied, of any kind or nature whatsoever with respect to the Premises, including, but not limited to, any warranty of merchantability, habitability, or fitness for any

particular or specific purpose, and all such warranties are hereby disclaimed, except for representations and warranties contained in this Lease. Should Lessee desire any inspection report, environmental assessment, survey, creation of a legal description, drainage report, or any similar study, Lessee shall be responsible for the same at Lessee's sole expense, subject to Lessor's duty to cooperate with Lessee (at no or nominal cost to Lessor) in connection with such activities and undertakings.

1.2 Intentionally Omitted.

1.3 Access. Lessee is granted the right of access to and from the Premises via such portions of the Airport as are or may be reasonably necessary to allow Lessee to conduct its business operations permitted herein at and on the Premises and the Airport, provided that Lessor reserves the right to limit access to the Premises in emergencies and in connection with Lessor's construction activities on the Airport, so long as Lessor provides Lessee with reasonable advance written notice of any limitations on Lessee's access to the Premises due to Lessor's construction activities, and Lessor and Lessee coordinate such construction activities and cooperate one with the other to minimize any interference with, or disruption of, Lessee's business activities. Lessor reserves the right to designate the location of such alternative access due to emergencies and Lessor's construction activities, and to change its location from time to time, as Lessor deems reasonably necessary and appropriate; provided such changes do not materially interfere with Lessee's use of or access to the Premises.

1.4 Permitted Uses. Subject to the provisions of Section 1.5, Lessee may use the Premises for commercial Light Industrial applications as per current Zoning and Master Plan, including light manufacturing and assembly, , general office, and other uses relating or incidental thereto and for no other use. Lessee shall not use any portion of the Premises for a Prohibited Use, which Prohibited Uses are set forth on **Exhibit E**. Lessee's use of the Premises and operation of its business at and on the Airport and the Premises is subject to all applicable laws, rules and regulations of any governmental authority, including Lessor, and to Lessee's compliance with applicable provisions of the *Airport Rules and Regulations* and *Airport Minimum Standards*.

1.5 Prohibited Activities. Lessee shall not use, or permit its agents, employees or contractors acting for or on behalf of Lessee in connection with their scope of employment to use, the Premises or the Airport for any use that is in violation of the *Airport Rules and Regulations*, the *Airport Minimum Standards*, any matters of record, or applicable laws, or for any other activity or operation not specified in Section 1.4 herein, or that does not have advance, written approval of Lessor's Executive Director or other authorized signatory of Lessor.

Lessor agrees to reasonably consult with Lessee prior to executing or entering into any agreement that could reasonably be expected to have a material effect on the Premises, or on Lessee or its subtenants, or on any Permitted Uses, with the stated purpose of attempting in good faith to avoid any interference with, disruption of, or restriction or limitation on Lessee's intended use and development of the Premises in accordance with this Lease.

1.6 On-Site Manager. Upon commencement of business operations at and on the Premises, Lessee shall designate an on-site manager for the Term of this Lease who shall generally be available to Lessor and Lessee's customers, if any, during Lessee's normal business hours, and otherwise as required by the *Airport Minimum Standards*, as applicable. Lessee may change Lessee's on-site manager from time to time.

1.7 Lessee Acknowledgement. Lessee acknowledges that, except as otherwise provided in this Lease, its obligations to pay Base Rent and all other charges due and owing under the terms hereof shall be absolute and unconditional, and shall not be affected by any circumstances whatsoever, including, without limitation: (i) any set-off, counterclaim, recoupment, defense or other right which Lessee may have against Lessor or the United States of America or anyone else for any reason whatsoever; (ii) any liens, encumbrances or rights of others with respect to the Premises; (iii) the invalidity or unenforceability or lack of due authorization or other infirmity of this Lease or any lack of right, power or authority of Lessor or Lessee to

enter into this Lease; (iv) any insolvency, bankruptcy, reorganization or similar proceedings by or against Lessee, or any other person; or (v) any other cause, whether similar or dissimilar to the foregoing, any future or present law notwithstanding, it being the intention of the Parties hereto that all rent being payable by Lessee hereunder shall continue to be payable in all events and in the manner and at the times provided herein.

2. TERM.

2.1 Initial Term. The term of this Lease shall be for a period of SIXTY (60) years, commencing on the Effective Date and terminating on July 31, 2082 ("**Term**").

2.2 Renewal Term(s). Provided that no Event of Default shall have occurred and is continuing, Lessee shall have the right and option ("Renewal Option") to extend the Term of this Lease for a period of FIFTEEN (15) years ("Renewal Term"). If Lessee elects to exercise Lessee's Renewal Option, Lessee shall notify Lessor in writing of such exercise at least one (1) year prior to the expiration of the initial 60-year Term. At the commencement of the Renewal Term, Base Rent per square foot of the Premises per year shall be an amount equal to fair market base rental rate as determined herein, subject to the triennial CPI Adjustments set forth in Section 4.2 below, which CPI Adjustment shall first be made on the first day of the calendar month following the THIRD (3rd) anniversary of the Renewal Term, and thereafter on each THREE (3) year anniversary thereof. Lessor shall determine the fair market base rental rate for the Premises for the commencement of the Renewal Term and shall notify Lessee of Lessor's determination no later than SIXTY (60) calendar days after Lessor's receipt of Lessee's exercise of Lessee's Renewal Option. If Lessee disputes Lessor's determination of such fair market base rental rate, Lessee shall deliver written notice of such dispute, together with Lessee's determination of such fair market base rent rate, to Lessor within SIXTY (60) calendar days of Lessee's receipt of Lessor's determination. The Parties shall then attempt in good faith to agree upon such fair market base rental rate. The fair market base rental rate shall take into consideration and reflect the limitations and restrictions on Lessee and on the use and development of the Premises and the location of the Premises relative to other regional, national and international airport facilities in the Metropolitan Phoenix area, and also take into consideration the differences between the Airport and other regional, national and international airport facilities in the Metropolitan Phoenix area. If the Parties fail to agree within FIFTEEN (15) business days, they shall, within TEN (10) calendar days after the expiration of such 15-business day period, mutually appoint an appraiser to determine the fair market base rental rate. Said appraiser shall be a qualified MAI appraiser, licensed in the state of Arizona, with at least FIVE (5) years of recent continuous experience in determining the fair market rental rates for commercial properties similar to the Premises and be a member of the Appraisal Institute or comparable professional organization. If the Parties are unable to agree upon an appraiser within such 10-day period, they shall, within FIVE (5) business days thereafter, jointly apply to the president of the local Board of Realtors for the selection of a qualified appraiser. The president of the Board of Realtors shall be asked to select a qualified appraiser within FIFTEEN (15) business days who has not acted in any capacity for either Party within the prior TEN (10) years. Within SEVEN (7) calendar days of the appointment (either by agreement or selection) of the appraiser, the Parties shall submit to the appraiser their respective determinations of the fair market base rental rate and any/all relevant information. Within TWENTY (20) business days of the selected qualified appraiser's receipt pf the Parties' respective determinations, the appraiser shall review each Parties' submittal (and such other information as the appraiser deemed necessary) and select on Parties' determination as representing the most reasonable approximation of such fair market base rental. The appraiser's fees and expenses shall be paid one half by each Party. Upon determining the Base Rent for the Premises at the commencement of the Renewal Term, Lessor and Lessee will promptly enter into an amendment to this Lease to memorialize the Renewal Terms and the Base Rent. All other terms of this Lease apply during the Renewal Term.

3. NONEXCLUSIVE RIGHTS.

Lessee shall have the exclusive right to lease, use, occupy and develop the Premises in compliance with the terms and conditions of this Lease during the Term. All other rights granted to Lessee under this Lease are

nonexclusive. Lessor may, in its sole discretion and at any time, permit third parties to conduct any and all business activities at the Airport (other than on the Premises) that Lessor deems appropriate, provided that such activities do not limit, prevent, materially interfere with, or prevent or disrupt the use and development of the Premises by Lessee.

4. RENT.

4.1 Base Rent. Lessee agrees to pay Lessor annual rental ("Base Rent") for the use of the Premises as follows:

4.1.1 Subject to Section 4.4 below, commencing on the Effective Date through the end of the SECOND (2nd) Lease Year, Base Rent shall be $0.00 per square foot of the Premises per year.

4.1.2 Commencing on August 1, 2024, through March 31, 2048, Base Rent shall be $0.10 per square foot of the Premises per year, subject to the triennial CPI Adjustment set forth in Section 4.2 below.

4.1.3 Commencing on April 1, 2048, through the end of the Term, Base Rent per square foot of the Premises per year shall be an amount equal to fair market value as determined in accordance with Section 4.3 below, subject to the triennial CPI Adjustments set forth in Section 4.2 below.

4.2 Base Rent Adjustments. Commencing on the SIXTH (6th) anniversary of the Effective Date and continuing thereafter on every THREE (3) year anniversary of the Effective Date of this Lease, the annual Base Rent paid by Lessee shall be adjusted (whether increased or decreased) by a percentage equal to the percentage that the Consumer Price Index (CPI) (as defined below) changed during the immediately preceding THIRTY-SIX (36) month period ending NINETY (90) days prior to the end of the adjustment period during the Term hereof ("**CPI Adjustment**"). For purposes of this Lease, CPI means the United States Department of Labor, Bureau of Statistics Consumer Price Index for all Urban Consumers (CPI-U), U.S. City Average (1982-1984=100). If at any time CPI ceases to exist, Lessor may substitute any official index published by the Bureau of Labor Statistics or by a successor or similar government agency as may then exist and which in Lessor's reasonable business judgment shall be most nearly equivalent to the CPI. Lessor agrees to promptly notify Lessee of any CPI Adjustment (and in any event at least THIRTY (30) days prior to any adjustment in Base Rent payments as a result of any CPI Adjustment), and to provide Lessee with a reasonably-detailed description of Lessor's calculations of any CPI Adjustment and any adjustment in Base Rent payments.

4.3 Market Adjustments to Base Rent.

4.3.1 Notwithstanding the Base Rent increases referenced in Section 4.2, on: (a) April 1, 2048, and (b) each subsequent TEN (10) year anniversary of April 1, 2048, the annual Base Rent shall be adjusted (each, a "**Market Adjustment Date**") as hereinafter set forth in this Section. On each such Market Adjustment Date, the Base Rent shall be adjusted to the fair market base rental rate of the Premises, in relation to comparable (in quality, size, and value) airport-related facilities.

4.3.2 Lessor's determination of such fair market base rental rate for the Premises shall be delivered to Lessee no later than ONE HUNDRED TWENTY (120) calendar days prior to the Market Adjustment Date. If Lessee disputes Lessor's determination of such fair market base rental rate, Lessee shall deliver written notice of such dispute, together with Lessee's determination of such fair market base rent rate, to Lessor within SIXTY (60) calendar days of Lessee's receipt of Lessor's determination. The Parties shall then attempt in good faith to agree upon such fair market base rental rate. The fair market base rental rate shall take into consideration and reflect the limitations and restrictions on Lessee and on the use and development of the Premises and the location of the Premises relative to other regional, national and international airport facilities. If the Parties fail to agree within FIFTEEN (15) business days, they shall, within TEN (10) calendar days thereafter, mutually appoint an appraiser to determine the fair market base rental rate. Said appraiser shall be a qualified MAI appraiser, licensed in the state of Arizona, with at least FIVE (5) years of recent continuous experience in determining the fair market rates for commercial properties similar to the Premises and be a member of the

Appraisal Institute or comparable professional organization. If the Parties are unable to agree upon an appraiser within such 10-day period, they shall, within FIVE (5) business days thereafter, jointly apply to the president of the local Board of Realtors for the selection of an appraiser. The president of the Board of Realtors shall, within FIFTEEN (15) business days, select an appraiser with the above qualifications who has not acted in any capacity for either Party within the prior FIVE (5) years. Within SEVEN (7) calendar days of the appointment (either by agreement or selection) of the appraiser, the Parties shall submit to the appraiser their respective determinations of the fair market base rental rate and any/all substantiated information. Within TWENTY (20) business days thereafter, the appraiser shall review each Party's submittal (and such other information as the appraiser deems necessary) and shall select one Party's submittal as representing the most reasonable approximation of such fair market base rental rate, and the appraiser's fees and expenses shall be paid one-half each by each Party.

4.4 Vacancy Relief Periods. Provided no Event of Default shall have occurred and is continuing, Lessee shall have the continuing option to exercise up to TWO (2) Vacancy Relief Periods of up to TWELVE (12) months for each Vacancy Relief Period during any period of time that the Improvements on the Premises are at least FIFTY PERCENT (50%) vacant. Lessee may initiate a Vacancy Relief Period by giving written notice ("**Vacancy Relief Notice**") to Lessor of its desire to do so. Lessee's use and occupancy of the Premises shall not be taken into consideration in determining whether the Improvements are vacant unless Lessee is actively conducting Lessee's business activities for a Permitted Use within such Improvements. An office maintained by Lessee in the Premises for the purpose of marketing and subleasing the Premises shall not be considered as Lessee actively conducting Lessee's business activities. The Vacancy Relief Notice shall identify the starting date and ending date for the Vacancy Relief Period (not to exceed TWELVE (12) months), and Lessee shall provide, simultaneously with each Vacancy Relief Notice, evidence reasonably satisfactory to Lessor that the Improvements on the Premises are at least FIFTY PERCENT (50%) vacant. During a Vacancy Relief Period, Lessee shall be entitled to pay a reduced Base Rent equal to FIFTY PERCENT (50%) of the Base Rent that would otherwise be applicable during such time. A Vacancy Relief Period shall terminate on the earlier of (a) the expiration of the TWELVE (12)-month period identified in the Vacancy Relief Notice, or (b) the date on which FIFTY-ONE PERCENT (51%) of the occupiable Improvements on the Premises are occupied, evidenced by executed subleases. Upon expiration of the Vacancy Relief Period, Lessee shall resume paying full Base Rent.

4.5 Construction Rent Period. A modified base rent for a construction period during the first TWO (2) Lease years ("**Construction Base Rent Period**") has been granted to Lessee as additional consideration for entering into this Lease and agreeing to pay the Base Rent and all other charges hereunder, and to perform the terms and provisions otherwise required under this Lease. If an Event of Default by Lessee occurs, which is not cured within the applicable cure period, in addition to all other rights and remedies of Lessor provided by law, equity, statute or otherwise provided in this Lease, at Lessor's option in its sole and absolute discretion, (i) if the Event of Default occurs within the Construction Base Rent Period, Lessee shall commence paying the full Base Rent at the rate of $0.10 per square foot per year for the balance of the Construction Base Rent Period, and (ii) if an Event of Default by Lessee occurs during the initial Term, which is not cured within the applicable cure period, Lessee shall immediately pay to Lessor an amount equal to the unamortized portion of Base Rent at the rate of $0.10 per square foot per year during the Construction Base Rent Period, which Lessor shall amortize over the initial Term on a straight-line basis.

4.6 Payment.

4.6.1 Base Rent shall be payable in equal monthly installments, in advance, without any prior demand therefor and without any abatement, deductions or set-offs whatsoever, and tendered in lawful currency of the United States, either by check or electronic transfer. Base Rent and any other charges due for any period during the Term less than ONE (1) calendar month shall be prorated on a daily basis based on a THREE HUNDRED SIXTY-FIVE (365) day year.

4.6.2 No payment to or receipt by Lessor of a lesser amount than that which is due and

payable under the provisions of this Lease at the time of such payment shall be deemed to be other than a payment on account of the earliest payment due, nor shall any endorsement or statement on any check or payment prejudice in any way Lessor's right to recover the balance of such payment or pursue any other remedy provided in this Lease or by law.

4.6.3 All payments (and reports, if any) required by this Section 4.6 shall be remitted to the following address by the due date(s) specified hereinabove:

Phoenix-Mesa Gateway Airport Authority
Attn.: Department of Finance (Accounts Receivable)
5835 S. Sossaman Road
Mesa, Arizona 85212-6014

or such other address specified in advance in writing by Lessor to Lessee.

4.7 Finance Charges and Late Fees. If Lessee fails to pay any installment of Base Rent or any other charge due and owing to Lessor in full on or before the applicable due date, Lessee shall be responsible for interest on the unpaid installment at the rate of EIGHTEEN PERCENT (18%) per annum from the due date until payment in full is made. In addition, in the event any installment of Base Rent or other charge owing to Lessor is paid more than TEN (10) days after the due date, a late penalty of TEN PERCENT (10%) of the amount of such delinquent Base Rent installment or other charge shall be due and payable in addition thereto.

4.8 Taxes. In the event any governmental authority shall impose a tax or imposition based upon any Base Rent payments or any other sums paid or owing hereunder, or the receipt of such payments by Lessor, Lessee shall pay such amounts to Lessor at the same time and in addition to payments hereunder, which amounts may include, but are not limited to, any or all rental, transaction privilege, sales, excise or other similar tax except income taxes.

4.9 Survival. Lessee's obligation to pay all amounts stated herein, together with any interest thereon and/or penalties therefor, shall survive the termination of this Lease.

4.10 Airport Rates and Charges Schedule. Lessee or its subtenants, as applicable and including its contractors, agents, etc., shall pay all fees identified in the most current *Airport Rates and Charges Schedule* at the time of receipt of any covered service or use of any covered facilities, unless specifically outlined in this Lease. The current *Airport Rates and Charges Schedule* is included as **Exhibit B** and is subject to change upon prior notice to Lessee. Lessee acknowledges and agrees that Lessor may amend the *Airport Rates and Charges Schedule* at any time at Lessor's sole discretion, and that no fee shall apply to the use or occupancy of the Premises or access to and from the Premises.

5. PERFORMANCE GUARANTEE; CONSTRUCTION ESCROW.

5.1 Security Deposit.

5.1.1 On or before the Effective Date, Lessee shall pay to Lessor an amount equal to TWO (2) months' worth of Base Rent payments as of the Effective Date of this Lease, TEN THOUSAND NINE HUNDRED THIRTY-TWO and 53/100 ($10,932.53) as a security deposit ("**Security Deposit**") to insure the faithful performance of all of Lessee's obligations hereunder.

5.1.2 The Security Deposit, upon the occurrence of an Event of Default, at the election of Lessor, may be applied to any actual loss and/or actual damage sustained by Lessor by reason of the occurrence of such Event of Default by Lessee under this Lease without the waiver of any other right or remedy available to Lessor at law, in equity or under the terms of this Lease. If any portion of the Security Deposit is so used or

applied, Lessee shall, within FIVE (5) business days after written notice from Lessor, deposit with Lessor immediately available funds in an amount sufficient to restore the Security Deposit to its original amount. In the event of a sale or other transfer of the Premises by Lessor, Lessor shall transfer the remaining balance (if any) of the Security Deposit to Lessor's successor in interest, whereupon the transferor Lessor shall be released from liability to Lessee for the return of such Security Deposit. Unless this Lease is terminated as a result of Lessee's default whereupon Lessee shall immediately forfeit its Security Deposit to Lessor, upon termination or expiration, Lessor shall return to Lessee all portions of the Security Deposit which were not otherwise applied by Lessor as permitted above. Lessor shall have no obligation to maintain a separate account for such security deposit and shall have no obligation to pay interest thereon.

5.2 Improvement Construction Guarantee .

5.2.1 Payment Guarantee. Notwithstanding and in addition to the Security Deposit, Lessee shall protect claimants supplying labor and materials in connection with the construction, by providing, at Lessee's sole cost and expense and prior to commencement of construction of said improvements, one of the following instruments, chosen at Lessee's discretion:

(a) Payment Bond. Lessee shall require the contractor to provide a labor and materials payment bond in the full contract amount to protect claimants supplying labor and materials in connection with the construction. The bond shall comply in all respects with the requirements of A.R.S. 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 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. S 33-1003, and a copy of the bond provided to the Lessor; or

(b) Letter of Credit Such instrument (**"Letter of Credit"**) shall be irrevocable, in the amount equal to the total amount of the construction contract(s) for the construction of the improvements (described in Section 7 herein) plus TEN PERCENT (10%) of such amount (**Improvement Costs"**) and should be issued to Lessee by a financial institution (**"Bank"**) reasonably acceptable to the Lessor. The Letter of Credit shall have a term extending from the date of commencement of construction until the date with is TWENTY-FOUR (24) months thereafter, after which the date it shall be renewed on a year-to-year basis until construction of such improvements are completed, and final and unconditional lien waivers have been obtained from all contractors supplying labor and materials in connection with the construction. Should Lessee utilize the Letter of Credit option hereunder, and should Lessee fail to pay any sum owing to contractors supplying labor and materials in connection with the construction then, in addition to any other remedies set forth in this Lease, Lessor shall be entitled to apply to the Bank, following a period of THIRTY (30) calendar days prior written notice to Lessee (which notice shall include reasonably-detailed description of the 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 the Lessor, the Letter of Credit shall remain in full force for the remaining undisbursed amount of the Letter of Credit to accommodate further applications, if any, and shall not be subject to cancellation or revocation until fully drawn or otherwise released or satisfied upon completion of construction of the improvements and final, unconditional lien waivers have been obtained from all contractors supplying labor and materials in connection with the construction. Lessor must approve the form and content of any Letter of Credit in writing, which approval shall not be unreasonably withheld, conditioned, or delayed.

5.2.2 **Performance Guarantee.** In addition to the Security Deposit, Lessee's obligation to timely complete the improvements described in Section 7 herein shall be secured, at Lessee's sole cost and expense and prior to commencement of construction of said improvements, by any one of the following instruments, chosen at Lessee's discretion:

(a) **Performance Bond.** Lessee shall require the contractor to provide a performance bond in the full contract amount conditioned upon the faithful performance of the contract in accordance with the 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 the Lessor and duly licensed for such undertaking in the state of Arizona; and shall be accompanied by a power of attorney disclosing the authority of the person executing it on behalf of the surety.; or

(b) **Completion Bond.** Lessee shall deliver to Lessor a completion bond in form and substance reasonably acceptable to Lessor pursuant to which Lessor shall have the unconditional, direct and unilateral right to draw upon or use such bond for completion of construction of the Improvements under Section 7.1 of this Lease if an Event of Default occurs and is continuing under Section 7.2.2 of this Lease. The bond shall be in a form reasonably acceptable to Lessor; shall be issued by a surety company reasonably acceptable to Lessor and duly licensed for such undertaking in the state of Arizona; and shall be accompanied by a power of attorney disclosing the authority of the person executing it on behalf of the surety.

6. AIRCRAFT OPERATIONS GUIDELINES.

If and to the extent that Lessee operates aircraft at or on the Airport, Lessee shall be subject to the provisions of **Exhibit C**. If any subtenant, contractor or agent of Lessee conducting activities on or at the Premises for or on behalf of Lessee and acting within the scope of their employment operates aircraft at the Airport, all shall be subject to the provisions of **Exhibit C**, which Lessor may enforce directly against such subtenant, contractor or agent, but Lessee shall have no direct liability or responsibility with respect to such matters; except, however, Lessee shall be responsible for compliance by its subtenants, contractors and/or agents with the *Airport Rules and Regulations* and *Airport Minimum Standards*, as appropriate.

7. IMPROVEMENTS.

7.1 Construction by Lessee. Lessee shall, at its sole cost and expense, construct improvements on the Premises that are generally described as an approximately 250,000 square foot industrial building and associated parking and site improvements within the eighteen (18) month construction time frame. and generally shall consist an approximate budget of $26,500,000 for the Work ("**Improvements**") in accordance with a site plan prepared by Lessee and approved by Lessor or by Lessor's Design Review Committee, if any, such approval not to be unreasonably withheld, conditioned, or delayed, and in compliance with all applicable governmental regulations, restrictions, building codes and any declaration of covenants, conditions, restrictions and easements of record affecting the Premises and any design guidelines promulgated pursuant thereto that are applicable to the Premises. Lessor and Lessee agree that Lessee shall be solely responsible for: (i) any connection(s) between the Premises and the terminating point of the existing vehicular access way to the Premises that is required by applicable or utility provider or is requested by Lessee; (ii) constructing all improvements necessary to bring all utilities to the Improvements; (iii) installing all utility meters and water and sewer lines to service all Improvements constructed on the Premises; and (iv) if applicable, constructing all Improvements necessary to connect the Premises to existing taxiways or taxilanes in accordance with and if allowable under all Airport and FAA rules, regulations and other requirements.

7.2 Construction Milestones; Termination. Lessee shall construct its Improvements pursuant to the following schedule (each of which events are herein called a "**Construction Milestone**"):

7.2.1 Lessee shall submit its Improvement design plans to Lessor for review and approval no later than TWO (2) months from the Effective Date.

7.2.2 Lessee shall complete construction of all Improvements to be constructed by the Lessee at and on the Premises and shall have obtained a CofO (or its equivalent) from the City of Mesa therefor, no later than EIGHTEEN (18) months from the Effective Date.

7.2.3 If Lessee fails to commence construction within NINETY (90) 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 engaged in material work, such as grading or pouring of footings and slabs.

7.3 No Alterations. Lessee shall make no material improvements or alterations to the Premises during the Term of this Lease without the prior written permission of Lessor, which shall not be unreasonably withheld, conditioned, or delayed including, if and to the extent applicable, the approval by Lessor's Design Review Committee. The process of approving any material improvements or alterations by Lessor and Lessor's Design Review Committee shall occur within the same period of time (without duplication) given to Lessor for approval of the same. Lessor will have FORTY-FIVE (45) days following receipt of a written request by Lessee for approval of material improvements or alterations to either approve or disapprove the same. If Lessor disapproves, Lessor shall provide Lessee with a reasonably-detailed explanation for Lessor's disapproval and suggestions for revisions that would reasonably satisfy Lessor's disapproval. If Lessor fails to respond within such FORTY-FIVE (45)-day period Lessee may give a second notice to Lessor requesting approval of material improvements or alterations, on which the following language must appear in bold print: "**FAILURE TO RESPOND TO THIS NOTICE WITHIN FIVE (5) BUSINESS DAYS FROM ITS RECEIPT SHALL RESULT IN THE LESSEE'S PROPOSED IMPROVEMENTS AND ALTERATIONS BEING DEEMED APPROVED**." If Lessor fails to respond in writing (in the manner described above) to any matter in such second notice within FIVE (5) business days following delivery of such notice, Lessee's proposed improvements and alterations shall be deemed to have been approved by Lessor. If Lessor disapproves a request for approval and sets forth the reason for its disapproval, then Lessee may resubmit a revised description of the improvements or alterations for review and approval. This cycle will repeat itself until Lessor either approves the request or is deemed to have approved the same. Lessee shall provide Lessor with electronic as-built drawings (or their equivalent) when any improvement or alteration is completed for which such drawings are reasonably required.

7.4 Title to Alterations and Improvements. Title to all Improvements and alterations on the Premises (but not personal property or trade fixtures) shall vest in Lessor upon the expiration of this Lease, and Lessee agrees to execute and deliver to Lessor, within TEN (10) business days after Lessor's written request therefor, a quitclaim deed quitclaiming such Improvements and alterations to Lessor.

7.5 Mechanics' Liens. Lessee shall keep the Premises and all improvements constructed by Lessee thereon free of any mechanic or materialmen's liens. In the event that any such lien is filed, Lessee shall, at its sole cost, cause such lien to be removed from the Premises by bonding or otherwise within THIRTY (30) calendar days of notice thereof.

7.6 Permit Required. Lessee shall be responsible for determining whether it is subject to local building/construction codes or permit requirements, and for compliance with them to the extent they are applicable. All structural, electrical, plumbing or mechanical construction or reconstruction of the Improvements shall conform to City of Mesa ("**City**") construction and technical codes. No such work shall be commenced without first obtaining required permits from the City. All such work shall be permitted,

inspected and approved by the City prior to concealment or use, as required by applicable laws. Lessee shall provide to Lessor a contemporaneous copy of Lessee's permit application and a copy of the final stamped approval and the associated plans and specifications.

7.7 Damage or Destruction. Lessee shall maintain insurance on all of Lessee's Improvements to the Premises. In the event that all or any portion Lessee's Improvements are destroyed or rendered unusable due to fire or other catastrophe, Lessee shall replace, repair, restore, modify or improve said Improvements, subject to the provisions of Section 7.6, using available insurance proceeds together with any additional funds from other available sources. Notwithstanding the foregoing, if any damage or destruction occurs to the Premises during the last 5 years of the Initial Term or any Extension Term and the cost to repair the damage exceeds 65% of the total replacement cost, Lessee may terminate this Lease upon giving Lessor thirty (30) days' written notice, whereupon Lessee shall pay the replacement cost of the Improvements to Lessor.

8. MAINTENANCE.

8.1 Lessee Responsibilities. Lessee shall, at its sole cost and expense, keep the Premises in a clean condition and in good order, condition and repair throughout the Term, reasonable wear and tear excepted. Lessee's maintenance of the Premises shall consist of, as reasonably necessary, the inspection, servicing and repair of all improvements, including pest control, landscaping and grounds maintenance.

8.2 Damage to Lessor Property. Any real or personal property of Lessor damaged or destroyed by Lessee (or its agents, contractors, employees, managers and representatives) as a result of Lessee's use or occupancy of the Premises shall be promptly repaired or replaced by Lessee to the reasonable satisfaction of Lessor; provided however, that Lessor acknowledges and agrees that Lessor's real property will be permanently altered, changed and modified as a result of the development and use of the Premises, and Lessor hereby consents thereto, and agrees that such development and use of the Premises as permitted in accordance with this Lease shall not constitute waste, damage or destruction to Lessor's real property. Lessor also approves of Lessee demolishing any and all improvements located on or under the Premises.

8.3 Trash Removal. Lessee shall at all times keep the Premises in a clean, safe, sanitary and orderly condition and shall keep such area reasonably free of all trash and debris, and in any event in compliance with all applicable laws and ordinances. Lessee shall be responsible for all trash removal from the Premises and Lessee shall deposit all trash and debris only at collection stations located on or in proximity to the Premises, in accordance with City code.

8.4 Emergency Repairs. Within FIFTEEN (15) days of the Effective Date, Lessee shall provide Lessor with a list of names and telephone numbers for 24-hour emergency contact for the Premises. Lessee shall promptly provide Lessor with updated lists and changes as necessary.

9. ASSIGNMENT, SUBLETTING AND OTHER TRANSFERS.

9.1 Assignment.

9.1.1 Consent Required. Subject to Lessee's rights under Section 24, Liens and Mortgages, Lessee may not transfer or assign ("**Transfer**") its interest in this Lease or any right or interest hereunder without the prior consent of Lessor, which consent may not be unreasonably withheld, delayed or conditioned. Lessor will have FORTY-FIVE (45) days following receipt of a written request by Lessee for approval of a Transfer to either approve or disapprove the same. If Lessor disapproves, Lessor shall provide Lessee with a reasonably-detailed explanation for Lessor's disapproval. If Lessor fails to respond within such FORTY-FIVE (45)-day period Lessee may give a second notice to Lessor requesting approval of a Transfer, on which the following language must appear in bold print: "**FAILURE TO RESPOND TO THIS NOTICE WITHIN FIVE (5) BUSINESS DAYS FROM ITS RECEIPT SHALL RESULT IN THE LESSEE'S**

PROPOSED TRANSFER BEING DEEMED APPROVED." If Lessor fails to respond in writing (in the manner described above) to any matter in such second notice within FIVE (5) business days following delivery of such notice, Lessee's proposed Transfer shall be deemed to have been approved by Lessor. If Lessor disapproves a request for approval and sets forth the reason for its disapproval, then Lessee may resubmit a revised proposal for a Transfer for review and approval. This cycle will repeat itself until Lessor either approves the request or is deemed to have approved the same. Notwithstanding the foregoing, however, Lessee may assign or encumber its leasehold interest, including any title to any improvements, as security in conjunction with or as part of one or more leasehold mortgages or deeds of trust, including assignments by means of a foreclosures or trustee's sales thereunder without Lessor's consent. In the case of an assignment (other than an assignment or encumbrance as security), the assignee must expressly assume in writing all of Lessee's obligations under this Lease from and after the date of such assignment.

9.1.2 Deemed Transfers. For the purposes of this Lease, a Transfer shall be deemed to include the following: (i) the transfer of any ownership interest in Lessee resulting in a change in the present control of Lessee by the person or persons owning a majority of the ownership interest thereof as of the date of this Lease; provided, however, if Lessee is a corporation whose stock is traded on a nationally recognized stock exchange, the transfer of Lessee's stock shall not constitute a Transfer requiring Lessor's consent; and (ii) the sale of greater than FORTY-NINE PERCENT (49%) or more in value of the assets of Lessee, whether in a single transaction or a series of transactions.

9.2 Subletting.

9.2.1 Lessee may sublease all or portions of the Premises if the following conditions are met:

(a) The sublease and any amendments or modifications thereto are approved in advance and in writing by Lessor (which approval shall not be unreasonably withheld, delayed or conditioned), or is/are in a form which shall have been previously approved in writing (except for changes that do not materially impact Lessor's rights and interests) by Lessor. If a pre-approved form is used, Lessor's advance approval of the actual sublease and any amendments or modifications thereto is not required. Lessor will have FORTY-FIVE (45) days with respect to a new sublease, or FIFTEEN (15) days with respect to amendments or modifications to a sublease, following receipt of a written request by Lessee for approval of a Transfer to either approve or disapprove the same. If Lessor disapproves, Lessor shall provide Lessee with a reasonably-detailed explanation for Lessor's disapproval. If Lessor fails to respond within such FORTY-FIVE (45)-day or FIFTEEN (15)-day period, as the case may be, Lessee may give a second notice to Lessor requesting approval of a Transfer, on which the following language must appear in bold print: "**FAILURE TO RESPOND TO THIS NOTICE WITHIN FIVE (5) BUSINESS DAYS FROM ITS RECEIPT SHALL RESULT IN THE LESSEE'S PROPOSED TRANSFER BEING DEEMED APPROVED**." If Lessor fails to respond in writing (in the manner described above) to any matter in such second notice within FIVE (5) business days following delivery of such notice, Lessee's proposed sublease, amendment or modification, as the case may be, shall be deemed to have been approved by Lessor. If Lessor disapproves a request for approval and sets forth the reason for its disapproval, then Lessee may resubmit a revised proposal for a Transfer for review and approval. This cycle will repeat itself until Lessor either approves the request or is deemed to have approved the same.

(b) Rent for subleased premises shall not be less than fair market value unless otherwise approved in writing by Lessor.

(c) The sublease(s) and sublessee(s) shall at all times be subject to the terms and conditions of this Lease.

(d) The permitted uses of the Premises under any sublease shall be the same as that permitted under this Lease. Sublessees shall agree in the sublease not to engage in any Prohibited Use.

(e) The term of any sublease shall not extend beyond the stated expiration of this Lease.

(f) Except for the payment of a security deposit, the sublessee under such sublease shall not pay rent more than SIX (6) months in advance of its due date under the sublease.

9.2.2 Upon request from Lessee and/or any sublessee, Lessor shall enter into a Non-Disturbance and Attornment Agreement (in form and substance reasonably acceptable to Lessor, Lessee, sublessee and any applicable Mortgagee of Lessee or sublessee) so long as (i) the conditions of Section 9.2.1 have been met; (ii) the sublessee is not then in default beyond an applicable notice and cure period under the sublease and there is no existing Event of Default under this Lease; and (iii) the sublessee does not have a history of five (5) or more documented events of noncompliance with the *Airport Rules and Regulations* or *Airport Minimum Standards*. All reasonable legal fees incurred by Lessor in connection with any reasonably necessary third-party legal counsel review and approval of a Non-Disturbance and Attornment Agreement shall be paid by Lessee or sublessee.

9.2.3 Lessee shall not permit any sublessee unescorted access to the secured areas of the Airport unless and until the sublessee has obtained its own valid Airport security clearance and access credentials from Lessor. Lessee acknowledges that it may take THIRTY (30) calendar days or more to process sublessee for security clearance and access credentials.

9.2.4 Lessee shall submit a copy of each fully executed sublease to Lessor as soon as possible, but no later than FIVE (5) business days after Lessee receives the fully executed sublease.

9.3 Non-Disturbance. Lessor agrees, for the benefit of all subtenants of all or any part of the Premises, that if this Lease or Lessee's right to possession of the Premises is terminated for default or otherwise, all subleases of all or any part of the Premises, except any sublease to an Affiliate of Lessee, shall continue in full force and effect, notwithstanding the termination, as direct leases between Lessor and the subtenants and all such subtenants shall, upon request, attorn in writing to Lessor.

10. SIGNS.

Lessee may install on the Premises, including the Improvements, one or more signs, including signs identifying its business and, if Lessee so desires, a monument sign on the Premises; provided, however, that the general type, size, and location of such sign(s) shall conform to Lessee's Comprehensive Sign Plan, be approved in writing by Lessor in advance of installation, which approval may not be unreasonably withheld, conditioned or delayed, and be subject to any signage rules, codes and/or regulations of any governmental authority.

11. DEFAULT; TERMINATION BY LESSOR.

11.1 Events of Default. Each of the following shall constitute a material default of this Lease by Lessee ("**Event of Default**"):

11.1.1 Failure to pay any installment of Base Rent or other amount due from Lessee hereunder, provided that Lessee does not cure such failure within TEN (10) business days after delivery by Lessor of a written notice of such failure.

11.1.2 Failure to perform any of its other obligations under this Lease or failure to perform any of its obligations as a "Lessee" under the Declaration (as defined in Section 44 below), as such obligations relate to the Premises, provided that Lessee does not cure such failure within THIRTY (30) calendar days after delivery by Lessor to Lessee of a written notice of such default; provided, however, if a cure of the default reasonably requires more than THIRTY (30) calendar days to complete, then the time to cure shall be extended so long as the cure is being diligently pursued.

11.1.3 The filing of any mechanic's, materialmen's or other lien or any kind against the Premises because of any act or omission of Lessee which lien is not discharged, by bonding or otherwise, within THIRTY (30) calendar days of receipt of actual notice thereof by Lessee.

11.1.4 The Transfer or attempted transfer of any interest in the Lease to any transferee in violation of Section 9, provided that Lessee does not cancel or otherwise negate such Transfer or attempted transfer within THIRTY (30) calendar days after delivery by Lessor to Lessee of a written notice of such default.

11.1.5 Failure to pay its Proportionate Share of any Common Area Assessment in accordance with the Declaration as provided in Section 44 below, provided that Lessee does not cure such failure within TEN (10) business days after delivery by Lessor to Lessee of a written notice of such failure.

11.2 Lessor's Remedies. Upon the occurrence of an Event of Default under this Lease, Lessor may, without prejudice to any other rights and remedies available to a Lessor at law, in equity or by statute, exercise one or more of the following remedies, all of which shall be construed and held to be cumulative and non-exclusive:

11.2.1 Terminate this Lease and re-enter and take possession of the Premises; or

11.2.2 Without terminating this Lease, re-enter and take possession of the Premises; or

11.2.3 Without such re-entry, recover possession of the Premises in the manner prescribed by any statute relating to summary process, and any demand for Base Rent, and any and all notices to quit, or other formalities of any nature to which Lessee may be entitled, are hereby specifically waived to the extent permitted by law; or

11.2.4 With or without terminating this Lease, Lessor may re-let the Premises or any portion thereof.

Lessor agrees that Lessor's right to re-enter the Premises under Arizona Revised Statutes Section 33-361 and other similar rights shall arise after, and only after, the applicable notice and cure or grace periods under this Lease have been given and expired without such default or failure having been cured by Lessee.

11.3 No Implied Termination. Lessor shall not be deemed to have terminated this Lease unless Lessor shall have notified Lessee in writing that it has so elected to terminate this Lease. Except for Lessor's negligence or willful misconduct, Lessee hereby waives all claims based on Lessor's reentering and taking possession of the Premises, or removing and storing the property of Lessee, and Lessee shall reimburse Lessor for all reasonable costs incurred by Lessor occasioned thereby. No such reentry shall be considered or construed to be a forcible entry by Lessor.

11.4 Lessor's Current Damages. Upon the occurrence and during the continuance of an Event of Default, Lessor is authorized to make such repairs, refurbishments or improvements to the Premises as may be necessary for the purpose of attempting to re-let the Premises, and the reasonable costs and expenses incurred in respect of such repairs, redecorating, refurbishments and improvements shall be paid by Lessee to Lessor within TEN (10) business days after receipt of Lessor's statement. If Lessor exercises any of the remedies stated above, Lessor shall be entitled to recover from Lessee all actual damages incurred by Lessor by reason of the Event of Default, which shall include, without limitation, (i) the equivalent of the amount of the present value of Base Rent and all other payments which would be payable under this Lease by Lessee for the remainder of the Term as if this Lease were still in effect, less (ii) the net proceeds of any re-letting by Lessor after deducting all of Lessor's reasonable expenses in connection with such re-letting, which shall include, without limitation, repossession costs, repairs, redecorating, refurbishments or improvements to the Premises, brokerage commissions, attorneys' fees, and legal expenses. Lessee shall pay such current damages to Lessor, in the

amount set forth in the preceding sentence ("**Deficiency**"), in monthly installments on the days on which the Base Rent would have been payable under this Lease as if this Lease were still in effect. In no event shall Lessee be liable for punitive, consequential or speculative damages under this Lease. Lessor agrees to satisfy its obligations to mitigate its damages.

11.5 Lessor's Final Damages. At any time after an Event of Default, whether or not Lessor shall have collected any monthly Deficiency as set forth above, Lessor shall be entitled to recover (without duplication) from Lessee, and Lessee shall pay to Lessor, promptly on demand, as Lessor's final damages for the applicable Event of Default, the sum of (a) the then present worth (at a discount at the rate of SIX PERCENT (6%) per annum) of (i) the aggregate of the Base Rent and all other amounts to be paid by Lessee hereunder for the unexpired portion of the Term of this Lease (assuming this Lease had not been terminated), less (ii) the amount of Rent and any losses that could have been reasonably avoided, plus
(b) reasonable repossession costs, reasonable Lessor's expenses in connection with any attempts it may have made to re-let the Premises (which shall include, without limitation, repairs, refurbishments or improvements to the Premises and brokerage commissions), reasonable attorneys' fees, reasonable legal expenses, and all other actual damages incurred by Lessor as a result of such Event of Default.

11.6 No Waiver by Lessor. No waiver by Lessor of any breach or default by Lessee in the performance of its obligations under this Lease shall be deemed to be a waiver of any subsequent default by Lessee in the performance of any of such obligations, and no express waiver shall affect an Event of Default in a manner other than as specified in said waiver. The consent or approval by Lessor to or of any act by Lessee requiring Lessor's consent or approval shall not be deemed to waive or render unnecessary Lessor's consent or approval to or of any subsequent similar acts by Lessee.

11.7 Content of Default Notice. Any default notice tendered to Lessee hereunder shall be deemed to be sufficient if it reasonably describes the nature of such default, and is made in accordance with Section 20 herein.

11.8 Limitation on Exercise of Termination Remedy by Lessor. Notwithstanding anything to the contrary in Section 11.2 hereinabove, if an Event of Default occurs, Lessor shall not have the remedy of terminating this Lease or of taking possession of the Premises unless: (i) the Event of Default consists of a failure to pay Base Rent or other amounts owed to Lessor; or (ii) Lessor has no other remedy that is adequate to protect Lessor's interests. Nothing in this Section 11 shall limit the exercise of any such other remedy.

11.9 Waiver of Landlord's Lien. Lessor hereby waives all statutory or common law landlord's lien rights with respect to personal property located on the Premises.

12. [RESERVED].

13. INDEMNIFICATION.

13.1 Lessee's Indemnity. Except for the actions and omissions of Lessor and its agents, contractors, employees, managers and representatives, to the fullest extent permitted by law, Lessee hereby agrees to defend, indemnify and hold harmless Lessor and its members, elected or appointed officials, agents, contractors, subcontractors, boards, commissions and employees (hereinafter referred to collectively as the "Lessor" for purposes of this Section 13.1 for, from and against any and all third-party claims, causes of action, liability, suits, litigation (including reasonable attorney's fees and other costs of investigation and litigation), actions, losses, damages or claims of any nature whatsoever to the extent such arise out of or in connection with (i) any accident, injury or actual damages occurring within the Premises during the Term caused by Lessee or its agents, employees, contractors, or subcontractors, or (ii) any negligent act or omission of Lessee or its agents, employees, contractors, or subcontractors (hereinafter referred to collectively as "Lessee" for purposes of this Section 13.1) on the Property or the Airport and which result directly or indirectly in the injury to or death of

any persons or the damage to or loss of any property or other damages or losses to Lessor, or (iii) the failure of Lessee to comply with any provisions of this Lease. This indemnification shall exclude responsibility for any damages and for claims arising by reason of the acts or omissions of Lessor or its employees, contractors or agents.

13.2 Lessor's Indemnity. Except for the actions and omissions of Lessee and its agents, contractors, employees, managers and representatives, to the fullest extent permitted by law, Lessor hereby agrees to defend, indemnify and hold harmless Lessee and its members, elected or appointed officials, agents, contractors, subcontractors, boards, commissions and employees (hereinafter referred to collectively as the "Lessee" for purposes of this Section 13.2) for, from and against any and all third-party claims, causes of action, liability, suits, litigation (including reasonable attorney's fees and other costs of investigation and litigation), actions, losses, damages or claims of any nature whatsoever to the extent such arise out of or in connection with (i) any negligent act or omission or intentional misconduct by Lessor or its agents, employees, contractors, or subcontractors (hereinafter referred to collectively as "Lessor" for purposes of this Section 13.2) on the Property or the Airport, and which result directly or indirectly in the injury to or death of any persons or the damage to or loss of any property or other damages or losses to Lessee, or (ii) the failure of Lessor to comply with any provisions of this Lease. This indemnification shall exclude responsibility for any damages and for claims arising by reason of the acts or omissions of Lessee or its employees, contractors or agents.

13.3 Lessor's Damage to Improvements. Lessor shall be responsible and liable for any damage to any Improvements or alterations on the Property to the extent caused by Lessor or its agents, employees, contractors or subcontractors, and Lessor shall promptly repair any damage caused by Lessor or its agents, employees, contractors or subcontractors.

14. ENVIRONMENTAL PROTECTION.

14.1 Definitions. Unless the context shall clearly require otherwise, the terms defined in this Section 14.1 shall, for all purposes of this Lease and of any agreement amendatory hereof or supplemental hereto, have the meanings herein specified, with the following definitions to be equally applicable to both the single and plural forms of any of the following:

14.1.1 *Environmental Laws*. The term "Environmental Laws" shall mean any one or all of the following, as the same are amended from time to time: the *Comprehensive Environmental Response, Compensation, and Liability Act*, 42 USC Section 9601 et seq.; the *Resource Conservation and Recovery Act*, 42 USC Section 6901, et seq.; the *Toxic Substances Control Act*, 15 USC Section 2601 et seq.; the *Safe Drinking Water Act*, 42 USC Section 300f et seq.; the Clean Water Act, 33 USC Section 1251 et seq.; the *Clean Air Act*, 42 USC Section 7401 et seq.; the *Arizona Hazardous Waste Management Act*, A.R.S. Section 49-921 et seq. the *Arizona Environmental Quality Act*, A.R.S. Title 49, as amended; and all regulations thereunder and any other laws, regulations and ordinances (whether enacted by the local, state or federal government) now in effect or hereafter enacted that deal with the regulation or protection of the environment, including the ambient air, ground water, surface water, and land use, including substrata land, or that govern the use of hazardous materials, hazardous waste and hazardous substances and petroleum products.

14.1.2 *Hazardous Material*. The term "Hazardous Material" shall mean any toxic or hazardous material, substance or waste, or any pollutant or contaminant as defined or regulated pursuant to any Environmental Law and petroleum products. For purposes of this definition, petroleum includes petroleum-based substances comprised of a complex blend of hydrocarbons derived from crude oil through processes of separation, conversion, upgrading and finishing (e.g., distillate fuel oils, petroleum solvents and used oils).

14.2 [Intentionally Omitted].

14.3 Environmental Compliance.

14.3.1 Lessee shall, at the Lessee's own expense, comply with all present and hereafter enacted Environmental Law, including any amendments thereto, affecting Lessee's activities on and property interest in the Premises during the period of Lessee's occupancy of thereof under this Lease. To the extent that Lessor, or any Lessor's employees, agents or contractors, conducts any activities on the Premises during the period of Lessee's occupancy, Lessor shall, at Lessor's own expense, comply with all present and hereafter Environmental Law, including any amendments thereto, affecting any of Lessor's activities on the Premises.

14.3.2 Lessee shall not cause or permit any Hazardous Material to be brought upon, kept or used in or about the Premises or the Airport by Lessee's agents, employees, contractors or invitees in violation or threatened or suspected violation of any Environmental Law. The Parties recognize and agree that Lessee may bring on the Premises and Airport and use Hazardous Material that is ordinarily and customarily used in the conduct of Lessee's permitted activities under this Lease, provided that such use shall comply fully with all applicable Environmental Laws. Lessor shall not cause or permit any Hazardous Material to be brought upon, kept, or used in or about the Premises or by Lessor's agents, employees, contractors for any activity Lessor conducts on the Premises during Lessee's occupancy, without prior notification to and approval by Lessee (which shall not be unreasonably withheld), and any such use or presence shall be in compliance with Environmental Law.

14.3.3 If Lessee desires and receives written authorization from Lessor to install any underground storage tanks ("**USTs**") on the Premises or elsewhere on the Airport, Lessee shall submit the plans for such USTs to Lessor for prior written approval and shall comply with all applicable Environmental Laws related thereto, including Title 40, Code of Federal Regulations, Part 280, as adopted by the State of Arizona ("**Part 280**"), and Lessee shall be the owner of such USTs for statutory purposes. Installation of USTs shall comply with the "code of practice" set forth in Part 280. Lessee is solely responsible for the design, construction, installation, operation, monitoring, inspection, repair and maintenance of any and all USTs, including any connected piping and/or dispensing apparatus. Lessee shall provide to Lessor a copy of the Arizona Department of Environmental Quality *Notification of Underground Storage Tank Registration* that Lessee submits to the state. All USTs shall meet or exceed the tank performance standard for USTs installed after December 22, 1998, including corrosion protection, leak detection and spill/overflow protection. Any UST that stores flammable and combustible liquids shall meet the provisions of NFPA 30, *Flammable and Combustible Liquids Code*. Records demonstrating compliance with release detection requirements, including product inventories, calibration and maintenance, sampling, tightness testing and any other records, fees and taxes required by the state or federal governments shall be the responsibility of Lessee. Upon the expiration of this Lease, Lessee shall remove all USTs in compliance with all UST closure requirements under all applicable Environmental Laws in effect at that time unless otherwise allowed by Lessor.

14.4 Indemnification. To the fullest extent permitted by law, Lessee shall indemnify, defend (with counsel reasonably acceptable to Lessor), protect and hold harmless Lessor and its employees and agents for, from and against any and all liability, loss, damage, expense, penalties and legal and investigation fees or costs, arising from or related to any claim or action for injury, liability, or damage to persons or property and any and all claims or actions brought by any person, entity or governmental body, alleging or arising in connection with contamination of the environment or violation of any Environmental Law or other statute, ordinance, rule, regulation, judgment or order of any government or judicial entity ("**Environmental Damages**") which are incurred or assessed as a result of any of Lessee's activities or operations on the Premises or Airport. This obligation includes, but is not limited to, all costs and expenses related to cleaning up the property, land, soil and underground or surface water as required under the law. Lessee's obligations and liabilities under this Section 14.4 shall survive the termination of this Lease. The indemnification of Lessor by Lessee as described above includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision. Lessor reserves the right to seek injunctive relief as may be permitted under law and equity. This Section 14.4 explicitly excludes Lessee duty, liability or indemnity to Lessor for any claims or Environmental Damages of any kind whatsoever arising from or in connection with any contamination of any

kind existing on the Premises prior to the Effective Date, except and only to the extent known contamination is exacerbated by Lessee or unknown contamination is exacerbated by Lessee's negligence.

14.5 Remediation. Without limiting the foregoing, if the presence of any Hazardous Material during the Term of this Lease caused or permitted by Lessee to be first brought on the Airport or Premises upon or after the Effective Date results in any Release on the Airport or Premises in violation of any Environmental Law, Lessee shall promptly take action to remediate the affected property at its sole expense as necessary to return the Airport or Premises to the condition existing prior to the introduction of any such Hazardous Material to the Airport or Premises; provided that Lessor's approval of such actions shall first be obtained, which approval shall not, except in an emergency, be unreasonably withheld so long as such actions would not potentially have any material adverse long-term effect on the Airport and Lessee is not under administrative or court order related to such remediation action. Notwithstanding Lessor's approval pursuant to this Section 14.5, Lessor is not responsible for directing or managing any remediation action. For purposes of this Section 14.5, the term "Release" means any releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, disposing, or dumping. This Section 14.5 also applies to Lessee's remediation of any contamination of any kind existing on the Premises or Airport prior to the Effective Date, including any such contamination that may be first discovered after the Effective Date but not caused by Lessee, except and only to the extent known contamination is exacerbated by Lessee or unknown contamination is exacerbated by Lessee's negligence.

14.6 Governmental Submittals. Lessee shall, at Lessee's own expense, make all submissions to, provide all information to, and comply with all requirements of the appropriate governmental authority ("**Government**") under the Environmental Laws. Should the Government determine that a site characterization, site assessment and/or cleanup plan should be prepared and/or that a cleanup should be undertaken because of any spills or discharges of Hazardous Material by reasons of Lessee's activities or actions at the Airport which occur during the Term of this Lease, then Lessee shall, at the Lessee's own expense, prepare and submit the required plans and financial assurances, and carry out the approved plans.

14.7 Information Sharing.

14.7.1 Lessee shall immediately notify Lessor of any of the following: (i) Lessee's receipt of any notification from any governmental entity either charging or informing Lessee that it will be charged with a significant violation of Environmental Law (as defined below), and (ii) any significant change in Lessee's activities on the Premises that is reasonably likely to adversely change Lessee's obligations or liabilities under the Environmental Laws. In addition, Lessee agrees to provide Lessor with non-privileged copies of documents reflecting the physical condition of the Premises, including but not limited to, environmental testing of soils and groundwater, and existing, non-privileged information reasonably requested by Lessor to determine the applicability of the Environmental Laws to the Premises, or to assist in the response to any governmental investigation or claim of liability by third parties which is related to environmental contamination of the Premises, to the extent that such investigations or claims are related to Lessee's activities thereon. A "significant violation of Environmental Law" shall be any violation that requires more than ONE HUNDRED EIGHTY (180) calendar days to resolve.

14.7.2 Lessee shall install on any UST that it is permitted to install pursuant to Section 14.3.3, a method or a combination of methods for Release detection that can detect a Release from any portion of the UST and any connected underground piping. Lessee shall immediately notify Lessor's Operations and Maintenance Department upon discovering a Release or Suspected Release of any amount of material that is stored inside a UST. For purposes of this Section, a "Suspected Release" is any discovery of released Hazardous Material at the UST site or surrounding area, erratic behavior of Hazardous Material dispensing equipment, the sudden loss of a Hazardous Material, an unexplained presence of water in the UST, or when monitoring indicates that a Release has occurred. In the case of inventory control, Lessee shall notify the Lessor's Operations and Maintenance Department when the second consecutive month of inventory reconciliation data

indicates that there is a discrepancy in the figures recorded.

14.8 Sublease. Lessee shall insert provisions substantially identical to the provisions of this Section 13.1 in any sublease agreement or contract by which it grants a right or privilege to any person, firm, corporation or other entity under this Lease.

14.9 Actions of Lessee. The activities or actions of Lessee under this Section 13.1 shall include the activities or actions of Lessee's officers, directors, employees, agents, contractors, invitees and successors.

14.10 Clean Water Act; NPDES Permits and SWPPPs. Without in any way limiting the foregoing, Lessee shall comply with all Environmental Laws regarding discharges to water and land, including, without limitation, obtaining and complying with an individual National Pollutant Discharge Elimination System (NPDES) permit, or requesting coverage under and complying with any applicable Multi-Sector General Permit ("**MSGP**"). If applicable, Lessee shall also prepare and comply with a site-specific MSGP with an individual Storm Water Pollution Prevention Plan ("**SWPPP**") or any revisions to a SWPPP, with respect to Lessee's operations or activities on the Premises or Airport. Proof of individual compliance shall be provided in the form of both the Lessee's Notice of Intent ("**NOI**") that has been received by the Arizona Department of Environmental Quality ("**ADEQ**") and the individual Arizona Multi-Sector General Permit (AZMSGP) number associated with the NOI, within the times prescribed by law.

14.11 Environmental Assessments.

14.11.1 If, during the Term of this Lease, any of Lessee's USTs are suspected of or known to be leaking, Lessee shall perform, or cause to be performed, a site characterization of the Premises and/or UST site using all appropriate sections of the LUST Site Characterization Manual dated January 15, 1999, or the most current edition, including tables 1 through 6, as applicable ("**Site Characterization**").

14.11.2 Within THIRTY (30) calendar days immediately preceding the expiration of this Lease or within THIRTY (30) calendar days of any earlier termination of the Lease, Lessee shall:

(a) Deliver to Lessor: (i) a Phase I environmental site assessment that conforms to the standards set forth in 42 USC § 9601(35)(B), as amended by Pub. L. 107-118 (Jan. 11, 2002), section 223(2), and as may be further amended, and any regulations thereunder; and (ii) an environmental compliance audit assessing the status of regulatory compliance of the Premises and all operations and activities thereon; both prepared by a qualified engineer licensed by the State of Arizona; and

(b) In the event Lessee installs any USTs upon the Premises or elsewhere on the Airport, perform or cause to be performed a Site Characterization of the Premises in the event there is evidence that there has been or may be a leak or Release of the UST contents; and

(c) If either the assessment described in Section 14.11.2(a)(i) above or the Site Characterization described in Section 14.11.2(a)(ii) above identifies any "recognized environmental condition," or any other condition indicating a known or potential liability, including, but not limited to, a known or potential violation of any Environmental Law or a past, present, or material threat of a future release of a hazardous substance or a petroleum product into the environment, Lessor reserves the right, at Lessor's sole discretion, to require Lessee to conduct, at Lessee's sole expense and with a scope of work subject to Lessor's approval, further reasonable investigations and reasonable remediation.

14.12 Protective Devices and Plans. If Lessee is required by the City to estimate the possible constituents of sanitary sewer discharges in order that the City may define certain discharge limitations for the Premises, Lessee shall complete and return an *Industrial Wastewater Discharge Questionnaire* ("**Questionnaire**") to the City and promptly provide Lessor with updates to the Questionnaire as they arise. Also, if the City so

requires, Lessee shall install and maintain appropriate protective devices to prevent accidental discharge of any Hazardous Material into domestic or industrial drains on or near the Premises and elsewhere on the Airport, as appropriate, and for any other material for which a slug load discharge could pollute the Airport's storm water discharge or disrupt operations at the sewage treatment plant serving the Premises. Lessee shall post a notice in a prominent place on the Premises advising employees what actions to take and whom to call in the event of said discharge, and shall ensure that all employees of Lessee are trained with regard to the spill protection plan hereinafter referenced. Lessee also shall provide Lessor with immediate notice of any spill.

14.13 Right to Enter Premises. In addition to the rights afforded to Lessor in Section 19, this Lease specifically includes the right of the United States Government, the Environmental Protection Agency (the EPA), ADEQ and the Arizona Department of Occupational Safety and Health (ADOSH) to enter the Premises upon reasonable notice to Lessee for purposes of: (i) inspecting Lessee's compliance with environmental, occupational safety and health laws and regulations, whether or not such party is responsible for enforcing such laws; (ii) conducting environmental investigation or remediation, including, without limitation, performing tests and surveys, drillings, test-pitting, borings, compiling data and/or records, and other activities related to environmental investigation; and (iii) carrying out remedial or removal actions as required or necessary under applicable laws, including, without limitation, installing monitoring wells, pumping wells and/or treatment facilities. Lessee shall have no claim against Lessor for any entries by the United States, EPA, ADEQ, Arizona ADOSH, or any officer, agent, employee or contractor thereof.

14.14 U.S. Air Force Use and Remedial Action.

14.14.1 The Parties assume no liability or responsibility for environmental impacts and Environmental Damages or claims of any kind whatsoever caused by or resulting from the U.S. Air Force's use of Hazardous Material on any portion of the Airport, including the Premises, prior to the Effective Date, and have no obligation under this Lease to undertake the defense of any claim or action, whether in existence now or brought in the future, solely arising out of the use of or release of any Hazardous Material or deposits of solid waste on or from any part of the Airport, including, but not limited to, the Premises, even if such claims or contamination are first discovered or made after the Effective Date. Further, the Parties have no obligation under this Lease to undertake environmental response, remediation, or cleanup relating to any contamination caused by or related to such use or release. For purposes of this Section 14.14, "defense" or "environmental response, remediation, or cleanup" shall include liability and responsibility for the costs of damage, penalties, legal and investigative services relating to such use or release. The terms, "Occupation" or "Use" shall mean any activity or presence (in or upon) such portion of, or such building, facility or other improvement on the Premises.

14.14.2 Pursuant to Section VII.E.3 of the Deed (as defined herein), the U.S. Air Force warrants and covenants that all remedial action necessary to protect human health and the environment with respect to hazardous substances remaining on the Airport, including the Premises, has been completed prior to the date of the Deed and, further, any remedial action found to be necessary after the date of the Deed shall be conducted by the U.S. Air Force; provided, however, that the foregoing covenant does not apply where Lessor or Lessee is a potentially responsible party with respect to any portion of the Premises or the Airport.

14.15 Cleanup Requirements. Lessee agrees that Lessor assumes no liability to Lessee should Hazardous Material cleanup or related requirements, whether imposed by law, regulatory agencies, the U.S. Air Force or Department of Defense cause delays or interferes with Lessee's use of the Premises. Lessee shall have no claim against Lessor or the United States or any officer, agent, employee or contractor thereof on account of any such interference whether due to entry, performance of remedial or removal investigations, or exercise of any right with respect to the Federal Facilities Agreement (FFA) or the Installation Restoration Program (IRP) or under this Lease or otherwise. Lessee agrees to comply with the provisions of any health or safety plan in effect under the IRP or any hazardous substance remediation or response agreement with environmental regulatory authorities during the course of any of the above described response or remedial actions. Any

inspection, survey, investigation, or other response or remedial action conducted by Governmental Authorities or Lessor shall, to the extent practicable, be coordinated with representatives designated by Lessee.

14.16 Spill Protection Plan. In the event Lessee undertakes any type of manufacturing, maintenance or other activities on the Premises involving the use or generation of any Hazardous Material regulated by Hazardous Material Laws, Lessee shall have a plan for responding to Hazardous Material, fuel, and other chemical spills prior to commencement of activities on the Premises and other approved Airport locations. Such plan shall comply with all applicable requirements of said plan which shall be updated from time to time or as may be required to comply with changes in site conditions or applicable requirements, and shall be approved by all agencies that are obligated by law to approve such plan. Such plan shall be independent of Lessor's spill prevention and response plans, if any. Lessee shall not rely on use of Lessor or Lessor personnel or equipment in execution of its plan. Lessee shall file a copy of the plan and amendments thereto with Lessor's Environmental and Archeological Coordinator prior to the date that Lessee commences any manufacturing, maintenance or other activities on the Premises involving the use or generation of any Hazardous Material regulated by Hazardous Material Laws. Notwithstanding the foregoing, should Lessor provide any personnel or equipment, whether for initial fire response and/or spill containment, on the request of Lessee, or because Lessee was not, in the opinion of Lessor, conducting fire-fighting, containment or timely cleanup actions, Lessee agrees to reimburse Lessor for its actual costs in accordance with all applicable laws and regulations, except to the extent that Lessor was responding to conditions caused by events occurring at the Airport (not including the Premises) or by the negligence or omission of Lessor or its employees, agents or contractors.

14.17 Wells. Lessee shall not install any drinking water or other wells in any location on the Premises without the prior written approval of Lessor, except to the extent that the installation of a monitoring well is required by Governmental Authorities.

14.18 Surface Disturbances. After construction of Lessee's improvements on the Premises, if any, either in the future or as otherwise provided herein, Lessee shall not conduct any subsurface excavation, digging, drilling or other disturbance of the surface other than what is usual and customary for the anticipated uses without the prior written approval of Lessor, which shall not be unreasonably withheld, conditioned or delayed.

14.19 Later Discovered Hazmat. If any Hazardous Material is newly discovered on a portion of the Property after the Effective Date that: (a) (i) were not placed on or introduced to the Property by Lessee, and (ii) were present on the Premises prior to the Effective Date (collectively, "**Later-Discovered, Pre- Existing Hazmat**"); and (b) such Later-Discovered, Pre-Existing Hazmat will cause Unavoidable Delay in the construction of Improvements; Lessee shall immediately notify Lessor and cease development activity in the impacted area of the Premises, and Lessee shall have the right to either (a) conduct such investigations and remedial actions as necessary under applicable Environmental Law and continue development activity as the remedial process allows (and reserve any rights it may have to seek whatever compensation it is entitled to recover), if Lessor does not agree, within SEVEN (7) business days of receiving notice contemplated under this Section, to promptly investigate and remediate the detected contamination in accordance with Environmental Law, and on a schedule and in a manner that does not interfere with Lessee's development, use or construction plans, or (b) terminate this Lease upon written notice to Lessor.

15. PROTECTION OF WETLANDS.

Lessee shall minimize the destruction, loss, or degradation of any wetlands located on the Premises. Lessor believes there are no wetlands existing on the Premises as of the Effective Date. However, before locating new construction in wetlands, if any exist, Lessee shall contact Lessor and the permitting authority and obtain a permit or waivers under Section 404 of the Clean Water Act. For purposes of this Section 15, the term, "new construction," includes structures, facilities, draining, dredging, channeling, filling, diking, impounding, and related activities.

16. SPECIAL PROVISIONS.

16.1 Lessee shall comply with all applicable Federal, State, and local occupational safety and health regulations.

16.2 Lessee shall be responsible for determining whether it is subject to State and local sanitation, licensing, building code or building permit requirements and whether or not it requires a permit to do business and for compliance with them to the extent they are applicable.

17. INSURANCE.

17.1 Coverage Required. Lessee shall procure and maintain, or cause to be procured and maintained, the following types and amounts of insurance with respect to the Premises:

17.1.1 *Builders Risk* insurance covering the insured's premises and all replacements and/or additions thereto for their full insurable value plus ten percent (Cost + 10%) on a "replacement cost" basis with an ISO Special Causes of Loss form or equivalent required until completion of construction of the improvements upon the Premises. Builder's Risk Insurance shall be in place during active construction of the Improvements. Lessor agrees that Builder's Risk Insurance shall be, upon acceptance of the Improvements by the City of Mesa and/or occupancy of the Improvements for the intended use, no longer required in the form of Builder's Risk Insurance and shall be replaced by Lessor's General Liability and Property coverage as placed upon completion of the construction of the Improvements. Lessor agrees to perform this transition without any lapse or gap in coverage.

17.1.2 *Comprehensive General Liability* $5,000,000 per occurrence covering third party bodily injury and property damage on an occurrence basis in an amount not less than, including coverage for "premises/operations", "products and completed operations", "professional", "host liquor" and "blanket contractual liabilities".

17.1.3 *Commercial Auto Liability* - $1,000,000 per occurrence 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 with Airport boundaries in conjunction with the operator's business activities, and MSC-90 Endorsement is required.

17.1.4 *Environmental Coverage* $2,000,000 per occurrence. – covering third party bodily injury and property damage associated with hazardous material storage facilities, tanks, pining, ancillary equipment and containment structures, or structures that are used, controlled, constructed or maintained at the Airport, and including expenses for defense, release mitigation and off-and on-site remediation.

17.1.5 *Personal Property Coverage* – covers 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 and ISO Special Cause of Loss form. Coverage shall be for risks of direct physical loss or damage, including the perils of Equipment Breakdown/Boiler & Machinery, Flood and Earth Movement. The limit shall be equivalent to at least full replacement cost value of personal property & improvements. Coverage shall be on a replacement cost basis. If there is a coinsurance provision, it shall be waived by an Agreed Amount endorsement. Lessee's policy shall name Lessor as Loss Payee as their interest may appear.

17.1.6 *Worker's Compensation* insurance, as required by law, and *Employer's Liability* insurance in the amount of $1,000,000 covering work-related injuries to employees and others permitted to operate or otherwise conduct business on the Premises.

17.2 Form. Each insurance policy obtained pursuant to this Section, except for *Worker's Compensation and Employer's Liability* policies, shall: (i) name Lessor as a certificate holder 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) days in case of nonpayment of premium); and (iii) contain a waiver of subrogation in favor of Lessor. Lessee shall not permit any insurance policy to be canceled or modified without Lessor's written consent unless equivalent replacement policies are issued with no lapse in coverage. All policies shall be obtained from insurance companies licensed to do business in the State of Arizona and possessing a rating of at least A – VII or higher from the A.M. Best Company, or an equivalent rating and approved by Lessor.

17.3 Certificates of Insurance. Lessee shall deliver to Lessor a certificate of insurance for each policy required herein to Lessor, in standard Acord or equivalent form, prior to the Effective Date and shall continue to provide such certificates throughout the Term of this Lease.

17.4 Additional Insurance. At any time during the Term of this Lease, Lessor may, if in its reasonable determination the insurance coverage required by this Section 17 is no longer adequate, require Lessee to increase its coverage to commercially reasonable amounts.

17.5 Blanket Insurance. Lessee's insurance obligations under this Lease may be satisfied by means of "blanket" or excess policies.

17.6 Insurance by Lessor. In the event Lessee shall fail to procure any insurance required hereunder, Lessor may, upon written notice to Lessee, procure and maintain any or all of the insurance required of Lessee under this Section. In such event, all costs of such insurance procured and maintained by Lessor on behalf of Lessee shall be the responsibility of Lessee and shall be fully reimbursed to Lessor within TEN (10) business days after Lessor advises Lessee of the cost thereof.

18. SURRENDER OF POSSESSION.

18.1 Condition of Property.

18.1.1 Upon the expiration or earlier termination of this Lease, Lessee's right to occupy the Premises and exercise the privileges and rights granted thereunder shall cease, and Lessee shall peaceably surrender the same and leave the Premises broom clean and in good condition except for normal wear and tear, casualty (subject to Lessee's obligation under Section 7.7) and condemnation. Lessee shall not be responsible for the removal or remediation of any Hazardous Material that was present on, under or near the Premises prior to occupancy, regardless of the date of discovery of such Hazardous Material, and shall not be responsible for returning the Premises in a better condition than existed on the Effective Date, except as expressly provided hereunder. All trade fixtures, equipment, and other personal property installed or placed by Lessee on the Premises which are not permanently affixed thereto shall remain the property of Lessee, and Lessee shall have the right at any time during the Term of this Lease, to remove the same from the Airport and Lessee shall repair, at its sole cost, any damage caused by such removal. Any property not removed by Lessee within FIFTEEN (15) calendar days of the expiration or earlier termination of this Lease, or revocation of Lessee's right to occupy the Premises, shall become a part of the Premises, and ownership thereof shall vest in Lessor. Lessee shall, however, remain financially liable to Lessor for the cost of repairs to the Premises incurred as a result of Lessor's removal and/or relocation of property formerly belonging to Lessee and not otherwise removed from the Premises, as provided herein, and shall remit to Lessor payment for such costs within TEN (10) business days of Lessee's receipt of Lessor's invoice therefor.

18.1.2 Any trade fixtures, equipment or other property affixed to the Premises by Lessee shall, if required in a written notice to Lessee from Lessor at the time of Lessor's approval of the same, be removed from the Premises by Lessee, at Lessee's expense, within FIFTEEN (15) business days after Lease termination.

Should Lessee fail to remove such trade fixtures, equipment or other property within said time, Lessor may remove and dispose of such trade fixtures, equipment or other property at Lessee's expense, and Lessee shall reimburse Lessor for the costs thereof within TEN (10) business days of receipt of Lessor's invoice therefor.

18.2 Holding Over. Lessee shall not remain in possession of the Premises after the expiration or earlier termination of the Term without the express written consent of Lessor. Should Lessee hold over without the express written consent of Lessor, such tenancy shall be at the sufferance of Lessor and not a renewal of the Term. In such case, the Base Rent and all other charges due pursuant to this Lease shall be payable at ONE HUNDRED FIFTY PERCENT (150%) of the amount payable during the last year of the Term, and such tenancy at sufferance shall be subject to every other term, covenant and provision of this Lease. In the event Lessee holds over, Lessee shall be liable for all of Lessor's direct and consequential damages, which shall include, without limitation, costs, fees, expenses, damages and attorneys' fees incurred by Lessor as a result of Lessee's holding over, and damages and expenses incurred by Lessor for its inability to deliver possession of the Premises to a new lessee solely as a result of Lessee's holding over.

19. INSPECTION BY LESSOR.

Lessor may enter upon the Premises at reasonable times during Lessee's normal business hours and upon at least TWO (2) business days' prior written notice to Lessee (except in emergencies, in which event Lessor shall notify Lessee promptly following such emergency entry) for any reasonable purpose, including, but not limited to, compliance with the terms and conditions of this Lease and the exercise of its governmental functions for such activities as fire protection or security. Lessee may accompany Lessor on any Lessor inspections and entries. Lessor shall take reasonable steps to avoid interrupting or disrupting the conduct of business of Lessee on the Premises.

20. NOTICES.

20.1 All notices required or permitted under this Lease shall not be effective unless personally delivered or mailed by certified mail, return receipt requested, postage prepaid, or by reputable commercial overnight courier service, to the following addresses:

TO LESSOR: Phoenix-Mesa Gateway Airport Authority
Attn: Business Development Department
5835 South Sossaman Road
Mesa, Arizona 85212

TO LESSEE: SkyB Lot 109 LLC
Attn.: Felipe Monroy Torres
2415 E. Camelback Road, Suite 700
Phoenix, AZ 85016

With a required copy to: Warner Angle Hallam Jackson & Formanek PLC
Attn: James Valletta
2555 East Camelback Road, Suite 800
Phoenix, AZ 85016

20.2 Any notice shall be deemed to have been received TWO (2) business days after the date of mailing, if given by certified mail, or upon actual receipt if personally delivered or if given by reputable commercial overnight courier service. Any Party may designate in writing a different address for notice purposes pursuant to this Section.

21. SEVERABILITY.

Should a court of competent jurisdiction declare any provision of this Lease invalid, the remaining terms shall remain effective.

22. SALES AND PROPERTY TAXES.

Lessee shall pay any leasehold tax, sales tax, personal property tax, transaction privilege tax, license or permit fee, or any other tax assessed as the result of its occupancy of Premises or conduct of any activity at the Airport under authority of this Lease, including any such tax assessable on Lessor as a result thereof. In the event that laws or judicial decisions result in the imposition of a real property tax or any other form of tax or imposition on the interest of Lessor, such tax shall also be paid by Lessee for the period this Lease is in effect, to the extent such taxes are reasonably attributable to the Premises or a portion thereof or the operation of Lessee's business.

23. APPROVALS, CONSENTS AND NOTICES.

All approvals, consents and notices called for in this Lease shall be in writing, signed by the appropriate Party, and may not be established solely by oral testimony.

24. LIENS AND MORTGAGES.

24.1 General Provisions.

24.1.1 Except as provided in this Section 24, Lessee shall not engage in any financing or other transaction creating any mortgage or deed of trust upon the Premises, place or suffer to be placed upon the Premises any lien or other encumbrance, or suffer any levy or attachment to be made on Lessee's interest in the Premises. Any such mortgage or deed of trust, encumbrance or lien shall be deemed a violation of this Section, constituting a failure by Lessee to comply with the terms of the Lease, on the date of its execution or filing of record regardless of whether or when it is foreclosed or otherwise enforced.

24.1.2 Notwithstanding anything to the contrary in this Lease to the contrary, Lessee shall, during the Term, be permitted to pledge Lessee's ownership interests and/or mortgage, collaterally assign, or otherwise encumber its leasehold interest (including any interest in the improvements) under this Lease pursuant to one or more Mortgages, as defined below, to secure indebtedness, including, without limitation, one or more loans to finance construction of improvements and other development on the Premises, and including refinancings thereof, subject to the restrictions of Section 24.1.4.

24.1.3 Any such encumbrance, including leasehold deed of trust, is referred to as a "Mortgage" and the holder thereof a "Mortgagee." The Mortgagee, upon taking possession or upon foreclosure or taking an assignment in lieu thereof, shall be liable for all future rents and obligations hereunder and shall attorn to Lessor. In no event shall any Mortgagee be responsible or liable for any claims against Lessee or any of Lessee's agents, employees, invitees, contractors or representatives for any death, injury, illness, damage to or loss of property (except only to the extent provided hereinafter with respect to a default by Lessee under this Lease), or tort related claims. In no event shall any Mortgagee be liable for the actions or omissions of Lessee or Lessee's agents, representatives, employees, contractors, or invitees (except only to the extent provided hereinafter with respect to a default by Lessee under this Lease). The Mortgagee shall not be responsible or liable for any default by Lessee under this Lease, except, and only, to the extent that such default continues for a period of THIRTY (30) days (or such additional time as is reasonably necessary for Mortgagee to cure such default, so long as Mortgagee is diligently pursuing action to cure the default) after (i) Mortgagee shall have obtained possession through a court-appointed receiver or ownership of the Premises, (ii) the Mortgagee shall have received written notice of such default at the same time that Lessor notifies Lessee of such default, (iii) any notice or cure period related to such default as provided in this Lease and in Section 24.2 and Section 24.3 below shall have elapsed without such default having been cured, and (iv) such default is reasonably capable

of being cured by the Mortgagee. No Mortgage shall encumber Lessor's interest in the Premises or Lessor's interest in the improvements thereon. Further and promptly after Lessee assigns or encumbers any portion of the Premises or the improvements thereon, Lessee shall furnish Lessor with a written notice setting forth the name and address of such Mortgagee or trustee.

24.1.4 No Mortgage or deed of trust shall extend to or affect the fee, the reversionary fee interest or the estate of Lessor in the Premises. No Mortgage or deed of trust shall be binding upon Lessor in the enforcement of its rights and remedies under this Lease and by law provided, unless and until a copy thereof shall have been delivered to Lessor and such Mortgage or deed of trust is authorized in accordance with provisions of this Section 24.

24.1.5 Notwithstanding anything to the contrary in this Section 24, Lessor shall have all rights and remedies under Section 11 with respect to any Event of Default that continues after expiration of all applicable notice and cure periods set forth in Section 11.1 and this Section 24.

24.2 Lessor Agreement. With respect to Mortgagees of the Premises, Lessor agrees that:

24.2.1 If requested by a Mortgagee which shall have duly registered in writing with Lessor its name and address, and if Lessor shall give any notice, demand, election or other communication required hereunder (hereafter, collectively, "Notices") to Lessee, Lessor shall concurrently give a copy of each such Notice to the Mortgagee at the address designated by it. Notices shall be sent by registered or certified mail, return receipt requested, and shall be deemed given seventy-two (72) hours after the time they are deposited in a United States Post Office with postage charges prepaid, addressed to the Mortgagee. No Notice given by Lessor to Lessee shall be binding upon or affect Lessee or the Mortgagee unless a copy of the Notice shall be given to the Mortgagee pursuant to this Section 24.2.1.

24.2.2 Such Mortgagee entitled to such Notices, as specified above, shall have any and all rights of Lessee with respect to the curing of any default hereunder by Lessee.

24.2.3 If Lessor shall elect to terminate this Lease by reason of any default by Lessee with respect to the Premises, the Mortgagee that shall have become entitled to Notice as provided in this Section 24.2 shall have any and all rights of Lessee with respect to curing of any default with respect to the Premises.

24.2.4 Nothing herein contained shall be deemed to impose any obligation on the part of Lessor to deliver physical possession of the Premises to such holder of a Mortgage. To the extent the physical possession of the Premises by a secured creditor is not inconsistent with the terms of this Lease, or is incompatible with the Lessor's selection of available remedies in the Event of Default, Lessor shall not prevent such physical possession. If more than one Mortgagee shall seek to exercise any of the rights provided for in this Section 24, the holder of the Mortgage having priority of lien over the other Mortgagees shall be entitled, as against the others, to exercise such rights. Should a dispute arise among Mortgagees regarding the priority of lien, the Mortgagees shall prove to the satisfaction of Lessor that they have settled that dispute.

24.3 Protection of Mortgagee(s). Until the time, if any, that an approved Mortgage shall be satisfied and released of record:

24.3.1 A Mortgagee shall have the right, for a period equal to the period afforded Lessee under this Lease to perform any term, covenant, or condition and to remedy any default by Lessee hereunder, plus such additional time that is reasonably needed for Mortgagee to exercise Lessee's rights to cure any defaults subject to the following: (a) if the default cannot be cured by Mortgage, no additional time shall be allowed; (b) if the default can be cured by Mortgagee, such additional period of time shall not exceed SIX (6) months after Mortgagee's receipt of such Notice, unless a longer period of time is otherwise approved by Lessor in writing; (c) if curing the default requires that Mortgagee has possession through a court-appointed receiver or ownership

of the Premises, Mortgagee shall be diligently pursuing action to take possession through a court-appointed receiver or ownership of the Premises; and (d) Mortgagee shall not be entitled to more than TEN (10) days of additional time to cure any defaults in the payment of Base Rent. Lessor shall accept such performance with the same force and effect as if furnished by Lessee, and the Mortgagee shall thereby and hereby be subrogated to the rights of Lessor. Such Mortgagee cure period shall begin on the later of: (i) the date Mortgagee receives notice pursuant to Section 24.2, or (ii) the date that Lessee's cure period expires under this Lease. During such Mortgagee cure period, Lessor will not terminate this Lease or disturb possession, interest or quiet enjoyment by the Lessee or Mortgagee in the Premises or improvements for any reason, subject to the terms of this Lease, until such Mortgagee cure period has expired. The Mortgagees and their respective designees shall have the right to enter upon the Premises to give such performance.

24.3.2 In case of an Event of Default by Lessee in the performance or observance of any non-monetary term, covenant or condition to be performed by it hereunder, if such Event of Default cannot practicably be cured by the Mortgagee without taking possession or ownership of the Premises, in such Mortgagee's reasonable opinion, or if such Event of Default is not susceptible of being cured by the Mortgagee, then:

(a) The Mortgagee shall proceed diligently to obtain possession through a court-appointed receiver or ownership of the Premises, and, upon obtaining such possession, shall proceed diligently to cure such defaults as are reasonably susceptible of cure (subject to any order by a court of competent jurisdiction staying or otherwise precluding such Mortgagee from obtaining such possession); or

(b) The Mortgagee shall institute foreclosure proceedings and diligently prosecute the same to completion (unless in the meantime it shall acquire Lessee's estate hereunder, either in its own name or through a nominee, by assignment in lieu of foreclosure), subject to any order by a court of competent jurisdiction staying or otherwise precluding such Mortgagee from obtaining such possession.

(c) The Mortgagee shall not be required to obtain possession or to continue in possession of the Premises pursuant to Section 24.3.2(a), or to continue to prosecute foreclosure proceedings pursuant to Section 24.3.2(b), if and when such Event of Default shall be cured.

(d) If any Mortgagee is prohibited from commencing or prosecuting foreclosure or other appropriate proceedings in the nature thereof by any process or injunction issued by any court, or by reason of any action by any court having jurisdiction of any bankruptcy or insolvency proceeding involving Lessee, the times for commencing or prosecuting foreclosure or other proceedings, including proceedings to obtain possession, shall be extended for the period of the prohibition.

24.4 New Lease

24.4.1 Lessor agrees that, in the event of early termination of this Lease for any reason (including but not limited to any default by Lessee), Lessor, if requested by any Mortgagee, will enter into a new lease of the Premises with the most senior Mortgagee requesting a new lease, which new lease shall commence as of the date of termination of this Lease and shall run for the remainder of the original Term of this Lease (plus any applicable Renewal Term if exercised), at the rent and upon the terms, covenants and conditions herein contained, provided that:

(a) Such Mortgagee shall make written request upon Lessor for the new lease within SIXTY (60) calendar days after the date such Mortgagee receives written notice from Lessor that this Lease has been terminated;

(b) Such Mortgagee shall pay to Lessor, at the time of the execution and delivery of the new lease, any and all Base Rent payments, finance charges and late fees which would, at that time, be

due and unpaid pursuant to this Lease but for its termination, and in addition thereto all reasonable expenses, including reasonable attorneys' fees, which Lessor shall have incurred by reason of the preparation of such new lease;

(c) Such Mortgagee shall perform and observe all covenants in this Lease to be performed and observed by the lessee under such new lease from and after full execution and delivery of such new lease, and shall within a reasonable period of time (not to exceed the time frames set forth in Section 24.3.1 above) after full execution and delivery of such new lease remedy any other conditions which Lessee under the terminated Lease was obligated to perform under its terms and did not perform, to the extent the same are reasonably susceptible of being cured by the Mortgagee; and

(d) The lessee under the new lease shall have the same rights, including the right of occupancy to the buildings and improvements on the Premises and elsewhere on the Airport as Lessee had under this Lease immediately prior to its termination.

Notwithstanding anything to the contrary expressed or implied in this Lease, any new lease made pursuant to this Section 24 shall have the same priority as this Lease with respect to any mortgage, deed of trust, or other lien, charge, or encumbrance on the fee of the Premises, and any sublease under this Lease shall be a sublease under the new Lease and shall not be deemed to have been terminated by the termination of this Lease.

24.4.2 Nothing herein contained shall require any Mortgagee to enter into a new lease pursuant to this Section 24.4, or to cure any default of Lessee referred to above.

24.4.3 If any Mortgagee shall request a new lease as provided in this Section 24.4, Lessor agrees, at the request of, on behalf of and at the expense of the Mortgagee, to institute and pursue diligently to conclusion the appropriate legal remedy or remedies to oust or remove the original Lessee from the Premises, but not any authorized subtenants actually occupying the Premises or any part thereof.

24.4.4 Unless and until Lessor has received notice from each Mortgagee that the Mortgagee elects not to demand a new lease as provided herein, or until the period therefor has expired, Lessor shall not cancel or agree to the termination or surrender of any existing subleases nor enter into any new leases or subleases with respect to the Premises without the prior written consent of each Mortgagee.

24.5 Effect of Transfer. Neither the foreclosure of any Mortgage (whether by judicial proceedings or by virtue of any power of sale contained in the Mortgage), nor any conveyance of the leasehold estate created by this Lease by Lessee to any Mortgagee or its designee by an assignment or deed in lieu of foreclosure or other similar instrument, shall require the consent of Lessor or constitute a default or Event of Default under this Lease, and upon such foreclosure, sale or conveyance, Lessor shall recognize the purchaser or other transferee in connection therewith as the Lessee under this Lease, subject only to an assumption in writing by such purchaser or transferee of all obligations of Lessee under this Lease from and after the date of such assumption.

25. GOVERNING LAW; ATTORNEY'S FEES.

The laws of the State of Arizona shall govern the matters set forth in this Lease. Venue of any action brought under this Lease shall, at the option of Lessor, lie in Maricopa County, Arizona.

26. RULES AND REGULATIONS.

Lessee shall at all times comply with all Federal, state and local laws, ordinances, rules, and regulations which are applicable to its activities on the Airport, the Premises itself (including but not limited to the *Americans*

with Disabilities Act), or the operation, management, maintenance, or administration of the Airport, including all laws, ordinances, rules and regulations adopted after the Effective Date. Lessee shall at all times comply with the *Airport Minimum Standards* and *Airport Rules and Regulations*, as the same may be amended from time to time. Copies of the current *Airport Minimum Standards* and *Airport Rules and Regulations* are attached hereto as **Exhibit D**. Lessee acknowledges and agrees that Lessor may amend the *Airport Minimum Standards* and *Airport Rules and Regulations* at any time in Lessor's commercially reasonable discretion. Lessee shall, within a reasonable period of time, reasonably display to Lessor any permits or licenses required by law or other evidence of compliance with laws upon written request.

Lessor shall use commercially reasonable efforts to timely notify Lessee of any updates in the *Airport Rules and Regulations*, the *Airport Minimum Standards*, the *Aviation Fuel Storage, Dispensing and Handling Guidelines*, and the Airport *Fly Friendly Procedures*.

27. CORPORATE AUTHORIZATION.

In executing this Agreement, each of Lessor and Lessee represents and warrants to the other that if such Party is a corporation, or other legal entity, each Party has obtained and been granted the full right, power and authority to enter into this Lease.

28. UTILITY LINES AND SERVICE CHARGES.

28.1 Lessee shall, at no cost or expense to Lessor, provide or arrange for any public utility, water and sewage lines, connections and services that are needed in connection with any building(s), structure(s) or other improvement(s) placed on the Premises by Lessee, or required for Lessee's activities thereon, and shall be responsible for the maintenance of such lines and connections from where they enter the Premises. If requested to do so by Lessee from time to time during the Term, Lessor will grant reasonable easements and rights-of-way on or across the Airport for the development and use of the Premises (in accordance with this Lease), including, without limitation, to suppliers of public or private utility services for the purpose of supplying Lessee with such services, but Lessor reserves the right to reasonably designate the lands along which such easements and rights-of-way shall be granted so as to minimize the disruption of the operation of the Airport and other Airport tenants.

28.2 Lessee shall pay for all utilities, including trash collection, used in its operations at the Premises. The charges and method of payment for each utility or service shall be determined by the appropriate supplier of the utility or service in accordance with applicable laws and regulations, on such basis as the appropriate supplier of the utility or service may establish.

28.3 Notwithstanding the execution of this Lease, Lessor retains the right to the continued use of such utility lines and services as are presently on the Premises (so long as Lessor's use does not interfere with or disrupt Lessee's use, occupancy, development and subleasing activities), and the right to repair the same when necessary in Lessor's reasonable discretion, including but not limited to, any utility easements on the Premises. Lessor agrees to coordinate any entries onto the Premises with Lessee. Lessor shall conduct such use and repairs in such a manner and at such times as to not interfere with Lessee's activities thereon.

29. RESERVATIONS TO LESSOR.

Subject to Lessor's representations, warranties and obligations, the Premises are accepted "as is, where is" by Lessee, subject to any and all existing easements or other encumbrances. In advance consultation with Lessee, Lessor reserves the right to grant reasonable easements, rights-of-way, and permits, over, on, or across any portions of the Premises for commercially reasonable purposes; provided, that Lessor and the grantee, as applicable, shall not exercise such rights so as to interfere with or disrupt Lessee's activities on the Premises, including the development of the Premises, to be determined in the reasonable judgment of Lessor and Lessee,

and all such interference shall be minimized. Lessor shall provide Lessee reasonable notice of any plan to undertake the activities contemplated under this Section and shall coordinate with Lessee regarding the execution of such plans to minimize any interference with Lessee's or any subtenant's activities on the Premises, that all work shall be in compliance with all applicable laws, including Environmental Law, and that the surface of the Premises shall be restored to its original condition, including any necessary remediation in accordance with Environmental Law of any contamination associated with any Hazardous Material disturbed during any construction, at no cost to Lessee, upon the completion of any construction. Lessor agrees that any rights granted to any parties by reason of this clause shall contain provisions obligating such parties to at a minimum the same conditions applicable to Lessor under this Section 29, including but not limited to that the surface of the Premises and any Improvements shall be promptly restored to their original condition, at no cost to Lessee, promptly upon the completion of any construction.

30. FEDERAL AVIATION ADMINISTRATION (FAA) PROVISIONS.

30.1 Lessee agrees that in the event improvements are constructed, maintained, or otherwise operated on the Premises for a purpose for which a Department of Transportation (DOT) program or activity is intended, or for another purpose involving the providing of similar services or benefits, Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, *Nondiscrimination in Federally Assisted Programs of the Department of Transportation,* as it may be amended.

30.2 Lessee agrees that: (i) no person shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination on the grounds of race, color, creed, disability, age, sex or national origin in the use of the Premises; (ii) that in the construction of any improvements on, over, or under the Premises and the furnishing of services thereon, no person shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination on the grounds of race, color, or national origin; and (iii) that Lessee shall use the Premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, as it may be amended.

30.3 Lessee assures Lessor that it will comply with pertinent statutes, Executive Orders, and rules promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, or sex, age or handicap, be excluded from participating in any activity.

30.4 Lessor reserves the right to further develop or improve the landing area of the Airport as it sees fit, regardless of the desires or view of Lessee, and without interference or hindrance therefrom.

30.5 Lessor reserves the right, but shall not be obligated to Lessee, to maintain and keep in repair the landing area of the Airport and all publicly owned facilities of the Airport, together with the right to direct and control all activities of Lessee in this regard. Lessor and Lessee agree that Lessee has no responsibility whatsoever with respect to maintenance and repair of the landing area of the Airport, or any publicly owned facilities of the Airport.

30.6 This Lease shall be subordinate to the provisions and requirements of any existing or future agreement between Lessor and the United States relative to the development, operation or maintenance of the Airport. Lessor agrees to reasonably consult with Lessee prior to executing or entering into any agreement that could reasonably be expected to have a material effect on the Premises, or on Lessee or its subtenants, or on any Permitted Uses, with the stated purpose of attempting in good faith to avoid any interference with, disruption of, or restriction or limitation on Lessee's intended use and development of the Premises in accordance with this Lease.

30.7 There is reserved unto Lessor, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Premises, which shall include the right to cause in the airspace any noise inherent in the operation of aircraft, now known or hereafter used for navigation of or

flight in or through the airspace, and for the use of such airspace for landing on, taking off from, or operation on the Airport.

30.8 Lessee agrees to comply with the notification and review requirements covered in 14 CFR Part 77 in the event future construction of a building is planned for the Premises or in the event of any planned modification or alteration of any present or future building or structure situated on the Premises.

30.9 Lessee shall not erect or permit the erection of any structure or building, nor permit the growth of any tree on the Premises, or any other obstruction that exceeds height requirements contained in 14 CFR Part 77 or amendments thereto, or interferes with the runway and/or taxiway "line of sight" of the control tower. In the event these covenants are breached, Lessor reserves the right to enter upon the Premises and to remove the offending structure or object at the expense of Lessee.

30.10 Lessee shall not make use of the Premises in any manner that might interfere with the landing and taking off of aircraft from the Airport or otherwise constitute a hazard. In the event this covenant is breached, Lessor reserves the right to enter upon the Premises and cause the abatement of such interference at the expense of Lessee.

30.11 Nothing contained in this Lease shall be construed to grant or authorize the granting of an exclusive right within the meaning 49 U.S.C. §40103(e) and 47107 (a)(4).

30.12 This Lease and all of the provisions hereof shall be subject to whatever right the United States government now has, or in the future may have or acquire, affecting the control, operation, regulation and taking over of the Airport, or the exclusive or non-exclusive use of the Airport by the United States during the time of war or national emergency.

30.13 To the extent that Lessee conducts or engages in any aeronautical activity for furnishing services to the public at the Airport, Lessee shall furnish its services on a reasonable and not unjustly discriminatory basis to all users and charge reasonable and not unjustly discriminatory prices for each unit or service; except, however, that Lessee may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar type of price reductions to volume purchasers.

30.14 Lessee shall conform to Lessor and FAA safety and security rules and regulations regarding use of the Airport air operations area including runways, taxiways, taxilanes and aircraft aprons by vehicles, employees, customers, visitors, etc., in order to prevent security breaches and avoid aircraft incursions and vehicle/pedestrian deviations; complete and pass an airfield safe driving instruction program when offered or required by Lessor; and be subject to penalties as prescribed by Lessor for violations of Airport safety and security requirements.

31. TITLE VI OF THE CIVIL RIGHTS ACT OF 1964.

31.1 Lessee agrees to comply with pertinent statues, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color or national origin, sex, age or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. Lessee understands and acknowledges that the FAA requires inclusion of and adherence to the terms and conditions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. §§2000d to 2000d-4) ("**Title VI**") in all airport/aviation lease agreements where Lessor receives federal funding, including the Lease in this instance.

31.2 During the Term, Lessee, for itself, its assignees, and successors in interest agrees as follows:

31.2.1 Compliance with Regulations: Lessee will comply with the Title VI List of Pertinent

Non-Discrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this Lease.

31.2.2 Non-discrimination: Lessee, with regard to the work performed by it during Lease, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. Lessee will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR Part 21.

31.2.3 Solicitations for Subcontracts, Including Procurements of Materials and Equipment: In all solicitations, either by competitive bidding, or negotiation made by Lessee for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by Lessee of Lessee's obligations under this Lease and the Non-discrimination Acts And Authorities on the grounds of race, color, or national origin.

31.2.4 Information and Reports: Lessee will provide all information and reports required by the Acts, the Regulations and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the sponsor or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of Lessee is in the exclusive possession of another who fails or refuses to furnish the information, Lessee will so certify to the sponsor or the Federal Aviation Administration as appropriate, and will set forth what efforts it has made to obtain the information.

31.2.5 Sanctions for Noncompliance: In the event of Lessee's noncompliance with the Nondiscrimination provisions of this Lease, Lessor will impose such default remedies as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:

(a) withholding payments, if any, to Lessee under the Lease until Lessee complies; and/or

(b) cancelling, terminating, or suspending the Lease, in whole or in part.

31.2.6 Incorporation of Provisions: Lessee will include the provisions subsections 31.2.1 through 31.2.6 in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. Lessee will act with respect to any subcontract or procurement as the sponsor or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if Lessee becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, Lessee may request Lessor to enter into any litigation to protect the interests of Lessor. In addition, Lessee may request the United States to enter into the litigation to protect the interests of the United States.

31.3 The Lessee for itself, and its successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree that (1) no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land, and the furnishing of services thereon, no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that Lessee will use the Premises in compliance with all other requirements imposed by or pursuant to the List of Pertinent Non-Discrimination Acts and Authorities.

31.4 During the performance of this Lease, Lessee, for itself, its assignees, and successors in interest

agrees to comply with the following non-discrimination statutes and authorities; including but not limited to the following (which Lessor is required to disclose and include in such Lease and other agreements, pursuant to FAA regulation):

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq*., 78 Stat. 252) (prohibits discrimination on the basis of race, color, national origin);

- 49 CFR Part 21 (Non-discrimination In Federally-Assisted Programs of The Department of Transportation—Effectuation of Title VI of The Civil Rights Act of 1964);

- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. § 4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);

- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 et seq.), as amended, (prohibits discrimination on the basis of disability); and 49 CFR part 27;

- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 *et seq*.) (prohibits discrimination on the basis of age);

- Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);

- The Civil Rights Restoration Act of 1987 (PL 100-209) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);

- Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 CFR parts 37 and 38;

- The Federal Aviation Administration's Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);

- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures non-discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;

- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);

- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et *seq.*).

31.5 Lessee agrees that in the event improvements are constructed, maintained, or otherwise operated on the Premises for a purpose for which a Department of Transportation (DOT) program or activity is intended, or for another purpose involving the providing of similar services or benefits, Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, as it may be amended.

32. FEDERAL FAIR LABOR STANDARDS ACT

This Lease incorporates by reference the provisions of 29 CFR Part 201, the Federal Fair Labor Standards Act (FLSA), with the same force and effect as if given in full text. Lessee has full responsibility to monitor compliance to the referenced statue or regulation. Lessee must address any claims or disputes that arise from this requirement directly with the U.S. Department of Labor – Wage and Hour Division.

33. OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970

This Lease incorporates by reference the provisions of 29 CFR Part 1910 with the same force and effect as if given in full text. Lessee must provide a work environment that is free from recognized hazards that may cause death or serious physical harm to the employee. Lessee retains full responsibility to monitor its compliance and their subcontractor's compliance with the applicable requirements of the Occupational Safety and Health Act of 1970 (20CFR Part 1910). Lessee must address any claims or disputes that pertain to a referenced requirement directly with the U.S. Department of Labor – Occupational Safety and Health Administration.

34. INCORPORATION OF QUITCLAIM DEED.

Lessor owns the Airport pursuant to a Quitclaim Deed from the United States Government ("**Deed**"), a copy of which is available to Lessee upon request and is hereby incorporated in its entirety. To the extent the Deed has terms, conditions, obligations, requirements or restrictions that apply to this Lease, Lessor, Lessee or any matter in connection herewith, Lessee agrees to be bound by all the terms, covenants and conditions of the Deed, including the following:

34.1 That this Lease is subject to all terms and conditions of the Deed; and

34.2 That in case of any conflict between the Deed and this Lease, the Deed shall control.

35. REQUIRED PROVISIONS OF QUITCLAIM DEED.

35.1 Section VI (A)(5)(c) of the Deed requires that the following provisions be included in this Lease:

35.1.1 In furnishing services to the public, Lessee shall not discriminate against any person or class of persons by reason of race, color, creed, or national origin, and Lessee shall otherwise provide such services on a fair, equal, and not unjustly discriminatory basis to all users thereof.

35.1.2 Lessee shall charge fair, reasonable, and not unjustly discriminatory prices for each unit for service; except, however, that the Lessee may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

35.2 If the Premises are within any of the archaeological sites identified in Section VIII.A of the

Deed, then, the provisions of Section VIII of the Deed shall be deemed incorporated in this Lease by this express reference to Section VIII of the Deed.

35.3 To the extent the Deed requires that other specific provisions thereof be inserted in this Lease by express reference to the Deed, this sentence shall constitute an express reference to all such applicable provisions of the Deed.

36. AIRPORT SECURITY.

36.1 Airport Security Plan.

36.1.1 Lessor's Operations Department maintains an approved Airport Security Plan ("**Security Plan**") pursuant to 49 CFR Parts 1540 and 1542, and 14 CFR Part 139. Lessee shall at all times comply with Lessor's Operations Department security directives, security bulletins, or verbal notifications existing now or in the future.

36.1.2 Lessee is responsible for maintaining security practices, facilities, and perimeter boundaries on their leasehold that meet the security standards set forth by Lessor's Operations Department.

36.1.3 Lessee shall promptly upon written request from Lessor correct physical or procedural deficiencies caused by Lessee that are located on the Premises which are contrary to Lessor's Operations Department, security directives, security bulletins, or verbal notifications existing now or in the future. Within TWENTY-FOUR (24) hours of Lessor notifying Lessee of any deficiency, Lessor shall provide Lessee with a reasonably-detailed explanation of the deficiencies. Lessee shall be given a reasonable period of time (under the circumstances) to correct such deficiencies.

36.1.4 Lessee shall, to the fullest extent permitted by law, indemnify, defend and hold Lessor harmless for, from and against any security violation committed by any agents, employees, invitees, subcontractors, sub-lessees or independent contractors of Lessee.

36.1.5 Lessee shall conduct and document all self-audits and self-inspections as required by Transportation Security Administration ("**TSA**") or Lessor's Operations Department and make such audits available for inspection.

36.1.6 Lessee shall designate a primary security coordinator to receive security related briefings, bulletins and sensitive security information.

36.1.7 Lessor reserves the right to modify the Security Plan from time to time, as necessary or as directed by TSA. Lessor's Operations Department shall notify the Lessee security coordinator regarding modifications that effect Lessee.

36.2 Airport Security Badge.

36.2.1 Lessee's employees and contractors that require a badge shall be obligated to complete all training and comply with all security requirements and directives issued by Lessor's Operations Department, TSA or other entity having security jurisdiction at the Airport. Lessee, employees, and contractors will surrender security badges upon request by Lessor's Operations Department; physical security media (badges and keys) remain the property of Lessor. Within SEVENTY-TWO (72) hours of Lessor's confiscation of any security badges, Lessor shall provide Lessee with a reasonably-detailed explanation of the violations that caused Lessor to confiscate the security badges.

36.2.2 Lessee, employees and contractors shall comply with all security related audits, inspections, and screenings conducted by the Lessor's Operations Department.

36.2.3 Lessee will promptly return badges to the Lessor's badging office when badge holders employment is terminated, the badge is no longer needed, or the employee/contractor is on extended leave.

36.2.4 Misuse of a badge or security procedures will bring about action, including, but not limited to, retraining, suspension or revocation of one or all misused badges.

37. DEFAULT BY LESSOR.

In the event of any alleged breach by Lessor of its covenants or duties contained in this Lease, Lessee shall have available all rights and remedies provided in contract, at law and/or in equity, provided, however, Lessee may not exercise any such right or remedy unless Lessee has notified Lessor by written notice of such alleged default, and Lessor has not cured such default within the THIRTY (30) calendar day period subsequent to receipt of such notice or, in the event such alleged default is of such a nature that it cannot reasonably be cured within such THIRTY (30) calendar day period, Lessor has failed to pursue a cure of such alleged default with all due diligence. Notwithstanding anything to the contrary contained in this Lease, in no event shall Lessee be entitled to terminate this Lease or abate or offset any installment of Base Rent, or any other payments to be made by Lessee hereunder except as expressly permitted in this Lease.

38. BROKERS.

Lessor and Lessee each represents and warrants to the other Party that it has not had any dealings with any real estate brokers, finders or agents in connection with this Lease. Lessor and Lessee each agrees to indemnify, defend (with counsel selected by the other) and hold the other Party and other Party's nominees, successors and assigns harmless from any and all claims, costs, commissions, fees or damages arising from a breach of such Party's representation and warranty in this Section.

39. SALE BY LESSOR.

Lessee agrees to look solely to Lessor's interest in the Airport, including rents, issues, profits, proceeds, and awards for the recovery of any judgment against Lessor, it being agreed that the members, partners, officers, directors or shareholders of Lessor shall not be personally liable for any such judgment. In the event of any sale or other conveyance by Lessor of its interest in the Premises, Lessor shall be automatically freed and released from all personal liability accruing from and after the date of such sale or conveyance as respects the performance of any covenant or obligation on the part of Lessor contained in this Lease to be performed, it being intended hereby that the covenants and obligations contained in this Lease on the part of Lessor shall be binding on the Lessor and its successors and assigns only during and in respect to the respective successive periods of ownership of the Premises.

40. ESTOPPEL CERTIFICATE.

Each of Lessor and Lessee shall, without charge, at any time and from time to time hereafter, within TEN (10) business days after written request from the other Party to do so, certify, by written instrument duly executed and acknowledged by such Party and certified to the other Party and to any prospective lender or purchaser/assignee: (i) as to whether this Lease has been supplemented or amended, and if so, the substance and manner of such supplement or amendment; (ii) as to the existence of any default hereunder to the best of such Party's knowledge; (iii) as to the date on which Lessee was obligated to commence paying Base Rent and all other charges hereunder and the expiration date of the Term; (iv) as to whether this Lessee has assigned or transferred its interests or any portion thereof in this Lease; and (v) as to any other matters relating to this Lease and the Premises as may be reasonably requested. The requesting Party and any prospective purchaser or lender

to whom the same was certified may rely upon any such certificate.

41. UNAVOIDABLE DELAY.

In the event either Party shall be delayed or hindered in or prevented from the performance of any covenant, agreement, work, service, or other act required under this Lease to be performed by such Party ("**Required Act**"), and such delay or hindrance is due to Unavoidable Delay (as defined below), then the performance of such Required Act shall be excused for the period of delay and the time period for performance of the Required Act shall be extended by the same number of days in the period of Unavoidable Delay. For purposes of this Lease, "Unavoidable Delay" shall mean, with respect to either Party, an unavoidable delay in the performance by such Party of any non-monetary conditions or obligations under this Lease due including but not limited to: (a) construction delay to the extent caused by the other Party, (b) legal proceeding brought by a non-Party with respect to the Improvements or any provision or requirement of this Lease which by its nature prohibits the Improvements from being commenced, continued and/or completed, (c) a Party not receiving a governmental permit, license, approval or inspection in time to meet a contractual time period imposed hereunder provided that Party, in good faith, was diligent in the application or request for and prosecution of the process to obtain that permit, license, approval or inspection, (d) flood, (e) epidemic, (f) quarantine restriction, (g) unusually severe weather not reasonably anticipated, (h) strike, (i) walkout, (j) lock-out, (k) war, (l) national emergency, (m) fire, (n) act of God, (o) act of terrorism, (p) natural disaster, (q) explosion, (r) default by the other Party hereunder in the performance of its obligations hereunder, (s) a delay caused by the discovery, presences or actions necessary to investigate or remediate Hazardous Material under Article 14 (but excluding Hazardous Material attributable to the Party claiming Unavoidable Delay), or (t) other causes beyond such Party's control; provided that no Unavoidable Delay shall exist unless the Party claiming such Unavoidable Delay shall give written notice to the other Party of the occurrence of the Unavoidable Delay not later than FORTY-FIVE (45) days after the commencement of such Unavoidable Delay.

42. MISCELLANEOUS.

42.1 Personal Liability. No member of or employee of either Party shall be charged personally or held contractually liable by or to the other Party under any term or provision of this Lease because of any breach thereof, or because of its execution or attempted execution.

42.2 No Waiver. No provision of this Lease may be waived or modified except by a writing signed by the Party against whom such waiver or modification is sought.

42.3 Non-Waiver of Rights. No waiver or default by Lessor or Lessee of any of the terms, conditions, covenants or agreements hereof to be performed, kept or observed by the other shall be construed or act as a waiver of any subsequent default of any of the terms, covenants, conditions or agreements herein contained to be performed, kept or observed by such other Party, and neither Party shall be restricted from later enforcing any of the terms and conditions of this Lease.

42.4 Amendment. This Lease contains all agreements of the Parties as of the date hereof with respect to any matter mentioned herein. No prior agreement, correspondence, or understanding pertaining to any such matter shall be effective to interpret or modify the terms hereof. Oral commitments or promises are not enforceable and shall not be binding or made part of this Lease. Any revisions or modifications to this Lease must be in writing and mutually accepted by persons with full and complete authority to bind the party.

42.5 Invalid Provisions. Should any provision of this Lease or any application thereof be held invalid by a court of competent jurisdiction, the remainder of this Lease shall not be affected thereby, unless one or both Parties would be substantially and materially prejudiced.

42.6 Litigation Expenses. In the event of litigation between Lessor and Lessee, the prevailing Party

shall be entitled to recover its reasonable attorneys' fees and all costs and expenses of litigation, including witness fees, expert witness fees, and court costs.

42.7 Headings. The headings contained herein are for convenience in reference only and are not intended to define or limit the scope of this Lease or any term thereof.

42.8 Entire Agreement. This Lease, including exhibits attached hereto at the time of its execution, constitutes the entire agreement between the Parties hereto and supersedes all prior negotiations, understandings and agreements between the Parties concerning such matters.

42.9 Right of First Offer. Provided there is no existing Event of Default, Lessee shall have a right of first offer to lease the Premises and all Improvements thereon following the expiration of the Term (or Renewal Term, as applicable) in accordance with this Section. If Lessee is interested in leasing the Premises and all Vertical Improvements thereon at fair market rental rate following expiration of the Term (or Renewal Term, as applicable), Lessee shall provide written notice ("**Notice of Interest**") to Lessor of its interest not less than ONE (1) year prior the expiration of the Term (or Renewal Term, as applicable). Lessor shall advise Lessee within THIRTY (30) days after Lessor's receipt of the Notice of Interest if Lessor does not intend to lease (or market for lease) the Premises following expiration of the Term (or Renewal Term, as applicable). If Lessor intends to lease (or market for lease) the Premises, the Parties shall negotiate in good faith to agree on lease terms and conditions, including the fair market rental rate of the Premises and all Improvements thereon. If the Parties have not reached an agreement on the material terms of a lease (other than the fair market rental rate) within NINETY (90) days after Lessor's receipt of the Notice of Interest, neither party shall have any further right or obligation under this Section 42.9. If the Parties have reached an agreement on all material terms of a lease other than the fair market base rental rate within NINETY (90) days of Lessor's receipt of the Notice of Interest, then the Parties shall, within TEN (10) calendar days after the expiration of such NINETY (90)-day period, proceed to determine the fair market base rental rate with the appraisal process as set forth in Section 4.3.2. Upon determining the fair market base rental rate for the Premises, Lessor and Lessee shall promptly enter into a lease.

42.10 Memorandum of Lease. As of the Effective Date, or thereafter upon request from Lessee to Lessor, Lessor and Lessee agree to execute, acknowledge and deliver to one another a short form memorandum of lease for recording purposes in form and substance attached hereto as **Exhibit F**. In the event that such a memorandum of lease has been recorded, upon termination or expiration of this Lease, Lessee shall promptly execute such documents as reasonably requested by Lessor in recordable form to confirm the termination of this Lease.

42.11 Non-Disturbance. In the event that Lessor encumbers or liens any portion of the Premises, now or in the future, Lessor agrees to promptly (and in any event prior to the Effective Date in the event the Airport is encumbered as of such date) obtain for the benefit of Lessee and its leasehold lenders a commercially reasonable non-disturbance agreement (in form reasonably acceptable to Lessor, Lessee and Lessor's lenders) (an "**NDA**") stating that, among other provisions to be included in the NDA, provided no Event of Default has occurred and is continuing under this Lease, then this Lease shall not be terminated and the right of possession of Lessee to the Premises shall not be affected or disturbed in the exercise of any of its rights or remedies under such encumbrance or lien.

43. INCORPORATION OF RECITALS.

The recitals set forth herein are acknowledged by the Parties to be true and correct and are incorporated herein by this reference.

44. DECLARATION.

44.1 Subordination. The Premises is subject to and subordinate to that certain Declaration of Covenants, Conditions and Restrictions for Skybridge Arizona, dated July 31, 2019, recorded in the Official Records of Maricopa County, Arizona, as Instrument No. 20190580736 ("**Declaration**"). Lessee hereby agrees to fulfill and comply with its duties and obligations as a "Lessee" as defined under the Declaration, as such duties and obligations relate to the Premises.

44.2 Assessments and other Obligations. Lessee shall pay its "Proportionate Share" of "Common Area Assessments" in accordance with the Declaration. Such payment obligation shall constitute "additional rent" under this Lease. Lessee shall fulfill any other obligations it may have as a "Lessee" in accordance with the Declaration, as such other obligations relate to the Premises.

IN WITNESS WHEREOF, the Parties have executed this Lease as of the Effective Date.

LESSOR:

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, an Arizona joint powers airport authority

By: _____
J. Brian O'Neill, A.A.E.
Executive Director/CEO

STATE OF ARIZONA)
) ss.
County of Maricopa)

ACKNOWLEDGED before me this____day of_____, 2022, by J. Brian O'Neill, in his capacity as the Executive Director/CEO of the Phoenix-Mesa Gateway Airport Authority.

_____
Notary Public

My Commission Expires:

_____

LESSEE:

SKYB LOT 109 LLC, an Arizona limited liability company

STATE OF _____

By: _____
Felipe Monroy Torres, Manager

County of _____
)
) ss.
)

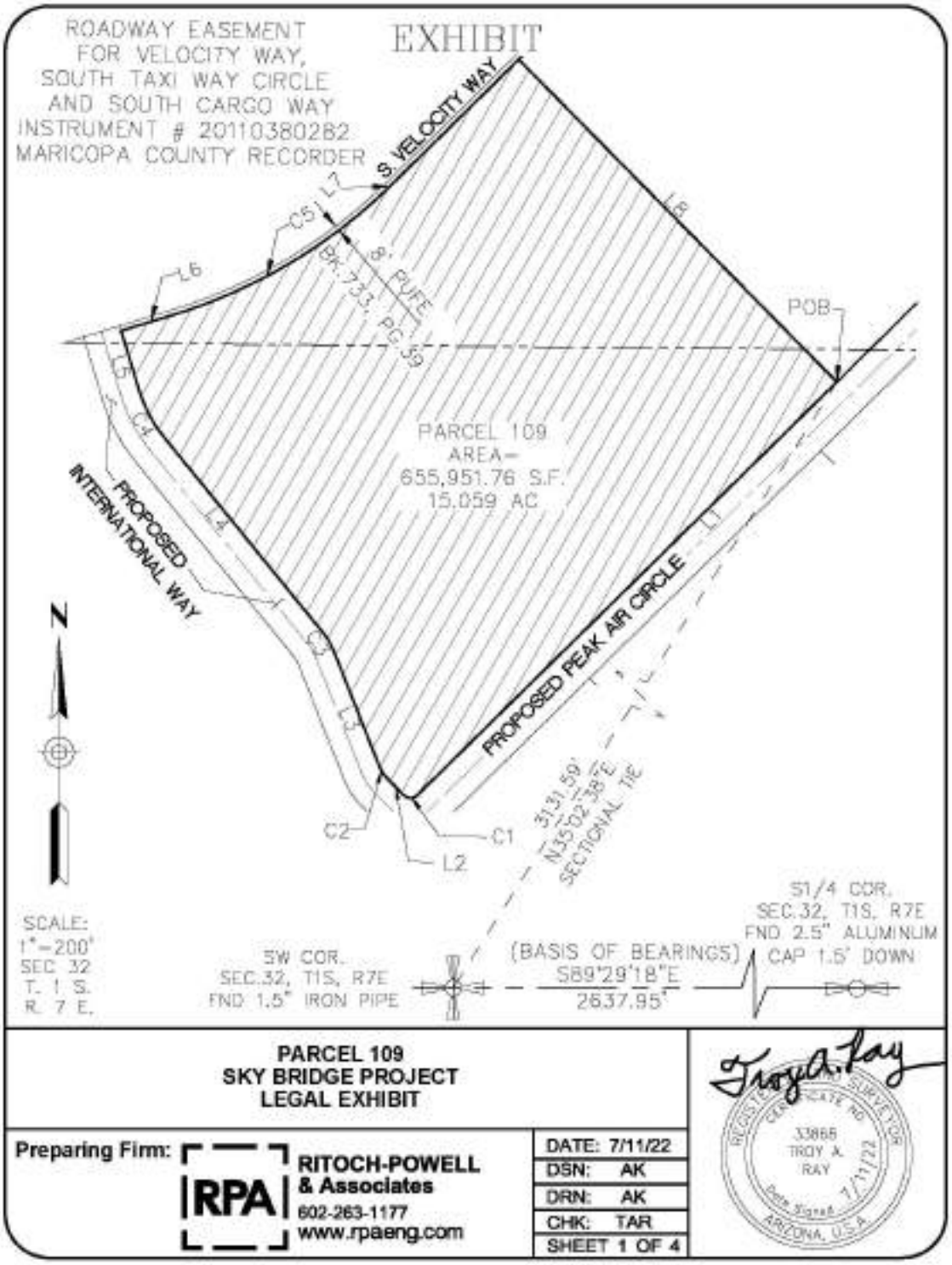
ACKNOWLEDGED before me this_day of_____, 2022, by Felipe Monroy Torres, in his capacity as Manager of SKYB LOT 109 LLC, an Arizona limited liability company, for and on behalf of said company.

_____
Notary Public

My Commission Expires:

_____

EXHIBIT A


ROADWAY EASEMENT
FOR VELOCITY WAY,
SOUTH TAXI WAY CIRCLE
AND SOUTH CARGO WAY
INSTRUMENT # 20110380282
MARICOPA COUNTY RECORDER
EXHIBIT
S VELOCITY WAY
L7
C5
L6
8' PUFE
BK 733, PG 59
POB
PARCEL 109
AREA=
655,951.76 S.F.
15.059 AC
PROPOSED INTERNATIONAL WAY
PROPOSED PEAK AIR CIRCLE
C4
L4
C3
L3
C2
L2
C1
L1
3131.59'
N35°02'38"E
SECTIONAL TIE
N
SCALE:
1"=200'
SEC 32
T. 1 S.
R. 7 E.
SW COR.
SEC.32, T1S, R7E
FND 1.5" IRON PIPE
(BASIS OF BEARINGS)
S89°29'18"E
2637.95'
S1/4 COR.
SEC.32, T1S, R7E
FND 2.5" ALUMINUM
CAP 1.5' DOWN
PARCEL 109
SKY BRIDGE PROJECT
LEGAL EXHIBIT
Preparing Firm:
RPA
RITOCH-POWELL
& Associates
602-263-1177
www.rpaeng.com
DATE: 7/11/22
DSN: AK
DRN: AK
CHK: TAR
SHEET 1 OF 4
33865
TROY A.
RAY
7/11/22
ARIZONA, U.S.A.

EXHIBIT

LINE TABLE		
LINE	BEARING	LENGTH
L1	S45°25'29"W	938.91'
L2	N44°34'50"W	34.70'
L3	N21°37'50"W	193.20'
L4	N39°05'42"W	398.25'
L5	N16°55'01"W	99.32'
L6	N73°05'49"E	85.47'
L7	N45°25'10"E	285.35'
L8	S44°35'11"E	722.03'

CURVE TABLE				
CURVE	DELTA	RADIUS	LENGTH	CHD BRNG
C1	89°59'41"	15.00'	23.56'	N89°34'41"W
C2	22°57'00"	70.00'	28.04'	N33°06'20"W
C3	17°27'53"	130.00'	39.63'	N30°21'46"W
C4	22°10'41"	220.00'	85.16'	N28°00'22"W
C5	27°40'39"	848.00'	409.64'	N59°15'29"E

PARCEL 109
SKY BRIDGE PROJECT
LEGAL EXHIBIT

Preparing Firm: RPA **RITOCH-POWELL & Associates** 602-263-1177 www.rpaeng.com

DATE:	7/11/22
DSN:	AK
DRN:	AK
CHK:	TAR
SHEET 2 OF 4	

Troy A. Ray

REGISTERED LAND SURVEYOR CERTIFICATE NO. 33868 TROY A. RAY Date Signed 7/11/22 ARIZONA, U.S.A.

LEGAL DESCRIPTION

A PARCEL OF LAND BEING A PORTION OF THAT TRACT AS CONVEYED TO PHOENIX –MESA GATEWAY AIRPORT AUTHORITY BY DEED OF RECORDED IN INSTRUMENT NO. 2012–0267529, MARICOPA COUNTY RECORDS AND LYING WITHIN THE WEST HALF OF SECTION 32, TOWNSHIP 1 SOUTH, RANGE 7 EAST OF THE GILA AND SALT RIVER MERIDIAN, CITY OF MESA, MARICOPA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 32 (1.5" IRON PIPE) FROM WHICH POINT THE SOUTH QUARTER CORNER THEREOF (2.5" ALUMINUM CAP 1.5' BELOW GROUND) BEARS S 89°29'18" E A DISTANCE OF 2637.95 FEET;

THENCE N35°02'38"E A DISTANCE OF 3131.59 FEET TO A POINT ON THE NORTH LINE OF PROPOSED OF PEAK AIR CIRCLE THE POINT OF BEGINNING;

THENCE S45°25'29"W, ALONG THE SAID PROPOSED NORTH LINE, A DISTANCE OF 938.91 FEET TO THE PROPOSED RIGHT OF WAY INTERSECTION OF PROPOSED PEAK AIR CIRCLE AND PROPOSED INTERNATIONAL WAY;

THENCE ALONG THE EAST LINE OF PROPOSED INTERNATIONAL WAY THE FOLLOWING EIGHT (8) COURSES AND DISTANCES:

THENCE 23.56 FEET ALONG THE ARC OF A CURVE RIGHT HAVING A RADIUS OF 15.00 FEET THROUGH A CENTRAL ANGLE OF 89°59'41", CHORD BEARING N89°34'41"W;

THENCE N44°34'50"W A DISTANCE OF 34.70 FEET;

THENCE 28.04 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 70.00 FEET THROUGH A CENTRAL ANGLE 22°57'00", CHORD BEARING OF N33°06'20"W;

THENCE N21°37'50"W A DISTANCE OF 193.20 FEET;

THENCE 39.63 FEET ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 130.00 FEET THROUGH A CENTRAL ANGLE 17°27'53", CHORD BEARING N30°21'46"W;

THENCE N39°05'42"W A DISTANCE OF 398.25 FEET;

PARCEL 109
SKY BRIDGE PROJECT
LEGAL EXHIBIT

Preparing Firm: RPA RITOCH-POWELL & Associates 602-263-1177 www.rpaeng.com

DATE:	7/11/22
DSN:	AK
DRN:	AK
CHK:	TAR
SHEET 3 OF 4	

Troy A. Ray

REGISTERED LAND SURVEYOR CERTIFICATE NO. 33868 TROY A. RAY Date Signed 7/11/22 ARIZONA, U.S.A.

LEGAL DESCRIPTION

THENCE 85.16 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 220.00 FEET THROUGH A CENTRAL ANGLE 22°10'41", CHORD BEARING N28°00'22"W;

THENCE N16°55'01"W A DISTANCE OF 99.32 FEET TO A POINT ON SOUTH LINE OF THAT PUFE (PUBLIC UTILITY AND FACILITY EASEMENT) AS RECORDED IN INSTRUMENT NO. 20110380282, MARICOPA COUNTY RECORDS;

THENCE ALONG SAID SOUTH PUFE LINE THE FOLLOWING THREE (3) COURSES AND DISTANCES:

THENCE N73°05'49"E A DISTANCE 85.47 FEET;

THENCE 409.64 FEET, ALONG THE ARC OF A CURVE TO THE LEFT HAVE A RADIUS OF 848.00 FEET, THROUGH A CENTRAL ANGLE 27°40'39", CHORD BEARING OF N59°15'29"E;

THENCE N45°25'10"E A DISTANCE 285.35 FEET;

THENCE S44°35'11"E A DISTANCE 722.03 FEET TO THE POINT OF BEGINNING.

THE ABOVE DESCRIBED PARCEL CONTAINS 655,951.76 SQ. FT. (15.059 ACRES) OF LAND, MORE OR LESS, INCLUDING ANY EASEMENTS OF RECORD.

THE BASIS OF BEARING FOR THE ABOVE DESCRIPTION IS S89°29'18"E FOR THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SECTION 32, TOWNSHIP 1 SOUTH, RANGE 7 EAST OF THE GILA & SALT RIVER MERIDIAN AS CALCULATED FROM A PLSS SUBDIVISION RECORD OF SURVEY MARICOPA COUNTY GEODETIC DENSIFICATION AND CADASTRAL SURVEY (GDACS) RECORDED IN BOOK 609, PAGE 29, MARICOPA COUNTY RECORDS

PARCEL 109
SKY BRIDGE PROJECT
LEGAL EXHIBIT

Preparing Firm: RPA **RITOCH-POWELL & Associates** 602-263-1177 www.rpaeng.com

DATE:	7/11/22
DSN:	AK
DRN:	AK
CHK:	TAR
SHEET 4 OF 4	

Troy A. Ray

REGISTERED LAND SURVEYOR CERTIFICATE NO. 33868 TROY A. RAY Date Signed 7/11/22 ARIZONA, U.S.A.

PARCEL 109

North: 836765.0621' East: 777408.9303'

Segment #1 : Line

Course: S45° 25' 29"W Length: 938.91'
North: 836106.0921' East: 776740.1175'

Segment #2 : Curve

Length: 23.56' Radius: 15.00'
Delta: 89°59'41" Tangent: 15.00'
Chord: 21.21' Course: N89° 34' 41"W
Course In: N44° 34' 31"W Course Out: S45° 25' 10"W
RP North: 836116.7771' East: 776729.5898'
End North: 836106.2484' East: 776718.9059'

Segment #3 : Line

Course: N44° 34' 50"W Length: 34.70'
North: 836130.9640' East: 776694.5496'

Segment #4 : Curve

Length: 28.04' Radius: 70.00'
Delta: 22°57'00" Tangent: 14.21'
Chord: 27.85' Course: N33° 06' 20"W
Course In: N45° 25' 10"E Course Out: S68° 22' 10"W
RP North: 836180.0978' East: 776744.4081'
End North: 836154.2943' East: 776679.3375'

Segment #5 : Line

Course: N21° 37' 50"W Length: 193.20'
North: 836333.8892' East: 776608.1200'

Segment #6 : Curve

Length: 39.63' Radius: 130.00'
Delta: 17°27'53" Tangent: 19.97'
Chord: 39.47' Course: N30° 21' 46"W
Course In: S68° 22' 10"W Course Out: N50° 54' 18"E
RP North: 836285.9685' East: 776487.2746'
End North: 836367.9476' East: 776588.1678'

Segment #7 : Line

Course: N39° 05' 42"W Length: 398.25'
North: 836677.0300' East: 776337.0281'

REGISTERED LAND SURVEYOR
57280
MARK R.
SANDWICK
Date Signed 2/15/22
ARIZONA, U.S.A.

PARCEL 109

Segment #8 : Curve

Length: 85.16' Radius: 220.00'
Delta: 22°10'41" Tangent: 43.12'
Chord: 84.63' Course: N28° 00' 22"W
Course In: N50° 54' 18"E Course Out: S73° 04' 59"W
RP North: 836815.7638' East: 776507.7704'
End North: 836751.7470' East: 776297.2904'

Segment #9 : Line

Course: N16° 55' 01"W Length: 99.32'
North: 836846.7692' East: 776268.3897'

Segment #10 : Line

Course: N73° 05' 49"E Length: 85.47'
North: 836871.6199' East: 776350.1673'

Segment #11 : Curve

Length: 409.64' Radius: 848.00'
Delta: 27°40'39" Tangent: 208.90'
Chord: 405.67' Course: N59° 15' 29"E
Course In: N16° 54' 11"W Course Out: S44° 34' 50"E
RP North: 837682.9847' East: 776103.6085'
End North: 837078.9846' East: 776698.8294'

Segment #12 : Line

Course: N45° 25' 10"E Length: 285.35'
North: 837279.2750' East: 776902.0740'

Segment #13 : Line

Course: S44° 35' 11"E Length: 722.03'
North: 836765.0504' East: 777408.9274'

Perimeter: 3343.26' Area: 655951.76 Sq. Ft. (15.059 Acres)
Error Closure: 0.0121 Course: S13° 49' 51"W
Error North: -0.01175 East: -0.00289

Precision 1: 276302.48

EXHIBIT B

AIRPORT RATES & CHARGES SCHEDULE

https://www.gatewayairport.com/Documents/DocumentLibrary/ExecDirSect/Airport%20Fees,%20Services%20and%20Rental%20Rates2019.pdf?Uniqueifier=BN0bRb1WgM

AIRPORT FEES, SERVICES & RENTAL RATES

https://www.gatewayairport.com/Documents/DocumentLibrary/ExecDirSect/Airport%20Fees,%20Services%20and%20Rental%20Rates2019.pdf?Uniqueifier=krpqAZPV2H

EXHIBIT C

AIRCRAFT OPERATIONS GUIDELINES

C1. Use of Airport. Lessee, Lessee's assigns, sublessees, or transferees who operate aircraft at the Airport and who are engaged in a private, government, or commercial aeronautical business or service and desire to use the Airport landing facilities for certain types of operations including, but not limited to: 1) taxiing and maneuvering on Airport runways, taxiways, ramps and aprons; 2) landings and approaches ("touch and go", "stop and go"); and 3) low approaches shall be subject to the provisions of this **Exhibit C.**

C2. Fees. As appropriate, Lessee shall pay Lessor fees as outlined below:

C2.1 *Landing Fee*: Lessee shall pay a landing fee at a rate equal to the amount reflected on the most current *Airport Rates and Charges Schedule* at the time of the aircraft operation, for each flight subject to a landing fee operated by or in conjunction with Lessee. The weight of any particular aircraft shall be its maximum certificated gross landing weight ("**MGLW**"). The amount owed to Lessor for each chargeable aircraft landing for each preceding calendar month shall be due and payable no later than the TWENTIETH (20th) day of the month succeeding the calendar month in which said aircraft landings took place. Lessee's written listing of all aircraft landings subject to such fee shall accompany said payment. Each entry in such listing shall include the date of the landing, the aircraft registration number, the type and model aircraft, the aircraft MGLW and the amount of the fee due.

C2.2 *Aircraft Ramp Space*. Lessee shall pay Lessor monthly, an aircraft-parking fee in an amount equal to that specified in the most current Airport Rates and Charges Schedule at the time of use, for each overnight aircraft parking position used by Lessee that is situated on Airport ramp outside the Premises. Such fees, if any, shall be payable to Lessor no later than the TWENTIETH (20th) day of the month following that in which Lessee occupied or used such space, and such payment shall be accompanied by a written listing of the aircraft (including registration number, make and model), dates and times of usage.

C2.3 *Other Space*. When available and specifically assigned to Lessee, Lessee shall pay Lessor monthly, in advance, a fee established in the *Airport Rates and Charges Schedule* for Lessee's non-exclusive use of other space not situated on or part of the Premises.

C2.4 *Additional Space/Services*. In the event that Lessee requires space or special services such as, but not limited to, aircraft line services, out-of-station ARFF standby, operations safety officers, ground service equipment, or fuel spills response teams, Lessee shall pay Lessor's standard fees for such services at the time the service is rendered, unless a secured account or agreement is established prior to requesting additional services.

C3. Books and Records. Lessee shall maintain for not less than THIRTY-SIX (36) months books, records and ledgers accurately reflecting the total number of monthly Aircraft landings for each aircraft subject to a landing fee and any other aforementioned fee indicating the make, type (including model designation), registration, maximum certificated gross landing weight, and arrival and departure time of each aircraft involved. These records or copies thereof shall be made available to Lessor upon Lessor's written request. In addition to monthly payment as set forth in Section C2 herein and together therewith, Lessee shall provide Lessor with a written report, indicating all aircraft operations and related information for the preceding calendar month.

C4. Disabled or Abandoned Aircraft. Should any aircraft owned or operated by Lessee through accident or for any other reason, become disabled or be abandoned in any area which could interfere with the continuous, normal operations of any of the runways, taxiways and airfield facilities at the Airport, Lessee shall:

C4.1 Immediately remove said aircraft to such location as may be designated by Lessor, unless such aircraft is required to remain in place pending investigation by the appropriate regulatory agency or agencies of the federal government; and

C4.2 In the event of any accident where federal investigation in place is required, promptly upon receiving clearance to do so from the appropriate federal agency, remove said aircraft and any wreckage or debris resulting therefrom to the area(s) designated by said federal agency authorizing such removal; otherwise, such aircraft wreckage and debris shall be immediately removed from the Airport or stored at a location approved by Lessor.

C4.3 Should Lessee fail to proceed immediately to remove disabled aircraft, or should aircraft owned or operated by Lessee be abandoned on the Airport, Lessor shall have the right to remove such aircraft by any means Lessor deems necessary under the circumstances, and Lessee shall indemnify, defend, keep and hold Lessor, its members, board of directors, officers, agents, officials, servants, employees and contractors harmless from and against any and all claims, costs, loss, liability, actions, suits, proceedings, damage or expense (including costs of suit and attorneys' fees and expenses) incurred by Lessor by reason of removal of said aircraft, injury to persons or property or damages to such aircraft caused by such removal, as well as storage costs therefor. Lessee shall reimburse Lessor for any costs incurred by Lessor in removing and storing any aircraft, any property damage to the Airport caused by such aircraft or removal within TEN (10) business days of demand therefor.

C5. Aviation Fuel. Lessee, at Lessee's sole cost and expense, shall procure aviation fuel delivered to its aircraft on the Airport. If fueling or defueling aircraft owned or operated by Lessee, or under Lessee's direct control, Lessee shall comply fully with Lessor's *Aviation Fuel Storage, Dispensing and Handling Guidelines*.

C6. Fly Friendly Procedures. Lessee acknowledges receipt of Lessor's Fly Friendly noise abatement procedures, and shall provide such information to flight crews, post the information in the Lessee's flight planning area, and use the procedures to the extent possible, when consistent with safety and Air Traffic Control directives.

EXHIBIT D

AIRPORT MINIMUM STANDARDS
&
AIRPORT RULES AND REGULATIONS

(Links Provided Below)

Minimum Standards

https://www.gatewayairport.com/Documents/DocumentLibrary/Board%20Policies/Airport%20Minimum%20Standards.pdf?Uniqueifier=NMDDAKF1A5

Rules and Regulations

https://www.gatewayairport.com/Documents/DocumentLibrary/Board%20Policies/Rules%20and%20Regulations_19-20.pdf?Uniqueifier=NMDDAKF1A5

EXHIBIT E

PROHIBITED USES

1. Outdoor activities or entertainment accessory to a day care center or a wedding or reception center
2. Any residential development including but not limited to a dwelling unit in conjunction with a primary use intended for occupancy by the proprietor, caretaker or night-watchman of the primary use; a Multiple residence development including apartments, condominiums, and townhouses; and single-family residential development.
3. Crematories
4. Construction yards
5. Wedding and reception centers
6. Fraternal organizations, service and social clubs, lodges, fraternities and sororities.
7. Nursing and convalescent homes, philanthropic and charitable institutions, residential and out-patient care and rehabilitation centers, hospices
8. Hospitals
9. Mortuaries
10. Self-Storage
11. Outdoor display areas for the sale and rental of items characteristically not enclosed in a building, limited to the following:
    a. Plant nurseries
    b. Building materials such as lumber and masonry supplies
12. Amusement enterprises, such as miniature golf courses, water slides, driving ranges. Batting cages, and similar outdoor uses, but indoor facilities for such uses shall be permitted
13. Commercial automobile, recreational vehicle, and similar vehicular parking and storage lots and garages, as a primary use
14. Plasma centers, charity dining services, homeless shelters, day labor hiring centers, substance abuse detoxification and treatment centers, rescue missions, and similar social service uses
15. Pawn shops and tattoo parlors
16. Assisted living facilities
17. Car washes
18. Automobile service stations with or without accessory auto repair facilities
19. Swap meets, farmer's markets, and similar outdoor sales operations
20. Auto towing and impound yards
21. Animal hospitals, clinics, and boarding kennels
22. Churches

EXHIBIT F

WHEN RECORDED,
RETURN TO:

James Valletta , Esq.
Warner, Angle, Hallam
Jackson & Formanek
PLC
2555 E. Camelback Road, Suite 800
Phoenix, AZ 85016

MEMORANDUM OF LEASE

This MEMORANDUM OF LEASE ("Memorandum"), is made and executed as of the 1st day of August 1 , 2022 (the "Effective Date"), by and between **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY**, a joint powers airport authority authorized and existing under the laws of the State of Arizona ("**Landlord**"), whose mailing address is Phoenix-Mesa Gateway Airport Authority, Attn: Business Development Department, 5835 South Sossaman Road, Mesa, Arizona 85212, and **SKYB LOT 109 LLC ,**, an Arizona limited liability company ("**Tenant**"), whose mailing address is 2415 E. Camelback Road, Suite 700, Phoenix, AZ 85016 .

RECITALS:

A. Landlord and Tenant entered into that certain Development Lease dated August 1, 2022 (the "Lease"), covering that certain real property legally described on Exhibit A attached hereto and incorporated herein by this reference (the "Leased Premises").

B. Landlord and Tenant have agreed to enter into this Memorandum for the purposes of providing record notice of the Lease, and to protect the rights and interests of Landlord and Tenant as to third parties. All capitalized terms not specifically defined herein shall have the meaning ascribed to such terms in the Lease.

NOW, THEREFORE, for and in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

1. Lease and Premises. Subject to the covenants and conditions contained in the Lease, Landlord has leased to Tenant, and Tenant has leased from Landlord, the Leased Premises. Notice to the world is hereby given of the Lease and of the terms of the Lease.

2. Term. The term of the Lease commenced on August 1, 2022 and expires on July 31 , 2082, unless earlier terminated pursuant to the terms of the Lease.

3. Conflict. This Memorandum is prepared for the purpose of constructive notice and in no way modifies the provisions of the Lease. In the event of any conflict or any inconsistency between the terms and provisions of the Lease and the terms and provisions of this Memorandum, the terms and provisions of the Lease shall control.

4. Successors and Assigns. This Memorandum shall be binding upon and inure to the benefit of the parties and their permitted successors and assigns.

5. Counterparts. This Memorandum may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same document, provided that all parties are furnished a copy thereof reflecting the signature of all parties.

(*Signatures appear on the following page*.)

IN WITNESS WHEREOF, the parties hereto have duly executed this Memorandum as of the Effective Date set forth above.

LANDLORD:

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, an Arizona joint powers airport authority

By: _____
J. Brian O'Neill, A.A.E.
Executive Director/CEO

STATE OF ARIZONA)
) ss.
County of Maricopa)

ACKNOWLEDGED before me this____day of_____, 2022, by J. Brian O'Neill, in his capacity as the Executive Director/CEO of the Phoenix-Mesa Gateway Airport Authority.

_____
Notary Public

My Commission Expires:

_____

TENANT:

SKYB LOT 109 LLC , an Arizona limited liability company

By: _____
Felipe Monroy Torres, Manager

STATE OF _____)

County of _____) ss.
)

ACKNOWLEDGED before me this_____day of_____, 2022, by Felipe Monroy Torres in his capacity as Manager of SKYB LOT 109 LLC , an Arizona limited liability company, for and on behalf of said company.

_____
Notary Public

My Commission Expires:

_____

Exhibit A

LEGAL DESCRIPTION

A PARCEL OF LAND BEING A PORTION OF THAT TRACT AS CONVEYED TO PHOENIX –MESA GATEWAY AIRPORT AUTHORITY BY DEED OF RECORDED IN INSTRUMENT NO. 2012–0267529, MARICOPA COUNTY RECORDS AND LYING WITHIN THE WEST HALF OF SECTION 32, TOWNSHIP 1 SOUTH, RANGE 7 EAST OF THE GILA AND SALT RIVER MERIDIAN, CITY OF MESA, MARICOPA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 32 (1.5" IRON PIPE) FROM WHICH POINT THE SOUTH QUARTER CORNER THEREOF (2.5" ALUMINUM CAP 1.5' BELOW GROUND) BEARS S 89°29'18" E A DISTANCE OF 2637.95 FEET;

THENCE N35°02'38"E A DISTANCE OF 3131.59 FEET TO A POINT ON THE NORTH RIGHT OF WAY LINE OF PROPOSED OF PEAK AIR CIRCLE THE POINT OF BEGINNING;

THENCE S45°25'29"W, ALONG THE SAID PROPOSED NORTH RIGHT OF WAY LINE, A DISTANCE OF 938.91 FEET TO THE PROPOSED RIGHT OF WAY INTERSECTION OF PEAK AIR CIRCLE AND INTERNATIONAL WAY;

THENCE ALONG THE EAST RIGHT OF WAY LINE OF PROPOSED INTERNATIONAL WAY THE FOLLOWING EIGHT (8) COURSES AND DISTANCES:

THENCE 23.56 FEET ALONG THE ARC OF A CURVE RIGHT HAVING A RADIUS OF 15.00 FEET THROUGH A CENTRAL ANGLE OF 89°59'41", CHORD BEARING N89°34'41"W;

THENCE N44°34'50"W A DISTANCE OF 34.70 FEET;

THENCE 28.04 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 70.00 FEET THROUGH A CENTRAL ANGLE 22°57'00", CHORD BEARING OF N33°06'20"W;

THENCE N21°37'50"W A DISTANCE OF 193.20 FEET;

THENCE 39.63 FEET ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 130.00 FEET THROUGH A CENTRAL ANGLE 17°27'53", CHORD BEARING N30°21'46"W;

THENCE N39°05'42"W A DISTANCE OF 398.25 FEET;

PARCEL 109
SKY BRIDGE PROJECT
LEGAL EXHIBIT

REGISTERED LAND SURVEYOR
57280
MARK R. SANDWICK
Date Signed 2/15/22
ARIZONA, U.S.A.

Preparing Firm: RPA RITOCH-POWELL & Associates
602-263-1177
www.rpaeng.com

DATE:	2/15/22
DSN:	SS
DRN:	SS
CHK:	MRS
SHEET 3 OF 4	

LEGAL DESCRIPTION

THENCE 85.16 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 220.00 FEET THROUGH A CENTRAL ANGLE 22°10'41", CHORD BEARING N28°00'22"W;

THENCE N16°55'01"W A DISTANCE OF 99.32 FEET TO A POINT ON SOUTH LINE OF THAT PUFE (PUBLIC UTILITY AND FACILITY EASEMENT) AS RECORDED IN MAP OF DEDICATION FOR VELOCITY WAY, SOUTH TAXI WAY CIRCLE AND SOUTH CARGO WAY RECORDED IN BK. 733, PG. 39, MARICOPA COUNTY RECORDER;

THENCE ALONG SAID SOUTH PUFE LINE THE FOLLOWING THREE (3) COURSES AND DISTANCES:

THENCE N73°05'49"E A DISTANCE 85.47 FEET;

THENCE 409.64 FEET, ALONG THE ARC OF A CURVE TO THE LEFT HAVE A RADIUS OF 848.00 FEET, THROUGH A CENTRAL ANGLE 27°40'39", CHORD BEARING OF N59°15'29"E;

THENCE N45°25'10"E A DISTANCE 285.35 FEET;

THENCE S44°35'11"E A DISTANCE 722.03 FEET TO THE POINT OF BEGINNING.

THE ABOVE DESCRIBED PARCEL CONTAINS 655,951.76 SQ. FT. (15.059 ACRES) OF LAND, MORE OR LESS, INCLUDING ANY EASEMENTS OF RECORD.

THE BASIS OF BEARING FOR THE ABOVE DESCRIPTION IS S89°29'18"E FOR THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SECTION 32, TOWNSHIP 1 SOUTH, RANGE 7 EAST OF THE GILA & SALT RIVER MERIDIAN AS CALCULATED FROM A PLSS SUBDIVISION RECORD OF SURVEY MARICOPA COUNTY GEODETIC DENSIFICATION AND CADASTRAL SURVEY (GDACS) RECORDED IN BOOK 609, PAGE 29, MARICOPA COUNTY RECORDS

PARCEL 109
SKY BRIDGE PROJECT
LEGAL EXHIBIT

REGISTERED LAND SURVEYOR
57280
MARK R. SANDWICK
Date Signed 2/15/22
ARIZONA, U.S.A.

Preparing Firm: RPA **RITOCH-POWELL & Associates**
602-263-1177
www.rpaeng.com

DATE:	2/15/22
DSN:	SS
DRN:	SS
CHK:	MRS
SHEET 4 OF 4	

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 22-49

To: Board of Directors
From: Shea Joachim, CEcD, Business Development Director
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: SkyBridge Arizona – Lot 108 Adjustment Amendment & Development Lease
Date: July 19, 2022

Proposed Motion

To authorize a Development Lease with SkyB Lot 108 LLC, an Arizona limited liability company, for 13.8609 acres located within the SkyBridge Arizona project identified as Lot 108. The lease term is SIXTY (60) years commencing on August 1st, 2022. To authorize an Adjustment Amendment with MESA SKYBRIDGE, LLC to concurrently remove Lot 108 from the Master Lease Agreement.

Narrative

The Phoenix-Mesa Gateway Airport Authority ("PMGAA") and Mesa SkyBridge, LLC ("SkyBridge") entered into a Master Lease Agreement on April 1, 2018 for the approximately 360-acres located at the southeast corner of Sossaman Road and Velocity Way ("Property"). The Master Lease transferred leasehold control of the Property to SkyBridge but did not convey vertical development rights. As part of the Master Lease, PMGAA and SkyBridge agreed to "spin out" property from the Master Lease into Development Leases as projects became ready for vertical development.

SkyBridge has proposed to build an approximately 250,000 SF light industrial building. Lot 108 is approximately 603,778.9 SF and has been identified as a non-aeronautical parcel. The proposed development is compliant with the SkyBridge Arizona Master Plan. The attached Adjustment Amendment will formally remove Lot 108 from the Master Lease and allow Lot 108 to be included in the proposed Development Lease.

Agreement Term and Rate

The Lot 108 Development Lease proposes a lease term of SIXTY (60) years with ONE (1) renewal options of FIFTEEN (15) years. The Base Rent for Lot 108 will be $0.00 annually for the first TWO (2) years and $60,377.89 annually starting on the Third (3rd) anniversary of the Effective Date subject to Base Rent Adjustments and Market Adjustments as stipulated in the Development Lease.

Attachment(s)

Lot 108 Development Lease
Master Lease Adjustment Amendment #10

RESOLUTION NO. 22-49

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize a Development Lease with SkyB Lot 108 LLC, an Arizona limited liability company, for 13.8609 acres located within the SkyBridge Arizona project identified as Lot 108. The lease term is SIXTY (60) years commencing on August 1st, 2022. To authorize an Adjustment Amendment with MESA SKYBRIDGE, LLC to concurrently remove Lot 108 from the Master Lease Agreement.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

> **The Board of Directors of the Authority hereby authorizes a Development Lease with SkyB Lot 108 LLC, an Arizona limited liability company, for 13.8609 acres located within the SkyBridge Arizona project identified as Lot 108. The lease term is SIXTY (60) years commencing on August 1st, 2022. To authorize an Adjustment Amendment with MESA SKYBRIDGE, LLC to concurrently remove Lot 108 from the Master Lease Agreement. 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 19th day of July, 2022.

Brigette Peterson, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

ADJUSTMENT AMENDMENT TO MASTER LEASE

Development Parcel for Lot 108, SkyB Lot 108 LLC, an Arizona limited liability company

THIS ADJUSTMENT AMENDMENT TO MASTER LEASE ("**Amendment**") is made as of the 1st day of August, 2022, by and between **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY**, a joint powers airport authority authorized and existing under the laws of the State of Arizona ("**Lessor**"), and **MESA SKYBRIDGE LLC**, an Arizona limited liability company ("**Lessee**"). Lessor and Lessee may be referred to jointly as "Parties," and each separately may be referred to as a "Party."

RECITALS

A. Lessor and Lessee are parties to that certain Master Lease dated April 1, 2018 ("**Lease**") covering certain property commonly known as Gateway Aerospace Park at the Phoenix-Mesa Gateway Airport, which property is more particularly described in the Lease, and referred to in the Lease and in this Amendment as "**Property**."

B. The Parties desire to modify the Lease to remove Development Parcel Lot 108 from the Property in accordance with Section 2.1.4 of the Lease.

NOW, THEREFORE, in exchange for the mutual covenants and promises contained herein and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee agree as follows:

1. Recitals. The above recitals are hereby confirmed as true and correct and are reaffirmed herein.

2. Property Adjustment. Lot 108, as described in Exhibit A, is hereby removed from the Lease and from the Rentable Premises. As of the date of this Amendment, after removing Lot 108 from the Lease, the Rentable Premises is 13,147,112.34 square feet.

4. Miscellaneous.

(a) Capitalized Terms/Definitions. Each capitalized term used in this Amendment and not defined herein shall be deemed to have the same meaning ascribed to it in the Lease.

(b) Continuing Effect. Except as specifically provided in this Amendment, the provisions of the Lease shall remain unchanged and in full force and effect. In the event of a conflict between the Lease and this Amendment, this Amendment shall control.

(c) Authority. Each person executing this Amendment on behalf of a Party represents and warrants that it has the full power, authority, and legal right to execute and deliver this Amendment on behalf of such Party and that this Amendment constitutes the legal, valid and binding obligations of such Party, its heirs, representatives, successors and assigns, enforceable against such Party or Parties in accordance with its terms.

(d) Counterparts. To facilitate execution of this Amendment, this Amendment may be executed in one or more counterparts as may be convenient or required, and an executed copy of

this Amendment delivered electronically by e-mail shall have the effect of an original, executed instrument. All counterparts of this Amendment shall collectively constitute a single instrument; but, in making proof of this Amendment it shall not be necessary to produce or account for more than one such counterpart executed by each Party hereto. It shall not be necessary for the signature of, or on behalf of, each Party hereto, or that the signature of all persons required to bind any such Party appear on each counterpart of this Amendment.

IN WITNESS WHEREOF, the Parties have executed this Amendment as of the day and year first above written.

LESSOR:

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, an Arizona joint powers airport authority

By:_____

J. Brian O'Neill, A.A.E.

Executive Director/CEO

LESSEE:

MESA SKYBRIDGE LLC, an Arizona limited liability company

By:_____

Felipe Monroy Torres

CEO

EXHIBIT A

LEGAL DESCRIPTION

A PARCEL OF LAND BEING A PORTION OF THAT TRACT AS CONVEYED TO PHOENIX – MESA GATEWAY AIRPORT AUTHORITY BY DEED OF RECORD IN INSTRUMENT NO. 2012–0267529, MARICOPA COUNTY RECORDS AND LYING WITHIN THE WEST HALF OF SECTION 32, TOWNSHIP 1 SOUTH, RANGE 7 EAST OF THE GILA AND SALT RIVER MERIDIAN, CITY OF MESA, MARICOPA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 32 (1.5" IRON PIPE) FROM WHICH POINT THE SOUTH QUARTER CORNER THEREOF (2.5" ALUMINUM CAP 1.5' BELOW GROUND) BEARS S89°29'18"E A DISTANCE OF 2637.95 FEET;

THENCE N35°02'38"E A DISTANCE OF 3131.59 FEET TO A POINT ON THE NORTH RIGHT OF WAY LINE OF PROPOSED OF PEAK AIR CIRCLE THE POINT OF BEGINNING;

THENCE N44°35'11"W A DISTANCE OF 722.03 FEET TO A POINT ON SOUTH LINE OF THAT PUFE (PUBLIC UTILITY AND FACILITY EASEMENT) AS RECORDED IN MAP OF DEDICATION FOR VELOCITY WAY, SOUTH TAXI WAY CIRCLE AND SOUTH CARGO WAY RECORDED IN BK. 733, PG. 39, MARICOPA COUNTY RECORDER;

THENCE N45°25'10"E, ALONG SAID SOUTH PUFE LINE, A DISTANCE OF 456.60 FEET;

THENCE N44°33'22"W, CONTINUING ALONG SAID SOUTH PUFE LINE, A DISTANCE OF 8.00 FEET TO A POINT ON THE SOUTH RIGHT OF WAY LINE VELOCITY WAY;

THENCE ALONG SAID RIGHT OF WAY LINE THE FOLLOWING FIVE (5) COURSES AND DISTANCES:

THENCE N45°25'10"E A DISTANCE OF 344.51 FEET;

THENCE 50.31 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 32.00 FEET THROUGH A CENTRAL ANGLE 90°04'45", CHORD BEARING OF S89°32'28"E;

THENCE S44°30'05"E A DISTANCE OF 666.11 FEET;

PARCEL 108
SKY BRIDGE PROJECT
LEGAL EXHIBIT

Preparing Firm: RPA **RITOCH-POWELL & Associates**
602-263-1177
www.rpaeng.com

DATE:	6/15/22
DSN:	AK
DRN:	AK
CHK:	TAR
SHEET	3 OF 4

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
33868
TROY A.
RAY
Date Signed 6/15/22
ARIZONA, U.S.A.

LEGAL DESCRIPTION

THENCE 50.22 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 32.00 FEET THROUGH A CENTRAL ANGLE 89°55'34", CHORD BEARING S0°27'42"W;

THENCE S45°25'29"W A DISTANCE OF 800.12 FEET TO THE POINT OF BEGINNING.

THE ABOVE DESCRIBED PARCEL CONTAINS 603,778.90 SQ. FT. (13.8609 ACRES) OF LAND, MORE OR LESS, INCLUDING ANY EASEMENTS OF RECORD.

THE BASIS OF BEARING FOR THE ABOVE DESCRIPTION IS S89°29'18"E FOR THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SECTION 32, TOWNSHIP 1 SOUTH, RANGE 7 EAST OF THE GILA & SALT RIVER MERIDIAN AS CALCULATED FROM A PLSS SUBDIVISION RECORD OF SURVEY MARICOPA COUNTY GEODETIC DENSIFICATION AND CADASTRAL SURVEY (GDACS) RECORDED IN BOOK 609, PAGE 29, MARICOPA COUNTY RECORDS.

PARCEL 108
SKY BRIDGE PROJECT
LEGAL EXHIBIT

Preparing Firm: RPA **RITOCH-POWELL & Associates**
602-263-1177
www.rpaeng.com

DATE:	6/15/22
DSN:	AK
DRN:	AK
CHK:	TAR
SHEET	4 OF 4

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
33868
TROY A.
RAY
Date Signed 6/15/22
ARIZONA, U.S.A.

Phoenix-Mesa Gateway Airport Authority

DEVELOPMENT LEASE NO. 005
Non-Aeronautical Development Parcel for Lot 108

with

SKYB LOT 108 LLC, an Arizona limited liability company

Effective Date:

August 1, 2022

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Phoenix-Mesa Gateway Airport Authority
DEVELOPMENT LEASE

a Non-Aeronautical Development Parcel for Lot 108

This Development Lease ("**Lease**") is executed to be effective the FIRST (1st) day of August 2022 ("**Effective Date**") between the **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY**, a joint powers airport authority authorized and existing under the laws of the State of Arizona ("**Lessor**"), and **SKYB LOT 108 LLC** , an Arizona limited liability company ("**Lessee**"). Lessor and Lessee may be referred to jointly as "Parties," and each separately may be referred to as a "Party."

RECITALS:

A. Lessor is the owner and operator of the Phoenix-Mesa Gateway Airport generally located at the intersection of Ray Road and Sossaman Road, City of Mesa, Maricopa County, Arizona ("**Airport**"); and

B. 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 known as Lot 108 on the Master Plan containing approximately 603,778.90 square feet of land, as set forth in **Exhibit A** attached hereto ("**Premises**");

D. The Premises is identified in the Master Plan and the Airport Layout Plan as a Non-Aeronautical Development Parcel; and

E. Lessor desires to lease the Premises to Lessee on the terms and conditions set forth herein;

NOW THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements herein contained, the Parties do hereby undertake, promise and agree, each for itself and its successors and assigns, as follows:

1. LEASE.

Lessor hereby leases the Premises to Lessee, subject to all easements, deed restrictions and other similar matters of record in the Official Records of Maricopa County, Arizona, that encumber the Premises, and further subject to all operational and use restrictions and other terms and conditions expressly set forth in this Lease.

1.1 Right to Use Premises. Lessor agrees that so long as no Event of Default shall have occurred and is continuing, Lessee shall peaceably have and enjoy the use of the Premises without hindrance from Lessor and those claiming through Lessor. Lessee specially acknowledges that Lessee has inspected the Premises prior to entering into this Lease and agrees to accept the Premises in an "as is, where is" condition without any warranty or representation from Lessor, either express or implied, of any kind or nature whatsoever with respect to the Premises, including, but not limited to, any warranty of merchantability, habitability, or fitness for any

particular or specific purpose, and all such warranties are hereby disclaimed, except for representations and warranties contained in this Lease. Should Lessee desire any inspection report, environmental assessment, survey, creation of a legal description, drainage report, or any similar study, Lessee shall be responsible for the same at Lessee's sole expense, subject to Lessor's duty to cooperate with Lessee (at no or nominal cost to Lessor) in connection with such activities and undertakings.

1.2 Intentionally Omitted.

1.3 Access. Lessee is granted the right of access to and from the Premises via such portions of the Airport as are or may be reasonably necessary to allow Lessee to conduct its business operations permitted herein at and on the Premises and the Airport, provided that Lessor reserves the right to limit access to the Premises in emergencies and in connection with Lessor's construction activities on the Airport, so long as Lessor provides Lessee with reasonable advance written notice of any limitations on Lessee's access to the Premises due to Lessor's construction activities, and Lessor and Lessee coordinate such construction activities and cooperate one with the other to minimize any interference with, or disruption of, Lessee's business activities. Lessor reserves the right to designate the location of such alternative access due to emergencies and Lessor's construction activities, and to change its location from time to time, as Lessor deems reasonably necessary and appropriate; provided such changes do not materially interfere with Lessee's use of or access to the Premises.

1.4 Permitted Uses. Subject to the provisions of Section 1.5, Lessee may use the Premises for commercial Light Industrial applications as per current Zoning and Master Plan, including light manufacturing and assembly, , general office, and other uses relating or incidental thereto and for no other use. Lessee shall not use any portion of the Premises for a Prohibited Use, which Prohibited Uses are set forth on **Exhibit E**. Lessee's use of the Premises and operation of its business at and on the Airport and the Premises is subject to all applicable laws, rules and regulations of any governmental authority, including Lessor, and to Lessee's compliance with applicable provisions of the *Airport Rules and Regulations* and *Airport Minimum Standards*.

1.5 Prohibited Activities. Lessee shall not use, or permit its agents, employees or contractors acting for or on behalf of Lessee in connection with their scope of employment to use, the Premises or the Airport for any use that is in violation of the *Airport Rules and Regulations*, the *Airport Minimum Standards*, any matters of record, or applicable laws, or for any other activity or operation not specified in Section 1.4 herein, or that does not have advance, written approval of Lessor's Executive Director or other authorized signatory of Lessor.

Lessor agrees to reasonably consult with Lessee prior to executing or entering into any agreement that could reasonably be expected to have a material effect on the Premises, or on Lessee or its subtenants, or on any Permitted Uses, with the stated purpose of attempting in good faith to avoid any interference with, disruption of, or restriction or limitation on Lessee's intended use and development of the Premises in accordance with this Lease.

1.6 On-Site Manager. Upon commencement of business operations at and on the Premises, Lessee shall designate an on-site manager for the Term of this Lease who shall generally be available to Lessor and Lessee's customers, if any, during Lessee's normal business hours, and otherwise as required by the *Airport Minimum Standards*, as applicable. Lessee may change Lessee's on-site manager from time to time.

1.7 Lessee Acknowledgement. Lessee acknowledges that, except as otherwise provided in this Lease, its obligations to pay Base Rent and all other charges due and owing under the terms hereof shall be absolute and unconditional, and shall not be affected by any circumstances whatsoever, including, without limitation: (i) any set-off, counterclaim, recoupment, defense or other right which Lessee may have against Lessor or the United States of America or anyone else for any reason whatsoever; (ii) any liens, encumbrances or rights of others with respect to the Premises; (iii) the invalidity or unenforceability or lack of due authorization or other infirmity of this Lease or any lack of right, power or authority of Lessor or Lessee to

enter into this Lease; (iv) any insolvency, bankruptcy, reorganization or similar proceedings by or against Lessee, or any other person; or (v) any other cause, whether similar or dissimilar to the foregoing, any future or present law notwithstanding, it being the intention of the Parties hereto that all rent being payable by Lessee hereunder shall continue to be payable in all events and in the manner and at the times provided herein.

2. TERM.

2.1 Initial Term. The term of this Lease shall be for a period of SIXTY (60) years, commencing on the Effective Date and terminating on JULY 31, 2082 ("**Term**").

2.2 Renewal Term(s). Provided that no Event of Default shall have occurred and is continuing, Lessee shall have the right and option ("Renewal Option") to extend the Term of this Lease for a period of FIFTEEN (15) years ("Renewal Term"). If Lessee elects to exercise Lessee's Renewal Option, Lessee shall notify Lessor in writing of such exercise at least one (1) year prior to the expiration of the initial 60-year Term. At the commencement of the Renewal Term, Base Rent per square foot of the Premises per year shall be an amount equal to fair market base rental rate as determined herein, subject to the triennial CPI Adjustments set forth in Section 4.2 below, which CPI Adjustment shall first be made on the first day of the calendar month following the THIRD (3rd) anniversary of the Renewal Term, and thereafter on each THREE (3) year anniversary thereof. Lessor shall determine the fair market base rental rate for the Premises for the commencement of the Renewal Term and shall notify Lessee of Lessor's determination no later than SIXTY (60) calendar days after Lessor's receipt of Lessee's exercise of Lessee's Renewal Option. If Lessee disputes Lessor's determination of such fair market base rental rate, Lessee shall deliver written notice of such dispute, together with Lessee's determination of such fair market base rent rate, to Lessor within SIXTY (60) calendar days of Lessee's receipt of Lessor's determination. The Parties shall then attempt in good faith to agree upon such fair market base rental rate. The fair market base rental rate shall take into consideration and reflect the limitations and restrictions on Lessee and on the use and development of the Premises and the location of the Premises relative to other regional, national and international airport facilities in the Metropolitan Phoenix area, and also take into consideration the differences between the Airport and other regional, national and international airport facilities in the Metropolitan Phoenix area. If the Parties fail to agree within FIFTEEN (15) business days, they shall, within TEN (10) calendar days after the expiration of such 15-business day period, mutually appoint an appraiser to determine the fair market base rental rate. Said appraiser shall be a qualified MAI appraiser, licensed in the state of Arizona, with at least FIVE (5) years of recent continuous experience in determining the fair market rental rates for commercial properties similar to the Premises and be a member of the Appraisal Institute or comparable professional organization. If the Parties are unable to agree upon an appraiser within such 10-day period, they shall, within FIVE (5) business days thereafter, jointly apply to the president of the local Board of Realtors for the selection of a qualified appraiser. The president of the Board of Realtors shall be asked to select a qualified appraiser within FIFTEEN (15) business days who has not acted in any capacity for either Party within the prior TEN (10) years. Within SEVEN (7) calendar days of the appointment (either by agreement or selection) of the appraiser, the Parties shall submit to the appraiser their respective determinations of the fair market base rental rate and any/all relevant information. Within TWENTY (20) business days of the selected qualified appraiser's receipt of the Parties' respective determinations, the appraiser shall review each Parties' submittal (and such other information as the appraiser deemed necessary) and select on Parties' determination as representing the most reasonable approximation of such fair market base rental. The appraiser's fees and expenses shall be paid one half by each Party. Upon determining the Base Rent for the Premises at the commencement of the Renewal Term, Lessor and Lessee will promptly enter into an amendment to this Lease to memorialize the Renewal Terms and the Base Rent. All other terms of this Lease apply during the Renewal Term.

3. NONEXCLUSIVE RIGHTS.

Lessee shall have the exclusive right to lease, use, occupy and develop the Premises in compliance with the terms and conditions of this Lease during the Term. All other rights granted to Lessee under this Lease are nonexclusive. Lessor may, in its sole discretion and at any time, permit third parties to conduct any and all

business activities at the Airport (other than on the Premises) that Lessor deems appropriate, provided that such activities do not limit, prevent, materially interfere with, or prevent or disrupt the use and development of the Premises by Lessee.

4. RENT.

4.1 Base Rent. Lessee agrees to pay Lessor annual rental ("Base Rent") for the use of the Premises as follows:

4.1.1 Subject to Section 4.4 below, commencing on the Effective Date through the end of the SECOND (2nd) Lease Year, Base Rent shall be $0.00 per square foot of the Premises per year.

4.1.2 Commencing on August 1, 2024, through March 31, 2048, Base Rent shall be $0.10 per square foot of the Premises per year, subject to the triennial CPI Adjustment set forth in Section 4.2 below.

4.1.3 Commencing on April 1, 2048, through the end of the Term, Base Rent per square foot of the Premises per year shall be an amount equal to fair market value as determined in accordance with Section 4.3 below, subject to the triennial CPI Adjustments set forth in Section 4.2 below.

4.2 Base Rent Adjustments. Commencing on the SIXTH (6th) anniversary of the Effective Date and continuing thereafter on every THREE (3) year anniversary of the Effective Date of this Lease, the annual Base Rent paid by Lessee shall be adjusted (whether increased or decreased) by a percentage equal to the percentage that the Consumer Price Index (CPI) (as defined below) changed during the immediately preceding THIRTY-SIX (36) month period ending NINETY (90) days prior to the end of the adjustment period during the Term hereof ("**CPI Adjustment**"). For purposes of this Lease, CPI means the United States Department of Labor, Bureau of Statistics Consumer Price Index for all Urban Consumers (CPI-U), U.S. City Average (1982-1984=100). If at any time CPI ceases to exist, Lessor may substitute any official index published by the Bureau of Labor Statistics or by a successor or similar government agency as may then exist and which in Lessor's reasonable business judgment shall be most nearly equivalent to the CPI. Lessor agrees to promptly notify Lessee of any CPI Adjustment (and in any event at least THIRTY (30) days prior to any adjustment in Base Rent payments as a result of any CPI Adjustment), and to provide Lessee with a reasonably-detailed description of Lessor's calculations of any CPI Adjustment and any adjustment in Base Rent payments.

4.3 Market Adjustments to Base Rent.

4.3.1 Notwithstanding the Base Rent increases referenced in Section 4.2, on: (a) April 1, 2048 and (b) each subsequent TEN (10) year anniversary of April 1, 2048, the annual Base Rent shall be adjusted (each, a "**Market Adjustment Date**") as hereinafter set forth in this Section. On each such Market Adjustment Date, the Base Rent shall be adjusted to the fair market base rental rate of the Premises, in relation to comparable (in quality, size, and value) airport-related facilities.

4.3.2 Lessor's determination of such fair market base rental rate for the Premises shall be delivered to Lessee no later than ONE HUNDRED TWENTY (120) calendar days prior to the Market Adjustment Date. If Lessee disputes Lessor's determination of such fair market base rental rate, Lessee shall deliver written notice of such dispute, together with Lessee's determination of such fair market base rent rate, to Lessor within SIXTY (60) calendar days of Lessee's receipt of Lessor's determination. The Parties shall then attempt in good faith to agree upon such fair market base rental rate. The fair market base rental rate shall take into consideration and reflect the limitations and restrictions on Lessee and on the use and development of the Premises and the location of the Premises relative to other regional, national and international airport facilities. If the Parties fail to agree within FIFTEEN (15) business days, they shall, within TEN (10) calendar days thereafter, mutually appoint an appraiser to determine the fair market base rental rate. Said appraiser shall be a qualified MAI appraiser, licensed in the state of Arizona, with at least FIVE (5) years of recent continuous experience in determining the fair market rates for commercial properties similar to the Premises and be a member of the Appraisal Institute or comparable professional organization. If the Parties are unable to agree upon an

appraiser within such 10-day period, they shall, within FIVE (5) business days thereafter, jointly apply to the president of the local Board of Realtors for the selection of an appraiser. The president of the Board of Realtors shall, within FIFTEEN (15) business days, select an appraiser with the above qualifications who has not acted in any capacity for either Party within the prior FIVE (5) years. Within SEVEN (7) calendar days of the appointment (either by agreement or selection) of the appraiser, the Parties shall submit to the appraiser their respective determinations of the fair market base rental rate and any/all substantiated information. Within TWENTY (20) business days thereafter, the appraiser shall review each Party's submittal (and such other information as the appraiser deems necessary) and shall select one Party's submittal as representing the most reasonable approximation of such fair market base rental rate, and the appraiser's fees and expenses shall be paid one-half each by each Party.

4.4 Vacancy Relief Periods. Provided no Event of Default shall have occurred and is continuing, Lessee shall have the continuing option to exercise up to TWO (2) Vacancy Relief Periods of up to TWELVE (12) months for each Vacancy Relief Period during any period of time that the Improvements on the Premises are at least FIFTY PERCENT (50%) vacant. Lessee may initiate a Vacancy Relief Period by giving written notice ("**Vacancy Relief Notice**") to Lessor of its desire to do so. Lessee's use and occupancy of the Premises shall not be taken into consideration in determining whether the Improvements are vacant, unless Lessee is actively conducting Lessee's business activities for a Permitted Use within such Improvements. An office maintained by Lessee in the Premises for the purpose of marketing and subleasing the Premises shall not be considered as Lessee actively conducting Lessee's business activities. The Vacancy Relief Notice shall identify the starting date and ending date for the Vacancy Relief Period (not to exceed TWELVE (12) months), and Lessee shall provide, simultaneously with each Vacancy Relief Notice, evidence reasonably satisfactory to Lessor that the Improvements on the Premises are at least FIFTY PERCENT (50%) vacant. During a Vacancy Relief Period, Lessee shall be entitled to pay a reduced Base Rent equal to FIFTY PERCENT (50%) of the Base Rent that would otherwise be applicable during such time. A Vacancy Relief Period shall terminate on the earlier of (a) the expiration of the TWELVE (12)-month period identified in the Vacancy Relief Notice, or (b) the date on which FIFTY-ONE PERCENT (51%) of the occupiable Improvements on the Premises are occupied, evidenced by executed subleases. Upon expiration of the Vacancy Relief Period, Lessee shall resume paying full Base Rent.

4.5 Construction Rent Period. A modified base rent for a construction period during the first TWO (2) Lease years ("**Construction Base Rent Period**") has been granted to Lessee as additional consideration for entering into this Lease and agreeing to pay the Base Rent and all other charges hereunder, and to perform the terms and provisions otherwise required under this Lease. If an Event of Default by Lessee occurs, which is not cured within the applicable cure period, in addition to all other rights and remedies of Lessor provided by law, equity, statute or otherwise provided in this Lease, at Lessor's option in its sole and absolute discretion, (i) if the Event of Default occurs within the Construction Base Rent Period, Lessee shall commence paying the full Base Rent at the rate of $0.10 per square foot per year for the balance of the Construction Base Rent Period, and (ii) if an Event of Default by Lessee occurs during the initial Term, which is not cured within the applicable cure period, Lessee shall immediately pay to Lessor an amount equal to the unamortized portion of Base Rent at the rate of $0.10 per square foot per year during the Construction Base Rent Period, which Lessor shall amortize over the initial Term on a straight-line basis.

4.6 Payment.

4.6.1 Base Rent shall be payable in equal monthly installments, in advance, without any prior demand therefor and without any abatement, deductions or set-offs whatsoever, and tendered in lawful currency of the United States, either by check or electronic transfer. Base Rent and any other charges due for any period during the Term less than ONE (1) calendar month shall be prorated on a daily basis based on a THREE HUNDRED SIXTY-FIVE (365) day year.

4.6.2 No payment to or receipt by Lessor of a lesser amount than that which is due and payable under the provisions of this Lease at the time of such payment shall be deemed to be other than a

payment on account of the earliest payment due, nor shall any endorsement or statement on any check or payment prejudice in any way Lessor's right to recover the balance of such payment or pursue any other remedy provided in this Lease or by law.

4.6.3 All payments (and reports, if any) required by this Section 4.6 shall be remitted to the following address by the due date(s) specified hereinabove:

Phoenix-Mesa Gateway Airport Authority
Attn.: Department of Finance (Accounts Receivable)
5835 S. Sossaman Road
Mesa, Arizona 85212-6014

or such other address specified in advance in writing by Lessor to Lessee.

4.7 Finance Charges and Late Fees. If Lessee fails to pay any installment of Base Rent or any other charge due and owing to Lessor in full on or before the applicable due date, Lessee shall be responsible for interest on the unpaid installment at the rate of EIGHTEEN PERCENT (18%) per annum from the due date until payment in full is made. In addition, in the event any installment of Base Rent or other charge owing to Lessor is paid more than TEN (10) days after the due date, a late penalty of TEN PERCENT (10%) of the amount of such delinquent Base Rent installment or other charge shall be due and payable in addition thereto.

4.8 Taxes. In the event any governmental authority shall impose a tax or imposition based upon any Base Rent payments or any other sums paid or owing hereunder, or the receipt of such payments by Lessor, Lessee shall pay such amounts to Lessor at the same time and in addition to payments hereunder, which amounts may include, but are not limited to, any or all rental, transaction privilege, sales, excise or other similar tax except income taxes.

4.9 Survival. Lessee's obligation to pay all amounts stated herein, together with any interest thereon and/or penalties therefor, shall survive the termination of this Lease.

4.10 Airport Rates and Charges Schedule. Lessee or its subtenants, as applicable and including its contractors, agents, etc., shall pay all fees identified in the most current *Airport Rates and Charges Schedule* at the time of receipt of any covered service or use of any covered facilities, unless specifically outlined in this Lease. The current *Airport Rates and Charges Schedule* is included as **Exhibit B** and is subject to change upon prior notice to Lessee. Lessee acknowledges and agrees that Lessor may amend the *Airport Rates and Charges Schedule* at any time at Lessor's sole discretion, and that no fee shall apply to the use or occupancy of the Premises or access to and from the Premises.

5. PERFORMANCE GUARANTEE; CONSTRUCTION ESCROW.

5.1 Security Deposit.

5.1.1 On or before the Effective Date, Lessee shall pay to Lessor an amount equal to TWO (2) months' worth of Base Rent payments as of the Effective Date of this Lease, TEN THOUSAND SIXTY-TWO and 98/100 ($10,062.98) as a security deposit ("**Security Deposit**") to insure the faithful performance of all of Lessee's obligations hereunder.

5.1.2 The Security Deposit, upon the occurrence of an Event of Default, at the election of Lessor, may be applied to any actual loss and/or actual damage sustained by Lessor by reason of the occurrence of such Event of Default by Lessee under this Lease without the waiver of any other right or remedy available to Lessor at law, in equity or under the terms of this Lease. If any portion of the Security Deposit is so used or applied, Lessee shall, within FIVE (5) business days after written notice from Lessor, deposit with Lessor

immediately available funds in an amount sufficient to restore the Security Deposit to its original amount. In the event of a sale or other transfer of the Premises by Lessor, Lessor shall transfer the remaining balance (if any) of the Security Deposit to Lessor's successor in interest, whereupon the transferor Lessor shall be released from liability to Lessee for the return of such Security Deposit. Unless this Lease is terminated as a result of Lessee's default whereupon Lessee shall immediately forfeit its Security Deposit to Lessor, upon termination or expiration, Lessor shall return to Lessee all portions of the Security Deposit which were not otherwise applied by Lessor as permitted above. Lessor shall have no obligation to maintain a separate account for such security deposit and shall have no obligation to pay interest thereon.

5.2 Improvement Construction Guarantee .

5.2.1 Payment Guarantee. Notwithstanding and in addition to the Security Deposit, Lessee shall protect claimants supplying labor and materials in connection with the construction, by providing, at Lessee's sole cost and expense and prior to commencement of construction of said improvements, one of the following instruments, chosen at Lessee's discretion:

(a) Payment Bond. Lessee shall require the contractor to provide a labor and materials payment bond in the full contract amount to protect claimants supplying labor and materials in connection with the construction. The bond shall comply in all respects with the requirements of A.R.S. 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 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. S 33-1003, and a copy of the bond provided to the Lessor; or

(b) Letter of Credit Such instrument (**"Letter of Credit"**) shall be irrevocable, in the amount equal to the total amount of the construction contract(s) for the construction of the improvements (described in Section 7 herein) plus TEN PERCENT (10%) of such amount (**Improvement Costs"**) and should be issued to Lessee by a financial institution (**"Bank"**) reasonably acceptable to the Lessor. The Letter of Credit shall have a term extending from the date of commencement of construction until the date with is TWENTY-FOUR (24) months thereafter, after which the date it shall be renewed on a year-to-year basis until construction of such improvements are completed, and final and unconditional lien waivers have been obtained from all contractors supplying labor and materials in connection with the construction. Should Lessee utilize the Letter of Credit option hereunder, and should Lessee fail to pay any sum owing to contractors supplying labor and materials in connection with the construction then, in addition to any other remedies set forth in this Lease, Lessor shall be entitled to apply to the Bank, following a period of THIRTY (30) calendar days prior written notice to Lessee (which notice shall include reasonably-detailed description of the 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 the Lessor, the Letter of Credit shall remain in full force for the remaining undisbursed amount of the Letter of Credit to accommodate further applications, if any, and shall not be subject to cancellation or revocation until fully drawn or otherwise released or satisfied upon completion of construction of the improvements and final, unconditional lien waivers have been obtained from all contractors supplying labor and materials in connection with the construction. Lessor must approve the form and content of any Letter of Credit in writing, which approval shall not be unreasonably withheld, conditioned, or delayed.

5.2.2 **Performance Guarantee.** In addition to the Security Deposit, Lessee's obligation to timely complete the improvements described in Section 7 herein shall be secured, at Lessee's sole cost and expense and prior to commencement of construction of said improvements, by any one of the following instruments, chosen at Lessee's discretion:

(a) **Performance Bond.** Lessee shall require the contractor to provide a performance bond in the full contract amount conditioned upon the faithful performance of the contract in accordance with the 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 the Lessor and duly licensed for such undertaking in the state of Arizona; and shall be accompanied by a power of attorney disclosing the authority of the person executing it on behalf of the surety.; or

(b) **Completion Bond.** Lessee shall deliver to Lessor a completion bond in form and substance reasonably acceptable to Lessor pursuant to which Lessor shall have the unconditional, direct and unilateral right to draw upon or use such bond for completion of construction of the Improvements under Section 7.1 of this Lease if an Event of Default occurs and is continuing under Section 7.2.2 of this Lease. The bond shall be in a form reasonably acceptable to Lessor; shall be issued by a surety company reasonably acceptable to Lessor and duly licensed for such undertaking in the state of Arizona; and shall be accompanied by a power of attorney disclosing the authority of the person executing it on behalf of the surety.

6. AIRCRAFT OPERATIONS GUIDELINES.

If and to the extent that Lessee operates aircraft at or on the Airport, Lessee shall be subject to the provisions of **Exhibit C**. If any subtenant, contractor or agent of Lessee conducting activities on or at the Premises for or on behalf of Lessee and acting within the scope of their employment operates aircraft at the Airport, all shall be subject to the provisions of **Exhibit C**, which Lessor may enforce directly against such subtenant, contractor or agent, but Lessee shall have no direct liability or responsibility with respect to such matters; except, however, Lessee shall be responsible for compliance by its subtenants, contractors and/or agents with the *Airport Rules and Regulations* and *Airport Minimum Standards*, as appropriate.

7. IMPROVEMENTS.

7.1 Construction by Lessee. Lessee shall, at its sole cost and expense, construct improvements on the Premises that are generally described as an approximately 250,000 square foot industrial building and associated parking and site improvements within the eighteen (18) month construction time frame. and generally shall consist an approximate budget of $26,500,000 for the Work ("**Improvements**") in accordance with a site plan prepared by Lessee and approved by Lessor or by Lessor's Design Review Committee, if any, such approval not to be unreasonably withheld, conditioned, or delayed, and in compliance with all applicable governmental regulations, restrictions, building codes and any declaration of covenants, conditions, restrictions and easements of record affecting the Premises and any design guidelines promulgated pursuant thereto that are applicable to the Premises. Lessor and Lessee agree that Lessee shall be solely responsible for: (i) any connection(s) between the Premises and the terminating point of the existing vehicular access way to the Premises that is required by applicable or utility provider or is requested by Lessee; (ii) constructing all improvements necessary to bring all utilities to the Improvements; (iii) installing all utility meters and water and sewer lines to service all Improvements constructed on the Premises; and (iv) if applicable, constructing all Improvements necessary to connect the Premises to existing taxiways or taxilanes in accordance with and if allowable under all Airport and FAA rules, regulations and other requirements.

7.2 Construction Milestones; Termination. Lessee shall construct its Improvements pursuant to the following schedule (each of which events are herein called a "**Construction Milestone**"):

7.2.1 Lessee shall submit its Improvement design plans to Lessor for review and approval

no later than TWO (2) months from the Effective Date.

7.2.2 Lessee shall complete construction of all Improvements to be constructed by the Lessee at and on the Premises and shall have obtained a CofO (or its equivalent) from the City of Mesa therefor, no later than EIGHTEEN (18) months from the Effective Date.

7.2.3 If Lessee fails to commence construction within NINETY (90) 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 engaged in material work, such as grading or pouring of footings and slabs.

7.3 No Alterations. Lessee shall make no material improvements or alterations to the Premises during the Term of this Lease without the prior written permission of Lessor, which shall not be unreasonably withheld, conditioned, or delayed including, if and to the extent applicable, the approval by Lessor's Design Review Committee. The process of approving any material improvements or alterations by Lessor and Lessor's Design Review Committee shall occur within the same period of time (without duplication) given to Lessor for approval of the same. Lessor will have FORTY-FIVE (45) days following receipt of a written request by Lessee for approval of material improvements or alterations to either approve or disapprove the same. If Lessor disapproves, Lessor shall provide Lessee with a reasonably-detailed explanation for Lessor's disapproval and suggestions for revisions that would reasonably satisfy Lessor's disapproval. If Lessor fails to respond within such FORTY-FIVE (45)-day period Lessee may give a second notice to Lessor requesting approval of material improvements or alterations, on which the following language must appear in bold print: "**FAILURE TO RESPOND TO THIS NOTICE WITHIN FIVE (5) BUSINESS DAYS FROM ITS RECEIPT SHALL RESULT IN THE LESSEE'S PROPOSED IMPROVEMENTS AND ALTERATIONS BEING DEEMED APPROVED**." If Lessor fails to respond in writing (in the manner described above) to any matter in such second notice within FIVE (5) business days following delivery of such notice, Lessee's proposed improvements and alterations shall be deemed to have been approved by Lessor. If Lessor disapproves a request for approval and sets forth the reason for its disapproval, then Lessee may resubmit a revised description of the improvements or alterations for review and approval. This cycle will repeat itself until Lessor either approves the request or is deemed to have approved the same. Lessee shall provide Lessor with electronic as-built drawings (or their equivalent) when any improvement or alteration is completed for which such drawings are reasonably required.

7.4 Title to Alterations and Improvements. Title to all Improvements and alterations on the Premises (but not personal property or trade fixtures) shall vest in Lessor upon the expiration of this Lease, and Lessee agrees to execute and deliver to Lessor, within TEN (10) business days after Lessor's written request therefor, a quitclaim deed quitclaiming such Improvements and alterations to Lessor.

7.5 Mechanics' Liens. Lessee shall keep the Premises and all improvements constructed by Lessee thereon free of any mechanic or materialmen's liens. In the event that any such lien is filed, Lessee shall, at its sole cost, cause such lien to be removed from the Premises by bonding or otherwise within THIRTY (30) calendar days of notice thereof.

7.6 Permit Required. Lessee shall be responsible for determining whether it is subject to local building/construction codes or permit requirements, and for compliance with them to the extent they are applicable. All structural, electrical, plumbing or mechanical construction or reconstruction of the Improvements shall conform to City of Mesa ("**City**") construction and technical codes. No such work shall be commenced without first obtaining required permits from the City. All such work shall be permitted, inspected and approved by the City prior to concealment or use, as required by applicable laws. Lessee shall

provide to Lessor a contemporaneous copy of Lessee's permit application and a copy of the final stamped approval and the associated plans and specifications.

7.7 Damage or Destruction. Lessee shall maintain insurance on all of Lessee's Improvements to the Premises. In the event that all or any portion Lessee's Improvements are destroyed or rendered unusable due to fire or other catastrophe, Lessee shall replace, repair, restore, modify or improve said Improvements, subject to the provisions of Section 7.6, using available insurance proceeds together with any additional funds from other available sources. Notwithstanding the foregoing, if any damage or destruction occurs to the Premises during the last 5 years of the Initial Term or any Extension Term and the cost to repair the damage exceeds 65% of the total replacement cost, Lessee may terminate this Lease upon giving Lessor thirty (30) days' written notice, whereupon Lessee shall pay the replacement cost of the Improvements to Lessor.

8. MAINTENANCE.

8.1 Lessee Responsibilities. Lessee shall, at its sole cost and expense, keep the Premises in a clean condition and in good order, condition and repair throughout the Term, reasonable wear and tear excepted. Lessee's maintenance of the Premises shall consist of, as reasonably necessary, the inspection, servicing and repair of all improvements, including pest control, landscaping and grounds maintenance.

8.2 Damage to Lessor Property. Any real or personal property of Lessor damaged or destroyed by Lessee (or its agents, contractors, employees, managers and representatives) as a result of Lessee's use or occupancy of the Premises shall be promptly repaired or replaced by Lessee to the reasonable satisfaction of Lessor; provided however, that Lessor acknowledges and agrees that Lessor's real property will be permanently altered, changed and modified as a result of the development and use of the Premises, and Lessor hereby consents thereto, and agrees that such development and use of the Premises as permitted in accordance with this Lease shall not constitute waste, damage or destruction to Lessor's real property. Lessor also approves of Lessee demolishing any and all improvements located on or under the Premises.

8.3 Trash Removal. Lessee shall at all times keep the Premises in a clean, safe, sanitary and orderly condition and shall keep such area reasonably free of all trash and debris, and in any event in compliance with all applicable laws and ordinances. Lessee shall be responsible for all trash removal from the Premises and Lessee shall deposit all trash and debris only at collection stations located on or in proximity to the Premises, in accordance with City code.

8.4 Emergency Repairs. Within FIFTEEN (15) days of the Effective Date, Lessee shall provide Lessor with a list of names and telephone numbers for 24-hour emergency contact for the Premises. Lessee shall promptly provide Lessor with updated lists and changes as necessary.

9. ASSIGNMENT, SUBLETTING AND OTHER TRANSFERS.

9.1 Assignment.

9.1.1 Consent Required. Subject to Lessee's rights under Section 24, Liens and Mortgages, Lessee may not transfer or assign ("**Transfer**") its interest in this Lease or any right or interest hereunder without the prior consent of Lessor, which consent may not be unreasonably withheld, delayed or conditioned. Lessor will have FORTY-FIVE (45) days following receipt of a written request by Lessee for approval of a Transfer to either approve or disapprove the same. If Lessor disapproves, Lessor shall provide Lessee with a reasonably-detailed explanation for Lessor's disapproval. If Lessor fails to respond within such FORTY-FIVE (45)-day period Lessee may give a second notice to Lessor requesting approval of a Transfer, on which the following language must appear in bold print: "**FAILURE TO RESPOND TO THIS NOTICE WITHIN FIVE (5) BUSINESS DAYS FROM ITS RECEIPT SHALL RESULT IN THE LESSEE'S PROPOSED TRANSFER BEING DEEMED APPROVED**." If Lessor fails to respond in writing (in the

manner described above) to any matter in such second notice within FIVE (5) business days following delivery of such notice, Lessee's proposed Transfer shall be deemed to have been approved by Lessor. If Lessor disapproves a request for approval and sets forth the reason for its disapproval, then Lessee may resubmit a revised proposal for a Transfer for review and approval. This cycle will repeat itself until Lessor either approves the request or is deemed to have approved the same. Notwithstanding the foregoing, however, Lessee may assign or encumber its leasehold interest, including any title to any improvements, as security in conjunction with or as part of one or more leasehold mortgages or deeds of trust, including assignments by means of a foreclosures or trustee's sales thereunder without Lessor's consent. In the case of an assignment (other than an assignment or encumbrance as security), the assignee must expressly assume in writing all of Lessee's obligations under this Lease from and after the date of such assignment.

9.1.2 Deemed Transfers. For the purposes of this Lease, a Transfer shall be deemed to include the following: (i) the transfer of any ownership interest in Lessee resulting in a change in the present control of Lessee by the person or persons owning a majority of the ownership interest thereof as of the date of this Lease; provided, however, if Lessee is a corporation whose stock is traded on a nationally recognized stock exchange, the transfer of Lessee's stock shall not constitute a Transfer requiring Lessor's consent; and (ii) the sale of greater than FORTY-NINE PERCENT (49%) or more in value of the assets of Lessee, whether in a single transaction or a series of transactions.

9.2 Subletting.

9.2.1 Lessee may sublease all or portions of the Premises if the following conditions are met:

(a) The sublease and any amendments or modifications thereto are approved in advance and in writing by Lessor (which approval shall not be unreasonably withheld, delayed or conditioned), or is/are in a form which shall have been previously approved in writing (except for changes that do not materially impact Lessor's rights and interests) by Lessor. If a pre-approved form is used, Lessor's advance approval of the actual sublease and any amendments or modifications thereto is not required. Lessor will have FORTY-FIVE (45) days with respect to a new sublease, or FIFTEEN (15) days with respect to amendments or modifications to a sublease, following receipt of a written request by Lessee for approval of a Transfer to either approve or disapprove the same. If Lessor disapproves, Lessor shall provide Lessee with a reasonably-detailed explanation for Lessor's disapproval. If Lessor fails to respond within such FORTY-FIVE (45)-day or FIFTEEN (15)-day period, as the case may be, Lessee may give a second notice to Lessor requesting approval of a Transfer, on which the following language must appear in bold print: "**FAILURE TO RESPOND TO THIS NOTICE WITHIN FIVE (5) BUSINESS DAYS FROM ITS RECEIPT SHALL RESULT IN THE LESSEE'S PROPOSED TRANSFER BEING DEEMED APPROVED**." If Lessor fails to respond in writing (in the manner described above) to any matter in such second notice within FIVE (5) business days following delivery of such notice, Lessee's proposed sublease, amendment or modification, as the case may be, shall be deemed to have been approved by Lessor. If Lessor disapproves a request for approval and sets forth the reason for its disapproval, then Lessee may resubmit a revised proposal for a Transfer for review and approval. This cycle will repeat itself until Lessor either approves the request or is deemed to have approved the same.

(b) Rent for subleased premises shall not be less than fair market value unless otherwise approved in writing by Lessor.

(c) The sublease(s) and sublessee(s) shall at all times be subject to the terms and conditions of this Lease.

(d) The permitted uses of the Premises under any sublease shall be the same as that permitted under this Lease. Sublessees shall agree in the sublease not to engage in any Prohibited Use.

(e) The term of any sublease shall not extend beyond the stated expiration of this Lease.

(f) Except for the payment of a security deposit, the sublessee under such sublease shall not pay rent more than SIX (6) months in advance of its due date under the sublease.

9.2.2 Upon request from Lessee and/or any sublessee, Lessor shall enter into a Non-Disturbance and Attornment Agreement (in form and substance reasonably acceptable to Lessor, Lessee, sublessee and any applicable Mortgagee of Lessee or sublessee) so long as (i) the conditions of Section 9.2.1 have been met; (ii) the sublessee is not then in default beyond an applicable notice and cure period under the sublease and there is no existing Event of Default under this Lease; and (iii) the sublessee does not have a history of five (5) or more documented events of noncompliance with the *Airport Rules and Regulations* or *Airport Minimum Standards*. All reasonable legal fees incurred by Lessor in connection with any reasonably necessary third-party legal counsel review and approval of a Non-Disturbance and Attornment Agreement shall be paid by Lessee or sublessee.

9.2.3 Lessee shall not permit any sublessee unescorted access to the secured areas of the Airport unless and until the sublessee has obtained its own valid Airport security clearance and access credentials from Lessor. Lessee acknowledges that it may take THIRTY (30) calendar days or more to process sublessee for security clearance and access credentials.

9.2.4 Lessee shall submit a copy of each fully executed sublease to Lessor as soon as possible, but no later than FIVE (5) business days after Lessee receives the fully executed sublease.

9.3 Non-Disturbance. Lessor agrees, for the benefit of all subtenants of all or any part of the Premises, that if this Lease or Lessee's right to possession of the Premises is terminated for default or otherwise, all subleases of all or any part of the Premises, except any sublease to an Affiliate of Lessee, shall continue in full force and effect, notwithstanding the termination, as direct leases between Lessor and the subtenants and all such subtenants shall, upon request, attorn in writing to Lessor.

10. SIGNS.

Lessee may install on the Premises, including the Improvements, one or more signs, including signs identifying its business and, if Lessee so desires, a monument sign on the Premises; provided, however, that the general type, size, and location of such sign(s) shall conform to Lessee's Comprehensive Sign Plan, be approved in writing by Lessor in advance of installation, which approval may not be unreasonably withheld, conditioned or delayed, and be subject to any signage rules, codes and/or regulations of any governmental authority.

11. DEFAULT; TERMINATION BY LESSOR.

11.1 Events of Default. Each of the following shall constitute a material default of this Lease by Lessee ("**Event of Default**"):

11.1.1 Failure to pay any installment of Base Rent or other amount due from Lessee hereunder, provided that Lessee does not cure such failure within TEN (10) business days after delivery by Lessor of a written notice of such failure.

11.1.2 Failure to perform any of its other obligations under this Lease or failure to perform any of its obligations as a "Lessee" under the Declaration (as defined in Section 44 below), as such obligations relate to the Premises, provided that Lessee does not cure such failure within THIRTY (30) calendar days after delivery by Lessor to Lessee of a written notice of such default; provided, however, if a cure of the default reasonably requires more than THIRTY (30) calendar days to complete, then the time to cure shall be extended so long as the cure is being diligently pursued.

11.1.3 The filing of any mechanic's, materialmen's or other lien or any kind against the Premises because of any act or omission of Lessee which lien is not discharged, by bonding or otherwise, within THIRTY (30) calendar days of receipt of actual notice thereof by Lessee.

11.1.4 The Transfer or attempted transfer of any interest in the Lease to any transferee in violation of Section 9, provided that Lessee does not cancel or otherwise negate such Transfer or attempted transfer within THIRTY (30) calendar days after delivery by Lessor to Lessee of a written notice of such default.

11.1.5 Failure to pay its Proportionate Share of any Common Area Assessment in accordance with the Declaration as provided in Section 44 below, provided that Lessee does not cure such failure within TEN (10) business days after delivery by Lessor to Lessee of a written notice of such failure.

11.2 Lessor's Remedies. Upon the occurrence of an Event of Default under this Lease, Lessor may, without prejudice to any other rights and remedies available to a Lessor at law, in equity or by statute, exercise one or more of the following remedies, all of which shall be construed and held to be cumulative and non-exclusive:

11.2.1 Terminate this Lease and re-enter and take possession of the Premises; or

11.2.2 Without terminating this Lease, re-enter and take possession of the Premises; or

11.2.3 Without such re-entry, recover possession of the Premises in the manner prescribed by any statute relating to summary process, and any demand for Base Rent, and any and all notices to quit, or other formalities of any nature to which Lessee may be entitled, are hereby specifically waived to the extent permitted by law; or

11.2.4 With or without terminating this Lease, Lessor may re-let the Premises or any portion thereof.

Lessor agrees that Lessor's right to re-enter the Premises under Arizona Revised Statutes Section 33-361 and other similar rights shall arise after, and only after, the applicable notice and cure or grace periods under this Lease have been given and expired without such default or failure having been cured by Lessee.

11.3 No Implied Termination. Lessor shall not be deemed to have terminated this Lease unless Lessor shall have notified Lessee in writing that it has so elected to terminate this Lease. Except for Lessor's negligence or willful misconduct, Lessee hereby waives all claims based on Lessor's reentering and taking possession of the Premises, or removing and storing the property of Lessee, and Lessee shall reimburse Lessor for all reasonable costs incurred by Lessor occasioned thereby. No such reentry shall be considered or construed to be a forcible entry by Lessor.

11.4 Lessor's Current Damages. Upon the occurrence and during the continuance of an Event of Default, Lessor is authorized to make such repairs, refurbishments or improvements to the Premises as may be necessary for the purpose of attempting to re-let the Premises, and the reasonable costs and expenses incurred in respect of such repairs, redecorating, refurbishments and improvements shall be paid by Lessee to Lessor within TEN (10) business days after receipt of Lessor's statement. If Lessor exercises any of the remedies stated above, Lessor shall be entitled to recover from Lessee all actual damages incurred by Lessor by reason of the Event of Default, which shall include, without limitation, (i) the equivalent of the amount of the present value of Base Rent and all other payments which would be payable under this Lease by Lessee for the remainder of the Term as if this Lease were still in effect, less (ii) the net proceeds of any re-letting by Lessor after deducting all of Lessor's reasonable expenses in connection with such re-letting, which shall include, without limitation, repossession costs, repairs, redecorating, refurbishments or improvements to the Premises, brokerage commissions, attorneys' fees, and legal expenses. Lessee shall pay such current damages to Lessor, in the

amount set forth in the preceding sentence ("**Deficiency**"), in monthly installments on the days on which the Base Rent would have been payable under this Lease as if this Lease were still in effect. In no event shall Lessee be liable for punitive, consequential or speculative damages under this Lease. Lessor agrees to satisfy its obligations to mitigate its damages.

11.5 Lessor's Final Damages. At any time after an Event of Default, whether or not Lessor shall have collected any monthly Deficiency as set forth above, Lessor shall be entitled to recover (without duplication) from Lessee, and Lessee shall pay to Lessor, promptly on demand, as Lessor's final damages for the applicable Event of Default, the sum of (a) the then present worth (at a discount at the rate of SIX PERCENT (6%) per annum) of (i) the aggregate of the Base Rent and all other amounts to be paid by Lessee hereunder for the unexpired portion of the Term of this Lease (assuming this Lease had not been terminated), less (ii) the amount of Rent and any losses that could have been reasonably avoided, plus
(b) reasonable repossession costs, reasonable Lessor's expenses in connection with any attempts it may have made to re-let the Premises (which shall include, without limitation, repairs, refurbishments or improvements to the Premises and brokerage commissions), reasonable attorneys' fees, reasonable legal expenses, and all other actual damages incurred by Lessor as a result of such Event of Default.

11.6 No Waiver by Lessor. No waiver by Lessor of any breach or default by Lessee in the performance of its obligations under this Lease shall be deemed to be a waiver of any subsequent default by Lessee in the performance of any of such obligations, and no express waiver shall affect an Event of Default in a manner other than as specified in said waiver. The consent or approval by Lessor to or of any act by Lessee requiring Lessor's consent or approval shall not be deemed to waive or render unnecessary Lessor's consent or approval to or of any subsequent similar acts by Lessee.

11.7 Content of Default Notice. Any default notice tendered to Lessee hereunder shall be deemed to be sufficient if it reasonably describes the nature of such default, and is made in accordance with Section 20 herein.

11.8 Limitation on Exercise of Termination Remedy by Lessor. Notwithstanding anything to the contrary in Section 11.2 hereinabove, if an Event of Default occurs, Lessor shall not have the remedy of terminating this Lease or of taking possession of the Premises unless: (i) the Event of Default consists of a failure to pay Base Rent or other amounts owed to Lessor; or (ii) Lessor has no other remedy that is adequate to protect Lessor's interests. Nothing in this Section 11 shall limit the exercise of any such other remedy.

11.9 Waiver of Landlord's Lien. Lessor hereby waives all statutory or common law landlord's lien rights with respect to personal property located on the Premises.

12. [RESERVED].

13. INDEMNIFICATION.

13.1 Lessee's Indemnity. Except for the actions and omissions of Lessor and its agents, contractors, employees, managers and representatives, to the fullest extent permitted by law, Lessee hereby agrees to defend, indemnify and hold harmless Lessor and its members, elected or appointed officials, agents, contractors, subcontractors, boards, commissions and employees (hereinafter referred to collectively as the "Lessor" for purposes of this Section 13.1 for, from and against any and all third-party claims, causes of action, liability, suits, litigation (including reasonable attorney's fees and other costs of investigation and litigation), actions, losses, damages or claims of any nature whatsoever to the extent such arise out of or in connection with (i) any accident, injury or actual damages occurring within the Premises during the Term caused by Lessee or its agents, employees, contractors, or subcontractors, or (ii) any negligent act or omission of Lessee or its agents, employees, contractors, or subcontractors (hereinafter referred to collectively as "Lessee" for purposes of this Section 13.1) on the Property or the Airport and which result directly or indirectly in the injury to or death of

any persons or the damage to or loss of any property or other damages or losses to Lessor, or (iii) the failure of Lessee to comply with any provisions of this Lease. This indemnification shall exclude responsibility for any damages and for claims arising by reason of the acts or omissions of Lessor or its employees, contractors or agents.

13.2 Lessor's Indemnity. Except for the actions and omissions of Lessee and its agents, contractors, employees, managers and representatives, to the fullest extent permitted by law, Lessor hereby agrees to defend, indemnify and hold harmless Lessee and its members, elected or appointed officials, agents, contractors, subcontractors, boards, commissions and employees (hereinafter referred to collectively as the "Lessee" for purposes of this Section 13.2) for, from and against any and all third-party claims, causes of action, liability, suits, litigation (including reasonable attorney's fees and other costs of investigation and litigation), actions, losses, damages or claims of any nature whatsoever to the extent such arise out of or in connection with (i) any negligent act or omission or intentional misconduct by Lessor or its agents, employees, contractors, or subcontractors (hereinafter referred to collectively as "Lessor" for purposes of this Section 13.2) on the Property or the Airport, and which result directly or indirectly in the injury to or death of any persons or the damage to or loss of any property or other damages or losses to Lessee, or (ii) the failure of Lessor to comply with any provisions of this Lease. This indemnification shall exclude responsibility for any damages and for claims arising by reason of the acts or omissions of Lessee or its employees, contractors or agents.

13.3 Lessor's Damage to Improvements. Lessor shall be responsible and liable for any damage to any Improvements or alterations on the Property to the extent caused by Lessor or its agents, employees, contractors or subcontractors, and Lessor shall promptly repair any damage caused by Lessor or its agents, employees, contractors or subcontractors.

14. ENVIRONMENTAL PROTECTION.

14.1 Definitions. Unless the context shall clearly require otherwise, the terms defined in this Section 14.1 shall, for all purposes of this Lease and of any agreement amendatory hereof or supplemental hereto, have the meanings herein specified, with the following definitions to be equally applicable to both the single and plural forms of any of the following:

14.1.1 *Environmental Laws*. The term "Environmental Laws" shall mean any one or all of the following, as the same are amended from time to time: the *Comprehensive Environmental Response, Compensation, and Liability Act*, 42 USC Section 9601 et seq.; the *Resource Conservation and Recovery Act*, 42 USC Section 6901, et seq.; the *Toxic Substances Control Act*, 15 USC Section 2601 et seq.; the *Safe Drinking Water Act*, 42 USC Section 300f et seq.; the Clean Water Act, 33 USC Section 1251 et seq.; the *Clean Air Act*, 42 USC Section 7401 et seq.; the *Arizona Hazardous Waste Management Act*, A.R.S. Section 49-921 et seq. the *Arizona Environmental Quality Act*, A.R.S. Title 49, as amended; and all regulations thereunder and any other laws, regulations and ordinances (whether enacted by the local, state or federal government) now in effect or hereafter enacted that deal with the regulation or protection of the environment, including the ambient air, ground water, surface water, and land use, including substrata land, or that govern the use of hazardous materials, hazardous waste and hazardous substances and petroleum products.

14.1.2 *Hazardous Material*. The term "Hazardous Material" shall mean any toxic or hazardous material, substance or waste, or any pollutant or contaminant as defined or regulated pursuant to any Environmental Law and petroleum products. For purposes of this definition, petroleum includes petroleum-based substances comprised of a complex blend of hydrocarbons derived from crude oil through processes of separation, conversion, upgrading and finishing (e.g., distillate fuel oils, petroleum solvents and used oils).

14.2 [Intentionally Omitted].

14.3 Environmental Compliance.

14.3.1 Lessee shall, at the Lessee's own expense, comply with all present and hereafter enacted Environmental Law, including any amendments thereto, affecting Lessee's activities on and property interest in the Premises during the period of Lessee's occupancy of thereof under this Lease. To the extent that Lessor, or any Lessor's employees, agents or contractors, conducts any activities on the Premises during the period of Lessee's occupancy, Lessor shall, at Lessor's own expense, comply with all present and hereafter Environmental Law, including any amendments thereto, affecting any of Lessor's activities on the Premises.

14.3.2 Lessee shall not cause or permit any Hazardous Material to be brought upon, kept or used in or about the Premises or the Airport by Lessee's agents, employees, contractors or invitees in violation or threatened or suspected violation of any Environmental Law. The Parties recognize and agree that Lessee may bring on the Premises and Airport and use Hazardous Material that is ordinarily and customarily used in the conduct of Lessee's permitted activities under this Lease, provided that such use shall comply fully with all applicable Environmental Laws. Lessor shall not cause or permit any Hazardous Material to be brought upon, kept, or used in or about the Premises or by Lessor's agents, employees, contractors for any activity Lessor conducts on the Premises during Lessee's occupancy, without prior notification to and approval by Lessee (which shall not be unreasonably withheld), and any such use or presence shall be in compliance with Environmental Law.

14.3.3 If Lessee desires and receives written authorization from Lessor to install any underground storage tanks ("**USTs**") on the Premises or elsewhere on the Airport, Lessee shall submit the plans for such USTs to Lessor for prior written approval and shall comply with all applicable Environmental Laws related thereto, including Title 40, Code of Federal Regulations, Part 280, as adopted by the State of Arizona ("**Part 280**"), and Lessee shall be the owner of such USTs for statutory purposes. Installation of USTs shall comply with the "code of practice" set forth in Part 280. Lessee is solely responsible for the design, construction, installation, operation, monitoring, inspection, repair and maintenance of any and all USTs, including any connected piping and/or dispensing apparatus. Lessee shall provide to Lessor a copy of the Arizona Department of Environmental Quality *Notification of Underground Storage Tank Registration* that Lessee submits to the state. All USTs shall meet or exceed the tank performance standard for USTs installed after December 22, 1998, including corrosion protection, leak detection and spill/overflow protection. Any UST that stores flammable and combustible liquids shall meet the provisions of NFPA 30, *Flammable and Combustible Liquids Code*. Records demonstrating compliance with release detection requirements, including product inventories, calibration and maintenance, sampling, tightness testing and any other records, fees and taxes required by the state or federal governments shall be the responsibility of Lessee. Upon the expiration of this Lease, Lessee shall remove all USTs in compliance with all UST closure requirements under all applicable Environmental Laws in effect at that time unless otherwise allowed by Lessor.

14.4 Indemnification. To the fullest extent permitted by law, Lessee shall indemnify, defend (with counsel reasonably acceptable to Lessor), protect and hold harmless Lessor and its employees and agents for, from and against any and all liability, loss, damage, expense, penalties and legal and investigation fees or costs, arising from or related to any claim or action for injury, liability, or damage to persons or property and any and all claims or actions brought by any person, entity or governmental body, alleging or arising in connection with contamination of the environment or violation of any Environmental Law or other statute, ordinance, rule, regulation, judgment or order of any government or judicial entity ("**Environmental Damages**") which are incurred or assessed as a result of any of Lessee's activities or operations on the Premises or Airport. This obligation includes, but is not limited to, all costs and expenses related to cleaning up the property, land, soil and underground or surface water as required under the law. Lessee's obligations and liabilities under this Section 14.4 shall survive the termination of this Lease. The indemnification of Lessor by Lessee as described above includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision. Lessor reserves the right to seek injunctive relief as may be permitted under law and equity. This Section 14.4 explicitly excludes Lessee duty, liability or indemnity to Lessor for any claims or Environmental Damages of any kind whatsoever arising from or in connection with any contamination of any

kind existing on the Premises prior to the Effective Date, except and only to the extent known contamination is exacerbated by Lessee or unknown contamination is exacerbated by Lessee's negligence.

14.5 Remediation. Without limiting the foregoing, if the presence of any Hazardous Material during the Term of this Lease caused or permitted by Lessee to be first brought on the Airport or Premises upon or after the Effective Date results in any Release on the Airport or Premises in violation of any Environmental Law, Lessee shall promptly take action to remediate the affected property at its sole expense as necessary to return the Airport or Premises to the condition existing prior to the introduction of any such Hazardous Material to the Airport or Premises; provided that Lessor's approval of such actions shall first be obtained, which approval shall not, except in an emergency, be unreasonably withheld so long as such actions would not potentially have any material adverse long-term effect on the Airport and Lessee is not under administrative or court order related to such remediation action. Notwithstanding Lessor's approval pursuant to this Section 14.5, Lessor is not responsible for directing or managing any remediation action. For purposes of this Section 14.5, the term "Release" means any releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, disposing, or dumping. This Section 14.5 also applies to Lessee's remediation of any contamination of any kind existing on the Premises or Airport prior to the Effective Date, including any such contamination that may be first discovered after the Effective Date but not caused by Lessee, except and only to the extent known contamination is exacerbated by Lessee or unknown contamination is exacerbated by Lessee's negligence.

14.6 Governmental Submittals. Lessee shall, at Lessee's own expense, make all submissions to, provide all information to, and comply with all requirements of the appropriate governmental authority ("**Government**") under the Environmental Laws. Should the Government determine that a site characterization, site assessment and/or cleanup plan should be prepared and/or that a cleanup should be undertaken because of any spills or discharges of Hazardous Material by reasons of Lessee's activities or actions at the Airport which occur during the Term of this Lease, then Lessee shall, at the Lessee's own expense, prepare and submit the required plans and financial assurances, and carry out the approved plans.

14.7 Information Sharing.

14.7.1 Lessee shall immediately notify Lessor of any of the following: (i) Lessee's receipt of any notification from any governmental entity either charging or informing Lessee that it will be charged with a significant violation of Environmental Law (as defined below), and (ii) any significant change in Lessee's activities on the Premises that is reasonably likely to adversely change Lessee's obligations or liabilities under the Environmental Laws. In addition, Lessee agrees to provide Lessor with non-privileged copies of documents reflecting the physical condition of the Premises, including but not limited to, environmental testing of soils and groundwater, and existing, non-privileged information reasonably requested by Lessor to determine the applicability of the Environmental Laws to the Premises, or to assist in the response to any governmental investigation or claim of liability by third parties which is related to environmental contamination of the Premises, to the extent that such investigations or claims are related to Lessee's activities thereon. A "significant violation of Environmental Law" shall be any violation that requires more than ONE HUNDRED EIGHTY (180) calendar days to resolve.

14.7.2 Lessee shall install on any UST that it is permitted to install pursuant to Section 14.3.3, a method or a combination of methods for Release detection that can detect a Release from any portion of the UST and any connected underground piping. Lessee shall immediately notify Lessor's Operations and Maintenance Department upon discovering a Release or Suspected Release of any amount of material that is stored inside a UST. For purposes of this Section, a "Suspected Release" is any discovery of released Hazardous Material at the UST site or surrounding area, erratic behavior of Hazardous Material dispensing equipment, the sudden loss of a Hazardous Material, an unexplained presence of water in the UST, or when monitoring indicates that a Release has occurred. In the case of inventory control, Lessee shall notify the Lessor's Operations and Maintenance Department when the second consecutive month of inventory reconciliation data

indicates that there is a discrepancy in the figures recorded.

14.8 Sublease. Lessee shall insert provisions substantially identical to the provisions of this Section 13.1 in any sublease agreement or contract by which it grants a right or privilege to any person, firm, corporation or other entity under this Lease.

14.9 Actions of Lessee. The activities or actions of Lessee under this Section 13.1 shall include the activities or actions of Lessee's officers, directors, employees, agents, contractors, invitees and successors.

14.10 Clean Water Act; NPDES Permits and SWPPPs. Without in any way limiting the foregoing, Lessee shall comply with all Environmental Laws regarding discharges to water and land, including, without limitation, obtaining and complying with an individual National Pollutant Discharge Elimination System (NPDES) permit, or requesting coverage under and complying with any applicable Multi-Sector General Permit ("**MSGP**"). If applicable, Lessee shall also prepare and comply with a site-specific MSGP with an individual Storm Water Pollution Prevention Plan ("**SWPPP**") or any revisions to a SWPPP, with respect to Lessee's operations or activities on the Premises or Airport. Proof of individual compliance shall be provided in the form of both the Lessee's Notice of Intent ("**NOI**") that has been received by the Arizona Department of Environmental Quality ("**ADEQ**") and the individual Arizona Multi-Sector General Permit (AZMSGP) number associated with the NOI, within the times prescribed by law.

14.11 Environmental Assessments.

14.11.1 If, during the Term of this Lease, any of Lessee's USTs are suspected of or known to be leaking, Lessee shall perform, or cause to be performed, a site characterization of the Premises and/or UST site using all appropriate sections of the LUST Site Characterization Manual dated January 15, 1999, or the most current edition, including tables 1 through 6, as applicable ("**Site Characterization**").

14.11.2 Within THIRTY (30) calendar days immediately preceding the expiration of this Lease or within THIRTY (30) calendar days of any earlier termination of the Lease, Lessee shall:

(a) Deliver to Lessor: (i) a Phase I environmental site assessment that conforms to the standards set forth in 42 USC § 9601(35)(B), as amended by Pub. L. 107-118 (Jan. 11, 2002), section 223(2), and as may be further amended, and any regulations thereunder; and (ii) an environmental compliance audit assessing the status of regulatory compliance of the Premises and all operations and activities thereon; both prepared by a qualified engineer licensed by the State of Arizona; and

(b) In the event Lessee installs any USTs upon the Premises or elsewhere on the Airport, perform or cause to be performed a Site Characterization of the Premises in the event there is evidence that there has been or may be a leak or Release of the UST contents; and

(c) If either the assessment described in Section 14.11.2(a)(i) above or the Site Characterization described in Section 14.11.2(a)(ii) above identifies any "recognized environmental condition," or any other condition indicating a known or potential liability, including, but not limited to, a known or potential violation of any Environmental Law or a past, present, or material threat of a future release of a hazardous substance or a petroleum product into the environment, Lessor reserves the right, at Lessor's sole discretion, to require Lessee to conduct, at Lessee's sole expense and with a scope of work subject to Lessor's approval, further reasonable investigations and reasonable remediation.

14.12 Protective Devices and Plans. If Lessee is required by the City to estimate the possible constituents of sanitary sewer discharges in order that the City may define certain discharge limitations for the Premises, Lessee shall complete and return an *Industrial Wastewater Discharge Questionnaire* ("**Questionnaire**") to the City and promptly provide Lessor with updates to the Questionnaire as they arise. Also, if the City so

requires, Lessee shall install and maintain appropriate protective devices to prevent accidental discharge of any Hazardous Material into domestic or industrial drains on or near the Premises and elsewhere on the Airport, as appropriate, and for any other material for which a slug load discharge could pollute the Airport's storm water discharge or disrupt operations at the sewage treatment plant serving the Premises. Lessee shall post a notice in a prominent place on the Premises advising employees what actions to take and whom to call in the event of said discharge, and shall ensure that all employees of Lessee are trained with regard to the spill protection plan hereinafter referenced. Lessee also shall provide Lessor with immediate notice of any spill.

14.13 Right to Enter Premises. In addition to the rights afforded to Lessor in Section 19, this Lease specifically includes the right of the United States Government, the Environmental Protection Agency (the EPA), ADEQ and the Arizona Department of Occupational Safety and Health (ADOSH) to enter the Premises upon reasonable notice to Lessee for purposes of: (i) inspecting Lessee's compliance with environmental, occupational safety and health laws and regulations, whether or not such party is responsible for enforcing such laws; (ii) conducting environmental investigation or remediation, including, without limitation, performing tests and surveys, drillings, test-pitting, borings, compiling data and/or records, and other activities related to environmental investigation; and (iii) carrying out remedial or removal actions as required or necessary under applicable laws, including, without limitation, installing monitoring wells, pumping wells and/or treatment facilities. Lessee shall have no claim against Lessor for any entries by the United States, EPA, ADEQ, Arizona ADOSH, or any officer, agent, employee or contractor thereof.

14.14 U.S. Air Force Use and Remedial Action.

14.14.1 The Parties assume no liability or responsibility for environmental impacts and Environmental Damages or claims of any kind whatsoever caused by or resulting from the U.S. Air Force's use of Hazardous Material on any portion of the Airport, including the Premises, prior to the Effective Date, and have no obligation under this Lease to undertake the defense of any claim or action, whether in existence now or brought in the future, solely arising out of the use of or release of any Hazardous Material or deposits of solid waste on or from any part of the Airport, including, but not limited to, the Premises, even if such claims or contamination are first discovered or made after the Effective Date. Further, the Parties have no obligation under this Lease to undertake environmental response, remediation, or cleanup relating to any contamination caused by or related to such use or release. For purposes of this Section 14.14, "defense" or "environmental response, remediation, or cleanup" shall include liability and responsibility for the costs of damage, penalties, legal and investigative services relating to such use or release. The terms, "Occupation" or "Use" shall mean any activity or presence (in or upon) such portion of, or such building, facility or other improvement on the Premises.

14.14.2 Pursuant to Section VII.E.3 of the Deed (as defined herein), the U.S. Air Force warrants and covenants that all remedial action necessary to protect human health and the environment with respect to hazardous substances remaining on the Airport, including the Premises, has been completed prior to the date of the Deed and, further, any remedial action found to be necessary after the date of the Deed shall be conducted by the U.S. Air Force; provided, however, that the foregoing covenant does not apply where Lessor or Lessee is a potentially responsible party with respect to any portion of the Premises or the Airport.

14.15 Cleanup Requirements. Lessee agrees that Lessor assumes no liability to Lessee should Hazardous Material cleanup or related requirements, whether imposed by law, regulatory agencies, the U.S. Air Force or Department of Defense cause delays or interferes with Lessee's use of the Premises. Lessee shall have no claim against Lessor or the United States or any officer, agent, employee or contractor thereof on account of any such interference whether due to entry, performance of remedial or removal investigations, or exercise of any right with respect to the Federal Facilities Agreement (FFA) or the Installation Restoration Program (IRP) or under this Lease or otherwise. Lessee agrees to comply with the provisions of any health or safety plan in effect under the IRP or any hazardous substance remediation or response agreement with environmental regulatory authorities during the course of any of the above described response or remedial actions. Any

inspection, survey, investigation, or other response or remedial action conducted by Governmental Authorities or Lessor shall, to the extent practicable, be coordinated with representatives designated by Lessee.

14.16 Spill Protection Plan. In the event Lessee undertakes any type of manufacturing, maintenance or other activities on the Premises involving the use or generation of any Hazardous Material regulated by Hazardous Material Laws, Lessee shall have a plan for responding to Hazardous Material, fuel, and other chemical spills prior to commencement of activities on the Premises and other approved Airport locations. Such plan shall comply with all applicable requirements of said plan which shall be updated from time to time or as may be required to comply with changes in site conditions or applicable requirements, and shall be approved by all agencies that are obligated by law to approve such plan. Such plan shall be independent of Lessor's spill prevention and response plans, if any. Lessee shall not rely on use of Lessor or Lessor personnel or equipment in execution of its plan. Lessee shall file a copy of the plan and amendments thereto with Lessor's Environmental and Archeological Coordinator prior to the date that Lessee commences any manufacturing, maintenance or other activities on the Premises involving the use or generation of any Hazardous Material regulated by Hazardous Material Laws. Notwithstanding the foregoing, should Lessor provide any personnel or equipment, whether for initial fire response and/or spill containment, on the request of Lessee, or because Lessee was not, in the opinion of Lessor, conducting fire-fighting, containment or timely cleanup actions, Lessee agrees to reimburse Lessor for its actual costs in accordance with all applicable laws and regulations, except to the extent that Lessor was responding to conditions caused by events occurring at the Airport (not including the Premises) or by the negligence or omission of Lessor or its employees, agents or contractors.

14.17 Wells. Lessee shall not install any drinking water or other wells in any location on the Premises without the prior written approval of Lessor, except to the extent that the installation of a monitoring well is required by Governmental Authorities.

14.18 Surface Disturbances. After construction of Lessee's improvements on the Premises, if any, either in the future or as otherwise provided herein, Lessee shall not conduct any subsurface excavation, digging, drilling or other disturbance of the surface other than what is usual and customary for the anticipated uses without the prior written approval of Lessor, which shall not be unreasonably withheld, conditioned or delayed.

14.19 Later Discovered Hazmat. If any Hazardous Material is newly discovered on a portion of the Property after the Effective Date that: (a) (i) were not placed on or introduced to the Property by Lessee, and (ii) were present on the Premises prior to the Effective Date (collectively, "**Later-Discovered, Pre- Existing Hazmat**"); and (b) such Later-Discovered, Pre-Existing Hazmat will cause Unavoidable Delay in the construction of Improvements; Lessee shall immediately notify Lessor and cease development activity in the impacted area of the Premises, and Lessee shall have the right to either (a) conduct such investigations and remedial actions as necessary under applicable Environmental Law and continue development activity as the remedial process allows (and reserve any rights it may have to seek whatever compensation it is entitled to recover), if Lessor does not agree, within SEVEN (7) business days of receiving notice contemplated under this Section, to promptly investigate and remediate the detected contamination in accordance with Environmental Law, and on a schedule and in a manner that does not interfere with Lessee's development, use or construction plans, or (b) terminate this Lease upon written notice to Lessor.

15. PROTECTION OF WETLANDS.

Lessee shall minimize the destruction, loss, or degradation of any wetlands located on the Premises. Lessor believes there are no wetlands existing on the Premises as of the Effective Date. However, before locating new construction in wetlands, if any exist, Lessee shall contact Lessor and the permitting authority and obtain a permit or waivers under Section 404 of the Clean Water Act. For purposes of this Section 15, the term, "new construction," includes structures, facilities, draining, dredging, channeling, filling, diking, impounding, and related activities.

16. SPECIAL PROVISIONS.

16.1 Lessee shall comply with all applicable Federal, State, and local occupational safety and health regulations.

16.2 Lessee shall be responsible for determining whether it is subject to State and local sanitation, licensing, building code or building permit requirements and whether or not it requires a permit to do business and for compliance with them to the extent they are applicable.

17. INSURANCE.

17.1 Coverage Required. Lessee shall procure and maintain, or cause to be procured and maintained, the following types and amounts of insurance with respect to the Premises:

17.1.1 *Builders Risk* insurance covering the insured's premises and all replacements and/or additions thereto for their full insurable value plus ten percent (Cost + 10%) on a "replacement cost" basis with an ISO Special Causes of Loss form or equivalent required until completion of construction of the improvements upon the Premises. Builder's Risk Insurance shall be in place during active construction of the Improvements. Lessor agrees that Builder's Risk Insurance shall be, upon acceptance of the Improvements by the City of Mesa and/or occupancy of the Improvements for the intended use, no longer required in the form of Builder's Risk Insurance and shall be replaced by Lessor's General Liability and Property coverage as placed upon completion of the construction of the Improvements. Lessor agrees to perform this transition without any lapse or gap in coverage.

17.1.2 *Comprehensive General Liability* $5,000,000 per occurrence covering third party bodily injury and property damage on an occurrence basis in an amount not less than, including coverage for "premises/operations", "products and completed operations", "professional", "host liquor" and "blanket contractual liabilities".

17.1.3 *Commercial Auto Liability* - $1,000,000 per occurrence covering all owned, non-owned and hire vehicles operated on the Airport that are assigned to or used in the performance of commercial activities. If any hazardous materials are transported with Airport boundaries in conjunction with the operator's business activities, and MSC-90 Endorsement is required.

17.1.4 *Environmental Coverage* $2,000,000 per occurrence. – covering third party bodily injury and property damage associated with hazardous material storage facilities, tanks, pining, ancillary equipment and containment structures, or structures that are used, controlled, constructed or maintained at the Airport, and including expenses for defense, release mitigation and off-and on-site remediation.

17.1.5 *Personal Property Coverage* – covers 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 and ISO Special Cause of Loss form. Coverage shall be for risks of direct physical loss or damage, including the perils of Equipment Breakdown/Boiler & Machinery, Flood and Earth Movement. The limit shall be equivalent to at least full replacement cost value of personal property & improvements. Coverage shall be on a replacement cost basis. If there is a coinsurance provision, it shall be waived by an Agreed Amount endorsement. Lessee's policy shall name Lessor as Loss Payee as their interest may appear.

17.1.6 *Worker's Compensation* insurance, as required by law, and *Employer's Liability* insurance in the amount of $1,000,000 covering work-related injuries to employees and others permitted to operate or otherwise conduct business on the Premises.

17.2 Form. Each insurance policy obtained pursuant to this Section, except for *Worker's Compensation and Employer's Liability* policies, shall: (i) name Lessor as a certificate holder 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) days in case of nonpayment of premium); and (iii) contain a waiver of subrogation in favor of Lessor. Lessee shall not permit any insurance policy to be canceled or modified without Lessor's written consent unless equivalent replacement policies are issued with no lapse in coverage. All policies shall be obtained from insurance companies licensed to do business in the State of Arizona and possessing a rating of at least A – VII or higher from the A.M. Best Company, or an equivalent rating and approved by Lessor.

17.3 Certificates of Insurance. Lessee shall deliver to Lessor a certificate of insurance for each policy required herein to Lessor, in standard Acord or equivalent form, prior to the Effective Date and shall continue to provide such certificates throughout the Term of this Lease.

17.4 Additional Insurance. At any time during the Term of this Lease, Lessor may, if in its reasonable determination the insurance coverage required by this Section 17 is no longer adequate, require Lessee to increase its coverage to commercially reasonable amounts.

17.5 Blanket Insurance. Lessee's insurance obligations under this Lease may be satisfied by means of "blanket" or excess policies.

17.6 Insurance by Lessor. In the event Lessee shall fail to procure any insurance required hereunder, Lessor may, upon written notice to Lessee, procure and maintain any or all of the insurance required of Lessee under this Section. In such event, all costs of such insurance procured and maintained by Lessor on behalf of Lessee shall be the responsibility of Lessee and shall be fully reimbursed to Lessor within TEN (10) business days after Lessor advises Lessee of the cost thereof.

18. SURRENDER OF POSSESSION.

18.1 Condition of Property.

18.1.1 Upon the expiration or earlier termination of this Lease, Lessee's right to occupy the Premises and exercise the privileges and rights granted thereunder shall cease, and Lessee shall peaceably surrender the same and leave the Premises broom clean and in good condition except for normal wear and tear, casualty (subject to Lessee's obligation under Section 7.7) and condemnation. Lessee shall not be responsible for the removal or remediation of any Hazardous Material that was present on, under or near the Premises prior to occupancy, regardless of the date of discovery of such Hazardous Material, and shall not be responsible for returning the Premises in a better condition than existed on the Effective Date, except as expressly provided hereunder. All trade fixtures, equipment, and other personal property installed or placed by Lessee on the Premises which are not permanently affixed thereto shall remain the property of Lessee, and Lessee shall have the right at any time during the Term of this Lease, to remove the same from the Airport and Lessee shall repair, at its sole cost, any damage caused by such removal. Any property not removed by Lessee within FIFTEEN (15) calendar days of the expiration or earlier termination of this Lease, or revocation of Lessee's right to occupy the Premises, shall become a part of the Premises, and ownership thereof shall vest in Lessor. Lessee shall, however, remain financially liable to Lessor for the cost of repairs to the Premises incurred as a result of Lessor's removal and/or relocation of property formerly belonging to Lessee and not otherwise removed from the Premises, as provided herein, and shall remit to Lessor payment for such costs within TEN (10) business days of Lessee's receipt of Lessor's invoice therefor.

18.1.2 Any trade fixtures, equipment or other property affixed to the Premises by Lessee shall, if required in a written notice to Lessee from Lessor at the time of Lessor's approval of the same, be removed from the Premises by Lessee, at Lessee's expense, within FIFTEEN (15) business days after Lease termination.

Should Lessee fail to remove such trade fixtures, equipment or other property within said time, Lessor may remove and dispose of such trade fixtures, equipment or other property at Lessee's expense, and Lessee shall reimburse Lessor for the costs thereof within TEN (10) business days of receipt of Lessor's invoice therefor.

18.2 Holding Over. Lessee shall not remain in possession of the Premises after the expiration or earlier termination of the Term without the express written consent of Lessor. Should Lessee hold over without the express written consent of Lessor, such tenancy shall be at the sufferance of Lessor and not a renewal of the Term. In such case, the Base Rent and all other charges due pursuant to this Lease shall be payable at ONE HUNDRED FIFTY PERCENT (150%) of the amount payable during the last year of the Term, and such tenancy at sufferance shall be subject to every other term, covenant and provision of this Lease. In the event Lessee holds over, Lessee shall be liable for all of Lessor's direct and consequential damages, which shall include, without limitation, costs, fees, expenses, damages and attorneys' fees incurred by Lessor as a result of Lessee's holding over, and damages and expenses incurred by Lessor for its inability to deliver possession of the Premises to a new lessee solely as a result of Lessee's holding over.

19. INSPECTION BY LESSOR.

Lessor may enter upon the Premises at reasonable times during Lessee's normal business hours and upon at least TWO (2) business days' prior written notice to Lessee (except in emergencies, in which event Lessor shall notify Lessee promptly following such emergency entry) for any reasonable purpose, including, but not limited to, compliance with the terms and conditions of this Lease and the exercise of its governmental functions for such activities as fire protection or security. Lessee may accompany Lessor on any Lessor inspections and entries. Lessor shall take reasonable steps to avoid interrupting or disrupting the conduct of business of Lessee on the Premises.

20. NOTICES.

20.1 All notices required or permitted under this Lease shall not be effective unless personally delivered or mailed by certified mail, return receipt requested, postage prepaid, or by reputable commercial overnight courier service, to the following addresses:

TO LESSOR: Phoenix-Mesa Gateway Airport Authority
Attn: Business Development Department
5835 South Sossaman Road
Mesa, Arizona 85212

TO LESSEE: SkyB Lot 108 LLC
Attn.: Felipe Monroy Torres
2415 E. Camelback Road, Suite 700
Phoenix, AZ 85016

With a required copy to: Warner Angle Hallam Jackson & Formanek PLC
Attention: James Valletta
2555 E. Camelback Road, Suite 800
Phoenix, AZ 85016-9256

20.2 Any notice shall be deemed to have been received TWO (2) business days after the date of mailing, if given by certified mail, or upon actual receipt if personally delivered or if given by reputable commercial overnight courier service. Any Party may designate in writing a different address for notice purposes pursuant to this Section.

21. SEVERABILITY.

Should a court of competent jurisdiction declare any provision of this Lease invalid, the remaining terms shall remain effective.

22. SALES AND PROPERTY TAXES.

Lessee shall pay any leasehold tax, sales tax, personal property tax, transaction privilege tax, license or permit fee, or any other tax assessed as the result of its occupancy of Premises or conduct of any activity at the Airport under authority of this Lease, including any such tax assessable on Lessor as a result thereof. In the event that laws or judicial decisions result in the imposition of a real property tax or any other form of tax or imposition on the interest of Lessor, such tax shall also be paid by Lessee for the period this Lease is in effect, to the extent such taxes are reasonably attributable to the Premises or a portion thereof or the operation of Lessee's business.

23. APPROVALS, CONSENTS AND NOTICES.

All approvals, consents and notices called for in this Lease shall be in writing, signed by the appropriate Party, and may not be established solely by oral testimony.

24. LIENS AND MORTGAGES.

24.1 General Provisions.

24.1.1 Except as provided in this Section 24, Lessee shall not engage in any financing or other transaction creating any mortgage or deed of trust upon the Premises, place or suffer to be placed upon the Premises any lien or other encumbrance, or suffer any levy or attachment to be made on Lessee's interest in the Premises. Any such mortgage or deed of trust, encumbrance or lien shall be deemed a violation of this Section, constituting a failure by Lessee to comply with the terms of the Lease, on the date of its execution or filing of record regardless of whether or when it is foreclosed or otherwise enforced.

24.1.2 Notwithstanding anything to the contrary in this Lease to the contrary, Lessee shall, during the Term, be permitted to pledge Lessee's ownership interests and/or mortgage, collaterally assign, or otherwise encumber its leasehold interest (including any interest in the improvements) under this Lease pursuant to one or more Mortgages, as defined below, to secure indebtedness, including, without limitation, one or more loans to finance construction of improvements and other development on the Premises, and including refinancings thereof, subject to the restrictions of Section 24.1.4.

24.1.3 Any such encumbrance, including leasehold deed of trust, is referred to as a "Mortgage" and the holder thereof a "Mortgagee." The Mortgagee, upon taking possession or upon foreclosure or taking an assignment in lieu thereof, shall be liable for all future rents and obligations hereunder and shall attorn to Lessor. In no event shall any Mortgagee be responsible or liable for any claims against Lessee or any of Lessee's agents, employees, invitees, contractors or representatives for any death, injury, illness, damage to or loss of property (except only to the extent provided hereinafter with respect to a default by Lessee under this Lease), or tort related claims. In no event shall any Mortgagee be liable for the actions or omissions of Lessee or Lessee's agents, representatives, employees, contractors, or invitees (except only to the extent provided hereinafter with respect to a default by Lessee under this Lease). The Mortgagee shall not be responsible or liable for any default by Lessee under this Lease, except, and only, to the extent that such default continues for a period of THIRTY (30) days (or such additional time as is reasonably necessary for Mortgagee to cure such default, so long as Mortgagee is diligently pursuing action to cure the default) after (i) Mortgagee shall have obtained possession through a court-appointed receiver or ownership of the Premises, (ii) the Mortgagee shall have received written notice of such default at the same time that Lessor notifies Lessee of such default,

(iii) any notice or cure period related to such default as provided in this Lease and in Section 24.2 and Section 24.3 below shall have elapsed without such default having been cured, and (iv) such default is reasonably capable of being cured by the Mortgagee. No Mortgage shall encumber Lessor's interest in the Premises or Lessor's interest in the improvements thereon. Further and promptly after Lessee assigns or encumbers any portion of the Premises or the improvements thereon, Lessee shall furnish Lessor with a written notice setting forth the name and address of such Mortgagee or trustee.

24.1.4 No Mortgage or deed of trust shall extend to or affect the fee, the reversionary fee interest or the estate of Lessor in the Premises. No Mortgage or deed of trust shall be binding upon Lessor in the enforcement of its rights and remedies under this Lease and by law provided, unless and until a copy thereof shall have been delivered to Lessor and such Mortgage or deed of trust is authorized in accordance with provisions of this Section 24.

24.1.5 Notwithstanding anything to the contrary in this Section 24, Lessor shall have all rights and remedies under Section 11 with respect to any Event of Default that continues after expiration of all applicable notice and cure periods set forth in Section 11.1 and this Section 24.

24.2 Lessor Agreement. With respect to Mortgagees of the Premises, Lessor agrees that:

24.2.1 If requested by a Mortgagee which shall have duly registered in writing with Lessor its name and address, and if Lessor shall give any notice, demand, election or other communication required hereunder (hereafter, collectively, "Notices") to Lessee, Lessor shall concurrently give a copy of each such Notice to the Mortgagee at the address designated by it. Notices shall be sent by registered or certified mail, return receipt requested, and shall be deemed given seventy-two (72) hours after the time they are deposited in a United States Post Office with postage charges prepaid, addressed to the Mortgagee. No Notice given by Lessor to Lessee shall be binding upon or affect Lessee or the Mortgagee unless a copy of the Notice shall be given to the Mortgagee pursuant to this Section 24.2.1.

24.2.2 Such Mortgagee entitled to such Notices, as specified above, shall have any and all rights of Lessee with respect to the curing of any default hereunder by Lessee.

24.2.3 If Lessor shall elect to terminate this Lease by reason of any default by Lessee with respect to the Premises, the Mortgagee that shall have become entitled to Notice as provided in this Section 24.2 shall have any and all rights of Lessee with respect to curing of any default with respect to the Premises.

24.2.4 Nothing herein contained shall be deemed to impose any obligation on the part of Lessor to deliver physical possession of the Premises to such holder of a Mortgage. To the extent the physical possession of the Premises by a secured creditor is not inconsistent with the terms of this Lease, or is incompatible with the Lessor's selection of available remedies in the Event of Default, Lessor shall not prevent such physical possession. If more than one Mortgagee shall seek to exercise any of the rights provided for in this Section 24, the holder of the Mortgage having priority of lien over the other Mortgagees shall be entitled, as against the others, to exercise such rights. Should a dispute arise among Mortgagees regarding the priority of lien, the Mortgagees shall prove to the satisfaction of Lessor that they have settled that dispute.

24.3 Protection of Mortgagee(s). Until the time, if any, that an approved Mortgage shall be satisfied and released of record:

24.3.1 A Mortgagee shall have the right, for a period equal to the period afforded Lessee under this Lease to perform any term, covenant, or condition and to remedy any default by Lessee hereunder, plus such additional time that is reasonably needed for Mortgagee to exercise Lessee's rights to cure any defaults subject to the following: (a) if the default cannot be cured by Mortgage, no additional time shall be allowed; (b) if the default can be cured by Mortgagee, such additional period of time shall not exceed SIX (6) months after

Mortgagee's receipt of such Notice, unless a longer period of time is otherwise approved by Lessor in writing; (c) if curing the default requires that Mortgagee has possession through a court-appointed receiver or ownership of the Premises, Mortgagee shall be diligently pursuing action to take possession through a court-appointed receiver or ownership of the Premises; and (d) Mortgagee shall not be entitled to more than TEN (10) days of additional time to cure any defaults in the payment of Base Rent. Lessor shall accept such performance with the same force and effect as if furnished by Lessee, and the Mortgagee shall thereby and hereby be subrogated to the rights of Lessor. Such Mortgagee cure period shall begin on the later of: (i) the date Mortgagee receives notice pursuant to Section 24.2, or (ii) the date that Lessee's cure period expires under this Lease. During such Mortgagee cure period, Lessor will not terminate this Lease or disturb possession, interest or quiet enjoyment by the Lessee or Mortgagee in the Premises or improvements for any reason, subject to the terms of this Lease, until such Mortgagee cure period has expired. The Mortgagees and their respective designees shall have the right to enter upon the Premises to give such performance.

24.3.2 In case of an Event of Default by Lessee in the performance or observance of any non-monetary term, covenant or condition to be performed by it hereunder, if such Event of Default cannot practicably be cured by the Mortgagee without taking possession or ownership of the Premises, in such Mortgagee's reasonable opinion, or if such Event of Default is not susceptible of being cured by the Mortgagee, then:

(a) The Mortgagee shall proceed diligently to obtain possession through a court-appointed receiver or ownership of the Premises, and, upon obtaining such possession, shall proceed diligently to cure such defaults as are reasonably susceptible of cure (subject to any order by a court of competent jurisdiction staying or otherwise precluding such Mortgagee from obtaining such possession); or

(b) The Mortgagee shall institute foreclosure proceedings and diligently prosecute the same to completion (unless in the meantime it shall acquire Lessee's estate hereunder, either in its own name or through a nominee, by assignment in lieu of foreclosure), subject to any order by a court of competent jurisdiction staying or otherwise precluding such Mortgagee from obtaining such possession.

(c) The Mortgagee shall not be required to obtain possession or to continue in possession of the Premises pursuant to Section 24.3.2(a), or to continue to prosecute foreclosure proceedings pursuant to Section 24.3.2(b), if and when such Event of Default shall be cured.

(d) If any Mortgagee is prohibited from commencing or prosecuting foreclosure or other appropriate proceedings in the nature thereof by any process or injunction issued by any court, or by reason of any action by any court having jurisdiction of any bankruptcy or insolvency proceeding involving Lessee, the times for commencing or prosecuting foreclosure or other proceedings, including proceedings to obtain possession, shall be extended for the period of the prohibition.

24.4 New Lease

24.4.1 Lessor agrees that, in the event of early termination of this Lease for any reason (including but not limited to any default by Lessee), Lessor, if requested by any Mortgagee, will enter into a new lease of the Premises with the most senior Mortgagee requesting a new lease, which new lease shall commence as of the date of termination of this Lease and shall run for the remainder of the original Term of this Lease (plus any applicable Renewal Term if exercised), at the rent and upon the terms, covenants and conditions herein contained, provided that:

(a) Such Mortgagee shall make written request upon Lessor for the new lease within SIXTY (60) calendar days after the date such Mortgagee receives written notice from Lessor that this Lease has been terminated;

(b) Such Mortgagee shall pay to Lessor, at the time of the execution and delivery of the new lease, any and all Base Rent payments, finance charges and late fees which would, at that time, be due and unpaid pursuant to this Lease but for its termination, and in addition thereto all reasonable expenses, including reasonable attorneys' fees, which Lessor shall have incurred by reason of the preparation of such new lease;

(c) Such Mortgagee shall perform and observe all covenants in this Lease to be performed and observed by the lessee under such new lease from and after full execution and delivery of such new lease, and shall within a reasonable period of time (not to exceed the time frames set forth in Section 24.3.1 above) after full execution and delivery of such new lease remedy any other conditions which Lessee under the terminated Lease was obligated to perform under its terms and did not perform, to the extent the same are reasonably susceptible of being cured by the Mortgagee; and

(d) The lessee under the new lease shall have the same rights, including the right of occupancy to the buildings and improvements on the Premises and elsewhere on the Airport as Lessee had under this Lease immediately prior to its termination.

Notwithstanding anything to the contrary expressed or implied in this Lease, any new lease made pursuant to this Section 24 shall have the same priority as this Lease with respect to any mortgage, deed of trust, or other lien, charge, or encumbrance on the fee of the Premises, and any sublease under this Lease shall be a sublease under the new Lease and shall not be deemed to have been terminated by the termination of this Lease.

24.4.2 Nothing herein contained shall require any Mortgagee to enter into a new lease pursuant to this Section 24.4, or to cure any default of Lessee referred to above.

24.4.3 If any Mortgagee shall request a new lease as provided in this Section 24.4, Lessor agrees, at the request of, on behalf of and at the expense of the Mortgagee, to institute and pursue diligently to conclusion the appropriate legal remedy or remedies to oust or remove the original Lessee from the Premises, but not any authorized subtenants actually occupying the Premises or any part thereof.

24.4.4 Unless and until Lessor has received notice from each Mortgagee that the Mortgagee elects not to demand a new lease as provided herein, or until the period therefor has expired, Lessor shall not cancel or agree to the termination or surrender of any existing subleases nor enter into any new leases or subleases with respect to the Premises without the prior written consent of each Mortgagee.

24.5 Effect of Transfer. Neither the foreclosure of any Mortgage (whether by judicial proceedings or by virtue of any power of sale contained in the Mortgage), nor any conveyance of the leasehold estate created by this Lease by Lessee to any Mortgagee or its designee by an assignment or deed in lieu of foreclosure or other similar instrument, shall require the consent of Lessor or constitute a default or Event of Default under this Lease, and upon such foreclosure, sale or conveyance, Lessor shall recognize the purchaser or other transferee in connection therewith as the Lessee under this Lease, subject only to an assumption in writing by such purchaser or transferee of all obligations of Lessee under this Lease from and after the date of such assumption.

25. GOVERNING LAW; ATTORNEY'S FEES.

The laws of the State of Arizona shall govern the matters set forth in this Lease. Venue of any action brought under this Lease shall, at the option of Lessor, lie in Maricopa County, Arizona.

26. RULES AND REGULATIONS.

Lessee shall at all times comply with all Federal, state and local laws, ordinances, rules, and regulations which are applicable to its activities on the Airport, the Premises itself (including but not limited to the *Americans with Disabilities Act*), or the operation, management, maintenance, or administration of the Airport, including all laws, ordinances, rules and regulations adopted after the Effective Date. Lessee shall at all times comply with the *Airport Minimum Standards* and *Airport Rules and Regulations*, as the same may be amended from time to time. Copies of the current *Airport Minimum Standards* and *Airport Rules and Regulations* are attached hereto as **Exhibit D**. Lessee acknowledges and agrees that Lessor may amend the *Airport Minimum Standards* and *Airport Rules and Regulations* at any time in Lessor's commercially reasonable discretion. Lessee shall, within a reasonable period of time, reasonably display to Lessor any permits or licenses required by law or other evidence of compliance with laws upon written request.

Lessor shall use commercially reasonable efforts to timely notify Lessee of any updates in the *Airport Rules and Regulations*, the *Airport Minimum Standards*, the *Aviation Fuel Storage, Dispensing and Handling Guidelines*, and the Airport *Fly Friendly Procedures*.

27. CORPORATE AUTHORIZATION.

In executing this Agreement, each of Lessor and Lessee represents and warrants to the other that if such Party is a corporation, or other legal entity, each Party has obtained and been granted the full right, power and authority to enter into this Lease.

28. UTILITY LINES AND SERVICE CHARGES.

28.1 Lessee shall, at no cost or expense to Lessor, provide or arrange for any public utility, water and sewage lines, connections and services that are needed in connection with any building(s), structure(s) or other improvement(s) placed on the Premises by Lessee, or required for Lessee's activities thereon, and shall be responsible for the maintenance of such lines and connections from where they enter the Premises. If requested to do so by Lessee from time to time during the Term, Lessor will grant reasonable easements and rights-of-way on or across the Airport for the development and use of the Premises (in accordance with this Lease), including, without limitation, to suppliers of public or private utility services for the purpose of supplying Lessee with such services, but Lessor reserves the right to reasonably designate the lands along which such easements and rights-of-way shall be granted so as to minimize the disruption of the operation of the Airport and other Airport tenants.

28.2 Lessee shall pay for all utilities, including trash collection, used in its operations at the Premises. The charges and method of payment for each utility or service shall be determined by the appropriate supplier of the utility or service in accordance with applicable laws and regulations, on such basis as the appropriate supplier of the utility or service may establish.

28.3 Notwithstanding the execution of this Lease, Lessor retains the right to the continued use of such utility lines and services as are presently on the Premises (so long as Lessor's use does not interfere with or disrupt Lessee's use, occupancy, development and subleasing activities), and the right to repair the same when necessary in Lessor's reasonable discretion, including but not limited to, any utility easements on the Premises. Lessor agrees to coordinate any entries onto the Premises with Lessee. Lessor shall conduct such use and repairs in such a manner and at such times as to not interfere with Lessee's activities thereon.

29. RESERVATIONS TO LESSOR.

Subject to Lessor's representations, warranties and obligations, the Premises are accepted "as is, where is" by Lessee, subject to any and all existing easements or other encumbrances. In advance consultation with Lessee, Lessor reserves the right to grant reasonable easements, rights-of-way, and permits, over, on, or across any portions of the Premises for commercially reasonable purposes; provided, that Lessor and the grantee, as

applicable, shall not exercise such rights so as to interfere with or disrupt Lessee's activities on the Premises, including the development of the Premises, to be determined in the reasonable judgment of Lessor and Lessee, and all such interference shall be minimized. Lessor shall provide Lessee reasonable notice of any plan to undertake the activities contemplated under this Section and shall coordinate with Lessee regarding the execution of such plans to minimize any interference with Lessee's or any subtenant's activities on the Premises, that all work shall be in compliance with all applicable laws, including Environmental Law, and that the surface of the Premises shall be restored to its original condition, including any necessary remediation in accordance with Environmental Law of any contamination associated with any Hazardous Material disturbed during any construction, at no cost to Lessee, upon the completion of any construction. Lessor agrees that any rights granted to any parties by reason of this clause shall contain provisions obligating such parties to at a minimum the same conditions applicable to Lessor under this Section 29, including but not limited to that the surface of the Premises and any Improvements shall be promptly restored to their original condition, at no cost to Lessee, promptly upon the completion of any construction.

30. FEDERAL AVIATION ADMINISTRATION (FAA) PROVISIONS.

30.1 Lessee agrees that in the event improvements are constructed, maintained, or otherwise operated on the Premises for a purpose for which a Department of Transportation (DOT) program or activity is intended, or for another purpose involving the providing of similar services or benefits, Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, *Nondiscrimination in Federally Assisted Programs of the Department of Transportation,* as it may be amended.

30.2 Lessee agrees that: (i) no person shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination on the grounds of race, color, creed, disability, age, sex or national origin in the use of the Premises; (ii) that in the construction of any improvements on, over, or under the Premises and the furnishing of services thereon, no person shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination on the grounds of race, color, or national origin; and (iii) that Lessee shall use the Premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, as it may be amended.

30.3 Lessee assures Lessor that it will comply with pertinent statutes, Executive Orders, and rules promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, or sex, age or handicap, be excluded from participating in any activity.

30.4 Lessor reserves the right to further develop or improve the landing area of the Airport as it sees fit, regardless of the desires or view of Lessee, and without interference or hindrancetherefrom.

30.5 Lessor reserves the right, but shall not be obligated to Lessee, to maintain and keep in repair the landing area of the Airport and all publicly owned facilities of the Airport, together with the right to direct and control all activities of Lessee in this regard. Lessor and Lessee agree that Lessee has no responsibility whatsoever with respect to maintenance and repair of the landing area of the Airport, or any publicly owned facilities of the Airport.

30.6 This Lease shall be subordinate to the provisions and requirements of any existing or future agreement between Lessor and the United States relative to the development, operation or maintenance of the Airport. Lessor agrees to reasonably consult with Lessee prior to executing or entering into any agreement that could reasonably be expected to have a material effect on the Premises, or on Lessee or its subtenants, or on any Permitted Uses, with the stated purpose of attempting in good faith to avoid any interference with, disruption of, or restriction or limitation on Lessee's intended use and development of the Premises in accordance with this Lease.

30.7 There is reserved unto Lessor, for the use and benefit of the public, a right of flight for the

passage of aircraft in the airspace above the surface of the Premises, which shall include the right to cause in the airspace any noise inherent in the operation of aircraft, now known or hereafter used for navigation of or flight in or through the airspace, and for the use of such airspace for landing on, taking off from, or operation on the Airport.

30.8 Lessee agrees to comply with the notification and review requirements covered in 14 CFR Part 77 in the event future construction of a building is planned for the Premises or in the event of any planned modification or alteration of any present or future building or structure situated on the Premises.

30.9 Lessee shall not erect or permit the erection of any structure or building, nor permit the growth of any tree on the Premises, or any other obstruction that exceeds height requirements contained in 14 CFR Part 77 or amendments thereto, or interferes with the runway and/or taxiway "line of sight" of the control tower. In the event these covenants are breached, Lessor reserves the right to enter upon the Premises and to remove the offending structure or object at the expense of Lessee.

30.10 Lessee shall not make use of the Premises in any manner that might interfere with the landing and taking off of aircraft from the Airport or otherwise constitute a hazard. In the event this covenant is breached, Lessor reserves the right to enter upon the Premises and cause the abatement of such interference at the expense of Lessee.

30.11 Nothing contained in this Lease shall be construed to grant or authorize the granting of an exclusive right within the meaning 49 U.S.C. §40103(e) and 47107 (a)(4).

30.12 This Lease and all of the provisions hereof shall be subject to whatever right the United States government now has, or in the future may have or acquire, affecting the control, operation, regulation and taking over of the Airport, or the exclusive or non-exclusive use of the Airport by the United States during the time of war or national emergency.

30.13 To the extent that Lessee conducts or engages in any aeronautical activity for furnishing services to the public at the Airport, Lessee shall furnish its services on a reasonable and not unjustly discriminatory basis to all users and charge reasonable and not unjustly discriminatory prices for each unit or service; except, however, that Lessee may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar type of price reductions to volume purchasers.

30.14 Lessee shall conform to Lessor and FAA safety and security rules and regulations regarding use of the Airport air operations area including runways, taxiways, taxilanes and aircraft aprons by vehicles, employees, customers, visitors, etc., in order to prevent security breaches and avoid aircraft incursions and vehicle/pedestrian deviations; complete and pass an airfield safe driving instruction program when offered or required by Lessor; and be subject to penalties as prescribed by Lessor for violations of Airport safety and security requirements.

31. TITLE VI OF THE CIVIL RIGHTS ACT OF 1964.

31.1 Lessee agrees to comply with pertinent statues, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color or national origin, sex, age or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. Lessee understands and acknowledges that the FAA requires inclusion of and adherence to the terms and conditions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. §§2000d to 2000d-4) ("**Title VI**") in all airport/aviation lease agreements where Lessor receives federal funding, including the Lease in this instance.

31.2 During the Term, Lessee, for itself, its assignees, and successors in interest agrees as follows:

31.2.1 Compliance with Regulations: Lessee will comply with the Title VI List of Pertinent Non-Discrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this Lease.

31.2.2 Non-discrimination: Lessee, with regard to the work performed by it during Lease, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. Lessee will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR Part 21.

31.2.3 Solicitations for Subcontracts, Including Procurements of Materials and Equipment: In all solicitations, either by competitive bidding, or negotiation made by Lessee for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by Lessee of Lessee's obligations under this Lease and the Non-discrimination Acts And Authorities on the grounds of race, color, or national origin.

31.2.4 Information and Reports: Lessee will provide all information and reports required by the Acts, the Regulations and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the sponsor or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of Lessee is in the exclusive possession of another who fails or refuses to furnish the information, Lessee will so certify to the sponsor or the Federal Aviation Administration as appropriate, and will set forth what efforts it has made to obtain the information.

31.2.5 Sanctions for Noncompliance: In the event of Lessee's noncompliance with the Nondiscrimination provisions of this Lease, Lessor will impose such default remedies as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:

(a) withholding payments, if any, to Lessee under the Lease until Lessee complies; and/or

(b) cancelling, terminating, or suspending the Lease, in whole or in part.

31.2.6 Incorporation of Provisions: Lessee will include the provisions subsections 31.2.1 through 31.2.6 in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. Lessee will take action with respect to any subcontract or procurement as the sponsor or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if Lessee becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, Lessee may request Lessor to enter into any litigation to protect the interests of Lessor. In addition, Lessee may request the United States to enter into the litigation to protect the interests of the United States.

31.3 The Lessee for itself, and its successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree that (1) no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land, and the furnishing of services thereon, no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that Lessee will use the Premises in compliance with all other requirements imposed by or pursuant to the List of Pertinent Non-Discrimination Acts and Authorities.

31.4 During the performance of this Lease, Lessee, for itself, its assignees, and successors in interest agrees to comply with the following non-discrimination statutes and authorities; including but not limited to the following (which Lessor is required to disclose and include in such Lease and other agreements, pursuant to FAA regulation):

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq*., 78 Stat. 252) (prohibits discrimination on the basis of race, color, national origin);

- 49 CFR Part 21 (Non-discrimination In Federally-Assisted Programs of The Department of Transportation—Effectuation of Title VI of The Civil Rights Act of 1964);

- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. § 4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);

- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 et seq.), as amended, (prohibits discrimination on the basis of disability); and 49 CFR part 27;

- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 *et seq*.) (prohibits discrimination on the basis of age);

- Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);

- The Civil Rights Restoration Act of 1987 (PL 100-209) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);

- Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 CFR parts 37 and 38;

- The Federal Aviation Administration's Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);

- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures non-discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;

- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);

- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et *seq.*).

31.5 Lessee agrees that in the event improvements are constructed, maintained, or otherwise operated on the Premises for a purpose for which a Department of Transportation (DOT) program or activity is intended, or for another purpose involving the providing of similar services or benefits, Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, as it may be amended.

32. FEDERAL FAIR LABOR STANDARDS ACT

This Lease incorporates by reference the provisions of 29 CFR Part 201, the Federal Fair Labor Standards Act (FLSA), with the same force and effect as if given in full text. Lessee has full responsibility to monitor compliance to the referenced statue or regulation. Lessee must address any claims or disputes that arise from this requirement directly with the U.S. Department of Labor – Wage and Hour Division.

33. OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970

This Lease incorporates by reference the provisions of 29 CFR Part 1910 with the same force and effect as if given in full text. Lessee must provide a work environment that is free from recognized hazards that may cause death or serious physical harm to the employee. Lessee retains full responsibility to monitor its compliance and their subcontractor's compliance with the applicable requirements of the Occupational Safety and Health Act of 1970 (20CFR Part 1910). Lessee must address any claims or disputes that pertain to a referenced requirement directly with the U.S. Department of Labor – Occupational Safety and Health Administration.

34. INCORPORATION OF QUITCLAIM DEED.

Lessor owns the Airport pursuant to a Quitclaim Deed from the United States Government ("**Deed**"), a copy of which is available to Lessee upon request and is hereby incorporated in its entirety. To the extent the Deed has terms, conditions, obligations, requirements or restrictions that apply to this Lease, Lessor, Lessee or any matter in connection herewith, Lessee agrees to be bound by all the terms, covenants and conditions of the Deed, including the following:

34.1 That this Lease is subject to all terms and conditions of the Deed; and

34.2 That in case of any conflict between the Deed and this Lease, the Deed shall control.

35. REQUIRED PROVISIONS OF QUITCLAIM DEED.

35.1 Section VI (A)(5)(c) of the Deed requires that the following provisions be included in this Lease:

35.1.1 In furnishing services to the public, Lessee shall not discriminate against any person or class of persons by reason of race, color, creed, or national origin, and Lessee shall otherwise provide such services on a fair, equal, and not unjustly discriminatory basis to all users thereof.

35.1.2 Lessee shall charge fair, reasonable, and not unjustly discriminatory prices for each unit for service; except, however, that the Lessee may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

35.2 If the Premises are within any of the archaeological sites identified in Section VIII.A of the

Deed, then, the provisions of Section VIII of the Deed shall be deemed incorporated in this Lease by this express reference to Section VIII of the Deed.

35.3 To the extent the Deed requires that other specific provisions thereof be inserted in this Lease by express reference to the Deed, this sentence shall constitute an express reference to all such applicable provisions of the Deed.

36. AIRPORT SECURITY.

36.1 Airport Security Plan.

36.1.1 Lessor's Operations Department maintains an approved Airport Security Plan ("**Security Plan**") pursuant to 49 CFR Parts 1540 and 1542, and 14 CFR Part 139. Lessee shall at all times comply with Lessor's Operations Department security directives, security bulletins, or verbal notifications existing now or in the future.

36.1.2 Lessee is responsible for maintaining security practices, facilities, and perimeter boundaries on their leasehold that meet the security standards set forth by Lessor's Operations Department.

36.1.3 Lessee shall promptly upon written request from Lessor correct physical or procedural deficiencies caused by Lessee that are located on the Premises which are contrary to Lessor's Operations Department, security directives, security bulletins, or verbal notifications existing now or in the future. Within TWENTY-FOUR (24) hours of Lessor notifying Lessee of any deficiency, Lessor shall provide Lessee with a reasonably-detailed explanation of the deficiencies. Lessee shall be given a reasonable period of time (under the circumstances) to correct such deficiencies.

36.1.4 Lessee shall, to the fullest extent permitted by law, indemnify, defend and hold Lessor harmless for, from and against any security violation committed by any agents, employees, invitees, subcontractors, sub-lessees or independent contractors of Lessee.

36.1.5 Lessee shall conduct and document all self-audits and self-inspections as required by Transportation Security Administration ("**TSA**") or Lessor's Operations Department and make such audits available for inspection.

36.1.6 Lessee shall designate a primary security coordinator to receive security related briefings, bulletins and sensitive security information.

36.1.7 Lessor reserves the right to modify the Security Plan from time to time, as necessary or as directed by TSA. Lessor's Operations Department shall notify the Lessee security coordinator regarding modifications that effect Lessee.

36.2 Airport Security Badge.

36.2.1 Lessee's employees and contractors that require a badge shall be obligated to complete all training and comply with all security requirements and directives issued by Lessor's Operations Department, TSA or other entity having security jurisdiction at the Airport. Lessee, employees, and contractors will surrender security badges upon request by Lessor's Operations Department; physical security media (badges and keys) remain the property of Lessor. Within SEVENTY-TWO (72) hours of Lessor's confiscation of any security badges, Lessor shall provide Lessee with a reasonably-detailed explanation of the violations that caused Lessor to confiscate the security badges.

36.2.2 Lessee, employees and contractors shall comply with all security related audits, inspections, and screenings conducted by the Lessor's Operations Department.

36.2.3 Lessee will promptly return badges to the Lessor's badging office when badge holders employment is terminated, the badge is no longer needed or the employee/contractor is on extended leave.

36.2.4 Misuse of a badge or security procedures will bring about action, including, but not limited to, retraining, suspension or revocation of one or all misused badges.

37. DEFAULT BY LESSOR.

In the event of any alleged breach by Lessor of its covenants or duties contained in this Lease, Lessee shall have available all rights and remedies provided in contract, at law and/or in equity, provided, however, Lessee may not exercise any such right or remedy unless Lessee has notified Lessor by written notice of such alleged default, and Lessor has not cured such default within the THIRTY (30) calendar day period subsequent to receipt of such notice or, in the event such alleged default is of such a nature that it cannot reasonably be cured within such THIRTY (30) calendar day period, Lessor has failed to pursue a cure of such alleged default with all due diligence. Notwithstanding anything to the contrary contained in this Lease, in no event shall Lessee be entitled to terminate this Lease or abate or offset any installment of Base Rent, or any other payments to be made by Lessee hereunder except as expressly permitted in this Lease.

38. BROKERS.

Lessor and Lessee each represents and warrants to the other Party that it has not had any dealings with any real estate brokers, finders or agents in connection with this Lease. Lessor and Lessee each agrees to indemnify, defend (with counsel selected by the other) and hold the other Party and other Party's nominees, successors and assigns harmless from any and all claims, costs, commissions, fees or damages arising from a breach of such Party's representation and warranty in this Section.

39. SALE BY LESSOR.

Lessee agrees to look solely to Lessor's interest in the Airport, including rents, issues, profits, proceeds, and awards for the recovery of any judgment against Lessor, it being agreed that the members, partners, officers, directors or shareholders of Lessor shall not be personally liable for any such judgment. In the event of any sale or other conveyance by Lessor of its interest in the Premises, Lessor shall be automatically freed and released from all personal liability accruing from and after the date of such sale or conveyance as respects the performance of any covenant or obligation on the part of Lessor contained in this Lease to be performed, it being intended hereby that the covenants and obligations contained in this Lease on the part of Lessor shall be binding on the Lessor and its successors and assigns only during and in respect to the respective successive periods of ownership of the Premises.

40. ESTOPPEL CERTIFICATE.

Each of Lessor and Lessee shall, without charge, at any time and from time to time hereafter, within TEN (10) business days after written request from the other Party to do so, certify, by written instrument duly executed and acknowledged by such Party and certified to the other Party and to any prospective lender or purchaser/assignee: (i) as to whether this Lease has been supplemented or amended, and if so, the substance and manner of such supplement or amendment; (ii) as to the existence of any default hereunder to the best of such Party's knowledge; (iii) as to the date on which Lessee was obligated to commence paying Base Rent and all other charges hereunder and the expiration date of the Term; (iv) as to whether this Lessee has assigned or transferred its interests or any portion thereof in this Lease; and (v) as to any other matters relating to this Lease and the Premises as may be reasonably requested. The requesting Party and any prospective purchaser or lender

to whom the same was certified may rely upon any such certificate.

41. UNAVOIDABLE DELAY.

In the event either Party shall be delayed or hindered in or prevented from the performance of any covenant, agreement, work, service, or other act required under this Lease to be performed by such Party ("**Required Act**"), and such delay or hindrance is due to Unavoidable Delay (as defined below), then the performance of such Required Act shall be excused for the period of delay and the time period for performance of the Required Act shall be extended by the same number of days in the period of Unavoidable Delay. For purposes of this Lease, "Unavoidable Delay" shall mean, with respect to either Party, an unavoidable delay in the performance by such Party of any non-monetary conditions or obligations under this Lease due including but not limited to: (a) construction delay to the extent caused by the other Party, (b) legal proceeding brought by a non-Party with respect to the Improvements or any provision or requirement of this Lease which by its nature prohibits the Improvements from being commenced, continued and/or completed, (c) a Party not receiving a governmental permit, license, approval or inspection in time to meet a contractual time period imposed hereunder provided that Party, in good faith, was diligent in the application or request for and prosecution of the process to obtain that permit, license, approval or inspection, (d) flood, (e) epidemic, (f) quarantine restriction, (g) unusually severe weather not reasonably anticipated, (h) strike, (i) walkout, (j) lock-out, (k) war, (l) national emergency, (m) fire, (n) act of God, (o) act of terrorism, (p) natural disaster, (q) explosion, (r) default by the other Party hereunder in the performance of its obligations hereunder, (s) a delay caused by the discovery, presences or actions necessary to investigate or remediate Hazardous Material under Article 14 (but excluding Hazardous Material attributable to the Party claiming Unavoidable Delay), or (t) other causes beyond such Party's control; provided that no Unavoidable Delay shall exist unless the Party claiming such Unavoidable Delay shall give written notice to the other Party of the occurrence of the Unavoidable Delay not later than FORTY-FIVE (45) days after the commencement of such Unavoidable Delay.

42. MISCELLANEOUS.

42.1 Personal Liability. No member of or employee of either Party shall be charged personally or held contractually liable by or to the other Party under any term or provision of this Lease because of any breach thereof, or because of its execution or attempted execution.

42.2 No Waiver. No provision of this Lease may be waived or modified except by a writing signed by the Party against whom such waiver or modification is sought.

42.3 Non-Waiver of Rights. No waiver or default by Lessor or Lessee of any of the terms, conditions, covenants or agreements hereof to be performed, kept or observed by the other shall be construed or act as a waiver of any subsequent default of any of the terms, covenants, conditions or agreements herein contained to be performed, kept or observed by such other Party, and neither Party shall be restricted from later enforcing any of the terms and conditions of this Lease.

42.4 Amendment. This Lease contains all agreements of the Parties as of the date hereof with respect to any matter mentioned herein. No prior agreement, correspondence, or understanding pertaining to any such matter shall be effective to interpret or modify the terms hereof. Oral commitments or promises are not enforceable and shall not be binding or made part of this Lease. Any revisions or modifications to this Lease must be in writing and mutually accepted by persons with full and complete authority to bind the party.

42.5 Invalid Provisions. Should any provision of this Lease or any application thereof be held invalid by a court of competent jurisdiction, the remainder of this Lease shall not be affected thereby, unless one or both Parties would be substantially and materially prejudiced.

42.6 Litigation Expenses. In the event of litigation between Lessor and Lessee, the prevailing Party

shall be entitled to recover its reasonable attorneys' fees and all costs and expenses of litigation, including witness fees, expert witness fees, and court costs.

42.7 Headings. The headings contained herein are for convenience in reference only and are not intended to define or limit the scope of this Lease or any term thereof.

42.8 Entire Agreement. This Lease, including exhibits attached hereto at the time of its execution, constitutes the entire agreement between the Parties hereto and supersedes all prior negotiations, understandings and agreements between the Parties concerning such matters.

42.9 Right of First Offer. Provided there is no existing Event of Default, Lessee shall have a right of first offer to lease the Premises and all Improvements thereon following the expiration of the Term (or Renewal Term, as applicable) in accordance with this Section. If Lessee is interested in leasing the Premises and all Vertical Improvements thereon at fair market rental rate following expiration of the Term (or Renewal Term, as applicable), Lessee shall provide written notice ("**Notice of Interest**") to Lessor of its interest not less than ONE (1) year prior the expiration of the Term (or Renewal Term, as applicable). Lessor shall advise Lessee within THIRTY (30) days after Lessor's receipt of the Notice of Interest if Lessor does not intend to lease (or market for lease) the Premises following expiration of the Term (or Renewal Term, as applicable). If Lessor intends to lease (or market for lease) the Premises, the Parties shall negotiate in good faith to agree on lease terms and conditions, including the fair market rental rate of the Premises and all Improvements thereon. If the Parties have not reached an agreement on the material terms of a lease (other than the fair market rental rate) within NINETY (90) days after Lessor's receipt of the Notice of Interest, neither party shall have any further right or obligation under this Section 42.9. If the Parties have reached an agreement on all material terms of a lease other than the fair market base rental rate within NINETY (90) days of Lessor's receipt of the Notice of Interest, then the Parties shall, within TEN (10) calendar days after the expiration of such NINETY (90)-day period, proceed to determine the fair market base rental rate with the appraisal process as set forth in Section 4.3.2. Upon determining the fair market base rental rate for the Premises, Lessor and Lessee shall promptly enter into a lease.

42.10 Memorandum of Lease. As of the Effective Date, or thereafter upon request from Lessee to Lessor, Lessor and Lessee agree to execute, acknowledge and deliver to one another a short form memorandum of lease for recording purposes in form and substance attached hereto as **Exhibit F**. In the event that such a memorandum of lease has been recorded, upon termination or expiration of this Lease, Lessee shall promptly execute such documents as reasonably requested by Lessor in recordable form to confirm the termination of this Lease.

42.11 Non-Disturbance. In the event that Lessor encumbers or liens any portion of the Premises, now or in the future, Lessor agrees to promptly (and in any event prior to the Effective Date in the event the Airport is encumbered as of such date) obtain for the benefit of Lessee and its leasehold lenders a commercially reasonable non-disturbance agreement (in form reasonably acceptable to Lessor, Lessee and Lessor's lenders) (an "**NDA**") stating that, among other provisions to be included in the NDA, provided no Event of Default has occurred and is continuing under this Lease, then this Lease shall not be terminated and the right of possession of Lessee to the Premises shall not be affected or disturbed in the exercise of any of its rights or remedies under such encumbrance or lien.

43. INCORPORATION OF RECITALS.

The recitals set forth herein are acknowledged by the Parties to be true and correct and are incorporated herein by this reference.

44. DECLARATION.

44.1 Subordination. The Premises is subject to and subordinate to that certain Declaration of Covenants, Conditions and Restrictions for Skybridge Arizona, dated July 31, 2019, recorded in the Official Records of Maricopa County, Arizona, as Instrument No. 20190580736 ("**Declaration**"). Lessee hereby agrees to fulfill and comply with its duties and obligations as a "Lessee" as defined under the Declaration, as such duties and obligations relate to the Premises.

44.2 Assessments and other Obligations. Lessee shall pay its "Proportionate Share" of "Common Area Assessments" in accordance with the Declaration. Such payment obligation shall constitute "additional rent" under this Lease. Lessee shall fulfill any other obligations it may have as a "Lessee" in accordance with the Declaration, as such other obligations relate to the Premises.

IN WITNESS WHEREOF, the Parties have executed this Lease as of the Effective Date.

LESSOR:

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, an Arizona joint powers airport authority

By: _____
J. Brian O'Neill, A.A.E.
Executive Director/CEO

STATE OF ARIZONA)
) ss.
County of Maricopa)

ACKNOWLEDGED before me this____day of_____, 2022, by J. Brian O'Neill, in his capacity as the Executive Director/CEO of the Phoenix-Mesa Gateway Airport Authority.

_____
Notary Public

My Commission Expires:

_____

LESSEE:

SKYB LOT 108 LLC , an Arizona limited liability company

STATE OF _____

By: _____
Felipe Monroy Torres, Manager

County of _____
)
) ss.
)

ACKNOWLEDGED before me this_day of_____, 2022, by Felipe Monroy Torres, in his capacity as Manager of SKYB LOT 108 LLC, an Arizona limited liability company, for and on behalf of said company.

_____
Notary Public

My Commission Expires:

_____

EXHIBIT A

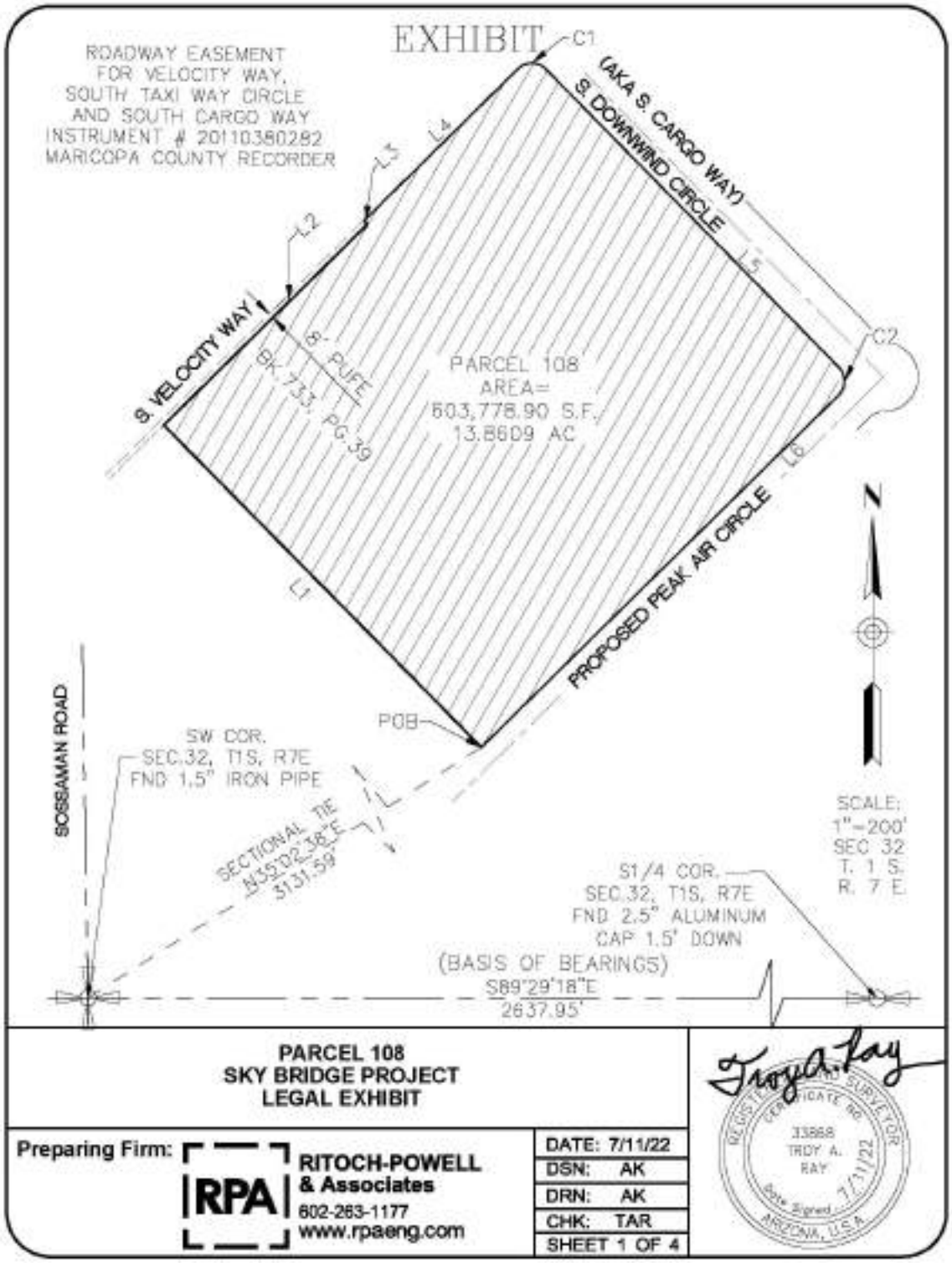
EXHIBIT
ROADWAY EASEMENT
FOR VELOCITY WAY,
SOUTH TAXI WAY CIRCLE
AND SOUTH CARGO WAY
INSTRUMENT # 20110380282
MARICOPA COUNTY RECORDER
C1
(AKA S. CARGO WAY)
S. DOWNWIND CIRCLE
L4
L3
L2
L5
C2
S. VELOCITY WAY
8' PUFE
BK. 733, PG.39
PARCEL 108
AREA=
603,778.90 S.F.
13.8609 AC
L6
L1
PROPOSED PEAK AIR CIRCLE
N
POB
SOSSAMAN ROAD
SW COR.
SEC.32, T1S, R7E
FND 1.5" IRON PIPE
SECTIONAL TIE
N35°02'38"E
3131.59'
SCALE:
1"=200'
SEC 32
T. 1 S.
R. 7 E.
S1/4 COR.
SEC.32, T1S, R7E
FND 2.5" ALUMINUM
CAP 1.5' DOWN
(BASIS OF BEARINGS)
S89°29'18"E
2637.95'
PARCEL 108
SKY BRIDGE PROJECT
LEGAL EXHIBIT
Preparing Firm:
RPA
RITOCH-POWELL
& Associates
602-263-1177
www.rpaeng.com
DATE: 7/11/22
DSN: AK
DRN: AK
CHK: TAR
SHEET 1 OF 4
REGISTERED LAND SURVEYOR
CERTIFICATE NO.
33868
TROY A.
RAY
Date Signed 7/11/22
ARIZONA, U.S.A.

EXHIBIT

LINE TABLE		
LINE	BEARING	LENGTH
L1	N44°35'11"W	722.03'
L2	N45°25'10"E	456.60'
L3	N44°33'22"W	8.00'
L4	N45°25'10"E	344.51'
L5	S44°30'05"E	666.11'
L6	S45°25'29"W	800.12'

CURVE TABLE				
CURVE	DELTA	RADIUS	LENGTH	CHD BRNG
C1	90°04'45"	32.00'	50.31'	S89°32'28"E
C2	89°55'34"	32.00'	50.22'	S0°27'42"W

PARCEL 108
SKY BRIDGE PROJECT
LEGAL EXHIBIT

Preparing Firm: RPA **RITOCH-POWELL & Associates** 602-263-1177 www.rpaeng.com

DATE:	7/11/22
DSN:	AK
DRN:	AK
CHK:	TAR
SHEET 2 OF 4	

REGISTERED LAND SURVEYOR CERTIFICATE NO. 33868 TROY A. RAY Date Signed 7/11/22 ARIZONA, U.S.A.

LEGAL DESCRIPTION

A PARCEL OF LAND BEING A PORTION OF THAT TRACT AS CONVEYED TO PHOENIX – MESA GATEWAY AIRPORT AUTHORITY BY DEED OF RECORD IN INSTRUMENT NO. 2012-0267529, MARICOPA COUNTY RECORDS AND LYING WITHIN THE WEST HALF OF SECTION 32, TOWNSHIP 1 SOUTH, RANGE 7 EAST OF THE GILA AND SALT RIVER MERIDIAN, CITY OF MESA, MARICOPA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 32 (1.5" IRON PIPE) FROM WHICH POINT THE SOUTH QUARTER CORNER THEREOF (2.5" ALUMINUM CAP 1.5' BELOW GROUND) BEARS S89°29'18"E A DISTANCE OF 2637.95 FEET;

THENCE N35°02'38"E A DISTANCE OF 3131.59 FEET TO A POINT ON THE PROPOSED NORTH LINE OF PEAK AIR CIRCLE, SAID POINT BEING THE POINT OF BEGINNING;

THENCE N44°35'11"W A DISTANCE OF 722.03 FEET TO A POINT ON THE SOUTH LINE OF A PUFE (PUBLIC UTILITY AND FACILITY EASEMENT) AS RECORDED IN INSTRUMENT NO. 20110380282, MARICOPA COUNTY RECORDS;

THENCE N45°25'10"E, A DISTANCE OF 456.60 FEET, ALONG SAID SOUTH PUFE LINE, TO A POINT ON THE EAST LINE OF SAID PUFE;

THENCE N44°33'22"W, A DISTANCE OF 8.00 FEET, ALONG SAID EAST PUFE LINE, TO A POINT ON THE SOUTH LINE OF A ROADWAY EASEMENT FOR VELOCITY WAY, AS RECORDED IN INSTRUMENT NO. 20110380282, MARICOPA COUNTY RECORDS;;

THENCE E N45°25'10"E A DISTANCE OF 344.51 FEET, ALONG SAID EASEMENT LINE;

THENCE 50.31 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 32.00 FEET THROUGH A CENTRAL ANGLE 90°04'45", AND A CHORD BEARING OF S89°32'28"E, TO A POINT ON THE WESTERLY LINE OF THE ROADWAY EASEMENT FOR SOUTH DOWNWIND CIRCLE (AKA SOUTH CARGO WAY), AS RECORDED IN INSTRUMENT NO. 20110380282, MARICOPA COUNTY RECORDS;

THENCE S44°30'05"E A DISTANCE OF 666.11 FEET; ALONG SAID EASEMENT LINE;

PARCEL 108
SKY BRIDGE PROJECT
LEGAL EXHIBIT

Preparing Firm: RPA RITOCH-POWELL & Associates 602-263-1177 www.rpaeng.com

DATE: 7/11/22	
DSN:	AK
DRN:	AK
CHK:	TAR
SHEET 3 OF 4	

REGISTERED LAND SURVEYOR CERTIFICATE NO. 33868 TROY A. RAY Date Signed 7/11/22 ARIZONA, U.S.A.

LEGAL DESCRIPTION

THENCE 50.22 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 32.00 FEET THROUGH A CENTRAL ANGLE 89°55'34", AND A CHORD BEARING S0°27'42"W, TO A POINT ON THE PROPOSED NORTH LINE OF PEAK AIR CIRCLE;

THENCE S45°25'29"W A DISTANCE OF 800.12 FEET, TO THE POINT OF BEGINNING.

THE ABOVE DESCRIBED PARCEL CONTAINS 603,778.90 SQ. FT. (13.8609 ACRES) OF LAND, MORE OR LESS, INCLUDING ANY EASEMENTS OF RECORD.

THE BASIS OF BEARING FOR THE ABOVE DESCRIPTION IS S89°29'18"E FOR THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SECTION 32, TOWNSHIP 1 SOUTH, RANGE 7 EAST OF THE GILA & SALT RIVER MERIDIAN AS CALCULATED FROM A PLSS SUBDIVISION RECORD OF SURVEY MARICOPA COUNTY GEODETIC DENSIFICATION AND CADASTRAL SURVEY (GDACS) RECORDED IN BOOK 609, PAGE 29, MARICOPA COUNTY RECORDS.

PARCEL 108
SKY BRIDGE PROJECT
LEGAL EXHIBIT

Preparing Firm: RPA **RITOCH-POWELL & Associates** 602-263-1177 www.rpaeng.com

DATE:	7/11/22
DSN:	AK
DRN:	AK
CHK:	TAR
SHEET 4 OF 4	

REGISTERED LAND SURVEYOR CERTIFICATE NO. 33868 TROY A. RAY Date Signed 7/11/22 ARIZONA, U.S.A.

PARCEL 108

NORTH: 836765.0621' EAST: 777408.9303'

SEGMENT #1 : LINE

COURSE: N44° 35' 11"W LENGTH: 722.03'
NORTH: 837279.2867' EAST: 776902.0769'

SEGMENT #2 : LINE

COURSE: N45° 25' 10"E LENGTH: 456.60'
NORTH: 837599.7794' EAST: 777227.2968'

SEGMENT #3 : LINE

COURSE: N44° 33' 22"W LENGTH: 8.00'
NORTH: 837605.4800' EAST: 777221.6839'

SEGMENT #4 : LINE

COURSE: N45° 25' 10"E LENGTH: 344.51'
NORTH: 837847.2954' EAST: 777467.0661'

SEGMENT #5 : CURVE

LENGTH: 50.31' RADIUS: 32.00'
DELTA: 90°04'45" TANGENT: 32.04'
CHORD: 45.29' COURSE: S89° 32' 28"E
COURSE IN: S44° 34' 50"E COURSE OUT: N45° 29' 55"E
RP NORTH: 837824.5030' EAST: 777489.5272'
END NORTH: 837846.9326' EAST: 777512.3507'

SEGMENT #6 : LINE

COURSE: S44° 30' 05"E LENGTH: 666.11'
NORTH: 837371.8407' EAST: 777979.2449'

SEGMENT #7 : CURVE

LENGTH: 50.22' RADIUS: 32.00'
DELTA: 89°55'34" TANGENT: 31.96'
CHORD: 45.23' COURSE: S0° 27' 42"W
COURSE IN: S45° 29' 55"W COURSE OUT: S44° 34' 31"E
RP NORTH: 837349.4110' EAST: 777956.4214'
END NORTH: 837326.6165' EAST: 777978.8805'

SEGMENT #8 : LINE

COURSE: S45° 25' 29"W
LENGTH: 800.12'
NORTH: 836765.0557'
EAST: 777408.9318'

PERIMETER: 3097.91'
AREA: 603,778.90 SQ. FT.
(13.8609 ACRES)
ERROR CLOSURE: 0.0066
COURSE: S13° 28' 38"E
ERROR NORTH: -0.00643'
EAST: 0.00154'

PRECISION 1: 469,378.79

EXHIBIT B

AIRPORT RATES & CHARGES SCHEDULE

https://www.gatewayairport.com/Documents/DocumentLibrary/ExecDirSect/Airport%20Fees,%20Services%20and%20Rental%20Rates2019.pdf?Uniqueifier=BN0bRb1WgM

AIRPORT FEES, SERVICES & RENTAL RATES

https://www.gatewayairport.com/Documents/DocumentLibrary/ExecDirSect/Airport%20Fees,%20Services%20and%20Rental%20Rates2019.pdf?Uniqueifier=krpqAZPV2H

EXHIBIT C

AIRCRAFT OPERATIONS GUIDELINES

C1. Use of Airport. Lessee, Lessee's assigns, sublessees, or transferees who operate aircraft at the Airport and who are engaged in a private, government, or commercial aeronautical business or service and desire to use the Airport landing facilities for certain types of operations including, but not limited to: 1) taxiing and maneuvering on Airport runways, taxiways, ramps and aprons; 2) landings and approaches ("touch and go", "stop and go"); and 3) low approaches shall be subject to the provisions of this **Exhibit C.**

C2. Fees. As appropriate, Lessee shall pay Lessor fees as outlined below:

C2.1 *Landing Fee*: Lessee shall pay a landing fee at a rate equal to the amount reflected on the most current *Airport Rates and Charges Schedule* at the time of the aircraft operation, for each flight subject to a landing fee operated by or in conjunction with Lessee. The weight of any particular aircraft shall be its maximum certificated gross landing weight ("**MGLW**"). The amount owed to Lessor for each chargeable aircraft landing for each preceding calendar month shall be due and payable no later than the TWENTIETH (20th) day of the month succeeding the calendar month in which said aircraft landings took place. Lessee's written listing of all aircraft landings subject to such fee shall accompany said payment. Each entry in such listing shall include the date of the landing, the aircraft registration number, the type and model aircraft, the aircraft MGLW and the amount of the fee due.

C2.2 *Aircraft Ramp Space*. Lessee shall pay Lessor monthly, an aircraft-parking fee in an amount equal to that specified in the most current Airport Rates and Charges Schedule at the time of use, for each overnight aircraft parking position used by Lessee that is situated on Airport ramp outside the Premises. Such fees, if any, shall be payable to Lessor no later than the TWENTIETH (20th) day of the month following that in which Lessee occupied or used such space, and such payment shall be accompanied by a written listing of the aircraft (including registration number, make and model), dates and times of usage.

C2.3 *Other Space*. When available and specifically assigned to Lessee, Lessee shall pay Lessor monthly, in advance, a fee established in the *Airport Rates and Charges Schedule* for Lessee's non-exclusive use of other space not situated on or part of the Premises.

C2.4 *Additional Space/Services*. In the event that Lessee requires space or special services such as, but not limited to, aircraft line services, out-of-station ARFF standby, operations safety officers, ground service equipment, or fuel spills response teams, Lessee shall pay Lessor's standard fees for such services at the time the service is rendered, unless a secured account or agreement is established prior to requesting additional services.

C3. Books and Records. Lessee shall maintain for not less than THIRTY-SIX (36) months books, records and ledgers accurately reflecting the total number of monthly Aircraft landings for each aircraft subject to a landing fee and any other aforementioned fee indicating the make, type (including model designation), registration, maximum certificated gross landing weight, and arrival and departure time of each aircraft involved. These records or copies thereof shall be made available to Lessor upon Lessor's written request. In addition to monthly payment as set forth in Section C2 herein and together therewith, Lessee shall provide Lessor with a written report, indicating all aircraft operations and related information for the preceding calendar month.

C4. Disabled or Abandoned Aircraft. Should any aircraft owned or operated by Lessee through accident or for any other reason, become disabled or be abandoned in any area which could interfere with the continuous, normal operations of any of the runways, taxiways and airfield facilities at the Airport, Lessee shall:

C4.1 Immediately remove said aircraft to such location as may be designated by Lessor, unless such aircraft is required to remain in place pending investigation by the appropriate regulatory agency or agencies of the federal government; and

C4.2 In the event of any accident where federal investigation in place is required, promptly upon receiving clearance to do so from the appropriate federal agency, remove said aircraft and any wreckage or debris resulting therefrom to the area(s) designated by said federal agency authorizing such removal; otherwise, such aircraft wreckage and debris shall be immediately removed from the Airport or stored at a location approved by Lessor.

C4.3 Should Lessee fail to proceed immediately to remove disabled aircraft, or should aircraft owned or operated by Lessee be abandoned on the Airport, Lessor shall have the right to remove such aircraft by any means Lessor deems necessary under the circumstances, and Lessee shall indemnify, defend, keep and hold Lessor, its members, board of directors, officers, agents, officials, servants, employees and contractors harmless from and against any and all claims, costs, loss, liability, actions, suits, proceedings, damage or expense (including costs of suit and attorneys' fees and expenses) incurred by Lessor by reason of removal of said aircraft, injury to persons or property or damages to such aircraft caused by such removal, as well as storage costs therefor. Lessee shall reimburse Lessor for any costs incurred by Lessor in removing and storing any aircraft, any property damage to the Airport caused by such aircraft or removal within TEN (10) business days of demand therefor.

C5. Aviation Fuel. Lessee, at Lessee's sole cost and expense, shall procure aviation fuel delivered to its aircraft on the Airport. If fueling or defueling aircraft owned or operated by Lessee, or under Lessee's direct control, Lessee shall comply fully with Lessor's *Aviation Fuel Storage, Dispensing and Handling Guidelines*.

C6. Fly Friendly Procedures. Lessee acknowledges receipt of Lessor's Fly Friendly noise abatement procedures, and shall provide such information to flight crews, post the information in the Lessee's flight planning area, and use the procedures to the extent possible, when consistent with safety and Air Traffic Control directives.

EXHIBIT D

AIRPORT MINIMUM STANDARDS
&
AIRPORT RULES AND REGULATIONS

(Links Provided Below)

Minimum Standards

https://www.gatewayairport.com/Documents/DocumentLibrary/Board%20Policies/Airport%20Minimum%20Standards.pdf?Uniqueifier=NMDDAKF1A5

Rules and Regulations

https://www.gatewayairport.com/Documents/DocumentLibrary/Board%20Policies/Rules%20and%20Regulations_19-20.pdf?Uniqueifier=NMDDAKF1A5

EXHIBIT E

PROHIBITED USES

1. Outdoor activities or entertainment accessory to a day care center or a wedding or reception center
2. Any residential development including but not limited to a dwelling unit in conjunction with a primary use intended for occupancy by the proprietor, caretaker or night-watchman of the primary use; a Multiple residence development including apartments, condominiums, and townhouses; and single-family residential development.
3. Crematories
4. Construction yards
5. Wedding and reception centers
6. Fraternal organizations, service and social clubs, lodges, fraternities and sororities.
7. Nursing and convalescent homes, philanthropic and charitable institutions, residential and out-patient care and rehabilitation centers, hospices
8. Hospitals
9. Mortuaries
10. Self Storage
11. Outdoor display areas for the sale and rental of items characteristically not enclosed in a building, limited to the following:
    a. Plant nurseries
    b. Building materials such as lumber and masonry supplies
12. Amusement enterprises, such as miniature golf courses, water slides, driving ranges. Batting cages, and similar outdoor uses, but indoor facilities for such uses shall be permitted
13. Commercial automobile, recreational vehicle, and similar vehicular parking and storage lots and garages, as a primary use
14. Plasma centers, charity dining services, homeless shelters, day labor hiring centers, substance abuse detoxification and treatment centers, rescue missions, and similar social service uses
15. Pawn shops and tattoo parlors
16. Assisted living facilities
17. Car washes
18. Automobile service stations with or without accessory auto repair facilities
19. Swap meets, farmer's markets, and similar outdoor sales operations
20. Auto towing and impound yards
21. Animal hospitals, clinics, and boarding kennels
22. Churches

EXHIBIT F

WHEN RECORDED,
RETURN TO:

James Valletta,
Attorney at Law
Warner, Angle, Hallam,
Jackson & Formaned
PLC
2555 E. Camelback Road, Suite 800
Phoenix, AZ 85016

MEMORANDUM OF LEASE

This MEMORANDUM OF LEASE ("Memorandum"), is made and executed as of the 1st day of August , 2022 (the "Effective Date"), by and between **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY**, a joint powers airport authority authorized and existing under the laws of the State of Arizona ("**Landlord**"), whose mailing address is Phoenix-Mesa Gateway Airport Authority, Attn: Business Development Department, 5835 South Sossaman Road, Mesa, Arizona 85212, and **SKYB LOT 108 LLC** , an Arizona limited liability company ("**Tenant**"), whose mailing address is 2415 E. Camelback Road, Suite 700, Phoenix, AZ 85016 .

RECITALS:

A. Landlord and Tenant entered into that certain Development Lease dated July 1, 2022 (the "Lease"), covering that certain real property legally described on Exhibit A attached hereto and incorporated herein by this reference (the "Leased Premises").

B. Landlord and Tenant have agreed to enter into this Memorandum for the purposes of providing record notice of the Lease, and to protect the rights and interests of Landlord and Tenant as to third parties. All capitalized terms not specifically defined herein shall have the meaning ascribed to such terms in the Lease.

NOW, THEREFORE, for and in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

1. Lease and Premises. Subject to the covenants and conditions contained in the Lease, Landlord has leased to Tenant, and Tenant has leased from Landlord, the Leased Premises. Notice to the world is hereby given of the Lease and of the terms of the Lease.

2. Term. The term of the Lease commenced on August 1, 2022 and expires on July 31 , 2082, unless earlier terminated or extended pursuant to the terms of the Lease.

3. Conflict. This Memorandum is prepared for the purpose of constructive notice and in no way modifies the provisions of the Lease. In the event of any conflict or any inconsistency between the terms and provisions of the Lease and the terms and provisions of this Memorandum, the terms and provisions of the Lease shall control.

4. Successors and Assigns. This Memorandum shall be binding upon and inure to the benefit of the parties and their permitted successors and assigns.

5. Counterparts. This Memorandum may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same document, provided that all parties are furnished a copy thereof reflecting the signature of all parties.

(*Signatures appear on the following page*.)

IN WITNESS WHEREOF, the parties hereto have duly executed this Memorandum as of the Effective Date set forth above.

LANDLORD:

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, an Arizona joint powers airport authority

By: _____
J. Brian O'Neill, A.A.E.
Executive Director/CEO

STATE OF ARIZONA)
) ss.
County of Maricopa)

ACKNOWLEDGED before me this____day of_____, 2022, by J. Brian O'Neill, in his capacity as the Executive Director/CEO of the Phoenix-Mesa Gateway Airport Authority.

_____
Notary Public

My Commission Expires:

_____

TENANT:

SKYB LOT 108 LLC , an Arizona limited liability company

By: _____
Felipe Monroy Torres, Manager

STATE OF _____)

County of _____) ss.
)

ACKNOWLEDGED before me this_____day of_____, 2022, by Felipe Monroy Torres in his capacity as Manager of SKYB LOT 108 LLC , an Arizona limited liability company , for and on behalf of said company.

_____
Notary Public

My Commission Expires:

_____

EXHIBIT A

LEGAL DESCRIPTION

A PARCEL OF LAND BEING A PORTION OF THAT TRACT AS CONVEYED TO PHOENIX – MESA GATEWAY AIRPORT AUTHORITY BY DEED OF RECORD IN INSTRUMENT NO. 2012-0267529, MARICOPA COUNTY RECORDS AND LYING WITHIN THE WEST HALF OF SECTION 32, TOWNSHIP 1 SOUTH, RANGE 7 EAST OF THE GILA AND SALT RIVER MERIDIAN, CITY OF MESA, MARICOPA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 32 (1.5" IRON PIPE) FROM WHICH POINT THE SOUTH QUARTER CORNER THEREOF (2.5" ALUMINUM CAP 1.5' BELOW GROUND) BEARS S89°29'18"E A DISTANCE OF 2637.95 FEET;

THENCE N35°02'38"E A DISTANCE OF 3131.59 FEET TO A POINT ON THE NORTH RIGHT OF WAY LINE OF PROPOSED OF PEAK AIR CIRCLE THE POINT OF BEGINNING;

THENCE N44°35'11"W A DISTANCE OF 722.03 FEET TO A POINT ON SOUTH LINE OF THAT PUFE (PUBLIC UTILITY AND FACILITY EASEMENT) AS RECORDED IN MAP OF DEDICATION FOR VELOCITY WAY, SOUTH TAXI WAY CIRCLE AND SOUTH CARGO WAY RECORDED IN BK. 733, PG. 39, MARICOPA COUNTY RECORDER;

THENCE N45°25'10"E, ALONG SAID SOUTH PUFE LINE, A DISTANCE OF 456.60 FEET;

THENCE N44°33'22"W, CONTINUING ALONG SAID SOUTH PUFE LINE, A DISTANCE OF 8.00 FEET TO A POINT ON THE SOUTH RIGHT OF WAY LINE VELOCITY WAY;

THENCE ALONG SAID RIGHT OF WAY LINE THE FOLLOWING FIVE (5) COURSES AND DISTANCES:

THENCE N45°25'10"E A DISTANCE OF 344.51 FEET;

THENCE 50.31 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 32.00 FEET THROUGH A CENTRAL ANGLE 90°04'45", CHORD BEARING OF S89°32'28"E;

THENCE S44°30'05"E A DISTANCE OF 666.11 FEET;

PARCEL 108
SKY BRIDGE PROJECT
LEGAL EXHIBIT

Preparing Firm: RPA RITOCH-POWELL & Associates 602-263-1177 www.rpaeng.com

DATE:	6/15/22
DSN:	AK
DRN:	AK
CHK:	TAR
SHEET 3 OF 4	

REGISTERED LAND SURVEYOR CERTIFICATE NO. 33868 TROY A. RAY Date Signed 6/15/22 ARIZONA, U.S.A.

LEGAL DESCRIPTION

THENCE 50.22 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 32.00 FEET THROUGH A CENTRAL ANGLE 89°55'34", CHORD BEARING S0°27'42"W;

THENCE S45°25'29"W A DISTANCE OF 800.12 FEET TO THE POINT OF BEGINNING.

THE ABOVE DESCRIBED PARCEL CONTAINS 603,778.90 SQ. FT. (13.8609 ACRES) OF LAND, MORE OR LESS, INCLUDING ANY EASEMENTS OF RECORD.

THE BASIS OF BEARING FOR THE ABOVE DESCRIPTION IS S89°29'18"E FOR THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SECTION 32, TOWNSHIP 1 SOUTH, RANGE 7 EAST OF THE GILA & SALT RIVER MERIDIAN AS CALCULATED FROM A PLSS SUBDIVISION RECORD OF SURVEY MARICOPA COUNTY GEODETIC DENSIFICATION AND CADASTRAL SURVEY (GDACS) RECORDED IN BOOK 609, PAGE 29, MARICOPA COUNTY RECORDS.

PARCEL 108
SKY BRIDGE PROJECT
LEGAL EXHIBIT

Preparing Firm: RPA **RITOCH-POWELL & Associates**
602-263-1177
www.rpaeng.com

DATE:	6/15/22
DSN:	AK
DRN:	AK
CHK:	TAR
SHEET 4 OF 4	

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
33568
TROY A.
RAY
Date Signed 6/15/22
ARIZONA, U.S.A.

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 22-50

To:	**Board of Directors**
From:	**R. J. Draper, P.E., LEED AP, CM, Engineering & Facilities Director**
Through:	**Scott Brownlee, Deputy Director/COO**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject:	**Alpha Apron Expansion Phase IV Construction Services – Pulice Construction, Inc.**
Date:	**July 19, 2022**

Proposed Motion

To approve a Construction Contract with Pulice Construction, Inc. for Construction of the Alpha Apron Expansion Phase IV Project in an amount not to exceed $8,614,693 under CIP 1231.

Narrative

In FY04 PMGAA completed a 250,000 square foot aircraft parking apron, which resulted in a private development along its edge. Expansions to that apron (Phase II and Phase III) were constructed in FY11 and FY22, respectively and are used for various federal government and private operations. In order to ensure the Airport continues to have adequate apron capacity for the future, the Alpha Apron Expansion Phase IV design was designed in FY22 and this project is now ready to be constructed to create additional apron space needed to accommodate large aircraft for our current, and future, customers.

Pulice Construction, Inc. will provide construction services for this project, which will expand the Alpha Apron Phase IV to the North/West, while tying into adjacent Taxiway "A" and Taxiway "V". This project will include the construction of a Portland cement concrete apron pavement section, asphalt paved shoulders, taxiway/apron lighting, grading and drainage, pavement markings, utility improvements, and is anticipated to be constructed in two main phases.

The Invitation for Bid (IFB), Solicitation 2022-021-IFB, Alpha Apron Expansion Phase IV, was issued on May 23, 2022, and advertised in the Arizona Business Gazette on 5/19, 5/26, 6/2, 6/9 and 6/16/22. It was also posted on the AzAA, ACC, ACI-NA and SWAAAE Websites, as well as the Phoenix-Mesa Gateway Airport Authority Website. In addition, the IFB was emailed to a list of 90 prospective firms along with DBE/SBE Outreach. The bid opening was held on June 22, 2022, and four (4) bids were received. Pulice Construction, Inc. submitted the lowest, responsive bid.

Pulice Construction, Inc.	**$ 8,614,692.19**
Southwest Concrete Paving Company	$10,508,270.43
Coffman Specialties, Inc.	$10,639,822.18
Combs Construction Company, Inc.	$ 9,343,822.18

Fiscal Impact

This project is included in the FY23 Capital Budget and will be funded with FAA approved PFC funding under CIP 1231.

Attachment(s): Construction Contract

RESOLUTION NO. 22-50

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to approve a Construction Contract with Pulice Construction, Inc. for Construction of the Alpha Apron Expansion Phase IV Project in an amount not to exceed $8,614,693 under CIP 1231.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

> **The Board of Directors of the Authority hereby approves a Construction Contract with Pulice Construction, Inc. for Construction of the Alpha Apron Expansion Phase IV Project in an amount not to exceed $8,614,693 under CIP 1231. 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 19th day of July, 2022.

Brigette Peterson, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

CONSTRUCTION CONTRACT

A. EFFECTIVE DATE:

This Contract is entered into by and between the Owner and the Contractor for construction of the Project and shall be effective as of the date signed by Owner**.**

B. OWNER:

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, a joint powers airport authority authorized by the State of Arizona
5835 South Sossaman Road
Mesa, Arizona 85212-6014
Phone: 480.988.7600
Fax: 480.988.7641

C. CONTRACTOR:

Pulice Construction, Inc.
8660 E. Hartford Dr., Ste 305
Scottsdale, AZ 85255
602-944-2241

D. DESIGN ENGINEER:

Kimley-Horn and Associates,
7740 N. 16th St., Suite 300
Phoenix, AZ 85020
Phone: 602.944.5500
Fax: 602.944.7423

RESIDENT ENGINEER

Consultant Engineering, Inc.
10625 N. 25th Ave, Suite 200,
Phoenix, AZ 85029
Phone: (602) 866-5090
Fax: (602) 866-5085

E. PROJECT:

ALPHA APRON EXPANSION PHASE IV
Authority Project No. 1231

F. WORK TO BE PERFORMED:

The intent of the *Alpha Apron Expansion Phase IV* project is to expand the limits of the existing Alpha Apron to the northwest and provide a new taxiway connector from the new apron area to existing Taxiway V. The newly constructed apron and taxiway will consist of approximately 26,165 square yards of Portland Cement Concrete pavement, with and adjacent Asphalt Concrete pavement shoulder, paved/shotcrete infield areas, apron lighting, site drainage and a detention basin, existing vehicle service road modifications, new access road alignments, and pavement markings.

G. RECITALS:

The Owner intends to construct the Alpha Apron Expansion Phase IV with airfield paving, lighting, drainage, structures, utilities, service roads, and other items as necessary for the full and efficient use of the project in connection with Phoenix-Mesa Gateway Airport located in Mesa, Arizona. The Owner desires to contract for certain construction services and materials, and the Contractor desires to provide construction services and materials.

NOW, THEREFORE, intending to be legally bound and for valuable consideration, the receipt and sufficiency of which are acknowledged, the Owner and Contractor agree as follows:

H. AGREEMENTS:

ARTICLE 1 THE CONTRACT

The Contract consists of (1) this Construction Contract, (2) The Bidding Requirements and Agreement Documents, (3) the General Conditions to the Construction Contract, (4) General Provisions, (5) Special Provisions, (6) Drawings, Technical Specifications and other documents or amendments referenced in Article 7 of the Construction Contract, and (7) any amendments or modifications to the foregoing documents, including (a) a written amendment signed by both parties, (b) a Change Order, (c) a Change Directive, (d) Supplementary Instructions, or (e) a written order for a minor change in the work (collectively the "Contract").

ARTICLE 2 THE WORK

The Contractor shall execute the entire work described in the Contract and all work reasonably inferable as necessary to produce the results intended by the Contract.

ARTICLE 3 CONTRACT TIME

3.1 The Contractor and Owner recognize that time is of the essence of this Agreement and that Owner will suffer financial loss if the work is not Substantially Completed or Finally Completed within the times specified below.

3.2 The Contractor shall achieve Substantial Completion (as defined in Section 9.8.1 of the General Conditions of the Construction Contract and evidenced by a Certificate of Substantial Completion) of the Base Bid (Schedule I) no later than a total of **180 Calendar Days** from the date of issuance of the Notice to Proceed.

3.3 Final Acceptance of the work shall occur not more than thirty (30) calendar days after the Substantial Completion date.

3.4 The parties acknowledge and agree that it would be extremely difficult and impracticable to ascertain the damages that the Owner would incur should the Contractor fail to achieve, (1) Substantial Completion of the work by the milestone completion date(s), or (2) Final Acceptance of the work, as specified in this Article 3. Accordingly, if the Contractor fails to achieve (1) Partial Acceptance, (2) Substantial Completion, or (3) Final Acceptance of the work as specified in this Article 3, the Contractor shall be liable for and shall pay to the Owner liquidated damages for each calendar day of delay until the Contractor achieves (l) Partial Acceptance, (2) Substantial Completion, or (3) Final Acceptance of the work as the case may be. The liquidated damages shall be as follows:

The following Liquidated Damages will apply:

1. Substantial Completion of Base Bid (All Phases, 180 Calendar Days) – $2,500 per Day

The following Liquidated Damages will also apply:

1. Final Completion within thirty (30) Calendar Days of Substantial Completion of the project (Base Bid) – $2,500 per Day

The Owner shall have the right to retain any liquidated damages from payments due Contractor.

ARTICLE 4 CONTRACT SUM

4.1 The Owner shall pay the Contractor in current funds for the Contractor's performance of the Contract the Contract Sum of eight million six hundred fourteen thousand six hundred ninety two and 19/100 Dollars ($8,614,692.19), subject to the additions and deductions as provided in the Contract.

4.2 Unit prices are set forth in the Bid Proposal attached hereto as Schedule I in Exhibit A. The unit prices include (l) all materials, equipment, labor, delivery, installation, overhead, profit, taxes, bond, insurance, and commissions, and (2) any other costs or expenses in connection with or incidental to the performance of that portion of the work to which such unit prices apply.

ARTICLE 5 PROGRESS PAYMENTS

Progress payments will be made in accordance with Article 9 of the *General Conditions* to the Construction Contract.

ARTICLE 6 FINAL PAYMENT

Final payment will be made in accordance with Article 9 of the *General Conditions* to the Construction Contract.

ARTICLE 7 CONTRACT DOCUMENTS

7.1 The Contract, except for modifications issued after the effective date of the Construction Contract, consists of the following documents:

7.1.1 The *Construction Contract*.
7.1.2 The Bidding Requirements and Agreement Documents
7.1.3 The *General Conditions* to the Construction Contract.
7.1.4 The *General Provisions* to the Construction Contract.
7.1.5 The *Special Provisions* to the Construction Contract.
7.1.6 Plans, Specifications and Addenda attached.
7.1.7 Bid Documents as follows:

A. Contractor Bid Proposal dated June 22, 2022.

B. Certified Copy of Resolution of Board of Directors dated June 9, 2022.

C. Contractor Statutory Bid Bond dated June 16, 2022.

D. Certificate of Insurability dated June 22, 2022.

E. Non-Collusion Bidding Certification signed by Victor Jimenez and dated June 22, 2022.

F. Standard Certifications signed by Victor Jimenez and dated June 22, 2022.

G. Bidders Qualification Statement dated June 22, 2022.

H. Subcontractor List dated June 22, 2022.

7.1.8 Amendments or modifications to the Contract, if any, to which the parties may agree during Contract performance.

7.2 There are no Contract Documents other than those listed above in this Article 7. The Contract Documents may only be amended, modified, or supplemented as provided in the *General Conditions*.

7.3 The Contract Documents are complementary, and a requirement called for by one is as binding as if called for by all. In resolving conflicts, if any, the Contract Documents shall be given the precedence that the Engineer determines is consistent with their intent and that will produce the intended result. When not in contradiction with this priority, the Contract Documents shall be given precedence in the order in which they are listed in this Article 7.

ARTICLE 8 MISCELLANEOUS

8.1 If any provision(s) of the Contract is/are invalid, illegal or unenforceable, all other provisions of the Contract shall nevertheless remain in full force and effect. If any Contract provision is inapplicable to any person or circumstance, that provision shall nevertheless remain applicable to all other persons and circumstances.

8.2 It is Contractor's and Owner's intent that all provisions of law required to be inserted or referenced in the Contract Documents shall be incorporated into them. If any provision of law is not inserted or referenced in the Contract Documents, or is inserted or referenced in improper form, the provision shall be considered inserted or referenced in proper form at no increase in Contract Price or Contract Time.

8.3 Contractor shall not sell, assign, transfer or otherwise convey any of its rights and shall not delegate any of its duties under this Contract without Owner's prior express written consent. In its sole discretion Owner may refuse to consent to any proposed assignment or delegation. Any attempted sale, assignment, transfer, conveyance or delegation in violation of this Paragraph 8.3 shall be void and shall relieve Owner of any further liability under the Contract Documents. If Owner consents in writing to an assignment, unless specifically stated to the contrary in the consent, the assignment shall not release or discharge Contractor from any duty or responsibility set forth in the Contract Documents.

8.4 Nothing contained in the Contract shall in any manner authorize, empower, or constitute Contractor, its subcontractors, or suppliers as agent(s) of Owner, authorize or empower Contractor, its subcontractors, or suppliers to assume or create any obligation or responsibility whatsoever, express or implied, on behalf of or in the name of Owner or authorize or empower Contractor, its subcontractors or suppliers to bind Owner in any manner or to make any representation, warranty, covenant, agreement, or commitment on Owner's behalf. Contractor shall perform all work under this Contract as an independent contractor. Only Owner of this Contract shall have rights to enforce any changes to this Contract.

8.5 This Contract shall be binding on Owner and Contractor and all of their respective successors, heirs, legal representatives, and, if Owner has consented to an assignment or delegation as provided in Paragraph 8.3, assigns and delegates.

8.6 This Contract supersedes all prior oral or written agreements, if any, between the parties and constitutes the entire, integrated agreement between the parties with respect to the work to be performed under the Contract Documents.

8.7 This Contract shall be governed by and construed in accordance with the laws of the state of Arizona, without giving effect to any rules governing conflict of laws.

8.8 The approval and continuation of this Contract is subject to the availability of funds either provided to, made available to, or appropriated by the Owner for this purpose. In the event that funds are not available or appropriated for the Owner's payment requirements under this contract for the goods and/or services to be provided hereunder, the Owner may terminate this contract by providing notice to the Contractor of the lack of the availability of funds.

Executed as of the Effective Date.

CONTRACTOR
Pulice Construction, Inc., an Arizona Corporation

By: _____

Name: Victor M. Jimenez

Title: President

Date: 06/28/2022

OWNER
PHOENIX-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: _____

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 22-51

To:	**Board of Directors**
From:	**R. J. Draper, P.E., LEED AP, CM Engineering & Facilities Director**
Through:	**Scott Brownlee, Deputy Director/COO** **J. Brian O'Neill, A.A.E., Executive Director/CEO**
Subject:	**Center Runway 12C/30C Reconstruction–Construction Services – Coffman Specialties, Inc.**
Date:	**July 19, 2022**

Proposed Motion

To approve a Construction Contract with Coffman Specialties, Inc. for Construction of the Center Runway 12C/30C Reconstruction Project in an amount not to exceed $15,777,632 under CIP 1202, subject to receipt of two (2) FAA federal grants to Phoenix-Mesa Gateway Airport Authority.

Narrative

Due to the continued commercial aircraft usage and the age of the pavement, the Center Runway 12C/30C pavement is deteriorated and has been recommended for major reconstruction. The Center Runway 12C/30C Reconstruction Project consists of the reconstruction of the first 1000ft of Runway 12C, (FAA BIL grant funded) and 2500ft of Runway 30C beginning 1000' from the threshold (FAA entitlement and discretionary grant funded).

Coffman Specialties, Inc. will provide construction services that include demolition of existing pavement, earthwork, new Portland Cement Concrete Pavement, taxiway pavement, shoulder pavement, crushed Aggregate Base, Cement-Treated Base, Lime-Treated Subgrade, new pavement markings, crack seal, seal coat and airfield electrical.

The Invitation for Bid (IFB), Solicitation 2022-017-IFB – Center Runway 12C/30C Reconstruction, was issued on April 19, 2022, and advertised in the Arizona Business Gazette on 4/14, 4/21, 4/28 and 5/5/22. It was also posted on the AzAA, ACC, ACI-NA, SWAAAE, and FAA Matchmaker Websites, as well as the Phoenix-Mesa Gateway Airport Authority Website. In addition, the IFB was emailed to a list of 88 prospective firms along with DBE/SBE Outreach. The bid opening was held on May 19, 2022, and three (3) bids were received. After review of the bids, Coffman Specialties, Inc. was determined to have submitted the lowest, responsive bid.

Coffman Specialties, Inc.	**$15,777,631.50**
Pulice Construction, Inc.	$16,953,813.09
Combs Construction Co., Inc.	$19,513,874.13

Fiscal Impact

This project is included in the FY22 Capital Budget with a carryover to FY23 utilizing FAA, ADOT and PMGAA Matching Grant Funds under CIP 1202.

Attachment(s): Construction Contract

RESOLUTION NO. 22-51

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to approve a Construction Contract with Coffman Specialties, Inc. for Construction of the Center Runway 12C/30C Reconstruction Project in an amount not to exceed $15,777,632 under CIP 1202, subject to receipt of two (2) FAA federal grants to Phoenix-Mesa Gateway Airport Authority.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

> **The Board of Directors of the Authority hereby approves a Construction Contract with Coffman Specialties, Inc. for Construction of the Center Runway 12C/30C Reconstruction Project in an amount not to exceed $15,777,632 under CIP 1202, subject to receipt of two (2) FAA federal grants to Phoenix-Mesa Gateway Airport Authority. 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 19th day of July, 2022.

Brigette Peterson, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

CONSTRUCTION CONTRACT

A. EFFECTIVE DATE:

This Contract is entered into by and between the Owner and the Contractor for construction of the Project and shall be effective as of the date signed by Owner.

B. OWNER:

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, a joint powers airport authority authorized by the State of Arizona
5835 South Sossaman Road
Mesa, Arizona 85212-6014
Phone: 480.988.7600
Fax: 480.988.7641

C. CONTRACTOR:

Coffman Specialties, Inc.
9685 Via Excelencia, Suite 200
San Diego, CA 92126
858-536-3100

D. DESIGN ENGINEER:

Dibble
7878 N. 16th St., Suite 300
Phoenix, AZ 85202
(602) 957-1155

RESIDENT ENGINEER

Dibble
7878 N. 16th St., Suite 300
Phoenix, AZ 85202
(602) 957-5511

E. PROJECT:

RUNWAY 12C-30C RECONSTRUCTION
AUTHORITY PROJECT No. 1202

F. WORK TO BE PERFORMED:

The intent of the *Runway 12C-30C Reconstruction* project is to reconstruct the concrete portions of the center runway and correct non-standard longitudinal and transverse grades.

G. RECITALS:

The Owner intends to reconstruct the concrete portions Runway 12C-30C, and other items as necessary for the full and efficient use of the project in connection with Phoenix-Mesa Gateway Airport located in Mesa, Arizona. The Owner desires to contract for certain construction services and materials, and the Contractor desires to provide construction services and materials.

NOW, THEREFORE, intending to be legally bound and for valuable consideration, the receipt and sufficiency of which are acknowledged, the Owner and Contractor agree as follows:

H. AGREEMENTS:

ARTICLE 1 THE CONTRACT

The Contract consists of (1) this Construction Contract, (2) The Bidding Requirements and Agreement Documents, (3) the General Conditions to the Construction Contract, (4) General and Federal Provisions, (5) Special Provisions, (6) Drawings, Technical Specifications and other documents or amendments referenced in Article 7 of the Construction Contract, and (7) any amendments or modifications to the foregoing documents, including (a) a written amendment signed by both parties, (b) a Change Order, (c) a Change Directive, (d) Supplementary Instructions, or (e) a written order for a minor change in the work (collectively the "Contract").

ARTICLE 2 THE WORK

The Contractor shall execute the entire work described in the Contract and all work reasonably inferable as necessary to produce the results intended by the Contract.

ARTICLE 3 CONTRACT TIME

3.1 The Contractor and Owner recognize that time is of the essence of this Agreement and that Owner will suffer financial loss if the work is not Substantially Completed or Finally Completed within the times specified below.

3.2 The Contractor shall achieve Substantial Completion (as defined in Section 9.8.1 of the General Conditions of the Construction Contract and evidenced by a Certificate of Substantial Completion) of the Base Bid (Schedule I) no later than a total of **120 Calendar Days** from the date of issuance of the Notice to Proceed; and no later than a total of **90 Calendar Days** from the date of issuance of the Notice to Proceed for the Add Alt (Schedule II), if awarded. If both Base Bid and Additive Alternate No. 1 is awarded the Contractor shall have a total of **120 Calendar Days** to achieve Substantial Completion.

3.3 Final Acceptance of the work shall occur not more than 14 calendar days after the Substantial Completion date. All punchlist items on the runway shall be completed at night (hours to be coordinated with Airport so as to not impact commercial service flights).

3.4 The parties acknowledge and agree that it would be extremely difficult and impracticable to ascertain the damages that the Owner would incur should the Contractor fail to achieve, (1) Substantial Completion of the work by the milestone completion date(s), or (2) Final Acceptance of the work, as specified in this Article 3. Accordingly, if the Contractor fails to achieve (1) Partial Acceptance, (2) Substantial Completion, or (3) Final Acceptance of the work as specified in this Article 3, the Contractor shall be liable for and shall pay to the Owner liquidated damages for each calendar day of delay until the Contractor achieves (I) Partial Acceptance, (2) Substantial Completion, or (3) Final Acceptance of the work as the case may be. The liquidated damages shall be as follows:

If only the Base Bid (Schedule I) is awarded the following Liquidated Damages will apply:

1. Substantial Completion of Base Bid (All Phases, **120 Calendar Days**) – $2,500 per Day

If only the Add Alt No. 1 (Schedule II) is awarded the following Liquidated Damages will apply:

1. Substantial Completion of Base Bid (All Phases, **90 Calendar Days**) – $2,500 per Day

If the Base Bid (Schedule I) and Additive Alternate No. 1 (Schedule II) are both awarded the following Liquidated Damages will apply:

1. Substantial Completion of Base Bid (All Phases, **120 Calendar Days**) – $2,500 per Day
2. Substantial Completion of Additive Alternate No. 1 (**90 Calendar Days**) – $2,500 per Day

The following Liquidated Damages will also apply for each respective award:

1. Final Completion within **14 Calendar Days** of Substantial Completion of Base Bid – $2,500 per Day.
2. Final Completion within **14 Calendar Days** of Substantial Completion of Additive Alternate No. 1 – $2,500 per Day.

The Owner shall have the right to retain any liquidated damages from payments due Contractor.

ARTICLE 4 CONTRACT SUM

4.1 The Owner shall pay the Contractor in current funds for the Contractor's performance of the Contract the Contract Sum of fifteen million seven hundred seventy seven thousand six hundred thirty one and 50/100 Dollars ($15,777,631.50), subject to the additions and deductions as provided in the Contract.

4.2 Unit prices are set forth in the Bid Proposal attached hereto as Schedule I in Exhibit A. The unit prices include (I) all materials, equipment, labor, delivery, installation, overhead, profit, taxes, bond, insurance, and commissions, and (2) any other costs or expenses in connection with or incidental to the performance of that portion of the work to which such unit prices apply.

ARTICLE 5 PROGRESS PAYMENTS

Progress payments will be made in accordance with Article 9 of the *General Conditions* to the Construction Contract.

ARTICLE 6 FINAL PAYMENT

Final payment will be made in accordance with Article 9 of the *General Conditions* to the Construction Contract.

ARTICLE 7 CONTRACT DOCUMENTS

7.1 The Contract, except for modifications issued after the effective date of the Construction Contract, consists of the following documents:

7.1.1 The *Construction Contract*.
7.1.2 The Bidding Requirements and Agreement Documents
7.1.3 The *General Conditions* to the Construction Contract.
7.1.4 The *General Provisions* to the Construction Contract.
7.1.5 The *Special Provisions* to the Construction Contract.
7.1.6 Plans, Specifications and Addenda attached.
7.1.7 Bid Documents as follows:

A. Contractor Bid Proposal dated May 19, 2022.

B. Certified Copy of Resolution of Board of Directors dated March 31, 2022.

C. Contractor Statutory Bid Bond dated May 5, 2022.

D. Certificate of Insurability dated May 13, 2022.

E. Non-Collusion Bidding Certification signed by Colleen Coffman and dated May 16, 2022.

F. Standard Certifications signed by Colleen Coffman and dated May 16, 2022.

G. Bidders Qualification Statement dated May 17, 2022.

H. Subcontractor List dated May 13, 2022.

I. Bidder' Statement on Previous Contracts Subject to EEO Clause dated May 16, 2022.

J. Buy American (Title 49 U.S.C., Chapter 501) dated May 16, 2022.

K. Business Identification Form dated May 16, 2022.

L. Tax Delinquency and Felony Conviction Certificate dated May 16, 2022.

M. Attachment A (Base Bid) Subcontracting & Outreach Efforts Summary received

N. Attachment A (Add Alt No. 1) Subcontracting & Outreach Efforts Summary received.

O. Attachment B (Base Bid) Letter of Intent to Perform as a subconsultant/ Subcontractor/ Supplier dated received.

P. Attachment B (Add Alt No. 1) Letter of Intent to Perform as a subconsultant/ Subcontractor/ Supplier dated received.

Q. Attachment C, DBE Certification Statement dated received. (If Required)

7.1.8 Amendments or modifications to the Contract, if any, to which the parties may agree during Contract performance.

7.2 There are no Contract Documents other than those listed above in this Article 7. The Contract Documents may only be amended, modified, or supplemented as provided in the *General Conditions*.

7.3 The Contract Documents are complementary, and a requirement called for by one is as binding as if called for by all. In resolving conflicts, if any, the Contract Documents shall be given the precedence that the Engineer determines is consistent with their intent and that will produce the intended result. When not in contradiction with this priority, the Contract Documents shall be given precedence in the order in which they are listed in this Article 7.

ARTICLE 8 MISCELLANEOUS

8.1 If any provision(s) of the Contract is/are invalid, illegal or unenforceable, all other provisions of the Contract shall nevertheless remain in full force and effect. If any Contract provision is inapplicable to any person or circumstance, that provision shall nevertheless remain applicable to all other persons and circumstances.

8.2 It is Contractor's and Owner's intent that all provisions of law required to be inserted or referenced in the Contract Documents shall be incorporated into them. If any provision of law is not inserted or referenced in the Contract Documents, or is inserted or referenced in improper form, the provision shall be considered inserted or referenced in proper form at no increase in Contract Price or Contract Time.

8.3 Contractor shall not sell, assign, transfer or otherwise convey any of its rights and shall not delegate any of its duties under this Contract without Owner's prior express written consent. In its sole discretion Owner may refuse to consent to any proposed assignment or delegation. Any attempted sale, assignment, transfer, conveyance or delegation in violation of this Paragraph 8.3 shall be void and shall relieve Owner of any further liability under the Contract Documents. If Owner consents in writing to an assignment, unless specifically stated to the contrary in the consent, the assignment shall not release or discharge Contractor from any duty or responsibility set forth in the Contract Documents.

8.4 Nothing contained in the Contract shall in any manner authorize, empower, or constitute Contractor, its subcontractors, or suppliers as agent(s) of Owner, authorize or empower Contractor, its subcontractors, or suppliers to assume or create any obligation or responsibility whatsoever, express or implied, on behalf of or in the name of Owner or authorize or empower Contractor, its subcontractors or suppliers to bind Owner in any manner or to make any representation, warranty, covenant, agreement, or commitment on Owner's behalf. Contractor shall perform all work under

this Contract as an independent contractor. Only Owner of this Contract shall have rights to enforce any changes to this Contract.

8.5 This Contract shall be binding on Owner and Contractor and all of their respective successors, heirs, legal representatives, and, if Owner has consented to an assignment or delegation as provided in Paragraph 8.3, assigns and delegates.

8.6 This Contract supersedes all prior oral or written agreements, if any, between the parties and constitutes the entire, integrated agreement between the parties with respect to the work to be performed under the Contract Documents.

8.7 This Contract shall be governed by and construed in accordance with the laws of the state of Arizona, without giving effect to any rules governing conflict of laws.

8.8 The approval and continuation of this Contract is subject to the availability of funds either provided to, made available to, or appropriated by the Owner for this purpose. In the event that funds are not available or appropriated for the Owner's payment requirements under this contract for the goods and/or services to be provided hereunder, the Owner may terminate this contract by providing notice to the Contractor of the lack of the availability of funds. The Contractor acknowledges and agrees that one source of funding for this contract may be funds made available from the Federal Aviation Administration and/or Arizona Department of Transportation, and that this contract, its approval and continuation is contingent on the availability of those funds being made to the Owner.

Executed as of the Effective Date.

CONTRACTOR
Coffman Specialties, Inc., a California Corporation

By: Colleen Coffman

Name: COLLEEN COFFMAN

Title: PRESIDENT

Date: 06/28/22

OWNER
PHOENIX-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: _____

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 22-52

To:	**Board of Directors**
From:	**R. J. Draper, P.E., LEED AP, CM Engineering & Facilities Director**
Through:	**Scott Brownlee, Deputy Director/COO** **J. Brian O'Neill, A.A.E., Executive Director/CEO**
Subject:	**Terminal Modernization Construction Services (CMAR) – McCarthy Building Companies, Inc. – CIP 1201**
Date:	**July 19, 2022**

Proposed Motion

To authorize a contract for the Terminal Modernization Construction Manager at Risk (CMAR) Construction Services and Guaranteed Maximum Price (GMP), with McCarthy Building Companies, Inc. (McCarthy) in an amount not to exceed $25,997,410 under CIP 1201.

Narrative

The Phoenix-Mesa Gateway Airport has experienced unprecedented growth and the Terminal Modernization project has become necessary due to the age of the current temporary modular facility (Annex), the inefficient mechanical systems, and deteriorating facility along with the increase in passenger traffic and additional airlines utilizing PMGAA. The current Annex is severely limited in its current configuration and the intent of this project is to modernize the facility and increase its capacity for the overall passenger experience and the health and safety of our passengers. The improvements will be the final large improvement in the terminal facility until a demand driven East Side Terminal is pursued.

The Contractor is currently providing Pre-Construction Management Services as a CMAR for the replacement of the existing Terminal Annex Modular Building with a new, connected Terminal Concourse containing five (5) gates, while maintaining the existing passenger service to three (3) aircraft parking spots.

The Notice of Request for Qualifications (RFQ), Solicitation 2022-002-RFQ was issued on June 7, 2021 and advertised in the Arizona Business Gazette on 6/10, 6/17, 6/24 and 7/01/21; it was also posted on the AzAA, ACC, ACI-NA, FAA Matchmaker and SWAAAE Websites as well as the Phoenix-Mesa Gateway Airport Authority Website. In addition, the RFQ was emailed to a list of 93 prospective firms and included DBE and Small Business outreach. PMGAA Staff received nine (9) Statements of Qualifications on July 12, 2021. After reviewing the SOQs and conducting presentation/interviews with the three (3) top ranked firms, the Evaluation Panel unanimously ranked McCarthy as the 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 commitment to utilizing DBEs, and had the best overall experience and qualifications for this project.

Fiscal Impact

This contract is included in the FY22 Capital Budget with a carryover to FY23 utilizing FAA Grant Funding, under CIP 1201. Request contingent upon receipt of a FAA grant.

Attachment: CMAR Construction Contract

RESOLUTION NO. 22-52

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize a contract for the Terminal Modernization Construction Manager at Risk Construction Services and Guaranteed Maximum Price, with McCarthy Building Companies, Inc. in an amount not to exceed $25,997,410 under CIP 1201.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

> **The Board of Directors of the Authority hereby authorizes a contract for the Terminal Modernization Construction Manager at Risk Construction Services and Guaranteed Maximum Price, with McCarthy Building Companies, Inc. in an amount not to exceed $25,997,410 under CIP 1201. 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 19th day of July, 2022.

Brigette Peterson, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

DIVISION I

TERMINAL MODERNIZATION

CONSTRUCTION MANAGER AT RISK (CMAR) CONSTRUCTION SERVICES CONTRACT

PROJECT NO. 1201

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Phoenix Mesa Gateway Airport Authority

Construction Manager at Risk
Construction Services
Project No.: 1201

THIS CONTRACT is made and entered into by and between the Phoenix Mesa Gateway Airport Authority, a joint powers airport authority authorized by the state of Arizona, hereinafter called "Owner" and the "Construction Manager at Risk" or "CMAR" designated below. Individually, each is a "Party" and collectively, the "Parties" 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:
Phoenix-Mesa Gateway Airport Authority
Project Manager: Bob Draper
Telephone: 480-988-7705
Fax: 480-99-2315
E-mail: bdraper@gatewayairport.com

CMAR:
McCarthy Building Companies, Inc.
6225 N. 24th Street, Suite 200
Phoenix, AZ 85016
Brandon Moor
Telephone: 480-261-6222
Email: bmoon@mccarthy.com

DESIGN PROFESSIONAL:
DWL Architects + Planners, Inc.
2333 North Central Avenue
Phoenix, AZ 85004
Sandy Kukla
602-264-9731
Email: kukla@dwlarchitects.com

PROJECT DESCRIPTION: Terminal Modernization

PROJECT LOCATION:
Phoenix Mesa Gateway Airport
Mesa, Az 85212

ARTICLE 2 – CONTRACT DOCUMENTS

2.1 CONTRACT DOCUMENTS

The Contract between the Owner and CMAR shall consist of the following Contract Documents. 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;
2. Exhibit A.4 of the CMAR Guaranteed Maximum Price Proposal – 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. Drawings;
10. Specifications;
11. The Request for Qualifications, 2022-002-RFQ, documents and CMAR's submittal to such solicitation dated July 12, 2021.
12. Any other Contract Documents

2.3 PROJECT SPECIFIC CONDITIONS

If there are any additional conditions that apply to this Project, they are set forth in the attached Exhibit D, and are incorporated herein.

2.4 PROJECT PLANS AND SPECIFICATIONS

A detailed list of the Plans and Specifications for this Project are set forth in the attached Exhibit D.

ARTICLE 3 – PRE-CONSTRUCTION SERVICES

Although CMAR has performed Pre-Construction Services pursuant to a separate Contract between Owner and CMAR, the completion, quality and accuracy of those services and the deliverables provided by Owner thereunder directly impact CMAR's performance of its obligations under this Contract. Therefore, all of CMAR's obligations, duties, and warranties in relation to Pre-Construction Services and deliverables survive completion of the Pre-Construction Services Contract and are incorporated herein. Any breach of any of CMAR's duties, obligations, or warranties under the Pre-Construction Services Contract shall likewise be considered a breach of this Contract.

ARTICLE 4 – CONSTRUCTION SERVICES

4.1 GENERAL

4.1.1 CMAR agrees at its own cost and expense, to do all work necessary and required to fully, timely and properly complete the construction of the Project in strict accordance with the Contract Documents in a good and workmanlike manner, free and clear of all claims, liens, and charges whatsoever, in the manner and under the conditions specified, and within the Project Schedule included in Exhibit A of this Contract.

4.1.2 CMAR shall provide all of the labor and materials and perform the Work in accordance with the General Conditions and General Provisions. Some but not all of the major components of the Construction Services and the corresponding subsections of Section 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, including, without limitation, those set forth on attached Exhibit C and Article 3 of the General Conditions.

4.1.4 CMAR shall perform the Work under this Contract using only those firms, team members and individuals designated by CMAR consistent with the Statement of Qualifications dated July 12, 2021, the GMP Proposal, or otherwise approved by Owner pursuant to the General Conditions. No other entities or individuals may be used without prior approval of the Project Manager.

4.1.5 CMAR will comply with all terms and conditions of the General Conditions, General Provisions, Special Provisions, Federal Provisions, as well as the Owner's published Rules & Regulations and Minimum Standards (Exhibit J).

4.1.6 In the event of a conflict between this Contract and the General Conditions, General Provisions, Special Provisions or any exhibit hereto or appendix thereto, the terms of this Contract shall control, but nothing in this contract shall be construed so as to either (i) Violate any term or condition of the Owner's published Rules & Regulations or Minimum Standards; or (ii) Violate Owner's mandatory subordination to its federal obligations, pursuant to Federal Aviation Administration ("FAA") Policies (2009) (including, but not limited to § 1.1, § 1.5, § 12.3, §10, § 14.1, *et. seq*.) and federal statutory authority, including, but not limited to, 49 U.S.C. §40103(a) (establishes the federal government's total dominance over the airspace of the United States, including, U.S. airports).

4.1.7 **Ownership of Work Product.** Notwithstanding anything to the contrary in this Contract, all Work Product prepared or otherwise created in connection with the performance of this Contract, including the Work, are to be and remain the property of Owner. For purposes of this provision, "Work Product" shall include all designs, drawings, plans, specifications, ideas, renderings and other information or matter, in whatever form created (e.g., electronic or printed) and in all media now known or hereinafter created. All Work Product shall be considered Work Made for Hire as defined in the United States Copyright Act 17 U.S.C. § 101 (Copyright Act). If for any reason any such Work is found not to be a work for hire, CMAR hereby transfers and assigns ownership of the copyright in such Work to Owner. The rights in this section are exclusive to Owner in perpetuity.

4.2 CMAR's PRE-CONTRACT AND PRE-WORK DELIVERABLES

The CMAR will provide the insurance and bond(s) requirements in accordance with Article 11 of the General Conditions prior to any work commencing.

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 330 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 Contact, 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:

$2,000 per calendar day.

6.5.2 Owner may deduct liquidated damages described in this Article 6.5 above from any unpaid amounts then or thereafter due CMAR under this Agreement. Any liquidated damages not so deducted from any unpaid amounts due CMAR shall be payable to Owner at the demand of Owner, together with interest from the date of the demand at the highest lawful rate of interest payable by CMAR.

6.6 WAIVER OF CLAIMS FOR CONSEQUENTIAL DAMAGES

6.6.1 Except for (i) consequential damages that are covered by insurance required by this Contract and (ii) consequential damages that are within the scope of indemnities for third party claims stated in this Contract, the CMAR and Owner waive Claims against each other for the following categories of damages arising out of or relating to this Contract. This mutual waiver includes

6.6.1.1 Damages incurred by the Owner for rental expenses, for losses of use, income, profit, financing, business and reputation, and for loss of management or employee productivity or of the services of such persons; and

6.6.1.2 Damages incurred by the CMAR for principal office expenses including the compensation of personnel stationed there, for losses of financing, business and reputation, and for loss of profit, except anticipated profit arising directly from the Work.

6.6.2 This mutual waiver is also applicable, subject the foregoing exceptions, to all consequential damages due to either party's termination in accordance with **Article 14 of the General Conditions**. Nothing contained in this Section 6.6 shall be deemed to preclude an award of liquidated damages, when applicable, in accordance with the requirements of the Contract Documents. This subparagraph 6.6.2 shall take precedence over any other provision of the Contract Documents which provide that the Contractor is responsible for expenses, costs or damages.

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 **$25,997,410.00** (twenty-five million nine hundred ninety-seven thousand four hundred ten and 00/100 Dollars). 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

N/A.

7.3 CONTINGENCY

N/A.

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"
PHOENIX MESA GATEWAY AIRPORT AUTHORITY,
a joint powers airport authority, authorized by the State of Arizona

By: _____
J. Brian O'Neill, A.A.E.

Title: Executive Director/CEO

Date: _____

"CMAR"
McCarthy Building Companies, Inc.
a Missouri S-Corporation

By: _____

Title: _____

Date: _____

EXHIBIT A – ACCEPTED GMP/PRICE PROPOSAL AND PROJECT SCHEDULE (Under Separate Cover)

EXHIBIT B – PROJECT SPECIFIC CONDITIONS &

PROJECT PLANS AND SPECIFICATIONS (Under Separate Cover)

1. **All Specifications**
2. **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 Phoenix-Mesa Gateway Airport Authority, Maricopa County, Arizona (hereinafter called the Obligee), in the amount of _____($_____), for the payment of which the Principal and Surety bind themselves and their heirs, administrators, executors, successors, and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a certain written contract with Obligee, dated the _____ day of _____, 202_ to construct the following projects under the **Authority Solicitation No. 2022-002-RFQ; CMAR Services for Terminal Modernization (Authority Project No. 1201),** 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 Statues, and all liabilities on this bond shall be determined in accordance with the provisions of Title 34, Chapter 2, Article 2, Arizona Revised Statues, to the same extent as if they were copied at length in this agreement.

The prevailing party in a suit on this bond shall recover as part of the judgment to reasonable attorney fees that may be fixed by a judge of the court.

Witness our hands this _____ day of _____, 202__.

_____ _____

AGENCY OF RECORD, STATE OF ARIZONA **PRINCIPAL**

BY: _____

_____ _____

AGENCY ADDRESS TITLE:

_____

SURETY

BY: _____

TITLE: _____

BOND NUMBER: _____ ATTACH SURETY POWER OF ATTORNEY

STATUTORY PAYMENT BOND

PURSUANT TO TITLE 34, CHAPTER 2, ARTICLE 2, ARIZONA REVISED STATUTES

KNOW ALL MEN BY THESE PRESENTS:

That, _____, (hereinafter called the Principal), as Principal and _____, a corporation duly organized under the laws of the State of _____, with its principal office in the City of _____, (hereinafter called the Surety), as Surety, are held and firmly bound unto Phoenix-Mesa Gateway Airport Authority, Maricopa County, Arizona (hereinafter called the Obligee), in the amount of _____ _____($_____), for the payment of which the Principal and Surety bind themselves and their heirs, administrators, executors, successors, and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a certain written Contract with Obligee, dated the ____day of _____ ____, 202__ to construct the following projects under the **Authority Solicitation No. 2022-002-RFQ; CMAR Services for Terminal Modernization (Authority Project No. 1201),** 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 Statues, and all liabilities on this bond shall be determined in accordance with the provisions of Title 34, Chapter 2, Article 2, Arizona Revised Statues, to the same extent as if they were copied at length in this agreement.

The prevailing party in a suit on this bond shall recover as part of the judgment 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**

CERTIFICATE OF SUBSTANTIAL COMPLETION

(To be completed by Owner/Architect)

I hereby certify that _____ has substantially completed
(Name of CMAR)

The work under the following project:

CMAR Services for the Terminal Modernization, Authority Solicitation No. 2022-002-RFQ, Authority Project No. 1201

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)

I hereby certify that all goods and/or services required by **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY,** have been delivered in accordance with the Contract Documents and Specifications, and all activities required by the CMAR under the Contract have been completed, including all items on the final punch list, including administrative items, as of _____ (date).

CMAR Services for the Terminal Modernization
Authority Project No. 1201
Authority Solicitation No. 2022-002-RFQ

Firm Name: _____

Principal: _____
(Name)

_____
(Title)

_____ _____
(Signature) (Date)

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY has performed a final inspection of Owner's CMAR Services for Construction for **Terminal Modernization Owner Project Number 1201** 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___

Phoenix-Mesa Gateway Airport Authority

By: _____

Date: _____

FINAL
CMAR'S AFFIDAVIT REGARDING
SETTLEMENT OF CLAIMS

CMAR Services for the Terminal Modernization
Authority Project No. 1201
Authority Solicitation No. 2022-002-RFQ

Gentlemen:

This is to certify that all lawful claims for materials, rental of equipment and labor used in connection with the construction of the above project, whether by subcontractor or claimant in person, have been duly discharged.

The undersigned, for the consideration of $_____, as set out in the final pay estimate, as full and complete payment under the terms of the contract, hereby waives and relinquishes any and all further claims or right of lien under, in connection with, or as a result of the above described project. The undersigned further agrees to indemnify and save harmless **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, ARCHITECT,** the OWNER's **DESIGNATED CONSTRUCTION ADMINISTRATOR**, their employees, agents or representatives, against any and all liens, claims of liens, suits, actions, damages, charges and expenses whatsoever, which said OWNER and Architect may suffer arising out of the failure or the undersigned to pay for all labor performances and materials furnished for the performance of said installation.

Signed and dated at _____, this _____day of_____, 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)

APPLICATION AND CERTIFICATE FOR PAYMENT

CMAR Services for the Terminal Modernization
Authority Project No. 1201
Authority Solicitation No. 2022-002-RFQ

CONSULTANT: _____

CMAR: _____

Application No. _____Period From: _____To:_____

Application is made for payment, as shown below, and on the attached Construction Progress Estimate Form, in accordance with the Contract Documents:

Original GMP: $_____

Approved Change Orders and Dates:

Change Order No.1 Date_____ $_____

Change Order No.2 Date_____ $_____

Change Order No.3 Date_____ $_____

Total Change Orders Approved to Date: $_____

Adjusted GMP $_____

Total Amount Due to Date
(from attached Construction Progress Estimate) $_____

Retainage _____% $_____

Total Earned Less Retainage $_____

Less Previous Certificates for Payment $_____

Currently Payment Due $_____

Notice to Proceed Date_____ Date of Substantial Completion _____

Time Used _____% Complete _____%

NOTICE OF INTENT TO AWARD CMAR CONTRACT

Date
CMAR Name
CMAR Address

Attn: ***CMAR Project Manager***

Re:
CMAR Services for the Terminal Modernization
Authority Project No. 1201
Authority Solicitation No. 2022-002-RFQ

Phoenix-Mesa Gateway Airport Authority, a joint powers airport authority authorized by the State of Arizona (Owner), has considered the Statement of Qualifications (SOQ) submitted and interview performed (if applicable) by your firm for the above described WORK in response to the Advertisement for SOQ's dated July 12, 2021. You are hereby notified that you were awarded this CMAR Contract by Phoenix-Mesa Gateway Airport Authority on _____, in the amount of $_____. You are required by the Terms and Conditions of this bid to execute the 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 is scheduled for _____202__, at _____ in the Phoenix-Mesa Gateway Airport Authority Board Room, 5835 South Sossaman Road, Mesa.

You are required to return an acknowledged copy of the NOTICE OF AWARD to the Phoenix-Mesa Gateway Airport Authority.

Dated this _____ day of _____, 202__.

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, a joint powers airport authority authorized by the State of Arizona

By: _____

Title: _____

ACCEPTANCE OF NOTICE:

Receipt of the above NOTICE OF AWARD is hereby acknowledged.

By: _____

Title: _____

Subscribed and sworn before me this _____day of _____, 202__.

NOTARY PUBLIC My Commission Expires

NOTICE TO PROCEED

Date

CMAR Name
CMAR Address

Attn:

CMAR Services for the Terminal Modernization
Authority Project No. 1201
Authority Solicitation No. 2022-002-RFQ

Dear _____:

You are unconditionally authorized to proceed with the above-referenced project effective the date of this letter. The contract time is ____ calendar days. All work shall be performed strictly in accordance with the Contract Documents, including all project schedule requirements.

Your contact for this project is [name], phone no. (xxx) xxx-xxxx and all project communications should be directed to him. If the preconstruction conference has not already occurred, he will contact you shortly about scheduling it.

Remember, the Owner must approve *in writing* any and all changes in the project scope of work before you start work on the change.

Phoenix-Mesa Gateway Airport Authority looks forward to a successful project with your firm.

Sincerely,

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, a joint powers airport authority authorized by the State of Arizona

Authorized Representative

CHANGE ORDER

PROJECT: CMAR Services for the Terminal Modernization

CHANGE ORDER NO: _ _

Authority Project No. 1201
Authority Solicitation No. **2022-002-RFQ**

TO CMAR: Name

Address

CONTRACT 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, Architect, and CMAR.

The original ***Contract Sum*** was..... $_____
Net change by previously authorized Change Orders ..... $_____
The ***Contract Sum*** prior to this Change Order was..... $_____
The ***Contract Sum*** will be **increased** [or **decreased**] by this Change Order..... $_____
The new ***Contract Sum*** including this Change Order is ..... $_____

The Contract Time will be ***unchanged*** [or ***increased/decreased by _____ calendar days***.]

The Substantial Completion date for base contract work is ***unchanged*** [or ***changed to _____, 202__***.]

[CMAR],

By_____ Date_____

It's_____

Architect Name

By_____ Date_____

It's_____

Owner

By _____ Date___

It's_____

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 the Terminal Modernization, *Authority Project No. 1201,*** at the Phoenix-Mesa Gateway Airport, Maricopa County, State of Arizona, on the Property of the Phoenix-Mesa Gateway Airport Authority, Mesa, Arizona.

NOW, THEREFORE, the undersigned, on receipt of a check from the Owner payable to the CMAR in the sum of $ _____, said sum representing full and final payment for the above-mentioned labor, materials, services and/or equipment, does hereby waive and release any and all liens, claims of lien, and demands whatsoever that now exist or may hereafter accrue against the Owner and the Property on account of labor and materials furnished by the undersigned.

The undersigned warrants that all materials and labor placed by the undersigned in the Project are free from any claims, liens, or encumbrances and that all bills and obligations incurred for labor, taxes, withholding taxes based on payroll and payable to the United States of America or State of Arizona, premiums under a voluntary disability insurance policy, if any, carried with a private insurer, and payments to all union health, welfare, pension, apprentice training and vacation funds applicable for workmen employed on the above-described Project, in connection with the work of improvement on the Project, have been paid in full. The undersigned warrants that all subcontractors and material-men that may have delivered materials and performed work upon the Property for the Project have been fully paid or will be paid from monies received from this final payment. The undersigned shall and does hereby indemnify, save, and hold harmless the Owner and CMAR from all claims, damages, liens and losses, including all costs, professional fees, and reasonable attorney's fees, which the Owner may suffer by reason of filing of any claims, notices, liens or encumbrances, or the failure of the undersigned to obtain cancellation and discharge thereof.

DATED this _____day of _____, 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 Phoenix-Mesa Gateway Airport Authority's (Owner's) published Rules and Regulations and Minimum Standards as amended from time to time.

1. **Rules & Regulations (link)**

   http://www.gatewayairport.com/documents/documentlibrary/board%20policies/rules%20and%20regulations_16-53.pdf?Uniqueifier=8gC0UBcOyg

2. **Minimum Standards (link)**

   http://www.gatewayairport.com/documents/documentlibrary/board%20policies/airport%20minimum%20standards.pdf?Uniqueifier=8gC0UBcOyg

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Management Information Report

To: **Board of Directors**
From: **Chuck Odom, Chief Financial Officer**
Through: **J. Brian O'Neill, A.A.E., Executive Director/CEO**
Re: Solicitation Notification
Date: **July 19, 2022**

This report is to provide notification of the active and upcoming solicitations to help ensure compliance with the Phoenix-Mesa Gateway Airport Authority procurement transparency clause. The active activities include the following:

Active/Pending Solicitations

Type Solicitation	Number	Title	Anticipated Contract Award (Board Action)
Invitation for Bid	2022-017-IFB	Rwy 12C/30C Reconstruct	July 2022
Invitation for Bid	2022-021-IFB	Alpha Apron Expansion Phase IV	July 2022
Request for Qualifications	2023-001-RFQ	East Side Terminal Planning Initiative	September 2022

Future Solicitations

Type Solicitation	Number	Title	Scheduled for Release	Anticipated Contract Award (Board Action)
Invitation for Bid	2023-004-IFB	Lavatory Service Truck	July 2022	September 2022
Invitation for Bid	2023-005-IFB	Mobile Air Condition Unit	July 2022	September 2022
Request for Proposals	2023-006-RFP	Car Rental Concessions	August 2022	February 2023

Fiscal year totals from sales of decommissioned / nonworking equipment total $7,453.

If you have any questions about the solicitations or the procurement process, please feel free to contact me at 480-988-7613.

Phoenix-Mesa Gateway Airport Authority
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Mesa, Arizona 85212-6014
www.gatewayairport.com

Management Information Report

To: Board of Directors
From: Chuck Odom, Chief Financial Officer
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Re: May 2022 Financials
Date: July 19, 2022

Attached is the monthly Financials Report for May 2022.

Phoenix-Mesa Gateway Airport Authority
AIRPORT - All Operations P&L
May, 2022

	Month of May 2022				Y-T-D as of May 2022			
	May FY21 Actual	May FY22 Actual	YOY Variance	B/(W)	YTD FY21 Actual	YTD FY22 Actual	Y-T-D Variance	B/(W)
Aeronautical Operating Revenues								
Aircraft Parking	29,072	31,687	2,615	9%	219,800	225,935	6,135	3%
Fuel Flowage Fees	78,583	74,710	(3,873)	-5%	647,465	635,588	(11,877)	-2%
Landing Fees	167,596	139,306	(28,290)	-17%	1,359,858	1,404,831	44,973	3%
Lease Income Aero	243,389	251,074	7,685	3%	2,501,129	3,021,782	520,653	21%
Fuel Sales	422,871	719,994	297,123	70%	4,908,334	5,660,935	752,601	15%
Services Sold - Aero	562,719	564,346	1,627	0%	5,245,376	4,959,304	(286,072)	-5%
Sub-total Aero Operating Revenues	1,504,230	1,781,117	276,887	18%	14,881,962	15,908,375	1,026,413	7%
Non-Aeronautical Operating Revenues								
Concessions	76,929	108,357	31,428	41%	657,600	1,110,155	452,555	69%
Lease Income Non-Aero	124,666	117,108	(7,558)	-6%	1,207,465	1,314,705	107,240	9%
Parking	242,571	334,599	92,028	38%	2,319,751	3,724,459	1,404,708	61%
Rental Car Fees	130,669	271,220	140,551	108%	1,349,115	2,250,463	901,348	67%
Svcs Sold - Non Aero	3,003	2,437	(566)	-19%	170,787	161,841	(8,946)	-5%
Sub-total Non-Aero Operating Revenues	577,838	833,721	255,883	44%	5,704,718	8,561,623	2,856,905	50%
Total Operating Revenues	**2,082,068**	**2,614,838**	**532,770**	**26%**	**20,586,680**	**24,469,998**	**3,883,318**	**19%**
Operating Expenses								
Costs of Goods Sold	268,160	529,703	(261,543)	-98%	2,749,530	3,908,777	(1,159,247)	-42%
Personnel	925,936	816,880	109,056	12%	8,054,214	8,594,672	(540,458)	-7%
Comm & Utilities	70,239	82,923	(12,684)	-18%	768,292	781,300	(13,008)	-2%
Contractual Services	374,263	427,413	(53,150)	-14%	4,226,018	4,871,224	(645,206)	-15%
Insurance	46,422	46,437	(15)	0%	494,280	523,086	(28,806)	-6%
Other	204,755	19,272	185,483	91%	324,562	378,734	(54,172)	-17%
Repair & Maintenance	218,962	57,959	161,003	74%	670,475	638,500	31,975	5%
Supplies & Materials	76,350	56,663	19,687	26%	688,941	881,505	(192,564)	-28%
Air Service Incentives [2,000,000]	-	-	-	0%	-	-	-	0%
Operating Contingency [2,353,258]	-	-	-	0%	-	-	-	0%
Total Operating Expenses	**2,185,087**	**2,037,250**	**147,837**	7%	**17,976,312**	**20,577,798**	**(2,601,486)**	-14%
Operating Income (Loss) Before Depreciation	**(103,019)**	**577,588**	**680,607**	-661%	**2,610,368**	**3,892,200**	**1,281,832**	49%
	-4.9%	22.1%			12.7%	15.9%		
Depreciation		1,402,225				15,523,302		

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Management Information Report

To: Board of Directors
From: Margi Evanson, Operations and Maintenance Director
Through: Scott Brownlee, Deputy Director/COO
J. Brian O'Neill, A.A.E., Executive Director/CEO
Re: Waxie FY22 Purchases
Date: July 19, 2022

On October 20, 2021, the Board approved FY22 purchases in the not to exceed amount of $100,000 with Waxie Network Services Company in partnership with Waxie Sanitary Supply (Waxie) for janitorial supplies.

During FY22 passenger activity returned to pre-pandemic levels and it is increasing compared to last year with over 1.5 million passengers this fiscal year. As part of a health and safety plan to reduce the spread and exposure of COVID-19 for our employees and passengers, the cleaning and frequency was increased, and the cost of janitorial supplies and related shipping costs increased from original estimates as well.

The final amount spent with Waxie for FY22 was $120,143.23.

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Management Information Report

To: Board of Directors
From: Art Montoya, Interim Information Technology Director
Through: Chuck Odom, Chief Financial Officer
J. Brian O'Neill, A.A.E., Executive Director/CEO
Re: Wireless Network Equipment and Software
Date: July 19, 2022

On April 19, 2022, the Board approved a Capital Improvement Project purchase in the not to exceed amount of $74,000 with Enterprise Network Solutions (ENS) for wireless network equipment and software.

The vendor supplied a quote with an incorrect amount of tax and upon receipt of invoice, it was determined that an additional $3,603.76 in tax was due. The Airport has already received software and licensing for this project. The hardware has been ordered and awaiting delivery due to global supply chain issues.

The final amount spent with ENS for the project was $76,750.61.

Fiscal Impact
This purchase was included in the FY22 Capital Improvement Project and is funded under CIP 1080

NOTICE AND AGENDA OF MEETING OF THE
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
BOARD OF DIRECTORS

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Phoenix-Mesa Gateway Airport Authority and to the public that the Phoenix-Mesa Gateway Airport Authority will hold a meeting open to the public on **Tuesday, September 20, 2022 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 Phoenix-Mesa Gateway Airport Authority may attend either in person or by telephone. The Board may vote to hold an executive session for the purpose of obtaining legal advice from the Board's attorney on any matter listed on the agenda pursuant to A.R.S. § 38-431.03 (A)(3)&(4).

The agenda for the meeting is as follows:

1. **Call to Order** (Mayor Brigette Peterson, Chair)
   Members of the Phoenix-Mesa Gateway Airport Authority will attend either in person or via videoconference.

2. **Roll Call** (Mayor Brigette Peterson, Chair)

3. **Pledge of Allegiance**

4. **Call to the Public**
   Members of the Board may not discuss items that are not on the agenda. Therefore, action taken as a result of public comment will be limited to directing staff to study the matter or scheduling the matter for further consideration and decision at a later date. Maximum of three minutes per speaker.

5. **Executive Director's Report** – J. Brian O'Neill, A.A.E., Executive Director/CEO

6. **Consent Agenda**

   a) **Minutes** of the Board Meeting held on **July 19, 2022**.

   b) **Resolution No. 22-53 –** Authorizing the purchase of one Lavatory Service Truck from **Stinar, LLC (Stinar)** in an amount not to exceed $194,058.83.

   c) **Resolution No. 22-54 –** Authorizing the purchase of one Aircraft Air Start Unit from **Aero Specialties, Inc. (Aero Specialties**) in an amount not to exceed $232,666.28.

   d) **Resolution No. 22-55 –** Approving an Authorization of Services with **Dibble Engineering** for Design and Bid Phase Services for the Runway 12R-30L Reconstruction Project in an amount not to exceed $994,592 under CIP 1072.

   e) **Resolution No. 22-56 –** Authorizing an amendment to the Janitorial Services Contract with **Flagship Airport Services, Inc. (Flagship)** for janitorial services, revising the Scope of Services, effective August 1, 2022, for an additional amount of $61,705.94 for the remainder of the contract term, including 2-one-year extensions.

f) **Resolution No. 22-57 –** Approving the Fourth Amendment to the Car Rental Concession Agreement with **Enterprise Leasing Company of Phoenix, LLC**.

g) **Resolution No. 22-58 –** Authorizing the Second Amendment to the Car Rental Concession Agreement with the **Hertz Corporation**.

h) **Resolution No. 22-59 –** Authorizing Amendment 2 to the Land Lease Agreement with **Gateway Executive Airpark, LLC** for lots 11-14 in order to lengthen the Construction Milestone identified in Section 7.2.4 to September 30, 2023.

i) **Resolution No. 22-60 –** Authorizing the Executive Director to execute an operating agreement with **Swoop, Inc**. for commercial air service at the Airport.

j) **Resolution No. 22-61 –** Authorizing the purchase of one 28V GPU from **ITW GSE** in an amount not to exceed $63,641.32.

k) **Resolution No. 22-62 –** Authorizing an **Amendment of the FY23 Capital Budget** to add $3,982,327 in funding for the Design and Construction of an **Enclosed Pedestrian Walkway** under CIP 1252.

l) **Resolution No. 22-63 –** Authorizing an **Amendment of the FY23 Capital Budget** to add $1,825,000 in funding for the Construction of the **Rental Car Care Facility Improvements** under CIP 1242.

Consideration and Possible Approval of:

7. **Resolution No. 22-64 –** Authorizing a Construction Services Contract, Construction Manager at Risk (CMAR), with **Willmeng Construction, Inc.**, for the Rental Car Care Facility Improvements Project in an amount not to exceed $7,321,080 under CIP 1242.

8. **Board Member Comments/Announcements**

9. **Next Meeting: Tuesday, October 18, 2022 at 9:00 a.m.**

10. **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. Requests should be made as early as possible to allow time to arrange the accommodation.

NOTICE OF MEETING OF THE
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
BOARD OF DIRECTORS

NO BOARD MEETING IN AUGUST

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Phoenix-Mesa Gateway Airport Authority and to the public that the Phoenix-Mesa Gateway Airport Authority will hold a meeting open to the public on **Tuesday, September 20, 2022 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 Phoenix-Mesa Gateway Airport Authority may attend either in person or by telephone. The Board may vote to hold an executive session for the purpose of obtaining legal advice from the Board's attorney or any matter listed on the agenda pursuant to A.R.S. § 38-431.03 (A)(3)&(4).

Phoenix-Mesa Gateway Airport

- **New Air Traffic Control Tower Operational as of August 27, 2022**
- **Construction of Alpha Apron Phase IV to Begin on September 12th**
- **Macayo's Mexican Food and Infusion Coffee & Tea Opening in Terminal**
- **Gateway Airport Impacted by Nationwide Pilot Shortage**
- **New Enclosed Pedestrian Walkway will be a Major Customer Service Enhancement**

Executive Director's Report

September 2022

Financial Snapshot

OPERATING INCOME	July		Month Variance	FYTD Comparison		FYTD Variance
	2021	2022		FY22	FY23	
Revenues	$2,243,435	$2,292,480	**$49,045**	$2,243,435	$2,292,480	**$49,045**
Less Expenses	$1,812,671	$1,863,969	**$51,298**	$1,812,671	$1,863,969	**$51,298**
Operating Income *(Before Depreciation)*	**$430,764**	**$428,511**	**($2,253)**	**$430,764**	**$428,511**	**($2,253)**

Investment Fund Balances: As of July, the Local Governmental Investment Pool (LGIP) 700 = $18,717,424; Wells Fargo; Collateralized Money Market = $5,055,165 and Collateralized CD's = $44,586,888; Total $68,359,477. The market value accounting adjustment was ($369,636) for the month. The entry is for accounting purposes only. PMGAA invests in fixed rate instruments.

Finance and Accounting

Phoenix-Mesa Gateway Airport Authority (PMGAA, Authority) reported a net operating income of $428,511 for July 2022. Despite a six percent decrease in passenger activity this July, PMGAA's monthly financial results were very closely aligned with July last year. Impacts associated with a reduced flight schedule from Allegiant due to a nationwide pilot shortage were offset by increased food, beverage, and retail concession spending and additional aeronautical lease revenue.

Despite the rising cost of fuel, a challenging labor market, and escalating maintenance costs, PMGAA reported operating expenses just three percent above last year and eight percent below budget estimates.

PMGAA is expecting systemwide airline schedule reductions to continue through the remainder of 2022 and into the first two quarters of 2023 as new pilots are hired and trained.

PMGAA Solicitations

Active/Pending Solicitations

TYPE OF SOLICITATION	Number	Title	Anticipated Contract Award
Request for Qualifications	2023-001-RFQ	East Side Terminal Planning Initiative	September 2022
Invitation for Bid	2023-004-IFB	Lavatory Service Truck	September 2022
Invitation for Bid	2023-007-IFB	Air Start Unit	September 2022
Request for Qualifications	2023-008-RFQ	Enclosed Pedestrian Walkway Design	October 2022
Request for Qualifications	2023-009-RFQ	Fabrication & Installation of Signs	October 2022
Request for Qualifications	2023-010-RFQ	CMAR for Enclosed Pedestrian Walkway	November 2022

Future Solicitations

TYPE OF SOLICITATION	Number	Title	Scheduled for Release
Request for Proposals	2023-011-RFP	Insurance Broker Services	September 2022
Request for Proposals	2023-006-RFP	Car Rental Concessions	February 2023

Airport Operations

Gateway Airport Impacted by Nationwide Pilot Shortage

One of the more serious impacts of the COVID-19 pandemic is a nationwide shortage of commercial pilots. When the outbreak first occurred, most airlines dramatically reduced their flight schedules and offered eligible pilots an early retirement package. Now that air travel has returned to pre-pandemic levels, airlines are scrambling to hire enough pilots to meet the growing demand for flights.

Allegiant Air recently informed PMGAA that they are reducing flight schedules systemwide until early/mid 2023. Reason being is two-fold: first, they need to hire additional pilots; and second, they need to train their Airbus pilots to fly the 100 Boeing 737 Max aircraft on order. Phoenix-Mesa Gateway Airport (Airport, Gateway Airport) is a large, profitable station for Allegiant. PMGAA staff is confident that Allegiant will make Gateway Airport a priority as they add service back once pilots are hired and trained in 2023.

Operations Statistics

PASSENGER COUNTS		July		% Change	FYTD		% Change
		2021	2022		FY22	FY23	
Passengers	TOTAL	161,068	150,658	-6%	161,068	150,658	-6%
	Deplaned	82,406	76,174	-8%	82,402	76,174	-8%
	Enplaned	78,662	74,484	-5%	78,662	74,484	-5%
Allegiant	Scheduled	157,149	150,658	-4%	157,149	150,658	-4%
WestJet	Scheduled	0	0	0%	0	0	0%
Swoop	Scheduled	0	0	0%	0	0	0%
Flair	Scheduled	0	0	0%	0	0	0%
Avelo	Scheduled	3,833	0	-100%	3,833	0	-100%
Sun Country	Scheduled	0	0	0%	0	0	0%
Elite/Swift	Charter	86	0	-100%	86	0	-100%

OPERATIONS	July		% Change	FYTD		% Change
	2021	2022		FY22	FY23	
Air Carrier	1,199	1,001	-17%	1,199	1,001	-17%
Military	383	218	-43%	383	218	-43%
General Aviation	16,071	19,739	23%	16,071	19,739	23%
TOTAL	**17,653**	**20,958**	**19%**	**17,653**	**20,958**	**19%**

PMGAA Team Member Spotlight

Employee Name: **Kristina Badillo**
Employee Title: **Human Resources Specialist**
PMGAA Department: **Human Resources**
Years with PMGAA: **3+**

What are your job responsibilities for PMGAA? I am responsible for the administration of the HRIS system, recruitment processing, onboarding/offboarding, managing department expenses, employee files, employment verification, employee recognition programs and HR records retention. I also complete miscellaneous projects and tasks to help the department such as maintaining department webpage content, employee discount program, and generating and formatting various reports and documents as needed.

What is your most memorable Gateway Airport moment? Being able to see all the different aircraft come in day after day has been an amazing experience, but I would say my most memorable moment was my recent trip to the new Air Traffic Control Tower. What a wonderful view!

What is something people may not know about you? I love going on all sorts of adventures with family and friends. Traveling to different places, going to theme parks to ride as many rollercoasters as possible, and attending concerts...yes, please! Zip-lining while in Okinawa is one of my highlights thus far.

Engineering and Planning

New Enclosed Pedestrian Walkway will be a Major Customer Service Enhancement

Exterior Rendering of New Pedestrian Walkway

Interior Rendering of New Pedestrian Walkway

Thanks to the leadership of U.S. Senators Sinema and Kelly, U.S. Congressman Stanton, and Arizona's Congressional Delegation, Gateway Airport is receiving a Bipartisan Infrastructure Law (BIL) grant to construct a new, enclosed pedestrian walkway connecting the Ticketing Terminal to the Security Screening Checkpoint. This project will increase passenger queuing at the checkpoint and allow customers to stay inside while transitioning from ticketing to security screening.

New Air Traffic Control Tower Operational as of August 27th

FAA Regional Director Mark McClardy Speaks at the ATCT Dedication

More than one hundred federal, state, and local elected officials and other dignitaries gathered on August 23rd to dedicate the Airport's new Air Traffic Control Tower (Tower, ATCT) named after the late U.S. Senator from Arizona John S. McCain III. The impressive new Tower, which became operational on August 27, 2022, stands 199-feet tall, has a 550 SF controller cab, and cost approximately $30MM.

The ATCT project has been years in the making and wouldn't have been possible if PMGAA didn't work to change federal law. Mesa Mayor John Giles and other members of the PMGAA Board of Directors; Arizona's Congressional Delegation; Mesa's Assistant City Manager Scott Butler; and PMGAA's Director of Communications and Government Relations Ryan Smith worked hard over several years to convince U.S. Congress to remove a $2MM cap on federal funding for the construction of contract ATCTs. The provision was removed from the 2018 FAA Reauthorization Act enabling Gateway Airport to receive federal grants totaling approximately $28MM.

There are many individuals that should take great pride in the team effort it took to get the new Tower funded, designed, and built. Thank you all and on to the next exciting project!

Construction of Alpha Apron Phase IV to Begin on September 12th

Gateway Airport is continuing its expansion of the Alpha Apron to help facilitate the efficient parking of larger and heavier aircraft. Construction of Phase IV, a 250,000 SF aircraft parking area located at the mid-field of the airfield, will begin on September 12th, and will be completed in March 2023 before the U.S. Forest Service opens its Mesa Base for the fire season.

Alpha Apron Phase IV, 250,000 SF of new concrete on the airfield

In recent months, the frequency of larger cargo aircraft has increased at Gateway Airport because a large Arizona company began using the Airport for the 'just in time' deliveries of manufacturing components and production supplies.

Gateway Aviation Services

PMGAA pumped more than 1.3MM gallons of aviation fuel during the month of July 2022, a 20% decrease from the amount of fuel dispensed during July 2021 when the U.S. Forest Service was more active and Allegiant wasn't challenged by a national pilot shortage. There are several large private development projects currently underway at the Airport that, when completed, represent additional commercial, corporate, military, and general aviation fueling activity.

FUEL (Gallons)	July			FYTD		
	2021	2022	% Change	FY22	FY23	% Change
AvGas	31,269	33,699	8%	31,269	33,699	8%
Retail Jet A	42,774	39,548	-8%	42,774	39,548	-8%
Contract	300,257	302,864	1%	300,257	302,864	1%
Commercial	1,278,245	944,741	-26%	1,278,245	944,741	-26%
TOTAL	**1,652,545**	**1,320,852**	**-20%**	**1,652,545**	**1,320,852**	**-20%**

Community Noise Report

PMGAA received communication from 10 individuals during July 2022 regarding aircraft noise issues, compared to communication from 16 area individuals last July. The map to the right depicts where the noise calls emanated from during July 2022 – five from Mesa, four from Gilbert, and one from Queen Creek.

PMGAA prides itself on trying to be a good neighbor and works with the adjacent communities to educate homeowners and address their concerns.

CALLERS	July		FYTD	
	2021	2022	FY22	FY23
Total	16	10	16	10

AIRCRAFT TYPE	July		FYTD	
	2021	2022	FY22	FY23
	Callers	Callers	Callers	Callers
Commercial	12	8	12	8
GA Total	2	1	2	1
Helicopter	0	0	0	0
Military	2	1	2	1
Total	16	10	16	10

LOCATION	July		FYTD	
	2021	2022	FY22	FY23
Mesa	4	5	4	5
Gilbert	8	4	8	4
Gold Canyon	0	0	0	0
Queen Creek	2	1	2	1
Queen Valley	1	0	1	0
San Tan Valley	0	0	0	0
Apache Junction	1	0	1	0
Chandler	0	0	0	0
TOTAL	16	10	16	10

Business Development

Macayo's Mexican Food and Infusion Coffee & Tea Crafters Opening in Terminal

Over the past few years, passenger activity at Gateway Airport has increased as more and more air travelers discover the convenience and value of using greater Phoenix's other airport. PMGAA is expanding food, beverage, and retail options to better serve the Airport's growing customer base.

Macayo's Mexican Food and Infusion Coffee & Tea Crafters will be opening in the terminal at the end of September/beginning of October between Gates 4 and 5, providing authentic Mexican food and specialty coffees and teas popular for early morning departures.

Rendering of Macayo's and Infusion Coffee & Tea

Community and Government Relations

PMGAA Hosts Elected Officials, Key Stakeholders, and Community VIPs for Tower Tours

A Group of Elected Officials and Community Members from Queen Creek

When a major project is done right and is completed on-time and under budget, you've got to show it off! And that's exactly what PMGAA did with its new ATCT. Prior to the new Tower becoming operational on August 27th, PMGAA staff hosted numerous groups of elected officials, key stakeholders, and community VIPs for tours of the impressive new facility. Participants visited the Tower cab, training room, controller break room, Air Traffic Manager's office, and the exterior catwalk high above Gateway Airport's airfield.

Are You Travel ID/REAL ID Ready?

Starting on May 3, 2023, all U.S. air travelers must be Travel ID/REAL ID compliant to board domestic flights and access certain federal facilities. The TSA checkpoint at Phoenix-Mesa Gateway Airport will only accept a driver's license with a gold star in the upper right-hand corner, a valid passport, or another Travel ID/Real ID compliant identification. Don't wait…get yours today!

MINUTES OF PUBLIC MEETING OF THE
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
BOARD OF DIRECTORS | July 19, 2022

A public meeting of the Phoenix-Mesa Gateway Airport Authority (PMGAA) was convened on Tuesday, July 19, 2022, 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 Brigette Peterson, Gilbert
Councilmember Jim Waring, Phoenix (*via videoconference*)
Mayor Chip Wilson, Apache Junction
Lt. Governor Monica Antone, Gila River Indian Community (*via videoconference*)
Vice Mayor Jeff Brown, Queen Creek
Mayor John Giles, Mesa

** Neither present nor represented*

Airport Staff Present

J. Brian O'Neill, Executive Director/CEO
Scott Brownlee, Deputy Director/COO
Chuck Odom, CFO
Misty Johnson, Clerk of the Board
Jill Casson Owen, Attorney

1. **Call to Order** at 9:00 a.m. (Mayor Peterson, Chair)

2. **Roll Call**

3. **Pledge of Allegiance**

4. **Moment of Silence for Queen Creek Mayor Gail Barney**

5. **Call to the Public**
   There were no public comments.

6. **Executive Director's Report** – J. Brian O'Neill, A.A.E., Executive Director/CEO
   Executive Director O'Neill provided a briefing on PMGAA financial performance, passenger activity, the community noise report, and various Airport projects.

   - Preliminary and unaudited Year-End Fiscal Year 2022 (FY22) Net Operating Income is $4,821,599.
   - Record Setting May! Phoenix-Mesa Gateway Airport (Airport, Gateway Airport) welcomed 137,336 commercial passengers during May 2022; a 23% increase in passengers compared to May 2021. Allegiant has notified the Authority of reductions in service for June, July, and August due to a pilot shortage impacting their service system wide.
   - Virgin Galactic announced it will be leasing two of the three Gateway Executive Airpark hangars located at the north end of the airfield. The remaining hangar, which is nearly complete, will be available for lease this fall. Virgin Galactic intends to use the hangars as a final assembly manufacturing facility for its spaceships. Gateway Airport is not becoming a spaceport. The spaceships will be transported to Spaceport America, New Mexico for their launch activities.

DRAFT

- Senator Sinema, Senator Kelly, and Congressman Stanton were instrumental in PMGAA receiving a $14.4MM grant from the Bipartisan Infrastructure Law (BIL) Terminal Modernization Program to construct a new 30,000 SF, 5-gate terminal addition.
- As part of the BIL, PMGAA received a supplemental AIP Grant appropriation of approximately $4.4MM each year for the next five years.
- Renovations continue for the new Macayo's Mexican Food/Infusion Coffee & Tea Crafters. The anticipated opening for these two new restaurants will be in late August or early September.
- The Master Development Agreement and the Master Lease Agreement with The Boyer Company was approved at the June Board meeting. Gateway***East*** is a 300-acre mixed use non-aeronautical master development opportunity located on the east side of the Airport. The Boyer Company is currently working on a master plan and with the City of Mesa on entitlements.
- Design for SkyBridge Arizona's horizontal infrastructure – taxi lane extension, entrance roadways, sewer, water, fiber, and other utilities – is complete. SkyBridge Arizona is designing two additional industrial buildings. These two flex industrial buildings will be approximately 250,000 SF each. Great to see progress continuing on this exciting Master Development!
- Gateway Tomorrow is a planning initiative to reset and refine the vision for a future commercial passenger terminal campus on the east side of Airport. A Request for Qualifications (RFQ) for the long-range planning project has been issued. The evaluation panel met on July 18th with the three most qualified submitters for the interview portion of the selection process. At the September 20th Board meeting the committee's top choice will be presented to the Board for their consideration and approval.
- The exterior of the Air Traffic Control Tower (ATCT) is complete and interior construction is nearly complete. The ATCT is on-track to be commissioned at the end of August.
- A ticketing terminal connector has been designed to allow passengers to proceed from the ticketing terminal building directly into the security screening checkpoint area. This customer service enhancement project will increase the queuing area for the security screening checkpoint by approximately 30% and will keep passengers in a climate-controlled environment from ticketing through security screening. A portion of the FY23 BIL AIP Supplemental Grant will be used to fund this project.
- PMGAA has expanded aircraft parking opportunities for larger/heavier aircraft at the south end of the airfield. Alpha Apron Phase III was completed just before the wildfire season this year and is now in use by the U.S. Forest Service. The design for Alpha Apron IV is complete and construction will begin once the Airport's new ATCT is finished.
- Federal funding received from the BIL, Federal Aviation Administration (FAA), and the Arizona Department of Transportation (ADOT) will allow portions of Runway 12C/30C to be reconstructed during FY23. The runway will be closed for six to eight months while the reconstruction takes place. The Airport has two additional 10,000-foot runways and will maintain normal operations during the entire project.
- PMGAA is improving the Rental Car Return Lot and the Rental Car Care Facility. Construction on the Rental Car Return Lot has begun. This project will use Customer Facility Charge (CFC) funds to re-design traffic flow, expand capacity, add new office facilities, and erect shade structures for customer convenience. CFC funds are fees assessed to passengers renting cars at the Airport. These funds go directly into a dedicated account and can only be used to improve the infrastructure and facilities for rental car operations.
- PMGAA is planning to expand its fuel storage capacity to protect against future fuel delivery disruptions. Current fuel storage is 250,000 gallons which is a 3-day supply and susceptible to

fuel delivery disruptions. An additional 300,000 gallons in tank storage is being planned and will increase fuel storage on-Airport to a 7-day supply. This extra capacity will further protect the Airport and its customers from future fuel delivery disruptions.

- The Ray Road Economy Parking Lot expansion project is nearly complete. An additional 1,300 parking spaces will be available by the end of July.

7. Consent Agenda

a) **Minutes** of the Board Meeting held on **June 21, 2022.**

b) **Resolution No. 22-39 –** Authorizing the purchase of pavement materials from **Brewer Cote of Arizona** for FY23, in an amount not to exceed $75,000.

c) **Resolution No. 22-40 –** Authorizing the purchase of airfield asphalt repair services with **Sunland Asphalt of Arizona, Inc. (Sunland)** for an amount not to exceed $100,000.

d) **Resolution No. 22-41 –** Approving an Authorization of Services for Alpha Apron Expansion Phase IV Construction Support and Observation Services with **Kimley-Horn & Associates** in an amount not-to-exceed $472,116 under CIP 1231.

e) **Resolution No. 22-42 –** Authorizing an amendment of the FY23 Capital Budget to provide an additional $6,575,000 in funding for the **Terminal Modernization Construction Project** under CIP 1201.

f) **Resolution No. 22-43 –** Authorizing a contract with **DWL Architects + Planners, Inc.** for Construction Administration Services for the Terminal Modernization Construction Project, in an amount not to exceed $389,399 under CIP 1201.

g) **Resolution No. 22-44 –** Approving an Authorization of Services with **Dibble Engineering** for Construction Phase Services for the Center Runway 12C/30C Reconstruction Project in an amount not to exceed $703,719 under CIP 1202.

h) **Resolution No. 22-45 –** Authorizing an amendment of the FY23 Capital Budget to provide an additional $3,583,000 in funding to CIP 1202 **Center Runway 12/30C Reconstruction Project** under CIP 1202.

i) **Resolution No. 22-46** Authorizing an Intergovernmental Agreement with the **City of Mesa** for the construction of Aviation Way.

j) **Resolution No. 22-47 –** Authorizing a Facility Lease Agreement with **Sierra Building Systems, LLC** for the facility located at 6416 South Sossaman Road. The lease term is five (5) years, commencing August 1, 2022, with five (5) additional one-year renewal options.

k) **Resolution No. 22-48 –** Authorizing a Development Lease with **SkyB Lot 109 LLC**, an Arizona limited liability company, for 15.059 acres located within the SkyBridge Arizona project identified as Lot 109. The lease term is SIXTY (60) years commencing on August 1st, 2022. To authorize an Adjustment Amendment with **MESA SKYBRIDGE, LLC** to concurrently remove Lot 109 from the Master Lease Agreement.

l) **Resolution No. 22-49 –** Authorizing a Development Lease with **SkyB Lot 108 LLC**, an Arizona limited liability company, for 13.8609 acres located within the SkyBridge Arizona project identified as Lot 108. The lease term is SIXTY (60) years commencing on August 1st, 2022. To authorize an Adjustment Amendment with **MESA SKYBRIDGE, LLC** to concurrently remove Lot 108 from the Master Lease Agreement.

Mayor John Giles moved to approve the Consent Agenda.
Vice Mayor Jeff Brown seconded the motion.
The motion was carried unanimously.

Consideration and Possible Approval of:

7. **Resolution No. 22-50 –** Approving a Construction Contract with **Pulice Construction, Inc**. for Construction of the Alpha Apron Expansion Phase IV Project in an amount not to exceed $8,614,693 under CIP 1231.

Mayor Chip Wilson moved to approve Resolution No. 22-50.
Councilmember Jim Waring seconded the motion.
The motion was carried unanimously.

8. **Resolution No. 22-51 –** Approving a Construction Contract with **Coffman Specialties, Inc**. for Construction of the Center Runway 12C/30C Reconstruction Project in an amount not to exceed $15,777,632 under CIP 1202, subject to receipt of two (2) FAA federal grants to Phoenix-Mesa Gateway Airport Authority.

Mayor Chip Wilson moved to approve Resolution No. 22-51.
Councilmember Jim Waring seconded the motion.
The motion was carried unanimously.

9. **Resolution No. 22-52 –** Authorizing a contract for the Terminal Modernization Construction Manager at Risk Construction Services and Guaranteed Maximum Price, with **McCarthy Building Companies, Inc.** in an amount not to exceed $25,997,410 under CIP 1201.

Mayor Giles disclosed a personal interest in Resolution 22-52 and recused himself from discussing or voting on this item.

Vice Mayor Jeff Brown moved to approve Resolution No. 22-52.
Mayor Chip Wilson seconded the motion.
The motion was carried unanimously.

10. **Board Member Comments/Announcements.**
Following the Pledge of Allegiance, Chair Peterson asked to observe a moment of silence in remembrance of Mayor Gail Barney.

On behalf of the Authority, Executive Director O'Neill presented Mayor Giles with a crystal trophy for his outstanding leadership and thoughtful guidance as PMGAA's Chairman of the Board of Directors during FY22.

11. **Next Meeting: Tuesday, September 20, 2022** 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 Phoenix-Mesa Gateway Airport Authority may attend either in person or by telephone/videoconference.

12. **Adjournment.**
    The meeting adjourned at 9:33 a.m.

Dated this _____ day of _____ 20___.

_____
Misty Johnson, Clerk of the Board

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 22-53

To:	**Board of Directors**
From:	**Matt Nebgen, Gateway Aviation Services Director**
Through:	**Scott Brownlee, Deputy Director/COO**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject:	**CIP678 – Lavatory Service Truck**
Date:	**September 20, 2022**

Proposed Motion
To authorize the purchase of one Lavatory Service Truck from Stinar, LLC (Stinar) in an amount not to exceed $194,058.83.

Narrative
Phoenix Mesa Gateway Airport Authority's Fixed Base Operator (FBO) uses the lavatory service truck to assist in servicing lavatories on various aircraft that come to the Phoenix-Mesa Gateway Airport (PMGA). This unit will replace the FBO's current lavatory service truck which has reached the end of its useful life cycle.

Invitation For Bid No. 2023-004-IFB for one Lavatory Service Truck was issued July 18, 2022 and advertised in the Arizona Business Gazette on July 21 and 28 and August 4 and 11, 2022. The notice was also posted on the Airport's website, as well as the AzAA, ACC, and ACI-NA websites. In addition, the IFB notice was emailed to 5 prospective respondents. The bid opening was held August 17, 2022, and two (2) bids were received. One bid was deemed nonresponsive as it did not meet the minimum specifications required of the IFB.

In accordance with Procurement Policy 22-01, it was determined that the pricing received through Stinar's bid was in line with the requested equipment. Therefore, PMGAA staff is recommending award of this purchase to Stinar.

Fiscal Impact
This expenditure is included in the FY23 capital budget as Project 678.

Attachment(s)
Bid

RESOLUTION NO. 22-53

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize the purchase of one Lavatory Service Truck from Stinar, LLC (Stinar) in an amount not to exceed $194,058.83;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

> **The Board of Directors of the Authority hereby authorizes the purchase of one Lavatory Service Truck from Stinar, LLC (Stinar) in an amount not to exceed $194,058.83. 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 20th day of September, 2022.

Brigette Peterson, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

Phoenix-Mesa Gateway Airport

Attachment B
Bid

Item	Price
One (1) New Lavatory Service Truck, To Meet Minimum Specifications per Attachment A	$ 176,458.00
Manuals on Maintenance, Operations, and Parts – 2 sets (Hard Copy) and 1 set (Digital)	$ 0.00
Sales Tax, 8.3% (1 Lavatory Service Truck) PMGAA is NOT tax exempt. If Offeror does not collect sales tax on behalf of the State of Arizona when invoicing, Offeror should still include tax at a rate of 7.6% for Use Tax.	$ 13,410.00
Warranty, To Meet Minimum Specifications Per Attachment A	$ 0.00 included
Shipping (1 Lavatory Service Truck)	$ 4,190.00
Total	$ 194,058.00

Offeror's Payment Terms: Equipment: 50% Down at acceptance / 50% due upon completion prior to shipment
Parts: Pay in Advance or establish account - 2% 10 NET 30

Discounts:
Prompt Payment: The price(s) quoted above can be discounted by 2 % if payment is made within 10 days.

Parts: PMGAA price for purchasing parts direct from the Offeror shall be discounted by _____ % of the current list price for parts published by Offeror.

Exceptions / Clarifications of Offeror:

Delivery Time Estimate: Based on acceptance and other - 8 to 12 weeks

Equipment is Manufactured in (Country): USA

Jason Johnson
Printed Name

Signature

8-08-22
Date

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 22-54

To:	**Board of Directors**
From:	**Matt Nebgen, Gateway Aviation Services Director**
Through:	**Scott Brownlee, Deputy Director/COO**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject:	**CIP687 – Aircraft Air Start Unit**
Date:	**September 20, 2022**

Proposed Motion
To authorize the purchase of one Aircraft Air Start Unit from Aero Specialties, Inc. (Aero Specialties) in an amount not to exceed $232,666.28.

Narrative
Phoenix Mesa Gateway Airport Authority's Fixed Base Operator (FBO) uses the aircraft air start unit to assist in starting various aircraft that come to Phoenix-Mesa Gateway Airport (PMGA) and require an aircraft air start unit to start their engines. This unit will replace the FBO's current aircraft air start unit which has reached the end of its useful life cycle.

Invitation For Bid No. 2023-007-IFB for one Aircraft Air Start Unit was issued July 19, 2022 and advertised in the Arizona Business Gazette on July 21 and 28 and August 4 and 11, 2022. The notice was also posted on the Airport's website, as well as the AzAA, ACC, and ACI-NA websites. In addition, the IFB notice was emailed to four prospective respondents. The bid opening was held August 22, 2022.

PMGAA staff received one bid in response to the IFB, from Aero Specialties. As only one bid was received and in accordance with Procurement Policy 22-01, it was determined that the pricing received through Aerospecialties' bid was in line with the requested equipment. Therefore, PMGAA staff is recommending award of this purchase to Aero Specialties.

Fiscal Impact
This expenditure is included in the FY23 capital budget as Project 687.

Attachment(s)
Bid

RESOLUTION NO. 22-54

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize the purchase of one Aircraft Air Start Unit from Aero Specialties, Inc. (Aero Specialties) in an amount not to exceed $232,666.28;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

> **The Board of Directors of the Authority hereby authorizes the purchase of one Aircraft Air Start Unit from Aero Specialties, Inc. (Aero Specialties) in an amount not to exceed $232,666.28. 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 20th day of September, 2022.

_____
Brigette Peterson, Chair

ATTEST:

_____
Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

_____
Jill Casson Owen, Attorney

18.	Provide two (2) complete hard copy and one (1) electronic copy each of the operations, maintenance, and parts manuals at time of delivery.	Y

Attachment B

Item	Price
One (1) New Aircraft Air Start Unit, To Meet Minimum Specifications per Attachment A	$ 199,143.10
Manuals on Maintenance, Operations, and Parts – 2 sets (Hard Copy) and 1 set (Digital)	$ 0.00 (included with unit)
Sales Tax, 6.3% (1 Aircraft Air Start Unit) PMGAA is NOT tax exempt. If Offeror does not collect sales tax on behalf of the State of Arizona when invoicing, Offeror should still include tax at a rate of 7.6% for Use Tax.	$ 16,528.88
Warranty, To Meet Minimum Specifications Per Attachment A	$ 11,714.80
Shipping (1 Aircraft Air Start Unit)	$ 6,200.00
Total Bid	$ 232,686.28

Offeror's Payment Terms: Equipment: Net 30

Parts: Net 30

Discounts:

Prompt Payment: The price(s) quoted above can be discounted by 0 % if payment is made within N/A days.

Parts: PMGAA price for purchasing parts direct from the Offeror shall be discounted by 7 % of the current list price for parts published by Offeror.

Exceptions / Clarifications of Offeror:

None

Delivery Time Estimate: 30 Weeks

Equipment is Manufactured in (Country): USA

Phoenix-Mesa Gateway Airport

Derek Rose		08/02/2022
Printed Name	Signature	Date

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 22-55

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 – Design & Bid Phase Services – Dibble Engineering – CIP 1072**
Date:	**September 20, 2022**

Proposed Motion

To approve an Authorization of Services with Dibble Engineering for Design and Bid Phase Services for the Runway 12R-30L Reconstruction Project in an amount not to exceed $994,592 under CIP 1072.

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 PMGAA's longest runway at 10,401 feet long and 150 feet wide and is primarily used for commercial service aircraft operations.

Dibble Engineering will perform and provide Design and Bid Phase Services that include, but are not limited to, reconstruction of the 6,385' portion of RWY 12R-30L with a new PCCP section; an additional 500' of RWY 12R and 220' of RWY 30L Thresholds; 35' wide RWY shoulders; work on TWY K and B3; runway lighting, signage and pavement markings. The Design Phase Services will include 100% Final Plans, Contract Documents, Technical Specifications, Final Quantities, the Engineer's OPCC and Final Engineer's Design Report. The Bid Phase Services will include Pre-Bid Meeting, Site Visit, Bid Addenda, Contractor Questions, Bid Opening Meeting, Bid Tabulation and Recommendation.

In 2019, a Request for Qualifications, 2020-007-RFQ for On-Call Engineering Services was issued. Dibble Engineering was one of two firms selected as the most qualified. In accordance with the terms of our agreement, C-2020007-B, Dibble Engineering worked with Airport staff to refine a Scope of Work for Design Phase Services and Bid Phase Services for the Runway 12R-30L Reconstruction project. The total cost for these combined services was negotiated based upon the contract fee schedule at a cost not-to-exceed $994,592.

Fiscal Impact

This project is included in the FY23 Capital Budget utilizing FAA, ADOT and PMGAA matching non-grant funds under CIP 1072.

Attachment(s): AOS

RESOLUTION NO. 22-55

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to approve an Authorization of Services with Dibble Engineering for Design and Bid Phase Services for the Runway 12R-30L Reconstruction Project in an amount not to exceed $994,592 under CIP 1072;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

> **The Board of Directors of the Authority hereby approves an Authorization of Services with Dibble Engineering for Design and Bid Phase Services for the Runway 12R-30L Reconstruction Project in an amount not to exceed $994,592 under CIP 1072. 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 20th day of September, 2022.

Brigette Peterson, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

AUTHORIZATION OF SERVICES
Dibble, AOS 20B-2303

The signing of this Authorization (Agreement) by Phoenix-Mesa Gateway Airport Authority (PMGAA) and Dibble & Associates Consulting Engineers Inc., 7878 N. 16th Street, Ste 300, Phoenix, AZ 85202, ("Dibble"), authorizes Dibble to carry-out and complete the services described below in consideration of the mutual covenants set forth below:

1. **PROJECT**: RWY 12R-30L Reconstruction – Design & Bid Phase Services under CIP 1072

2. **SCOPE OF WORK**: Perform and provide Design and Bid Phase Services for the Runway 12R-30L Reconstruction Project. Design Phase Services will include, but are not limited to, 100% Final Plans, Contract Documents, Technical Specifications, Final Quantities, and the Final Engineer's Report. The Bid Phase Services will include Project Management and Administration, Pre-Bid Meeting, Bid Opening, Tabulation and Recommendation. All services are to be performed in accordance with PMGAA Agreement C-2020-007-B, including the Standard Terms, and the attached detailed scope of work. Services shall be coordinated with and approved by a PMGAA Authorized Representative prior to start of work.

3. **FEE FOR SERVICES**: The fee for services shall be based upon the attached scope of work, not to exceed Nine hundred ninety-four thousand, five hundred ninety-two dollars and zero cents ($994,592), without the express written approval of PMGAA.

4. **AVAILABILITY OF PROJECT FUNDING:** The approval and continuation of this contract is subject to the availability of funds provided to, made available to, or appropriated by PMGAA for this purpose. In the event that funds are not available or appropriated for PMGAA's payment requirements under this contract for the goods and/or services to be provided hereunder, PMGAA may terminate this contract by providing notice to the consultant of the lack of the availability of funds. The consultant acknowledges and agrees that one source of funding for this contract may be funds made available from the Federal Aviation Administration and/or Arizona Department of Transportation, and that this contract, its approval and continuation, may be contingent on the availability of those funds being made to PMGAA.

5. **INCORPORATED:** The following documents are hereby incorporated with this Authorization of Services and made part thereof:

   ☑ PMGAA Agreement C-2020007-B dated December 17, 2019.

6. **ATTACHED:** The following documents are attached to this Agreement and are incorporated herein by this reference made part thereof:

☑ Updated Scope and Fee Proposal dated August 22, 2022.

PMGAA and Dibble acknowledge that they are in agreement with the terms and conditions as set forth in this Authorization.

APPROVED FOR PMGAA:

By:_____

Print: J. Brian O'Neill, A.A.E.

Title: Executive Director/CEO

Date:_____

ACCEPTED FOR Dibble:

By: _____

Print: Ryan Toner

Title: Vice President

Date: 08/30/2022

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 22-56

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:	**Amendment to Flagship Janitorial Services Contract**
Date:	**September 20, 2022**

Proposed Motion

To authorize an amendment to the Janitorial Services Contract with Flagship Airport Services, Inc. (Flagship) for janitorial services, revising the Scope of Services, effective August 1, 2022, for an additional amount of $61,705.94 for the remainder of the contract term, including 2-one-year extensions.

Narrative

The Phoenix-Mesa Gateway Airport Authority (PMGAA) contracts with Flagship to provide janitorial services. Revisions to the scope of service include adding services for the new Air Traffic Control Tower (ATCT) and the Rental Car Ready Lot. The addition of the new ATCT and Rental Car Ready Lot includes cleaning of the entirety of space based on the scopes as described in the attached amendment. There will be a period of time in which both towers will need cleaning until the transition period is completed. The existing ATCT will remain in the Scope of Services until a predetermined date in which the service, and associated fees, will cease.

Section VI- Alteration in Scope of Services of Contract# 20210200, authorizes Flagship and PMGAA to modify the Scope of Services by a written and executed amendment approved by the respective contractor and PMGAA.

The amendment addresses changes in scope in order to maintain a clean environment, commencing on August 1, 2022, through September 30, 2024, unless extended or terminated earlier pursuant to the provisions of the Agreement.

Fiscal Impact

This contract was included in the FY23 operating budget.

Attachment(s)

Amendment

RESOLUTION NO. 22-56

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize an amendment to the Janitorial Services Contract with Flagship Airport Services, Inc. (Flagship) for janitorial services, revising the Scope of Services, effective August 1, 2022, for an additional amount of $61,705.94 for the remainder of the contract term, including 2-one-year extensions;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

> **The Board of Directors of the Authority hereby authorizes an amendment to the Janitorial Services Contract with Flagship Airport Services, Inc. (Flagship) for janitorial services, revising the Scope of Services, effective August 1, 2022, for an additional amount of $61,705.94 for the remainder of the contract term, including 2-one-year extensions. 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 20th day of September, 2022.

_____
Brigette Peterson, Chair

ATTEST:

_____
Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

_____
Jill Casson Owen, Attorney

Agreement Amendment Number 1
Agreement Number: 20210200

This FIRST AMENDMENT to the Janitorial Services Agreement is executed to be effective as of July 25, 2022 by and between the PHOENIX MESA GATEWAY AIRPORT AUTHORITY, a joint powers airport authority authorized by the State of Arizona, its successors and assigns ("PMGAA") and Flagship Airport Services, Inc., a California S-Corporation ("Contractor"). PMGAA and Contractor may be referred to jointly as "Parties," and each separately as a "Party". This AMENDMENT 1 hereby amends that certain Janitorial Services Agreement between PMGAA and Contractor dated and effective October 1, 2021 (the "Agreement"), with respect to the Buildings and Scope of Services.

WITNESSETH:

WHEREAS, PMGAA and Contractor desire to enter into this AMENDMENT 1 in order to modify the Agreement;

WHEREAS, PMGAA and Contractor desire to expand the Scope of Services, adding two new locations to the Building Locations to be cleaned: 1) New Air Traffic Control Tower (6309-03) and 2) Rental Car Ready Lot.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this AMENDMENT 1 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Exhibit A, Scope of Services & Fee Schedule
   Fee Schedule, Campus Buildings is hereby deleted in its entirety and replaced with the following effective August 1, 2022:

Offeror agrees to perform all services as detailed in the Contract for the Airport Campus Buildings for the following prices:

YEAR ONE (ending September 30, 2022):

Facility	Monthly Price
General Aviation Center	$3,038.32
GAC, Customs and Border Protection	$303.83
GAC, Badging Office	$75.96
Airport Administration Building, Public	$1,519.16
Airport Administration Building, Secure	$1,139.37
Air Traffic Control Tower (6309-1)	$398.78
Maintenance Building	$303.83
Fuel Storage Facility	$56.97
Hangar 46	$227.87
Hangar 32	$151.92
Car Care Facility	$151.92
Lynn Kusy Park	$227.87
Air Traffic Control Tower (6309-3)	$776.95
Rental Car Ready Lot	$382.68

YEAR TWO:

Facility	Monthly Price	Annual Price
General Aviation Center	$3,121.88	$37,462.56
GAC, Customs and Border Protection	$312.19	$3,746.28
GAC, Badging Office	$78.05	$936.60
Airport Administration Building, Public	$1,560.94	$18,731.28
Airport Administration Building, Secure	$1,170.70	$14,048.40
Air Traffic Control Tower (6309-1)	$409.75	$4,917.00
Maintenance Building	$312.19	$3,746.28
Fuel Storage Facility	$58.54	$702.48
Hangar 46	$234.14	$2,809.68
Hangar 32	$156.09	$1,873.08
Car Care Facility	$156.09	$1,873.08
Lynn Kusy Park	$234.14	$2,809.68
Air Traffic Control Tower (6309-3)	$797.75	$9,573.00
Rental Car Ready Lot	$392.92	$4,715.04
TOTAL YEAR TWO	**$8,995.37**	**$107,944.37**

YEAR THREE:

Facility	Monthly Price	Annual Price
General Aviation Center	$3,207.73	$38,492.76
GAC, Customs and Border Protection	$320.77	$3,849.24
GAC, Badging Office	$80.19	$962.28
Airport Administration Building, Public	$1,603.86	$19,246.32
Airport Administration Building, Secure	$1,202.90	$14,434.80
Air Traffic Control Tower (6309-1)	$421.01	$5,052.12
Maintenance Building	$320.77	$3,849.24
Fuel Storage Facility	$60.14	$721.68
Hangar 46	$240.58	$2,886.96
Hangar 32	$160.39	$1,924.68
Car Care Facility	$160.39	$1,924.68
Lynn Kusy Park	$240.58	$2,886.96
Air Traffic Control Tower (6309-3)	$818.54	$9,822.48
Rental Car Ready Lot	$403.16	$4,837.92
TOTAL YEAR THREE	**$9,241.01**	**$110,892.12**

YEAR FOUR (optional extension):

Facility	Monthly Price	Annual Price
General Aviation Center	$3,295.94	$39,551.28
GAC, Customs and Border Protection	$329.59	$3,955.08
GAC, Badging Office	$82.40	$988.80
Airport Administration Building, Public	$1,647.97	$19,775.64
Airport Administration Building, Secure	$1,235.98	$14,831.76
Air Traffic Control Tower (6309-1)	$432.59	$5,191.08
Maintenance Building	$329.59	$3,955.08
Fuel Storage Facility	$61.80	$741.60
Hangar 46	$247.20	$2,966.40
Hangar 32	$164.80	$1,977.60
Car Care Facility	$164.80	$1,977.60
Lynn Kusy Park	$247.20	$2,966.40
Air Traffic Control Tower (6309-3)	$839.33	$10,071.96
Rental Car Ready Lot	$413.40	$4,960.80
TOTAL YEAR FOUR	**$9,492.59**	**$113,911.03**

YEAR FIVE (optional extension):

Facility	Monthly Price	Annual Price
General Aviation Center	$3,386.58	$40,638.96
GAC, Customs and Border Protection	$338.66	$4,063.92
GAC, Badging Office	$84.66	$1,015.92
Airport Administration Building, Public	$1,693.29	$20,319.48
Airport Administration Building, Secure	$1,269.97	$15,239.64
Air Traffic Control Tower (6309-1)	$444.49	$5,333.88
Maintenance Building	$338.66	$4,063.92
Fuel Storage Facility	$63.50	$762.00
Hangar 46	$253.99	$3,047.88
Hangar 32	$169.33	$2,031.96
Car Care Facility	$169.33	$2,031.96
Lynn Kusy Park	$253.99	$3,047.88
Air Traffic Control Tower (6309-3)	$860.12	$10,321.44
Rental Car Ready Lot	$423.64	$5,083.68
TOTAL YEAR FIVE	**$9,750.21**	**$117,002.52**

Hourly Rates for Staff for Additional Services:

Supervisor: $ 31.69

Facility Porter: $ 21.63

Janitorial Staff: $ 22.17

Prompt Payment Discount

The price(s) quoted herein can be discounted by 0 % if payment is made within 30 days.

Exceptions / Clarifications:

Hourly Rates for Staff for Additional Services:

Lead	$25.50
Floor Detail Utility Crew	$24.68

2. Exhibit F, Overview Map of Facilities, is hereby deleted in its entirety and replaced with the following effective August 1, 2022:

3. Exhibit G, Minimum Cleaning Frequencies by Facility
Airport Campus Buildings is hereby deleted in its entirety and replaced with the following effective August 1, 2022:

	Gateway Aviation Center	CBP Office	Badging Office	Airport Admin - Public	Airport Admin - Secure	Air Traffic Control Tower (6309-1)	Airport Maintenance Building	Fuel Storage Facility	Hangar 46	Hangar 32	Car Care Facility	Lynn Kusy Park	Air Traffic Control Tower (6309-3)	Rental Car Ready Lot
Service Tasks														
General Cleaning	Daily	Daily	Weekly	Daily	Weekly	Daily	Daily	Daily	Daily	Weekly	Weekyl	N/A	Daily	N/A
Emptying Trash & Recycle Receptacles	Daily	Daily	Weekly	Daily	Weekly	Daily	Daily	Daily	Daily	Weekly	Daily	Daily	Daily	Daily*
Restock Supplies	Daily	Daily	Weekly	Daily	N/A	Daily	Daily	Daily	Daily	Weekly	Daily	N/A	Daily	N/A
Restroom Maintenance	Daily	Daily	N/A	Daily	N/A	Daily	Daily	Daily	Daily	Weekly	Daily	N/A	Daily	N/A
Floor Tasks														
Sweep & Mop/Scrub	Daily	Daily	N/A	Daily	N/A	Daily	Daily	Weekly	Weekly	Weekly	Daily	N/A	Daily	N/A
Hard Floor – Burnish	Weekly	Weekly	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Hard Floor - Striping and Refinishing	Annually	Annually	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Carpet – Extraction	Quarterly	N/A	Semi-Annually	Semi-Annually	Annually	N/A	N/A	N/A	N/A	Annually	N/A	N/A	Quarterly	N/A
Carpet – Spot Cleaning	As needed	N/A	As needed	As needed	As needed	As needed	N/A	N/A	N/A	As needed	N/A	N/A	As Needed	N/A
Specialty Tasks														
High Reach Cleaning	N/A	N/A	N/A	Annually	Annually	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Annually	N/A
HVAC Cleaning	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	N/A	Quarterly	N/A
Pet Waste Stations	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Daily	Daily	N/A	N/A
Facility Porter														
General Cleaning	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	N/A
Emptying Trash & Recycle Receptacles	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	N/A
Restock Supplies	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	N/A
Restroom Maintenance	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	N/A
Building Info														
Service Area Square Footage	10,600	660	600	3,250	10,000	1,300	3,550	400	440	5,000	60	N/A	2,705	30,000
Service Times due to facility restrictions	9pm - 5am	M,W,F (Business Hours)	7am-5pm M-Th		F-Su	12am - 5am							12am-5am	

*Refuse, debris and trash pickup throughout the rental ready lot and receptacles

All other terms and conditions of the Agreement and any Amendments, not changed by this AMENDMENT 1, remain in full force and effect.

PMGAA
Phoenix-Mesa Gateway Airport Authority,
a joint powers airport authority authorized by the State of Arizona:

By: _____

Title: _____

Date: _____

Contractor
Flagship Airport Services, Inc.
a California S-Corporation

By: _____

Title: Sr. VP. of Operations

Date: 07/27/2022

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 22-57

To: Board of Directors
From: Shea Joachim, CEcD, Business Development Director
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: Enterprise - Fourth Amendment to Car Rental Concession Agreement
Date: September 20, 2022

Proposed Motion
To authorize the Fourth Amendment to the Car Rental Concession Agreement with Enterprise Leasing Company of Phoenix, LLC.

Narrative
Enterprise Leasing Company of Phoenix, LLC ("Enterprise") has operated the Enterprise Rent-A-Car, Alamo Rent-A-Car, and National Car Rental brands at Phoenix Mesa Gateway Airport under the current Car Rental Concession Agreement ("Agreement") since December 2013. The Agreement Initial Term was five (5) years, with three (3) additional one-year Renewal Terms, and was set to terminate on November 30, 2021.

Starting in 2020, the impacts of COVID-19 significantly disrupted domestic and international travel resulting in historic declines in passenger traffic at the Airport Terminal. On October 20, 2021, the Board authorized the First Amendment to the Agreement extending the Term an additional eighteen (18) months and setting a new termination date of May 31, 2023.

The Airport intends to conduct a competitive solicitation to award new Car Rental Concession Agreements that coincides with the completion of critical improvements to the facilities that support car rental operations. Unfortunately, these improvements are experiencing significant delays due to the lingering impacts of COVID-19 on the construction industry.

As such, Airport staff is recommending an additional seven (7) month extension to the Agreement so that the current Agreement expires shortly after all improvements have been completed.

Agreement Term and Rate
If the Fourth Amendment is approved, the Agreement will be extended seven (7) months from May 31, 2023, and terminate on December 31, 2023.

All other terms and conditions of the Agreement remain unchanged.

Attachment(s)
Fourth Amendment to the Car Rental Concession Agreement

RESOLUTION NO. 22-57

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize the Fourth Amendment to the Car Rental Concession Agreement with Enterprise Leasing Company of Phoenix, LLC;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

> **The Board of Directors of the Authority hereby authorizes the Fourth Amendment to the Car Rental Concession Agreement with Enterprise Leasing Company of Phoenix, LLC. 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 20th day of September, 2022.

_____
Brigette Peterson, Chair

ATTEST:

_____
Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

_____
Jill Casson Owen, Attorney

Phoenix-Mesa Gateway Airport Authority

FOURTH AMENDMENT TO CAR RENTAL CONCESSION AGREEMENT

This FOURTH AMENDMENT TO CONCESSION AGREEMENT ("Amendment 4") is executed to be effective as of the Twentieth (20th) day of September 2022, by and between the **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY**, a joint powers airport authority authorized under the laws of the State of Arizona, its successors and assigns ("PMGAA"), and **ENTERPRISE LEASING COMPANY OF PHOENIX, LLC**, a Delaware limited liability company qualified to do business in the State of Arizona as **Enterprise Rent-A-Car, Alamo Rent a Car, and National Car Rental** ("Concessionaire") (collectively, the "Parties"). This AMENDMENT 4 hereby amends that certain Amended and Restated Car Rental Concession Agreement (as amended, the "Agreement") between PMGAA and Concessionaire dated and effective as of December 1, 2013, and amended on March 1, 2017, August 1, 2019, and October 20, 2021, with respect to Concessionaire's car rental business activities taking place at the Airport.

WITNESSETH:

WHEREAS, PMGAA is the owner and operator of the Phoenix-Mesa Gateway Airport (formerly the Williams Gateway Airport), an airport and airfield property generally located at the intersection of Ray Road and Sossaman Road, City of Mesa, Maricopa County, Arizona (the "Airport"); and

WHEREAS, PMGAA has the right to lease, license and grant the use of property and facilities on the Airport and has full power and authority to enter into this Agreement in respect thereof; and

WHEREAS, PMGAA desires Concessionaire's services as the operator of a Car Rental concession at the Airport, is willing to make space available for use by Concessionaire in connection therewith, and has deemed Concessionaire qualified to perform said services, and Concessionaire desires to perform and provide said services at the Airport; and

WHEREAS, Parties executed COVID Extension #1 extending the Term to May 31, 2023, due to significant declines in passenger traffic at the Airport Terminal.

WHEREAS, the impacts of COVID-19 have significantly affected the construction industry and resulted in delays to PMGAA Rental Car Facility Improvement projects.

NOW, **THEREFORE**, in consideration of the mutual covenants and agreements contained in this AMENDMENT 4 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. A new Section 2.5 is added as follows:

   2.5 COVID-19 Extension #2. Provided Concessionaire is not then in default of this Agreement, Concessionaire may request a seven (7) month extension ("COVID-19 Extension #2") of the Term by providing PMGAA with a written request within THIRTY (30) calendar days of the Effective Date of this Amendment. PMGAA will approve or deny the request, in writing, in its sole and absolute discretion, within SEVEN (7) calendar days after receipt of request for the COVID-19 Extension #2.

2. Concessionaire warrants and represents to PMGAA that: (i) all necessary actions have been taken to authorize the execution of this AMENDMENT 4 by Concessionaire; (ii) the persons who have

executed this AMENDMENT 4 on behalf of Concessionaire are duly authorized to do so; and (iii) this AMENDMENT 4 constitutes a legal, valid and binding obligation of Concessionaire, enforceable against Concessionaire in accordance with its terms and the terms of the Agreement.

3. In all other respects, the Agreement shall remain unchanged and in full force and effect. The Agreement, as amended by this AMENDMENT 4, shall continue to be binding upon PMGAA and Concessionaire and their permitted successors and assigns.

4. All of the Recitals set forth above are incorporated into this AMENDMENT 4 by this reference.

IN WITNESS WHEREOF, the Parties have entered into this AMENDMENT 4 as of the date first set forth above.

FOR PMGAA:

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, a joint powers airport authority authorized by the State of Arizona

By: _____

Name: J. Brian O'Neill, A.A.E.

Its: Executive Director/CEO

FOR CONCESSIONAIRE:

ENTERPRISE LEASING COMPANY OF PHOENIX, LLC, a Delaware limited liability company

By: _____

Name:

Its:

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 22-58

To: Board of Directors
From: Shea Joachim, CEcD, Business Development Director
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: Hertz – Second Amendment to Car Rental Concession Agreement
Date: September 20, 2022

Proposed Motion
To authorize the Second Amendment to the Car Rental Concession Agreement with the Hertz Corporation.

Narrative
The Hertz Corporation ("Hertz") has operated the Hertz Rental Car brand under the current Car Rental Concession Agreement ("Agreement") since March 2014. The Agreement Initial Term was four (4) years and eight (8) months, with three (3) additional one-year Renewal Terms, and was set to terminate on November 30, 2021.

Starting in 2020, the impacts of COVID-19 significantly disrupted domestic and international travel resulting in historic declines in passenger traffic at the Airport Terminal. On October 20, 2021, the Board authorized the First Amendment to the Agreement extending the Term an additional eighteen (18) months and setting a new termination date of May 31, 2023.

The Airport intends to conduct a competitive solicitation to award new Car Rental Concession Agreements that coincides with the completion of critical improvements to the facilities that support car rental operations. Unfortunately, these improvements are experiencing significant delays due to the lingering impacts of COVID-19 on the construction industry.

As such, Airport staff is recommending an additional seven (7) month extension to the Agreement so that the current Agreement expires shortly after all improvements have been completed.

Agreement Term and Rate
If the Second Amendment is approved, the Agreement will be extended seven (7) months from May 31, 2023, and terminate on December 31, 2023.

All other terms and conditions of the Agreement remain unchanged.

Attachment(s)
Second Amendment to the Car Rental Concession Agreement

RESOLUTION NO. 22-58

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize the Second Amendment to the Car Rental Concession Agreement with the Hertz Corporation;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

> **The Board of Directors of the Authority hereby authorizes the Second Amendment to the Car Rental Concession Agreement with the Hertz Corporation. 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 20th day of September, 2022.

_____
Brigette Peterson, Chair

ATTEST:

_____
Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

_____
Jill Casson Owen, Attorney

Phoenix-Mesa Gateway Airport Authority

SECOND AMENDMENT TO CAR RENTAL CONCESSION AGREEMENT

This SECOND AMENDMENT TO CONCESSION AGREEMENT ("Amendment 2") is executed to be effective as of the Twentieth (20th) day of September 2022, by and between the **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY**, a joint powers airport authority authorized under the laws of the State of Arizona, its successors and assigns ("PMGAA"), and **THE HERTZ CORPORATION**, a Delaware corporation qualified to do business in the State of Arizona ("Concessionaire") (collectively, the "Parties"). This AMENDMENT 2 hereby amends that certain Amended and Restated Car Rental Concession Agreement (the "Agreement") between PMGAA and Concessionaire dated and effective as of March 1, 2014 and amended on October 20, 2021 with respect to Concessionaire's car rental business activities taking place at the Airport.

WITNESSETH:

WHEREAS, PMGAA is the owner and operator of the Phoenix-Mesa Gateway Airport (formerly the Williams Gateway Airport), an airport and airfield property generally located at the intersection of Ray Road and Sossaman Road, City of Mesa, Maricopa County, Arizona (the "Airport"); and

WHEREAS, PMGAA has the right to lease, license and grant the use of property and facilities on the Airport and has full power and authority to enter into this Agreement in respect thereof; and

WHEREAS, PMGAA desires Concessionaire's services as the operator of a Car Rental concession at the Airport, is willing to make space available for use by Concessionaire in connection therewith, and has deemed Concessionaire qualified to perform said services, and Concessionaire desires to perform and provide said services at the Airport; and

WHEREAS, Parties executed COVID Extension #1 extending the Term to May 31, 2023, due to significant declines in passenger traffic at the Airport Terminal.

WHEREAS, the impacts of COVID-19 have significantly affected the construction industry and resulted in delays to PMGAA Rental Car Facility Improvement projects.

NOW, **THEREFORE**, in consideration of the mutual covenants and agreements contained in this AMENDMENT 2 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. A new Section 2.5 is added as follows:

   2.5 COVID-19 Extension #2. Provided Concessionaire is not then in default of this Agreement, Concessionaire may request a seven (7) month extension ("COVID-19 Extension #2") of the Term by providing PMGAA with a written request within THIRTY (30) calendar days of the Effective Date of this Amendment. PMGAA will approve or deny the request, in writing, in its sole and absolute discretion, within SEVEN (7) calendar days after receipt of request for the COVID-19 Extension #2.

2. Concessionaire warrants and represents to PMGAA that: (i) all necessary actions have been taken to authorize the execution of this AMENDMENT 2 by Concessionaire; (ii) the persons who have executed this AMENDMENT 2 on behalf of Concessionaire are duly authorized to do so; and (iii) this AMENDMENT 2 constitutes a legal, valid and binding obligation of Concessionaire, enforceable against Concessionaire in accordance with its terms and the terms of the Agreement.

3. In all other respects, the Agreement shall remain unchanged and in full force and effect. The Agreement, as amended by this AMENDMENT 2, shall continue to be binding upon PMGAA and Concessionaire and their permitted successors and assigns.

4. All of the Recitals set forth above are incorporated into this AMENDMENT 2 by this reference.

IN WITNESS WHEREOF, the Parties have entered into this AMENDMENT 2 as of the date first set forth above.

FOR PMGAA:

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, a joint powers airport authority authorized by the State of Arizona

By: _____

Name: J. Brian O'Neill, A.A.E.

Its: Executive Director/CEO

FOR CONCESSIONAIRE:

THE HERTZ CORPORATION, a Delaware corporation

By: _____

Name:

Its:

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 22-59

To: Board of Directors
From: Shea Joachim, CEcD, Business Development Director
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: Gateway Executive Airpark - Lease Amendment 2
Date: September 20, 2022

Proposed Motion

To authorize Amendment 2 to the Land Lease Agreement with Gateway Executive Airpark, LLC for lots 11-14 in order to lengthen the Construction Milestone identified in Section 7.2.4 to September 30, 2023.

Narrative

The Phoenix-Mesa Gateway Airport Authority ("Lessee") and Gateway Executive Airpark, LLC ("Lessee") entered into a Land Lease Agreement (the "Lease") on October 1, 2019, for lots 11-14, consisting of approximately 12.25 acres of land (the "Premises") for the purposes of developing a hangar complex consisting of approximately 180,000 square feet (the "Improvements").

In August 2022, Virgin Galactic Holdings announced their intention to sublease Hangar B and Hangar C within the Gateway Executive Airpark LLC, Development. This sublease agreement requires the modification and re-design of Hangar B to accommodate an increase in tail height capabilities of the building. Due to this modification and re-design, completion of construction has been delayed until September 2023.

Staff proposes Amendment 2 to the Lease to lengthen the construction milestone identified in Section 7.2.4 until September 30th, 2023.

There are no other changes to the terms and conditions of the Lease.

Attachment(s)

Land Lease – Gateway Executive Airpark, LLC – Amendment 2

RESOLUTION NO. 22-59

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize Amendment 2 to the Land Lease Agreement with Gateway Executive Airpark, LLC for lots 11-14 in order to lengthen the Construction Milestone identified in Section 7.2.4 to September 30, 2023;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

> **The Board of Directors of the Authority hereby authorizes Amendment 2 to the Land Lease Agreement with Gateway Executive Airpark, LLC for lots 11-14 in order to lengthen the Construction Milestone identified in Section 7.2.4 to September 30, 2023. 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 20th day of September, 2022.

Brigette Peterson, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

Phoenix-Mesa Gateway Airport Authority

SECOND AMENDMENT TO LEASE

This SECOND AMENDMENT TO LEASE ("Amendment 2") is executed to be effective as of the FIRST (1st) day of OCTOBER 2022 ("Amendment 2 Effective Date") by and between the **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY**, a joint powers airport authority authorized and existing under the laws of the State of Arizona ("Lessor"), and **GATEWAY EXECUTIVE AIRPARK, LLC**, an Arizona limited liability company ("Lessee").

WITNESSETH:

WHEREAS, Lessor and Lessee are parties to that certain Land Lease dated and effective the FIRST (1st) day of OCTOBER 2019, as amended by the First Amendment to Lease dated the TWENTY-FIRST (21st) day of October 2020 (collectively, the "Lease"), with respect to that certain real property at the Airport commonly described as **LOT 11**, LOT 12, **LOT 13**, and LOT 14 which real property is more particularly described in the Lease and referred to in the Lease as the "Premises".

WHEREAS, the Parties desire to enter into this AMENDMENT 2 in order to extend the Construction Milestones to accommodate the re-design and construction of Hangar B and Hangar C dictated by Virgin Galactic Holdings, Inc.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this AMENDMENT 2 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Each capitalized term used in this Amendment 2 and not defined herein shall be deemed to have the same meaning ascribed to it in the Lease.

2. The provisions of SECTION 7.2.4 are hereby deleted in their entirety and replaced with the following:

> 7.2.4 Lessee shall complete construction of the Improvements at and on the Premises, and shall have obtained a Certificate of Occupancy (or its equivalent) from the City of Mesa therefor, no later than September 30th, 2023, and

3. Lessee warrants and represents to Lessor that: (i) all necessary actions have been taken to authorize the execution of this AMENDMENT 2 by Lessee; (ii) the persons who have executed this AMENDMENT 2 on behalf of Lessee are duly authorized to do so; and (iii) this AMENDMENT 2 constitutes a legal, valid and binding obligation of Lessee, enforceable against Lessee in accordance with its terms and the terms of the Agreement

4. In all other respects the Lease shall remain unchanged and in full force and effect. The Lease, as amended by this AMENDMENT 2 shall continue to be binding upon Lessor and Lessee and their permitted successors and assigns.

5. All of the Recitals set forth above are incorporated into this AMENDMENT 2 by this reference.

IN WITNESS WHEREOF, the Parties have entered into this AMENDMENT 2 as of the date first set forth above

FOR LESSOR:

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, an Arizona joint powers Authority.

By:_____

Name: J Brian O'Neill, A.A.E.
Executive Director/CEO

FOR LESSEE:

GATEWAY EXECUTIVE AIRPARK, LLC, an Arizona limited liability company.

By: Daryl J. Donkersloot

Name: Daryl J. Donkersloot,
Managing Member

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 22-60

To: Board of Directors
From: Shea Joachim, CEcD, Business Development Director
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: Swoop, Inc. Operating Agreement
Date: September 20, 2022

Proposed Motion
To authorize the Executive Director to execute an operating agreement with Swoop, Inc. for commercial air service at the Airport.

Narrative
Swoop, Inc. ("Swoop") is a Canadian ultra-low-cost airline and a subsidiary of WestJet. The relatively new airline was announced in 2017 and conducted its inaugural flight in June 2018. In August 2018 Swoop announced service to multiple U.S. destinations including Phoenix-Mesa Gateway Airport.

Swoop has notified the Authority that it intends to continue its established seasonal, non-stop service from Phoenix-Mesa Gateway Airport to the Canadian cities of Edmonton, Winnipeg, and Toronto.

The operating agreement between the Authority and Swoop outlines the requirements of Swoop for offering commercial passenger service at the Airport, identifies the applicable changes for facilities and services at the Airport, and contractually obligates Swoop to adhere to the Airport's Rules and Regulations and Minimum Standards.

Fiscal Impact
Variable revenues are more difficult to forecast because they are based on passenger activity. However, the Airport anticipates increases in concessionaire revenue, rental car fees, Car Rental Customer Facility Charges (CFC's), parking fees, Passenger Facility Charges (PFC's) and fuel service charges.

Attachment(s)
Airline Operating Agreement

RESOLUTION NO. 22-60

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize the Executive Director to execute an operating agreement with Swoop, Inc. for commercial air service at the Airport;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

> **The Board of Directors of the Authority hereby authorizes the Executive Director to execute an operating agreement with Swoop, Inc. for commercial air service at the Airport. 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 20th day of September, 2022.

Brigette Peterson, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

Phoenix-Mesa Gateway Airport Authority

Air Carrier Operating Agreement

with

Swoop, Inc.

Effective Date: October 1, 2022

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Phoenix-Mesa Gateway Airport Authority
AIR CARRIER OPERATING AGREEMENT

This Air Carrier Operating Agreement (the "Agreement") is executed to be effective the 1st day of October 2022 (the "Effective Date") between the **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY ("PMGAA")**, a joint powers airport authority authorized under the laws of the State of Arizona ("PMGAA"), and **Swoop, Inc.** ("CARRIER"). PMGAA and CARRIER may be referred to collectively as "Parties," and each separately may be referred to as a "Party."

RECITALS:

A. PMGAA is the owner and operator of the Phoenix-Mesa Gateway Airport generally located at the intersection of Ray Road and Sossaman Road, City of Mesa, Maricopa County, Arizona (the "Airport"); and

B., PMGAA has the right to enter into Agreement, license and grant the use of property and facilities on the Airport and has full power and authority to enter into this Agreement in respect thereof; and

C. CARRIER provides commercial airline services, charters, flight crews, aircraft and desires to use the Airport facilities for commercial operations; and

D. CARRIER desires to obtain certain non-exclusive rights to use the common use areas of the passenger terminal, services and privileges in connection with the use of the Airport and its facilities, and PMGAA is willing to grant the same to CARRIER upon the terms and conditions hereinafter stated; and

E. the Parties agree to enter into this Agreement, specifying the rights and obligations of the Parties with respect to the operation of the Airport by PMGAA and the use and/or occupancy of the Airport by CARRIER;

NOW, THEREFORE, for good and valuable consideration, the mutual covenants and conditions herein set forth and the sufficiency of which is agreed to by the Parties, the Parties hereby agree as follows:

1. PERMITTED ACTIVITIES AND CONDITIONS OF AIRPORT USE.

1.1 CARRIER shall have the right to use, in common with others, the passenger terminal, taxiways, runways, and air navigational aids of the Airport for the purpose of conducting its FAR Part 129 scheduled international operations, public charter, private charter, and the landing and taking off of aircraft incidental thereto, and provided, however, such activities and services are performed in strict accordance with applicable PMGAA Minimum Standards, upon terms and conditions as herein provided.

1.2 RESERVED.

1.3 CARRIER shall not engage in any other commercial or revenue producing activity at the Airport (excluding charter activities by CARRIER, and charter activities requested by PMGAA) without first applying for and receiving written approval for such activity from PMGAA. In the event any other commercial or revenue producing activity is engaged in by CARRIER prior to obtaining such approval, without waiver or limitation of any other remedies available to PMGAA at law or equity, CARRIER hereby agrees to remit to PMGAA the sum equal to TEN PERCENT (10%) of gross billings for such unauthorized activity, plus any expenses incurred by PMGAA in the course of any audit conducted for all of CARRIER's activities.

1.4 CARRIER shall at all times comply with all Federal, State and local laws, ordinances, rules and regulations which are applicable to its operations or the Premises itself (including but not limited to the Americans with Disabilities Act), including all laws, ordinances, rules and regulations adopted after the Effective Date. Carrier shall at all times comply with the Phoenix-Mesa Gateway Airport Authority Rules and Regulations, as the same may be amended from time to time in the Authority's sole and absolute discretion.

2. TERM.

2.1 Subject to earlier termination as provided herein, the term of this Agreement shall be one (1) year, commencing on the Effective Date (the "Term").

2.2 Renewal Term. Provided CARRIER is not then in default of this Agreement, the Term may be extended for one (1) year, without action by the Parties, unless otherwise terminated as provided herein.

2.3 Either Party may terminate this Agreement by providing the notified Party ninety (90) calendar days advance written notice of the terminating Party's intent to do so.

3. EXCLUSIVE & NONEXCLUSIVE RIGHTS.

CARRIER shall have the non-exclusive rights, as applicable, to occupy and use the designated areas of the Airport while in compliance with the terms and conditions of this Agreement. All rights granted to CARRIER under this Agreement are nonexclusive, except as otherwise expressly stated in this Agreement. PMGAA may, in its sole discretion and at any time, permit third parties to conduct any and all business activities at the Airport that PMGAA deems appropriate, or conduct such activities itself, provided that such activities do not require or materially interfere with CARRIER's use of the Airport.

3.1 CARRIER shall not schedule or advertise flight schedules originating from or destined for Phoenix-Mesa Gateway Airport without prior coordination with PMGAA and confirmation from PMGAA of terminal availability.

3.2 Pursuant to PMGAA's Common Use Facilities Operating Procedures (attached as **EXHIBIT C**), CARRIER shall submit a copy of CARRIER's proposed schedule to PMGAA no less than 60 days prior to the schedule effective date. Along with the schedule submission, CARRIER shall include the name and contact information of the individual responsible for setting CARRIER's schedule at the Airport.

3.3 PMGAA shall provide CARRIER with common use of one (1) boarding gate and four (4) ticketing positions. In addition, CARRIER shall have common use access to additional ticket counters, gate hold rooms, and the baggage claim area for scheduled flight operations, the scheduling of such use is subject to the guidelines outlined in PMGAA's Common Use Facilities Operating Procedures. Common use resources shall be scheduled with PMGAA's Operations & Maintenance department prior to any planned use.

3.4 PMGAA has implemented Common Use Facilities Operating Procedures. PMGAA reserves the right to modify said procedures from time-to-time, as it deems necessary in its sole and absolute discretion and authority to accomplish its purposes. CARRIER shall at all times comply with these operating procedures.

3.5 PMGAA has implemented an Airport Security Program in a form acceptable to the Transportation Security Administration (TSA). PMGAA reserves the right to modify said program from time-to-time, as it deems necessary to accomplish its purposes. CARRIER shall at all times comply with the Airport Security Program and indemnify, defend, hold and save PMGAA, its board members, member governments, officers, officials, employees, and agents free and harmless for, from, and against any violations of said Security Program caused, or alleged to be caused, by the acts, errors or omissions of CARRIER, its employees, agents, invitees or contractors.

4. RENTALS, FEES AND CHARGES

4.1 General. Rent for use of any exclusive use space due and payable at the beginning of each month. All other fees are assessed at the time of each use, flight, or service, as applicable, and are due and payable no later than the twentieth (20th) day of the following month in which the use or activity occurred ("Fee Due Date"). CARRIER shall self- report its flight activity monthly to PMGAA pursuant to Section 5. Delinquent rents and fees shall be assessed a finance charge in accordance with Section 4.11.2. Any ground handling services requested of PMGAA or other authorized service provider by Carrier shall be governed by a separate agreement. In any event, CARRIER shall be the responsible party for the purposes of this Air Carrier Operating Agreement, and therefore CARRIER shall pay, or cause to be paid, to PMGAA, the fees and charges as outlined below:

4.2 Landing Fees. CARRIER shall pay a landing fee at a rate equal to the amount reflected on the most current Airport Rates & Charges Schedule at the time of the aircraft operation, for each flight operated by or in conjunction with CARRIER that is subject to a landing fee in the amount reflected on the most current Airport Rates & Charges Schedule . The weight used to determine the landing fee for any particular aircraft shall be its maximum certificated gross landing weight (MGLW), as certified by the Federal Aviation Administration.

4.3 Terminal Use Fees. Terminal Use includes ticket counter(s) and lobby area, secure hold room and boarding area podium, aircraft parking position, baggage claim area, and common use computer equipment per flight. CARRIER shall pay PMGAA a Terminal Use Fee in the amount reflected on the most current Airport Rates & Charges Schedule.

4.4 Common Use Set-up and Operating Fees. CARRIER shall pay PMGAA for common use terminal equipment, internet connection, and dark fiber per the most current Airport Rates & Charges Schedule.

4.5 Aircraft Parking Fees. CARRIER shall pay PMGAA a fee per the most recent Airport Rates & Charges Schedule for any aircraft occupying an aircraft parking position, including terminal gates and remote parking positions, for more than three hours; and for any portion of each 24-hour parking period. This fee shall be waived if the aircraft performed a revenue service operation the day prior or will perform a revenue service operation the day after being parked for more than three hours.

4.6 Passenger Facility Charges. CARRIER shall pay monthly to PMGAA, on or before the Twentieth (20th) day of each month (the "PFC Due Date"), a PFC in the amount of Four and 50/100 Dollars ($4.50) for each Enplaned Passenger departing the Airport on a CARRIER Revenue Flight during the previous calendar month. The collection of said fees by CARRIER shall be subject to the terms, conditions and methods of collection set forth in the Aviation Safety and Capacity Expansion Act of 1990, Section 9110, at it now exists or is modified hereafter (the "PFC Act").

4.7 Monthly Tie Down Fees. CARRIER shall pay Monthly Tie Down Fees per Rates and Charges.

4.8 Fueling Fees. CARRIER shall execute a Fueling Service Agreement with PMGAA co-terminus with this Agreement.

4.9 Aircraft Ramp Space and Services. CARRIER shall pay PMGAA monthly for any aircraft line services, out-of-station Aircraft Rescue and Firefighting (ARFF) services, operations safety officers, ground service equipment use, fuel spill response teams and any other space or service requirements as specified in the Airport Rates & Charges Schedule or, if not so specified in that Schedule, as determined by PMGAA (collectively, "Additional Services").

4.10 Other Fees. Unless specified otherwise herein, CARRIER shall pay PMGAA for its usage or rental of PMGAA equipment and the performance of services by PMGAA within TEN (10) business days of CARRIER's receipt of an invoice (the "Invoice Due Date") for same from PMGAA. The

amount of such fees shall be as provided by separate agreement between CARRIER and PMGAA, or, in the absence of such agreement, as specified in the most current Airport Rates and Charges Schedule or Airport Fees, Services & Rental Rates in effect when the charge or fee was incurred. Failure to remit payment by the Invoice Due Date may result in the suspension of further equipment rentals or services until payment is made to PMGAA in full.

4.11 Requirements. With regard to the fees and charges specified in this SECTION 4, the following conditions and considerations shall apply:

4.11.1 Airport Rates & Charges Schedule. The Airport Rates & Charges Schedule and Airport Fees, Services and Rental Rates referred to in this Agreement may be revised from time to time. CARRIER shall pay the most current fee(s) at the time of the event or service, as applicable, unless specifically outlined in this Agreement. The current Airport Rates & Charges Schedule and the Airport Fees, Services and Rental Rates are attached as **EXHIBIT A** and is subject to change without prior notice or approval of CARRIER.

4.11.2 Finance Charges and Late Fees. If CARRIER fails to pay any charge due and owing to PMGAA in full on or before Fee Due Date, Invoice Due Date, PFC Due Date, as applicable, CARRIER shall be responsible for interest on the unpaid fee or charge at the rate of EIGHTEEN PERCENT (18%) per annum from the due date until payment in full is made. In addition, in the event any payment is received more than TEN (10) days after the applicable due date, a late penalty of TEN PERCENT (10%) of the amount of such delinquent amount shall be due and payable in addition thereto.

4.11.3 Books and Records. CARRIER shall maintain permanent books, records and ledgers accurately reflecting the total passengers, and total number of monthly aircraft landings for all aircraft subject to a landing fee indicating the make, type (including model designation), registration number, maximum certificated gross landing weight, and arrival and departure time of each aircraft involved. These records shall be made available to PMGAA upon request. PMGAA may audit the books, records and ledgers maintained by CARRIER in accordance with this SECTION 4. In the event an audit reveals a deficiency of TWO PERCENT (2%) or greater in the amount of payment made pursuant to this SECTION 4, CARRIER shall not only pay such deficiency but also the cost of any audit performed by PMGAA.

5. REPORTING REQUIREMENTS

5.1 CARRIER shall file with PMGAA written reports for the items specified below no later than the TENTH (10th) day of the calendar month following the month in which the specified activities occurred. Such reports shall cover all of CARRIER's Airport activities during said month, and include activity handled by CARRIER for other Air Transportation Companies not having an agreement with PMGAA providing for its own submission of activity data to PMGAA.

5.1.1 A complete listing of all of CARRIERS's actual aircraft landings at the Airport, including aircraft type and MGLW; and a listing, by destinations, of the number of flights that qualify under applicable waiver agreements for any landing fee waivers;

5.1.2 A complete listing of CARRIER's Enplaned Passengers and Deplaned Passengers, specified by and including the type of aircraft;

5.1.3 A complete listing, by date and flight number, of CARRIER's commercial cargo loaded and off loaded.

5.2 PMGAA shall have the right to rely on said activity reports in determining rentals and other charges due hereunder; provided, however, CARRIER shall have full responsibility for the accuracy of said reports. Payment deficiencies due to incomplete or inaccurate activity reports shall be subject to interest charges as set forth in SECTION 4.11.2 herein.

5.3 CARRIER shall at all times maintain and keep books, ledgers, accounts or other records wherein are accurately kept all entries reflecting the activity statistics to be reported pursuant to SECTION 5. Such records shall be retained by CARRIER for a period of THREE (3) years subsequent to the activities reported therein, or such other retention period as set forth in 14 CFR Part 249.7, and made available at Mesa, Arizona for audit and/or examination by PMGAA or its duly authorized representative during all normal business hours. CARRIER shall produce such books and records at Mesa, Arizona within THIRTY (30) calendar days of PMGAA's notice to do so or pay all reasonable expenses, including but not limited to, transportation, food, lodging and other related expenses, necessary for an auditor selected by PMGAA to audit said books and records.

5.4 The cost of audit, with the exception of the aforementioned expenses, shall be borne by PMGAA; provided, however, the total cost of said audit shall be borne by CARRIER if either or both of the following conditions exist:

5.4.1 The audit reveals an underpayment of more than TWO PERCENT (2%) of rentals, fees and charges due hereunder, as determined by said audit; and/or

5.4.2 CARRIER has failed to maintain true and complete books, records, accounts and supportive source documents in accordance with SECTION 5.

5.5 All payments due and payable hereunder shall be paid in lawful money of the United States of America, without set off, by check made payable to the Phoenix-Mesa Gateway Airport Authority and delivered to:

Phoenix-Mesa Gateway Airport Authority
Attn.: Accounts Receivable
5835 S. Sossaman Road
Mesa, Arizona 85212-0614

6. INSURANCE

6.1 General. Carrier shall procure and maintain the following types and amounts of insurance for its operations at the Airport throughout the Term of this Agreement and any extension thereto:

Aircraft Liability insurance covering third party bodily injury and property damage, and passenger and contractual liabilities which shall protect and indemnify PMGAA from any and all claims arising in connection with aircraft movement on the Airport in amounts as are customarily carried by a carrier of like kind and size, but in no event less than $250,000,000.00 per occurrence. Such insurance shall also insure against third party liabilities arising from War Risk perils.

Airport Premises Liability insurance third party bodily injury and property damage, including coverage for "premises/operations," "products and completed operations," "host liquor" and "blanket contractual" liabilities in an amount not less than $250,000,000.00 per occurrence.

Comprehensive Automobile Liability insurance for all owned, non-owned and hired vehicles operated airside on the Airport that are assigned to or used in the performance of commercial activities in the amount of $25,000,000.00 per occurrence or combined single limit. If any hazardous materials are transported in conjunction with Carrier's business operations at or on the Airport, an MSC 90 endorsement shall be required in addition thereto.

Workers' Compensation insurance, as required by law, and *Employer's Liability* insurance in the amount of $1,000,000.

6.2 Additional Insurance. At any time during the Term of this Agreement, including any extension thereto, PMGAA may, in its reasonable determination decide that the insurance coverage required by this SECTION 6 is no longer adequate, require CARRIER to increase its coverage to commercially reasonable amounts.

6.3 Blanket Insurance. CARRIER's insurance obligations under this Agreement may be satisfied by means of the general corporate "blanket" policies carried by it and evidenced by the insurance

carrier's standard certificates thereof.

6.3.1 Use of Proceeds. Proceeds of any liability and property damage insurance required under this SECTION 6 shall be applied toward extinguishing, satisfying or remedying the liability, loss or damage with respect to which such proceeds may be paid.

6.4 Indemnity. To the fullest extent permitted by law CARRIER (as "indemnitor") shall indemnify, defend, hold and save PMGAA, its board members, and its member governments, officers, officials, employees, and agents (as "indemnitee") free and harmless of, for, from and against any and all Losses caused in whole or in part by (a) any act or omission of CARRIER (including indemnitor's officers, officials, agents, employees, contractors or invitees), (b) CARRIER's operations at the Airport, (c) CARRIER's violations of said Security Program caused, or alleged to be caused, by the acts, errors or omissions of CARRIER, its employees, agents, invitees or contractors, or (d) any default by CARRIER hereunder. This indemnification shall exclude responsibility for any consequential damages and for claims to the extent arising by reason of the negligent or wrongful act of PMGAA or its employees, contractors or agents. For purposes hereof "Losses" shall mean any and all losses, liabilities, judgments, suits, claims, damages, fines, penalties, costs and expenses (including reasonable attorneys and consultant fees, investigation costs, monitoring costs, remediation costs, and court costs), of any kind or nature." In carrying out the defense of any claim subject to its indemnification obligations hereunder, CARRIER shall use counsel reasonably acceptable to PMGAA.

6.6 Insurance Form. Each insurance policy obtained pursuant to this SECTION 6, except for Workers' Compensation and Employer Liability policies, shall: (i) name PMGAA as a certificate holder or an additional insured to the extent of Operator's contractual indemnity obligations; (ii) contain a provision that written notice of cancellation or modification thereof shall be given to PMGAA not less than THIRTY (30) calendar days before such cancellation or modification takes effect (TEN (10) days in the case of nonpayment of premium); and (iii) contain a waiver of subrogation in favor of PMGAA. Operator shall not permit any insurance policy to be canceled or modified without PMGAA's written consent unless equivalent replacement policies are issued with no lapse in coverage. All policies shall be obtained from insurance companies licensed to do business in the State of Arizona and possessing a rating of at least A - VII or higher from the A.M. Best Company, or an equivalent rating approved by PMGAA.

7. DISABLED OR ABANDONED AIRCRAFT.

7.1 Removal of Disabled Aircraft. Should any aircraft owned or operated by CARRIER, through accident or for any other reason, become disabled or be abandoned in any area which could interfere with the continuous, normal operations of any of the runways, taxiways and airfield facilities at the Airport, CARRIER shall, at CARRIER'S sole cost and expense:

7.1.1 Immediately remove said aircraft to such location as may be designated by PMGAA, unless such aircraft is required to remain in place pending investigation by the appropriate regulatory agency or agencies of the federal government; and

7.1.2 In the event of any accident where federal investigation in place is required, immediately upon receiving clearance to do so from the appropriate federal agency, remove said aircraft and any wreckage or debris resulting therefrom to the area(s) designated by said federal agency authorizing such removal; otherwise, such aircraft wreckage and debris shall be immediately removed from the Airport or stored at a location approved by PMGAA.

7.2 Failure to Remove Disabled Aircraft. Should CARRIER fail to proceed immediately to remove disabled aircraft, or should aircraft owned or operated by CARRIER be abandoned on the Airport, PMGAA shall have the right to remove such aircraft by any means PMGAA deems necessary under the circumstances, and CARRIER shall, to the fullest extent permitted by law, indemnify, defend, keep and hold PMGAA, its members, board of directors, officers, agents, officials, servants, employees and contractors harmless from and against any and all claims, costs, loss, liability, actions, suits, proceedings, damage or expense (including costs of suit and attorneys' fees and expenses)

incurred by PMGAA or claimed by anyone by reason of removal of said aircraft, injury to persons or property or damages to such aircraft caused by such removal, as well as storage costs therefor. CARRIER shall reimburse PMGAA for any costs incurred by PMGAA in removing and storing any aircraft, at PMGAA's sole discretion, and as provided herein in performing authorized maintenance on its aircraft on the Airport.

7.3 Sound and Noise Suppression. CARRIER shall comply fully with Airport Rules & Regulations and Minimum Standards when performing high-speed engine test operations at the Airport, if any, and SECTION 10.3 to mitigate excessive ambient sound and/or noise that may be generated incident thereto and that have or may have an adverse effect on other Airport tenant operations and the surrounding community. CARRIER acknowledges and agrees that the Airport Rules & Regulation for such test operations may change from time to time at PMGAA's sole and absolute discretion. CARRIER also agrees that any costs associated with compliance with Airport Rules & Regulations for sound or noise suppression or mitigation shall be borne solely by CARRIER.

8. ENVIRONMENTAL COMPLIANCE.

CARRIER shall at all times during the existence of this Agreement promptly observe and comply with applicable Federal, State, and local laws, regulations, rules and standards concerning the environment (collectively, the "Environmental Laws"). CARRIER shall be responsible for collecting, storing, recycling and/or disposing of its hazardous or toxic waste, if any, in compliance with the Environmental Laws governing the storage and disposal of hazardous or toxic waste. CARRIER shall ensure its employees and agents are aware that domestic drains, storm drains, or industrial waste drains shall not be used to dispose of gasoline, hydraulic fluid, solvents, concentrated cleaning agents or any other hazardous or toxic materials. Where so required, PMGAA may act on behalf of CARRIER, as and if appropriate, to dispose of CARRIER's waste, sign manifests on behalf of CARRIER and assign such disposal to CARRIER's EPA identification (ID) number. CARRIER shall repay PMGAA the costs and fees for doing so within TEN (10) days of demand therefor. CARRIER shall, to the fullest extent permitted by law, indemnify, defend and hold PMGAA, its members, board of directors, officers, agents, officials, employees, and contractors harmless from and against any and all claims, costs, loss, liability, actions, suits, proceedings, damage or expense including, but not limited to, the costs of suit and reasonable attorneys' fees and expenses of any nature whatsoever arising out of or related to CARRIER's failure to comply with the Environmental Laws.

9. TAXES AND RELATED IMPOSITIONS.

In the event any governmental authority shall impose a tax or imposition based upon this Agreement, upon CARRIER or its aircraft, or upon payments to be made hereunder, CARRIER shall pay such amounts either to PMGAA or the appropriate governmental authority on or before any delinquency date. Specifically, CARRIER shall be responsible for any transaction privilege, sales, excise or other similar tax except income taxes as a result of this Agreement. CARRIER shall also pay all licensing or permitting fees necessary or required by law for the conduct of its aeronautical operations hereunder, or any other matters hereunder. CARRIER shall be responsible for any property interests created hereunder, which may constitute or be deemed to be a possessory interest for purposes of taxation.

10. RULES, REGULATIONS AND MINIMUM STANDARDS.

10.1 CARRIER shall at all times comply with all federal, State and local laws and ordinances, rules and regulations, which are applicable to its operations, or the operation, management, maintenance, or administration of the Airport, including but not limited to the Americans with Disabilities Act, and all laws, ordinances, rules and regulations adopted after the Effective Date. CARRIER shall at all times comply with all Airport Rules and Regulations, and Minimum Standards established by PMGAA regarding operation and maintenance of the Airport, copies of which are attached as **EXHIBIT B** and are incorporated herein. CARRIER will be responsible for controlling and preventing disruptive pedestrian and vehicle traffic, if any, associated with its activities on the Airport. CARRIER also shall display or provide copies to PMGAA of any permits, licenses, or other evidence of compliance with laws upon request.

10.2 PMGAA shall operate the Airport in compliance with all applicable Federal state and local laws, ordinances, rules and regulations, and shall enforce the Airport Rules and Regulations established by it to ensure the effective and orderly operation of the Airport, and to prevent any disruption caused by CARRIER's operations at and on the Airport.

10.3 CARRIER acknowledges receipt of and agrees to abide by PMGAA's *Fly Friendly* noise abatement procedures and will provide such information to flight crews and/or students, post the information in CARRIER's flight planning area, and use the procedures to the extent possible when consistent with safety and air traffic control directives.

11. DEFAULT: TERMINATION BY PMGAA

11.1 General Grounds. PMGAA may terminate this Agreement upon the occurrence of any of the following events:

11.1.1 Failure of CARRIER to perform any of its obligations under this Agreement, or any other contract, license or agreement between the Parties, which failure shall not be cured within FIVE (5) business days after delivery by PMGAA **to** CARRIER of a written notice of such failure.

11.1.2 The filing of any lien against the Airport because of any act or omission of CARRIER which is not discharged within FIVE (5) business days of receipt of actual notice of such lien by CARRIER.

CARRIER may terminate this Agreement upon the occurrence of any of the following events:

11.1.3 Failure of PMGAA to perform any of its obligations under this Agreement, or any other contract, license or agreement between the Parties, which failure shall not be cured within FIVE (5) business days after delivery by CARRIER **to** PMGAA of a written notice of such failure.

11.1.4 The filing of any lien against the CARRIER because of any act or omission of PMGAA which is not discharged within FIVE (5) business days of receipt of actual notice of such lien by PMGAA.

11.2 Failure to Pay Fees. PMGAA may declare CARRIER in default of this Agreement by giving CARRIER FIVE (5) business day's written notice of CARRIER's failure to timely pay any fees or payments due pursuant to this Agreement. If CARRIER fails to cure such payment default within said FIVE (5) business day period, PMGAA may, in its sole discretion, elect to do any one or more than one of the following:

11.2.1 Institute action(s) to enforce this Agreement; or

11.2.2 Terminate this Agreement automatically without further notice to CARRIER; or

11.2.3 Exercise any other remedy allowed by law or equity.

11.3 Failure to Provide Insurance. In the event CARRIER at any time fails to maintain all insurance coverage required by this Agreement, PMGAA shall have the right, upon written notice to CARRIER, **to** immediately terminate this Agreement or secure the required insurance at CARRIER's expense.

11.4 No Waiver by PMGAA. No waiver by PMGAA of any default by CARRIER in the performance of its obligations under this Agreement shall be deemed to be a waiver of any subsequent default by CARRIER in the performance of any such obligations.

12. GOVERNING LAW; ATTORNEY'S FEES.

The laws of the State of Arizona shall govern this Agreement and the matters set forth therein, without

regard to its conflict of law principles. Venue of any action brought under this Agreement shall, at the option of PMGAA, lie in Maricopa County, Arizona. In the event of any litigation or arbitration between PMGAA and CARRIER arising under this Agreement, the successful party shall be entitled to recover its attorney's fees, expert witness fees and other costs incurred in connection with such litigation or arbitration.

13. NONWAIVER.

PMGAA's right to revoke this Agreement shall be absolute. Any election by PMGAA to not enforce any provision of this Agreement, or any failure by PMGAA to exercise any of the remedies allowed PMGAA under this Agreement, shall not operate as a waiver by PMGAA of any of its right hereunder.

14. ASSIGNMENT.

CARRIER shall not assign or transfer any right or interest in this Agreement.

15. OTHER RESTRICTIONS.

CARRIER shall comply with all rules, laws, ordinances, and statues of any governmental authority having jurisdiction over the Airport or the matters provided in this Agreement.

16. AIRPORT SECURITY.

PMGAA maintains an approved Airport Security Plan (the "Security Plan") pursuant to 49 CFR Parts 1540 and 1542. CARRIER shall at all times comply with the Security Plan and the written and verbal directives issued by PMGAA supporting the Security Plan.

16.1 CARRIER shall immediately correct physical or procedural deficiencies which are contrary to the Security Plan, security directives, security bulletins, or verbal notifications existing now or in the future. CARRIER is responsible for maintaining security practices, facilities, and perimeter boundaries on their leasehold that meet the security standards of the Security Plan.

16.2 CARRIER shall, to the fullest extent permitted by law, indemnify, defend, and hold PMGAA harmless for, from, and against any violations of the Security Plan committed by any agents, employees, invitees, subcontractors, or independent contractors of CARRIER.

16.3 CARRIER shall conduct and document all self-audits and self-inspections as required by the Transportation Security Administration ("TSA") or PMGAA and make such audits available for inspection.

16.4 CARRIER shall designate a primary security coordinator to receive security -related briefings, bulletins, and sensitive security information ("SSI").

16.5 PMGAA reserves the right to modify the Security Plan from time-to-time, as necessary, or as directed by the TSA.

17. AIRPORT SECURITY BADGE

17.1 Carrier employees/contractors that require a badge shall be obligated to complete all training and comply with all security requirements and directives issued by PMGAA, TSA, or other entities having jurisdiction at PMGAA.

17.2 CARRIER and employees/contractors shall comply with all security-related audits, inspection, and screenings conducted by PMGAA.

17.3 CARRIER will immediately notify PMGAA and promptly return badges to the Airport Badging Office when badge holders terminate employment, the badge is no longer needed, or the employee/contractor is on extended leave.

17.4 Misuse of a badge or security procedures will bring about punitive action including suspension or revocation of one or all badges.

18. NOTICE.

18.1 All notices required or permitted under this Agreement shall not be deemed effective unless personally delivered or mailed by certified mail, return receipt requested, postage prepaid, or by reputable commercial overnight courier service, to the following addresses:

TO PMGAA:	Phoenix-Mesa Gateway Airport Authority Attn.: Business Development Department 5835 S. Sossaman Road Mesa, Arizona 85212-0614
TO CARRIER:	Swoop, Inc. Attn: Head of Airports 22 Aerial Place NE Calgary, Alberta T2E 3J1

18.2 Notices shall be deemed to have been received TWO (2) business days after the date of mailing, if given by certified mail, or upon actual receipt if personally delivered or if given by reputable commercial overnight courier service. Any Party may designate in writing a different address for notice purposes pursuant to this SECTION.

19. PRIOR AGREEMENTS AND PERMITS.

Upon execution hereof, this Agreement shall supersede and cancel any prior air carrier operating agreements between PMGAA and CARRIER with respect to the business activities governed hereby. CARRIER shall not construe PMGAA's execution of this Agreement as a waiver of any prior indebtedness or obligation to PMGAA under any prior agreement or license, nor does PMGAA waive any claim or cause of action arising therefrom.

20. CORPORATE AUTHORIZATION.

In executing this Agreement, CARRIER represents and warrants to PMGAA that if CARRIER is a corporation, CARRIER has obtained and been granted the full right, power and authority to enter into this Agreement.

21. MISCELLANEOUS.

21.1 Personal Liability. No member of or employee of either Party shall be charged personally or held contractually liable by or to the other Party under any term or provision of this Agreement because of any breach thereof or because of its execution or attempted execution.

21.2 No Waiver. No provision of this Agreement may be waived or modified except by a writing signed by the Party against whom such waiver or modification is sought.

21.3 Non-Waiver of Rights. No waiver or default by PMGAA of any of the terms, conditions, covenants or agreements hereof to be performed, kept or observed by CARRIER shall be construed or act as a waiver of any subsequent default of any of the terms, covenants, conditions or agreements herein contained to be performed, kept or observed by CARRIER, and PMGAA shall not be restricted from later enforcing any of the terms and conditions of this Agreement.

21.4 Amendment. Only a written instrument executed by the Parties may amend this Agreement.

21.5 Invalid Provisions. Should any provision of this Agreement or any application thereof be held invalid by a court of competent jurisdiction, the remainder of this Agreement shall not be affected thereby, unless one or both Parties would be substantially and materially prejudiced.

21.6 Headings. The headings contained herein are for convenience in reference only and are not intended to define or limit the scope of this Agreement or any term thereof.

21.7 Entire Agreement. This Agreement, including **EXHIBITS** attached hereto at the time of its execution, constitutes the entire agreement between the Parties hereto and supersedes all prior negotiations, understandings and agreements between the Parties concerning such matters.

22. INCORPORATION OF RECITALS.

The recitals set forth above are acknowledged by the Parties to be true and correct and are incorporated herein by this reference.

IN WITNESS WHEREOF, the Parties have executed this Agreement to be effective on the Effective Date specified above.

FOR PMGAA:	FOR CARRIER:
_____	_____
By: J. Brian O'Neill, A.A.E	By:
Its: Executive Director/CEO	Its:
Date Signed: _____	Date Signed: _____

EXHIBIT A

Airport Rates & Charges Schedule

https://www.gatewayairport.com/Documents/DocumentLibrary/Airport%20Rates%20and%20Charges/Airport%20Rates%20ad%20Charges%20effective%202022.08.01.pdf?Uniqueifier=uBsTxmJuWE

Airport Fees, Services & Rental Rates

https://www.gatewayairport.com/Documents/DocumentLibrary/ExecDirSect/Signed%20Airport%20Fees,%20Services%20and%20Rental%20Rates%20Effective%202-1-22.pdf?Uniqueifier=Q3KeuiQ8g1

EXHIBIT B

PMGAA Minimum Standards

https://www.gatewayairport.com/Documents/DocumentLibrary/Board%20Policies/Airport%20Minimum%20Standards.pdf?Uniqueifier=BaXf7Chq3Y

PMGAA Rules & Regulations

https://www.gatewayairport.com/Documents/DocumentLibrary/Board%20Policies/Airport%20Rules%20and%20Regulations_21-49.pdf?Uniqueifier=BaXf7Chq3Y

EXHIBIT C

Common Use Facilities Operating Procedures:

https://www.gatewayairport.com/Documents/DocumentLibrary/Regulatory%20Documents/PMGAA_CUSE%20Procedures%2022-01%2020220420.pdf?Uniqueifier=wSNy7LNTK5

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 22-61

To:	**Board of Directors**
From:	**Matt Nebgen, Gateway Aviation Services Director**
Through:	**Scott Brownlee, Deputy Director/COO**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject:	**CIP 1060 - 28V GPU**
Date:	**September 20, 2022**

Proposed Motion
To authorize the purchase of one 28V GPU from ITW GSE in an amount not to exceed $63,641.32.

Narrative
Phoenix Mesa Gateway Airport Authority's Fixed Base Operator (FBO) uses the 28V GPU to provide DC power to various aircraft that come to Phoenix-Mesa Gateway Airport (PMGA) and require DC power for aircraft electronics or for starting the aircraft. This unit will replace the FBO's current 28V GPU which has reached the end of its useful life cycle.

Purchasing a diesel engine GPU is not practical due to current DEF issues with the diesel engines. Therefore, this procurement is sole source as ITW GSE is the only manufacturer of an electric 28V GPU. ITW GSE's quote does not include Use Tax in the amount of $4,071.32.

Fiscal Impact
This expenditure is included in the FY23 capital budget as Project 1060.

Attachment(s)
Quote

RESOLUTION NO. 22-61

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize the purchase of one 28V GPU from ITW GSE in an amount not to exceed $63,641.32;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

> **The Board of Directors of the Authority hereby authorizes the purchase of one 28V GPU from ITW GSE in an amount not to exceed $63,641.32. 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 20th day of September, 2022.

Brigette Peterson, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

ITW GSE It's all about connections
11001 US Highway 41 North, Palmetto, FL 34221 USA

Page: 1 of 1

TO: Phoenix-Mesa Gateway Airport Authority
5835 S. Sossaman Road
Mesa, AZ 85212
Attn: Scott Johnson
Phone: 480/988-7728
Email: scjohnson@gatewayairport.com

RE: ***7400 JetEx, Battery Powered eGPU - 28VDC Output -***

QUOTE NO: **QJGR070622-2A**
DATE: 8/31/2022
FROM: Greg Rentfro
PHONE: 469/968-6082
EMAIL: grentfro@itwgse.us

WE ARE PLEASED TO OFFER THE FOLLOWING QUOTATION:

ITEM #	QTY	MODEL/ PART NO.	DESCRIPTION	UNIT PRICE U.S.D.	TOTAL U.S.D.
001	1	**AP-543500**	**ITW GSE 7400 Battery Powered eGPU, 28VDC**	$ 53,570.00	$ 53,570.00
			Input: 260-530V 50/60Hz, 3Phase (15kW Charge),		
			170-300V 50/60Hz Single Phase (7kW Charge)		
			Input for Charging Prime Mover Battery		
			Output: 28VDC, 600amp continuous, 2400amp engine start		
			* Battery Pack -Lithium-ion rated 400VDC, 40kWh		
			* ITW GSE user interface		
			* AC Input Cable, 30' provided 'plug ready' *(mating plug provided*		
			* Unit Operating Ligth, Amber		
			* Low Battery Beacon, Blue		
			* Fork Lift Guides (for lift/transport)		
		293169	* Wheel Chocks		
			* Trailer Mounted w/5th Wheel Steering		
			* Towbar w/brake		
		JB2840-30	* DC Output Cable, 4/0 assembly w/plug, 30'		
			* Operations Manual		
			* Warranty**:** *ITW GSE/Hobart components come with a standard 2*		
			--- Refer to Brochure for complete list of standard features, options		
		080630	*Input Cable, 10' #6, 4-Conductor rated 65 amps. Cable is 'plug ready',*		
Option 1	1	**Freight Out**	FOB Palmetto with freight prepaid to AZA. Does not include unloading or storage at destination.	$ 6,000.00	$ 6,000.00
			NOTE: Prices do not include any federal or local sales or use taxes.		

Total **$ 59,570.00**

ENCLOSED:	Data Sheet
FOB POINT:	PALMETTO, FL, Freight not included
TERMS:	Net 30 Days on Approval
VALIDITY:	60 Days
SHIPMENT:	**8-12 weeks ARO : Subject to availability when ordered**
WARRANTY:	ITW GSE Standard Terms & Conditions (current rev.) Apply

Greg Rentfro

Greg Rentfro
Area Sales Manager
grentfro@itwgse.us

Terms and Conditions of Sale may be viewed on our website @ www.itwgse.com

BUYER: Sales of GSE Holdings, doing business as ITW GSE Hobart, ITW GSE J&B Aviation, ITW GSE Military ("ITW GSE") products and services are expressly limited to and made conditional on acceptance of ITW GSE Terms and Conditions of Sale, dated 28. April 2015, found at <http://itwgse.com/us/terms-and-conditions-of-sale/>. Any other Terms, additional or different, are hereby rejected. Commencement of work by ITW GSE or acceptance of delivery of products by the customer constitutes acceptance of the "Terms and Conditions of Sale."

- ***This equipment is not to be exported to or used in any country named on the U.S. Government's list of restricted nations.***

All shipments are subject to review by U.S. Export offices

- ***Order confirmation is subject to a disclosure statement declaring end-user and country.***

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 22-62

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:	**FY23 Capital Budget Amendment - Enclosed Pedestrian Walkway – CIP 1252**
Date:	**September 20, 2022**

Proposed Motion
To authorize an Amendment of the FY23 Capital Budget to add $3,982,327 in funding for the Design and Construction of an Enclosed Pedestrian Walkway under CIP 1252.

Narrative
Due to the increase in passenger traffic, PMGAA Staff have observed that our multiple terminal access points are creating a great deal of confusion for our passengers. Currently passengers, who are checking baggage, must exit the Ticketing Terminal and walk up a ramp to access the Terminal, go through the Security Checkpoint and then onto their Gate. Passengers who are not checking baggage, can access the Terminal from the curb. When these two separate access points converge at the Terminal Entrance, the entry gets overcrowded creating gridlock, confusion, and safety issues. One safety issue, that is a major concern, is the exposure that our passengers are experiencing when standing in the intense Arizona heat.

PMGAA Staff worked on a design concept to create an Enclosed Pedestrian Walkway that will connect the Ticketing Terminal to the Terminal. This walkway will expand the current queueing space, eliminate the confusion of having two entry points and it will improve our customer experience by providing our passengers with a safe, climate-controlled environment.

Fiscal Impact
Requesting that these Design and Construction Services be added and included in the FY23 Capital Budget utilizing FAA, ADOT and PMGAA matching grant funds under CIP 1252.

RESOLUTION NO. 22-62

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize an Amendment of the FY23 Capital Budget to add $3,982,327 in funding for the Design and Construction of an Enclosed Pedestrian Walkway under CIP 1252;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

> **The Board of Directors of the Authority hereby authorizes an Amendment of the FY23 Capital Budget to add $3,982,327 in funding for the Design and Construction of an Enclosed Pedestrian Walkway under CIP 1252. 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 20th day of September, 2022.

Brigette Peterson, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 22-63

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:	**FY23 Capital Budget Amendment – Rental Car Care Facility Improvements CIP 1242**
Date:	**September 20, 2022**

Proposed Motion

To authorize an Amendment of the FY23 Capital Budget to add $1,825,000 in funding for the Construction of the Rental Car Care Facility Improvements under CIP 1242.

Narrative

The growth of commercial service at the Airport benefits the car rental companies and generates revenue for the Airport through Customer Facility Charges (CFC). CFC's are daily transaction fees imposed upon a customer renting a vehicle from an on-airport car rental company. CFC revenues are used to pay for costs associated with the design and construction of facilities or improvements used for the car rental companies located at the Airport.

Our current Car Care Facility is outdated, inadequate, and lacks the capacity and efficiency needed to service our customers effectively. This facility needs to be upgraded and expanded in order to accommodate the increased number of rental cars currently in service. The original estimated cost for this project was $5,900,000. The Rental Car Companies and the Authority agreed to additional scope items elevating the construction costs. Willmeng Construction, Inc., the Contractor who will be providing the CMAR Construction Services, has submitted an updated estimate of $7,321,080. These services will include removal of existing facilities, building a new car care building, vacuum, car wash and light maintenance facilities, office and restroom space, increased car queuing, signage, asphalt, pavement, striping and lighting. Additional funds are also required for construction administration services.

Fiscal Impact

Requesting that these additional funds for the Rental Car Care Facility Improvements Construction Services be added and included in the FY23 Capital Budget utilizing CFC funds under CIP 1242.

RESOLUTION NO. 22-63

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize an Amendment of the FY23 Capital Budget to add $1,825,000 in funding for the Construction of the Rental Car Care Facility Improvements under CIP 1242;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes an Amendment of the FY23 Capital Budget to add $1,825,000 in funding for the Construction of the Rental Car Care Facility Improvements under CIP 1242. 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 20th day of September, 2022.

Brigette Peterson, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 22-64

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:	**Rental Car Care Facility Improvements CMAR Contract – Willmeng Construction - CIP 1242**
Date:	**September 20, 2022**

Proposed Motion

To Authorize a Construction Services Contract, Construction Manager at Risk (CMAR), with Willmeng Construction, Inc., for the Rental Car Care Facility Improvements Project in an amount not to exceed $7,321,080 under CIP 1242.

Narrative

The growth of commercial service at the Airport benefits the car rental companies and generates revenue for the Airport through Customer Facility Charges (CFC). CFCs are daily transaction fees imposed upon a customer renting a vehicle from an on-airport car rental company. CFC revenues are used to pay for costs associated with the design and construction of facilities or improvements used for the car rental companies located at the Airport.

Our current Car Care Facility is outdated, inadequate, and lacks the capacity and efficiency needed to service our customers effectively. This facility needs to be upgraded and expanded in order to accommodate the increased number of rental cars currently in service.

The Notice of Request for Qualifications (RFQ), Solicitation 2022-020-RFQ was issued on February 1, 2022, and advertised in the Arizona Business Gazette on 2/3, 2/10, 2/17 and 2/24/22; it was also posted on the AzAA, ACC, ACI-NA, and SWAAAE Websites as well as the Phoenix-Mesa Gateway Airport Authority Website. In addition, the RFQ was emailed to a list of 90 prospective firms. PMGAA Staff received six (6) Statements of Qualification's on March 2, 2022, from the following firms:

Agate Construction, Inc.
Chasse Building Team
Johnson Carlier Construction
The Weitz Company, LLC
The Whiting Turner Contracting Company, Inc.
Willmeng Construction, Inc.

Upon review of the qualifications, the Evaluation Panel unanimously selected Willmeng Construction, Inc. as the CMAR firm that best satisfied the requirements, based on the qualifications of the firm, project team experience, project understanding and approach to performing the required services. Willmeng Construction, Inc. will provide CMAR Construction Services that will include removal of existing facilities, building a new car care building, vacuum, car wash and light maintenance facilities, office and restroom space, increased car queuing, signage, asphalt, pavement, striping and lighting.

Fiscal Impact

This project is included in the FY23 Capital Budget utilizing PMGAA Customer Facility Charge (CFC) funds under CIP 1242.

Attachment(s): CMAR Construction Services Contract

RESOLUTION NO. 22-64

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize a Construction Services Contract, Construction Manager at Risk (CMAR), with Willmeng Construction, Inc., for the Rental Car Care Facility Improvements Project in an amount not to exceed $7,321,080 under CIP 1242;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

> **The Board of Directors of the Authority hereby authorizes a Construction Services Contract, Construction Manager at Risk (CMAR), with Willmeng Construction, Inc., for the Rental Car Care Facility Improvements Project in an amount not to exceed $7,321,080 under CIP 1242. 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 20th day of September, 2022.

Brigette Peterson, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

DIVISION I

RENTAL CAR CARE FACILITY IMPROVEMENTS

CONSTRUCTION MANAGER AT RISK (CMAR) CONSTRUCTION SERVICES CONTRACT

PROJECT NO. 1242

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Phoenix Mesa Gateway Airport Authority

Construction Manager at Risk
Construction Services
Project No.: 1242

THIS CONTRACT is made and entered into by and between the Phoenix Mesa Gateway Airport Authority, a joint powers airport authority authorized by the state of Arizona, hereinafter called "Owner" and the "Construction Manager at Risk" or "CMAR" designated below, individually, each is a "Party" and collectively, the "Parties", and shall be effective as of the date signed by the 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:
Phoenix-Mesa Gateway Airport Authority
Project Manager: Rich Adams
Telephone: 480-988-7655
Fax: 480-988-2315
E-mail: radams@gatewayairport.com

CMAR:
Willmeng Construction, Inc.
2048 N. 48th Street, Ste. 200
Phoenix, AZ 85008
Arizona ROC No.: 082904
Federal Tax ID No.: 86-0410806
CMAR Representative: Jason Alvarado
Telephone: 480-968-4755
E-mail: jalvarado@willmeng.com

DESIGN PROFESSIONAL:
TranSystems Corporation
Design Professional: David Lee
Telephone: 510-366-6791
E-mail: dklee@transystems.com

PROJECT DESCRIPTION:

The Phoenix-Mesa Gateway Airport Authority (PMGAA) intends to implement improvements to the existing. Rental Car Care Facility at the Phoenix-Mesa Gateway Airport (AZA). Improvements to the Rental Car Care Facility will enhance rental car operations at AZA and accommodate anticipated future airport growth. AZA is a small hub airport in the southeastern area of Mesa, Arizona, 20 miles southeast of Phoenix. The Airport is a base for Allegiant Air, which provides non-stop service to and from over 50 U.S. cities. In addition, Flair Airlines, Sun Country Airlines, Swoop and WestJet offer seasonal service between AZA and a number of US and Canadian airports. AZA is served by the following rental car (RAC) agencies: Enterprise, Alamo and National (part of a brand family) and Hertz.

ARTICLE 2 – CONTRACT DOCUMENTS

2.1 CONTRACT DOCUMENTS

The Contract between Owner and CMAR shall consist of the following Contract Documents:

1. This Contract and all of its Exhibits, including subsequent Specifications and Plans
2. The Request for Qualifications (RFQ) requirements (2022-020-RFQ) , documents, and CMAR's submittal to such solicitation dated March 2, 2022.
3. General Conditions
4. General Provisions
5. Special Provisions
6. Any plans and drawings
7. Any amendments or modifications to the foregoing documents, including (a) a written amendment signed by both parties, (b) a Change Order, (c) a Change Directive, (d) Supplementary Instructions, or (e) a written order for a minor change in the work (collectively the "Contract").
8. Guaranteed Maximum Price (GMP)

2.3 PROJECT SPECIFIC CONDITIONS

If there are any additional conditions that apply to this Project, they are set forth in the attached Exhibit C, 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 C.

ARTICLE 3 – PRE-CONSTRUCTION SERVICES

Although CMAR has performed Pre-Construction Services pursuant to a separate Contract between Owner and CMAR, the completion, quality and accuracy of those services and the deliverables provided by Owner thereunder directly impact CMAR's performance of its obligations under this Contract. Therefore, all of CMAR's obligations, duties, and warranties in relation to Pre-Construction Services and deliverables survive completion of the Pre-Construction Services Contract and are incorporated herein. Any breach of any of CMAR's duties, obligations, or warranties under the Pre-Construction Services Contract shall likewise be considered a breach of this Contract.

ARTICLE 4 – CONSTRUCTION SERVICES

4.1 GENERAL

4.1.1 CMAR agrees at its own cost and expense, to do all work necessary and required to fully, timely and properly complete the construction of the Project in strict accordance with the Contract Documents in a good and workmanlike manner, free and clear of all claims, liens, and charges whatsoever, in the manner and under the conditions specified, and within the Project Schedule included in Exhibit A of this Contract.

4.1.2 CMAR shall provide all of the labor and materials and perform the Work in accordance with the General Conditions and General Provisions. Some but not all of the major components of the

Construction Services and the corresponding subsections of Section 4 of the General Conditions are set forth below.

4.1.3 At all times relevant to the Contract and performance of the Work, the CMAR and its subcontractors shall fully comply with all Laws, Regulations, or Legal Requirements applicable to Owner, the Project and the Contract, including, without limitation, those set forth on attached Exhibit C and Article 3 of the General Conditions.

4.1.4 CMAR shall perform the Work under this Contract using only those firms, team members and individuals designated by CMAR consistent with the Statement of Qualifications dated March 2, 2022, the GMP Proposal, or otherwise approved by Owner pursuant to the General Conditions. No other entities or individuals may be used without prior approval of the Project Manager.

4.1.5 CMAR will comply with all terms and conditions of the General Conditions, General Provisions and Special Provisions, as well as the Owner's published Rules & Regulations and Minimum Standards (Exhibit J).

4.1.6 In the event of a conflict between this Contract and the General Conditions, General Provisions, Special Provisions or any exhibit hereto or appendix thereto, the terms of this Contract shall control, but nothing in this contract shall be construed so as to either (i) Violate any term or condition of the Owner's published Rules & Regulations or Minimum Standards; or (ii) Violate Owner's mandatory subordination to its federal obligations, pursuant to Federal Aviation Administration ("FAA") Policies (2009) (including, but not limited to § 1.1, § 1.5, § 12.3, §10, § 14.1, *et. seq*.) and federal statutory authority, including, but not limited to, 49 U.S.C. §40103(a) (establishes the federal government's total dominance over the airspace of the United States, including, U.S. airports).

4.1.7 **Ownership of Work Product.** Notwithstanding anything to the contrary in this Contract, all Work Product prepared or otherwise created in connection with the performance of this Contract, including the Work, are to be and remain the property of Owner. For purposes of this provision, "Work Product" shall include all designs, drawings, plans, specifications, ideas, renderings and other information or matter, in whatever form created (e.g., electronic or printed) and in all media now known or hereinafter created. All Work Product shall be considered Work Made for Hire as defined in the United States Copyright Act 17 U.S.C. § 101 (Copyright Act). If for any reason any such Work is found not to be a work for hire, CMAR hereby transfers and assigns ownership of the copyright in such Work to Owner. The rights in this section are exclusive to Owner in perpetuity.

4.2 CMAR's PRE-CONTRACT AND PRE-WORK DELIVERABLES

The CMAR will provide the insurance and bond(s) requirements in accordance with Article 11 of the General Conditions prior to any work commencing.

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 Article 4 of the General Conditions.

4.6 PROJECT SAFETY

CMAR shall implement and enforce Project safety in accordance with Article 10 of the General Conditions.

4.7 MATERIALS QUALITY, SUBSTITUTIONS AND SHOP DRAWINGS

CMAR shall provide materials testing and submit substitute materials and Shop Drawings in accordance with Article 3 of the General Conditions.

4.8 PROJECT RECORD DOCUMENTS

CMAR shall maintain and make available the Project Record Documents in accordance with Article 3.12 of the General Conditions.

4.9 WARRANTY AND CORRECTION OF DEFECTIVE WORK

CMAR shall provide warranties and correct defective Work in accordance with Article 3.6 of the General Conditions.

ARTICLE 5 – OWNER RESPONSIBILITIES

5.1 Owner shall have the responsibilities, and provide the information specified in, and subject to the conditions set forth throughout the Contract Documents.

5.2 Additional information to be provided by Owner, if any, is listed below:

Final contract documents, including, but not limited to General Conditions, General Provisions, Special Provisions, applicable as-built drawings, stamped Construction Documents and Technical Specifications.

ARTICLE 6 – CONTRACT TIME

6.1 CONTRACT TIME

6.1.1 The Contract Time shall start with the Notice to Proceed ("NTP") and end with Final Acceptance, as set forth in Article 6.4 below. The Notice to Proceed cannot be issued prior to the approval and acceptance by Owner of the GMP or Fixed Price.

6.1.2 CMAR agrees that it will commence performance of the Work and complete the Project through both Substantial Completion and Final Completion within the Contract Time.

6.1.3 Time is of the essence of this Contact, 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 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 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 **Final Completion Liquidated Damages.** For the same reason set forth in Article 6.1.3 above, Owner and CMAR further agree that if CMAR fails to achieve Final Completion of the Work within the time set forth in Article 6.4.1 above, Owner shall be entitled to retain or recover from CMAR, as liquidated damages and not as a penalty, the following per diem amounts (which the Parties agree is a reasonable approximation of any resulting damages) commencing from the actual date of Substantial Completion or the Final Completion Date as required under the Contract, whichever is later, until the actual date of Final Completion:

$1,420 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 seven million three hundred twenty one thousand, seventy nine dollars and sixty cents (**$7,321,079.60).** Costs which would cause the GMP to be exceeded shall be paid by CMAR without reimbursement from Owner.

7.1.2 The Contract Price is all-inclusive and specifically includes all fees, costs, insurance and bond premiums, and taxes any type necessary to fully, properly and timely perform and construct the Work encompassed in attached Exhibit A.

7.1.3 The contract price may only be changed as set forth in the Contract Documents.

7.1.4 Only costs specifically designated as reimbursable costs are eligible for payment by Owner or may be charged against the Contract Price. All other costs will not be paid by Owner and shall not be chargeable against the Contract Price.

7.1.5 For Contract Amendments, Change Orders, or Job Orders reimbursable costs shall be determined pursuant to MAG Specifications 109.5.

7.2 ALLOWANCES

Contractor shall include in the Contract Price all Allowances stated in the Contract Documents and agreed to in writing by Owner. Items covered by these Allowances shall be supplied for such amounts and by such persons as Owner may direct, provided Contractor will not be required to employ persons against whom Contractor makes a reasonable objection. Materials and equipment under an Allowance shall be selected by Owner in accordance with a schedule to be mutually agreed upon by Owner, Design Professional and Contractor or otherwise in reasonably sufficient time to avoid delay in the Work.

7.2.1 Unless otherwise provided in the Contract Documents:

7.2.1.1 These Allowances shall cover the cost to Contractor, less any applicable trade discount, of the Materials and equipment required by the Allowances, delivered at the Site, and all applicable taxes;

7.2.1.2 Contractor's costs for unloading and handling on the Site, labor, installation costs, overhead, profit and other expenses relating to Materials and Equipment required by the Allowance shall be included in the Contract Sum and not in the Allowance; and

7.2.1.3 Whenever the cost is more or less than the Allowance, the Contract Sum shall be adjusted accordingly by Change Order, the amount of which will recognize the difference between actual costs for an Allowance item and the amount of the Allowance item and changes, if any, in handling costs on the Site, labor, installation costs, overhead, profit and other expenses.

7.3 CONTINGENCY

An agreed to amount in the GMP that may only be used in accordance with the terms set forth in these General Conditions and with prior written approval by Owner.

7.4 FINAL PAYMENT

If the Contract Price is based upon a GMP, as a further condition precedent to Final Payment by Owner, Contractor must submit to the Project Manager a complete final accounting of the Actual Reimbursable Cost of the Work, including all such documentation (including, without limitation, invoices, subcontracts, subcontractor change orders, purchase orders, records of payment, etc.) as Owner may require, to establish whether the payments made to Contractor equal, exceed, or are less than the Actual Reimbursable Cost of the Work to date.

Any excess payments by Owner, as determined by the Project Manager, shall be deducted from the one-half retention payment to be made to Contractor, and any additional excess amounts paid to Contractor shall be refunded by Contractor to Owner. Disputes relating to the Final Cost of the Work shall be subject to Owner's audit rights under Article 13.14 of the General Conditions and 7.5 below, and the dispute resolution process under Article 4 of the General Conditions.

7.5 OPEN BOOK

On any GMP-based or Change Order, Owner may attend any and all meetings or discussions pertaining to the Project, including bid openings, and shall have access to all books, invoices, accounts, memoranda, correspondence, and written communications or records of any kind pertaining to the Project, including without limitation, those stored in electronic format.

ARTICLE 8 – PAYMENT

Payments shall be made to CMAR in accordance with Article 9 of the General Conditions and Article 7 above.

ARTICLE 9 – CHANGES TO THE CONTRACT

Changes to the Contract may be made in strict accordance with Article 7 of the General Conditions.

ARTICLE 10 – SUSPENSION AND TERMINATION

This Contract may be suspended and/or terminated in accordance with Article 14 of the General Conditions.

ARTICLE 11 – INSURANCE AND BONDS

11.1 CMAR shall provide insurance 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 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.

Executed as of the Effective Date.

CMAR
Willmeng Construction, Inc.
An Arizona Corporation

By: _____

Name: _____

Title: _____

Date: _____

OWNER
PHOENIX 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: _____

EXHIBIT A – ACCEPTED GMP/PRICE PROPOSAL & 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 SPECIFIC CONDITIONS & PROJECT PLANS AND SPECIFICATIONS

(Under Separate Cover)

1. **All Specifications**

2. **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 Phoenix-Mesa Gateway Airport Authority, Maricopa County, Arizona (hereinafter called the Obligee), in the amount of _____($_____), for the payment of which the Principal and Surety bind themselves and their heirs, administrators, executors, successors, and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a certain written contract with Obligee, dated the _____ day of _____, 202_ to construct the following projects under the **Authority Solicitation No. 2022-020-RFQ ; CMAR for the Rental Car Care Facility Improvements (Authority Project No. 1242),** which contract is hereby referred to and made a part of this bond as fully and to the same extent as if copied at length herein.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that if the Principal faithfully performs and fulfills all of the undertakings, covenants, terms, conditions, and agreements of the contract during the original term of the contract and any extension of the contract, with or without notice to the Surety, and during the life of any guaranty required under the contract, and also performs and fulfills all the undertakings, covenants, terms, conditions, and agreements of all duly authorized modifications of the contract that may hereafter be made, notice of which modifications to the Surety being hereby waived, the above obligation is void. Otherwise it remains in full force and effect.

PROVIDED, HOWEVER, that this bond is executed pursuant to the provisions of Title 34, Chapter 2, Article 2, Arizona Revised Statues, and all liabilities on this bond shall be determined in accordance with the provisions of Title 34, Chapter 2, Article 2, Arizona Revised Statues, to the same extent as if they were copied at length in this agreement.

The prevailing party in a suit on this bond shall recover as part of the judgment to reasonable attorney fees that may be fixed by a judge of the court.

Witness our hands this _____ day of _____, 202__.

_____ _____

AGENCY OF RECORD, STATE OF ARIZONA **PRINCIPAL**

BY: _____

_____ _____

AGENCY ADDRESS TITLE:

_____

SURETY

BY: _____

TITLE: _____

BOND NUMBER: _____ ATTACH SURETY POWER OF ATTORNEY

STATUTORY PAYMENT BOND

PURSUANT TO TITLE 34, CHAPTER 2, ARTICLE 2, ARIZONA REVISED STATUTES

KNOW ALL MEN BY THESE PRESENTS:

That, _____, (hereinafter called the Principal), as Principal and _____, a corporation duly organized under the laws of the State of _____, with its principal office in the City of _____, (hereinafter called the Surety), as Surety, are held and firmly bound unto Phoenix-Mesa Gateway Airport Authority, Maricopa County, Arizona (hereinafter called the Obligee), in the amount of _____ _____($_____), for the payment of which the Principal and Surety bind themselves and their heirs, administrators, executors, successors, and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a certain written Contract with Obligee, dated the ____day of _____ ____, 202__ to construct the following projects under the **Authority Solicitation No. 2022-020-RFQ: CMAR for the Rental Car Care Facility Improvements (Authority Project No. 1242),** 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 Statues, and all liabilities on this bond shall be determined in accordance with the provisions of Title 34, Chapter 2, Article 2, Arizona Revised Statues, to the same extent as if they were copied at length in this agreement.

The prevailing party in a suit on this bond shall recover as part of the judgment 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**

CERTIFICATE OF SUBSTANTIAL COMPLETION

(To be completed by Owner/Architect)

I hereby certify that _____ has substantially completed
(Name of CMAR)

The work under the following project:

Rental Car Care Facility Improvements, Authority Solicitation No. 2022-020-RFQ
Authority Project No. 1242

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)

I hereby certify that all goods and/or services required by **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY,** have been delivered in accordance with the Contract Documents and Specifications, and all activities required by the CMAR under the Contract have been completed, including all items on the final punch list, including administrative items, as of _____ (date).

Rental Car Care Facility Improvements, Authority Solicitation No. 2022-020-RFQ
Authority Project No. 1242

Firm Name: _____

Principal: _____
(Name)

_____
(Title)

_____ _____
(Signature) (Date)

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY has performed a final inspection of PMGAA's **Rental Car Care Facility Improvements**, **PMGAA Project Number 1242**, and find that to the best of our knowledge and belief, the work on this project has been completed in accordance with **Contract Number C-20230068.**

The date of final completion for this project is _____, 20___

Phoenix-Mesa Gateway Airport Authority

By: _____

Date: _____

CMAR'S AFFIDAVIT REGARDING SETTLEMENT OF CLAIMS

Rental Car Care Facility Improvements, Authority Solicitation No. 2022-020-RFQ
Authority Project No. 1242

Gentlemen:

This is to certify that all lawful claims for materials, rental of equipment and labor used in connection with the construction of the above project, whether by subcontractor or claimant in person, have been duly discharged.

The undersigned, for the consideration of $_____, as set out in the final pay estimate, as full and complete payment under the terms of the contract, hereby waives and relinquishes any and all further claims or right of lien under, in connection with, or as a result of the above described project. The undersigned further agrees to indemnify and save harmless **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, ARCHITECT,** the OWNER's **DESIGNATED CONSTRUCTION ADMINISTRATOR**, their employees, agents or representatives, against any and all liens, claims of liens, suits, actions, damages, charges and expenses whatsoever, which said OWNER and Architect may suffer arising out of the failure or the undersigned to pay for all labor performances and materials furnished for the performance of said installation.

Signed and dated at _____, this _____day of_____, 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)

APPLICATION AND CERTIFICATE FOR PAYMENT

Rental Car Care Facility Improvements, Authority Solicitation No. 2022-020-RFQ
Authority Project No. 1242

CONSULTANT: _____

CMAR: _____

Application No. _____ Period From: _____ To: _____

Application is made for payment, as shown below, and on the attached Construction Progress Estimate Form, in accordance with the Contract Documents:

Original GMP: $_____

Approved Change Orders and Dates:

Change Order No.1	Date_____	$_____
Change Order No.2	Date_____	$_____
Change Order No.3	Date_____	$_____

Total Change Orders Approved to Date: $_____

Adjusted GMP $_____

Total Amount Due to Date
(from attached Construction Progress Estimate) $_____

Retainage _____% $_____

Total Earned Less Retainage $_____

Less Previous Certificates for Payment $_____

Currently Payment Due $_____

Notice to Proceed Date_____ Date of Substantial Completion _____

Time Used _____% Complete _____%

NOTICE OF INTENT TO AWARD CMAR CONTRACT

[date]

CMAR Name
CMAR Address

Attn: ***CMAR Project Manager***

Re:
Rental Car Care Facility Improvements
Authority Project No. 1242
Authority Solicitation No. 2022-020-RFQ

Phoenix-Mesa Gateway Airport Authority, a joint powers airport authority authorized by the State of Arizona (Owner), has considered the Statement of Qualifications (SOQ) submitted and interview performed (if applicable) by your firm for the above described WORK in response to the Advertisement for SOQ's dated March 2, 2022. You are hereby notified that you were awarded this CMAR Contract by Phoenix-Mesa Gateway Airport Authority on _____, in the amount of $_____. You are required by the Terms and Conditions of this bid to execute the 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 is scheduled for _____202__, at _____ in the Phoenix-Mesa Gateway Airport Authority Board Room, 5835 South Sossaman Road, Mesa.

You are required to return an acknowledged copy of the NOTICE OF AWARD to the Phoenix-Mesa Gateway Airport Authority.

Dated this _____ day of _____, 202__.

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, a joint powers airport authority authorized by the State of Arizona

By: _____

Title: _____

ACCEPTANCE OF NOTICE:

Receipt of the above NOTICE OF AWARD is hereby acknowledged.

By: _____

Title: _____

Subscribed and sworn before me this _____day of _____, 202__.

NOTARY PUBLIC My Commission Expires

NOTICE TO PROCEED

Date

CMAR Name
CMAR Address

Attn:

Rental Car Care Facility Improvements
Authority Project No. 1242
Authority Solicitation No. 2022-020-RFQ

Dear _____:

You are unconditionally authorized to proceed with the above-referenced project effective the date of this letter. The contract time is TBD 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.

Phoenix-Mesa Gateway Airport Authority looks forward to a successful project with your firm.

Sincerely,

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, a joint powers airport authority authorized by the State of Arizona

Authorized Representative

CHANGE ORDER

PROJECT: Rental Car Care Facility Improvements

CHANGE ORDER NO: _ _

Authority Project No. 1242
Authority Solicitation No. 2022-020-RFQ

TO CMAR: Name

Address

CONTRACT 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, Architect, and CMAR.

The original ***Contract Sum*** was..... $_____
Net change by previously authorized Change Orders ..... $_____
The ***Contract Sum*** prior to this Change Order was..... $_____
The ***Contract Sum*** will be **increased** [or **decreased**] by this Change Order..... $_____
The new ***Contract Sum*** including this Change Order is ..... $_____

The Contract Time will be ***unchanged*** [or ***increased/decreased by _____ calendar days***.]

The Substantial Completion date for base contract work is ***unchanged*** [or ***changed to _____, 202__***.]

[CMAR],

By_____ Date_____

It's_____

Architect Name

By_____ Date_____

It's_____

Owner

By _____ Date___

It's_____

CONDITIONAL
FULL RELEASE OF ALL CLAIMS AND WAIVER OF LIEN UPON FINAL PAYMENT (CMAR)

WHEREAS, the undersigned, _____ (CMAR) has furnished labor, materials, and services and/or equipment for the construction of the **Rental Car Care Facility Improvements*, Authority Project No. 1242,*** at the Phoenix-Mesa Gateway Airport, Maricopa County, State of Arizona, on the Property of the Phoenix-Mesa Gateway Airport Authority, Mesa, Arizona.

NOW, THEREFORE, the undersigned, on receipt of a check from the Owner payable to the CMAR in the sum of $ _____, said sum representing full and final payment for the above-mentioned labor, materials, services and/or equipment, does hereby waive and release any and all liens, claims of lien, and demands whatsoever that now exist or may hereafter accrue against the Owner and the Property on account of labor and materials furnished by the undersigned.

The undersigned warrants that all materials and labor placed by the undersigned in the Project are free from any claims, liens, or encumbrances and that all bills and obligations incurred for labor, taxes, withholding taxes based on payroll and payable to the United States of America or State of Arizona, premiums under a voluntary disability insurance policy, if any, carried with a private insurer, and payments to all union health, welfare, pension, apprentice training and vacation funds applicable for workmen employed on the above-described Project, in connection with the work of improvement on the Project, have been paid in full. The undersigned warrants that all subcontractors and material-men that may have delivered materials and performed work upon the Property for the Project have been fully paid or will be paid from monies received from this final payment. The undersigned shall and does hereby indemnify, save, and hold harmless the Owner and CMAR from all claims, damages, liens and losses, including all costs, professional fees, and reasonable attorney's fees, which the Owner may suffer by reason of filing of any claims, notices, liens or encumbrances, or the failure of the undersigned to obtain cancellation and discharge thereof.

DATED this _____day of _____, 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. In these General Conditions, the term "Contractor" includes CMAR under both Pre-Construction and Construction Services Contracts.

CMAR Fee or Contractor's Fee – An agreed to percentage in an accepted GMP that represents the Contractor's fee for performance of the Work.

Contract Documents – Where compensation under the Contract is based upon a GMP accepted by Owner, the term "Contract Documents" also includes the accepted GMP Proposal.

Contract Price – Where compensation under the Contract based upon a GMP accepted by Owner, the term "Contract Price" refers to the GMP.

Cost-Based Contract, Change Order, or Job Order – A Contract, Change Order, or Job Order where the Contract Price is based upon the actual cost of performing the Work, subject to the terms of the Contract Documents. These would include those generally referred to as "Cost of the Work plus a Fee with a GMP," "Time and Materials," or "Cost Plus a Fee."

Cost of the Work – The direct costs necessarily incurred by Contractor in the proper, timely, and complete performance on the Work. The Cost of the Work shall include only those costs set forth in Article 7 above.

Deliverables – The work products prepared by Contractor in performing the scope of work described in the Contract. Some of the major deliverables to be prepared and provided by Contractor during pre-construction may include but are limited to: the Baseline Cost Model and Schedule that validate Owner's plan and budget, Construction Management Plan, Detailed Project Schedule, Schedule of Values, alternative system evaluations, procurement strategies and plans, Detailed Cost Estimates, construction market surveys, cash flow projections, GMP Proposals, Subcontractor procurement plan, Subcontractor agreements, Subcontractor bid packages, Supplier agreements, Constructability Review, Cost Control Log, Traffic control and phasing plans and others as indicated in this Contract or required by the Project Team.

Pre-Construction Services Contract – The Contract entered into between Owner and the CMAR for Pre-Construction Services to be provided by the CMAR, including, without limitation, the generation of a GMP Proposal. If the GMP Proposal is accepted by Owner and a 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 - COMPLIANCE WITH OWNER'S PUBLISHED RULES AND REGULATIONS AND MINIMUM STANDARDS, AS AMENDED FROM TIME TO TIME

1. **Rules & Regulations (link)**

   http://www.gatewayairport.com/documents/documentlibrary/board%20policies/rules%20and%20regulations_16-53.pdf?Uniqueifier=8gC0UBcOyg

2. **Minimum Standards (link)**

   http://www.gatewayairport.com/documents/documentlibrary/board%20policies/airport%20minimum%20standards.pdf?Uniqueifier=8gC0UBcOyg

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Management Information Report

To: Board of Directors
From: Chuck Odom, Chief Financial Officer
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Re: July 2022 Financials
Date: September 20, 2022

Attached is the monthly Financials Report for July 2022.

Phoenix-Mesa Gateway Airport Authority
AIRPORT - All Operations P&L
July, 2022

	Month of July 2022				Y-T-D as of July 2022			
	July FY22 Actual	July FY23 Actual	YOY Variance	B/(W)	YTD FY22 Actual	YTD FY23 Actual	Y-T-D Variance	B/(W)
Aeronautical Operating Revenues								
Aircraft Parking	18,939	26,882	7,943	42%	18,939	26,882	7,943	42%
Fuel Flowage Fees	47,961	45,169	(2,792)	-6%	47,961	45,169	(2,792)	-6%
Landing Fees	143,033	98,614	(44,419)	-31%	143,033	98,614	(44,419)	-31%
Lease Income Aero	356,130	403,936	47,806	13%	356,130	403,936	47,806	13%
Fuel Sales	414,544	522,843	108,299	26%	414,544	522,843	108,299	26%
Services Sold - Aero	447,157	369,188	(77,969)	-17%	447,157	369,188	(77,969)	-17%
Sub-total Aero Operating Revenues	1,427,764	1,466,632	38,868	3%	1,427,764	1,466,632	38,868	3%
Non-Aeronautical Operating Revenues								
Concessions	74,223	88,008	13,785	19%	74,223	88,008	13,785	19%
Lease Income Non-Aero	116,603	113,221	(3,382)	-3%	116,603	113,221	(3,382)	-3%
Parking	513,542	493,635	(19,907)	-4%	513,542	493,635	(19,907)	-4%
Rental Car Fees	109,934	128,936	19,002	17%	109,934	128,936	19,002	17%
Svcs Sold - Non Aero	1,369	2,048	679	50%	1,369	2,048	679	50%
Sub-total Non-Aero Operating Revenues	815,671	825,848	10,177	1%	815,671	825,848	10,177	1%
Total Operating Revenues	**2,243,435**	**2,292,480**	**49,045**	**2%**	**2,243,435**	**2,292,480**	**49,045**	**2%**
Operating Expenses								
Costs of Goods Sold	272,571	396,747	(124,176)	-46%	272,571	396,747	(124,176)	-46%
Personnel	803,053	712,973	90,080	11%	803,053	712,973	90,080	11%
Comm & Utilities	105,838	101,712	4,126	4%	105,838	101,712	4,126	4%
Contractual Services	408,661	445,584	(36,923)	-9%	408,661	445,584	(36,923)	-9%
Insurance	50,225	50,951	(726)	-1%	50,225	50,951	(726)	-1%
Other	20,737	25,715	(4,978)	-24%	20,737	25,715	(4,978)	-24%
Repair & Maintenance	43,498	52,171	(8,673)	-20%	43,498	52,171	(8,673)	-20%
Supplies & Materials	108,088	78,116	29,972	28%	108,088	78,116	29,972	28%
Air Service Incentives [2,000,000]	-	-	-	0%	-	-	-	0%
Operating Contingency [2,622,382]	-	-	-	0%	-	-	-	0%
Total Operating Expenses	**1,812,671**	**1,863,969**	**(51,298)**	-3%	**1,812,671**	**1,863,969**	**(51,298)**	-3%
Operating Income (Loss) Before Depreciation	**430,764**	**428,511**	**(2,253)**	-1%	**430,764**	**428,511**	**(2,253)**	-1%
	19.2%	18.7%			19.2%	18.7%		

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Management Information Report

To: **Board of Directors**
From: **Chuck Odom, Chief Financial Officer**
Through: **J. Brian O'Neill, A.A.E., Executive Director/CEO**
Re: Solicitation Notification
Date: **September 20, 2022**

This report is to provide notification of the active and upcoming solicitations to help ensure compliance with the Phoenix-Mesa Gateway Airport Authority procurement transparency clause. The active activities include the following:

Active/Pending Solicitations

Type Solicitation	Number	Title	Anticipated Contract Award (Board Action)
Request for Qualifications	2023-001-RFQ	East Side Terminal Planning Initiative	September 2022
Invitation for Bid	2023-004-IFB	Lavatory Service Truck	September 2022
Invitation for Bid	2023-007-IFB	Air Start Unit	September 2022
Request for Qualifications	2023-008-RFQ	Enclosed Pedestrian Walkway Design	October 2022
Request for Proposals	2023-009-RFP	Design, Fabrication, and Installation of Signs	October 2022
Request for Qualifications	2023-010-RFQ	CMAR for Enclosed Pedestrian Walkway	November 2022

Future Solicitations

Type Solicitation	Number	Title	Scheduled for Release	Anticipated Contract Award (Board Action)
Request for Proposals	2023-011-RFP	Insurance Broker Services	September 2022	January 2023
Request for Proposals	2023-006-RFP	Car Rental Concessions	February 2023	July 2023

Fiscal year totals from sales of decommissioned / nonworking equipment total $1,915.00.

If you have any questions about the solicitations or the procurement process, please feel free to contact me at 480-988-7613.

NOTICE AND AGENDA OF MEETING OF THE
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
BOARD OF DIRECTORS

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Phoenix-Mesa Gateway Airport Authority and to the public that the Phoenix-Mesa Gateway Airport Authority will hold a meeting open to the public on **Tuesday, October 18, 2022 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 Phoenix-Mesa Gateway Airport Authority may attend either in person or by telephone. The Board may vote to hold an executive session for the purpose of obtaining legal advice from the Board's attorney on any matter listed on the agenda pursuant to A.R.S. § 38-431.03 (A)(3)&(4).

The agenda for the meeting is as follows:

1. **Call to Order** (Mayor Brigette Peterson, Chair)
   Members of the Phoenix-Mesa Gateway Airport Authority will attend either in person or via videoconference.

2. **Roll Call** (Mayor Brigette Peterson, Chair)

3. **Pledge of Allegiance**

4. **Motion to convene into Executive Session**
   a) Pursuant to A.R.S. § 38-431-03 (A)(1), the Board of Directors may convene into executive session for the purpose of discussion and consideration regarding the Executive Director/CEO's annual review.

5. **Motion to Reconvene into Regular Session**

6. **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.

7. **Executive Director's Report** - J. Brian O'Neill, A.A.E., Executive Director/CEO

8. **Presentation: Audited Financials** – Sandra Cronstrom, Principal CliftonLarsonAllen, LLP

9. **Consent Agenda**

   a) **Minutes** of the Board Meeting held on September 20, 2022.

   b) **Resolution No. 22-65 –** Approving an amendment to the **Executive Director/CEO** employment contract effective October 1, 2022.

   c) **Resolution No. 22-66 –** Authorizing Phoenix-Mesa Gateway Airport Authority's (PMGAA's) insurance broker, **USI Insurance Services LLC**, to purchase benefit plans (medical, dental, vision, basic life/accidental death & dismemberment, and short-term disability) from various carriers. This consists of a 12-month renewal January 1, 2023 through December 31, 2023 with an estimated plan cost of $1,452,030.

   d) **Resolution No. 22-67 –** Authorizing a purchase with **CDW Government, Inc. (CDW-G)** for annual Microsoft licensing renewals, in an amount not to exceed $61,937.63.

Consideration and Possible Approval of:

10. **Resolution No. 22-68 –** Authorizing an Agreement with **DWL Architects + Planners, Inc. (DWL)** for Design and Engineering Services for the Enclosed Pedestrian Walkway, in an amount not to exceed $307,620 under CIP 1252.

11. **Board Member Comments/Announcements**

12. **Next Meeting: Tuesday, November 15, 2022 at 9:00 a.m.**

13. **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. Requests should be made as early as possible to allow time to arrange the accommodation.

Phoenix-Mesa Gateway Airport

- **Record-Setting Commercial Passenger Activity in August**
- **Five-Gate, 30,000 SF Terminal Addition Under Construction**
- **Gulfstream Aerospace Corp. Preparing their 19-Acre Site for Construction**
- **SkyBridge Arizona Constructing Hotel and Associated Infrastructure**
- **Gateway*East* Establishing Zoning and Design Guidelines for Phase I**

Executive Director's Report

October 2022

Financial Snapshot

OPERATING INCOME	August		Month Variance	FYTD Comparison		FYTD Variance
	2021	2022		FY22	FY23	
Revenues	$1,868,728	$2,161,753	**$293,025**	$4,112,163	$4,454,235	**$342,072**
Less Expenses	$1,603,431	$2,074,978	**$471,547**	$3,416,100	$3,917,848	**$501,748**
Operating Income *(Before Depreciation)*	**$265,297**	**$86,775**	**($178,522)**	**$696,063**	**$536,387**	**($159,676)**

Investment Fund Balances: As of August, the Local Governmental Investment Pool (LGIP) 700 = $18,645,363; Wells Fargo; Collateralized Money Market = $11,586,465 and Collateralized CD's = $38,092,693; Total $68,324,521. The market value accounting adjustment was ($34,956) for the month. The entry is for accounting purposes only. PMGAA invests in fixed rate instruments.

Finance and Accounting

Phoenix-Mesa Gateway Airport Authority (PMGAA, Authority) reported a net operating income of $86,775 for August 2022, a decrease of $178,522 from last August. Historically, the month of August does not produce positive net operating results. This fiscal year, the inflationary impact of increasing contractual service agreements was significant. Operating expenditures for August increased by 29% due to additional expenditures on service contract renewals and the timing of large service contract payments. Fortunately, both aeronautical and non-aeronautical revenues continue to show strength, increasing by 15% and 18% respectively. Despite fewer commercial flights and a reduction in overall seat capacity, load factors (the percentage of seats filled) and passenger spending have continued to increase.

PMGAA is expecting systemwide airline schedule reductions to continue through the remainder of 2022 and into the first two quarters of 2023 as new pilots are hired and trained.

Despite the rising cost of fuel, a challenging labor market, and escalating maintenance costs, PMGAA is controlling expenditures by managing overtime and eliminating or delaying non-critical purchases.

PMGAA Solicitations

Active/Pending Solicitations

TYPE OF SOLICITATION	Number	Title	Anticipated Contract Award
Request for Qualifications	2023-001-RFQ	East Side Terminal Planning Initiative	October 2022
Request for Qualifications	2023-008-RFQ	Enclosed Pedestrian Walkway Design	October 2022
Request for Qualifications	2023-009-RFQ	Fabrication & Installation of Signs	October 2022
Request for Qualifications	2023-010-RFQ	Enclosed Pedestrian Walkway CMAR	November 2022
Request for Proposals	2023-011-RFP	Insurance Broker Services	January 2023

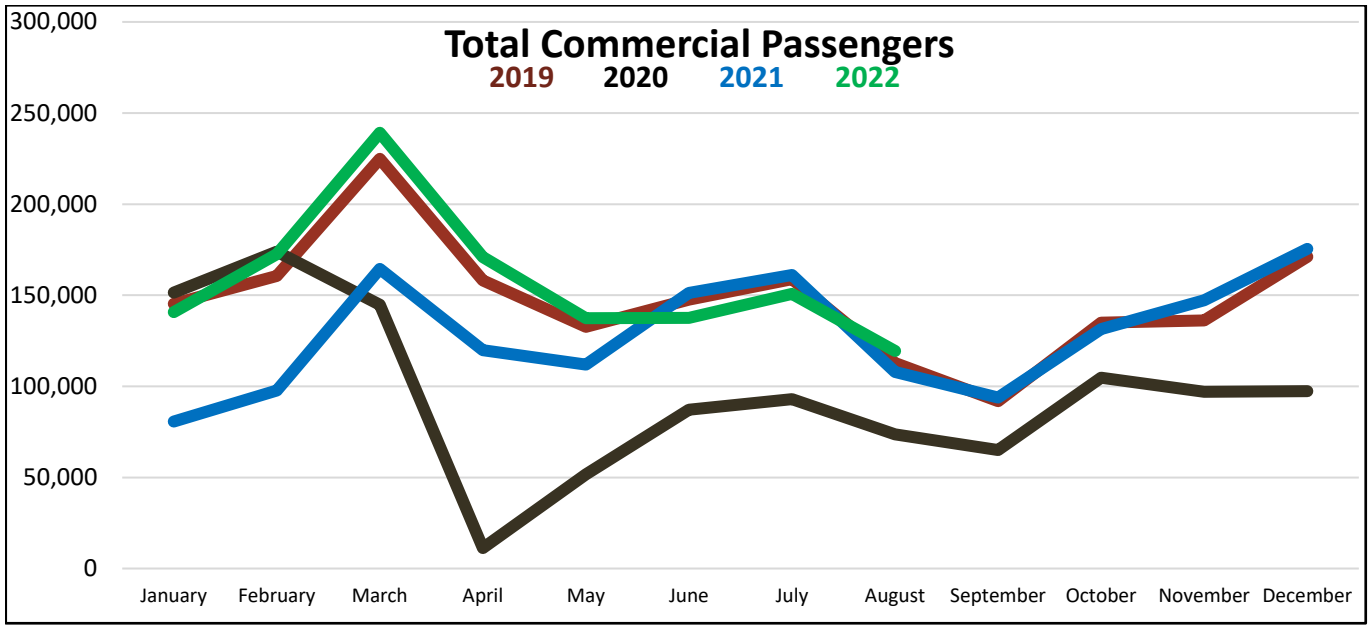
Future Solicitations

TYPE OF SOLICITATION	Number	Title	Scheduled for Release
Request for Proposals	2023-0012-RFP	Aircraft Electric GPU	October 2022
Request for Proposals	2023-013-RFP	Fire Pumps	November 2022
Request for Proposals	2023-014-RFP	ARFF	January 2023
Request for Proposals	2023-006-RFP	Car Rental Concessions	March 2023

Airport Operations

Record-Setting Commercial Passenger Activity in August

Phoenix-Mesa Gateway Airport (Airport, Gateway Airport) had its busiest August ever for commercial passenger activity, despite strong headwinds due to an ongoing industrywide pilot shortage. During August 2022, airlines serving the Airport welcomed 119,403 total passengers, an 11% increase over last August and more than 6,600 passengers above the previous record August in 2019.



Allegiant's available seat capacity at Gateway Airport was down 12% in August, but their average load factor, percentage of seats occupied, during the month was up around 90%. Earlier this summer, Allegiant informed Airport officials that there would be a reduction of flights for the remainder of 2022 and part of 2023 as new pilots are hired and trained on both Airbus and Boeing aircraft.

Gateway Airport is one of the largest bases in Allegiant's entire system. Depending on the time of year, Allegiant offers approximately 50 nonstop destinations to popular cities and towns across the country. For more information on where Allegiant flies, please visit www.allegiantair.com.

Gateway Airport Installing New Ticket-Based Parking Revenue Control System

So long yellow tokens…hello reliability, flexibility, and new technology! Gateway Airport is completing a major parking revenue control system upgrade that will provide customers with a seamless and convenient parking experience. The new equipment features "contactless" payments using Apple Pay/Android Pay/etc., providing customers with quick payment options.

Later this fall, PMGAA will initiate additional digital enhancements like real-time parking lot availability on the PMGAA website and paying for parking using your cell phone.

The project is scheduled to be completed just in time for the upcoming busy holiday travel period.

Operations Statistics

PASSENGER COUNTS		August		% Change	FYTD		% Change
		2021	2022		FY22	FY23	
Passengers	TOTAL	107,973	119,403	11%	269,041	270,061	0%
	Deplaned	54,261	60,287	11%	136,667	136,461	0%
	Enplaned	53,712	59,116	10%	132,374	133,600	1%
Allegiant	Scheduled	106,202	119,071	12%	263,351	269,729	2%
Avelo	Scheduled	1,040	0	-100%	4,873	0	-100%
Sun Country	Scheduled	0	0	0%	0	0	0%
Elite/Swift	Charter	731	332	-55%	817	332	-59%

OPERATIONS	August		% Change	FYTD		% Change
	2021	2022		FY22	FY23	
Air Carrier	967	839	-13%	2,166	1,840	-15%
Military	202	476	136%	585	694	19%
General Aviation	16,929	17,987	6%	33,000	37,726	14%
TOTAL	**18,098**	**19,302**	**7%**	**35,751**	**40,260**	**13%**

PMGAA Team Member Spotlight

Employee Name: **Scott Johnson**
Employee Title: **Line Service Manager**
PMGAA Department: **Gateway Aviation Services**
Years with PMGAA: **13+**

What are your job responsibilities for PMGAA? I am responsible for the line service work group at PMGAA's fixed base operator (FBO) including scheduling, performance, discipline, hiring and training for 21-line service personnel. I help manage long-term and large sized reservations for the FBO and work closely with large customers to meet their needs. I also complete various projects to help the FBO such as completing capital equipment replacement projects and various reporting for the FBO Director.

What is your most memorable Gateway Airport moment? There are too many to choose just one, but a memorable one is when the 747-800 was here doing testing and I was able to fuel it.

What is something people may not know about you? I have a private rotorcraft pilot license.

Engineering and Planning

Five Gate, 30,000 SF Terminal Addition Under Construction

Rendering of Glass Terminal Addition Connector

Rendering of Terminal Addition Interior

Gateway Airport is replacing a four-gate, 10,000 SF portable facility with a new, five-gate, 30,000 SF permanent terminal addition. The new gates will be connected to the terminal by a glass walkway with striking views of two landscaped outdoor courtyards. The new facility will also include a tech lounge, an enhanced retail/food & beverage concession, and airline and concession support/storage space. The cost of the project is approximately $28MM and will be completed in 12-18 months.

Business Development

Gulfstream Aerospace Corp. Preparing their 19-Acre Site for Construction

Earthwork Underway at Gulfstream's New West Coast Service Center

Gulfstream Aerospace Corporation's new $100MM 225,000 SF West Coast Service Center is Gateway Airport's largest single private investment project ever. The impressive project, currently underway on the east side of the airfield adjacent to Ellsworth Road is scheduled to be completed in the summer of 2023.

The City of Mesa and PMGAA have made significant infrastructure commitments to ready the site for Gulfstream.

SkyBridge Arizona Constructing Hotel and Associated Horizontal Infrastructure

SkyBridge Arizona Hotel Site

Lots of excitement is being generated in SkyBridge Arizona. The 360-acre master development is constructing a 129-room dual brand hotel with half the available rooms an extended stay product, and half the rooms for the transient traveler. SkyBridge is also working with the City of Mesa on the necessary permits to construct two 250,000 SF industrial buildings. Later in 2023, SkyBridge will begin construction of taxi lane Sierra, opening up acres of additional land for development.

GatewayEast Establishing Zoning and Design Guidelines for Phase I

Conceptual Rendering of GatewayEast Entrance

What level of planning goes into creating a world-class master development project? The Boyer Company LC, headquartered in Salt Lake City, UT is currently working with the City of Mesa and PMGAA to establish zoning and design guidelines for the first phase of the Gateway***East*** project.

To ensure consistency throughout the entire project, the developer is working with the City and PMGAA to create design standards to guide the park's future architecture, lighting, signage, and landscaping.

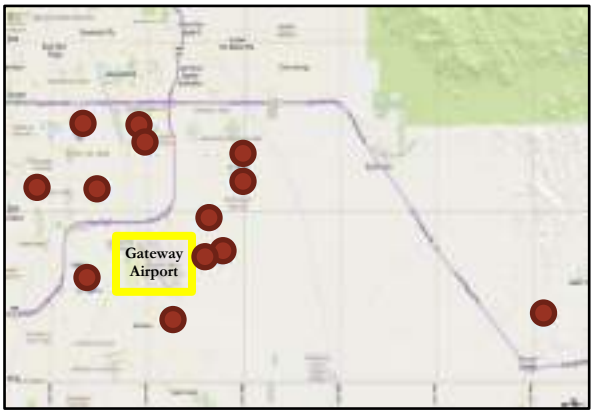
Gateway Aviation Services

PMGAA pumped more than 1.15MM gallons of aviation fuel during the month of August 2022, an 18% decrease from the amount of fuel dispensed during August 2021. Commercial fuel sales were down 27%, a reflection of Allegiant's schedule reduction this summer.

FUEL (Gallons)	August			FYTD		
	2021	2022	% Change	FY22	FY23	% Change
AvGas	35,690	42,206	18%	66,959	75,905	13%
Retail Jet A	39,471	60,094	52%	82,245	99,642	21%
Contract	293,109	296,305	1%	593,366	599,119	1%
Commercial	1,038,946	756,632	-27%	2,317,191	1,701,373	-27%
TOTAL	**1,407,216**	**1,155,237**	**-18%**	**3,059,761**	**2,476,039**	**-19%**

Community Noise Report

PMGAA received communication from 13 individuals during August 2022 regarding aircraft noise issues, compared to communication from seven area individuals last August. The map to the right depicts where the noise calls emanated from during August 2022 – eight from Mesa, four from Gilbert, and one from Queen Valley. Five of the calls were regarding military aircraft activity in the Southeast Valley.



PMGAA prides itself on trying to be a good neighbor and works with the adjacent communities to educate homeowners and address their concerns.

CALLERS	August		FYTD	
	2021	2022	FY22	FY23
Total	7	13	23	23

AIRCRAFT TYPE	August		FYTD	
	2021	2022	FY22	FY23
	Callers	Callers	Callers	Callers
Commercial	7	7	19	15
GA Total	0	1	2	2
Helicopter	0	0	0	0
Military	0	5	2	6
Total	7	13	23	23

LOCATION	August		FYTD	
	2021	2022	FY22	FY23
Mesa	1	8	5	13
Gilbert	6	4	14	8
Gold Canyon	0	0	0	0
Queen Creek	0	0	2	1
Queen Valley	0	1	1	1
San Tan Valley	0	0	0	0
Apache Junction	0	0	1	0
Chandler	0	0	0	0
TOTAL	7	13	23	23

Community and Government Relations

Gateway Airport Exhibiting at Annual NBAA - Business Aviation Convention & Exposition

If you happen to be at the Orange County Convention Center in Orlando, FL on October 18th – 20th, make sure you stop by Booth #4085 and learn more about development opportunities at Gateway Airport. A talented team of PMGAA promoters will be in Florida to educate and excite the approximately 1,000 companies in attendance for this year's National Business Aviation Association (NBAA) - Business Aviation Convention and Exposition (BACE) in Orlando. Convention attendees stopping by the Gateway Airport booth will learn about Arizona's business advantage, an available skilled workforce, and the reasons why companies like Gulfstream and Virgin Galactic are choosing to locate at Gateway Airport.

Are You Travel ID/REAL ID Ready?

Starting on May 3, 2023, all U.S. air travelers must be Travel ID/REAL ID compliant to board domestic flights and access certain federal facilities. The TSA checkpoint at Phoenix-Mesa Gateway Airport will only accept a driver's license with a gold star in the upper right-hand corner, a valid passport, or another Travel ID/Real ID compliant identification.

Don't wait…get yours today!

MINUTES OF PUBLIC MEETING OF THE
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
BOARD OF DIRECTORS | September 20, 2022

A public meeting of the Phoenix-Mesa Gateway Airport Authority (PMGAA) was convened on Tuesday, September 20, 2022, 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 Brigette Peterson, Gilbert
Councilmember Jim Waring, Phoenix (*via audioconference*)
Mayor Chip Wilson, Apache Junction
Lt. Governor Monica Antone, Gila River Indian Community (*via audioconference*)
Vice Mayor Jeff Brown, Queen Creek
Mayor John Giles, Mesa*

** Neither present nor represented*

Airport Staff Present

J. Brian O'Neill, Executive Director/CEO
Scott Brownlee, Deputy Director/COO
Chuck Odom, CFO
Misty Johnson, Clerk of the Board
Jill Casson Owen, Attorney

1. **Call to Order** at 9:00 a.m. (Mayor Peterson, Chair)

2. **Roll Call**

3. **Pledge of Allegiance**

4. **Call to the Public**
   There were no public comments.

5. **Executive Director's Report** – J. Brian O'Neill, A.A.E., Executive Director/CEO
   Executive Director O'Neill provided a briefing on PMGAA financial performance, passenger activity, the community noise report, and various Airport projects.

   - Fiscal Year-to-Date (FYTD) Net Operating Income is $428,511.
   - Phoenix-Mesa Gateway Airport (Airport, Gateway Airport) welcomed 150,658 commercial passengers during July 2022; a 6% decrease in passengers compared to July 2021 due to a national pilot shortage. However, the financial performance of the Authority for the month of July is on par with July 2021 due to diversification of revenue streams.
   - Site work has begun for Phase I of Gulfstream Aerospace Corporation's 225,000 SF West Coast Service Center. The City of Mesa is providing landside infrastructure for wet and dry utilities and PMGAA is providing airside infrastructure improvements for access to the airfield.
   - Virgin Galactic is leasing two of the three hangars in the Gateway Executive Airpark located at the north end of the airfield. The remaining hangar is available for lease. Virgin Galactic intends to use the hangars as a final assembly manufacturing facility for its spaceships.
   - Site prep has begun for SkyBridge Arizona's new 129-room hotel and associated roadway infrastructure. They are also in design for two 250,000 SF industrial buildings. Design of taxi lane Sierra is complete, and construction is expected to begin in early 2023.

DRAFT

- The Boyer Company is working with the City of Mesa and the Authority on zoning and design standards for Phase I of the Gateway***East*** Master Development.
- Renovations for the new Macayo's Mexican Food/Infusion Coffee & Tea Crafters are nearly complete. The anticipated opening for these two new terminal restaurants is October 17th.
- Gateway Tomorrow is a planning initiative designed to reset and refine the vision for a future commercial passenger terminal campus on the east side of Airport. Authority staff has been working with the consultant on the scope of work and total project cost. Authority staff is also working with PMGAA Board members and their communities to identify individuals interested in serving on the project planning committee. Representatives from the FAA, Allegiant Air, and other major stakeholders will also serve on the committee.
- The results of the 2022 PMGAA Classification and Compensation Study show pay ranges are approximately 9% below regional and industry averages. The independent consultant compared Authority jobs to regional municipalities and other airports nationally. The Authority will use this data to offer a competitive pay structure to its employees. Intermittent salary surveys will continue in order to remain competitive. The previous Class and Comp Study was completed for the Authority in 2015.
- Air cargo activity has increased at the Airport due to a car manufacturer utilizing Gateway Airport for just-in-time delivery of automotive parts. This enhanced cargo activity has provided the airport with additional revenue through fuel purchases, other services, and landing fees.
- May 3, 2023 is the Travel ID/Real ID deadline. The Authority is campaigning to encourage passengers to get their Real ID compliant driver's license in advance of the new deadline.
- More than one hundred federal, state, and local dignitaries gathered on August 23rd for the dedication of the new John S. McCain III Air Traffic Control Tower. The tower became operational on August 27th.
- Work will soon begin on a new 30,000 SF five-gate terminal addition. A temporary terminal facility will arrive on October 3rd to serve three-gates during construction.
- Construction of an enclosed pedestrian walkway will allow passengers to proceed from the ticketing terminal building directly into the security screening checkpoint area. This customer service enhancement project will increase the queuing area for the security screening checkpoint by approximately 30% and will keep passengers in a climate-controlled environment from ticketing through security screening.
- Gateway Airport is continuing its expansion of the Alpha Apron to increase parking for larger and heavier aircraft. Alpha Apron Phase III was completed just before the wildfire season this year and was used by the U.S. Forest Service.
- Center Runway Reconstruction begins October 3rd. The runway will be closed for six to eight months while the reconstruction takes place. The Airport has two additional 10,000-foot runways and will maintain normal operations during the entire project.
- PMGAA is improving the Rental Car Return Lot and the Rental Car Care Facility. Construction on the Rental Car Return Lot has begun. This project will use Customer Facility Charge (CFC) funds to re-design traffic flow, expand capacity, add new office facilities, and erect shade structures for customer convenience. CFC funds are fees assessed to passengers renting cars at the Airport. These funds go directly into a dedicated account and can only be used to improve the infrastructure and facilities for rental car operations.
- PMGAA is planning to expand its fuel storage capacity to protect against future fuel delivery disruptions. Current fuel storage is 250,000 gallons which is a 4-day supply and susceptible to fuel delivery disruptions. The Authority is proposing adding two more 50,000-gallon storage

tanks to increase fuel storage on-Airport. This extra capacity will further protect the Airport and its customers from future fuel delivery disruptions.

- The Ray Road Economy Parking Lot expansion project is complete. An additional 1,300 parking spaces are available. Ample parking is available for the coming holiday season.
- A new and improved parking lot revenue control system will be operational in all public parking options by the end of October. This new system replaces the old token system currently used by PMGAA.
- PMGAA is constructing two taxiway connectors for Gulfstream Aerospace Corp. Gulfstream and the Authority are sharing the cost of the project.

6. Consent Agenda

a) **Minutes** of the Board Meeting held on **July 19, 2022.**

b) **Resolution No. 22-53 –** Authorizing the purchase of one Lavatory Service Truck from **Stinar, LLC (Stinar)** in an amount not to exceed $194,058.83.

c) **Resolution No. 22-54 –** Authorizing the purchase of one Aircraft Air Start Unit from **Aero Specialties, Inc. (Aero Specialties**) in an amount not to exceed $232,666.28.

d) **Resolution No. 22-55 –** Approving an Authorization of Services with **Dibble Engineering** for Design and Bid Phase Services for the Runway 12R-30L Reconstruction Project in an amount not to exceed $994,592 under CIP 1072.

e) **Resolution No. 22-56 –** Authorizing an amendment to the Janitorial Services Contract with **Flagship Airport Services, Inc. (Flagship)** for janitorial services, revising the Scope of Services, effective August 1, 2022, for an additional amount of $61,705.94 for the remainder of the contract term, including 2-one-year extensions.

f) **Resolution No. 22-57 –** Approving the Fourth Amendment to the Car Rental Concession Agreement with **Enterprise Leasing Company of Phoenix, LLC**.

g) **Resolution No. 22-58 –** Authorizing the Second Amendment to the Car Rental Concession Agreement with the **Hertz Corporation**.

h) **Resolution No. 22-59 –** Authorizing Amendment 2 to the Land Lease Agreement with **Gateway Executive Airpark, LLC** for lots 11-14 in order to lengthen the Construction Milestone identified in Section 7.2.4 to September 30, 2023.

i) **Resolution No. 22-60 –** Authorizing the Executive Director to execute an operating agreement with **Swoop, Inc**. for commercial air service at the Airport.

j) **Resolution No. 22-61 –** Authorizing the purchase of one 28V GPU from **ITW GSE** in an amount not to exceed $63,641.32.

k) **Resolution No. 22-62 –** Authorizing an **Amendment of the FY23 Capital Budget** to add $3,982,327 in funding for the Design and Construction of an **Enclosed Pedestrian Walkway** under CIP 1252.

l) **Resolution No. 22-63 –** Authorizing an **Amendment of the FY23 Capital Budget** to add $1,825,000 in funding for the Construction of the **Rental Car Care Facility Improvements** under CIP 1242.

Mayor Chip Wilson moved to approve the Consent Agenda.
Vice Mayor Jeff Brown seconded the motion.
The motion was carried unanimously.

Consideration and Possible Approval of:

7. **Resolution No. 22-64 –** Authorizing a Construction Services Contract, Construction Manager at Risk (CMAR), with **Willmeng Construction, Inc.**, for the Rental Car Care Facility Improvements Project in an amount not to exceed $7,321,080 under CIP 1242.

Mayor Chip Wilson moved to approve Resolution No. 22-64.
Councilmember Jim Waring seconded the motion.
The motion was carried unanimously.

8. **Board Member Comments/Announcements.**
Mayor Peterson expressed her appreciation for the successful dedication event commemorating the opening of the new air traffic control tower.

9. **Next Meeting: Tuesday, October 18, 2022** 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 Phoenix-Mesa Gateway Airport Authority may attend either in person or by telephone/videoconference.

10. **Adjournment.**
The meeting adjourned at 9:32 a.m.

Dated this _____ day of _____ 20___.

_____
Misty Johnson, Clerk of the Board

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 22-65

To:	**Board of Directors**
From:	**Chris Brady, Mesa City Manager**
Through:	**Jill Casson Owen, Snell & Wilmer**
Subject:	**Employment Contract Amendment – Executive Director**
Date:	**October 18, 2022**

Proposed Motion

To approve a seventh amendment to the Executive Director's employment agreement effective October 1, 2022.

Narrative

The Board of Directors approved an employment agreement with Mr. J. Brian O'Neill on September 21, 2016, amended as of October 1, 2017, amended as of October 1, 2018, amended as of October 1, 2019, amended as of October 1, 2020, amended as of October 1, 2021, and amended as of April 1, 2022. The seventh amendment to Employment Agreement provides for (i) a four percent increase in Mr. O'Neill's base salary and (ii) a modified contribution to his existing 457 deferred compensation account for a total contribution of $27,000 annually ($2,250 monthly), effective October 1, 2022. There are no other changes to the agreement.

RESOLUTION NO. 22-65

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to approve a seventh amendment to the Executive Director's employment agreement effective October 1, 2022;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

> **The Board of Directors of the Authority hereby approves a seventh amendment to the Executive Director's employment agreement effective October 1, 2022. This resolution also authorizes the Chair to execute such agreement, with such insertions, deletions, and changes as may be approved by the Chair, necessary to carry out the purposes and intent of this Resolution.**
>
> Passed and adopted by the Authority this 18th day of October, 2022.

Brigette Peterson, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
5835 SOUTH SOSSAMAN ROAD
MESA, ARIZONA 85212-6014

EXECUTIVE DIRECTOR'S OFFICE
PHONE (480) 988 7600
FAX (480) 988 2315

J. Brian O'Neill Fiscal Year 2022 (FY22) Annual Performance Review

Phoenix-Mesa Gateway Airport Authority (PMGAA, Authority) is fortunate to have a team of highly motivated and experienced subject-matter experts serving all aspects of Phoenix-Mesa Gateway Airport's (Airport, Gateway Airport) operation. As Executive Director/CEO, my management philosophy is to recruit the best candidates, train them to successfully perform their unique duties, provide them with a positive work environment, and then let them do their jobs. My primary responsibility is to ensure the Airport is operated in a safe, secure, customer-focused, efficient, environmentally friendly, and financially sustainable manner.

Each year, I strive to effectively communicate and work cooperatively with the PMGAA Board of Directors and Gateway Senior Staff as representatives of PMGAA's six Member Communities; federal, state, and local partners; and other key stakeholder groups to grow and improve the Airport in a responsible manner that maximizes its economic contribution to the entire greater Phoenix region. I was honored this year to be named the 2022 Airport Executive of the Year by the Arizona Airports Association and accept the award on behalf of the entire PMGAA Team.

Summary of FY22 PMGAA Organizational Achievements

- Record-Setting Commercial Passenger Activity
- Record-Setting Financial Performance
- Exceptional Part 139 Certification Inspection
- Clean FY22 Independent Financial Audit
- Comprehensive TSA Inspection Resulting in No Findings
- Successful Triennial Live Emergency Preparedness Exercise
- Completed 2022 PMGAA Classification and Compensation Study
- Increased Air Cargo Operations and Revenue
- Supported U.S. Forest Service During Wildfire Season
- **Gateway Tomorrow** Planning Initiative Solicitation
- New Air Service – Gateway Airport's five airlines added eleven new nonstop destinations
- Private Development – The Gateway Executive Airpark, SkyBridge Arizona, Gateway***East***, Gulfstream Aerospace Corporation, Virgin Galactic, and Terminal Concessions all made progress with several aeronautical and non-aeronautical design and construction projects

- Airport Construction Projects –
    - Air Traffic Control Tower
    - 5-Gate Terminal Addition
    - Enclosed Pedestrian Walkway
    - New Cell Phone Lot
    - North RON Aircraft Parking Pad
    - TSA Checkpoint Expansion
    - Fuel Farm Storage Expansion
    - Gulfstream Taxiway Connectors
    - Parking Revenue Controls
    - Alpha Apron III and IV
    - Ray Road Parking Lot Expansion
    - Tenant Parking Lot
    - Rental Car Improvements
    - Center Runway Reconstruction

PMGAA staff continues to be guided by seven organizational goals identified by the PMGAA Board of Directors - **Increase Air Service; Maintain a High Level of Community Support; Strengthen Financial Sustainability; Invest in People and Operational Assets; Attract Commercial Development; Plan, Build, and Maintain Infrastructure; and Promote Regional Tourism**.

The information that follows is intended to highlight many, but certainly not all, of PMGAA's accomplishments during FY22 and how they relate to PMGAA's organizational goals.

Increase Air Service: The continued development of commercial air service is critical for the growth and success of the Airport and the regional economy. Air service development requires strengthening relationships with current and prospective airlines while utilizing available data and local information to help support new service requests.

1. Total commercial passenger activity increased by 44% in FY22 compared to FY21 with a record-setting 1,815,369 total passengers during the 12-month period
2. New air service development
    - Allegiant announced nine new destinations in FY22
    - WestJet (returned for the winter season)
    - Swoop (returned for the winter season)
    - Flair (returned for the winter season)
    - Sun Country (initiating new service to Minneapolis for the winter season)
3. Maintained strategic communication with existing and prospective airlines
4. Attended national airport and airline conferences
5. Attended military, air cargo, and business travel conferences and expositions
6. Participated in numerous one-on-one airline meetings and HQ visits
7. Continued to strengthen the partnership/relationship between PMGAA and Allegiant
8. Expanded ***Allegiant Alliance*** Marketing Collaborative to include new nonstop destinations, convention and visitor bureaus, and chambers of commerce

Maintain a High Level of Community Support: Gateway Airport works hard to be a good neighbor, active community member, and effective communicator. PMGAA strives for transparency and accountability when interacting with residents from its Member Communities.

1. Executive Director is an active civic and business organization board member including PHX East Valley Partnership, Mesa Chamber of Commerce, Visit Mesa, and Tempe Tourism Office
2. An increasing number of PMGAA staff are active members of industry organizations including AAAE, SWAAAE, ACI-NA, AzAA, IEDC, and U.S. Contract Tower Association; as well as various regional chambers of commerce, economic development organizations, community groups, and travel/tourism-related organizations
3. PMGAA participated in numerous civic, business, and community Airport presentations to groups across the Valley
4. PMGAA successfully managed its Community Noise Program through a strategic plan that included returning telephone calls, emails, text messages, and personal visits
5. Enhanced Community Outreach Program and increased strategic social media program
6. Sponsored various Member Community initiatives, activities, and events

Strengthen Financial Sustainability: Ensuring financial sustainability is critical for the continued long-term success of Gateway Airport. PMGAA staff has been successful in growing existing revenue streams and is focused on identifying new aeronautical and non-aeronautical revenue opportunities that will diversify and improve PMGAA's financial position for the future.

1. PMGAA achieved record-setting financial performance in FY22
   - Net operating income of $4,763,113
   - Received approximately $33MM in federal COVID relief funding
   - Significantly increased days of available cash on hand during FY22
2. Controlled operational expenditures and employee overtime
3. Received a clean FY22 independent financial audit
4. Updated PMGAA Board-Approved Airport Rates and Charges

PERFORMANCE METRICS	FY20	FY21	FY22
Total Commercial Passengers	1,425,806	1,256,507	1,815,369
Total Aircraft Operations	275,712	258,851	246,314
Aircraft Landing Fee Revenue	$1,288,197	$1,678,140	$1,562,305
Terminal Tenant Lease Revenue	$143,430	$148,573	$161,418
Airline Terminal Use Fee Revenue	$272,025	$277,425	$292,225
Operating Revenue	$22,929,055	$23,626,495	$27,718,924
Terminal Concession Revenue	$776,635	$771,285	$1,205,103
Facility/Land Lease Revenue	$3,728,026	$3,609,247	$4,726,455
Ground Transportation Revenue	$215,940	$148,631	$220,792
Car Rental Revenue	$1,774,972	$1,549,008	$2,577,700
Vehicle Parking Revenue	$2,864,496	$2,585,927	$3,921,418
Fuel Sales	$5,887,780	$5,311,429	$6,324,413
Net Operating Income	$2,461,546	$3,852,893	$4,763,113

Denotes Record-Setting Performance

Invest in People and Operational Assets: Talented and dedicated employees are an important part of any successful organization. PMGAA is fortunate to have a great team and has worked hard to create a healthy, stimulating workplace environment.

1. Completed 2022 Classification and Compensation Study
2. Retained key PMGAA management personnel
3. Maintain Competitive Benefits Program
4. Enhanced Employee Wellness and Rewards Program
5. Reduced PMGAA staff turnover and controlled overtime costs
6. Initiated Employee Engagement Committee
7. Improved Employee Recognition Programs

Attract Commercial Development: Increasing long-term aeronautical and non-aeronautical land lease agreements is paramount to ensure PMGAA's financial and operational sustainability. Maximizing these important revenue streams is a critical component of PMGAA's plan to eventually receive a bond rating and issue General Airport Revenue Bonds (GARBs) for future demand-driven Airport facilities and infrastructure.

Private Development Projects –

1. Gateway Executive Airpark/Virgin Galactic
2. SkyBridge Arizona Master Development
3. Gateway***East*** Master Development
4. Gulfstream Aerospace Corporation
5. Tripadvisor and Macayo's Mexican Food/Infusion Coffee & Tea Crafters

Other Accomplishments –

1. Negotiated several aeronautical and non-aeronautical land and facility lease renewals
2. Entered into several new aeronautical and non-aeronautical facility and land lease agreements

Plan, Build, and Maintain Infrastructure: It is critically important that Gateway Airport operate in compliance with all federal, state, and local rules and regulations. Maintaining and improving a complex system of aging airfield infrastructure and Airport facilities is foundational to the Airport's ability to provide an efficient and cost-effective operating environment for airlines, concessionaires, and other airport tenants.

1. Finished construction of new John S. McCain III air traffic control tower
2. Secured federal funding and designed 5-gate, 30,000 SF terminal addition
3. Designing enclosed pedestrian walkway
4. Constructed new cell phone lot
5. Constructed north RON aircraft parking pad
6. Expanded TSA security screening checkpoint
7. Designed fuel farm storage expansion
8. Designed east side infrastructure
9. Installed new, enhanced parking lot revenue control system

10. Constructed 250,000 SF Alpha Apron Phase III expansion and designed Phase IV
11. Expanded Ray Road Economy Parking Lot by approximately 1,300 spaces
12. Constructed Terminal Tenant Parking Lot
13. Designed and constructed Rental Car Return Lot improvements
14. Designed Rental Car Care Facility
15. Designed and secured federal funding for center runway reconstruction
16. installed 20,000-gallon fuel storage tank (10,000 gal. diesel/10,000 gal. unleaded)
17. Installed new energy-efficient LED lighting in terminal

Promote Regional Tourism: Tourism is a major economic engine for the entire State of Arizona. In greater Phoenix, the Airport regularly partners with other tourism-related organizations on initiatives, activities, and events designed to promote increased tourism for all Valley communities.

1. Coordinated Airport and airline promotional activities with various regional tourism organizations
2. PMGAA staff were active members of several regional tourism organizations
3. PMGAA participated in Airport tours, media visitations, and tourism presentations

FY23 PMGAA Organizational Goals

- Complete Gulfstream Aerospace Corp. West Coast Service Center
- Begin Construction on 5-Gate Terminal Addition
- Begin Construction on Enclosed Pedestrian Walkway
- Complete Reconstruction of Runway 30C-12C
- Construct Alpha Apron Phase IV
- Begin Construction of Fuel Farm Expansion (two 50,000 gal tanks)
- Increase PMGAA's Participation in Regional Transportation Planning Initiatives
- Strengthen Partnerships with Airport Tenants, ASU, and CGCC
- Continue to Work with FAA on Relocation of Airport Surveillance Radar (ASR) Facility
- Increase Net Operating Income and Days of Available Cash on Hand
- Continue to Control Operational Expenses
- Promote SkyBridge Arizona Master Development and Unified Cargo Processing Program
- Promote Gateway***East*** Master Development
- Pursue Available Federal/State Grants and Other Funding Sources
- Continue Providing Guidance to Adjacent Communities on Land Use Compatibility and Other Regional Planning Issues
- Lease Airport Land to at Least One New Private Development Project
- Continue to Recruit New Airlines, Pursue Additional Nonstop Destinations, and Increase Passenger Activity
- Achieve an Exceptional FY23 FAA Part 139 Certification Inspection

- Achieve an Exceptional Transportation Security Administration (TSA) Security Inspection
- Achieve a Clean FY23 Independent Financial Audit
- Increase Both Aeronautical and Non-Aeronautical Revenue
- Expand Community Outreach Program and Gateway Airport's Social Media Program
- Complete Construction on Necessary East Side Infrastructure Projects for Gulfstream and Gateway***East*** Phase I Including Taxiway Connectors
- Support PMGAA Staff Development and Subject-Matter Training Opportunities
- Complete Construction of Rental Car Care Facility
- Design Bag Make-Up Improvements
- Continue to Expand Cargo Operations
- Demolish Old Air Traffic Control Tower

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 22-66

To:	**Board of Directors**
From:	**Veronica Lewis, Human Resources Director**
Through:	**Chuck Odom, Chief Financial Officer/CFO**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject:	**Employee Benefit Package for Calendar Year 2023**
Date:	**October 18, 2022**

Proposed Motion

Authorize Phoenix-Mesa Gateway Airport Authority's (PMGAA's) insurance broker, USI Insurance Services LLC, to purchase benefit plans (medical, dental, vision, basic life/accidental death & dismemberment, and short-term disability) from various carriers. This consists of a 12-month renewal January 1, 2023, through December 31, 2023, with an estimated plan cost of $1,452,030.

Narrative

PMGAA's benefit broker, USI Insurance Services LLC, received quotes from several industry-leading insurance carriers for a 12-month renewal period. USI negotiated the best possible rate from each carrier resulting in a 10.9% increase in costs for the medical plan, which is in line with industry average. PMGAA staff is proposing that Cigna continue to be the carrier for medical benefits and offer the same two plan coverage options that are currently available.

PMGAA staff proposes that Delta Dental continue to be the carrier for dental at a 4% increase in premium. Additionally, it is recommended that EyeMed continue to be the carrier for vision, and Mutual of Omaha for basic life/accidental death & dismemberment and short-term disability as there were no changes in rates. It is recommended that we maintain our Employee Assistance program with IBH Population Health Solutions.

PMGAA has found that providing a competitive benefits package is a major employee retention and attraction tool that reduces the costs – overtime, training, workplace inefficiency – associated with high employee turnover.

Fiscal Impact

Cost of the benefits package for Calendar Year 2023 is estimated to be $1,233,059 (employer's portion) and $218,971 (employee's portion) for a total of $1,452,030. This reflects a 10.3% increase from the previous calendar year.

Attachment(s)

Group Benefits Renewal and Marketing Analysis

RESOLUTION NO. 22-66

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize Phoenix-Mesa Gateway Airport Authority's (PMGAA's) insurance broker, USI Insurance Services LLC, to purchase benefit plans (medical, dental, vision, basic life/accidental death & dismemberment, and short-term disability) from various carriers. This consists of a 12-month renewal January 1, 2023, through December 31, 2023 with an estimated plan cost of $1,452,030;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes Phoenix-Mesa Gateway Airport Authority's (PMGAA's) insurance broker, USI Insurance Services LLC, to purchase benefit plans (medical, dental, vision, basic life/accidental death & dismemberment, and short-term disability) from various carriers. This consists of a 12-month renewal January 1, 2023, through December 31, 2023 with an estimated plan cost of $1,452,030. 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 18th day of October, 2022.

Brigette Peterson, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

August 25, 2022

GROUP BENEFITS RENEWAL and MARKETING REVIEW

Phoenix-Mesa Gateway Airport Authority

Jim McCauley, Senior Vice President | Erica Lopez, Account Manager
www.usi.com

Disclaimer

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Executive Summary

Executive Summary
January 1, 2023

USI Insurance Services is pleased to present Phoenix-Mesa Gateway Airport Authority with the renewal and marketing evaluation for the 2023 plan year. The following outlines the strategies and projections for your consideration.

Medical Renewal - Cigna

Initial renewal: 24% increase (28% increase in claims & 18% increase in fixed costs)

USI's financial projection: 18% increase

Negotiated renewal: 10.9% increase (19% increase in claims & 0% increase in fixed costs)

The requested increase is driven by the following factors:

- 2022 Plan Year Net Loss Ratio of 91.5% (target is 80-85%)
- A 99.2% loss ratio since inception (2021 & 2022 plan years)
- Four large claims (>$22,500) and one exceeding the $45,000 stop loss by $25,576

Cigna also included an option that would provide approximately 1% of relieve by adding the "CVS 90 program"

- 90 day fills must go to CVS
- Member has a two fill grace period to transition to CVS

There are no plan design changes

The specific stop loss remains at $45,000

Pricing for 4-tier medical rating has not been included to date, but we can request per our discussion today

Dental Renewal - Delta Dental

Renewal: 4% increase

Delta Dental's renewal reflects no changes in benefits. Rates are guaranteed to January 1, 2024.

Vision Renewal - EyeMed

Renewal: 0% increase

EyeMed's contract is under a rate guarantee until January 1, 2025. There are no changes in benefits.

Life and Accidental Death & Dismemberment - Mutual of Omaha

Renewal - 0% Increase

Mutual of Omaha is in rate guarantee until January 1, 2025

Voluntary Life and Accidental Death & Dismemberment - Mutual of Omaha
Renewal 0% increase

Mutual of Omaha is in rate guarantee until January 1, 2025

Short Term Disability - Mutual of Omaha
Renewal 0% Increase

Mutual of Omaha is in rate guarantee until January 1, 2025

Critical Illness - UNUM
UNUM is in rate guarantee until January 1, 2024

Employee Assistance Program (EAP) - IBH Population Health Solutions

Renewal 20% Increase ($600 increase)

IBH provided options for Digital EAP and Digital EAP plus Coaching

Digital EAP 53.3% increase ($1,600 increase)

Digital EAP plus Coaching 86.7% increase ($2,600 increase)

Thank you for this opportunity to present Phoenix-Mesa Gateway Airport Authority's renewal and market analysis. We value your business and look forward to another successful year.

Medical Plan

Phoenix-Mesa Gateway Airport Authority
Medical Plan Benefit Outline and Cost Summary
January 1, 2023

Benefit Outline	Cigna Current $500 Ded. PPO	Cigna Current $2800 HDHP	Cigna Renewal $500 Ded. PPO	Cigna Renewal $2800 HDHP
Deductible (Individual / Family)	$500 / $1,500	$2,800 / $5,400	$500 / $1,500	$2,800 / $5,400
Non-network Deductible (Individual / Family)	$1,000 / $3,000	$5,000 / $10,000	$1,000 / $3,000	$5,000 / $10,000
Deductible Embedded / Non-embedded	Embedded	Embedded	Embedded	Embedded
Out-of-Pocket Max (Individual / Family)	$3,000 / $6,000	$5,000 / $10,000	$3,000 / $6,000	$5,000 / $10,000
Non-network OOP Max (Individual / Family)	$6,000 / $12,000	$10,000 / $20,000	$6,000 / $12,000	$10,000 / $20,000
Coinsurance (In/Out)	80% / %50	80% / 50%	80% / %50	80% / 50%
Wellness / Preventive Care	100%	100%	100%	100%
Cigna Medical Group Primary Care	$0	N/A	$0	N/A
Primary / Specialist Care Office Visit	$25 / $50	80% after ded.	$25 / $50	80% after ded.
Walk-In / Urgent Care Visit	$25 / $75	80% after ded.	$25 / $75	80% after ded.
Emergency Room	$200	80% after ded.	$200	80% after ded.
Outpatient Lab / X-Ray	Office visit copay	80% after ded.	Office visit copay	80% after ded.
Complex Imaging (MRI, CAT, PET, et.al.)	80% after ded.	80% after ded.	80% after ded.	80% after ded.
Outpatient Surgical Facility	80% after ded.	80% after ded.	80% after ded.	80% after ded.
Inpatient Hospital Facility	80% after ded.	80% after ded.	80% after ded.	80% after ded.
Prescription Deductible (Individual / Family)	None	Medical ded.	None	Medical ded.
Retail Prescription Drug Copays	$10 / $35 / $60	Ded. then $10 / $35 / $60	$10 / $35 / $60	Ded. then $10 / $35 / $60
Specialty Prescription Drugs	$60	Ded. then $60	$60	Ded. then $60
Mail Order Prescription Drug Copays	2.5x retail copay	2.5x retail copay	2.5x retail copay	2.5x retail copay

Rates and Premium	3-Tier Rating PPO	3-Tier Rating HDHP				
Employee	31	17	$749.60	$519.85	$916.06	$664.50
Employee + 1 Dependent	7	8	$1,540.37	$1,068.90	$1,882.40	$1,366.31
Employee + 2 or more Deps	16	10	$1,991.82	$1,382.81	$2,434.10	$1,767.56
Total Employees	**54**	**35**				
Annual Total				**$1,165,273**		**$1,445,074**
Change from Current						**$279,801**
Percentage Change						**24%**

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Phoenix-Mesa Gateway Airport Authority
Medical Plan Benefit Outline and Cost Summary
January 1, 2023

Benefit Outline	Cigna Current $500 Ded. PPO	Cigna Current $2800 HDHP	Cigna Negotiated Renewal $500 Ded. PPO	Cigna Negotiated Renewal $2800 HDHP
Deductible (Individual / Family)	$500 / $1,500	$2,800 / $5,400	$500 / $1,500	$2,800 / $5,400
Non-network Deductible (Individual / Family)	$1,000 / $3,000	$5,000 / $10,000	$1,000 / $3,000	$5,000 / $10,000
Deductible Embedded / Non-embedded	Embedded	Embedded	Embedded	Embedded
Out-of-Pocket Max (Individual / Family)	$3,000 / $6,000	$5,000 / $10,000	$3,000 / $6,000	$5,000 / $10,000
Non-network OOP Max (Individual / Family)	$6,000 / $12,000	$10,000 / $20,000	$6,000 / $12,000	$10,000 / $20,000
Coinsurance (In/Out)	80% / %50	80% / 50%	80% / %50	80% / 50%
Wellness / Preventive Care	100%	100%	100%	100%
Cigna Medical Group Primary Care	$0	N/A	$0	N/A
Primary / Specialist Care Office Visit	$25 / $50	80% after ded.	$25 / $50	80% after ded.
Walk-In / Urgent Care Visit	$25 / $75	80% after ded.	$25 / $75	80% after ded.
Emergency Room	$200	80% after ded.	$200	80% after ded.
Outpatient Lab / X-Ray	Office visit copay	80% after ded.	Office visit copay	80% after ded.
Complex Imaging (MRI, CAT, PET, et.al.)	80% after ded.	80% after ded.	80% after ded.	80% after ded.
Outpatient Surgical Facility	80% after ded.	80% after ded.	80% after ded.	80% after ded.
Inpatient Hospital Facility	80% after ded.	80% after ded.	80% after ded.	80% after ded.
Prescription Deductible (Individual / Family)	None	Medical ded.	None	Medical ded.
Retail Prescription Drug Copays	$10 / $35 / $60	Ded. then $10 / $35 / $60	$10 / $35 / $60	Ded. then $10 / $35 / $60
Specialty Prescription Drugs	$60	Ded. then $60	$60	Ded. then $60
Mail Order Prescription Drug Copays	2.5x retail copay	2.5x retail copay	2.5x retail copay	2.5x retail copay

Rates and Premium	3-Tier Rating PPO	3-Tier Rating HDHP				
Employee	31	17	$749.60	$519.85	$821.86	$589.96
Employee + 1 Dependent	7	8	$1,540.37	$1,068.90	$1,688.88	$1,213.08
Employee + 2 or more Deps	16	10	$1,991.82	$1,382.81	$2,183.86	$1,569.32
Total Employees	**54**	**35**				
Annual Total				**$1,165,273**		**$1,292,025**
Change from Current						**$126,752**
Percentage Change						**10.9%**

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Dental Plan

Phoenix-Mesa Gateway Airport Authority
Dental Plan Benefit Outline and Cost Summary
January 1, 2023

Benefit Outline		Delta Dental Current		Delta Dental Renewal	
		Network	Non-network	Network	Non-network
Deductible (Individual / Family)		$50 / $150	$50 / $150	$50 / $150	$50 / $150
Waived for Preventive		Yes		Yes	
Annual Maximum		$2,000		$2,000	
Preventive Services		100%	100%	100%	100%
Basic Services		90%*	80%*	90%*	80%*
Major Services		60%*	50%*	60%*	50%*
Non-Network Reimbursements		N/A	90th Percentile	N/A	90th Percentile
Endodontics/Periodontics		Basic		Basic	
Orthodontia		50%		50%	
Eligibility		Adult & Child		Adult & Child	
Lifetime Maximum		$1,000		$1,000	
Waiting Periods (Prev / Basic / Major)		None		None	
Dependent Age Limit		To age 26		To age 26	
Rate Guarantee				To January 1, 2024	
Rates and Premium					
Employee	49	$24.36		$25.33	
Employee + 1 dependent	18	$61.43		$63.89	
Employee + 2 or more dependents	27	$91.14		$94.79	
Total Employees	**94**				
Annual Total		**$57,122**		**$59,406**	
Change from Current				**$2,284**	
Percentage Change				**4.0%**	

Notes * Deductible applies

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Vision Plan

Phoenix-Mesa Gateway Airport Authority
Vision Plan Benefit Outline and Cost Summary
January 1, 2023

Benefit Outline		EyeMed Current	EyeMed Renewal
Exam Copay		$20	$20
Materials Copay		$0	$0
Exam		100% after $20 copay	100% after $20 copay
Lenses			
Single		100%	100%
Bifocal		100%	100%
Trifocal		100%	100%
Lenticular		100%	100%
Frames		Up to $130 allowance; 20% off balance	Up to $130 allowance; 20% off balance
Elective Contacts		Up to $130 allowance; 15% off balance	Up to $130 allowance; 15% off balance
Benefit Frequencies (E/L/F/C)		12 / 12 / 12 / 12	12 / 12 / 12 / 12
Non-network Benefits		Schedule	Schedule
Rate Guarantee		1/1/2025	1/1/2025
Rates and Premium	**Current**		
Employee	49	$5.61	$5.61
Employee + 1 Dependent	18	$10.67	$10.67
Employee + 2+ Dependents	26	$15.66	$15.66
Total Employees	**93**		
Annual Total		**$10,489**	**$10,489**
Change from Current			**$0**
Percentage Change			**0%**

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Life, Disability and EAP Plans

Phoenix Mesa Gateway Airport Authority
Life / AD&D Plan
Benefit Outline and Cost Summary
January 1,2023

Benefit Outline		Renewal
Carrier	**Mutual of Omaha**	**Mutual of Omaha**
Contributory / Non-Contributory	Non-Contributory	Non-Contributory
Eligibility	FTE Working ≥ 30 HPW	FTE Working ≥ 30 HPW
Class 1	Salaries less than $40K	Salaries less than $40K
Class 2	Salaries greater than $40K	Salaries greater than $40K
Class 3	Executive Director	Executive Director
Benefit Amount (Class 1 / 2 / 3)	Flat / 1x Annual Earnings / 2x Annual Earnings	Flat / 1x Annual Earnings / 2x Annual Earnings
Benefit Maximums (Class 1 / 2 / 3)	$40,000 / $150,000 / $410,000	$40,000 / $150,000 / $410,000
Guarantee Issue	Full Benefit Amount	Full Benefit Amount
Benefit Reductions	Reduces To: 65% at Age 70; 50% at Age 75	Reduces To: 65% at Age 70; 50% at Age 75
Waiver of Premium	9 Mo. Elimination Period	9 Mo. Elimination Period
Benefits Extend To	Age 65	Age 65
If Disabled Prior To	Age 60	Age 60
Accelerated Benefits	Included	Included
Life Expectancy	Terminal Condition; <12 Mo.	Terminal Condition; <12 Mo.
Benefit Amount Accessible	80%	80%
Portability	Included	Included
Conversion	Included	Included
Rate Guarantee	1/1/2025	1/1/2025

Volumes, Rates & Total Cost		
Number of Employees	102	102
Benefit Volume	$6,708,000	$6,708,000
Life Rate Per $1,000	$0.110	$0.110
AD&D Rate Per $1,000	$0.030	$0.030
Annual Total	**$11,269**	**$11,269**
Change From Current		$0
Percentage Change		0.0%

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Phoenix Mesa Gateway Airport Authority
Voluntary Life / AD&D Plan
Benefit Outline and Cost Summary
January 1,2023

Benefit Outline	Current	Renewal
Carrier	**Mutual of Omaha**	**Mutual of Omaha**
Definition of Earnings	Base Salary Only	Base Salary Only
Eligibility	FTE Working ≥ 30 HPW	FTE Working ≥ 30 HPW
Child Age Requirement	14 Days to Age 26	14 Days to Age 26
Benefit Increments		
Employee	$10,000	$10,000
Spouse	$5,000	$5,000
Children	$2,000	$2,000
Benefit Maximums		
Employee	5x Salary to $500,000	5x Salary to $500,000
Spouse	100% of EE Amt to $100,000	100% of EE Amt to $100,000
Children	$10,000	$10,000
Guarantee Issue		
Employee	$100,000	$100,000
Spouse	$25,000	$25,000
Children	Full Benefit Amount	Full Benefit Amount
Benefit Reductions	Reduces To: 65% at Age 70; 50% at Age 75	Reduces To: 65% at Age 70; 50% at Age 75
Waiver of Premium	9 Mo. Elimination Period	9 Mo. Elimination Period
Benefits Extend to Age	Age 65	Age 65
If Disabled Prior to	Age 60	Age 60
Portability	Included	Included
Conversion	Included	Included
Participation (Req. / Actual)	53% (Current)	53% (Current)
Rate Guarantee	1/1/2025	1/1/2025

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Phoenix Mesa Gateway Airport Authority
Voluntary Life / AD&D Plan
Benefit Outline and Cost Summary
January 1,2023

Benefit Outline	Current	Renewal
Carrier	Mutual of Omaha	Mutual of Omaha
Life Per $1,000	**Employee / Spouse**	**Employee / Spouse**
Under Age 25	$0.090	$0.090
25-29	$0.090	$0.090
30-34	$0.090	$0.090
35-39	$0.120	$0.120
40-44	$0.180	$0.180
45-49	$0.300	$0.300
50-54	$0.480	$0.480
55-59	$0.800	$0.800
60-64	$0.990	$0.990
65-69	$1.470	$1.470
70-74	$2.840 / N/A	$2.840 / N/A
75-99	$2.840 / N/A	$2.840 / N/A
Child Life	$0.245	$0.245
AD&D Per $1,000		
EE / SP AD&D	$0.030	$0.030
Child AD&D	$0.030	$0.030

Notes

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Phoenix Mesa Gateway Airport Authority
Short Term Disability Plan
Benefit Outline and Cost Summary
January 1,2023

Benefit Outline	Current	Renewal
Carrier	Mutual of Omaha	Mutual of Omaha
Definition of Earnings	Base Salary Only	Base Salary Only
Contributory / Non-Contributory	Non-Contributory	Non-Contributory
Eligibility	FTE Working ≥ 30 HPW	FTE Working ≥ 30 HPW
Elimination Period		
Accident	30 Days	30 Days
Sickness	30 Days	30 Days
Benefit Percentage	60%	60%
Maximum Weekly Benefit	$1,000	$1,000
Definition of Disability	Duties AND Earnings	Duties AND Earnings
Benefit Duration includes Elimation Period	26 Weeks	26 Weeks
Pre-Existing Conditions Exclusion	Not Included	Not Included
Rate Guarantee	1/1/2025	1/1/2025

Volumes, Rates & Total Cost		
Number of Employees	102	102
Benefit Volume	$67,122.00	$67,122.00
STD Rate Per $10	$0.150	$0.150
Annual Total	**$12,082**	**$12,082**
Change From Current		$0
Percentage Change		0.0%

Notes

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Phoenix-Mesa Gateway Airport Authority
Voluntary Critical Illness
Benefit Outline and Cost Summary
January 1, 2023

UNUM - Current

Benefit Outline

UNUM - Traditional Enrollment		
Eligibility	All active FTE's working ≥ 30 hpw	
Covered Conditions	**1st Occurrence**	**2nd Occurrence**
Cancer		
Invasive Cancer	100%	100%
Carcinoma in Situ	25%	25%
Benign Brain Tumor	100%	100%
Skin Cancer	$500	$500
Vascular		
Heart Attack	100%	100%
Stroke	100%	100%
Heart Failure	100%	100%
Coronary Arteriosclerosis	50%	50%
Other		
Organ Failure	100%	100%
Kidney Failure	100%	100%
Wellness Benefit	$50 per year payment for wellnes screenings	
Dependent Age Limit	0 days old to 26 years old	
Pre-Existing Conditions	12 / 12	
Benefit Increments	Employee: $10,000 | Spouse: 50%	
Guarantee Issue	Employee: $20,000 | Spouse: 50%	
Benefit Separation Period	3 months	
Participation (Required)	10 enrolled or 5%, the greater of	
Rate Guarantee	To January 1, 2024	

UNUM - Current

Monthly Premium						
	Employee					
Benefit Amount	< 25	25-29	30-34	35-39	40-44	45-49
$10,000	$3.08	$3.68	$4.48	$5.38	$7.28	$10.18
$20,000	$4.28	$5.48	$7.08	$8.88	$12.68	$18.48
	50-54	55-59	60-64	65-69	70-74	75-79
$10,000	$14.78	$20.48	$29.38	$43.08	$64.28	$89.78
$20,000	$27.68	$39.08	$56.88	$84.28	$126.68	$177.68
	80-84	85+				
$10,000	$123.68	$194.18				
$20,000	$245.48	$386.48				
	Spouse					
Benefit Amount	< 25	25-29	30-34	35-39	40-44	45-49
$5,000	$2.48	$2.78	$3.18	$3.63	$4.58	$6.03
$10,000	$3.08	$3.68	$4.48	$5.38	$7.28	$10.18
	50-54	55-59	60-64	65-69	70-74	75-79
$5,000	$8.33	$11.18	$15.63	$22.48	$33.08	$45.83
$10,000	$14.78	$20.48	$29.38	$43.08	$64.28	$89.78
	80-84	85+				
$5,000	$62.78	$98.03				
$10,000	$123.68	$194.18				

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Phoenix-Mesa Gateway Airport Authority
Employee Assistance Program
Benefit Outline and Cost Summary
January 1,2023

Benefit Outline	Current	Renewal	Option 1
Carrier	IBH Population Health Solutions	IBH Population Health Solutions	IBH Population Health Solutions
Program	Traditional EAP	Traditional EAP	Digital EAP
Number of Counseling Visits	6	6	6
Available to dependents	Yes	Yes	Yes
Telephonic Counseling	Included	Included	Included
Online Counseling	Included	Included	Included
Child Care Consultation	Included	Included	Included
Elder Care Consultation	Included	Included	Included
Financial Consultation	Included	Included	Included
Legal Consultation	Included	Included	Included
School Selection Assistance/College Assistanc	Included	Included	Included
Online Member Portal	Included	Included	Included
Wellbeing Assessement w/ Personalized care	Not Included	Not Included	Included
Self-Guided Cognitive Behavioral Therapy	Not Included	Not Included	Included
Uprise Health Digital EAP Platform	Not Included	Not Included	Included
Health Coaching	Not Included	Not Included	Not Included
Employee | Supervisor Training	Included	Included	Included
Rate Guarantee	To January 1, 2022	To January 1, 2025	To January 1, 2025
Rates & Total Cost			
Number of Employees	102	107	107
PEPM Fee	N/A	N/A	N/A
Quarterly Fee	$750	$750	$750
Annual Total	$3,000	$3,600	$4,600
Change from Current	$0	$600	$1,600
Percentage Change	0.0%	20.0%	53.3%

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Phoenix-Mesa Gateway Airport Authority
Employee Assistance Program
Benefit Outline and Cost Summary
January 1,2023

Benefit Outline	Current	Option 2
Carrier	IBH Population Health Solutions	IBH Population Health Solutions
Program	Traditional EAP	Digital EAP w/ Coaching
Number of Counseling Visits	6	6
Available to dependents	Yes	Yes
Telephonic Counseling	Included	Included
Online Counseling	Included	Included
Child Care Consultation	Included	Included
Elder Care Consultation	Included	Included
Financial Consultation	Included	Included
Legal Consultation	Included	Included
School Selection Assistance/College Assistanc	Included	Included
Online Member Portal	Included	Included
Wellbeing Assessement w/ Personalized care	Not Included	Included
Self-Guided Cognitive Behavioral Therapy	Not Included	Included
Uprise Health Digital EAP Platform	Not Included	Included
Health Coaching	Not Included	Included
Employee | Supervisor Training	Included	Included
Rate Guarantee	To January 1, 2022	To January 1, 2025

Rates & Total Cost		
Number of Employees	102	107
PEPM Fee	N/A	N/A
Quarterly Fee	$750	$750
Annual Total	$3,000	$5,600
Change from Current	$0	$2,600
Percentage Change	0.0%	86.7%

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Phoenix Mesa-Gateway Airport Authority
COBRA Administration
Benefit Outline and Cost Summary
January 1, 2023

Benefit Outline	Current	Renewal
Administrator	EB Solutions	EB Solutions
New Hire / Initial Notices	Not Included	Not Included
Qualifying Event Notices	Included	Included
Open Enrollment Notification Packet	Not Included	Not Included
Premium Payments Remitted To	Employer	Employer
2% COBRA Admin Fee Retained By	Administrator	Administrator
Rate Guarantee		

Rates & Total Cost		
Eligible Employees	108	108
Number of COBRA Participant Families	0	0
Set-Up Fee	N/A	N/A
Renewal or Annual Fee	$0	$0
Per Employee Monthly Fee	**$0.72**	**$0.72**
Per COBRA Participant Monthly Fee	N/A	N/A
Per Notice Fee	N/A	N/A
Minimum Monthly Fee	$60	$60
Monthly Total	**$78**	**$78**
Annual Total	**$933**	**$933**
Change from Current		$0
Percentage Change		0%

Notes

Phoenix Mesa-Gateway Airport Authority
Flexible Spending Account
Benefit Outline and Cost Summary
January 1, 2023

Benefit Outline		Current	Renewal
Administrator		EB Solution	EB Solution
Annual Contribution Maximum			
Section 125 Health Care	9	$2,750	$2,750
Section 129 Dependent Care	0	$5,000	$5,000
Reimbursement Method		Direct Deposit, Payroll	Direct Deposit, Payroll
Web Based Administration		Included	Included
Preparation of Plan Document & SPD		Not Included	Not Included
IRS Form 5500 Preparation		Not Included	Not Included
Discrimination Testing		Included	Included
Rate Guarantee		To January 1, 2023	To January 1, 2023

Fees & Total Cost		
Per Participant/Account Per Month Fee	$4.10	$4.10
Number of Participants	9	9
Debit Card Fee	Included above	Included above
Set-Up Fee	Waived	Waived
Renewal or Annual Fee	Waived	Waived
Minimum Monthly Fee	$60	$60
Total Monthly Cost	**$60**	**$60**
Total Annual Cost	**$720**	**$720**
Change from Current		$0
Percentage Change		0.0%

Notes

Phoenix Mesa Gateway Airport Authority (PMGAA)
USI Administered Employee Benefit Plans
Compensation Disclosure
January 1. 2023

USI is making the following compensation information available effective with the renewal date above. For ERISA group health plan fiduciaries this is in accordance with requirements under ERISA 408(b)(2).

1. The direct compensation USI expects to receive for servicing your health benefits is:

Fee for Service - Consulting/Project	$29,500.00

	Plan Type	Renewal	
Medical (Fully Insured)	Medical PPO	CIGNA	0.0%
Dental	Dental PPO	Delta Dental of Arizona	0.0%
Vision	Vision	Mutual of Omaha Insurance Company	0.0%
Employee Assistance Program	Employee Assistance Program (EAP)	EAP Preferred	0.0%
Voluntary Critical Illness	Voluntary Critical Illness	Unum Life Insurance Company of America	0.0%

Non health plans; one or more of life, disability, non-ERISA stop loss, other ancillary	0%

2. The expected indirect compensation USI expects to receive is:

It is possible that some of the insurance companies from which USI obtains coverage may pay it additional incentive commissions, sometimes referred to as contingent, supplemental, or bonus commissions, which may be based on the total volume of business we sell for them, and/or the growth rate of that business, retention rate, claims loss ratio, or other factors considering our entire book of business with an insurance company for a designated period of time. Such additional commissions, if any, would be in addition to any other compensation USI may receive. By coverage type indirect compensation ranges

Medical & Stop Loss approximately 0% to 5%

Dental, Vision, Ancillary approximately 0% to 7%

5. The services USI will provide include some or all of the following:

Design of health care plans, cost-containment and other plan design recommendations. Preparation of bid specifications (RFP). Analysis of proposals and presentation of findings. Renewal analysis and negotiation. Reporting/Servicing Meetings. Contract Review. Employee Meetings. Employer/Employee Communications.

6. USI does not offer or provide fiduciary services to the plan.

7. In some cases USI may involve the services of a general agent based carrier requirements or distribution model. In some cases general agent may be owned by USI, and will receive compensation in addition to what is detailed above, and will be in the range of 1% to 2% of medical premium or $3.00 to $16 PEPM based on enrolled and 1% to 6% on dental and vision premium.

8. This disclosure document includes the disclosures USI is required to make in accordance with ERISA Section 408(b)(2). Any other plan service provider that is subject to the 408(b)(2) disclosure requirements is required to make its own independent 408(b)(2) disclosure and any such disclosures are not included in this disclosure.

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Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 22-67

To:	**Board of Directors**
From:	**Art Montoya, Information Technology Manager**
Through:	**Chuck Odom, Chief Financial Officer/CFO**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject:	**Microsoft Licensing Renewals through CDW-G**
Date:	**October 18, 2022**

Proposed Motion
To authorize a purchase with CDW Government, Inc. (CDW-G) for annual Microsoft licensing renewals, in an amount not to exceed $61,937.63.

Narrative
Multiple Microsoft software and programs are currently used throughout our organization. The software requires annual licensing renewals. CDW-G is an authorized Microsoft reseller.

Board authorization for the purchase of the Microsoft annual software maintenance licensing renewals is necessary for access and to continue use of the Microsoft software including our cloud based Office 365 product suite.

Phoenix-Mesa Gateway Airport Authority (PMGAA) is a participant of the National IPA (NIPA) cooperative purchasing group. Under NIPA, CDW-G was awarded Information Technology Solutions and Services contract #2018011-01. It is through this cooperative purchasing agreement that PMGAA will utilize CDW-G for Microsoft licensing renewals. This contract is available upon request. The quote provided by CDW-G does not include tax in the amount of $3,670.81.

Fiscal Impact
This purchase was included in the FY23 ITS Operating Budget.

Attachment(s)
Quote

RESOLUTION NO. 22-67

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize a purchase with CDW Government, Inc. (CDW-G) for annual Microsoft licensing renewals, in an amount not to exceed $61,937.63;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

> **The Board of Directors of the Authority hereby authorizes a purchase with CDW Government, Inc. (CDW-G) for annual Microsoft licensing renewals, in an amount not to exceed $61,937.63. 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 18th day of October, 2022.

Brigette Peterson, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

CDW Government, LLC
Microsoft Enterprise 6.6 Agreement Pricing

Enterprise Quote
for

Phoenix-Mesa Gateway Airport Authority

Date	9/21/22
Account Manager	Chris Anderson
VSL Specialist	Mike Buckley
Channel Price Sheet Month	September

Unless otherwise noted, All Quotes expire upon current month's end

Annual Payment
Customer to make three annual payments to CDW•G

Microsoft Part #	Description	Level	Quantity	Year 1 Price	Year 1 Extended	Year 2 Price	Year 2 Extended	Year 3 Price	Year 3 Extended
	Online Services								
AAA-11894	O365 G3 GCC Sub Per User	D	130	$ 233.52	$ 30,357.60	$ 233.52	$ 30,357.60	$ 233.52	$ 30,357.60
MQM-00001	AzureActiveDrctryPremP1GCC ShrdSvr ALNG SubsVL MVL PerUsr	D	130	$ 54.12	$ 7,035.60	$ 54.12	$ 7,035.60	$ 54.12	$ 7,035.60
AAA-12414	CCAL Bridge O365 Sub Per User	D	130	$ 19.92	$ 2,589.60	$ 19.92	$ 2,589.60	$ 19.92	$ 2,589.60
NYH-00001	Teams AC with Dial Out US/CA GCC Sub Add-on	D	130	$ -	$ -	$ -	$ -	$ -	$ -
3MS-00001	Exchange Online P1 GCC Sub Per User	D	10	$ 36.00	$ 360.00	$ 36.00	$ 360.00	$ 36.00	$ 360.00
3GU-00001	Defender O365 P1 GCC Sub Per User	D	140	$ 18.12	$ 2,536.80	$ 18.12	$ 2,536.80	$ 18.12	$ 2,536.80
7MS-00001	Project P3 GCC Sub Per User	D	6	$ 270.60	$ 1,623.60	$ 270.60	$ 1,623.60	$ 270.60	$ 1,623.60
P3U-00001	Visio P2 GCC Sub Per User	D	16	$ 135.36	$ 2,165.76	$ 135.36	$ 2,165.76	$ 135.36	$ 2,165.76
	On-Premise Products								
269-05704	Office Professional Plus ALng SA	D	11	$ 113.78	$ 1,251.58	$ 113.78	$ 1,251.58	$ 113.78	$ 1,251.58
7NQ-00292	SQL Server Standard Core ALng SA 2L	D	8	$ 607.95	$ 4,863.60	$ 607.95	$ 4,863.60	$ 607.95	$ 4,863.60
9EA-00278	Win Server DC Core ALng SA 2L	D	42	$ 130.54	$ 5,482.68	$ 130.54	$ 5,482.68	$ 130.54	$ 5,482.68
				Total	**$ 58,266.82**	**Total**	**$ 58,266.82**	**Total**	**$ 58,266.82**
				Three Year Total	**$ 174,800.46**				

Notes

No Tax Referenced
NIPA
EA Renewal -7438475

Terms and Conditions of sales and services projects are governed by the terms at:
http://www.cdwg.com/content/terms-conditions/product-sales.aspx

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 22-68

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:	**Enclosed Pedestrian Walkway Design & Engineering Services – DWL Architects+**
Date:	**October 18, 2022**

Proposed Motion
To authorize an Agreement with DWL Architects + Planners, Inc. (DWL) for Design and Engineering Services for the Enclosed Pedestrian Walkway, in an amount not to exceed $307,620 under CIP 1252.

Narrative
Due to the increased passenger traffic accessing the Phoenix-Mesa Gateway Airport, PMGAA Management is recommending to provide an Enclosed Pedestrian Walkway that will connect the Ticketing Terminal building to the main Terminal Entrance.

Currently our passengers must exit the Ticketing Terminal and walk outside to access the Terminal Entrance. This access point experiences a great deal of confusion since some passengers don't check baggage but instead proceed straight to the checkpoint. The current terminal entrance gets overcrowded with people accessing it from two different directions, creating gridlock, confusion and safety issues from people standing in the heat or other weather events. The deliverables for this project will include a Schematic Design Package, Pre-final Construction Document Package and final Construction Documents.

The Notice of Request for Qualifications (RFQ), Solicitation 2023-008-RFQ was issued on July 25, 2022, and advertised in the Arizona Business Gazette on 7/21, 7/28, 8/4 and 8/11/22; it was also posted on the AzAA, ACC, ACI-NA, SWAAAE and FAA Matchmaker Websites as well as the Phoenix-Mesa Gateway Airport Authority Website. In addition, the RFQ was emailed to a list of 67 prospective firms and included DBE outreach. PMGAA received two (2) Statements of Qualifications on August 18, 2022, from the following firms:

DWL Architects + Planners, Inc.
M. Arthur Gensler Jr. & Associates, Inc. (Gensler)

Upon review of the qualifications, the Evaluation Panel unanimously selected DWL as the firm that best satisfied the requirements, based on the qualifications of the firm, project team experience, project understanding and approach to performing the required services. Award is pending Federal Aviation Administration concurrence.

Fiscal Impact
This project was approved at the September Board meeting to be added to the FY23 Capital Budget. The majority of the funding for this project will come from the Bipartisan Infrastructure Law (BIL) under CIP 1252.

Attachment(s): Professional Services Agreement

RESOLUTION NO. 22-68

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize an agreement with DWL Architects + Planners, Inc. (DWL) for Design and Engineering Services for the Enclosed Pedestrian Walkway, in an amount not to exceed $307,620 under CIP 1252 ;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

> **The Board of Directors of the Authority hereby authorizes an agreement with DWL Architects + Planners, Inc. (DWL) for Design and Engineering Services for the Enclosed Pedestrian Walkway, in an amount not to exceed $307,620 under CIP 1252. 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 18th day of October, 2022.

Brigette Peterson, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY

AND

DWL ARCHITECTS + PLANNERS, INC.

FOR

ENCLOSED PEDESTRIAN WALKWAY DESIGN

CONTRACT NUMBER 20230102

The Phoenix-Mesa Gateway Airport is owned and operated by the Phoenix-Mesa Gateway Airport Authority (PMGAA), a joint powers airport authority authorized by the State of Arizona and consisting of the City of Mesa, City of Phoenix, City of Apache Junction, Town of Gilbert, Town of Queen Creek and the Gila River Indian Community.

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Phoenix-Mesa Gateway Airport Authority, a joint powers airport authority authorized by the State of Arizona ("PMGAA") desires performance of the services more fully described in this **Contract Number 20230102** ("Contract") and the attached exhibits. DWL Architects + Planners, Inc., an Arizona Corporation ("Consultant"), with its principal offices located at 2333 North Central Avenue, Phoenix, Arizona, 85004, desires to perform these services.

Recitals

A. PMGAA requires the services as described in this Contract, including any and all exhibits and amendments, and Consultant is willing to provide these and other services under this Contract; and

B. PMGAA desires to contract with Consultant to provide services as noted herein.

Now therefore, in consideration of the recitals and the mutual covenants set forth below, PMGAA and Consultant agree as follows.

SECTION I – CONSULTANT SERVICES

The services to be performed by Consultant are specified in this Contract. PMGAA will not pay Consultant for any services that have not been authorized under the Contract. There is no guarantee of a minimum purchase of services.

The anticipated services to be provided by Consultant under to this Contract shall generally include, but not be limited to, the following: Enclosed Pedestrian Walkway Design Services, as more specifically described in Consultant's detailed scope of work attached as **EXHIBIT A**, "Scope of Services & Fee Schedule."

PMGAA's authorized representative shall be the PMGAA Engineering and Facilities Director, or his/her duly authorized representative, and that he/she shall be the sole contact for administering this Contract.

All services provided by Consultant under this Contract must be performed in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances in Arizona. Consultant makes no other warranty, expressed or implied.

SECTION II – PMGAA RESPONSIBILITIES

PMGAA shall furnish Consultant, at no cost to Consultant, the following information or services for this Contract:

A. Access to copies of readily available maps, records, as-built drawings, benchmarks or other data pertinent to work assignments affiliated with this Contract. This does not, however, relieve Consultant of the responsibility of searching records for additional information, for requesting specific information or for verification of that information provided. PMGAA does not warrant the accuracy or comprehensiveness of any information or documents provided to Consultant.

B. In PMGAA's discretion and upon Consultant's reasonable request, access to staff for consultation with Consultant during the performance of this contract in order to identify the problems, needs, and other functional aspects of the work.

C. Prompt review of and feedback on Consultant's deliverables. PMGAA will advise Consultant concerning progress of PMGAA's review of the work, as needed.

SECTION III - PERIOD OF SERVICE

Consultant shall complete all work in accordance with the provisions of this Contract as amended.

All work initiated under this Contract must be completed on or before the expiration date of the Contract as amended.

The term of this Contract shall commence on October 19, 2022 and ends upon final completion and acceptance by PMGAA of the project, as defined by the Scope of Services ("Term"), unless terminated, canceled or extended as provided in this Contract. PMGAA reserves the right, at its sole option, to extend the Term for such additional time as may be warranted and/or appropriate. If PMGAA exercises such right, all terms, conditions and provisions of the original Contract shall remain the same and apply during the extended period with the possible exception of price.

All prices stated in the original Contract shall apply unless a percent of increase or decrease is agreed to in writing by PMGAA.

Consultant shall commence its services within seven (7) days of the written authorization by PMGAA. Consultant shall perform its services in a diligent manner and in accordance with this Contract.

SECTION IV – KEY PERSONNEL

The Consultant and its subconsultants listed below, shall provide all services to be performed under this Contract. If additional Subconsultants are required by Consultant to perform any services listed under this contract, Consultant shall notify PMGAA prior to authorizing work by said Sub-Consultants. PMGAA may, at its sole discretion, accept or reject proposed Sub-Consultants.

Subconsultants to perform work under this Contract include:

Fore Dimensions LLC
Martin, White, & Griffins Structural Engineers, Inc.
LSW Engineers Arizona, Inc.
Dibble
Rider Levett Bucknall, LTD
GBtwo Landscape Architecture, Inc.

SECTION V - PAYMENTS TO THE CONSULTANT

Consultant will be paid for work performed under this Contract plus any adjustments that have been approved in writing by PMGAA in accordance with the Phoenix-Mesa Gateway Airport Authority Procurement Policy. Payments will be made for the actual hours worked and/or other costs incurred or provided for in accordance with **EXHIBIT B**, "Compensation."

All services to be rendered by Consultant are subject to the terms of **EXHIBIT B**, "Compensation" attached hereto.

PMGAA does not guarantee any minimum or maximum fee during the Term of this Contract, and Consultant, in executing this Contract, shall not anticipate or require any minimum or maximum fee.

PMGAA shall pay Consultant in agreed upon installments for services authorized and rendered under this Contract at the completion of each work assignment, provided Consultant has satisfactorily completed the requested work. If any such work requires time in excess of 30 calendar days to complete, progress payment(s) may be made on invoices certified and approved by PMGAA.

SECTION VI - ALTERATION IN SCOPE OF SERVICES

For any alteration in the Scope of Services that would materially increase or decrease the Contract fee, the parties shall negotiate an amendment to the Contract to be executed by PMGAA and Consultant. No work shall commence on any amendment or change until the amendment has been approved by PMGAA and Consultant has been notified to proceed by PMGAA. No claim for extra work done or materials furnished by Consultant will be allowed by PMGAA, except as provided herein, nor shall Consultant do any work or furnish any materials not covered by this Contract unless the work is first authorized in writing by PMGAA and the change complies with PMGAA's Procurement Policy. Any work or materials furnished by Consultant without advance, written authorization will be at Consultant's own risk, cost, and expense. Without written authorization, Consultant shall make no claim for compensation for such work or materials furnished.

SECTION VII - WORK ASSIGNMENT COMPLETION

If, during the Term of this Contract, situations arise which prevent work completion within the allotted time, PMGAA may grant an appropriate time extension.

SECTION VIII - OWNERSHIP OF DOCUMENTS

Any documents, including all electronic copies thereof, prepared under or as a result of this Contract, shall be the property of PMGAA. To the extent necessary to effectuate such ownership, Consultant hereby assigns all right, title and interests to such documents to PMGAA. Consultant shall execute any separate agreements or documents, if any, which may be necessary to implement the terms of this Section.

All of Consultant's documents prepared under this Contract, including electronic files, are instruments of service. All of these documents become the property of PMGAA upon completion of the services and payment in full to Consultant. PMGAA may reuse or modify the documents, as it deems necessary, without Consultant's prior written authorization. PMGAA shall indemnify and hold harmless Consultant, its officers, directors, employees and subconsultants (collectively, the "Consultant") against any and all damages, liabilities or costs arising from PMGAA's modification of documents produced by Consultant under this Contract unless Consultant authorizes the modification in writing.

SECTION IX - COMPLIANCE WITH LAWS

Consultant shall comply with all federal, state and local laws, local ordinances and regulations throughout the Term.

Consultant's signature on this Contract certifies compliance with the provisions of the I-9 requirements of the *Immigration Reform and Control Act of 1986* for all personnel that Consultant and any subconsultants employ to complete any work assignment.

PMGAA shall administer this Contract in accordance with PMGAA's Procurement Policy.

SECTION X - GENERAL CONSIDERATIONS

A. The failure of either party to enforce any of the provisions of this Contract or require performance of the other party of any of the provisions hereof shall not be construed to be a waiver of the provisions, nor shall it affect the validity of this Contract or the right of either party to enforce each and every provision.

B. The fact that PMGAA has accepted or approved Consultant's work shall in no way relieve Consultant of responsibility for the work under this Contract.

C. This Contract shall be governed by the laws of the state of Arizona, both as to interpretation and performance. Any action at law, suit in equity, or judicial proceeding for the enforcement of this Contract, or any provision thereof, shall be instituted only in the courts of the state of Arizona.

D. All exhibits to this Contract and any amendments to the Contract are incorporated into it.

SECTION XI - NO KICK-BACK CERTIFICATION

Consultant warrants that no person has been employed or retained to solicit or secure this Contract upon any agreement or understanding for a commission, percentage, brokerage, or contingent fee and that no member of the PMGAA Board of Directors or any employee of PMGAA has any interest, financially or otherwise, in Consultant's firm.

For breach or violation of this warranty, PMGAA may annul this Contract without liability.

SECTION XII – SUSPENSION OF SERVICES

Consultant shall, within five (5) business days upon receiving written notice from PMGAA, suspend, delay, or interrupt all or a part of the Scope of Services. Consultant shall resume the Scope of Services within five (5) business days of receiving written notice from PMGAA.

SECTION XIII – TIMES OF PAYMENTS

Consultant shall submit periodic invoices for any unbilled portion of the services actually completed. PMGAA shall review, certify, and approve or reject each invoice in whole or in part. PMGAA shall pay each approved invoice within 30 calendar days of the date that PMGAA approves the invoice.

SECTION XIV – TIMELY REVIEW

PMGAA will review Consultant's studies, reports, proposals, and other related documents and render any decisions required by Consultant in a timely manner. Notwithstanding these reviews, Consultant remains solely responsible for all of its deliverables and services under this Contract. By PMGAA's reviews, PMGAA does not assume any liability for or retained control over Consultant's work or Consultant's responsibility for the safety of its employees.

SECTION XV – DISPUTE RESOLUTION

All disputes between PMGAA and Consultant arising out of or relating to this Contract will be subject to the Dispute Resolution provisions as set forth in **EXHIBIT D**, "PMGAA Standard Terms and Conditions", attached hereto and incorporated herein by reference.

PMGAA and Consultant shall include a similar dispute resolution provision in all agreements with other contractors and consultants retained for the Project and shall require all other independent contractors and consultants to include a similar dispute resolution provision in all agreements with subcontractors, subconsultants, suppliers or fabricators retained by them.

SECTION XVI - LIABILITY OF CONSULTANT

To the fullest extent permitted by law, Consultant shall defend, save, indemnify, and hold harmless PMGAA, its member governments, departments, officers, employees, and agents from and against damages arising out of any act, error, or omission of Consultant relating to its services under this Contract.

SECTION XVII - LAWS AND REGULATIONS

All federal, state, and local laws and regulations that relate to Consultant's services apply to Consultant's performance of this Contract throughout. These laws and regulations are deemed included in this Contract the same as though written out in full, especially the current applicable Federal Aviation Administration (FAA) rules and regulations associated with airport projects; pertinent Airport engineering standards; and local rules, regulations, and industry standards.

SECTION XVIII – ARCHAEOLOGICAL RESOURCE PROTECTION

While performing services under this Contract, Consultant may encounter a known or unknown archaeological site located at the Airport. If Consultant encounters what it believes to be an archaeological site, Consultant shall immediately notify PMGAA of the site's location and take all reasonable precautions to protect and preserve the site until PMGAA otherwise directs.

SECTION XIX – INSURANCE REQUIREMENTS FOR PROFESSIONAL SERVICES CONTRACTS

A. Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees.

B. All insurance policies required by this Contact, except *Workers Compensation* and *Professional Liability*, shall name PMGAA, its agents, representatives, officers, directors, officials and employees as Additional Insured.

C. Minimum Scope and Limits of Insurance. Coverage shall be at least as broad as:

   i. Professional Liability (Errors and Omissions): Insurance appropriate to the Consultant's profession, with limit no less than $1,000,000 per occurrence or claim, $2,000,000 aggregate.
   ii. Commercial General Liability: Insurance Services Office Form CG 00 01 covering Bodily Injury and Property Damage on an "occurrence" basis, including personal & advertising injury with limits no less than $1,000,000 per occurrence, $2,000,000 General Aggregate.
   iii. Auto Liability: ISO Form CA 00 01 covering any auto (Symbol 1), or if Consultant has no owned autos, hired, (Symbol 8) and non-owned autos (Symbol 9), with limit no less than $1,000,000 Combined Single limit per accident for bodily injury and property damage ($5,000,000 if operating in the Air Operations Area of the Airport).

iv. Workers' Compensation: Statutory Limits as required by the state of Arizona, and Employer's Liability Insurance with limit of no less than $1,000,000 per accident for bodily injury or disease.

D. If the Consultant maintains higher limits than the minimums shown above, PMGAA requires and shall be entitled to coverage for the higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to PMGAA.

E. Additional insurance provisions.

The insurance policies shall provide, or be endorsed to include:

i. Notice of Cancellation: Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to PMGAA.

ii. Waiver of Subrogation: Consultant waives any right to subrogation. Consultant shall obtain an endorsement necessary to affect this waiver of subrogation from the insurer for all lines of coverage required by this Contract.

iii. Primary Coverage: For all claims related to this Contract, all of Consultant's insurance policies will be primary and non-contributory. Any insurance or self-insurance maintained by PMGAA, its officers, officials, employees, or volunteers will be in excess of Consultant's insurance and will not contribute with it.

iv. Deductibles and Self-Insured Retentions: Any deductibles or self-insured retentions must be declared to and approved by the PMGAA. PMGAA may require the Consultant to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.

v. Acceptability of Insurers: Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A, VII, unless otherwise acceptable to PMGAA.

vi. Claims Made Policies: No Claims Made policies (other than Professional Liability) will be accepted. For policies that provide claims-made coverage:

a) The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.

b) Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.

c) If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Consultant must purchase "extended reporting" coverage for a minimum of five (5) years after completion of work.

vii. Verification of Coverage: Consultant shall furnish PMGAA with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by PMGAA before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide the required insurance. PMGAA reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

viii. Subcontractors: Consultant shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Consultant shall ensure that PMGAA is an additional insured on insurance required from subcontractors.

ix. Special Risks or Circumstances: PMGAA reserves the right to modify these requirements, including limits, based on the nature of the risk, scope of services, prior experience, insurer, coverage, or other special circumstances.

SECTION XX – DISADVANTAGED BUSINESS ENTERPRISE

Phoenix-Mesa Gateway Airport Authority's DBE program is race-neutral. The entire DBE program can be found on the Owner's website at: www.gatewayairport.com

Owner encourages prime contractors to create subcontracting opportunities, especially for small businesses. Owner does not have a specific SBE goal, however, reporting on SBE utilization is required.

A. Consultant's DBE Performance Plan (DBEPP)
Consultant shall utilize its DBEPP as submitted under solicitation 2023-008-RFQ, throughout the duration of the project/Contract. Failure to fulfill the plan's terms and the plan's intent, shall be a material breach of the contract.

B. Contract Assurance
The Consultant, sub recipient or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The Consultant shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of DOT assisted contracts. Failure by the Consultant to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy, as the Owner deems appropriate, which may include, but is not limited to: (1) withholding monthly progress payments; (2) assessing sanctions; (3) liquidated damages; and/or (4) disqualifying the Consultant from future bidding as non-responsible.

C. Subcontracts

i. Consultant is required to insert the paragraph in Section XX, B in all subcontracts or agreements it enters into, and all lower tier subcontracts and agreements, as a result of this contract, regardless of whether or not the subcontractor is a DBE.
ii. Consultant is required to make available a copy of all subcontracts, DBE, SBE, and non-DBE/SBE, prior to any commencement of work by Consultant or any of Consultant's subcontractors. The Consultant shall ensure that all subcontracts or agreements with DBEs to supply labor or materials require that the subcontract and all lower tier subcontractors contain the required contract clauses and be performed in accordance with this part's provisions.

D. Required Information
The following documentation is required to demonstrate that sufficient outreach efforts have been made to engage DBE subcontractors in the performance of this contract:

i. Detailed evidence that the Consultant's DBE Performance Plan (DBEPP), as submitted under solicitation 2023-008-RFQ, was and will continue to be utilized in obtaining DBE participation. This should include such things as the following, depending on the Consultant's DBEPP:
   a) Copy of notification(s) sent to DBE firms of subcontracting opportunities
   b) Documentation of each DBE firms contacted and their response or other action taken as a result of the contact.
   c) Documentation of bid responses and/or quotes from all subcontractors who bid to perform work on the project in the areas that DBE firms were also bidding on, including information regarding the reasons why DBE bids were not considered or chosen if applicable).
   d) Dates and times of outreach events held and a list of attendees.

The following are examples of factors that are illustrative of whether or not the Consultant implemented its DBEPP in good faith:

a) The number of contacts attempted or made with DBE firms that perform in trade areas where subcontracting work was identified.
b) The timeliness of contacts made with DBE firms so as to allow the firms a reasonable amount of time to respond

c) Attempts made to break down portions of the project into economically feasible units to facilitate DBE participation.
d) Whether the bidder negotiated in good faith with interested DBEs and did not reject a bid as unqualified without sound reason.

ii. **Attachment A**: Subcontracting and Outreach Efforts Summary.

The Consultants' proposed subcontracting and summary of outreach efforts form (Attachment A) must reflect the scope of work that was identified to be potentially subcontracted and the result of the outreach efforts conducted by the Consultant for each scope of work. The Consultant shall clearly list the scope of work to be subcontracted. The firms contacted in consideration for contracting the scope of work must be listed with the DBE/SBE/Non-DBE/SBE status noted. The Consultant must indicate which firm(s), if any, were selected for the opportunity identified. Consultant must complete one Attachment A for each scope of work (NAISC or group of NAISC codes) that has been identified to potentially be subcontracted. **Note:** It is the responsibility of the Consultant to ensure that the scope of work to be performed by the subcontractor(s) is consistent with the area in which the firm is qualified, and in the case of a DBE subcontractor, that the firm has been granted DBE certification. The Consultant can confirm what NAICS code(s) a DBE is certified for by visiting: https://utracs.azdot.gov/ **DBE scopes of work listed on the form that fall outside the trade or performance area in which a DBE has been granted certification shall not be counted as work subcontracted to a DBE firm.** If there are questions, the Consultant should contact the Phoenix-Mesa Gateway Airport Authority Procurement Department for verification. Owner reserves the right to validate information on the form with the DBE subcontractor and/or other certifying entities or licensing agents as part of the verification process.

iii. **Attachment B**: Letter of Intent to Perform as a Subcontractor/Supplier.
a) The dollar value and the scope of work **every** subcontractor, regardless of DBE/SBE status, is bidding to perform must be completed in full on the form.
b) For scopes of work where a total contract amount cannot be determined, the Letter of Intent to Perform as a Subcontractor/Supplier should reflect the minimum amount agreed upon between the Consultant and the subcontractor that will be paid to the subcontractor. When the form contains scopes of work where all of the dollars that will be paid to a DBE cannot be counted towards achieving the DBE program goal, the form should reflect the amount that is applicable to the program goal. **Example:** A DBE firm will provide uniformed officers on the job. The DBE pays the officers $21 per hour but has bid the contract to the prime Consultant at $30 per hour. Only the $9 per hour that the DBE maintains as a fee/commission should be reflected on Attachment B.

iv. **Attachment C**: DBE Data Collection Form.
The Consultant must complete, and submit to Owner, Attachment C for <u>each</u> DBE firm subcontracting work for under this project.

E. Enforcement

i. This contract and all subsequent subcontracts entered into as a result of this contract, are subject to the requirements, provisions, and enforcement actions of 49 CFR Part 26, Subpart F, *Compliance and Enforcement*, § 26.105 and 26.107. Further, Consultant is required to insert the below clause from § 26.107 in all subcontracts entered into with a DBE as a result of this Contract.

ii. § 26.107 Enforcement Actions for firms participating as a DBE:
a) If you are a firm that does not meet the eligibility criteria of 49 CFR Part 26,Subpart D, Certification Standards, and that attempts to participate in a Department of Transportation (DOT)-assisted program as a DBE on the basis of false, fraudulent, or deceitful statements or representations or under circumstances indicating a serious lack of business integrity or

honesty, the DOT may initiate suspension or debarment proceedings against you under 2 CFR parts 180 and 1200.

b) If you are a firm that, in order to meet DBE contract goals or other DBE program requirements, uses or attempts to use, on the basis of false, fraudulent or deceitful statements or representations or under circumstances indicating a serious lack of business integrity or honesty, another firm that does not meet the eligibility criteria of 49 CFR Part 26, Subpart D, the DOT may initiate suspension or debarment proceedings against you under 2 CFR parts 180 and 1200.

c) In a suspension or debarment proceeding brought under paragraph (a) or (b) of this section, the concerned operating administration may consider the fact that a purported DBE has been certified by a recipient. Such certification does not preclude the DOT from determining that the purported DBE, or another firm that has used or attempted to use it to meet DBE goals, should be suspended or debarred.

d) The DOT may take enforcement action under 49 CFR Part 31, Program Fraud and Civil Remedies, against any participant in the DBE program whose conduct is subject to such action under 49 CFR part 31.

iii. The DOT may refer to the Department of Justice, for prosecution under 18 U.S.C. 1001 or other applicable provisions of law, any person who makes a false or fraudulent statement in connection with participation of a DBE in any DOT-assisted program or otherwise violates applicable Federal statutes.

F. DBE Participation Calculation

i. **Subcontracts with DBE Firms:** DBE participation on the contract will be calculated based on that portion (dollar value) of the contract that DBEs actually perform with their own forces. This includes the cost of supplies and materials obtained by the DBE for the work on the contract, ***except*** when supplies and/or equipment is purchased or leased from the prime Consultant or its affiliate. Special emphasis and care should be taken to ensure that the following types of participation are handled properly when preparing your bid packet.

ii. **Fees & Commissions*:*** DBE firms that supply a bona fide service for a fee or commission may be counted only to the extent of the fees or commissions charged by the DBE. This includes, but is not limited to, providing professional, technical, consultant, or managerial services, and bonds or insurance specifically required for the performance of a contract. The fees must be reasonable and not excessive as compared with fees customarily allowed for similar services. ***Example:*** *A DBE firm that supplies uniformed officers for security or traffic control may count only the amounts shared as a commission. The hourly amount paid to the officers may not be counted. If the "per hour" bid amount to the prime Consultant is $30, and $21 per hour will be paid to the officers, only $9 per hour can be counted towards achieving the DBE program goal. If the firm estimates that there will be 200 hours of work, only $2,700 of the total $6,000 bid could be counted.*

iii. **Trucking & Hauling*:*** The amount of a trucking/hauling subcontract that may be counted towards the DBE utilization may be limited. A DBE must itself own and operate at least one fully licensed, insured, and operational truck that will be used on the contract. The DBE subcontractor may lease trucks from another DBE firm and receive full credit for the services of those leased vehicles. Non-DBE trucks may also be leased to perform work on the contract, but non-DBE leased trucks can be counted fully **only up to the value of transportation services provided by all DBE-owned trucks on the contract**. Any additional non-DBE leased trucks may only be credited for the fees or commissions the DBE subcontractor retains over and above the cost of the lease arrangement. ***Example:*** *A DBE trucking firm uses seven trucks on a job. Two are owned by the DBE and one is leased from another certified DBE firm. Four trucks are leased from a non-DBE. The amounts paid to the DBE for the services of three of the non-DBE trucks can be counted in full towards meeting the DBE requirement. Only the amount that the DBE subcontractor receives that is over and above the cost of leasing the fourth truck may be counted as DBE utilization.*

iv. **DBE Prime Consultant:** A DBE prime Consultant will be credited with DBE participation for that portion of the contract that they themselves perform, in addition to any portion of the contract that is subcontracted and performed by an eligible DBE subcontractor. ***Example:*** *If a DBE prime Consultant proposes to perform 60 percent of the contract with the firm's equipment and workforce, and subcontracts 20 percent to a DBE firm and 20 percent to a non-DBE firm, DBE participation will be credited as being 80 percent.*

v. **DBE/Non-DBE Joint Ventures:** A DBE/non-DBE joint venture, functioning as the prime Consultant or as a subcontractor on a Phoenix-Mesa Gateway Airport Authority project, will be credited with DBE participation on the basis of the percentage of profit accruing to the DBE firm. ***Example:*** *A joint venture made up of one DBE and one non-DBE proposes to perform 60 percent of a project quoted at $400,000. A total of 50 percent of the profits for performing the work will go to the DBE partner in the joint venture. DBE participation will be credited at 30 percent, or $120,000.*

vi. **Lower Tier Non-DBE Participation:** Subcontract dollars paid by DBE primes and/or qualifying joint ventures to non-DBE subcontractors will not be considered when determining the percentage of DBE participation on this contract. Amounts subcontracted to a non-DBE by a DBE subcontractor (2nd tier or lower) may not be counted.

vii. **Lower Tier DBE Participation:** Consultant is obligated and must report all utilization of DBEs of lower tier subcontracts and ensure subcontractors comply with all applicable DBE reporting requirements.

viii. **DBE Suppliers:** Purchases from DBE suppliers may be counted towards the program goal as follows:

ix. **Manufacturers:** Amounts paid to a DBE supplier that manufactures or substantially alters the material or product it supplies will be credited at 100% of the expenditure when determining the percentage of DBE participation.

x. **Regular Dealer:** Purchases from a DBE firm that is an established, regular business that engages, as its principal business, in the purchase, sale, or lease of the products being supplied **may be credited towards the DBE program goal at sixty percent (60%) of the sale price** when determining the percentage of DBE participation.

xi. **Packagers, Brokers, Manufacturers' Representatives:** Purchases from a DBE firm who arranges or expedites transactions not as regular dealers, **may not be counted in full** when determining DBE participation. Only the fees or commissions charged in the procurement of the materials or supplies, or fees or transportation charges for the delivery of the materials or supplies may be credited towards achievement of the DBE program goal.

G. Definitions

i. **Disadvantaged Business Enterprise (DBE)** means a small business concern that has successfully completed a DBE certification process and been granted DBE status by the Arizona Unified Certification Program or by a U.S. Department of Transportation (USDOT) recognized agency who certifies DBE applicants pursuant to the criteria contained in 49 CFR Part 26.

ii. **Small Business Enterprise** (SBE) means a small business as defined pursuant to Section 3 of the Small Business Act and relevant regulations promulgated pursuant thereto. A small business concern shall not include any concern or group of concerns controlled by the same socially and economically disadvantaged individual(s) that has annual average gross receipts in excess of the cap established by federal regulation. The Secretary shall adjust this figure from time to time for inflation.

iii. **Socially and Economically Disadvantaged Individuals** means those individuals who are citizens of the United States (or lawfully admitted permanent residents) and who are women, Black Americans, Hispanic Americans, Native Americans, Asian-Pacific Americans, or Asian-Indian Americans. Membership in one of the above-mentioned groups does not qualify the firm to be considered a DBE for purposes of this contract. Only firms that have completed a DBE certification process and been granted DBE status shall be considered socially and economically disadvantaged individuals for purposes of this contract.

iv. **DBE Joint Venture** is an association between two or more persons, partnerships, corporations, or any combination thereof, formed to carry on a single business activity. One participant in the joint venture arrangement must hold DBE status from a recognized certifying entity. The joint venture is limited in scope

and duration to this contract, and resources, assets and labor of the participants must be combined in an effort to accrue profit.

v. **Sole Proprietorship** is a DBE for purposes of this contract, if it is 100 percent owned, operated, and controlled by a socially and economically disadvantaged individual.

vi. **Corporation** is a DBE, for purposes of this contract, if the ownership, operation, and control of the business is conditioned upon the control of its shares of stock or other equitable securities, at least 51 percent of which (of all shares) is legally and equitably owned by socially and economically disadvantaged individuals.

vii. **Partnership** is a DBE, for purposes of this contract, if one or more socially and economically disadvantaged individuals own more than 51 percent of the assets or interest in the partnership's property.

viii. **Purchaser** for purposes of this contract, means the Phoenix-Mesa Gateway Airport Authority.

ix. **Bidder** is an individual, partnership, joint venture, corporation or firm submitting a proposal or bid to the Phoenix-Mesa Gateway Airport Authority to perform services required by the contract. The submittal may be direct or through an authorized representative.

x. **Contract** is a written agreement obligating the seller or business enterprise to furnish goods or services as proposed and the Purchaser or Buyer to pay for such goods or services.

xi. **Subcontract** is any contract at any tier below the prime contract, including purchase orders.

xii. **Supplier** is a business enterprise that manufactures the goods or materials it sells.

xiii. **Wholesaler, Distributor, Broker, or Jobber** is a business enterprise that does not manufacture the goods or materials it sells or does not perform the essential work of the contract. ***Example:*** *1) A trucking company who does not own or operate the trucks necessary to perform the work, but brokers the work to another trucking firm; 2) A distributor who supplies goods or materials as a pass through from the manufacturer, without substantial alteration of the goods or materials; and, 3) A sub-tier bidder who purchases and supplies the goods and materials on behalf of the prime bidder, and delivers the goods and materials to the prime bidder without substantial alteration of the goods and materials.*

Executed as of the Commencement Date.

CONSULTANT
DWL Architects + Planners, Inc., an Arizona Corporation

By: _____

Name: Sandra Kukla

Title: President

Date: 10/06/2022

PMGAA
PHOENIX 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: _____

EXHIBIT A - SCOPE OF SERVICES & FEE SCHEDULE

The services to be performed by Consultant and the completion of related efforts are specified in the following Scope of Services & Fee Schedule agreed to by the parties.

For the agreed upon Scope of Services specified herein, Consultant shall be paid the not to exceed amount of $307,620.00.

October 3, 2022

Mr. Bob Draper, PE, LEED AP
Engineering & Facilities Director
Phoenix Mesa Gateway Airport Authority (PMGAA)
5835 S. Sossaman Road
Mesa, AZ 85212-0919
T (480) 988-7705 | BDraper@gatewayairport.com

RE: Enclosed Pedestrian Walkway
2023-008-RFQ
Design and Engineering Services (SD, CD, PP)
DWL Project No. 2257.00

Dear Bob:

We are pleased for this opportunity to submit to the Phoenix-Mesa Gateway Airport Authority (PMGAA) an Architectural and Engineering Service scope and fee proposal for Schematic Design (SD), Construction Documents (CD) and Procurement Phase Services for a new Enclosed Pedestrian Walkway at Phoenix-Mesa Gateway Airport (AZA/IWA). The scope has been prepared in accordance with our understanding of the project based upon our Conceptual Design Report dated 07/15/2022 and the 09/08/2022 telephone call.

Project Scope & Description:

The goal of this project is to provide an enclosed pedestrian walkway from the existing Ticketing Terminal to the Terminal entrance. The DWL team recently completed a concept feasibility study which will be the guide for the continuation of design. The following project features were developed in the feasibility study:

- Continues established terminal complex aesthetics
- Create a flexible and efficient building
- Provide an area for queue overflow
- Make use of underutilized space
- Sensitive to the original character, scale, and surrounding airport image
- Approximately 2,550 SF single-story steel structure w/ masonry bearing walls
- Automatic movable fire wall with an integral push exit feature.
- In Lieu of traffic rated bollards in the study, boulders or other architectural features shall be utilized.

The existing ticketing terminal building requires interior renovation to allow for natural wayfinding and to direct passenger flow to the SSCP and gates. The existing direct entry into the SSCP is being removed and passengers will be routed through the ticketing terminal. We assume the renovation to predominately modify the ceiling and the north entry/exit at the proposed connection. The north entry/exit will need to be substantially enlarged, requiring structural modifications. The renovation is assumed to be localized near the entry/exit as shown in the report.

1. Building Systems: The mechanical system will consist of rooftop high efficiency package DX units. Modifications at the existing ticketing terminal are required for the proposed ceiling renovations. For other building systems for the new connector, they will extend from the West Terminal Building.
2. Signage: The project requires new signage following the existing building's theme, with exterior aluminum panel signs and interior lexan hanging direction signs. Modification of existing signage throughout the existing ticketing building are anticipated.
3. Landscape: The intent of the landscape scope is to replace planting damaged during construction and to restore the existing feel and character of the area. There will be an opportunity to create a waiting area under the current canopy.

Please refer to the Concept Design Report for further project scope and description.

DESIGN SERVICES:

The following complete design phases are included:
- Schematic Design (Basic Services)
- Construction Documents (Basic Services)
- Procurement Phase Services (Basic Services)

DESCRIPTION OF TASKS:

1. **Project Coordination and Management**:
    a. Project Management/Administration - Manage assigned staff and sub-consultants, maintain contract and project files.
        1) Schedule – DWL shall provide a design schedule with the following preferred dates:
            - Contracts Oct. 19-28
            - NTP – October 31, 2022

Preliminary Design Schedule	Total: 23 weeks**	Proposed Dates
Schematic Design	6 weeks	10/31/22-12/13/22
Schematic Design Cost Estimating (CMAR & RLB)*	2.5 weeks	12/14/22-1/6/23
Christmas/schedule float	1 week	12/26/22-12/30/22
Milestone – SD Submittal	0	1/9/2023
SD Cost Reconciliation*	4 days	1/10/23-1/13/23
SD PMGA Review and Approval*	3 days	1/17/23-1/19/23
Construction Documents 90% Submittal – Design & Engineering	7 weeks	1/20/23-3/9/23
Milestone – 90% Submittal	0	3/9/23
CD Cost Estimating (RLB)	2 weeks	3/10/23-3/23/23
PMGA Project Review* (overlap with cost estimating)	1 week	3/13/23-3/17/23
Design/Engineering–Corrections (overlap cost estimating by 1 week)	2 weeks	3/20/23-3/31/23
Milestone - Construction Documents (100%)	0	3/31/2023

* Dependent on CMAR/PMGAA

** Schedule and duration includes from NTP to 100% CD submittal and does not include Procurement Phase which is dependent on CMAR and PMGAA.

2) Owner/Architect Meetings: Includes agenda and meeting notes, preparation, and distribution. See individual design phases below for meeting counts per phase beyond the kick-off meeting.
    - Kick-off meeting with all appropriate PMGAA and stakeholders. Design team engineering disciplines will not be in attendance.
3) Design team/Consultant Meetings as required – Regularly scheduled internal coordination meetings between members of the consultant team. In-person meetings will be held at DWL's Phoenix office. Conference calls will be administered using Microsoft Teams.

2. **Existing conditions assessment:** Because the DWL team completed the Conceptual Study the majority of existing conditions assessment is complete with the following clarifications:
    a. Landscape: The Landscape architect will inventory the landscape plant material (saguaros and large trees only) within and near the existing site, where there is potential for damage due to construction.
    b. DWL has the existing as-built documentation of the existing buildings and facilities in which our firms were previously involved.
    c. Provide field site walk for civil, mechanical, electrical, special systems, landscape, cost estimating and architectural to assess existing facility and confirm requirements and use of spaces. Review operations of the facility along with required adjacencies. PMGAA to provide access to areas such as CASS vaults, utility rooms, etc.

3. **Schematic Design (SD) 30% to 40%:** Based upon the Conceptual Design Report, schedule and construction budget requirements, the design team shall prepare, for approval by PMGAA, Schematic Design Documents. This phase of the project encompasses the refinement of the Schematic Design based on the concept design. This is the opportunity to refine the facilities operations, functionality, and various components to a schematic level of detail, approximately 30 to 40%. The Schematic Design will include architectural plans, elevations, and sections as required to illustrate the scale and relationship of project components. Plans for the basis of design shall be provided for civil, landscape, structural, mechanical, electrical, plumbing, fire protection, and special systems. Draft specifications that identify major materials and systems and establish a general quality level are included in this phase for all disciplines.
    a. Meetings: (3) meetings are anticipated. Three meetings are design and coordination meetings.
        1) Civil, Mechanical, Electrical, Technology Engineers as well as landscape are anticipated to attend one (1) of the meetings.
        2) Cost estimator is anticipated to attend 2 meetings.
    b. Refinement of Building Code Analysis
    c. Interior Design: The design team assumes the existing materials and finishes will be utilized for this project, including at the existing ticketing terminal, therefore a digital finishes and material board will be provided.
    d. Renderings: One EnScape (semi-realistic) rendering each for connector interior, existing ticketing terminal interior and exterior. Renderings are being updated from the concept phase.
    e. QAQC: An internal QAQC will be conducted via Bluebeam Studio, with an internal preliminary check-set for all engineering disciplines. A peer QAQC will be conducted by the associate architect, Fore Dimensions.

f. A cost estimate shall be provided after the completion of the Schematic Design Package. The Cost estimate will be separated into connector and existing ticketing terminal renovations. The cost estimator shall provide reconciliation services. Cost estimator will be provided with an excel format CMAR cost estimate to compare estimates and identify differences in quantity and unit cost. Design cost estimator will work with the CMAR to reconcile the estimates.

4. **Design Development (DD) 60%:**

   a. A Design Development submittal is excluded at this time.

5. **Construction Documents (CD) 90% and 100%:**

   a. Based upon the approved Schematic Design Documents and minor adjustments in the scope or budget authorized by PMGAA, the Design Team shall prepare Construction Documents. The documents include drawings and specifications with sufficient detail to obtain building safety review approval by PMGAA.

      1) PMGAA Building Safety Review Submittal (90%). This set will be sealed/signed and submitted for building safety review by PMGAA.
      2) Bid Documents Submittal (100%). This set will be sealed/signed and includes corrections as required from the building safety review performed by PMGAA. This set will include updates due to CMAR requests for clarification.
      3) See deliverables section for more information.

   b. Meetings: Two (2) meetings are anticipated. One meeting is a final design and coordination meeting. One meeting is a page-turn meeting with DWL, PMGAA project team and stakeholders. Engineers are anticipated to attend one of the meetings.

   c. A cost estimate shall be provided based on the 90% submittal. The cost estimator shall provide reconciliation services, as described above.

   d. QAQC: An internal QAQC will be conducted via Bluebeam Studio, with an internal preliminary check-set for all engineering disciplines. A peer QAQC will be conducted by the associate architect, Fore Dimensions, at 90% CDs.

   e. Specifications: Specifications in book format shall be included.

6. **Procurement Phase:** This phase of the project traditionally occurs between the completion of CDs and the start of Construction, approximately six weeks for this project. However, time associated with CMAR coordination throughout pre-construction is assumed to be procurement phase tasks.

   a. RFI's and Substitution requests: DWL shall respond to substitution requests, RFIs and other clarifications from the bidders.

   b. Addenda: DWL shall prepare and coordinate addenda that need to be issued prior to Bid, such as legitimate RFIs and approved substitution requests.

   c. Conforming Set: DWL will assemble one conforming set that captures addenda, RFIs, corrections for the benefit of all parties for construction.

   d. Meetings: Two (2) meetings are anticipated.

<u>ADDITIONAL SERVICES</u>

7. **Signage**: Construction documents for interior way-finding signage (non-illuminated) and exterior building gate signage is included as an additional service. The exterior signage is not specifically

illuminated. The design theme and the final construction documents are included in this project. DWL will provide recommended sign message and locations to PMGAA. The airport shall review and comment on recommendations. This additional service assumes design and construction documents are concurrent with the base project scope. Because there is no anticipated access roadway or parking lot design scope, we assume there will be limited traffic control signage. Temporary Construction signage is not included.

8. **Phasing exhibits:** Phasing exhibits will be provided by architectural and MPE, which will provide the basic plan for construction phasing. The exhibits may be utilized for stakeholder and board presentations. We understand these exhibits are not intended for construction, however, will be utilized to communicate the airports operational requirements to the CMAR. The CMAR will provide detail phasing for their subcontractors and team.
9. **Allowances:** DWL recommends a design allowance of $5,000 Services would be performed on a not-to-exceed time and material basis. Prior use of the allowance will require PMGAA written approval.

ASSUMPTIONS:

1. The construction budget is approximately $3.5 million and FAA BIL grant funded, which excludes FF&E.
2. The overall square footage of the new facility is +/- 2,550 SF.
3. The Construction Contract Delivery Method is CM at Risk and the contractor has not been selected.
4. This proposal assumes that all scope is to be documented in one submittal package.
5. Subconsultants included in this proposal. Please review their attached proposals for further scope details.
    a. Fore Dimensions (Associate Architect)
    b. MWG (Structural)
    c. LSW (Mechanical, Plumbing, Fire Protection, Electrical, Special Systems)
    d. Dibble (Civil)
    e. Rider Levett Bucknall (Cost Estimating)
    f. GBTwo (Landscape) – certified DBE
6. For the purpose of justifying load additions to existing electrical infrastructure, existing electrical loads will be established from existing record drawings and our site investigation. If adequate records and documentation are not available, 30-day maximum demand load readings may be required (which are not included and assumed to be performed by Owner's staff electricians).
7. Value Engineering/Scope Reduction services are included if the RLB cost estimate is greater than 10% of the budget.
8. Construction documents are not submitted to City of Mesa Building Safety department, since PMGAA will provide their own building safety review and permit.
9. Reimbursables include project related expenses such as mileage, courier, web-based meetings, printing, and copying (in or out of office).

EXCLUSIONS:

In order to provide clarity and to prevent any misunderstandings, we want to identify items that are excluded from this proposal. If for any reason the Phoenix-Mesa Gateway Airport Authority requires these services, we can provide them for additional compensation.

1. Services from engineers or consultants not identified in this proposal and beyond this project's scope will not be provided.
2. Acoustics consultant, analysis, and engineering.
3. Physical materials and finish boards
4. Geotechnical Analysis (soils report): Because there is no Soils Report being performed, the design team will note previous Soils Report were performed at the site however will not recommend any soils preparation and edit a soils specification. The design team will not accept liability or take responsibility for geotechnical requirements for this project.
5. Tests or investigations requiring demolition of existing construction or other types of forensic investigation are not included in this proposal.
6. Construction Administration
7. Environmental and hazardous assessment.
8. Government permit and plan review fees.
9. LEED design and USGBC submission fees.
10. Water Supply Test. This will be procured and paid by CMAR
11. Multiple bid packages.
12. Travel outside the Phoenix Metropolitan area.
13. Renderings beyond three ($2,500 for first rendering, $1,800 for subsequent renderings)
14. Finishes and materials board (physical excluded, digital included)
15. Videos and fly-throughs
16. Tenant Improvement design services.
17. Deliverables beyond those described below.

DELIVERABLES:

1. SD Package (30%-40%)
   - Schematic level Site Plan, Floor Plans, Elevations, Sections and 3D images
   - Table of Contents and 30% Draft Specifications
   - SD Cost Estimate
2. CD Package (90%)
   - Construction Documents and Specifications
   - Structural Calculations
   - Finishes- Final digital materials board
3. CD Package (100%)
   - Construction Documents and Specifications
   - Structural Calculations
4. Procurement Phase
   - Addendum in response to RFIs and Substitution requests.
   - Conformed Set

COMPENSATION:

We propose to provide the previously mentioned services as an Hourly Not-to-Exceed Fee(s) as follows:

	Basic Services ($) (SD, CD, PP)	Additional Services – Signage, Phasing Exhibits, Survey ($)	Discipline Total ($)
Architectural – DWL*	133,507.00	13,332.00	146,839.00
Architectural Associate - FORE	9,600.00	0	9,600.00
Structural Engineering – MWG	26,220.00	0	26,220.00
Mech./Plumbing/Elec./Tech - LSW	54,480.00	0	54,480.00
Civil Engineering – Dibble	17,892.00	3,989.00	21,881.00
Landscape – GBTwo (DBE)	13,800.00	0	13,800.00
Cost Estimating - RLB	24,800.00	0	24,800.00
Total Design Services			**$297,620 .00**
Design Allowance			$ 5,000.00
Reimbursable Expenses**			$ 5,000.00

* DWL's personnel hourly rates are based on an Overhead Rate of 1.7335 and includes 10% profit.
**For this proposal we are estimating reimbursables for 6 half-size sets for each package.

See attached DWL estimated hourly breakdown and consultants' proposals for your review.

CONCLUSION:

We appreciate your consideration and the opportunity to submit this proposal. We look forward to working with you and the Phoenix-Mesa Gateway Airport Authority team. If you have any questions or require further explanation, please do not hesitate to contact me.

Sincerely,

DWL ARCHITECTS + PLANNERS, INC.

Sandra Kukla, AIA, LEED AP
President

cc: Mary Ann Modzelewski
Shawn Filip
Anna Alexander

DWL ARCHITECTS + PLANNERS, INC.

DWL ARCHITECTS+

PMGA Pedestrian Walkway | 2023-008-RFQ
Schematic Design (SD), Construction Documents (CD), Procurement Phase

Hourly Not-to-Exceed

COMPENSATION ESTIMATE DWL Project No. 2257.00 Construction Budget: $3.5 M 10/3/2022

ARCHITECTURAL - Design Phase

Labor Hours

	Task Description	Principal 221.00 per hr. Hours	Principal Direct Cost	Design Director 194.00 per hr. Hours	Design Director Direct Cost	Proj. Manager 132.00 per hr. Hours	Proj. Manager Direct Cost	Sr. Architect 143.00 per hr. Hours	Sr. Architect Direct Cost	Project Architect 131.00 per hr. Hours	Project Architect Direct Cost	Apprentice Architect 97.00 per hr. Hours	Apprentice Architect Direct Cost	Building Code Manager 156.00 per hr. Hours	Building Code Manager Direct Cost	CADD/BIM Technician 99.00 per hr. Hours	CADD/BIM Technician Direct Cost	Interior Designer 90.00 per hr. Hours	Interior Designer Direct Cost	Spec Writer 150.00 per hr. Hours	Spec Writer Direct Cost	Clerical 87.00 per hr. Hours	Clerical Direct Cost	Task Total
2	**Existing conditions assessment**	3	663.00	0	0.00	10	1,320.00	0	0	0	0	4	388.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	2,371.00
3	**Schematic Design (SD) 30%:**	42	9,282.00	0	0.00	177	23,364.00	0	0	0	0	170	16,490.00	2	312	40	3,960.00	20	1,800.00	24	3,600.00	4	348.00	59,156.00
5	**Construction Documents (CD) 90% and 100%:**	30	6,630.00	0	0.00	188	24,816.00	0	0	0	0	240	23,280.00	0	0	0	0.00	20	1,800.00	32	4,800.00	4	348.00	61,674.00
6	**Procurement Phase**	14	3,094.00	0	0.00	40	5,280.00	0	0	0	0	0	0.00	0	0	16	1,584.00	0	0.00	0	0.00	4	348.00	10,306.00
7	**Signage**	6	1,326.00	0	0.00	12	1,584.00	0	0	0	0	60	5,820.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	8,730.00
8	**Phasing Exhibits**	2	442.00	0	0.00	8	1,056.00	0	0	0	0	32	3,104.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	4,602.00
		0	0.00	0	0.00	0	0.00	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0.00
		0	0.00	0	0.00	0	0.00	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0.00
	DWL DESIGN PHASE TOTAL	97	21,437.00	0	0.00	435	57,420.00	0	0.00	0	0.00	506	49,082.00	2	312.00	56	5,544.00	40	3,600.00	56	8,400.00	12	1,044.00	1,204 **$146,839.00**

146,839.00

TEAM SUMMARY

Discipline			Basic Services: Existing Conditions Assessment	SCHEMATIC DESIGN (SD)	CONSTRUCTION DOCUMENTS (CD)	PROCUREMENT PHASE	Add'l Services: Signage	Phasing Exhaibits	Survey	Totals
Basic Design & Engineering										
Architectural - DWL			2,371.00	59,156.00	61,674.00	10,306.00	8,730.00	4,602.00		146,839.00
Arch. Associate - Fore Dimensions				5,200.00	4,400.00	-	-	-		9,600.00
Structural - MWG			-	7,875.00	17,065.00	1,280.00				26,220.00
MPE & SS - LSW			-	17,160.00	28,180.00	9,140.00				54,480.00
	Subtotal - Pre-Design	0.00			Subtotal - Basic Design & Engineering	223,807.00		Subtotal - Basic Design & Eng.	13,332.00	
									Basic Design & Engineering Sub-Total	**$237,139.00**
Other Design & Engineering										
Civil - Dibble			878.00	7,854.00	7,144.00	2,016.00			3,989.00	21,881.00
Landscape Design - GBTwo				4,100.00	8,600.00	1,100.00				13,800.00
Cost Estimating - RLB				12,400.00	12,400.00					24,800.00
										0.00
										0.00
	-	-	*3,249.00*	*113,745.00*	*139,463.00*	*23,842.00*	*8,730.00*	*4,602.00*	*3,989.00*	
	Subtotal - Other Design & Engineering	0.00			Subtotal - Other Design & Engineering	56,492.00		Subtotal - Other Design & Engineering	3,989.00	
									Other Design & Engineering Sub-Total	**$60,481.00**
									Total	**$297,620.00**
									Design Allowance	$5,000.00
									Total with Allowance	**$302,620.00**

REIMBURSABLE EXPENSES

Firm	Expense	
DWL / Consultants	Printing, Copies, Courier - Billed only as needed	5,000.00
	Total Reimbursable	**$5,000.00**

DBE PARTICIPATION

Landscape Design - GBTwo	$	13,800.00	
	$	13,800.00	4.6%

DWL's personnel hourly rates are based on an Overhead Rate of 1.7335 and includes 10% profit.

	Total w/ Reimbursable	**$307,620.00**

EXHIBIT B - COMPENSATION

All compensation for services rendered by Consultant shall be based upon criteria established below and in accordance with each Authorization of Services initiated under this Contract. All services must be billed through the Consultant.

1. Fees to be Specified in Contract

Any and all services to be performed under this Contract require approval. All compensation for services shall be identified in writing. The Contract shall describe the scope of services to be performed (by tasks and subtasks, where appropriate), the amount of time required for performance, the fees associated with that performance, and any applicable special provisions. Consultant's compensation for services included in this Contract is totaled and set forth in **EXHIBIT A**, "Scope of Services and Fee Schedule".

2. Method of Payment

Subject to the terms of this Contract, PMGAA shall pay Consultant the appropriate rate or fixed price amount for services rendered as described in the Contract only after Consultant has certified in writing that it has performed the services and PMGAA has certified and approved each payment application.

For services rendered in accordance with the Contract, Consultant shall submit to PMGAA an invoice or payment application depicting tasks performed, hours spent, utilized and expenses incurred for services performed. Invoices or payment applications must be based on the actual hours required and expenses incurred for the services completed during the billing period. Consultant's invoices or payment applications must specify that Consultant has performed the services, and PMGAA must certify and approve each invoice or application as a condition to payment.

3. Consultant Responsibilities for Compensation

Consultant shall prepare monthly invoices and progress reports in accordance with terms specified in the Contract, which clearly indicate the progress to date and the amount of compensation due by virtue of that progress. All invoices/requisitions for payment shall be for work completed unless otherwise agreed to by PMGAA. Invoices/requisitions for payment for services subject to funding by the FAA and/or ADOT shall include the documentation requirements of the FAA and/or ADOT, which are outlined in the *Airport Improvement Program (AIP) Handbook* dated September 30, 2014, or most current version.

4. PMGAA Responsibilities for Compensation

PMGAA agrees to pay Consultant's invoices/requisitions for payment within 30 calendar days after the invoice is approved. PMGAA may withhold payment on any invoice if it believes that Consultant has not performed the work in a satisfactory manner. If PMGAA withholds payment to Consultant, PMGAA shall promptly notify Consultant and explain the reasons for the decision to withhold payment.

5. Billing Address

All invoices submitted to PMGAA for payment shall be submitted to:

Accounts Payable: ap@gatewayairport.com

EXHIBIT C – SPECIAL PROVISIONS

1. Project Security

As some or all portions of work possible during the Term of this Contract may be located inside the secured area of the Airport, adherence to and familiarity with federal security regulations is essential. For these projects, Consultant shall be responsible for fulfilling the security requirements described herein.

a. Secured Area Access – All Consultant personnel who require unescorted access to the secured area of the Airport, prior to the issuance of an Airport Identification badge, must successfully complete the Security Badge Application and Security Badge Authorization forms.

b. Employee Security Badges – If deemed necessary by PMGAA all Consultant's and/or subcontractor personnel performing work functions in accordance with this Contract shall obtain and properly display an Airport security badge. Consultant shall submit a Security Badge Application form to the PMGAA security office for each employee requiring unescorted access, along with the current fee for each badge. Badge fees are identified on the current *Airport Fees, Services and Rental Rates* listing available via the Airport website at www.gatewayairport.com and are subject to change.

   i. All fees must be paid to PMGAA by cash or check.
   ii. Airport Security Badge Application forms and instructions are available via the Airport website at www.gatewayairport.com.
   iii. An authorized representative of Consultant must also obtain and submit a Security Media Authorization form, which is to be submitted to the PMGAA badging office. The Security Media Authorization form and instructions are available via the Airport website at www.gatewairport.com.
   iv. A training class on aviation security must be successfully completed before individuals are issued a badge. Fees for the security badge include attendance for the necessary training classes. Attendance at the security classes and issuance of the security badge may take two hours per person.
   v. Additional information, including a "Frequently Asked Questions" is available via the Airport website at www.gatewairport.com or by contacting the PMGAA Badging Office at (480) 988-7522. The Badging Office is located at 5803 S. Sossaman Road, Mesa AZ 85212.
   vi. Consultant shall immediately notify the PMGAA Badging Office of any Consultant personnel whose employment status has changed.
   vii. Consultant shall retrieve all security badges and keys and return them to the PMGAA Badging Office. A fee, as indicated on the most current *Airport Rates and Charges Schedule*, will be charged for each badge that is damaged, lost or not returned.
   viii. The PMGAA Badging Office will require a completed Security Badge Application from each Consultant employee so certified by Consultant as requiring such before a Security Badge is issued.
   ix. Under certain circumstances and out of control of PMGAA, security measures may change on short notice. No deviations from any security measure shall be allowed at any time.
   x. At all times, aircraft shall have the right-of-way over all vehicle traffic.

c. Fines – Due to both the safety and security precautions necessary at the Airport, any failure of the Consultant to adhere to prescribed Airport requirements/regulations has consequences that may jeopardize the health, welfare and lives of Airport customers and employees, as well as the Consultant's own employees. Therefore, if Consultant is found to be in non-compliance with any security, airfield badging/licensing and airfield safety requirement, a Notice of Violations (NOV) may be issued. A current listing of fines is available by contacting the PMGAA Badging Office.

2. Standard Terms & Conditions

PMGAA's Standard Terms & Conditions (in **EXHIBIT D** attached) include clauses that pertain to both construction and professional services. For such, the term "contractor" is to be considered same as "consultant." If a clause implies construction service then it is waived for a professional services contract. PMGAA reserves the right to make that determination if there is a conflict. Wherever Standard Terms & Conditions are in conflict with conditions stated in this Special Provisions Section, the conditions stated in this Section shall take precedence.

3. Federal and State Guidelines and Regulations

All work performed under this Contract must satisfy FAA and applicable agency standards, and be accomplished in accordance with applicable federal, state and local guidelines and regulations, including FAA Advisory Circulars, NEPA and Arizona environmental statutes.

Consultant shall perform the services as described in approved Contract in accordance with the applicable requirements imposed by PMGAA, ADOT, FAA and any other applicable sponsoring agencies. Consultant and its subconsultants/subcontractors, if any, shall comply with any and all applicable laws, regulations, executive orders, policies, guidelines, and any other requirements for FAA Airport Improvement Program (AIP) projects. Consultant shall provide PMGAA all information, reports, documents, and/or certifications requested by PMGAA for the satisfaction of any grant requirements for the reimbursement of services, including, without limitation, identifying the specific services provided by Consultant and the billing period(s) during which services were or are to be provided. Nothing herein shall be construed as making the FAA or ADOT a party to this Contract.

4. Right to Contract With Other Firms

PMGAA shall have the right to contract with other firms and/or persons and/or to self-perform additional services, which may be the subject of this Contract. Consultant shall conduct its operations and perform any services authorized under the Contract so as not to interfere with or hinder the progress of completion of the work being performed by PMGAA and/or other firms and/or persons. Consultants working on the same project shall cooperate with each other in the performance, scheduling, and, if applicable, the integration of their respective services.

5. Independent Contractor Status

At all relevant times, Consultant is - and shall remain - an independent contractor with regard to performance of its services. PMGAA retains no control over Consultant, the performance of its work or services, or the safety of its employees. Consultant is not authorized to enter into any contract or commitment, authorize any payment, or accept any document, services, goods or materials for, in the name of, or on behalf of PMGAA.

EXHIBIT D – PMGAA STANDARD TERMS & CONDITIONS

1. Certification

By signature of this Contract, Consultant certifies:

a. The award of this Contract did not involve collusion or other anti-competitive practices.
b. It shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11246, or A.R.S. Section 31-1461, et. seq.
c. It has not given, offered to give, nor intends to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with this Contract; and Consultant hereby certifies that the individual signing this Contract is
an authorized agent for Consultant and has the authority to bind the Consultant to the Contract.

2. Dispute Resolution

a. Negotiations. If a dispute arises out of or relates to this Contract or its breach, the parties to this Contract shall endeavor to settle the dispute through direct discussions as a condition precedent to mediation or binding dispute resolution.
b. Mediation. Should the parties to this Contract be unable to resolve their dispute through direct negotiations, the parties to this Contract, upon the written request of either, shall engage in mediation, to be administered privately by a mediator and according to rules mutually agreed upon by the parties to this
Contract, or, the absence of such mutual agreement, by a mediator appointed by JAMS and administered by JAMS in accordance with its then-current mediation rules. The fees and costs of mediation shall be split equally by the parties to this Contract, but subject to reallocation following binding dispute resolution.
c. Binding Dispute Resolution. Should the parties to this Contract be unable to resolve their dispute through direct negotiations or mediation, either party may, within the time limitations for bringing claims under Arizona law and this Contract, commence formal dispute resolution proceedings. Both parties to this Contract consent to binding arbitration administered by JAMS according to its then current arbitration rules, provided, however, that (i) in the event both parties agree, the arbitration may be administered privately by an arbitrator and according to rules mutually agreed upon by the parties to this Contract, and (ii) in the event any party seeks relief against the other party or against a non-party which cannot fully be granted in arbitration, by reason of non-joinder or otherwise, the parties to this Contract are excused from this arbitration requirement and the parties to this Contract shall proceed in the state or federal courts of competent jurisdiction and located in Maricopa County, Arizona. In any arbitration or litigation, the prevailing party shall be entitled to an award of its reasonable attorneys' fees and costs as determined by the arbitrator or court as applicable.

3. Independent Contractor

At all times, each party acts in its individual capacity and not as agent, employee, partner, joint venturer, or associate the other party. An employee or agent of one party may not be deemed or construed to be the employee or agent of the other party for any purpose whatsoever. Neither Consultant nor any of its employees are entitled to compensation from PMGAA in the form of salaries, paid vacation, or sick days.

PMGAA will not provide any insurance to Consultant, including *Workers' Compensation* coverage. PMGAA will not withhold FICA, taxes, or any similar deductions from PMGAA's payments under this Contract.

4. Affirmative Action

Consultant shall abide by all the federal and state of Arizona provisions for equal opportunity in the work place.

5. Human Relations

Consultant shall abide by all the federal and state of Arizona provisions against discrimination of disadvantaged business enterprises in applicable PMGAA contracts.

6. Non-Exclusive Contract

This Contract is for the sole convenience of PMGAA. PMGAA reserves the right in its discretion to obtain the same or similar goods or services from any other source.

7. Americans with Disabilities Act

Consultant shall comply with all applicable provisions of the *Americans with Disabilities Act* (Public Law 101-336, 42 U.S.C. 12101-12213) and applicable federal regulations under the *Act*.

8. Confidentiality of Records

Consultant shall establish and maintain procedures and controls that are acceptable to PMGAA for the purpose of assuring that no information contained in its records or obtained from PMGAA or from others in carrying out its functions under the Contract shall be used by or disclosed by it, its agents, officers, or employees, except as required to efficiently perform duties under this Contract. Persons requesting such information should be referred to PMGAA. Consultant also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of Consultant as needed for the performance of duties under the Contract, unless otherwise agreed to in writing by PMGAA.

9. Gratuities

PMGAA may, by written notice to the Consultant, cancel this Contract if it is found that gratuities, in the form of entertainment, gifts or otherwise, were offered or given by Consultant or any agent or representative of Consultant, to any officer or employee of PMGAA involved in the amending, or the making of any determinations with respect to the performing of such Contract. If this Contract is canceled by PMGAA under this provision, PMGAA shall, in addition to any other rights and remedies, repay to the Consultant the amount of the gratuity.

10. Applicable Law

This Contract shall be governed by the laws of the state of Arizona, and suits pertaining to this Contract shall be brought only in federal or state courts in the state of Arizona.

11. Contract

This Contract is based on and the result of a negotiated Scope of Services and Fee Schedule submitted by Consultant. The Contract contains the entire agreement between PMGAA and Consultant. No prior oral or written agreements, contracts, proposals, negotiations, purchase orders, or master agreements (in any form) are enforceable between the parties.

12. Contract Amendments

This Contract shall be modified only by a written amendment signed by the PMGAA Executive Director or his/her designee, and persons duly authorized to enter into contracts on behalf of Consultant.

13. Provisions Required by Law

Each and every provision of law and any clause required by law to be in the Contract shall be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party the Contract shall forthwith be physically amended to make such insertion or correction.

14. Severability

The provisions of this Contract are severable to the extent that any provision or application held to be invalid shall not affect any other provision or application of the Contract, which may remain in effect without the valid provision, or application.

15. Protection of Government Property

Consultant shall use reasonable care to avoid damaging all PMGAA property, including buildings, equipment, and vegetation (such as trees, shrubs, and grass). If Consultant damages PMGAA's property in any way, Consultant shall immediately report such damage to PMGAA and repair or replace the damage at no cost to PMGAA, as directed by

the PMGAA Executive Director. If Consultant fails or refuses to repair or replace the damage, then PMGAA may terminate the Contract, and PMGAA shall deduct the repair or replacement cost from money due Consultant under the Contract.

16. Interpretation – Parol Evidence

This Contract is intended by the parties as a final expression of their agreement and is intended also as a complete and exclusive statement of the terms thereof. No course of prior dealings between the parties and no usage of the trade shall be relevant to supplement or explain any term used in this Contract. Acceptance or acquiescence in a course of performance rendered under this Contract shall not be relevant to determine the meaning of this Contract even though the accepting or acquiescing party has knowledge of the nature of the performance and opportunity to object.

17. Subcontracts

Offeror shall not assign any rights or interest nor enter into any subcontract with any other party to furnish any of the materials, goods or services specified herein without the prior written permission of PMGAA. PMGAA may, at its sole discretion, accept or reject proposed subcontractors or assignment. PMGAA shall notify Offeror of its acceptance or rejection within forty-five (45) days or written request by Offeror. All subcontracts shall comply with federal and state laws and regulations applicable to the materials, goods or services covered by the subcontract and shall include all the terms and conditions set forth herein, which shall apply with equal force to the subcontract, as if the subcontractor were the Offeror referred to herein. Offeror is responsible for Contract performance whether or not subcontractors are used.

18. No Waiver

No provision in this Contract shall be construed, expressly or by implication, to waive either party's existing or future claim, right, or remedy available by law for breach of contract. The failure of either party to insist on strict performance of any Contract term or condition; to exercise or delay exercising any right or remedy provided in the Contract or by law; or to accept materials, services, or Consultant's services under this Contract or imposed by law, shall not be deemed a waiver of any right of either party to insist upon strict performance of the Contract.

19. Warranties

Consultant warrants that all materials and services delivered under this Contract shall conform to the specifications thereof. Mere receipt of shipment of the material or service specified and any inspection incidental thereto by PMGAA, shall not alter or affect the obligations of Consultant or the rights of PMGAA under the foregoing warranties. Additional warranty requirements may be set forth in this Contract.

20. Indemnification

To the fullest extent permitted by law, Consultant shall defend, save, indemnify, and hold harmless PMGAA, its agents, representatives, officers, directors, officials, and employees (collectively the "Indemnitees"), for, from and against all claims, damages, losses and expenses, including but not limited to attorney fees, court costs, expert witness fees, and the cost of appellate proceedings, relating to, arising out of, or alleged to have resulted from the Consultant's acts, errors, omissions, or mistakes relating to Consultant's services under this Contract.

21. Right to Assurance

Whenever one party to this Contract in good faith has reason to question the other party's intent to perform, the former party may demand that the other party give a written assurance of this intent to perform. If a demand is made and no written assurance is given within five (5) business days, the demanding party may treat this failure as an anticipatory repudiation with this Contract.

22. Advertising

Consultant shall not advertise or publish information concerning this Contract without prior written consent of PMGAA.

23. Right to Inspect

PMGAA may, at reasonable times, and at PMGAA's expense, inspect the place of a Consultant's or subcontractor's business, which is related to the performance of this Contract or related subcontract.

24. Force Majeure

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 Contract to be performed by such party ("Required Act"), and such delay or hindrance is due to causes entirely beyond its control such as riots, insurrections, martial law, civil commotion, war, fire, flood, earthquake, or other casualty or acts of God ("Force Majeure Event"), 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 delay. For purposes of this Contract, the financial inability of Consultant to perform any Required Act, including, without limitation, failure to obtain adequate or other financing shall not be deemed to constitute a Force Majeure Event. A Force Majeure Event shall not be deemed to commence until ten (10) days before the date on which the party who asserts some right, defense, or remedy arising from or based upon such Force Majeure Event gives written notice thereof to the other party. If abnormal adverse weather conditions are the basis for a claim for an extension of time due to a Force Majeure Event, the written notice shall be accompanied by data substantiating (a) that the weather conditions were abnormal for the time and could not have been reasonably anticipated and (b) that the weather conditions complained of had a significant adverse effect on the performance of a Required Act. To establish the extent of any delay to the performance of a Required Act due to abnormal adverse weather, a comparison will be made of the weather for the time of performance of the Required Act with the average of the preceding ten (10) years' climatic range based on the National Weather Service statistics for the nearest weather reporting station to the Premises. No extension of time for or excuse for a delay in the performance of a Required Act will be granted for rain, snow, wind, cold temperatures, flood, or other natural phenomena of normal intensity for the locality where the Premises are located.

25. Inspection

All material or service is subject to final inspection and acceptance by PMGAA. Material or service failing to conform to the specifications of this Contract will be held at Consultant's risk and may be returned to Consultant. If so returned, all costs are the responsibility of Consultant. Noncompliance shall conform to the cancellation clause set forth in this Contract.

26. Exclusive Possession

All services, information, computer program elements, reports, and other deliverables, which may be created under this Contract, are the sole property of PMGAA and shall not be used or released by Consultant or any other person except with prior written permission by PMGAA.

27. Title and Risk of Loss

The title and risk of loss of materials or services shall not pass to PMGAA until PMGAA actually receives the material or service at the Airport, unless otherwise provided within this Contract.

28. Liens

All materials, services, and other deliverables supplied to PMGAA under this Contract must be free of all liens and other encumbrances. Upon request of PMGAA, Consultant shall provide a formal release of all liens.

29. Licenses

Consultant shall maintain in current status all federal, state, and local licenses and permits required for the operation of the business conducted by Consultant as applicable to this Contract.

30. Subsequent Employment

PMGAA may cancel this Contract without penalty or further obligation in accordance with A.R.S. Section 38-511 if any person significantly involved in initiating, negotiating, securing, drafting, or creating the contract, on behalf of PMGAA is or becomes, at any time while the Contract or any extension of the contract is in effect, an employee of, or a contractor to any other party to this Contract with respect to the subject matter of the Contract. Such cancellation shall be effective when the parties to this Contract receive written notice from PMGAA, unless the notice specifies a later time.

31. Clean Up

Consultant shall at all times keep Contract performance areas, including storage areas used by the Consultant, free from accumulation of waste material or rubbish and, prior to completion of the work, remove any rubbish from the premises and all tools, scaffolding, equipment and materials not property of PMGAA. Upon completion of any repair, Consultant shall leave the work and premises in clean, neat, and workmanlike condition.

32. Patents

Consultant shall defend, indemnify, and hold harmless PMGAA, its officers and employees from all liabilities, claims, damages, costs, or expenses, including, but not limited to attorneys' fees, for any alleged infringement of any person's patent rights or copyrights in consequence of the use by PMGAA, its officers, employees, agents, and other duly authorized representatives of tangible or intellectual property supplied to PMGAA by Consultant under this Contract.

33. Records and Audit Rights

Consultant's and all of its approved subcontractors' books, records, correspondence, accounting procedures and practices, and any other supporting evidence relating to this Contract, including the papers of all Consultant and subcontractor employees that work on the Contract (all the foregoing collectively referred to as "Records"), must be open to inspection and subject to audit and/or reproduction during normal working hours by PMGAA. PMGAA is entitled to evaluate and verify all invoices, payments or claims based on Consultant's and its subcontractor's actual costs (including direct and indirect costs and overhead allocations) incurred or units expended directly in the performance of work under this Contract. For any audit under this Section, Consultant and its subcontractors hereby waive the right to keep such Records confidential. PMGAA is entitled to access to these Records from the effective date of this Contract for the duration of the work and until five years after the date of final payment by PMGAA to Consultant under the Contract. During normal working hours, PMGAA is entitled to access to all necessary Consultant and subcontractor facilities and shall be provided adequate and appropriate workspace, in order to conduct audits under this Section. PMGAA shall give Consultant or subcontractors reasonable advance notice of intended audits. Consultant shall require its subcontractors to comply with the provisions of this Section by including its requirements in all subcontracts related to this Contract.

34. E-Verify Requirements

To the extent applicable under A.R.S. § 41-4401, Offeror and its subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees, and compliance with the E-Verify requirements under A.R.S. §23-214(A). Offeror's or its subcontractors' failure to comply with such warranty shall be deemed a material breach of this Contract and may result in the termination of this Contract by PMGAA. PMGAA shall have the right to inspect the papers of Consultant's and any of Consultant's subcontractor's employee who works on this Contract to ensure the Consultant is complying with this paragraph.

35. Availability of Project Funding

This Contract's approval and continuation is conditioned on the availability of funds appropriated by PMGAA for this purpose. If funds are not available or appropriated for the Contract's requirements, PMGAA may terminate the Contract. Possible sources of funding for this Contract include FAA and ADOT, and this Contract is contingent on the availability of those funds to PMGAA.

EXHIBIT E – FEDERAL PROVISIONS

For this Exhibit: Contractor shall mean the same as "Consultant", "Offeror", "Bidder", "Proposer" or "Firm"
Owner shall mean Phoenix Mesa Gateway Airport Authority

A1 ACCESS TO RECORDS AND REPORTS

The Contractor must maintain an acceptable cost accounting system. The Contractor agrees to provide the Owner, the Federal Aviation Administration and the Comptroller General of the United States or any of their duly authorized representatives access to any books, documents, papers and records of the Contractor which are directly pertinent to the specific contract for the purpose of making audit, examination, excerpts and transcriptions. The Contractor agrees to maintain all books, records and reports required under this contract for a period of not less than three years after final payment is made and all pending matters are closed.

A2 AFFIRMATIVE ACTION REQUIREMENT

Not Applicable

A3 BREACH OF CONTRACT TERMS

Any violation or breach of terms of this contract on the part of the Consultant or its subcontractors may result in the suspension or termination of this contract or such other action that may be necessary to enforce the rights of the parties of this agreement.

Owner will provide Consultant written notice that describes the nature of the breach and corrective actions the Consultant must undertake in order to avoid termination of the contract. Owner reserves the right to withhold payments to Contractor until such time the Contractor corrects the breach or the Owner elects to terminate the contract. The Owner's notice will identify a specific date by which the Consultant must correct the breach. Owner may proceed with termination of the contract if the Consultant fails to correct the breach by the deadline indicated in the Owner's notice.

The duties and obligations imposed by the Contract Documents and the rights and remedies available thereunder are in addition to, and not a limitation of, any duties, obligations, rights and remedies otherwise imposed or available by law.

A4 BUY AMERICAN PREFERENCE

Not Applicable

A5 CIVIL RIGHTS - GENERAL

The Contractor agrees to comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance.

This provision binds the Contractor and subcontractors from the bid solicitation period through the completion of the contract. This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.

A6 CIVIL RIGHTS – TITLE VI ASSURANCE

Phoenix Mesa Gateway Airport Authority, in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 USC §§ 2000d to 2000d-4) and the Regulations, hereby notifies all bidders or offerors that it will affirmatively ensure that any contract entered into pursuant to this advertisement, disadvantaged business enterprises will be afforded full and fair opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, or national origin in consideration for an award.

Compliance with Nondiscrimination Requirements:

During the performance of this contract, the Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "Contractor"), agrees as follows:

1. **Compliance with Regulations:** The Contractor (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.
2. **Nondiscrimination:** The Contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.
3. **Solicitations for Subcontracts, including Procurements of Materials and Equipment:** In all solicitations, either by competitive bidding or negotiation made by the Contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the Contractor of the contractor's obligations under this contract and the Nondiscrimination Acts and Authorities on the grounds of race, color, or national origin.
4. **Information and Reports:** The Contractor will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the sponsor or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the Contractor will so certify to the sponsor or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.
5. **Sanctions for Noncompliance:** In the event of a Contractor's noncompliance with the non-discrimination provisions of this contract, the sponsor will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:
    a. Withholding payments to the Contractor under the contract until the Contractor complies; and/or
    b. Cancelling, terminating, or suspending a contract, in whole or in part.
6. **Incorporation of Provisions:** The Contractor will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations, and directives issued pursuant thereto. The Contractor will take action with respect to any subcontract or procurement as the sponsor or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the Contractor becomes involved in, or is threatened with

litigation by a subcontractor, or supplier because of such direction, the Contractor may request the sponsor to enter into any litigation to protect the interests of the sponsor. In addition, the Contractor may request the United States to enter into the litigation to protect the interests of the United States.

Title VI List of Pertinent Nondiscrimination Acts and Authorities

During the performance of this contract, the Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "Contractor") agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 USC § 2000d *et seq*., 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR part 21 (Non-discrimination in Federally-assisted programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964);
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 USC § 4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973 (29 USC § 794 *et seq*.), as amended (prohibits discrimination on the basis of disability); and 49 CFR part 27;
- The Age Discrimination Act of 1975, as amended (42 USC § 6101 *et seq*.) (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982 (49 USC § 471, Section 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987 (PL 100-209) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 USC §§ 12131 – 12189) as implemented by U.S. Department of Transportation regulations at 49 CFR parts 37 and 38;
- The Federal Aviation Administration's Nondiscrimination statute (49 USC § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures nondiscrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 USC 1681 et seq).

A7 CLEAN AIR AND WATER POLLUTION CONTROL

Contractor agrees to comply with all applicable standards, orders, and regulations issued pursuant to the Clean Air Act (42 USC § 740-7671q) and the Federal Water Pollution Control Act as amended (33 USC § 1251-1387). The Contractor agrees to report any violation to the Owner immediately upon discovery. The Owner

assumes responsibility for notifying the Environmental Protection Agency (EPA) and the Federal Aviation Administration.

Contractor must include this requirement in all subcontracts that exceeds $150,000.

A8 CONTRACT WORKHOURS AND SAFETY STANDARDS ACT REQUIREMENTS

Not Applicable

A9 COPELAND "ANTI-KICKBACK" ACT

Not Applicable

A10 DAVIS-BACON REQUIREMENTS

Not Applicable

A11 DEBARMENT AND SUSPENSION

By submitting a bid/proposal under this solicitation, the bidder or offeror certifies that neither it nor its principals are presently debarred or suspended by any Federal department or agency from participation in this transaction.

Lower Tier Contract Certification

The successful bidder, by administering each lower tier subcontract that exceeds $25,000 as a "covered transaction", must verify each lower tier participant of a "covered transaction" under the project is not presently debarred or otherwise disqualified from participation in this federally assisted project. The successful bidder will accomplish this by:

1. Checking the System for Award Management at website: http://www.sam.gov.
2. Collecting a certification statement similar to the Certification of Offeror /Bidder Regarding Debarment, above.
3. Inserting a clause or condition in the covered transaction with the lower tier contract.

If the Federal Aviation Administration later determines that a lower tier participant failed to disclose to a higher tier participant that it was excluded or disqualified at the time it entered the covered transaction, the FAA may pursue any available remedies, including suspension and debarment of the non-compliant participant.

A12 DISADVANTAGED BUSINESS ENTERPRISE

The requirements of 49 CFR part 26 apply to this contract. It is the policy of the Phoenix Mesa Gateway Airport Authority to practice nondiscrimination based on race, color, sex, or national origin in the award or performance of this contract. The Owner encourages participation by all firms qualifying under this solicitation regardless of business size or ownership.

Contract Assurance (§ 26.13) –

The Contractor or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The Contractor shall carry out applicable requirements of 49 CFR part 26 in the award and administration of Department of Transportation-assisted contracts. Failure by the Contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the Owner deems appropriate, which may include, but is not limited to:

1) Withholding monthly progress payments;
2) Assessing sanctions;
3) Liquidated damages; and/or
4) Disqualifying the Contractor from future bidding as non-responsible.

Prompt Payment (§26.29) – The prime contractor agrees to pay each subcontractor under this prime contract for satisfactory performance of its contract no later than thirty (30) days from the receipt of each payment the prime contractor receives from Phoenix Mesa Gateway Airport Authority. The prime contractor agrees further to return retainage payments to each subcontractor within thirty (30) days after the subcontractor's work is satisfactorily completed. Any delay or postponement of payment from the above referenced time frame may occur only for good cause following written approval of the Phoenix Mesa Gateway Airport Authority. This clause applies to both DBE and non-DBE subcontractors.

See Section XX of this Contract for additional information and requirements regarding DBE. Consultant agrees to all rules, policies, and requirements a set forth in these Contract documents and Exhibits.

A13 DISTRACTED DRIVING

In accordance with Executive Order 13513, "Federal Leadership on Reducing Text Messaging While Driving", (10/1/2009) and DOT Order 3902.10, "Text Messaging While Driving", (12/30/2009), the Federal Aviation Administration encourages recipients of Federal grant funds to adopt and enforce safety policies that decrease crashes by distracted drivers, including policies to ban text messaging while driving when performing work related to a grant or subgrant.

In support of this initiative, the Owner encourages the Contractor to promote policies and initiatives for its employees and other work personnel that decrease crashes by distracted drivers, including policies that ban text messaging while driving motor vehicles while performing work activities associated with the project. The Contractor must include the substance of this clause in all sub-tier contracts exceeding $3,500 that involve driving a motor vehicle in performance of work activities associated with the project.

A14 ENERGY CONSERVATION REQUIREMENTS

Contractor and Subcontractor agree to comply with mandatory standards and policies relating to energy efficiency as contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (42 USC 6201*et seq*).

A15 DRUG FREE WORKPLACE REQUIREMENTS

Not Applicable

A16 EQUAL EMPLOYEMENT OPPORTUNITY (EEO)

During the performance of this contract, the Contractor agrees as follows:

(1) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, sexual orientation, gender identify, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff, or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

(2) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive considerations for employment without regard to race, color, religion, sex, or national origin.

(3) The Contractor will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the Contractor's commitments under this section and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) The Contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(5) The Contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(6) In the event of the Contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(7) The Contractor will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance*: Provided, however*, that in the event a contractor becomes involved in, or is threatened with, litigation with a

subcontractor or vendor as a result of such direction by the administering agency the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

A17 FEDERAL FAIR LABOR STANDARDS ACT (FEDERAL MINIMUM WAGE)

All contracts and subcontracts that result from this solicitation incorporate by reference the provisions of 29 CFR part 201, the Federal Fair Labor Standards Act (FLSA), with the same force and effect as if given in full text. The FLSA sets minimum wage, overtime pay, recordkeeping, and child labor standards for full and part-time workers.

The *Consultant* has full responsibility to monitor compliance to the referenced statute or regulation. The *Consultant* must address any claims or disputes that arise from this requirement directly with the U.S. Department of Labor – Wage and Hour Division.

A18 LOBBYING AND INFLUENCING FEDERAL EMPLOYEES

The Bidder or Offeror certifies by signing and submitting this bid or proposal, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the Bidder or Offeror, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

A19 PROHIBITION of SEGREGATED FACILITIES

Not Applicable

A20 OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970

All contracts and subcontracts that result from this solicitation incorporate by reference the requirements of 29 CFR Part 1910 with the same force and effect as if given in full text. The employer must provide a work environment that is free from recognized hazards that may cause death or serious physical harm to the employee. The employer retains full responsibility to monitor its compliance and their subcontractor's compliance with the applicable requirements of the Occupational Safety and Health Act of 1970 (20 CFR Part 1910). The employer must address any claims or disputes that pertain to a referenced requirement directly with the U.S. Department of Labor – Occupational Safety and Health Administration.

A21 PROCUREMENT OF RECOVERED MATERIALS

Contractor and subcontractor agree to comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, and the regulatory provisions of 40 CFR Part 247. In the performance of this contract and to the extent practicable, the Contractor and subcontractors are to use products containing the highest percentage of recovered materials for items designated by the Environmental Protection Agency (EPA) under 40 CFR Part 247 whenever:

a) The contract requires procurement of $10,000 or more of a designated item during the fiscal year; or

b) The contractor has procured $10,000 or more of a designated item using Federal funding during the previous fiscal year.

The list of EPA-designated items is available at www.epa.gov/smm/comprehensive-procurement-guidelines-construction-products.

Section 6002(c) establishes exceptions to the preference for recovery of EPA-designated products if the contractor can demonstrate the item is:

a) Not reasonably available within a timeframe providing for compliance with the contract performance schedule;

b) Fails to meet reasonable contract performance requirements; or

c) Is only available at an unreasonable price.

A22 RIGHT TO INVENTIONS

This provision applies to all contracts and subcontracts with small business firms or nonprofit organizations that include performance of *experimental, developmental, or research work only*.

Contracts or agreements that include the performance of experimental, developmental, or research work must provide for the rights of the Federal Government and the Owner in any resulting invention as established by 37 CFR part 401, Rights to Inventions Made by Non-profit Organizations and Small Business Firms under Government Grants, Contracts, and Cooperative Agreements. This contract incorporates by reference the patent and inventions rights as specified within 37 CFR §401.14. Contractor must include this requirement in all sub-tier contracts involving experimental, developmental, or research work.

A23 SEISMIC SAFETY

In the performance of design services, the Consultant agrees to furnish a building design and associated construction specification that conform to a building code standard that provides a level of seismic safety substantially equivalent to standards as established by the National Earthquake Hazards Reduction Program (NEHRP). Local building codes that model their building code after the current version of the International Building Code (IBC) meet the NEHRP equivalency level for seismic safety. At the conclusion of the design services, the Consultant agrees to furnish the Owner a "certification of compliance" that attests conformance of the building design and the construction specifications with the seismic standards of NEHRP or an equivalent building code.

A24 TAX DELINQUENCY AND FELONY CONVICTIONS

Consultant has completed and submitted the following certifications under the Owners solicitation and has indicated its current status as it relates to tax delinquency and felony conviction by inserting a checkmark (✓) in the space following the applicable response. The applicant agrees that, if awarded a contract resulting from the solicitation, it will incorporate this provision for certification in all lower tier subcontracts.

Certifications

a) The applicant represents that it is ( ) is not ( ) a corporation that has any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability.

b) The applicant represents that it is ( ) is not ( ) is not a corporation that was convicted of a criminal violation under any Federal law within the preceding 24 months.

Note

If an applicant responds in the affirmative to either of the above representations, the applicant is ineligible to receive an award unless the sponsor has received notification from the agency suspension and debarment official (SDO) that the SDO has considered suspension or debarment and determined that further action is not required to protect the Government's interests. The applicant therefore must provide information to the owner about its tax liability or conviction to the Owner, who will then notify the FAA Airports District Office, which will then notify the agency's SDO to facilitate completion of the required considerations before award decisions are made.

Term Definitions

Felony conviction: Felony conviction means a conviction within the preceding twentyfour (24) months of a felony criminal violation under any Federal law and includes conviction of an offense defined in a section of the U.S. code that specifically classifies the offense as a felony and conviction of an offense that is classified as a felony under 18 U.S.C. § 3559.

Tax Delinquency: A tax delinquency is any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted, or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability.

A25 TERMINATION OF CONTRACT

Termination for Convenience

The Owner may, by written notice to the Consultant, terminate this Agreement for its convenience and without cause or default on the part of Consultant. Upon receipt of the notice of termination, except as explicitly directed by the Owner, the Contractor must immediately discontinue all services affected.

Upon termination of the Agreement, the Consultant must deliver to the Owner all data, surveys, models, drawings, specifications, reports, maps, photographs, estimates, summaries, and other documents and materials prepared by the Engineer under this contract, whether complete or partially complete.

Owner agrees to make just and equitable compensation to the Consultant for satisfactory work completed up through the date the Consultant receives the termination notice. Compensation will not include anticipated profit on non-performed services.

Owner further agrees to hold Consultant harmless for errors or omissions in documents that are incomplete as a result of the termination action under this clause.

Termination for Default

Either party may terminate this Agreement for cause if the other party fails to fulfill its obligations that are essential to the completion of the work per the terms and conditions of the Agreement. The party initiating the termination action must allow the breaching party an opportunity to dispute or cure the breach.

The terminating party must provide the breaching party [7] days advance written notice of its intent to terminate the Agreement. The notice must specify the nature and extent of the breach, the conditions necessary to cure the breach, and the effective date of the termination action. The rights and remedies in this clause are in addition to any other rights and remedies provided by law or under this agreement.

a) **Termination by Owner**: The Owner may terminate this Agreement in whole or in part, for the failure of the Consultant to:
   1. Perform the services within the time specified in this contract or by Owner approved extension;
   2. Make adequate progress so as to endanger satisfactory performance of the Project; or
   3. Fulfill the obligations of the Agreement that are essential to the completion of the Project.

   Upon receipt of the notice of termination, the Consultant must immediately discontinue all services affected unless the notice directs otherwise. Upon termination of the Agreement, the Consultant must deliver to the Owner all data, surveys, models, drawings, specifications, reports, maps, photographs, estimates, summaries, and other documents and materials prepared by the Engineer under this contract, whether complete or partially complete.
   Owner agrees to make just and equitable compensation to the Consultant for satisfactory work completed up through the date the Consultant receives the termination notice. Compensation will not include anticipated profit on non-performed services.
   Owner further agrees to hold Consultant harmless for errors or omissions in documents that are incomplete as a result of the termination action under this clause.
   If, after finalization of the termination action, the Owner determines the Consultant was not in default of the Agreement, the rights and obligations of the parties shall be the same as if the Owner issued the termination for the convenience of the Owner.

b) **Termination by Consultant**: The Consultant may terminate this Agreement in whole or in part, if the Owner:

1. Defaults on its obligations under this Agreement;
2. Fails to make payment to the Consultant in accordance with the terms of this Agreement;
3. Suspends the Project for more than [180] days due to reasons beyond the control of the Consultant.

Upon receipt of a notice of termination from the Consultant, Owner agrees to cooperate with Consultant for the purpose of terminating the agreement or portion thereof, by mutual consent. If Owner and Consultant cannot reach mutual agreement on the termination settlement, the Consultant may, without prejudice to any rights and remedies it may have, proceed with terminating all or parts of this Agreement based upon the Owner's breach of the contract.

In the event of termination due to Owner breach, the Engineer is entitled to invoice Owner and to receive full payment for all services performed or furnished in accordance with this Agreement and all justified reimbursable expenses incurred by the Consultant through the effective date of termination action. Owner agrees to hold Consultant harmless for errors or omissions in documents that are incomplete as a result of the termination action under this clause.

A26 TRADE RESTRICTION CERTIFICATION

By submission of an offer, the Offeror certifies that with respect to this solicitation and any resultant contract, the Offeror

1) is not owned or controlled by one or more citizens of a foreign country included in the list of countries that discriminate against U.S. firms as published by the Office of the United States Trade Representative (USTR);
2) has not knowingly entered into any contract or subcontract for this project with a person that is a citizen or national of a foreign country included on the list of countries that discriminate against U.S. firms as published by the USTR; and
3) has not entered into any subcontract for any product to be used on the Federal project that is produced in a foreign country included on the list of countries that discriminate against U.S. firms published by the USTR.

This certification concerns a matter within the jurisdiction of an agency of the United States of America and the making of a false, fictitious, or fraudulent certification may render the maker subject to prosecution under Title 18 USC Section 1001.

The Offeror/Contractor must provide immediate written notice to the Owner if the Offeror/Contractor learns that its certification or that of a subcontractor was erroneous when submitted or has become erroneous by reason of changed circumstances. The Contractor must require subcontractors provide immediate written notice to the Contractor if at any time it learns that its certification was erroneous by reason of changed circumstances.

Unless the restrictions of this clause are waived by the Secretary of Transportation in accordance with 49 CFR 30.17, no contract shall be awarded to an Offeror or subcontractor:

1) who is owned or controlled by one or more citizens or nationals of a foreign country included on the list of countries that discriminate against U.S. firms published by the USTR or
2) whose subcontractors are owned or controlled by one or more citizens or nationals of a foreign country on such USTR list or
3) who incorporates in the public works project any product of a foreign country on such USTR list.

Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by this provision. The knowledge and information of a contractor is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

The Offeror agrees that, if awarded a contract resulting from this solicitation, it will incorporate this provision for certification without modification in all lower tier subcontracts. The Contractor may rely on the certification of a prospective subcontractor that it is not a firm from a foreign country included on the list of countries that discriminate against U.S. firms as published by USTR, unless the Offeror has knowledge that the certification is erroneous.

This certification is a material representation of fact upon which reliance was placed when making an award. If it is later determined that the Contractor or subcontractor knowingly rendered an erroneous certification, the Federal Aviation Administration (FAA) may direct through the Owner cancellation of the contract or subcontract for default at no cost to the Owner or the FAA.

A27 VETERAN'S PREFERENCE

In the employment of labor (excluding executive, administrative, and supervisory positions), the Contractor and all sub-tier contractors must give preference to covered veterans as defined within Title 49 United States Code Section 47112. Covered veterans include Vietnam-era veterans, Persian Gulf veterans, Afghanistan-Iraq war veterans, disabled veterans, and small business concerns (as defined by 15 USC 632) owned and controlled by disabled veterans. This preference only applies when there are covered veterans readily available and qualified to perform the work to which the employment relates.

EXHIBIT F- DBE FORMS

Consultant shall submit the following DBE Forms:

Prior to Contract Award:	Attachment(s) A Attachment(s) B
After Contract Award:	Attachment(s) C

ATTACHMENT A
SUBCONTRACTING AND OUTREACH EFFORTS SUMMARY

Submit: **Prior to contract award or each subcontracting opportunity identified** **(even if it did not result in a subcontract)**
Completed By: **Prime Consultant**

NAME OF CONSULTANT: DWL Architects + Planners, Inc. **PROJECT DESCRIPTION:** Enclosed Pedestrian Walkway Design

Scope of Work That May Be Subcontracted	NAISC Code(s) for Scope

FIRMS CONTACTED	NOTES / OUTCOME	DBE (Y/N)	SBE (Y/N)	SELECTED (Y/N)

THIS FORM SHALL NOT RELEASE CONSULTANT FROM PROVIDING DETAILED DOCUMENTATION OF OUTREACH EFFORTS AS SPECIFIED IN SECTION XX OF THE CONTRACT

1. **CONSULTANT SHALL COMPLETE THIS FORM TO SUMMARIZE THEIR OUTREACH EFFORTS FOR EACH SCOPE OF WORK OPPORTUNITY IDENTIFIED TO SUBCONTRACT. MAKE COPIES OF THIS FORM AS NECESSARY. EXPAND TEXT BOXES OR ATTACH INFORMATION AS NEEDED.**

Consultant Hereby affirms that the above information, as well as the detailed documentation submitted regarding Consultant's outreach efforts, is true and complete to the best of Consultant's knowledge.

Further, Consultant hereby affirms that the Consultant will enter into a formal agreement with the identified selected subcontractors/subconsultants/suppliers listed herein conditioned upon the execution of a contract with the Phoenix-Mesa Gateway Airport Authority.

Signed By _____ Title _____

Date _____

ATTACHMENT B
LETTER OF INTENT TO PERFORM AS A SUBCONTRACTOR/SUBCONSULTANT/SUPPLIER

Submit: **For each subcontractor that is selected**

Completed By: **EACH Subconsultant (regardless of DBE status) to perform work**

PROJECT DESCRIPTION: Enclosed Pedestrian Walkway Design **Project No.:** 1252

TO: DWL Architects + Planners, Inc.

1. The undersigned is prepared and licensed in Arizona to perform the following scope(s) of work on the above referenced project for DWL Architects + Planners, Inc.:

Scope of Work Description	NAICS Code(s) for Scope of Work to be Performed	Total Minimum Contract Amount
		$

2. If you (subconsultant) are a DBE or SBE, complete "A" below:

   A. The undersigned is certified as a:

   ☐ Disadvantaged Business Enterprise.
   ☐ is certified by the Arizona UCP to perform the NAICS work code(s) above.

   ☐ Small Business Enterprise.

3. The undersigned will sublet _____ , for $_____ of their Work to a
   (Scope of Work Subletting) *(amount of work subletting)*

   ☐ Certified DBE ☐ Certified SBE ☐ Neither a DBE nor SBE (must select at least one if subletting)

   Name of DBE/SBE Firm you are subletting to (if applicable): _____

On the _____ day of _____, 202__, by signature below, the undersigned agrees to enter into a formal agreement/subcontract for the work cited herein should the Consultant receive award of this contract from the Phoenix-Mesa Gateway Airport Authority.

_____ _____
(Authorized Signature of Subconsultant) (Print Subconsultant Firm Name)

_____ _____
(Print Name and Title) (Phone Number)

IF THE CONSULTANT DOES NOT RECEIVE AWARD OF THE CONTRACT, ANY AND ALL REPRESENTATIONS IN THIS LETTER OF INTENT AND AFFIRMATION SHALL BE NULL AND VOID.

ATTACHMENT C
SUBCONSULTANT DATA COLLECTION FORM

Submit: **After contract award AND prior to any work being done by the subconsultant**

Completed By: **Each Subconsultant who will perform under the Contract**

PROJECT DESCRIPTION: Enclosed Pedestrian Walkway Design **Project No.:** 1252

SUBCONSULTANT FIRM NAME: _____

1. The undersigned is certified as (select one only): ☐ Male Owned ☐ Woman Owned ☐ Neither

2. The undersigned is certified as (select one only) ☐ Black American ☐ Hispanic American ☐ Native American
   ☐ Asian-Pacific American ☐ Subcontinent Asian American
   ☐ Non-Minority

3. The undersigned affirms that of the trucking/hauling work to be contracted to perform under this project (if applicable), is as follows:

   # of trucks needed to perform project _____ # of trucks owned by DBE to be used on the project _____
   # of trucks to be leased from a DBE _____ # of trucks to be leased from a non-DBE _____

4. Age of Firm:
   ☐ Less than 1 year
   ☐ 1 – 3 years
   ☐ 4 – 7 years
   ☐ 8 – 10 years
   ☐ More than 10 years

5. Annual Gross Receipts of Firm:
   ☐ Less than $500,000.00
   ☐ $500,000.00 - $1,000,000.00
   ☐ $1,000,001.00 - $2,000,000.00
   ☐ $2,000,001.00 - $5,000,000.00
   ☐ Greater than $5,000,000.00

_____ _____
Authorized Signature Date

_____ _____
Printed Name Title

EXHIBIT G- SUBCONTRACTOR PAYMENT FORMS

Consultant shall use the following forms when subcontractors are paid.

ATTACHMENT D
STATEMENT OF SUBCONTRACTOR UTILIZATION

Submit & Completed By: 1) Consultant with every pay request involving any Subcontractor AND
2) Any Subconsultant when paying any lower tier Subconsultant as a reporting mechanism only (check box below)

SHEET ____ OF _____

☐ **CHECK IF FORM IS FOR SUB-TIER REPORTING** **PROJECT NAME:** Enclosed Pedestrian Walkway Design **PROJECT NUMBER:** 1252

PAY REQUEST NO._____ **PAY REQUEST $_____**

PMGAA USE ONLY

SUBCONSULTANT RECEIVING PAYMENT	CONTRACT AMOUNT	CONTRACT ADJUSTMENTS	REVISED CONTRACT AMOUNT	AMOUNT EARNED THIS PERIOD	AMOUNT EARNED TO DATE	AMOUNT RETAINED THIS PERIOD	AMOUNT RETAINED TO DATE	NET PAYMENT THIS PERIOD	PP RCVD	REVIEW DATE	NOTES

PRIME CONSULTANT/SUBCONSULTANT _____ **AUTHORIZED SIGNATURE** _____ **DATE** _____

NOTE: Amount earned this period, less retention, (NET PAYMENT THIS PERIOD) MUST equate to amount on Prompt Payment certification. If not, attach explanation please.

ATTACHMENT E
CERTIFICATION OF PROMPT PAYMENT TO SUBCONTRACTORS

Submit: **For each payment made to a Subconsultant or lower tier Subconsultant**
Completed By: **Consultant and Subconsultant OR Subconsultant and Lower Tier Subconsultant**

PRIME CONSULTANT or SUBCONSULTANT: _____ INVOICE/PAY REQUEST NO.: ____

PRIME CONSULTANT OR SUBCONSULTANT AFFIDAVIT:
The undersigned, having contracted as the prime Consultant or Subconsultant (herein includes Suppliers) on Project #1252 (Enclosed Pedestrian Walkway Design), hereby certifies that a payment has been made to the Subconsultant cited below. The total value of this payment made to the Subconsultant for materials and/or work performed on this project contract is as follows:

Subconsultant: _____ Total Amount Paid: $_____Date Sent _____

This certification is made under Federal and State laws concerning false statement. Supporting documentation for this payment is subject to audit and should be retained for a minimum of three (3) years following final completion of the contract. In the event the Subconsultant was not paid in accordance with affidavits submitted by the Prime Consultant or Subconsultant, all documentation supporting the payee's position should be submitted.

I DECLARE UNDER PENALTY OF PERJURY IN THE SECOND DEGREE, AND ANY OTHER APPLICABLE STATE OR FEDERAL LAW, THE STATEMENTS MADE ON THIS DOCUMENT ARE TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE.

By: _____
Signature of Authorized Agent for Prime Consultant or Subconsultant (Print Name and Title)

Date: _____

SUBCONSULTANT AFFIDAVIT:
The undersigned Subconsultant hereby certifies that a contract was entered into with the above named prime Consultant or Subconsultant to perform work or provide materials on the project cited in this document. I further certify that the total amount of this payment received as provided herein by the Prime Consultant or Subconsultant is accurate and unchallenged.

Total Amount Received: $_____ Date Received _____

I DECLARE UNDER PENALTY OF PERJURY IN THE SECOND DEGREE, AND ANY OTHER APPLICABLE STATE OR FEDERAL LAWS, THE STATEMENTS MADE ON THIS DOCUMENT ARE TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE.

By: _____
Signature of Authorized Agent for Subconsultant (Print Name and Title)

Date: _____

OVER FOR INSTRUCTIONS

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
CERTIFICATION OF PROMPT PAYMENT TO SUBCONSULTANTS

INSTRUCTIONS

Prime Consultant or Subconsultant will prepare a form for each Subconsultant being paid from each Airport payment for services when the Subconsultant is being paid. The amount paid to each Subconsultant should match the amount earned less any retention held on a pay application as shown on Attachment D.

The date documented by the Prime Consultant or Subconsultant must be the date a check is issued or that an Electronic Fund Transfer is completed as payment to the Subconsultant. This must be in conformance with State and Federal prompt payment regulations per the contract.

The authorized Prime Consultant or Subconsultant must sign and certify the accuracy of the information on Attachment E and send it to the Subconsultant.

The Subconsultant must document the amount of payment received and the date payment from the Prime Consultant or Subconsultant was received. The authorized Subconsultant representative must sign and certify accuracy of the information.

The Subconsultant must email a scan of the record to the Airport within five (5) days of receipt of the Prime Consultant or Subconsultant payment. Airport contact information is as follows:

PromptPayment@gatewayairport.com

The Subconsultant should also copy the Prime Consultant or Subconsultant on the record.

The Prime Consultant and Subconsultant must retain the payment records and evidence of compliance for three years following completion of the contract.

FOR QUESTIONS ON COMPLETING THIS FORM, PLEASE CONTACT THE PHOENIX-MESA GATEWAY AIRPORT AUTHORITY AT (480) 988-7628.

Subconsultants may file complaints on alleged violations of the Prompt Payment standards by contacting the Airport Project Manager or Airport Staff at the number noted above.

ATTACHMENT F
CERTIFICATION OF PAYMENT BY A DBE FIRM TO LOWER TIER

Submit: **When a DBE subconsultant makes a payment to a firm/individual they have sublet a portion of their contract to --- Submit with Attachment D**

Completed By: Subconsultant

PROJECT DESCRIPTION: Enclosed Pedestrian Walkway **Project No.:** 1252

DBE Subcontractor Name: _____ ☐ **Submitted with Attachment D**

The work listed below was sublet to: _____**, who is a**
(firm name)

1. ☐ DBE ☐ SBE ☐ NEITHER A DBE NOR SBE (must select at least one)

2. ☐Contractor ☐Trucker ☐Broker (Fees/Commission) ☐Supplier ☐Manufacturer ☐Other (must select one)

Start Date	End Date	Description / Scope of Work	Total Amount Sublet

TOTAL $ _____

I, _____ confirm that _____
(Authorized DBE firm officer, print name) (Name of firm work sublet to)

has performed the scope(s) as described above for $_____

_____
(Authorized DBE firm officer, signature)

_____ _____
(Title) (Date)

EXHIBIT H – CONSULTANT'S DBE PERFORMANCE PLAN

PMGAA and Consultant acknowledge that the project is funded with Federal funds and Consultant's approved DBE Performance Plan submitted under PMGAA's solicitation 2023-008-RFQ is hereby incorporated into the Contract and will be utilized by Consultant throughout the duration of the project.

EXHIBIT I – CONSULTANT'S RFQ SUBMITTAL

Consultant's Statement of Qualifications in response to Phoenix-Mesa Gateway Airport Authority's Solicitation 2023-008-RFQ dated August 18, 2022, is hereby incorporated into the Contract and made part of this Contract.

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Management Information Report

To: Board of Directors
From: Chuck Odom, Chief Financial Officer
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Re: August 2022 Financials
Date: October 18, 2022

Attached is the monthly Financials Report for August 2022.

Phoenix-Mesa Gateway Airport Authority
AIRPORT - All Operations P&L
August, 2022

	Month of August 2022				Y-T-D as of August 2022			
	August FY22 Actual	August FY23 Actual	YOY Variance	B/(W)	YTD FY22 Actual	YTD FY23 Actual	Y-T-D Variance	B/(W)
Aeronautical Operating Revenues								
Aircraft Parking	26,672	27,052	380	1%	45,611	53,935	8,324	18%
Fuel Flowage Fees	49,139	51,320	2,181	4%	97,101	96,489	(612)	-1%
Landing Fees	121,584	91,491	(30,093)	-25%	264,618	190,105	(74,513)	-28%
Lease Income Aero	245,118	233,153	(11,965)	-5%	601,248	637,089	35,841	6%
Fuel Sales	412,850	641,983	229,133	56%	827,394	1,164,826	337,432	41%
Services Sold - Aero	330,189	312,650	(17,539)	-5%	777,346	681,838	(95,508)	-12%
Sub-total Aero Operating Revenues	1,185,552	1,357,649	172,097	15%	2,613,318	2,824,282	210,964	8%
Non-Aeronautical Operating Revenues								
Concessions	76,360	118,862	42,502	56%	150,583	206,871	56,288	37%
Lease Income Non-Aero	127,045	106,808	(20,237)	-16%	243,648	220,029	(23,619)	-10%
Parking	369,509	445,750	76,241	21%	883,050	939,386	56,336	6%
Rental Car Fees	103,132	130,545	27,413	27%	213,066	259,480	46,414	22%
Svcs Sold - Non Aero	7,130	2,139	(4,991)	-70%	8,498	4,187	(4,311)	-51%
Sub-total Non-Aero Operating Revenues	683,176	804,104	120,928	18%	1,498,845	1,629,953	131,108	9%
Total Operating Revenues	**1,868,728**	**2,161,753**	**293,025**	**16%**	**4,112,163**	**4,454,235**	**342,072**	**8%**
Operating Expenses								
Costs of Goods Sold	267,112	472,758	(205,646)	-77%	539,682	869,505	(329,823)	-61%
Personnel	680,060	714,289	(34,229)	-5%	1,483,113	1,406,164	76,949	5%
Comm & Utilities	104,491	110,918	(6,427)	-6%	210,329	212,629	(2,300)	-1%
Contractual Services	367,580	545,274	(177,694)	-48%	782,497	990,858	(208,361)	-27%
Insurance	45,854	50,587	(4,733)	-10%	96,078	101,538	(5,460)	-6%
Other	17,607	15,827	1,780	10%	38,344	41,542	(3,198)	-8%
Repair & Maintenance	50,187	112,414	(62,227)	-124%	93,685	164,585	(70,900)	-76%
Supplies & Materials	70,540	52,911	17,629	25%	172,372	131,027	41,345	24%
Air Service Incentives [2,000,000]	-	-	-	0%	-	-	-	0%
Operating Contingency [2,622,382]	-	-	-	0%	-	-	-	0%
Total Operating Expenses	**1,603,431**	**2,074,978**	**(471,547)**	-29%	**3,416,100**	**3,917,848**	**(501,748)**	-15%
Operating Income (Loss) Before Depreciation	**265,297**	**86,775**	**(178,522)**	-67%	**696,063**	**536,387**	**(159,676)**	-23%
	14.2%	4.0%			16.9%	12.0%		
Depreciation		1,435,394				2,875,940		

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Management Information Report

To: **Board of Directors**
From: **Chuck Odom, Chief Financial Officer**
Through: **J. Brian O'Neill, A.A.E., Executive Director/CEO**
Re: Solicitation Notification
Date: **October 18, 2022**

This report is to provide notification of the active and upcoming solicitations to help ensure compliance with the Phoenix-Mesa Gateway Airport Authority procurement transparency clause. The active activities include the following:

Active/Pending Solicitations

Type Solicitation	Number	Title	Anticipated Contract Award (Board Action)
Request for Qualifications	2023-001-RFQ	East Side Terminal Planning Initiative	October 2022
Request for Qualifications	2023-008-RFQ	Enclosed Pedestrian Walkway Design	October 2022
Request for Qualifications	2023-009-RFQ	Design, Fabrication, and Installation of Signs	October 2022
Request for Qualifications	2023-010-RFQ	CMAR for Enclosed Pedestrian Walkway	November 2022
Request for Proposals	2023-011-RFP	Insurance Broker Services	January 2023

Future Solicitations

Type Solicitation	Number	Title	Scheduled for Release	Anticipated Contract Award (Board Action)
Request for Proposals	2023-012-RFP	Aircraft Electric GPU	October 2022	December 2022
Request for Proposals	2023-013-RFP	Fire Pumps	November 2022	January 2023
Request for Proposals	2023-014-RFP	ARFF Services	January 2023	April 2023
Request for Proposals	2023-006-RFP	Car Rental Concessions	February 2023	July 2023

Fiscal year totals from sales of decommissioned / nonworking equipment total $1,915.00.

If you have any questions about the solicitations or the procurement process, please feel free to contact me at 480-988-7613.

NOTICE AND AGENDA OF MEETING OF THE
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
BOARD OF DIRECTORS

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Phoenix-Mesa Gateway Airport Authority and to the public that the Phoenix-Mesa Gateway Airport Authority will hold a meeting open to the public on **Tuesday, November 15, 2022 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 Phoenix-Mesa Gateway Airport Authority may attend either in person or by telephone. The Board may vote to hold an executive session for the purpose of obtaining legal advice from the Board's attorney on any matter listed on the agenda pursuant to A.R.S. § 38-431.03 (A)(3)&(4).

The agenda for the meeting is as follows:

1. **Call to Order** (Mayor Brigette Peterson, Chair)
   Members of the Phoenix-Mesa Gateway Airport Authority will attend either in person or via videoconference.

2. **Roll Call** (Mayor Brigette Peterson, Chair)

3. **Pledge of Allegiance**

4. **Call to the Public**
   Members of the Board may not discuss items that are not on the agenda. Therefore, action taken as a result of public comment will be limited to directing staff to study the matter or scheduling the matter for further consideration and decision at a later date. Maximum of three minutes per speaker.

5. **Executive Director's Report** - J. Brian O'Neill, A.A.E., Executive Director/CEO

6. **Presentation: Gateway Tomorrow Planning Study** – Tony Bianchi, Planning Project Manager

7. **Consent Agenda**

   a) **Minutes** of the Board Meeting held on **October 18, 2022**.

   b) **Resolution No. 22-69 –** Authorizing a contract with **Fluoresco Services, LLC, (Fluoresco)** for design, fabrication, and installation of signs.

   c) **Resolution No. 22-70 –** Approving an agreement with **TranSystems Corporation**, for Construction Administration Services, for the Rental Car Care Facility Improvements Project, in an amount not to exceed $197,440 under CIP 1242.

   d) **Resolution No. 22-71 –** Authorizing an agreement with **Mead & Hunt, Inc. (Mead & Hunt),** for Planning Study Services for the Eastside Terminal Analysis - Gateway Tomorrow Project, in an amount not to exceed $399,964, under CIP 1253.

   e) **Resolution No. 22-72 –** Authorizing the purchase of two vehicles from **San Tan Auto Partners, LLC dba San Tan Ford (San Tan Ford)**, in an amount not to exceed $77,658.34.

   f) **Resolution No. 22-73 –** Authorizing the purchase of one Dual Electric GPU from **ITW GSE, Inc. (ITW GSE)** in an amount not to exceed $151,496.28.

Consideration and Possible Approval of:

8. **Resolution No. 22-74** Adopting the revised **Airport Rates and Charges** schedule with an effective date of January 1, 2023.

9. **Board Member Comments/Announcements**

10. **Next Meeting: Tuesday, December 20, 2022 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. Requests should be made as early as possible to allow time to arrange the accommodation.

Phoenix-Mesa Gateway Airport

- Swoop, WestJet, Flair, and Sun Country Returning this Fall
- Record-Setting Commercial Passenger Activity in September
- Runway 12C-30C Reconstruction Project Gets Underway
- Sprung Structure to Serve as Three Gate Terminal During Construction
- Work Continues on Alpha Apron Expansion Phase IV

Executive Director's Report

November 2022

Financial Snapshot

OPERATING INCOME	September		Month Variance	FYTD Comparison		FYTD Variance
	2021	2022		FY22	FY23	
Revenues	$1,662,938	$2,129,667	**$466,729**	$5,775,100	$6,583,900	**$808,800**
Less Expenses	$1,874,459	$2,078,751	**$204,292**	$5,290,560	$5,996,599	**$706,039**
Operating Income *(Before Depreciation)*	**($211,521)**	**$50,916**	**$262,437**	**$484,540**	**$587,301**	**$102,761**

Investment Fund Balances: As of September, the Local Governmental Investment Pool (LGIP) 700 = $18,523,911; Wells Fargo; Collateralized Money Market = $5,699,976 and Collateralized CD's = $43,977,574; Total $68,201,461. The market value accounting adjustment was ($123,060) for the month. The entry is for accounting purposes only. PMGAA invests in fixed rate instruments.

Finance and Accounting

Phoenix-Mesa Gateway Airport Authority (PMGAA, Authority) reported a net operating income of $50,916 for September 2022, compared to a net operating loss of $211,521 last September. Fiscal-year-to-date 2023 (FYTD23), PMGAA is reporting a net operating income of $587,301, compared to $484,540 for the same time period last fiscal year. Historically, September is a financially volatile month for the Authority. Revenue and expenses can vary significantly from month-to-month depending on commercial activity and one-time expense payments. For example, aviation fuel sales and fuel upload charges increased by 67% and 44% respectively, despite no significant increase in overall aircraft operations.

The inflationary impact of third-party service contract renewals – law enforcement (LEO), aircraft rescue and firefighting (ARFF), parking, cleaning – has been significant and operating expenditures for September increased by 24%.

PMGAA Solicitations

Active/Pending Solicitations

TYPE OF SOLICITATION	Number	Title	Anticipated Contract Award
Request for Qualifications	2023-001-RFQ	East Side Terminal Planning Initiative	November 2022
Request for Qualifications	2023-009-RFQ	Fabrication & Installation of Signs	November 2022
Request for Qualifications	2023-010-RFQ	Enclosed Pedestrian Walkway CMAR	November 2022
Request for Proposals	2023-012-RFP	Aircraft Electric GPU	December 2022
Request for Proposals	2023-015-RFP	Janitorial Services	December 2022
Request for Proposals	2023-011-RFP	Insurance Broker Services	January 2023

Future Solicitations

TYPE OF SOLICITATION	Number	Title	Scheduled for Release
Request for Proposals	2023-013-RFP	Fire Pumps	November 2022
Request for Proposals	2023-014-RFP	ARFF Services	January 2023
Request for Proposals	2023-006-RFP	Car Rental Concessions	March 2023

Airport Operations

Swoop, WestJet, Flair, and Sun Country Returning this Fall

Connectivity between greater Phoenix and Canada is about to get a whole lot easier! Low-cost Canadian airlines Swoop, WestJet, and Flair are returning to Phoenix-Mesa Gateway Airport (Airport, Gateway Airport) again this fall offering nonstop service to Vancouver, Calgary, Edmonton, Winnipeg, and Toronto. The Phoenix East Valley is a second home for many Canadians that leave the cold and live in the Arizona sunshine from October through May. Welcome back Canadians!

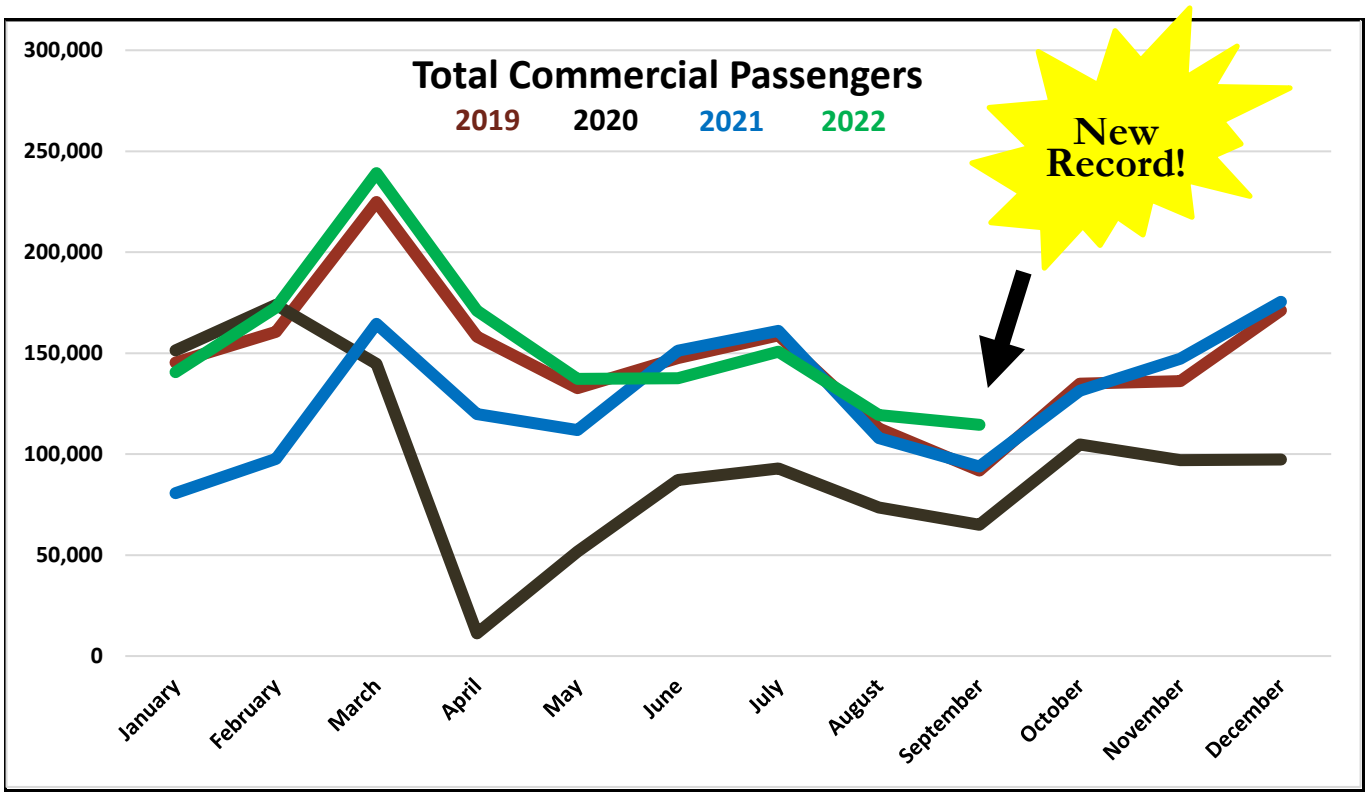
Sun Country Airlines, a popular low-cost airline headquartered in Minneapolis, MN, is also returning to Gateway Airport this fall. Sun Country complements its presence at Phoenix Sky Harbor with seasonal service between Minneapolis and Gateway Airport. Air travelers from the upper Midwest really appreciate the convenience and ease of using Gateway Airport when visiting family and friends across the Valley. PMGAA hopes that Sun Country will eventually keep the popular Minneapolis service year-round.

Gateway Airport Reports Record-Setting Commercial Passenger Activity in September

Gateway Airport is fortunate to be setting records despite the ongoing challenges that airlines are experiencing nationwide. In September 2022, the Airport had another record-setting month for passenger activity, welcoming 114,515 air travelers; a 22% increase compared to September last year. Year-to-date, 384,576 total passengers have traveled through the Airport, a 6% increase compared to the same time period last fiscal year (FY).

Allegiant's available seat capacity at Gateway Airport remained lower than last year in September, but their average load factor (% seats occupied) during the month was up over 90%.

The return of Sun Country, Swoop, WestJet, and Flair this fall will certainly have a positive impact on our commercial passenger activity from October through April, as sun-seeking visitors from the upper Midwest and Canada flock to greater Phoenix to stay in their "winter homes", come for a much-needed vacation, or to visit family and friends. Welcome back winter residents!



Operations Statistics

PASSENGER COUNTS		September		% Change	FYTD		% Change
		2021	2022		FY22	FY23	
Passengers	TOTAL	93,882	114,515	22%	362,923	384,576	6%
	Deplaned	47,648	57,678	21%	184,315	194,139	5%
	Enplaned	46,234	56,837	23%	178,608	190,437	7%
Allegiant	Scheduled	93,324	113,855	22%	356,675	383,584	8%
Swoop	Scheduled	241	600	149%	241	600	149%
Avelo	Scheduled	0	0	0%	4,873	0	-100%
Sun Country	Scheduled	0	0	0%	0	0	0%
Elite/Swift	Charter	317	60	-81%	1,134	392	-65%

OPERATIONS	September		% Change	FYTD		% Change
	2021	2022		FY22	FY23	
Air Carrier	861	854	-1%	3,027	2,694	-11%
Military	198	209	6%	783	903	15%
General Aviation	18,830	23,147	23%	51,830	60,873	17%
TOTAL	**19,889**	**24,210**	**22%**	**55,640**	**64,470**	**16%**

Engineering and Planning

Sprung Structure to Serve as Three Gate Terminal During Construction

Sprung Structure Being Erected on the Ramp

Sprung Structure Being Erected on the Ramp

How do you accommodate five airlines and record-setting passenger activity while completing a major terminal construction project designed to enhance much-needed capacity? Easy, place a 6,000 SF sprung structure out on the ramp in an aircraft parking spot and have it function as a three-gate temporary terminal during the 12 to 18-month project!

Gateway Airport is replacing an old four-gate, 10,000 SF portable terminal facility that was exposed as substandard during the pandemic with a new five-gate, 30,000 SF permanent terminal addition offering all the amenities air travelers expect in a modern commercial passenger terminal.

Runway 12C-30C Reconstruction Project Gets Underway

Old Runway Concrete Being Removed

When the federal government handed over the former Williams Air Force Base to PMGAA, there were many uncertainties. What would become of the enormous 3,000-acre facility with three 10,000 FT runways and miles of 1941-era concrete?

Thirty years later, Gateway Airport is an important economic engine connecting the Phoenix East Valley to the global marketplace, creating thousands of high-wage jobs, and contributing almost $2B each year to the local economy. But there have been challenges.

Maintaining all the airfield infrastructure – runways, taxiways, and expansive aircraft parking areas can be daunting, time consuming, and expensive. Thankfully, our partners at the Federal Aviation Administration (FAA) have continuously provided the financial support necessary to keep the airfield in top condition.

Earlier in October, PMGAA began an important project to reconstruct portions of its center runway, Runway 12C-30C. The project, funded through a combination of federal grants, will cost approximately $17.6MM and take 7-9 months to complete.

Work Continues on Alpha Apron Expansion Phase IV

Alpha Apron Phase IV Under Construction

Where do you park a huge B747 full of cargo? An airport needs an area large enough, with concrete thick enough, to handle such a big, heavy aircraft.

At Gateway Airport, you typically park it on the Alpha Apron located at the southeast end of the airfield. Earlier in 2022, PMGAA opened Phase III of the Alpha Apron Expansion Project, a 250,000 SF concrete aircraft parking area adjacent to the U.S. Forest Service – Mesa Base. In October, with demand for aircraft parking still on the rise, work began on Phase IV, another 250,000 SF section of thick concrete next to the Airport's new air traffic control tower. When the project is completed in March 2023, the Alpha Apron will encompass almost 1,000,000 SF and provide Gateway Airport with ample parking space for larger, heavier aircraft.

PMGAA Team Member Spotlight

Employee Name: **Brandon Craig**
Employee Title: **Lead Facilities Technician**
PMGAA Department: **Engineering and Facilities**
Years with PMGAA: **5+**

What are your job responsibilities for PMGAA? I hold the lead position for the facilities crew under Tobbie helping manage the crew and various projects we have going in ENF. My main responsibilities include upgrading and maintaining all electrical systems not including the airfield. One of my main tasks is building and implementing an electrical maintenance plan to ensure the airport has a safe and reliable electrical system.

What is your most memorable Gateway Airport moment? It would have to be the way that I was hired. I thought I was done in the electrical trade, and I was looking for a new career after quitting my job with no real plan. I was heading out of town for the holidays, but I pushed it back to take the interview and ended up getting the job when I came back from vacation. I used to visit a friend who lived at the ASU poly campus, but never really knew Gateway Airport was here. It all seemed random, but it changed my family's life forever. To think I wanted out of the trade and now I am the AHJ for an airport is a true blessing.

What is something people may not know about you? I have 4 kids, 2 are biological and 2 are adopted. I have put 2 kids through high school already. I am a grandpa. My kids are ages 10, 12, 22, and 25. I coach 6 days a week and teach 4th, 5th, and 6th graders at Sunday school.

Business Development

Macayo's Mexican Food and Infusion Coffee & Tea Crafters Open in Terminal

Macayo's Mexican Food Concession in Terminal

Do you have an upcoming trip planned out of Gateway Airport? Well, please build in a little more time and visit the new Macayo's Mexican Food or Infusion Coffee & Tea Crafters locations between Gates 4 and 5 in the terminal. On the run and just looking for a quick cup of coffee and a muffin? Infusion staff are waiting to serve you! Hungry for some delicious authentic tacos? Have a seat at Macayo's Mexican Food and enjoy a great meal before your flight!

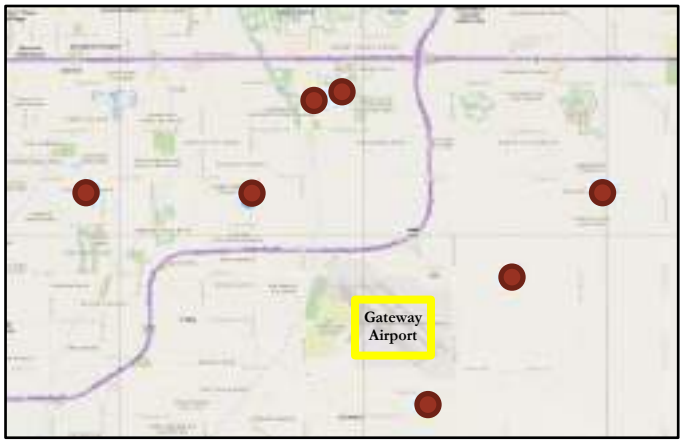
Gateway Aviation Services

PMGAA pumped more than 1.23MM gallons of aviation fuel during the month of September 2022, a 5% increase from the amount of fuel dispensed during September 2021. Commercial fuel sales were down 10% for September and 22% FYTD, a reflection of Allegiant's continued schedule reduction.

FUEL (Gallons)	September			FYTD		
	2021	2022	% Change	FY22	FY23	% Change
AvGas	41,150	49,426	20%	108,109	125,330	16%
Retail Jet A	34,667	60,680	75%	116,912	160,322	37%
Contract	239,904	345,315	44%	833,270	944,434	13%
Commercial	867,643	784,242	-10%	3,184,834	2,485,615	-22%
TOTAL	**1,183,364**	**1,239,663**	**5%**	**4,243,125**	**3,715,701**	**-12%**

Community Noise Report

PMGAA received communication from seven individuals regarding aircraft noise issues during September 2022. PMGAA received the same number of inquiries last September. The low number of noise calls this month is due to cooler weather keeping windows closed at night and in the morning when Airport activity is fairly busy. The map to the right depicts where the noise calls emanated from during September 2022 – five individuals from Mesa and two from Gilbert.



CALLERS	September		FYTD	
	2021	2022	FY22	FY23
Total	7	7	30	30

AIRCRAFT TYPE	September		FYTD	
	2021	2022	FY22	FY23
	Callers	Callers	Callers	Callers
Commercial	5	4	24	19
GA Total	0	2	2	4
Helicopter	0	0	0	0
Military	2	1	4	7
Total	7	7	30	30

LOCATION	September		FYTD	
	2021	2022	FY22	FY23
Mesa	4	5	9	18
Gilbert	3	2	17	10
Gold Canyon	0	0	0	0
Queen Creek	0	0	2	1
Queen Valley	0	0	1	1
San Tan Valley	0	0	0	0
Apache Junction	0	0	1	0
Chandler	0	0	0	0
TOTAL	7	7	30	30

Community and Government Relations

PMGAA Begins Visioning Initiative for Eastside Commercial Terminal Campus

At their November meeting, the PMGAA Board of Directors will consider a contract with the consulting firm Mead & Hunt to facilitate and coordinate a long-range visioning initiative called **Gateway Tomorrow**. This inclusive undertaking will bring together representatives from PMGAA, its Member Communities, Airport tenants, and other key stakeholders to discuss, deliberate, and decide important elements of a future commercial terminal campus on the approximately 200 acres reserved on the eastside of the airfield.

Roadways, vehicle parking, terminal functionality and attributes, fuel storage, rental car facilities, international capabilities, and administrative/operations/security functions will all need to be a part of the eventual plan. Actual design and construction may be 5-10-15 years away, but it's never too soon to start planning for Gateway Airport's next commercial terminal.

Are You Travel ID/REAL ID Ready?

Starting on May 3, 2023, all U.S. air travelers must be Travel ID/REAL ID compliant to board domestic flights and access certain federal facilities. The TSA checkpoint at Phoenix-Mesa Gateway Airport will only accept a driver's license with a gold star in the upper right-hand corner, a valid passport, or another Travel ID/Real ID compliant identification.

Don't wait…get yours today!

MINUTES OF PUBLIC MEETING OF THE
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
BOARD OF DIRECTORS | October 18, 2022

A public meeting of the Phoenix-Mesa Gateway Airport Authority (PMGAA) was convened on Tuesday, October 18, 2022, 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 Brigette Peterson, Gilbert
Councilmember Jim Waring, Phoenix *(joined via audioconference at 9:30)*
Mayor Chip Wilson, Apache Junction
Lt. Governor Monica Antone, Gila River Indian Community
Vice Mayor Jeff Brown, Queen Creek
Mayor John Giles, Mesa

** Neither present nor represented*

Airport Staff Present

J. Brian O'Neill, Executive Director/CEO
Scott Brownlee, Deputy Director/COO
Chuck Odom, CFO
Misty Johnson, Clerk of the Board
Jill Casson Owen, Attorney

1. **Call to Order** at 9:02 a.m. (Mayor Peterson, Chair)

2. **Roll Call**

3. **Pledge of Allegiance**

4. **Motion to convene into Executive Session**
   a) Pursuant to A.R.S. § 38-431-03 (A)(1), the Board of Directors may convene into executive session for the purpose of discussion and consideration regarding the Executive Director/CEO's annual review.

   Vice Mayor Jeff Brown moved to convene into Executive Session.
   Mayor John Giles seconded the motion.
   The motion was carried unanimously.

5. **Motion to Reconvene from Executive Session to Regular Session (9:30 a.m.)**

   Mayor Chip Wilson moved to reconvene the PMGAA Board of Directors meeting.
   Mayor John Giles seconded the motion.
   The motion was carried unanimously.

6. **Call to the Public**
   There were no public comments.

7. **Executive Director's Report** – J. Brian O'Neill, A.A.E., Executive Director/CEO
   Executive Director O'Neill provided a briefing on PMGAA financial performance, passenger activity, the community noise report, and various Airport projects.

DRAFT

- Fiscal Year-to-Date (FYTD) Net Operating Income is $536,387.
- Record setting passenger activity in August and September! Phoenix-Mesa Gateway Airport (Airport, Gateway Airport) welcomed 119,403 commercial passengers during August 2022 and 114,515 in September, an 11% and 22% increase respectively in passengers compared 2021.
- Gulfstream has been leasing a 50,000 SF hangar at the Airport since the beginning of 2022 while their new 225,000 SF West Coast Service Center is constructed. The City of Mesa is providing landside infrastructure for wet and dry utilities and PMGAA is providing airside infrastructure improvements for access to the airfield.
- Virgin Galactic is leasing two of the three hangars in the Gateway Executive Airpark located at the north end of the airfield. Virgin Galactic intends to use the hangars as a final assembly manufacturing facility for its spaceships. The spaceships will be transported to New Mexico for their launch activities.
- Construction is underway on SkyBridge Arizona's new 129-room hotel and associated roadway infrastructure. They also recently received approval from the City of Mesa for two 250,000 SF industrial buildings. Construction of taxilane Sierra is expected to begin in early 2023.
- Gateway***East*** is a 300-acre, mixed use non-aeronautical master development opportunity located on the east side of the Airport. The Boyer Company is working with the City of Mesa and the Authority on zoning and design standards for Phase I of the project.
- Renovations on the new Macayo's Mexican Food/Infusion Coffee & Tea Crafters concession in the terminal are nearly complete. The anticipated opening for these two new terminal restaurants is October 22nd.
- Gateway Tomorrow is a planning initiative designed to reset and refine the vision for a future commercial passenger terminal campus on the east side of Airport. Authority staff has been working with the consultant on the scope of work and total project cost. Authority staff is also working with PMGAA Board members and their communities to identify individuals interested in serving on the project's planning committee. Representatives from the FAA, Allegiant Air, and other major stakeholders will also serve on the committee.
- A 6,000 SF temporary terminal facility is being constructed to serve three-gates during construction on the new 30,000 SF five-gate terminal addition.
- Construction of an enclosed pedestrian walkway will allow passengers to proceed from the ticketing terminal building directly into the security screening checkpoint area. This customer service enhancement project will increase the queuing area for the security screening checkpoint by approximately 30% and will keep passengers in a climate-controlled environment from ticketing through security screening.
- Gateway Airport is continuing its expansion of the Alpha Apron. Phase IV is an additional 250,000 SF of concrete to increase parking for larger and heavier aircraft. Alpha Apron Phase III was completed just before the wildfire season this year and was used by the U.S. Forest Service.
- Center Runway Reconstruction began on October 3rd and is anticipated to be complete by April 2023. The runway will be closed while the reconstruction takes place. The Airport has two other 10,000-foot runways and will maintain normal operations during the entire project. Funding for this project utilizes a combination of FAA entitlement, discretionary and Bipartisan Infrastructure Law (BIL) grants.
- PMGAA is improving the Rental Car Return Lot and the Rental Car Care Facility. The improvements to the Rental Car Return Lot are nearly complete. This project is using Customer Facility Charge (CFC) funds to re-design traffic flow, expand capacity, add new office facilities, and erect shade structures for customer convenience. The Rental Car Care Facility where all

rental vehicles are maintained, washed, and vacuumed will undergo updates as well. This project will start in the spring of 2023 and will take approximately nine to twelve months to complete.

- PMGAA is planning to expand its fuel storage capacity to protect against future fuel delivery disruptions. Current on-Airport fuel storage capacity is 250,000 gallons, which is an approximately 4-day supply and susceptible to fuel delivery disruptions. The Authority is proposing the addition of two 50,000-gallon storage tanks to increase fuel storage on-Airport. This extra capacity will further protect the Airport and its customers from future fuel delivery disruptions.
- A new and improved parking lot revenue control system will be fully operational in all public parking lots at the Airport in time for the busy Thanksgiving holiday. This new system replaces the old token system currently used by PMGAA.
- PMGAA is constructing two taxiway connectors for Gulfstream Aerospace Corp. Gulfstream and the Authority are sharing the cost of the project. Anticipated completion of this project is February 2023, well in advance of Gulfstream needing to connect their new facility to the airfield.

8. **Presentation: Audited Financials –** Sandra Cronstrom, Principal CliftonLarsonAllen, LLP

Ms. Cronstrom provided a brief overview of the Fiscal Year 2022 Audited Financials, resulting in an issuance of an unmodified (clean) opinion for the Phoenix-Mesa Gateway Airport Authority. No material audit adjustments were made.

Chuck Odom, PMGAA CFO thanked Ms. Cronstrom for coming out today to present to the Board. Executive Director O'Neill thanked the finance team for their efforts in this successful independent audit.

9. **Consent Agenda**

a) **Minutes** of the Board Meeting held on **September 20, 2022.**

b) **Resolution No. 22-65 –** Approving an amendment to the **Executive Director/CEO** employment contract effective October 1, 2022.

c) **Resolution No. 22-66 –** Authorizing Phoenix-Mesa Gateway Airport Authority's (PMGAA's) insurance broker, **USI Insurance Services LLC**, to purchase benefit plans (medical, dental, vision, basic life/accidental death & dismemberment, and short-term disability) from various carriers. This consists of a 12-month renewal January 1, 2023, through December 31, 2023 with an estimated plan cost of $1,452,030.

d) **Resolution No. 22-67 –** Authorizing a purchase with **CDW Government, Inc. (CDW-G)** for annual Microsoft licensing renewals, in an amount not to exceed $61,937.63.

Mayor Chip Wilson moved to approve the Consent Agenda.
Mayor John Giles seconded the motion.
The motion was carried unanimously.

Consideration and Possible Approval of:

1. **Resolution No. 22-68 –** Authorizing an Agreement with **DWL Architects + Planners, Inc. (DWL)** for Design and Engineering Services for the Enclosed Pedestrian Walkway, in an amount not to exceed $307,620 under CIP 1252.

   Mayor John Giles moved to approve Resolution No. 22-68.
   Lt. Governor Monica Antone seconded the motion.
   The motion was carried unanimously.

7. **Board Member Comments/Announcements.**
   None.

8. **Next Meeting: Tuesday, November 15, 2022** 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 Phoenix-Mesa Gateway Airport Authority may attend either in person or by telephone/videoconference.

9. **Adjournment.**
   The meeting adjourned at 9:58 a.m.

Dated this _____ day of _____ 20___.

_____
Misty Johnson, Clerk of the Board

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 22-69

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:	**BAI – Fluoresco Services, LLC**
Date:	**November 15, 2022**

Proposed Motion
To authorize a contract with Fluoresco Services, LLC, (Fluoresco) for design, fabrication, and installation of signs.

Narrative
Terminal, parking and other airport environments routinely change, and signage must be updated as necessary. The design, fabrication and installation of airport signage boosts non-aviation revenues for the airport and increases communication to the passengers and provides necessary regulatory and emergency information. Airport signage can help improve travel times, reduce confusion and improve safety across the airport. Wayfinding signage simplifies directions and helps consumers find their way, reducing passenger stress and enhancing the consumer experience.

The Notice of Request for Qualifications (RFQ), Solicitation 2023-009-RFQ, for Design, Fabrication, and Installation of Signs, was issued on August 1, 2022, and advertised in the Arizona Business Gazette on 8/4, 8/11, 8/18 and 8/25/22; it was also posted on the AzAA, ACC, ACI-NA, and SWAAAE Websites as well as the Phoenix-Mesa Gateway Airport Authority Website. In addition, the RFQ was emailed to a list of 10 prospective firms. PMGAA received three Statements of Qualifications (SOQ) on August 30, 2022, from the following firms:

Color-Ad, Inc.
Fluoresco Services, LLC
Sierra Signs and Service, Inc.

The evaluation panel reviewed all SOQs received and determined the qualifications from Fluoresco best satisfied the requirements for PMGAA, based on the award criteria. Fluoresco' s experience as well as their project understanding, and approach offers the best overall service to PMGAA.

Fiscal Impact
Sign purchases are included in the FY23 Operating Budget and funded under OPM expenses.

Attachment(s)
Contract

RESOLUTION NO. 22-69

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize a contract with Fluoresco Services, LLC, (Fluoresco) for design, fabrication, and installation of signs;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

> **The Board of Directors of the Authority hereby authorizes a contract with Fluoresco Services, LLC, (Fluoresco) for design, fabrication, and installation of signs. 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 15th day of November, 2022.

_____
Brigette Peterson, Chair

ATTEST:

_____
Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

_____
Jill Casson Owen, Attorney

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY

AND

FLUORESCO SERVICES LLC

FOR

DESIGN, FABRICATION AND INSTALLATION OF SIGNS

CONTRACT NUMBER 20230090

The Phoenix-Mesa Gateway Airport is owned and operated by the Phoenix-Mesa Gateway Airport Authority (PMGAA), a joint powers airport authority authorized by the State of Arizona and consisting of the City of Mesa, City of Phoenix, City of Apache Junction, Town of Gilbert, Town of Queen Creek and the Gila River Indian Community.

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Phoenix-Mesa Gateway Airport Authority, a joint powers airport authority authorized by the State of Arizona ("PMGAA") desires performance of the services more fully described in this **Contract Number 20230090** ("Contract") and the attached exhibits. Fluoresco Services LLC, an Arizona based Limited Liability Company, operating as a wholly owned subsidiary of Everbrite LLC ("Consultant"), with its principal offices located at 5505 S. Nogales Highway, Tucson, AZ, 85706, desires to perform these services.

Recitals

A. PMGAA requires the services as described in this Contract, including any and all exhibits and amendments, and Consultant is willing to provide these and other services under this Contract; and

B. PMGAA desires to contract with Consultant to provide services as noted herein.

Now therefore, in consideration of the recitals and the mutual covenants set forth below, PMGAA and Consultant agree as follows.

SECTION I – CONSULTANT SERVICES

The services to be performed by Consultant are specified in this Contract. PMGAA will not pay Consultant for any services that have not been authorized under the Contract. There is no guarantee of a minimum purchase of services.

The anticipated services to be provided by Consultant under this Contract shall generally include, but not be limited to, the following: Design, Fabrication and Installation of Signs, as more specifically described in the detailed scope of services attached as **EXHIBIT A**, "Scope of Services & Fee Schedule."

PMGAA's authorized representative shall be the PMGAA Operations and Maintenance Director, or his/her duly authorized representative, and that he/she shall be the sole contact for administering this Contract.

All services provided by Consultant under this Contract must be performed in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances in Arizona. Consultant makes no other warranty, expressed or implied.

SECTION II – PMGAA RESPONSIBILITIES

PMGAA shall furnish Consultant, at no cost to Consultant, the following information or services for this Contract:

A. Access to copies of readily available maps, records, as-built drawings, benchmarks or other data pertinent to work assignments affiliated with this Contract. This does not, however, relieve Consultant of the responsibility of searching records for additional information, for requesting specific information or for verification of that information provided. PMGAA does not warrant the accuracy or comprehensiveness of any information or documents provided to Consultant.

B. In PMGAA's discretion and upon Consultant's reasonable request, access to staff for consultation with Consultant during the performance of this contract in order to identify the problems, needs, and other functional aspects of the work.

C. Prompt review of and feedback on Consultant's deliverables. PMGAA will advise Consultant concerning progress of PMGAA's review of the work, as needed.

SECTION III - PERIOD OF SERVICE

Consultant shall complete all work in accordance with the provisions of this Contract as amended.

All work initiated under this Contract must be completed on or before the expiration date of the Contract as amended.

The term of this Contract shall commence on November 16, 2022 and ends on November 15, 2025 ("Base Term"), unless terminated, canceled or extended as provided in this Contract.

This Contract has two (2) optional one-year extensions that PMGAA may exercise at its sole discretion. Prior to the expiration of the Contract Base Term, PMGAA may elect to extend the Contract. If PMGAA exercises such right, all terms, conditions and provisions of the original Contract shall remain the same and apply during the extended

period with the possible exception of price as outlined in Exhibit A. Any extension of this Contract shall require an amendment signed by both parties.

Consultant shall commence its services within seven (7) days of the written authorization by PMGAA. Consultant shall perform its services in a diligent manner and in accordance with this Contract.

SECTION IV – KEY PERSONNEL

The Consultant itself shall provide all services to be performed under this Contract. If Sub-Consultants are required by Consultant to perform any services listed under this contract, Consultant shall notify PMGAA prior to authorizing work by said Sub-Consultants. PMGAA may, at its sole discretion, accept or reject proposed Sub-Consultants.

SECTION V - PAYMENTS TO THE CONSULTANT

Consultant will be paid for work performed under this Contract plus any adjustments that have been approved in writing by PMGAA in accordance with PMGAA's Procurement Policy. Payments will be made in accordance with **EXHIBIT B**, "Compensation."

All services to be rendered by Consultant are subject to the terms of **EXHIBIT B**, "Compensation" attached hereto.

PMGAA does not guarantee any minimum or maximum fee during the Term of this Contract, and Consultant, in executing this Contract, shall not anticipate or require any minimum or maximum fee.

PMGAA shall pay Consultant in agreed upon installments for services authorized and rendered under this Contract at the completion of each work assignment, provided Consultant has satisfactorily completed the requested work. If any such work requires time in excess of 30 calendar days to complete, progress payment(s) may be made on invoices certified and approved by PMGAA.

SECTION VI - ALTERATION IN SCOPE OF SERVICES

For any alteration in the Scope of Services that would materially increase or decrease the Contract fee, the parties shall negotiate an amendment to the Contract to be executed by PMGAA and Consultant. No work shall commence on any amendment or change until the amendment has been approved by PMGAA and Consultant has been notified to proceed by PMGAA. No claim for extra work done or materials furnished by Consultant will be allowed by PMGAA, except as provided herein, nor shall Consultant do any work or furnish any materials not covered by this Contract unless the work is first authorized in writing by PMGAA and the change complies with PMGAA's Procurement Policy. Any work or materials furnished by Consultant without advance, written authorization will be at Consultant's own risk, cost, and expense. Without written authorization, Consultant shall make no claim for compensation for such work or materials furnished.

SECTION VII - WORK ASSIGNMENT COMPLETION

If, during the Term of this Contract, situations arise which prevent work completion within the allotted time, PMGAA may grant an appropriate time extension.

SECTION VIII - OWNERSHIP OF DOCUMENTS

Any documents, including all electronic copies thereof, prepared under or as a result of this Contract, shall be the property of PMGAA. To the extent necessary to effectuate such ownership, Consultant hereby assigns all right, title and interests to such documents to PMGAA. Consultant shall execute any separate contracts or documents, if any, which may be necessary to implement the terms of this Section.

All of Consultant's documents prepared under this Contract, including electronic files, are instruments of service. All of these documents become the property of PMGAA upon completion of the services and payment in full to Consultant. PMGAA may reuse or modify the documents, as it deems necessary, without Consultant's prior written authorization. PMGAA shall indemnify and hold harmless Consultant, its officers, directors, employees and subconsultants (collectively, the "Consultant") against any and all damages, liabilities or costs arising from PMGAA's modification of documents produced by Consultant under this Contract unless Consultant authorizes the modification in writing.

SECTION IX - COMPLIANCE WITH LAWS

Consultant shall comply with all federal, state and local laws, local ordinances and regulations throughout the Term.

Consultant's signature on this Contract certifies compliance with the provisions of the I-9 requirements of the *Immigration Reform and Control Act of 1986* for all personnel that Consultant and any subconsultants employ to complete any work assignment.

PMGAA shall administer this Contract in accordance with PMGAA's Procurement Policy.

SECTION X - GENERAL CONSIDERATIONS

A. The failure of either party to enforce any of the provisions of this Contract or require performance of the other party of any of the provisions hereof shall not be construed to be a waiver of the provisions, nor shall it affect the validity of this Contract or the right of either party to enforce each and every provision.

B. The fact that PMGAA has accepted or approved Consultant's work shall in no way relieve Consultant of responsibility for the work under this Contract.

C. This Contract shall be governed by the laws of the state of Arizona, both as to interpretation and performance. Any action at law, suit in equity, or judicial proceeding for the enforcement of this Contract, or any provision thereof, shall be instituted only in the courts of the state of Arizona.

D. All exhibits to this Contract and any amendments to the Contract are incorporated into it.

SECTION XI - NO KICK-BACK CERTIFICATION

Consultant warrants that no person has been employed or retained to solicit or secure this Contract upon any agreement or understanding for a commission, percentage, brokerage, or contingent fee and that no member of the PMGAA Board of Directors or any employee of PMGAA has any interest, financially or otherwise, in Consultant's firm.

For breach or violation of this warranty, PMGAA may annul this Contract without liability.

SECTION XII – SUSPENSION OF SERVICES

Consultant shall, within five (5) business days upon receiving written notice from PMGAA, suspend, delay, or interrupt all or a part of the Scope of Services. Consultant shall resume the Scope of Services within five (5) business days of receiving written notice from PMGAA.

SECTION XIII – TIMES OF PAYMENTS

Consultant shall submit periodic invoices for goods/services actually completed. PMGAA shall review, certify, and approve or reject each invoice in whole or in part. PMGAA shall pay each approved invoice within 30 calendar days of the date that PMGAA approves the invoice.

SECTION XIV – TIMELY REVIEW

PMGAA will review Consultant's studies, reports, proposals, and other related documents and render any decisions required by Consultant in a timely manner. Notwithstanding these reviews, Consultant remains solely responsible for all of its deliverables and services under this Contract. By PMGAA's reviews, PMGAA does not assume any liability for or retained control over Consultant's work or Consultant's responsibility for the safety of its employees.

SECTION XV – DISPUTE RESOLUTION

All disputes between PMGAA and Consultant arising out of or relating to this Contract will be subject to the Dispute Resolution provisions as set forth in **EXHIBIT D**, "PMGAA Standard Terms and Conditions", attached hereto and incorporated herein by reference.

PMGAA and Consultant shall include a similar dispute resolution provision in all contracts with other contractors and consultants retained for the Project and shall require all other independent contractors and consultants to include a similar dispute resolution provision in all contracts with subcontractors, subconsultants, suppliers or fabricators retained by them.

SECTION XVI - LIABILITY OF CONSULTANT

To the fullest extent permitted by law, Consultant shall defend, save, indemnify, and hold harmless PMGAA, its member governments, departments, officers, employees, and agents from and against damages arising out of any act, error, or omission of Consultant relating to its services under this Contract.

SECTION XVII - LAWS AND REGULATIONS

All federal, state, and local laws and regulations that relate to Consultant's services apply to Consultant's performance of this Contract throughout. These laws and regulations are deemed included in this Contract the same as though written out in full, especially the current applicable Federal Aviation Administration (FAA) rules and regulations associated with airport projects; pertinent Airport engineering standards; and local rules, regulations, and industry standards.

SECTION XVIII – ARCHAEOLOGICAL RESOURCE PROTECTION

While performing services under this Contract, Consultant may encounter a known or unknown archaeological site located at the Airport. If Consultant encounters what it believes to be an archaeological site, Consultant shall immediately notify PMGAA of the site's location and take all reasonable precautions to protect and preserve the site until PMGAA otherwise directs.

SECTION XIX INSURANCE REQUIREMENTS

A. Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees.

B. All insurance policies required by this Contact, except *Workers Compensation* and *Professional Liability*, shall name PMGAA, its agents, representatives, officers, directors, officials and employees as Additional Insured.

C. Minimum Scope and Limits of Insurance. Coverage shall be at least as broad as:

   i. Commercial General Liability: Insurance Services Office Form CG 00 01 covering Bodily Injury and Property Damage on an "occurrence" basis, including personal & advertising injury with limits no less than $1,000,000 per occurrence, $2,000,000 General Aggregate.
   ii. Auto Liability: ISO Form CA 00 01 covering any auto (Symbol 1), or if Consultant has no owned autos, hired, (Symbol 8) and non-owned autos (Symbol 9), with limit no less than $1,000,000 Combined Single limit per accident for bodily injury and property damage ($5,000,000 if operating in the Air Operations Area of the Airport).
   iii. Workers' Compensation: Statutory Limits as required by the state of Arizona, and Employer's Liability Insurance with limit of no less than $1,000,000 per accident for bodily injury or disease.

D. If the Consultant maintains higher limits than the minimums shown above, PMGAA requires and shall be entitled to coverage for the higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to PMGAA.

E. Additional insurance provisions. The insurance policies shall provide, or be endorsed to include, the following provisions:

   i. Notice of Cancellation: Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to PMGAA.
   ii. Waiver of Subrogation: Consultant waives any right to subrogation. Consultant shall obtain an endorsement necessary to affect this waiver of subrogation from the insurer for all lines of coverage required by this Contract, except *Workers Compensation* and *Professional Liability,* for claims arising out of the Consultant's work or service.
   iii. Primary Coverage: For all claims related to this Contract, all of Consultant's insurance policies will be primary and non-contributory. Any insurance or self-insurance maintained by PMGAA, its officers, officials, employees, or volunteers will be in excess of Consultant's insurance and will not contribute with it.
   iv. Deductibles and Self-Insured Retentions: Any deductibles or self-insured retentions must be declared to and approved by PMGAA. PMGAA may require the Consultant to provide proof of

ability to pay losses and related investigations, claim administration, and defense expenses within the retention.

v. Acceptability of Insurers: Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A, VII, unless otherwise acceptable to PMGAA.

vi. Claims Made Policies: No Claims Made policies (other than Professional Liability) will be accepted. For policies that provide claims-made coverage:

a) The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.

b) Insurance must be maintained, and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.

c) If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Consultant must purchase "extended reporting" coverage for a minimum of five (5) years after completion of work.

vii. Verification of Coverage: Consultant shall furnish PMGAA with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by PMGAA before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide the required insurance. PMGAA reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

viii. Subcontractors: Consultant shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Consultant shall ensure that PMGAA is an additional insured on insurance required from subcontractors.

ix. Special Risks or Circumstances: PMGAA reserves the right to modify these requirements, including limits, based on the nature of the risk, scope of services, prior experience, insurer, coverage, or other special circumstances.

SECTION XX NOTICES

Any notice, report or information which may be or is required to be given under this Contract will be in writing and shall be sent by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

TO PMGAA: Phoenix-Mesa Gateway Airport Authority
Attn: Operations Maintenance Director
5835 South Sossaman Road
Mesa, Arizona 85212

TO CONSULTANT: Fluoresco Services LLC
Attn: Gary Gryder
5505 S. Nogales Highway
Tucson, AZ 85706

or to such other person(s) or address(es) as any such Party may designate from time to time by notice to the other Parties in accordance with this Section.

Executed as of the Commencement Date.

CONSULTANT
Fluoresco Services LLC, an Arizona based Limited Liability Company, operating as a wholly owned subsidiary of Everbrite LLC.

By: _____

Name: Gary Gryder

Title: V.P. Business Development

Date: 10/27/2022

PMGAA
PHOENIX 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: _____

EXHIBIT A – SCOPE OF SERVICES & FEE SCHEDULE

The services to be performed by Consultant and the completion of related efforts are specified in the following Scope of Services & Fee Schedule agreed to by the parties.

SCOPE OF SERVICES

Services shall include, but are not limited to, the following:

1. Design
   a. Provide design services or quality assurance/control for signage
   b. Provide high resolution proofs of each sign for PMGAA approval prior to fabricating.
2. Fabrication
   a. Offeror shall only utilize materials, sizing, colors, fonts, etc. approved by PMGAA.
   b. Signage shall be fabricated in a manner that adheres to PMGAA's specifications.
   c. Offeror shall provide an anticipated production time and installation schedule upon receipt of an executed purchase order.
3. Installation
   a. Offeror shall remove, modify, or install signage as dictated by the scope of work for each project.
4. Warranty
   a. Provide a minimum of one-year warranty on parts and labor on the sign fabrication and installation.

FEE SCHEDULE

For the services provided herein, PMGAA agrees to pay Consultant as detailed below. Prices may be increased annually up to no more than 10.0% so long as Consultant provides PMGAA with documentation on its costs increases.

Effective 10/1/2022
Expires 9/30/2023

Phoenix Mesa Gateway Airport Sign, Service & Install Preferred Rates

Service Description		Rate Per Hour
Hourly Rates		
Design Fee		$75.00
Production (Labor / Equipment)		$85.00
Project Management		$65.00
Permit Procurement	*(Time to obtain)*	$80.00
Permit Cost	*(Pass Through)*	@ Cost
Intstall Labor		
1 - person with pickup		$95.00
2 - person crew up to 55'		$215.00
2 - person crew up to 85'		$255.00

Special Equipment (Excludes Technician Labor)	Rate per Day
Scissor Lift to 26 Feet	$145.00
Lift Equipment over 26 Feet	Quoted

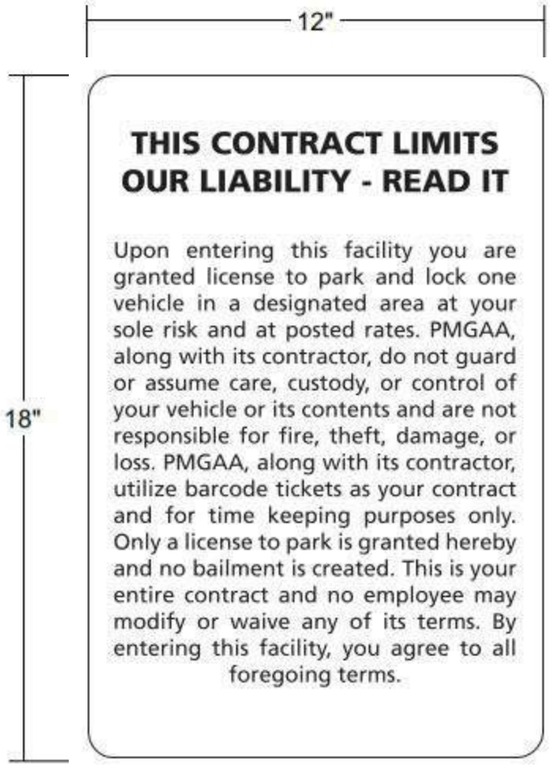
Materials & Supplies		
Lamps, Ballasts & Transformers	*Cost Plus*	40%
Sales Tax at Applicable Rates as Required		

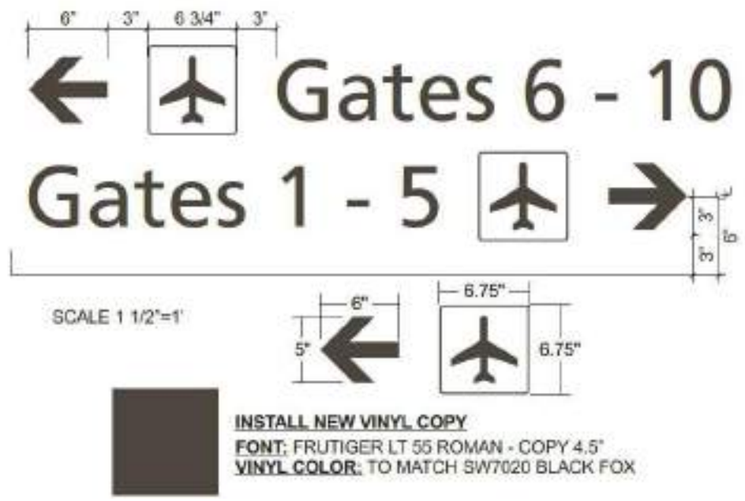
Signs		
12" x 18"	Sign Panel S/F Alum .080 With Reflective Vinyl - Custom Graphics	$110.00
12" x 24"	Sign Panel S/F Alum .080 With Reflective Vinyl - Custom Graphics	$147.00
24" x 36"	Sign Panel S/F Alum .080 With Reflective Vinyl - Custom Graphics	$243.00
24" x 42"	Sign Panel S/F Alum .080 With Reflective Vinyl - Custom Graphics	$282.00
Vinyl Wall Graphics and custom signage specific per project application		Quoted

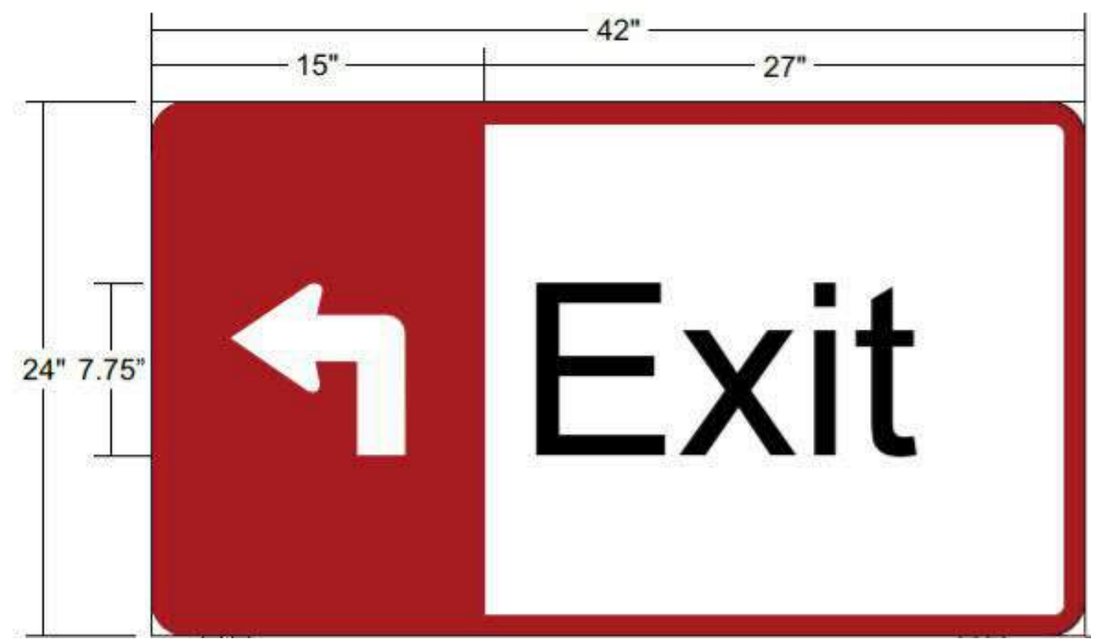
TUCSON PHOENIX LOS ANGELES SAN FRANCISCO SAN DIEGO SACRAMENTO FRESNO

SIGNAGE EXAMPLES

(Family of Signs Catalog in process of being developed.)







This original unpublished drawing is submitted for use in connection with a project being designed for you by Fluoresco. It is not to be shown to anyone outside of your organization, reproduced or used in any fashion without expressed written approval.

PROJECT PHX_ Mesa Gateway
LOCATION
SCALE AS NOTED
DATE 10/18/22
SALESPERSON Tim Scheidecker
FILE NAME Sign Panel Examples
DWG #
DESIGNER Roberto Killy
REVISED
PAGE 1 OF 1

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EXHIBIT B - COMPENSATION

All compensation for services rendered by Consultant shall be based upon criteria established below. All services must be billed through the Consultant.

1. Fees to be Specified in Contract

Any and all services to be performed under this Contract require approval. All compensation for services shall be identified in writing. The Contract shall describe the scope of services to be performed (by tasks and subtasks, where appropriate), the fees associated with that performance, and any applicable special provisions. Consultant's compensation for services included in this Contract is set forth in **EXHIBIT A**, "Scope of Services and Fee Schedule".

2. Method of Payment

Subject to the terms of this Contract, PMGAA shall pay Consultant the appropriate rate or fixed price amount for services rendered as described in the Contract only after Consultant has submitted an invoice for services performed and PMGAA has certified and approved each invoice.

For services rendered in accordance with the Contract, Consultant shall submit to PMGAA an invoice depicting tasks performed and/or hours spent for services performed. Invoices must be based on the actual hours and/or expenses incurred for the services completed during the billing period. Consultant's invoices must specify that Consultant has performed the services, and PMGAA must certify and approve each invoice as a condition to payment.

3. Consultant Responsibilities for Compensation

Consultant shall prepare monthly invoices and/or progress reports in accordance with terms specified in the Contract. Progress reports will clearly indicate the progress to date and the amount of compensation due by virtue of that progress. All invoices for payment shall be for work completed unless otherwise agreed to by PMGAA. Invoices/requisitions for payment for services subject to funding by the FAA and/or ADOT shall include the documentation requirements of the FAA and/or ADOT, which are outlined in the *Airport Improvement Program (AIP) Handbook* dated September 30, 2014, or most current version.

4. PMGAA Responsibilities for Compensation

PMGAA agrees to pay Consultant's invoices for payment within 30 calendar days after the invoice is approved. PMGAA may withhold payment on any invoice if it believes that Consultant has not performed the work in a satisfactory manner. If PMGAA withholds payment to Consultant, PMGAA shall promptly notify Consultant and explain the reasons for the decision to withhold payment.

5. Billing Address

All invoices submitted to PMGAA for payment shall be submitted to:

Accounts Payable: ap@gatewayairport.com

EXHIBIT C - SPECIAL PROVISIONS

1. Civil Rights Act of 1964, Title VI – General

The contractor agrees to comply with pertinent statues, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color or national origin, sex, age or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance.

2. Civil Rights Act of 1964, Title VI – Assurances

During the performance of this Contract, the contractor, for itself, its assignees and successors in interest agrees as follows:

a. Compliance with Regulations – Compliance with Regulations: The contractor (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts And Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.

b. Nondiscrimination – The contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR Part 21.

c. Solicitations for Subcontracts, including Procurements of Materials and Equipment – In all solicitations, either by competitive bidding, or negotiation made by the contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the contractor of the contractor's obligations under this contract and the Non-discrimination Acts And Authorities on the grounds of race, color, or national origin.

d. Information and Reports – The contractor will provide all information and reports required by the Acts, the Regulations and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by PMGAA or the FAA to be pertinent to ascertain compliance with such Nondiscrimination Acts And Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the contractor will so certify to PMGAA or the FAA as appropriate, and will set forth what efforts it has made to obtain the information.

e. Sanctions for Noncompliance – In the event of a contractor's noncompliance with the Nondiscrimination provisions of this contract, the Recipient will impose such contract sanctions as it or the FAA may determine to be appropriate, including, but not limited to:

i) Withholding of payments to the contractor under the contract until the contractor complies, and/or;
ii) Cancellation, termination, or suspension of the Contract, in whole or in part.

f. Incorporation of Provisions – The contractor will include the provisions of paragraphs one through six of this **EXHIBIT C** in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. The contractor will take action with respect to any subcontract or procurement as PMGAA or the FAA may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the contractor may request PMGAA to enter into any litigation to protect the interests of PMGAA. In addition, the contractor may request the United States to enter into the litigation to protect the interests of the United States.

3. Civil Rights – Title VI List of Pertinent Nondiscrimination Acts and Authorities

During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "contractor") agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq*., 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR part 21 (Non-discrimination In Federally-Assisted Programs of The Department of Transportation—Effectuation of Title VI of The Civil Rights Act of 1964);
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 *et seq*.), as amended, (prohibits discrimination on the basis of disability); and 49 CFR part 27;
- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 *et seq*.), (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 CFR parts 37 and 38;
- The FAA's Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures non-discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq).

4. <u>Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion</u>

Consultant, by accepting this Contract, certifies that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any government department or agency.

5. <u>Project Security</u>

As some or all portions of work possible during the Term of this Contract may be located inside the secured area of the Airport, adherence to and familiarity with federal security regulations is essential. For these projects, Consultant shall be responsible for fulfilling the security requirements described herein.

a. <u>Secured Area Access</u> – All Consultant personnel who require unescorted access to the secured area of the Airport, prior to the issuance of an Airport Identification badge, must successfully complete the Security Badge Application and Security Badge Authorization forms.

b. Employee Security Badges – If deemed necessary by PMGAA all Contractor and/or subcontractor personnel performing work functions in accordance with this Contract shall obtain and properly display an Airport security badge. Consultant shall submit a Security Badge Application form to the PMGAA security office for each employee requiring unescorted access, along with the current fee for each badge. Badge fees are identified on the current *Airport Fees, Services and Rental Rates* available via the Airport website at www.gatewayairport.com and are subject to change.

i. All fees must be paid to PMGAA by cash or check.
ii. Airport Security Badge Application forms and instructions are available via the Airport website at www.gatewayairport.com.
iii. An authorized representative of Consultant must also obtain and submit a Security Media Authorization form, which is to be submitted to the PMGAA badging office. The Security Media Authorization form and instructions are available via the Airport website at www.gatewairport.com.
iv. A training class on aviation security must be successfully completed before individuals are issued a badge. Fees for the security badge include attendance for the necessary training classes. Attendance at the security classes and issuance of the security badge may take two hours per person.
v. Additional information, including a "Frequently Asked Questions" is available via the Airport website at www.gatewairport.com or by contacting the PMGAA Badging Office at (480) 988-7522. The Badging Office is located at 5803 S. Sossaman Road, Mesa AZ 85212.
vi. Consultant shall immediately notify the PMGAA Badging Office of any Consultant personnel whose employment status has changed.
vii. Consultant shall retrieve all security badges and keys and return them to the PMGAA Badging Office. A fee, as indicated on the most current *Airport Rates and Charges Schedule*, will be charged for each badge that is damaged, lost or not returned.
viii. The PMGAA Badging Office will require a completed Security Badge Application from each Consultant employee so certified by Consultant as requiring such before a Security Badge is issued.
ix. Under certain circumstances and out of control of PMGAA, security measures may change on short notice. No deviations from any security measure shall be allowed at any time.
x. At all times, aircraft shall have the right-of-way over all vehicle traffic.

c. Fines – Due to both the safety and security precautions necessary at the Airport, any failure of the Consultant to adhere to prescribed Airport requirements/regulations has consequences that may jeopardize the health, welfare and lives of Airport customers and employees, as well as the Consultant's own employees. Therefore, if Consultant is found to be in non-compliance with any security, airfield badging/licensing and airfield safety requirement, a Notice of Violations (NOV) may be issued. A current listing of fines is available by contacting the PMGAA Badging Office.

6. Standard Terms & Conditions

PMGAA's Standard Terms & Conditions (in **EXHIBIT D** attached) include clauses that pertain to both construction and professional services. For such, the term "contractor" is to be considered same as "consultant." If a clause implies construction service then it is waived for a professional services contract. PMGAA reserves the right to make that determination if there is a conflict.

7. Federal and State Guidelines and Regulations

All work performed under this Contract must satisfy FAA and applicable agency standards, and be accomplished in accordance with applicable federal, state and local guidelines and regulations, including FAA Advisory Circulars, NEPA and Arizona environmental statutes.

Consultant shall perform the services as described in approved Contract in accordance with the applicable requirements imposed by PMGAA, ADOT, FAA and any other applicable sponsoring agencies. Consultant and its subconsultants/subcontractors, if any, shall comply with any and all applicable laws, regulations, executive orders, policies, guidelines, and any other requirements for FAA Airport Improvement Program (AIP) projects. Consultant shall provide PMGAA all information, reports, documents, and/or certifications requested by PMGAA for the satisfaction of any grant requirements for the reimbursement of services, including, without limitation, identifying

the specific services provided by Consultant and the billing period(s) during which services were or are to be provided. Nothing herein shall be construed as making the FAA or ADOT a party to this Contract.

8. Right to Contract With Other Firms

PMGAA shall have the right to contract with other firms and/or persons and/or to self-perform additional services, which may be the subject of this Contract. Consultant shall conduct its operations and perform any services authorized under the Contract so as not to interfere with or hinder the progress of completion of the work being performed by PMGAA and/or other firms and/or persons. Consultants working on the same project shall cooperate with each other in the performance, scheduling, and, if applicable, the integration of their respective services.

9. Independent Contractor Status

At all relevant times, Consultant is - and shall remain - an independent contractor with regard to performance of its services. PMGAA retains no control over Consultant, the performance of its work or services, or the safety of its employees. Consultant is not authorized to enter into any contract or commitment, authorize any payment, or accept any document, services, goods or materials for, in the name of, or on behalf of PMGAA.

EXHIBIT D – PMGAA STANDARD TERMS & CONDITIONS

1. **Certification.** Consultant certifies:
   a. The award of this Contract did not involve collusion or other anti-competitive practices.
   b. It shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11246, or A.R.S. Section 31-1461, et. seq.
   c. It has not given, offered to give, nor intends to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with this Contract; and Consultant hereby certifies that the individual signing this Contract is an authorized agent for Consultant and has the authority to bind the Consultant to the Contract.

2. **Termination of Contract.**

   a. PMGAA reserves the right to cancel this Contract in whole or in part due to failure of Consultant to carry out any term, promise, or condition of the Contract. At least ten (10) business days before terminating the Contract, PMGAA will issue a written notice of default specifying one of the following reasons. PMGAA shall, at all times during the term of the Contract or any extension term thereto, have the sole authority to determine if the default has been cured to its satisfaction.

      (1) Consultant has provided personnel that do not meet the requirements of the Contract.

      (2) Consultant has failed to perform adequately the stipulations, conditions or services/specifications required in this Contract.

      (3) Consultant has attempted to impose on PMGAA personnel or materials, products, or workmanship of unacceptable quality.

      (4) Consultant has failed to furnish the required service(s) and/or product(s) within the time stipulated in the Contract or associated Authorization of Services.

      (5) Consultant has failed to make progress in the performance of the requirements of the Contract or Authorization of Services, or Consultant fails to give PMGAA adequate assurance the Consultant will perform the Contract in full and on time.

      (6) Each payment obligation of PMGAA created hereby is conditioned on the availability of PMGAA, state, or federal funds appropriated for payment of the obligation. If funds are not available or allocated by PMGAA for continuance of service under this Contract, then PMGAA may terminate the Contract. PMGAA shall promptly notify Consultant regarding the service that may be affected by a shortage of funds. No penalty accrues to PMGAA if this provision is exercised, and PMGAA shall not be liable for any future payments due or for any damages as a result of termination under this paragraph.

   b. This Contract may be terminated at any time by mutual written consent or by PMGAA - with or without cause - provided the terminating party gives fourteen (14) calendar days' advance written notice to the other party. PMGAA may terminate this Contract, in whole or in part, for PMGAA's convenience and with fourteen (14) days' written notice. If this Contract is terminated, then PMGAA is liable only for services rendered and material received, certified, and approved by PMGAA under the Contract before the termination effective date.

3. **Dispute Resolution**.

   a. **Negotiations**. If a dispute arises out of or relates to this Contract or its breach, the parties to this Contract shall endeavor to settle the dispute through direct discussions as a condition precedent to mediation or binding dispute resolution.

   b. **Mediation**. Should the parties to this Contract be unable to resolve their dispute through direct negotiations, the parties to this Contract, upon the written request of either, shall engage in mediation, to be administered privately by a mediator and according to rules mutually agreed upon by the parties to this Contract, or, the absence of such mutual agreement, by a mediator appointed by JAMS and

administered by JAMS in accordance with its then-current mediation rules. The fees and costs of mediation shall be split equally by the parties to this Contract, but subject to reallocation following binding dispute resolution.

c. **Binding Dispute Resolution**. Should the parties to this Contract be unable to resolve their dispute through direct negotiations or mediation, either party may, within the time limitations for bringing claims under Arizona law and this Contract, commence formal dispute resolution proceedings. Both parties to this Contract consent to binding arbitration administered by JAMS according to its then current arbitration rules, provided, however, that (i) in the event both parties agree, the arbitration may be administered privately by an arbitrator and according to rules mutually agreed upon by the parties to this Contract, and (ii) in the event any party seeks relief against the other party or against a non-party which cannot fully be granted in arbitration, by reason of non-joinder or otherwise, the parties to this Contract are excused from this arbitration requirement and the parties to this Contract shall proceed in the state or federal courts of competent jurisdiction and located in Maricopa County, Arizona. In any arbitration or litigation, the prevailing party shall be entitled to an award of its reasonable attorneys' fees and costs as determined by the arbitrator or court as applicable.

4. **Independent Contractor.** At all times, each party acts in its individual capacity not as agent, employee, partner, joint venturer, or associate of the other party. An employee or agent of one party may not be deemed or construed to be the employee or agent of the other party for any purpose whatsoever. Neither Consultant nor any of its employees are entitled to compensation from PMGAA in the form of salaries, paid vacation, or sick days. PMGAA will not provide any insurance to Consultant, including *Workers' Compensation* coverage. PMGAA will not withhold FICA, taxes, or any similar deductions from PMGAA's payments under this Contract.

5. **Affirmative Action.** Consultant shall abide by all the federal and state of Arizona provisions for equal opportunity in the work place.

6. **Human Relations**. Consultant shall abide by all the federal and state of Arizona provisions against discrimination of disadvantaged business enterprises in applicable PMGAA contracts.

7. **Non-Exclusive Contract**. This Contract is for the sole convenience of PMGAA. PMGAA reserves the right in its discretion to obtain the same or similar goods or services from any other source.

8. **Americans with Disabilities Act.** Consultant shall comply with all applicable provisions of the *Americans with Disabilities Act* (Public Law 101-336, 42 U.S.C. 12101-12213) and applicable federal regulations under the *Act*.

9. **Confidentiality of Records**. Consultant shall establish and maintain procedures and controls that are acceptable to PMGAA for the purpose of assuring that no information contained in its records or obtained from PMGAA or from others in carrying out its functions under the Contract shall be used by or disclosed by it, its agents, officers, or employees, except as required to efficiently perform duties under this Contract. Persons requesting such information should be referred to PMGAA. Consultant also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of Consultant as needed for the performance of duties under the Contract, unless otherwise agreed to in writing by PMGAA.

10. **Gratuities.** PMGAA may, by written notice to the Consultant, cancel this Contract if it is found that gratuities, in the form of entertainment, gifts or otherwise, were offered or given by Consultant or any agent or representative of Consultant, to any officer or employee of PMGAA involved in the amending, or the making of any determinations with respect to the performing of such Contract. If this Contract is canceled by PMGAA under this provision, PMGAA shall, in addition to any other rights and remedies, repay to the Consultant the amount of the gratuity.

11. **Applicable Law.** This Contract shall be governed by, and PMGAA and Consultant shall have, all remedies afforded each by the *Uniform Commercial Code*, as adopted in the state of Arizona, except as otherwise provided in this Contract or in laws pertaining specifically to PMGAA. This Contract shall be governed by

the laws of the state of Arizona, and suits pertaining to this Contract shall be brought only in federal or state courts in the state of Arizona.

12. **Contract**. This Contract is based on and the result of a negotiated Scope of Work and Proposal, Bid or Statement of Qualifications submitted by Consultant under this RFP, IFB or RFQ. The Contract contains the entire agreement between PMGAA and Consultant. No prior oral or written agreements, contracts, proposals, negotiations, purchase orders, or master agreements (in any form) are enforceable between the parties.

13. **Contract Amendments**. This Contract shall be modified only by a written amendment signed by the PMGAA Executive Director or his/her designee, and persons duly authorized to enter into contracts on behalf of Consultant.

14. **Provisions Required by Law**. Each and every provision of law and any clause required by law to be in the Contract shall be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party the Contract shall forthwith be physically amended to make such insertion or correction.

15. **Severability.** The provisions of this Contract are severable to the extent that any provision or application held to be invalid shall not affect any other provision or application of the Contract, which may remain in effect without the valid provision, or application.

16. **Protection of Government Property.** Consultant shall use reasonable care to avoid damaging all PMGAA property, including buildings, equipment, and vegetation (such as trees, shrubs, and grass). If Consultant damages PMGAA's property in any way, Consultant shall immediately report such damage to PMGAA and repair or replace the damage at no cost to PMGAA, as directed by the PMGAA Executive Director. If Consultant fails or refuses to repair or replace the damage, then PMGAA may terminate the Contract, and PMGAA shall deduct the repair or replacement cost from money due Consultant under the Contract.

17. **Interpretation – Parol Evidence.** This Contract is intended by the parties as a final expression of their agreement and is intended also as a complete and exclusive statement of the terms thereof. No course of prior dealings between the parties and no usage of the trade shall be relevant to supplement or explain any term used in this Contract. Acceptance or acquiescence in a course of performance rendered under this Contract shall not be relevant to determine the meaning of this Contract even though the accepting or acquiescing party has knowledge of the nature of the performance and opportunity to object.

18. **Subcontracts.** Consultant shall not assign any rights or interest nor enter into any subcontract with any other party to furnish any of the materials, goods or services specified herein without the prior written permission of PMGAA. PMGAA may, at its sole discretion, accept or reject proposed subcontractors or assignment. PMGAA shall notify Consultant of its acceptance or rejection within forty-five (45) days or written request by Consultant. All subcontracts shall comply with federal and state laws and regulations applicable to the materials, goods or services covered by the subcontract and shall include all the terms and conditions set forth herein, which shall apply with equal force to the subcontract, as if the subcontractor were the Consultant referred to herein. Consultant is responsible for Contract performance whether subcontractors are used.

19. **No Waiver.** No provision in this Contract shall be construed, expressly or by implication, to waive either party's existing or future claim, right, or remedy available by law for breach of contract. The failure of either party to insist on strict performance of any Contract term or condition; to exercise or delay exercising any right or remedy provided in the Contract or by law; or to accept materials, services, or Consultant's services under this Contract or imposed by law, shall not be deemed a waiver of any right of either party to insist upon strict performance of the Contract.

20. **Warranties.** Consultant warrants that all materials and services delivered under this Contract shall conform to the specifications thereof. Mere receipt of shipment of the material or service specified and any inspection incidental thereto by PMGAA, shall not alter or affect the obligations of Consultant or the rights of PMGAA under the foregoing warranties. Additional warranty requirements may be set forth in this Contract.

21. **Indemnification.** To the fullest extent permitted by law, Consultant shall defend, save, indemnify, and hold harmless PMGAA, its agents, representatives, officers, directors, officials, and employees (collectively the "Indemnitees"), for, from and against all claims, damages, losses and expenses, including but not limited to attorney fees, court costs, expert witness fees, and the cost of appellate proceedings, relating to, arising out of, or alleged to have resulted from the Consultant's acts, errors, omissions, or mistakes relating to Consultant's services under this Contract.

22. **Right to Assurance.** Whenever one party to this Contract in good faith has reason to question the other party's intent to perform, the former party may demand that the other party give a written assurance of this intent to perform. If a demand is made and no written assurance is given within five (5) business days, the demanding party may treat this failure as an anticipatory repudiation with this Contract.

23. **Advertising.** Consultant shall not advertise or publish information concerning this Contract without prior written consent of PMGAA.

24. **Right to Inspect.** PMGAA may, at reasonable times, and at PMGAA's expense, inspect the place of Consultant's or any of Consultant's subcontractor's business, which is related to the performance of this Contract or related subcontract.

25. **Force Majeure.** 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 Contract to be performed by such party ("Required Act"), and such delay or hindrance is due to causes entirely beyond its control such as riots, insurrections, martial law, civil commotion, war, fire, flood, earthquake, or other casualty or acts of God ("Force Majeure Event"), 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 delay. For purposes of this Contract, the financial inability of Consultant to perform any Required Act, including, without limitation, failure to obtain adequate or other financing shall not be deemed to constitute a Force Majeure Event. A Force Majeure Event shall not be deemed to commence until ten (10) days before the date on which the party who asserts some right, defense, or remedy arising from or based upon such Force Majeure Event gives written notice thereof to the other party. If abnormal adverse weather conditions are the basis for a claim for an extension of time due to a Force Majeure Event, the written notice shall be accompanied by data substantiating (a) that the weather conditions were abnormal for the time and could not have been reasonably anticipated and (b) that the weather conditions complained of had a significant adverse effect on the performance of a Required Act. To establish the extent of any delay to the performance of a Required Act due to abnormal adverse weather, a comparison will be made of the weather for the time of performance of the Required Act with the average of the preceding ten (10) years' climatic range based on the National Weather Service statistics for the nearest weather reporting station to the Premises. No extension of time for or excuse for a delay in the performance of a Required Act will be granted for rain, snow, wind, cold temperatures, flood, or other natural phenomena of normal intensity for the locality where the Premises are located.

26. **Inspection.** All material or service is subject to final inspection and acceptance by PMGAA. Material or service failing to conform to the specifications of this Contract will be held at Consultant's risk and may be returned to Consultant. If so returned, all costs are the responsibility of Consultant. Noncompliance shall conform to the cancellation clause set forth in this Contract.

27. **Exclusive Possession.** All services, information, computer program elements, reports, and other deliverables, which may be created under this Contract, are the sole property of PMGAA and shall not be used or released by Consultant or any other person except with prior written permission by PMGAA.

28. **Title and Risk of Loss.** The title and risk of loss of materials or services shall not pass to PMGAA until PMGAA actually receives the material or service at the Airport, unless otherwise provided within this Contract.

29. **Liens.** All materials, services, and other deliverables supplied to PMGAA under this Contract must be free of all liens and other encumbrances. Upon request of PMGAA, Consultant shall provide a formal release of all liens.

30. **Licenses.** Consultant shall maintain in current status all federal, state, and local licenses and permits required for the operation of the business conducted by Consultant as applicable to this Contract.

31. **Subsequent Employment.** PMGAA may cancel this Contract without penalty or further obligation in accordance with A.R.S. Section 38-511 if any person significantly involved in initiating, negotiating, securing, drafting, or creating the contract, on behalf of the PMGAA is or becomes, at any time while the Contract or any extension of the contract is in effect, an employee of, or a contractor to any other party to this Contract with respect to the subject matter of the Contract. Such cancellation shall be effective when the parties to this Contract receive written notice from PMGAA, unless the notice specifies a later time.

32. **Clean Up.** Consultant shall at all times keep Contract performance areas, including storage areas used by the Consultant, free from accumulation of waste material or rubbish and, prior to completion of the work, remove any rubbish from the premises and all tools, scaffolding, equipment and materials not property of PMGAA. Upon completion of any repair, Consultant shall leave the work and premises in clean, neat, and workmanlike condition.

33. **Patents.** Consultant shall defend, indemnify, and hold harmless PMGAA, its officers and employees from all liabilities, claims, damages, costs, or expenses, including, but not limited to attorneys' fees, for any alleged infringement of any person's patent rights or copyrights in consequence of the use by PMGAA, its officers, employees, agents, and other duly authorized representatives of tangible or intellectual property supplied to PMGAA by Consultant under this Contract.

34. **Records and Audit Rights.** Consultant's and all of its approved subcontractors' books, records, correspondence, accounting procedures and practices, and any other supporting evidence relating to this Contract, including the papers of all Consultant and subcontractor employees that work on the Contract (all the foregoing collectively referred to as "Records"), must be open to inspection and subject to audit and/or reproduction during normal working hours by PMGAA. PMGAA is entitled to evaluate and verify all invoices, payments or claims based on Consultant's and its subcontractor's actual costs (including direct and indirect costs and overhead allocations) incurred or units expended directly in the performance of work under this Contract. For any audit under this Section, Consultant and its subcontractors hereby waive the right to keep such Records confidential. PMGAA is entitled to access to these Records from the effective date of this Contract for the duration of the work and until five years after the date of final payment by PMGAA to Consultant under the Contract. During normal working hours, PMGAA is entitled to access to all necessary Consultant and subcontractor facilities and shall be provided adequate and appropriate workspace, in order to conduct audits under this Section. PMGAA shall give Consultant or subcontractors reasonable advance notice of intended audits. Consultant shall require its subcontractors to comply with the provisions of this Section by including its requirements in all subcontracts related to this Contract.

35. **E-Verify Requirements.** To the extent applicable under A.R.S. § 41-4401, Consultant and its subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees, and compliance with the E-Verify requirements under A.R.S. §23-214(A). Consultant's or its subcontractors' failure to comply with such warranty shall be deemed a material breach of this Contract and may result in the termination of this Contract by PMGAA. PMGAA shall have the right to inspect the papers of Consultant's and any of Consultant's subcontractor's employee who works on this Contract to ensure the Consultant is complying with this paragraph.

EXHIBIT E – CONSULTANT'S RFQ SUBMITTAL

Consultant's Proposal in response to Phoenix-Mesa Gateway Airport Authority's Solicitation 2023-009-RFQ dated August 30, 2022, is hereby incorporated herein and made part of this Contract.

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 22-70

To:	**Board of Directors**
From:	**R. J. Draper, P.E., LEED AP, CM Engineering & Facilities Director**
Through:	**Scott Brownlee, Deputy Director/COO** **J. Brian O'Neill, A.A.E., Executive Director/CEO**
Subject:	**Rental Car Care Facility Improvements Construction Administration Services – TranSystems Corporation – CIP 1242**
Date:	**November 15, 2022**

Proposed Motion

To approve an Agreement with TranSystems Corporation, for Construction Administration Services, for the Rental Car Care Facility Improvements Project, in an amount not to exceed $197,440 under CIP 1242.

Narrative

The growth of commercial service at the Airport benefits the car rental companies and generates revenue for the Airport through Customer Facility Charges (CFC). CFCs are daily transaction fees imposed upon a customer renting a vehicle from an on-airport car rental company. CFC revenues are used to pay for costs associated with the design and construction of facilities or improvements used for the car rental companies located at the Airport.

Our current Car Care Facility is outdated, inadequate, and lacks the capacity and efficiency needed to service our customers effectively. This facility needs to be upgraded and expanded in order to accommodate the increased number of rental cars currently in service. Willmeng Construction, Inc. is providing the CMAR Construction Services and TranSystems Corporation will provide the Construction Administration Services. These services include Progress Meetings, Site Visits, Construction Requests for Information responses, Construction Submittal Review and Record Documents (As-Built Drawings) on CAD.

The Procurement of these services is in accordance with the Airport's Procurement Policy 22-01, following the A.R.S. Title 34 rules.

Fiscal Impact

This Agreement is included in the FY23 Capital Budget utilizing Customer Facility Charge (CFC) funds under CIP 1242.

Attachment(s): Professional Services Agreement

RESOLUTION NO. 22-70

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to approve an agreement with TranSystems Corporation, for Construction Administration Services, for the Rental Car Care Facility Improvements Project, in an amount not to exceed $197,440 under CIP 1242;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

> **The Board of Directors of the Authority hereby approves an agreement with TranSystems Corporation, for Construction Administration Services, for the Rental Car Care Facility Improvements Project, in an amount not to exceed $197,440 under CIP 1242. 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 15th day of November, 2022.

Brigette Peterson, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY

AND

TRANSYSTEMS CORPORATION

FOR

CONSTRUCTION ADMINISTRATION SERVICES – RENTAL CAR CARE FACILITY

CONTRACT NUMBER 20230109

CIP NUMBER 1242

The Phoenix-Mesa Gateway Airport is owned and operated by the Phoenix-Mesa Gateway Airport Authority (PMGAA), a joint powers airport authority authorized by the State of Arizona and consisting of the City of Mesa, City of Phoenix, City of Apache Junction, Town of Gilbert, Town of Queen Creek and the Gila River Indian Community.

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Phoenix-Mesa Gateway Airport Authority, a joint powers airport authority authorized by the State of Arizona ("PMGAA") desires performance of the services more fully described in this **Contract Number 20230109** ("Contract") and the attached exhibits. TranSystems Corporation, a Missouri C-Corporation ("Consultant"), with its principal offices located at 2400 Pershing Road, Suite 400, Kansas City, MO, 64108, desires to perform these services.

Recitals

A. PMGAA requires the services as described in this Contract, including any and all exhibits and amendments, and Consultant is willing to provide these and other services under this Contract; and

B. PMGAA desires to contract with Consultant to provide services as noted herein.

Now therefore, in consideration of the recitals and the mutual covenants set forth below, PMGAA and Consultant agree as follows.

SECTION I – CONSULTANT SERVICES

The services to be performed by Consultant are specified in this Contract. PMGAA will not pay Consultant for any services that have not been authorized under the Contract. There is no guarantee of a minimum purchase of services.

The anticipated services to be provided by Consultant under this Contract shall generally include, but not be limited to, the following: Construction Administration Services as more specifically described in the detailed scope of services attached as **EXHIBIT A**, "Scope of Services & Fee Schedule."

PMGAA's authorized representative shall be the PMGAA Engineering and Facilities Director or his/her duly authorized representative, and that he/she shall be the sole contact for administering this Contract.

All services provided by Consultant under this Contract must be performed in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances in Arizona. Consultant makes no other warranty, expressed or implied.

SECTION II – PMGAA RESPONSIBILITIES

PMGAA shall furnish Consultant, at no cost to Consultant, the following information or services for this Contract:

A. Access to copies of readily available maps, records, as-built drawings, benchmarks or other data pertinent to work assignments affiliated with this Contract. This does not, however, relieve Consultant of the responsibility of searching records for additional information, for requesting specific information or for verification of that information provided. PMGAA does not warrant the accuracy or comprehensiveness of any information or documents provided to Consultant.

B. In PMGAA's discretion and upon Consultant's reasonable request, access to staff for consultation with Consultant during the performance of this contract in order to identify the problems, needs, and other functional aspects of the work.

C. Prompt review of and feedback on Consultant's deliverables. PMGAA will advise Consultant concerning progress of PMGAA's review of the work, as needed.

SECTION III - PERIOD OF SERVICE

Consultant shall complete all work in accordance with the provisions of this Contract as amended.

All work initiated under this Contract must be completed on or before the expiration date of the Contract as amended.

The term of this Contract shall commence on November 16, 2022 and ends upon final completion and acceptance by PMGAA of the project, as defined by the Scope of Services ("Base Term"), unless terminated, canceled or extended as provided in this Contract.

Consultant shall commence its services within seven (7) days of the written authorization by PMGAA. Consultant shall perform its services in a diligent manner and in accordance with this Contract.

SECTION IV – KEY PERSONNEL

The Consultant itself, and the subconsultants listed below, shall provide all services to be performed under this Contract. If additional subconsultants are required by Consultant to perform any services listed under this contract, Consultant shall notify PMGAA prior to authorizing work by said Sub-Consultants. PMGAA may, at its sole discretion, accept or reject proposed Sub-Consultants.

Dibble
Stantec Consulting Services, Inc.

SECTION V - PAYMENTS TO THE CONSULTANT

Consultant will be paid for work performed under this Contract plus any adjustments that have been approved in writing by PMGAA in accordance with PMGAA's Procurement Policy. Payments will be made in accordance with **EXHIBIT B**, "Compensation."

All services to be rendered by Consultant are subject to the terms of **EXHIBIT B**, "Compensation" attached hereto.

PMGAA does not guarantee any minimum or maximum fee during the Term of this Contract, and Consultant, in executing this Contract, shall not anticipate or require any minimum or maximum fee.

PMGAA shall pay Consultant in agreed upon installments for services authorized and rendered under this Contract at the completion of each work assignment, provided Consultant has satisfactorily completed the requested work. If any such work requires time in excess of 30 calendar days to complete, progress payment(s) may be made on invoices certified and approved by PMGAA.

SECTION VI - ALTERATION IN SCOPE OF SERVICES

For any alteration in the Scope of Services that would materially increase or decrease the Contract fee, the parties shall negotiate an amendment to the Contract to be executed by PMGAA and Consultant. No work shall commence on any amendment or change until the amendment has been approved by PMGAA and Consultant has been notified to proceed by PMGAA. No claim for extra work done or materials furnished by Consultant will be allowed by PMGAA, except as provided herein, nor shall Consultant do any work or furnish any materials not covered by this Contract unless the work is first authorized in writing by PMGAA and the change complies with PMGAA's Procurement Policy. Any work or materials furnished by Consultant without advance, written authorization will be at Consultant's own risk, cost, and expense. Without written authorization, Consultant shall make no claim for compensation for such work or materials furnished.

SECTION VII - WORK ASSIGNMENT COMPLETION

If, during the Term of this Contract, situations arise which prevent work completion within the allotted time, PMGAA may grant an appropriate time extension.

SECTION VIII - OWNERSHIP OF DOCUMENTS

Any documents, including all electronic copies thereof, prepared under or as a result of this Contract, shall be the property of PMGAA. To the extent necessary to effectuate such ownership, Consultant hereby assigns all right, title and interests to such documents to PMGAA. Consultant shall execute any separate contracts or documents, if any, which may be necessary to implement the terms of this Section.

All of Consultant's documents prepared under this Contract, including electronic files, are instruments of service. All of these documents become the property of PMGAA upon completion of the services and payment in full to Consultant. PMGAA may reuse or modify the documents, as it deems necessary, without Consultant's prior written authorization. PMGAA shall indemnify and hold harmless Consultant, its officers, directors, employees and subconsultants (collectively, the "Consultant") against any and all damages, liabilities or costs arising from PMGAA's modification of documents produced by Consultant under this Contract unless Consultant authorizes the modification in writing.

SECTION IX - COMPLIANCE WITH LAWS

Consultant shall comply with all federal, state and local laws, local ordinances and regulations throughout the Term.

Consultant's signature on this Contract certifies compliance with the provisions of the I-9 requirements of the *Immigration Reform and Control Act of 1986* for all personnel that Consultant and any subconsultants employ to complete any work assignment.

PMGAA shall administer this Contract in accordance with PMGAA's Procurement Policy.

SECTION X - GENERAL CONSIDERATIONS

A. The failure of either party to enforce any of the provisions of this Contract or require performance of the other party of any of the provisions hereof shall not be construed to be a waiver of the provisions, nor shall it affect the validity of this Contract or the right of either party to enforce each and every provision.

B. The fact that PMGAA has accepted or approved Consultant's work shall in no way relieve Consultant of responsibility for the work under this Contract.

C. This Contract shall be governed by the laws of the state of Arizona, both as to interpretation and performance. Any action at law, suit in equity, or judicial proceeding for the enforcement of this Contract, or any provision thereof, shall be instituted only in the courts of the state of Arizona.

D. All exhibits to this Contract and any amendments to the Contract are incorporated into it.

SECTION XI - NO KICK-BACK CERTIFICATION

Consultant warrants that no person has been employed or retained to solicit or secure this Contract upon any agreement or understanding for a commission, percentage, brokerage, or contingent fee and that no member of the PMGAA Board of Directors or any employee of PMGAA has any interest, financially or otherwise, in Consultant's firm.

For breach or violation of this warranty, PMGAA may annul this Contract without liability.

SECTION XII – SUSPENSION OF SERVICES

Consultant shall, within five (5) business days upon receiving written notice from PMGAA, suspend, delay, or interrupt all or a part of the Scope of Services. Consultant shall resume the Scope of Services within five (5) business days of receiving written notice from PMGAA.

SECTION XIII – TIMES OF PAYMENTS

Consultant shall submit periodic invoices for any unbilled portion of the services actually completed. PMGAA shall review, certify, and approve or reject each invoice in whole or in part. PMGAA shall pay each approved invoice within 30 calendar days of the date that PMGAA approves the invoice.

SECTION XIV – TIMELY REVIEW

PMGAA will review Consultant's studies, reports, proposals, and other related documents and render any decisions required by Consultant in a timely manner. Notwithstanding these reviews, Consultant remains solely responsible for all of its deliverables and services under this Contract. By PMGAA's reviews, PMGAA does not assume any liability for or retained control over Consultant's work or Consultant's responsibility for the safety of its employees.

SECTION XV – DISPUTE RESOLUTION

All disputes between PMGAA and Consultant arising out of or relating to this Contract will be subject to the Dispute Resolution provisions as set forth in **EXHIBIT D**, "PMGAA Standard Terms and Conditions", attached hereto and incorporated herein by reference.

PMGAA and Consultant shall include a similar dispute resolution provision in all contracts with other contractors and consultants retained for the Project and shall require all other independent contractors and consultants to include a similar dispute resolution provision in all contracts with subcontractors, subconsultants, suppliers or fabricators retained by them.

SECTION XVI - LIABILITY OF CONSULTANT

To the fullest extent permitted by law, Consultant shall defend, save, indemnify, and hold harmless PMGAA, its member governments, departments, officers, employees, and agents from and against damages arising out of any act, error, or omission of Consultant relating to its services under this Contract.

SECTION XVII - LAWS AND REGULATIONS

All federal, state, and local laws and regulations that relate to Consultant's services apply to Consultant's performance of this Contract throughout. These laws and regulations are deemed included in this Contract the same as though written out in full, especially the current applicable Federal Aviation Administration (FAA) rules and regulations associated with airport projects; pertinent Airport engineering standards; and local rules, regulations, and industry standards.

SECTION XVIII – ARCHAEOLOGICAL RESOURCE PROTECTION

While performing services under this Contract, Consultant may encounter a known or unknown archaeological site located at the Airport. If Consultant encounters what it believes to be an archaeological site, Consultant shall immediately notify PMGAA of the site's location and take all reasonable precautions to protect and preserve the site until PMGAA otherwise directs.

SECTION XIX INSURANCE REQUIREMENTS

A. Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees.

B. All insurance policies required by this Contact, except *Workers Compensation* and *Professional Liability*, shall name PMGAA, its agents, representatives, officers, directors, officials and employees as Additional Insured.

C. Minimum Scope and Limits of Insurance. Coverage shall be at least as broad as:

   i. Professional Liability (Errors and Omissions): Insurance appropriate to the Consultant's profession, with limit no less than $1,000,000 per occurrence or claim, $2,000,000 aggregate.
   ii. Commercial General Liability: Insurance Services Office Form CG 00 01 covering Bodily Injury and Property Damage on an "occurrence" basis, including personal & advertising injury with limits no less than $1,000,000 per occurrence, $2,000,000 General Aggregate.
   iii. Auto Liability: ISO Form CA 00 01 covering any auto (Symbol 1), or if Consultant has no owned autos, hired, (Symbol 8) and non-owned autos (Symbol 9), with limit no less than $1,000,000 Combined Single limit per accident for bodily injury and property damage ($5,000,000 if operating in the Air Operations Area of the Airport).
   iv. Workers' Compensation: Statutory Limits as required by the state of Arizona, and Employer's Liability Insurance with limit of no less than $1,000,000 per accident for bodily injury or disease.

D. If the Consultant maintains higher limits than the minimums shown above, PMGAA requires and shall be entitled to coverage for the higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to PMGAA.

E. Additional insurance provisions. The insurance policies shall provide, or be endorsed to include, the following provisions:

   i. Notice of Cancellation: Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to PMGAA.
   ii. Waiver of Subrogation: Consultant waives any right to subrogation. Consultant shall obtain an endorsement necessary to affect this waiver of subrogation from the insurer for all lines of coverage required by this Contract, except *Workers Compensation* and *Professional Liability,* for claims arising out of the Consultant's work or service.
   iii. Primary Coverage: For all claims related to this Contract, all of Consultant's insurance policies will be primary and non-contributory. Any insurance or self-insurance maintained by PMGAA, its officers, officials, employees, or volunteers will be in excess of Consultant's insurance and will not contribute with it.

iv. Deductibles and Self-Insured Retentions: Any deductibles or self-insured retentions must be declared to and approved by PMGAA. PMGAA may require the Consultant to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.

v. Acceptability of Insurers: Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A, VII, unless otherwise acceptable to PMGAA.

vi. Claims Made Policies: No Claims Made policies (other than Professional Liability) will be accepted. For policies that provide claims-made coverage:

a) The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.

b) Insurance must be maintained, and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.

c) If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Consultant must purchase "extended reporting" coverage for a minimum of five (5) years after completion of work.

vii. Verification of Coverage: Consultant shall furnish PMGAA with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by PMGAA before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide the required insurance. PMGAA reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

viii. Subcontractors: Consultant shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Consultant shall ensure that PMGAA is an additional insured on insurance required from subcontractors.

ix. Special Risks or Circumstances: PMGAA reserves the right to modify these requirements, including limits, based on the nature of the risk, scope of services, prior experience, insurer, coverage, or other special circumstances.

SECTION XX NOTICES

Any notice, report or information which may be or is required to be given under this Contract will be in writing and shall be sent by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

TO PMGAA: Phoenix-Mesa Gateway Airport Authority
Attn: Engineering & Facilities Director
5835 South Sossaman Road
Mesa, Arizona 85212

TO CONSULTANT: TranSystems Corporation
Attn: David Lee
2000 Center Street, Suite 303
Berkeley, CA 94704

or to such other person(s) or address(es) as any such Party may designate from time to time by notice to the other Parties in accordance with this Section.

Executed as of the Commencement Date.

CONSULTANT
TranSystems Corporation, a Missouri C- Corporation

By: _____

Name: Jeffrey D Stiles

Title: Executive Vice President

Date: October 28, 2022

PMGAA
PHOENIX 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: _____

EXHIBIT A – SCOPE OF SERVICES & FEE SCHEDULE

The services to be performed by Consultant and the completion of related efforts are specified in the following Scope of Services & Fee Schedule agreed to by the parties.

SCOPE OF SERVICES

The Scope of Services includes completion of construction support services for the Rental Car Care Facility project by TranSystems' in-house architectural and engineering staff and the following subconsultants:

- Construction support services associated with implementation of the project's site improvements to be provided by Dibble, as detailed in their scope and fee proposal dated October 13, 2022.
- Construction support services associated with the implementation of the vehicle service vacuum system and car wash system to be provided by Stantec, as detailed in their scope and fee proposal dated October 3, 2022.

Consultant shall provide the following services:

- *Progress Meetings:* Participate in weekly construction progress meetings led by the project's Construction Manager-at-Risk (CMAR) for the duration of the project construction, beginning in October 2022 and concluding by December 2023. Progress meetings, up to one-hour each, will be attended by up to three (3) members of the Consultant Team virtually via CMAR's video conferencing service.
- *Periodic Site Visits:* Conduct periodic visits to the construction site, by discipline leads as appropriate to the stage of construction. The following number of site visits by the disciplines noted are included in Scope and reflected in the Fee Schedule:
    - Architectural and Structural Engineering Disciplines: Up to 12 trips during construction, including project closeout punch list review.
    - Mechanical, Plumbing, Fire Protection and Electrical Engineering Disciplines: Up to 2 trips during construction, including project closeout punch list review.
- *Construction Requests for Information (RFIs) Response*: Respond to the CMAR's technical RFIs and prepare exhibits for modifications or clarifications as required. Proposed Fee Schedule includes response to a total of a hundred (100) technical RFIs.
- *Construction Submittal Review*: Review and recommend approval or disapproval of construction submittals indicated to require Architect or Engineer of Record's review in the Project Manual. It is assumed that electronic deliverables are preferred for construction submittal reviews, and that few, if any, deliverables will be required to be provided in hard copy form.
- *Record Documents (as-built drawings) on CAD*: Prepare record documents (as-built drawings on CAD files) based on marked-up prints, drawings and other data furnished by the CMAR

FEE SCHEDULE

For the services provided herein, PMGAA agrees to pay Consultant the not to exceed amount of $197,440.

Phoenix-Mesa Gateway Airport Authority (PMGAA)
Rental Car Care Facility Project
Construction Support Services Budget Breakdown

Project Name:	Rental Car Care Facility Project
Name of Firm (disciplines)	TranSystems (architecture, struct, MEP engineering)
Date Prepared:	October 13, 2022
Prepared for:	Phoenix-Mesa Gateway Airport Authority

Position/Personnel Title	Project Manager	QA/QC Manager	Senior Architect	Senior Designer	Sr Struct Engineer	BIM/CAD Tech Building	Senior Mech Engineer	Senior Plumbing Designer	Senior Elec Engineer	BIM/CAD Tech MEP	Project Admin	
Hourly Billing Rates (see detailed breakdown for Overhead and Fee information)	$233.77	$230.59	$194.41	$110.75	$177.45	$110.75	$189.40	$120.38	$180.30	$80.97	$88.73	
Labor	Hours	Hours	Hours	Hours	Hours	Hours	Hours	Hours		Hours	Hours	**Total Hours**
Task 5 Construction Support												
Progress Meetings	24		16	60	24		16	16	24			**180**
Periodic Site Visits / Closeout Punch List	40		40	48	40		24		24			**216**
Construction RFIs Response	10	2	16	60	36		12	12	40		2	**190**
Construction Submittal Review	8	2	20	40	40		16	16	30		4	**176**
Record Documents	2	4	8	24	8	36	8	8	8	32	2	**140**
Total Hours:	**84**	**8**	**100**	**232**	**148**	**36**	**76**	**52**	**126**	**32**	**8**	**902**
Total Labor:	**$ 19,636**	**$ 1,845**	**$ 19,441**	**$ 25,693**	**$ 26,263**	**$ 3,987**	**$ 14,395**	**$ 6,260**	**$ 22,718**	**$ 2,591**	**$ 710**	**$ 143,539**

Subconsultants Breakdown

Name of Firm (disciplines)												**Fee**
Dibble (civil engineering)												**$ 17,211**
Stantec (QTA systems engineering)												**$ 28,750**
Total Subconsultant Fee:												**$ 45,961**

Direct Expenses Breakdown

Personnel (Home Office Location) / Expenses	Airfare (Round Trip)	Hotel/Night	# of Nights/Trip	Meals	Ground Transp.	Airport Parking / Mileage	Cost/Trip	# of Trips				**Total Cost**
Project Manager (Berkeley, CA)	$ 330	$ 151	1	$ 103	$ 100	$ 60	**$ 744**	**2**				**$ 1,488**
Structural Engineer (Ebensburg, PA)	$ 750	$ 151	2	$ 171	$ 150	$ 120	**$ 1,493**	**2**				**$ 2,986**
Mech/Plumbing Engineer (Ebensburg, PA)	$ 750	$ 151	2	$ 171	$ 150	$ 120	**$ 1,493**	**1**				**$ 1,493**
Electrical Engineer (Ebensburg, PA)	$ 750	$ 151	2	$ 171	$ 150	$ 120	**$ 1,493**	**1**				**$ 1,493**
Senior Architect / Designer (Phoenix, AZ)					$ 40		**$ 40**	**12**				**$ 480**
												$ -
Total Direct Expenses:												**$ 7,940**

Total Fee $ 197,440

Phoenix-Mesa Gateway Airport Authority (PMGAA)
Rental Car Care Facility Project
Staff and Labor Rate Breakdown

Project Name:	Rental Car Care Facility Project
Name of Firm (disciplines)	TranSystems (architecture, struct, MEP engineering)
Date Prepared:	October 13, 2022
Prepared for:	Phoenix-Mesa Gateway Airport Authority

Overhead Rate	Fee (Profit)	Multiplier
144.72%	10.00%	2.69

Last Name	First Name	Staff Category	Assigned Project Role	Hourly Unloaded Labor Rate	Overhead	Fee	Hourly Loaded Billing Rate
Project Management and Architecture							
Lee	David	Architect IV	Project Manager	86.84	125.67	21.25	**233.77**
Steen	Douglas	Architect IV	QA/QC Manager	85.66	123.97	20.96	**230.59**
Lin	Yi-Jeng "Norman"	Architect IV	Senior Technical Architect	72.22	104.52	17.67	**194.41**
Lindsley	Gertrude	Architect III	Technical Architect	43.12	62.40	10.55	**116.08**
Neel	Justin	Technician III	Senior Designer	41.14	59.54	10.07	**110.75**
Xu	Zhongen "Joey"	Architect I	Designer	35.22	50.97	8.62	**94.81**
Jones	Taylor	Administrator II	Project Administrator	32.96	47.70	8.07	**88.73**
Structural Engineering							
Woods	Mark	Structural Engineer III	Senior Structural Engineer	81.46	117.89	19.93	**219.28**
Thekkekara	Mathew	Structural Engineer III	Senior Structural Engineer	70.92	102.64	17.36	**190.91**
Bowers	Christopher	Structural Engineer III	Senior Structural Engineer	65.92	95.40	16.13	**177.45**
Mechanical/Electrical/Plumbing/Fire Protection Engineering							
Meitzler	Ryan	Mechanical Engineer III	Senior Mechanical Engineer	70.36	101.82	17.22	**189.40**
Partsch	Joseph	Designer III	Senior Plumbing Designer	44.72	64.72	10.94	**120.38**
Blickenderfer	John	Electrical Engineer III	Senior Electrical Engineer	43.92	63.56	10.75	**118.23**
Duman	Robert	Electrical Engineer III	Senior Electrical Engineer	66.98	96.93	16.39	**180.30**
Cannone	Brian	Technician II	BIM/CAD Technician	30.08	43.53	7.36	**80.97**

p 602.957.1155 | 7878 North 16th Street, Suite 300
f 602.957.2838 | Phoenix, AZ 85020
dibblecorp.com

October 13, 2022

David Lee, AIA

TranSystems

2000 Center Street, Suite 303

Berkeley, California 94704

RE: PMGAA Rental Car Care Facility
Construction Administration Services Proposal

David,

Thank you for the opportunity to submit this proposal for Limited Construction Administration Phase services for the referenced project. Dibble will provide the following support services during construction:

SCOPE OF SERVICES:

1.0 Preconstruction Activities

a. Attend preconstruction conference as required

2.0 Construction Administration Activities

a. Attend periodic construction meetings, as requested or required. Meeting attendance is estimated to be requested for a total of 8 meetings. Note that as much as practical, meeting attendance and Periodic Observations will be combined in a single visit.

b. Visit the site to provide Periodic Observation of the civil elements thought the project. Periodic Observation will focus on critical civil activities including site and utility demolition, completion of rough grading, civil utility installation, and paving operations. Periodic Observations will be documented with brief Observation Report summarizing observations and noting any pertinent recommendations. A total of 4 periodic site observations are anticipated over the duration of the project. Daily or other required (special) inspections are specifically excluded: these will be provided by others.

c. Review Contractor-provided shop drawings, product data, and substitution request for conformance to the contract documents and make recommendations if necessary for revisions. Reviews in excess of two per submittal will require additional services. Transmittal by TranSystems to Dibble of these documents, accompanied by a request for review, will constitute an assumption that approval for reimbursement for the review has been obtained from PMGAA unless otherwise noted.

d. Review Contractor Request for Information (RFI's) and provide clarifications in the form of written RFI responses and/or design modification sketches.

e. Prepare Architect Supplemental Instructions (ASI) based on the assumption that a percentage of RFI's will require ASIs in the form of sketches. It's estimated that 2 civil related ASI will be issued throughout construction.

3.0 Project Close-Out Activities

a. Attend the "Final Inspection" walk-throughs (at the time the Contractor is requesting Substantial Completion) and provide TranSystems with comments to assist in generation of their punch-list. Attend one follow-up visit when requested by PMGAA/TranSystems to confirm compliance with the noted deficiencies. Additional punch list reinspection's over the initial visit will require additional compensation.

b. Complete Project Record Drawings utilizing Contractor Redlines, RFI responses, engineering sketches, etc. Deliverables for Record Drawings will include revised CAD files, and PDFs of the final Record Drawings and the Contractor-provided Redlines.

c. Attend warranty walk at 11-months following completion of the project and provide comments to TranSystems to assist in generation of their warranty punch list.

Dibble Engineering proposes to provide Limited Construction-Phase Services for a Time-and-Material, not-to-Exceed Fee of $17,211. Please see the Fee Summary for a breakdown of rates and costs.

FEES:

1.0	Preconstruction Activities	
	a. Preconstruction Meeting	$ 1,497
2.0	Construction Administration Activities	
	a. Periodic Construction Meetings	$ 2,144
	b. Periodic Site Observations	$ 2,482
	c. Shop Drawing Review	$ 1,894
	d. RFIs	$ 2,482
	e. ASIs	$ 1,472
3.0	Project Close-Out Activities	
	a. Punch List	$ 1,410
	b. Record Drawings	$ 3,096
	c. Warranty Services	$ 734
	Subtotal	**$17,211**

See attached billing rate schedule for current Dibble billing rates. When calculating the Dibble billing rates an overhead rate of 1.8867 and a profit of 10% is used.

We look forward to working with the Phoenix-Mesa Gateway Airport Authority and TranSystems on this project. If you need additional information or have questions, please do not hesitate to call.

Sincerely,

Kent E. Norcross, P.E.
Vice President, Land Development
Dibble

Adrian Carvajal, P.E.
Project Manager, Land Development
Dibble

If this proposal including the attached back-up documents is acceptable, please so indicate by signing and dating below. The return of this signed document shall serve as our notice to proceed with this project.

_____
Name (Print), Title

_____ _____
Signature Date
TranSystems

Fee Matrix

PMGAA Rental Car Care Facility CA Fee Proposal DIBBLE			2021 Standard Billing Rates		R. PROJEC MGR	PROJECT MGR	SENIOR ENG (PE)	QA/QC MGR	PROJECT ENG(PE)	ASSIST ENG(EIT)	DESIGNER	LAND SURV(RLS	SURVEY TECH	SURVEY CREW	ADMIN ASSIST
			FEE	HOURS	$205.00	$198.00	$189.00	$192.00	$169.00	$137.00	$123.00	$183.00	$101.00	$195.00	$84.00
1.0	**Preconstruction Activities**	*Internal*													
a	Preconstruction meeting	*1400 LO*	**$1,497**	**10**		3	3								4
2.0	**Construction Administration**	*Internal*													
2.a	Periodic Construction Meetings	*1400 LO*	**$2,144**	**12**		4			8						
2.b	Periodic Site Observations	*1400 LO*	**$2,482**	**14**		4			10						
2.c	Shop Drawing Review	*1400 LO*	**$1,894**	**12**		2			4	6					
2.d	RFIs	*1400 LO*	**$2,482**	**14**		4			10						
2.e	ASIs	*1400 LO*	**$1,472**	**10**		2			2		6				
3.0	**Project Close-Out Activities**	*Internal*													
3.a	Punch list	*1400 LO*	**$1,410**	**8**		2			6						
3.b	Record Drawings	*1400 LO*	**$3,096**	**22**		2			4	4	12				
3.c	Warranty Services	*1400 LO*	**$734**	**4**		2			2						
			$0	**0**											
			$0	**0**											
			$0	**0**											
			$0	**0**											
			$0	**0**											
			$0	**0**											
			$0	**0**											
			$0	**0**											
			$0	**0**											
			$0	**0**											
			$0	**0**											
			$0	**0**											
	LUMP SUM TOTAL		**$17,211**		$0	$4,950	$567	$0	$7,774	$1,370	$2,214	$0	$0	$0	$336
	HOURS			**106**	0	25	3	0	46	10	18	0	0	0	4

BREAKDOWN BY PHASE			
1.0	**Preconstruction Activities**	**$1,497**	**10**
2.0	**Construction Administration Activities**	**$10,474**	**12**
3.0	**Project Close-Out Activities**	**$5,240**	**8**
0.0	**0**	**$0**	**0**
0.0	**0**	**$0**	**0**
0.0	**0**	**$0**	**0**
0.0	**0**	**$0**	**0**
0.0	**0**	**$0**	**0**
0.0	**0**	**$0**	**0**
	LUMP SUM TOTAL	**$17,211**	**30**

ALLOWANCE/SUB-CONSULTANTS		
ALLOWANCE/SUB-CONSULT		**$0**

TOTAL CONTRACT	**$17,211**

Stantec Consulting Services Inc.
5 Dartmouth Drive Suite 200, Auburn NH 03032-3984

October 3, 2022
File: 195602430

Attention: Mr. David K. Lee, AIA
Vice President
TranSystems Corporation

Dear Mr. Lee,

Reference: Proposal for Additional Services – Construction Phase
Proposed QTA Facility, Phoenix Mesa Gateway Airport (AZA)

Stantec Consulting Services, Inc. is pleased to provide TranSystems Corporation (TSC) this proposal for additional services for the construction phase related to the proposed rental car facility at Phoenix Mesa Gateway Airport (AZA). We understand that Stantec will be expected to conduct on-site inspections, review equipment submittals, provide responses to RFI's and prepare record drawings of the vacuum and car wash systems.

Scope of Services – Vacuum and Car Wash Systems – Construction Administration

Desktop Scope

Stantec's proposed desktop scope is as follows:

- Review and comment on equipment submittals related to the car wash and vacuum systems (24 hours assumed).
- Provide technical responses to requests for information (RFI's) submitted by the contractor for construction related to the car wash and vacuum systems (24 hours assumed).
- Development of record drawings related to the car wash and vacuum systems (16 hours assumed) We have assumed the contractor will be providing as-built markups which will serve as the record drawing basis.
- An additional 12 hours for general construction related consulting and support (virtual construction progress meetings, manufacturer coordination etc.)

Site Visits

Stantec proposes the following Site Visit Scope:

- In person attendance at the pre-construction meeting by one Stantec design professional.
- In-person attendance for one day of car wash testing by one Stantec design professional.
- In-person attendance of one day for a final inspection by one Stantec design professional.

Reference: **Proposal for Additional Services – Construction Phase**
Proposed QTA Facility, Phoenix Mesa Gateway Airport (AZA)

Exclusions

- Design or other consulting beyond previously approved scope of services in the design phase.
- Site visits beyond those identified above.
- Permitting or coordination with code officials, outside of the previously approved scope of services in the design phase.
- Means and methods, subcontractor coordination, or any other service typically the responsibility of the contractor.

Terms and Fee

Task	**Time and Materials**
Desktop Support	$11,500.00
Site Visits	$12,750.00
Expenses	$4,500.00
Total	**$28,750.00**

Stantec can complete the above scope of work for a fee not to exceed **$28,750.00**. All work will be completed in accordance with the existing subconsultant agreement between Stantec and TSC for this project.

We appreciate the opportunity to provide this proposal and look forward to a successful project.

Sincerely,

Stantec Consulting Services Inc.

Ronald B. Laurence Jr, PE
Principal
Phone: 603 498 6355
Ronald.Laurence@stantec.com

Design with community in mind

EXHIBIT B - COMPENSATION

All compensation for services rendered by Consultant shall be based upon criteria established below. All services must be billed through the Consultant.

1. Fees to be Specified in Contract

Any and all services to be performed under this Contract require approval. All compensation for services shall be identified in writing. The Contract shall describe the scope of services to be performed (by tasks and subtasks, where appropriate), the fees associated with that performance, and any applicable special provisions. Consultant's compensation for services included in this Contract is totaled and set forth in **EXHIBIT A**, "Scope of Services and Fee Schedule".

2. Method of Payment

Subject to the terms of this Contract, PMGAA shall pay Consultant the appropriate rate or fixed price amount for services rendered as described in the Contract only after Consultant has submitted an invoice for services performed and PMGAA has certified and approved each invoice.

For services rendered in accordance with the Contract, Consultant shall submit to PMGAA an invoice depicting tasks performed and/or hours spent for services performed. Invoices must be based on the actual hours and/or expenses incurred for the services completed during the billing period. Consultant's invoices must specify that Consultant has performed the services, and PMGAA must certify and approve each invoice as a condition to payment.

3. Consultant Responsibilities for Compensation

Consultant shall prepare monthly invoices and/or progress reports in accordance with terms specified in the Contract. Progress reports will clearly indicate the progress to date and the amount of compensation due by virtue of that progress. All invoices for payment shall be for work completed unless otherwise agreed to by PMGAA. Invoices/requisitions for payment for services subject to funding by the FAA and/or ADOT shall include the documentation requirements of the FAA and/or ADOT, which are outlined in the *Airport Improvement Program (AIP) Handbook* dated September 30, 2014, or most current version.

4. PMGAA Responsibilities for Compensation

PMGAA agrees to pay Consultant's invoices for payment within 30 calendar days after the invoice is approved. PMGAA may withhold payment on any invoice if it believes that Consultant has not performed the work in a satisfactory manner. If PMGAA withholds payment to Consultant, PMGAA shall promptly notify Consultant and explain the reasons for the decision to withhold payment.

5. Billing Address

All invoices submitted to PMGAA for payment shall be submitted to:

Accounts Payable: ap@gatewayairport.com

EXHIBIT C - SPECIAL PROVISIONS

1. Civil Rights Act of 1964, Title VI – General

The contractor agrees to comply with pertinent statues, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color or national origin, sex, age or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance.

2. Civil Rights Act of 1964, Title VI – Assurances

During the performance of this Contract, the contractor, for itself, its assignees and successors in interest agrees as follows:

a. Compliance with Regulations – Compliance with Regulations: The contractor (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts And Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.

b. Nondiscrimination – The contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR Part 21.

c. Solicitations for Subcontracts, including Procurements of Materials and Equipment – In all solicitations, either by competitive bidding, or negotiation made by the contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the contractor of the contractor's obligations under this contract and the Non-discrimination Acts And Authorities on the grounds of race, color, or national origin.

d. Information and Reports – The contractor will provide all information and reports required by the Acts, the Regulations and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by PMGAA or the FAA to be pertinent to ascertain compliance with such Nondiscrimination Acts And Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the contractor will so certify to PMGAA or the FAA as appropriate, and will set forth what efforts it has made to obtain the information.

e. Sanctions for Noncompliance – In the event of a contractor's noncompliance with the Nondiscrimination provisions of this contract, the Recipient will impose such contract sanctions as it or the FAA may determine to be appropriate, including, but not limited to:

i) Withholding of payments to the contractor under the contract until the contractor complies, and/or;
ii) Cancellation, termination, or suspension of the Contract, in whole or in part.

f. Incorporation of Provisions – The contractor will include the provisions of paragraphs one through six of this **EXHIBIT C** in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. The contractor will take action with respect to any subcontract or procurement as PMGAA or the FAA may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the contractor may request PMGAA to enter into any litigation to protect the interests of PMGAA. In addition, the contractor may request the United States to enter into the litigation to protect the interests of the United States.

3. Civil Rights – Title VI List of Pertinent Nondiscrimination Acts and Authorities

During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "contractor") agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq*., 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR part 21 (Non-discrimination In Federally-Assisted Programs of The Department of Transportation—Effectuation of Title VI of The Civil Rights Act of 1964);
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 *et seq*.), as amended, (prohibits discrimination on the basis of disability); and 49 CFR part 27;
- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 *et seq*.), (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 CFR parts 37 and 38;
- The FAA's Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures non-discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq).

4. <u>Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion</u>

Consultant, by accepting this Contract, certifies that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any government department or agency.

5. <u>Project Security</u>

As some or all portions of work possible during the Term of this Contract may be located inside the secured area of the Airport, adherence to and familiarity with federal security regulations is essential. For these projects, Consultant shall be responsible for fulfilling the security requirements described herein.

a. <u>Secured Area Access</u> – All Consultant personnel who require unescorted access to the secured area of the Airport, prior to the issuance of an Airport Identification badge, must successfully complete the Security Badge Application and Security Badge Authorization forms.

b. Employee Security Badges – If deemed necessary by PMGAA all Contractor and/or subcontractor personnel performing work functions in accordance with this Contract shall obtain and properly display an Airport security badge. Consultant shall submit a Security Badge Application form to the PMGAA security office for each employee requiring unescorted access, along with the current fee for each badge. Badge fees are identified on the current *Airport Fees, Services and Rental Rates* available via the Airport website at www.gatewayairport.com and are subject to change.

i. All fees must be paid to PMGAA by cash or check.
ii. Airport Security Badge Application forms and instructions are available via the Airport website at www.gatewayairport.com.
iii. An authorized representative of Consultant must also obtain and submit a Security Media Authorization form, which is to be submitted to the PMGAA badging office. The Security Media Authorization form and instructions are available via the Airport website at www.gatewairport.com.
iv. A training class on aviation security must be successfully completed before individuals are issued a badge. Fees for the security badge include attendance for the necessary training classes. Attendance at the security classes and issuance of the security badge may take two hours per person.
v. Additional information, including a "Frequently Asked Questions" is available via the Airport website at www.gatewairport.com or by contacting the PMGAA Badging Office at (480) 988-7522. The Badging Office is located at 5803 S. Sossaman Road, Mesa AZ 85212.
vi. Consultant shall immediately notify the PMGAA Badging Office of any Consultant personnel whose employment status has changed.
vii. Consultant shall retrieve all security badges and keys and return them to the PMGAA Badging Office. A fee, as indicated on the most current *Airport Rates and Charges Schedule*, will be charged for each badge that is damaged, lost or not returned.
viii. The PMGAA Badging Office will require a completed Security Badge Application from each Consultant employee so certified by Consultant as requiring such before a Security Badge is issued.
ix. Under certain circumstances and out of control of PMGAA, security measures may change on short notice. No deviations from any security measure shall be allowed at any time.
x. At all times, aircraft shall have the right-of-way over all vehicle traffic.

c. Fines – Due to both the safety and security precautions necessary at the Airport, any failure of the Consultant to adhere to prescribed Airport requirements/regulations has consequences that may jeopardize the health, welfare and lives of Airport customers and employees, as well as the Consultant's own employees. Therefore, if Consultant is found to be in non-compliance with any security, airfield badging/licensing and airfield safety requirement, a Notice of Violations (NOV) may be issued. A current listing of fines is available by contacting the PMGAA Badging Office.

6. Standard Terms & Conditions

PMGAA's Standard Terms & Conditions (in **EXHIBIT D** attached) include clauses that pertain to both construction and professional services. For such, the term "contractor" is to be considered same as "consultant." If a clause implies construction service then it is waived for a professional services contract. PMGAA reserves the right to make that determination if there is a conflict.

7. Federal and State Guidelines and Regulations

All work performed under this Contract must satisfy FAA and applicable agency standards, and be accomplished in accordance with applicable federal, state and local guidelines and regulations, including FAA Advisory Circulars, NEPA and Arizona environmental statutes.

Consultant shall perform the services as described in approved Contract in accordance with the applicable requirements imposed by PMGAA, ADOT, FAA and any other applicable sponsoring agencies. Consultant and its subconsultants/subcontractors, if any, shall comply with any and all applicable laws, regulations, executive orders, policies, guidelines, and any other requirements for FAA Airport Improvement Program (AIP) projects. Consultant shall provide PMGAA all information, reports, documents, and/or certifications requested by PMGAA for the satisfaction of any grant requirements for the reimbursement of services, including, without limitation, identifying

the specific services provided by Consultant and the billing period(s) during which services were or are to be provided. Nothing herein shall be construed as making the FAA or ADOT a party to this Contract.

8. Right to Contract With Other Firms

PMGAA shall have the right to contract with other firms and/or persons and/or to self-perform additional services, which may be the subject of this Contract. Consultant shall conduct its operations and perform any services authorized under the Contract so as not to interfere with or hinder the progress of completion of the work being performed by PMGAA and/or other firms and/or persons. Consultants working on the same project shall cooperate with each other in the performance, scheduling, and, if applicable, the integration of their respective services.

9. Independent Contractor Status

At all relevant times, Consultant is - and shall remain - an independent contractor with regard to performance of its services. PMGAA retains no control over Consultant, the performance of its work or services, or the safety of its employees. Consultant is not authorized to enter into any contract or commitment, authorize any payment, or accept any document, services, goods or materials for, in the name of, or on behalf of PMGAA.

EXHIBIT D – PMGAA STANDARD TERMS & CONDITIONS

1. **Certification.** Consultant certifies:
   a. The award of this Contract did not involve collusion or other anti-competitive practices.
   b. It shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11246, or A.R.S. Section 31-1461, et. seq.
   c. It has not given, offered to give, nor intends to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with this Contract; and Consultant hereby certifies that the individual signing this Contract is an authorized agent for Consultant and has the authority to bind the Consultant to the Contract.

2. **Termination of Contract.**

   a. PMGAA reserves the right to cancel this Contract in whole or in part due to failure of Consultant to carry out any term, promise, or condition of the Contract. At least ten (10) business days before terminating the Contract, PMGAA will issue a written notice of default specifying one of the following reasons. PMGAA shall, at all times during the term of the Contract or any extension term thereto, have the sole authority to determine if the default has been cured to its satisfaction.

      (1) Consultant has provided personnel that do not meet the requirements of the Contract.

      (2) Consultant has failed to perform adequately the stipulations, conditions or services/specifications required in this Contract.

      (3) Consultant has attempted to impose on PMGAA personnel or materials, products, or workmanship of unacceptable quality.

      (4) Consultant has failed to furnish the required service(s) and/or product(s) within the time stipulated in the Contract or associated Authorization of Services.

      (5) Consultant has failed to make progress in the performance of the requirements of the Contract or Authorization of Services, or Consultant fails to give PMGAA adequate assurance the Consultant will perform the Contract in full and on time.

      (6) Each payment obligation of PMGAA created hereby is conditioned on the availability of PMGAA, state, or federal funds appropriated for payment of the obligation. If funds are not available or allocated by PMGAA for continuance of service under this Contract, then PMGAA may terminate the Contract. PMGAA shall promptly notify Consultant regarding the service that may be affected by a shortage of funds. No penalty accrues to PMGAA if this provision is exercised, and PMGAA shall not be liable for any future payments due or for any damages as a result of termination under this paragraph.

   b. This Contract may be terminated at any time by mutual written consent or by PMGAA - with or without cause - provided the terminating party gives fourteen (14) calendar days' advance written notice to the other party. PMGAA may terminate this Contract, in whole or in part, for PMGAA's convenience and with fourteen (14) days' written notice. If this Contract is terminated, then PMGAA is liable only for services rendered and material received, certified, and approved by PMGAA under the Contract before the termination effective date.

3. **Dispute Resolution**.

   a. **Negotiations**. If a dispute arises out of or relates to this Contract or its breach, the parties to this Contract shall endeavor to settle the dispute through direct discussions as a condition precedent to mediation or binding dispute resolution.

   b. **Mediation**. Should the parties to this Contract be unable to resolve their dispute through direct negotiations, the parties to this Contract, upon the written request of either, shall engage in mediation, to be administered privately by a mediator and according to rules mutually agreed upon by the parties to this Contract, or, the absence of such mutual agreement, by a mediator appointed by JAMS and

administered by JAMS in accordance with its then-current mediation rules. The fees and costs of mediation shall be split equally by the parties to this Contract, but subject to reallocation following binding dispute resolution.

c. **Binding Dispute Resolution**. Should the parties to this Contract be unable to resolve their dispute through direct negotiations or mediation, either party may, within the time limitations for bringing claims under Arizona law and this Contract, commence formal dispute resolution proceedings. Both parties to this Contract consent to binding arbitration administered by JAMS according to its then current arbitration rules, provided, however, that (i) in the event both parties agree, the arbitration may be administered privately by an arbitrator and according to rules mutually agreed upon by the parties to this Contract, and (ii) in the event any party seeks relief against the other party or against a non-party which cannot fully be granted in arbitration, by reason of non-joinder or otherwise, the parties to this Contract are excused from this arbitration requirement and the parties to this Contract shall proceed in the state or federal courts of competent jurisdiction and located in Maricopa County, Arizona. In any arbitration or litigation, the prevailing party shall be entitled to an award of its reasonable attorneys' fees and costs as determined by the arbitrator or court as applicable.

4. **Independent Contractor.** At all times, each party acts in its individual capacity not as agent, employee, partner, joint venturer, or associate of the other party. An employee or agent of one party may not be deemed or construed to be the employee or agent of the other party for any purpose whatsoever. Neither Consultant nor any of its employees are entitled to compensation from PMGAA in the form of salaries, paid vacation, or sick days. PMGAA will not provide any insurance to Consultant, including *Workers' Compensation* coverage. PMGAA will not withhold FICA, taxes, or any similar deductions from PMGAA's payments under this Contract.

5. **Affirmative Action.** Consultant shall abide by all the federal and state of Arizona provisions for equal opportunity in the work place.

6. **Human Relations**. Consultant shall abide by all the federal and state of Arizona provisions against discrimination of disadvantaged business enterprises in applicable PMGAA contracts.

7. **Non-Exclusive Contract**. This Contract is for the sole convenience of PMGAA. PMGAA reserves the right in its discretion to obtain the same or similar goods or services from any other source.

8. **Americans with Disabilities Act.** Consultant shall comply with all applicable provisions of the *Americans with Disabilities Act* (Public Law 101-336, 42 U.S.C. 12101-12213) and applicable federal regulations under the *Act*.

9. **Confidentiality of Records**. Consultant shall establish and maintain procedures and controls that are acceptable to PMGAA for the purpose of assuring that no information contained in its records or obtained from PMGAA or from others in carrying out its functions under the Contract shall be used by or disclosed by it, its agents, officers, or employees, except as required to efficiently perform duties under this Contract. Persons requesting such information should be referred to PMGAA. Consultant also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of Consultant as needed for the performance of duties under the Contract, unless otherwise agreed to in writing by PMGAA.

10. **Gratuities.** PMGAA may, by written notice to the Consultant, cancel this Contract if it is found that gratuities, in the form of entertainment, gifts or otherwise, were offered or given by Consultant or any agent or representative of Consultant, to any officer or employee of PMGAA involved in the amending, or the making of any determinations with respect to the performing of such Contract. If this Contract is canceled by PMGAA under this provision, PMGAA shall, in addition to any other rights and remedies, repay to the Consultant the amount of the gratuity.

11. **Applicable Law.** This Contract shall be governed by, and PMGAA and Consultant shall have, all remedies afforded each by the *Uniform Commercial Code*, as adopted in the state of Arizona, except as otherwise provided in this Contract or in laws pertaining specifically to PMGAA. This Contract shall be governed by

the laws of the state of Arizona, and suits pertaining to this Contract shall be brought only in federal or state courts in the state of Arizona.

12. **Contract**. This Contract is based on and the result of a negotiated Scope of Work and Proposal, Bid or Statement of Qualifications submitted by Consultant under this RFP, IFB or RFQ. The Contract contains the entire agreement between PMGAA and Consultant. No prior oral or written agreements, contracts, proposals, negotiations, purchase orders, or master agreements (in any form) are enforceable between the parties.

13. **Contract Amendments**. This Contract shall be modified only by a written amendment signed by the PMGAA Executive Director or his/her designee, and persons duly authorized to enter into contracts on behalf of Consultant.

14. **Provisions Required by Law**. Each and every provision of law and any clause required by law to be in the Contract shall be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party the Contract shall forthwith be physically amended to make such insertion or correction.

15. **Severability.** The provisions of this Contract are severable to the extent that any provision or application held to be invalid shall not affect any other provision or application of the Contract, which may remain in effect without the valid provision, or application.

16. **Protection of Government Property.** Consultant shall use reasonable care to avoid damaging all PMGAA property, including buildings, equipment, and vegetation (such as trees, shrubs, and grass). If Consultant damages PMGAA's property in any way, Consultant shall immediately report such damage to PMGAA and repair or replace the damage at no cost to PMGAA, as directed by the PMGAA Executive Director. If Consultant fails or refuses to repair or replace the damage, then PMGAA may terminate the Contract, and PMGAA shall deduct the repair or replacement cost from money due Consultant under the Contract.

17. **Interpretation – Parol Evidence.** This Contract is intended by the parties as a final expression of their agreement and is intended also as a complete and exclusive statement of the terms thereof. No course of prior dealings between the parties and no usage of the trade shall be relevant to supplement or explain any term used in this Contract. Acceptance or acquiescence in a course of performance rendered under this Contract shall not be relevant to determine the meaning of this Contract even though the accepting or acquiescing party has knowledge of the nature of the performance and opportunity to object.

18. **Subcontracts.** Consultant shall not assign any rights or interest nor enter into any subcontract with any other party to furnish any of the materials, goods or services specified herein without the prior written permission of PMGAA. PMGAA may, at its sole discretion, accept or reject proposed subcontractors or assignment. PMGAA shall notify Consultant of its acceptance or rejection within forty-five (45) days or written request by Consultant. All subcontracts shall comply with federal and state laws and regulations applicable to the materials, goods or services covered by the subcontract and shall include all the terms and conditions set forth herein, which shall apply with equal force to the subcontract, as if the subcontractor were the Consultant referred to herein. Consultant is responsible for Contract performance whether subcontractors are used.

19. **No Waiver.** No provision in this Contract shall be construed, expressly or by implication, to waive either party's existing or future claim, right, or remedy available by law for breach of contract. The failure of either party to insist on strict performance of any Contract term or condition; to exercise or delay exercising any right or remedy provided in the Contract or by law; or to accept materials, services, or Consultant's services under this Contract or imposed by law, shall not be deemed a waiver of any right of either party to insist upon strict performance of the Contract.

20. **Warranties.** Consultant warrants that all materials and services delivered under this Contract shall conform to the specifications thereof. Mere receipt of shipment of the material or service specified and any inspection incidental thereto by PMGAA, shall not alter or affect the obligations of Consultant or the rights of PMGAA under the foregoing warranties. Additional warranty requirements may be set forth in this Contract.

21. **Indemnification.** To the fullest extent permitted by law, Consultant shall defend, save, indemnify, and hold harmless PMGAA, its agents, representatives, officers, directors, officials, and employees (collectively the "Indemnitees"), for, from and against all claims, damages, losses and expenses, including but not limited to attorney fees, court costs, expert witness fees, and the cost of appellate proceedings, relating to, arising out of, or alleged to have resulted from the Consultant's acts, errors, omissions, or mistakes relating to Consultant's services under this Contract.

22. **Right to Assurance.** Whenever one party to this Contract in good faith has reason to question the other party's intent to perform, the former party may demand that the other party give a written assurance of this intent to perform. If a demand is made and no written assurance is given within five (5) business days, the demanding party may treat this failure as an anticipatory repudiation with this Contract.

23. **Advertising.** Consultant shall not advertise or publish information concerning this Contract without prior written consent of PMGAA.

24. **Right to Inspect.** PMGAA may, at reasonable times, and at PMGAA's expense, inspect the place of Consultant's or any of Consultant's subcontractor's business, which is related to the performance of this Contract or related subcontract.

25. **Force Majeure.** 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 Contract to be performed by such party ("Required Act"), and such delay or hindrance is due to causes entirely beyond its control such as riots, insurrections, martial law, civil commotion, war, fire, flood, earthquake, or other casualty or acts of God ("Force Majeure Event"), 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 delay. For purposes of this Contract, the financial inability of Consultant to perform any Required Act, including, without limitation, failure to obtain adequate or other financing shall not be deemed to constitute a Force Majeure Event. A Force Majeure Event shall not be deemed to commence until ten (10) days before the date on which the party who asserts some right, defense, or remedy arising from or based upon such Force Majeure Event gives written notice thereof to the other party. If abnormal adverse weather conditions are the basis for a claim for an extension of time due to a Force Majeure Event, the written notice shall be accompanied by data substantiating (a) that the weather conditions were abnormal for the time and could not have been reasonably anticipated and (b) that the weather conditions complained of had a significant adverse effect on the performance of a Required Act. To establish the extent of any delay to the performance of a Required Act due to abnormal adverse weather, a comparison will be made of the weather for the time of performance of the Required Act with the average of the preceding ten (10) years' climatic range based on the National Weather Service statistics for the nearest weather reporting station to the Premises. No extension of time for or excuse for a delay in the performance of a Required Act will be granted for rain, snow, wind, cold temperatures, flood, or other natural phenomena of normal intensity for the locality where the Premises are located.

26. **Inspection.** All material or service is subject to final inspection and acceptance by PMGAA. Material or service failing to conform to the specifications of this Contract will be held at Consultant's risk and may be returned to Consultant. If so returned, all costs are the responsibility of Consultant. Noncompliance shall conform to the cancellation clause set forth in this Contract.

27. **Exclusive Possession.** All services, information, computer program elements, reports, and other deliverables, which may be created under this Contract, are the sole property of PMGAA and shall not be used or released by Consultant or any other person except with prior written permission by PMGAA.

28. **Title and Risk of Loss.** The title and risk of loss of materials or services shall not pass to PMGAA until PMGAA actually receives the material or service at the Airport, unless otherwise provided within this Contract.

29. **Liens.** All materials, services, and other deliverables supplied to PMGAA under this Contract must be free of all liens and other encumbrances. Upon request of PMGAA, Consultant shall provide a formal release of all liens.

30. **Licenses.** Consultant shall maintain in current status all federal, state, and local licenses and permits required for the operation of the business conducted by Consultant as applicable to this Contract.

31. **Subsequent Employment.** PMGAA may cancel this Contract without penalty or further obligation in accordance with A.R.S. Section 38-511 if any person significantly involved in initiating, negotiating, securing, drafting, or creating the contract, on behalf of the PMGAA is or becomes, at any time while the Contract or any extension of the contract is in effect, an employee of, or a contractor to any other party to this Contract with respect to the subject matter of the Contract. Such cancellation shall be effective when the parties to this Contract receive written notice from PMGAA, unless the notice specifies a later time.

32. **Clean Up.** Consultant shall at all times keep Contract performance areas, including storage areas used by the Consultant, free from accumulation of waste material or rubbish and, prior to completion of the work, remove any rubbish from the premises and all tools, scaffolding, equipment and materials not property of PMGAA. Upon completion of any repair, Consultant shall leave the work and premises in clean, neat, and workmanlike condition.

33. **Patents.** Consultant shall defend, indemnify, and hold harmless PMGAA, its officers and employees from all liabilities, claims, damages, costs, or expenses, including, but not limited to attorneys' fees, for any alleged infringement of any person's patent rights or copyrights in consequence of the use by PMGAA, its officers, employees, agents, and other duly authorized representatives of tangible or intellectual property supplied to PMGAA by Consultant under this Contract.

34. **Records and Audit Rights.** Consultant's and all of its approved subcontractors' books, records, correspondence, accounting procedures and practices, and any other supporting evidence relating to this Contract, including the papers of all Consultant and subcontractor employees that work on the Contract (all the foregoing collectively referred to as "Records"), must be open to inspection and subject to audit and/or reproduction during normal working hours by PMGAA. PMGAA is entitled to evaluate and verify all invoices, payments or claims based on Consultant's and its subcontractor's actual costs (including direct and indirect costs and overhead allocations) incurred or units expended directly in the performance of work under this Contract. For any audit under this Section, Consultant and its subcontractors hereby waive the right to keep such Records confidential. PMGAA is entitled to access to these Records from the effective date of this Contract for the duration of the work and until five years after the date of final payment by PMGAA to Consultant under the Contract. During normal working hours, PMGAA is entitled to access to all necessary Consultant and subcontractor facilities and shall be provided adequate and appropriate workspace, in order to conduct audits under this Section. PMGAA shall give Consultant or subcontractors reasonable advance notice of intended audits. Consultant shall require its subcontractors to comply with the provisions of this Section by including its requirements in all subcontracts related to this Contract.

35. **E-Verify Requirements.** To the extent applicable under A.R.S. § 41-4401, Consultant and its subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees, and compliance with the E-Verify requirements under A.R.S. §23-214(A). Consultant's or its subcontractors' failure to comply with such warranty shall be deemed a material breach of this Contract and may result in the termination of this Contract by PMGAA. PMGAA shall have the right to inspect the papers of Consultant's and any of Consultant's subcontractor's employee who works on this Contract to ensure the Consultant is complying with this paragraph.

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 22-71

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:	**Gateway Tomorrow Planning Study – Mead & Hunt, Inc.**
Date:	**November 15, 2022**

Proposed Motion
To authorize an agreement with Mead & Hunt, Inc. (Mead & Hunt), for Planning Study Services for the Eastside Terminal Analysis - Gateway Tomorrow Project, in an amount not to exceed $399,964, under CIP 1253.

Narrative
Due to the continued growth of the Phoenix-Mesa Gateway Airport, PMGAA has selected a consultant team to prepare an analysis for the future Eastside Terminal.

The goal of this project is to build off the Airport Master Plan and develop a vision that will provide guidance to PMGAA and its stakeholders in the decision-making process for the relocation of the passenger terminal and support facilities from the westside of the Airport to the eastside. This Terminal relocation will be driven by capacity and future facility requirements. A key outcome of this project will be to provide an understanding of the associated financial costs. This project is intended to evaluate site layout options and identify the key considerations and processes that need to be addressed as PMGAA plans for the eventual relocation of the passenger terminal facilities.

The Request for Qualifications (RFQ), Solicitation 2023-001-RFQ was issued on April 26, 2022, and advertised in the Arizona Business Gazette on 4/28, 5/5, 5/12 and 5/19/22; it was also posted on the AzAA, ACC, ACI-NA, and SWAAAE Websites as well as the Phoenix-Mesa Gateway Airport Authority website. In addition, the RFQ was emailed to a list of 71 prospective firms. PMGAA received four (4) Statements of Qualifications on May 24, 2022, from the following firms:

C&S Engineers, Inc.
Hellmuth, Obata & Kassabaum, Inc. (dba HOK)
InterVISTAS Consulting Inc.
Mead & Hunt, Inc.

The evaluation panel reviewed all submitted SOQ's and selected three (3) firms for further consideration to present/interview (C&S Engineers, Inc., HOK and Mead & Hunt) on July 18, 2022. Based on the outcome of those factors, the evaluation panel's recommendation is to select Mead & Hunt.

Fiscal Impact
This project is included in the FY23 Capital Budget with a carryover into FY24, utilizing PMGAA non-grant funding under CIP 1253.

Attachment(s): Professional Services Agreement

RESOLUTION NO. 22-71

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize an agreement with Mead & Hunt, Inc. (Mead & Hunt), for Planning Study Services for the Eastside Terminal Analysis - Gateway Tomorrow Project, in an amount not to exceed $399,964, under CIP 1253;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

> **The Board of Directors of the Authority hereby authorizes an agreement with Mead & Hunt, Inc. (Mead & Hunt), for Planning Study Services for the Eastside Terminal Analysis - Gateway Tomorrow Project, in an amount not to exceed $399,964, under CIP 1253. 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 15th day of November, 2022.

Brigette Peterson, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY

AND

MEAD AND HUNT, INC.

FOR

EAST SIDE TERMINAL ANALYSIS – GATEWAY TOMORROW

CONTRACT NUMBER 20230029

CIP NUMBER 1253

The Phoenix-Mesa Gateway Airport is owned and operated by the Phoenix-Mesa Gateway Airport Authority (PMGAA), a joint powers airport authority authorized by the State of Arizona and consisting of the City of Mesa, City of Phoenix, City of Apache Junction, Town of Gilbert, Town of Queen Creek and the Gila River Indian Community.

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Phoenix-Mesa Gateway Airport Authority, a joint powers airport authority authorized by the State of Arizona ("PMGAA") desires performance of the services more fully described in this **Contract Number C-20230029** ("Contract") and the attached exhibits. Mead and Hunt, Inc., a Wisconsin Corporation ("Consultant"), with its principal offices located at 2440 Deming Way, Middleton, WI 53562, desires to perform these services.

Recitals

A. PMGAA requires the services as described in this Contract, including any and all exhibits and amendments, and Consultant is willing to provide these and other services under this Contract; and

B. PMGAA desires to contract with Consultant to provide services as noted herein.

Now therefore, in consideration of the recitals and the mutual covenants set forth below, PMGAA and Consultant agree as follows.

SECTION I – CONSULTANT SERVICES

The services to be performed by Consultant are specified in this Contract. PMGAA will not pay Consultant for any services that have not been authorized under the Contract. There is no guarantee of a minimum purchase of services.

The anticipated services to be provided by Consultant under this Contract shall generally include, but not be limited to, the following: East Side Terminal Analysis, as more specifically described in the detailed scope of services attached as **EXHIBIT A**, "Scope of Services & Fee Schedule."

PMGAA's authorized representative shall be the PMGAA Engineering and Facilities Director or his/her duly authorized representative, and that he/she shall be the sole contact for administering this Contract.

All services provided by Consultant under this Contract must be performed in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances in Arizona. Consultant makes no other warranty, expressed or implied.

SECTION II – PMGAA RESPONSIBILITIES

PMGAA shall furnish Consultant, at no cost to Consultant, the following information or services for this Contract:

A. Access to copies of readily available maps, records, as-built drawings, benchmarks or other data pertinent to work assignments affiliated with this Contract. This does not, however, relieve Consultant of the responsibility of searching records for additional information, for requesting specific information or for verification of that information provided. PMGAA does not warrant the accuracy or comprehensiveness of any information or documents provided to Consultant.

B. In PMGAA's discretion and upon Consultant's reasonable request, access to staff for consultation with Consultant during the performance of this contract in order to identify the problems, needs, and other functional aspects of the work.

C. Prompt review of and feedback on Consultant's deliverables. PMGAA will advise Consultant concerning progress of PMGAA's review of the work, as needed.

SECTION III - PERIOD OF SERVICE

Consultant shall complete all work in accordance with the provisions of this Contract as amended.

All work initiated under this Contract must be completed on or before the expiration date of the Contract as amended.

The term of this Contract shall commence on November 16, 2022 and ends upon final completion and acceptance by PMGAA of the project, as defined by the Scope of Services ("Base Term"), unless terminated, canceled or extended as provided in this Contract.

Consultant shall commence its services within seven (7) days of the written authorization by PMGAA. Consultant shall perform its services in a diligent manner and in accordance with this Contract.

SECTION IV – KEY PERSONNEL

The Consultant and its subconsultants, as listed below, shall provide all services to be performed under this Contract. If additional sub-consultants are required by Consultant to perform any services listed under this contract, Consultant shall notify PMGAA prior to authorizing work by said sub-consultants. PMGAA may, at its sole discretion, accept or reject proposed Sub-Consultants.

DWL Architects + Planners
TranSystems Corporation
Unison Consulting

SECTION V - PAYMENTS TO THE CONSULTANT

Consultant will be paid for work performed under this Contract plus any adjustments that have been approved in writing by PMGAA in accordance with PMGAA's Procurement Policy. Payments will be made in accordance with **EXHIBIT B**, "Compensation."

All services to be rendered by Consultant are subject to the terms of **EXHIBIT B**, "Compensation" attached hereto.

PMGAA does not guarantee any minimum or maximum fee during the Term of this Contract, and Consultant, in executing this Contract, shall not anticipate or require any minimum or maximum fee.

PMGAA shall pay Consultant in agreed upon installments for services authorized and rendered under this Contract at the completion of each work assignment, provided Consultant has satisfactorily completed the requested work. If any such work requires time in excess of 30 calendar days to complete, progress payment(s) may be made on invoices certified and approved by PMGAA.

SECTION VI - ALTERATION IN SCOPE OF SERVICES

For any alteration in the Scope of Services that would materially increase or decrease the Contract fee, the parties shall negotiate an amendment to the Contract to be executed by PMGAA and Consultant. No work shall commence on any amendment or change until the amendment has been approved by PMGAA and Consultant has been notified to proceed by PMGAA. No claim for extra work done or materials furnished by Consultant will be allowed by PMGAA, except as provided herein, nor shall Consultant do any work or furnish any materials not covered by this Contract unless the work is first authorized in writing by PMGAA and the change complies with PMGAA's Procurement Policy. Any work or materials furnished by Consultant without advance, written authorization will be at Consultant's own risk, cost, and expense. Without written authorization, Consultant shall make no claim for compensation for such work or materials furnished.

SECTION VII - WORK ASSIGNMENT COMPLETION

If, during the Term of this Contract, situations arise which prevent work completion within the allotted time, PMGAA may grant an appropriate time extension.

SECTION VIII - OWNERSHIP OF DOCUMENTS

Any documents, including all electronic copies thereof, prepared under or as a result of this Contract, shall be the property of PMGAA. To the extent necessary to effectuate such ownership, Consultant hereby assigns all right, title and interests to such documents to PMGAA. Consultant shall execute any separate contracts or documents, if any, which may be necessary to implement the terms of this Section.

All of Consultant's documents prepared under this Contract, including electronic files, are instruments of service. All of these documents become the property of PMGAA upon completion of the services and payment in full to Consultant. PMGAA may reuse or modify the documents, as it deems necessary, without Consultant's prior written authorization. PMGAA shall indemnify and hold harmless Consultant, its officers, directors, employees and subconsultants (collectively, the "Consultant") against any and all damages, liabilities or costs arising from PMGAA's modification of documents produced by Consultant under this Contract unless Consultant authorizes the modification in writing.

SECTION IX - COMPLIANCE WITH LAWS

Consultant shall comply with all federal, state and local laws, local ordinances and regulations throughout the Term.

Consultant's signature on this Contract certifies compliance with the provisions of the I-9 requirements of the *Immigration Reform and Control Act of 1986* for all personnel that Consultant and any subconsultants employ to complete any work assignment.

PMGAA shall administer this Contract in accordance with PMGAA's Procurement Policy.

SECTION X - GENERAL CONSIDERATIONS

A. The failure of either party to enforce any of the provisions of this Contract or require performance of the other party of any of the provisions hereof shall not be construed to be a waiver of the provisions, nor shall it affect the validity of this Contract or the right of either party to enforce each and every provision.

B. The fact that PMGAA has accepted or approved Consultant's work shall in no way relieve Consultant of responsibility for the work under this Contract.

C. This Contract shall be governed by the laws of the state of Arizona, both as to interpretation and performance. Any action at law, suit in equity, or judicial proceeding for the enforcement of this Contract, or any provision thereof, shall be instituted only in the courts of the state of Arizona.

D. All exhibits to this Contract and any amendments to the Contract are incorporated into it.

SECTION XI - NO KICK-BACK CERTIFICATION

Consultant warrants that no person has been employed or retained to solicit or secure this Contract upon any agreement or understanding for a commission, percentage, brokerage, or contingent fee and that no member of the PMGAA Board of Directors or any employee of PMGAA has any interest, financially or otherwise, in Consultant's firm.

For breach or violation of this warranty, PMGAA may annul this Contract without liability.

SECTION XII – SUSPENSION OF SERVICES

Consultant shall, within five (5) business days upon receiving written notice from PMGAA, suspend, delay, or interrupt all or a part of the Scope of Services. Consultant shall resume the Scope of Services within five (5) business days of receiving written notice from PMGAA.

SECTION XIII – TIMES OF PAYMENTS

Consultant shall submit periodic invoices for any unbilled portion of the services actually completed. PMGAA shall review, certify, and approve or reject each invoice in whole or in part. PMGAA shall pay each approved invoice within 30 calendar days of the date that PMGAA approves the invoice.

SECTION XIV – TIMELY REVIEW

PMGAA will review Consultant's studies, reports, proposals, and other related documents and render any decisions required by Consultant in a timely manner. Notwithstanding these reviews, Consultant remains solely responsible for all of its deliverables and services under this Contract. By PMGAA's reviews, PMGAA does not assume any liability for or retained control over Consultant's work or Consultant's responsibility for the safety of its employees.

SECTION XV – DISPUTE RESOLUTION

All disputes between PMGAA and Consultant arising out of or relating to this Contract will be subject to the Dispute Resolution provisions as set forth in **EXHIBIT D**, "PMGAA Standard Terms and Conditions", attached hereto and incorporated herein by reference.

PMGAA and Consultant shall include a similar dispute resolution provision in all contracts with other contractors and consultants retained for the Project and shall require all other independent contractors and consultants to include a similar dispute resolution provision in all contracts with subcontractors, subconsultants, suppliers or fabricators retained by them.

SECTION XVI - LIABILITY OF CONSULTANT

To the fullest extent permitted by law, Consultant shall defend, save, indemnify, and hold harmless PMGAA, its member governments, departments, officers, employees, and agents from and against damages arising out of any act, error, or omission of Consultant relating to its services under this Contract.

SECTION XVII - LAWS AND REGULATIONS

All federal, state, and local laws and regulations that relate to Consultant's services apply to Consultant's performance of this Contract throughout. These laws and regulations are deemed included in this Contract the same as though written out in full, especially the current applicable Federal Aviation Administration (FAA) rules and regulations associated with airport projects; pertinent Airport engineering standards; and local rules, regulations, and industry standards.

SECTION XVIII – ARCHAEOLOGICAL RESOURCE PROTECTION

While performing services under this Contract, Consultant may encounter a known or unknown archaeological site located at the Airport. If Consultant encounters what it believes to be an archaeological site, Consultant shall immediately notify PMGAA of the site's location and take all reasonable precautions to protect and preserve the site until PMGAA otherwise directs.

SECTION XIX INSURANCE REQUIREMENTS

A. Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees.

B. All insurance policies required by this Contact, except *Workers Compensation* and *Professional Liability*, shall name PMGAA, its agents, representatives, officers, directors, officials and employees as Additional Insured.

C. Minimum Scope and Limits of Insurance. Coverage shall be at least as broad as:

   i. Professional Liability (Errors and Omissions): Insurance appropriate to the Consultant's profession, with limit no less than $1,000,000 per occurrence or claim, $2,000,000 aggregate.
   ii. Commercial General Liability: Insurance Services Office Form CG 00 01 covering Bodily Injury and Property Damage on an "occurrence" basis, including personal & advertising injury with limits no less than $1,000,000 per occurrence, $2,000,000 General Aggregate.
   iii. Auto Liability: ISO Form CA 00 01 covering any auto (Symbol 1), or if Consultant has no owned autos, hired, (Symbol 8) and non-owned autos (Symbol 9), with limit no less than $1,000,000 Combined Single limit per accident for bodily injury and property damage ($5,000,000 if operating in the Air Operations Area of the Airport).
   iv. Workers' Compensation: Statutory Limits as required by the state of Arizona, and Employer's Liability Insurance with limit of no less than $1,000,000 per accident for bodily injury or disease.

D. If the Consultant maintains higher limits than the minimums shown above, PMGAA requires and shall be entitled to coverage for the higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to PMGAA.

E. Additional insurance provisions. The insurance policies shall provide, or be endorsed to include, the following provisions:

   i. Notice of Cancellation: Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to PMGAA.
   ii. Waiver of Subrogation: Consultant waives any right to subrogation. Consultant shall obtain an endorsement necessary to affect this waiver of subrogation from the insurer for all lines of coverage required by this Contract, except *Workers Compensation* and *Professional Liability,* for claims arising out of the Consultant's work or service.
   iii. Primary Coverage: For all claims related to this Contract, all of Consultant's insurance policies will be primary and non-contributory. Any insurance or self-insurance maintained by PMGAA, its officers, officials, employees, or volunteers will be in excess of Consultant's insurance and will not contribute with it.

iv. Deductibles and Self-Insured Retentions: Any deductibles or self-insured retentions must be declared to and approved by PMGAA. PMGAA may require the Consultant to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.

v. Acceptability of Insurers: Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A, VII, unless otherwise acceptable to PMGAA.

vi. Claims Made Policies: No Claims Made policies (other than Professional Liability) will be accepted. For policies that provide claims-made coverage:

a) The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.

b) Insurance must be maintained, and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.

c) If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Consultant must purchase "extended reporting" coverage for a minimum of five (5) years after completion of work.

vii. Verification of Coverage: Consultant shall furnish PMGAA with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by PMGAA before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide the required insurance. PMGAA reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

viii. Subcontractors: Consultant shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Consultant shall ensure that PMGAA is an additional insured on insurance required from subcontractors.

ix. Special Risks or Circumstances: PMGAA reserves the right to modify these requirements, including limits, based on the nature of the risk, scope of services, prior experience, insurer, coverage, or other special circumstances.

SECTION XX NOTICES

Any notice, report or information which may be or is required to be given under this Contract will be in writing and shall be sent by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

TO PMGAA: Phoenix-Mesa Gateway Airport Authority
Attn: Engineering and Facilities Director
5835 South Sossaman Road
Mesa, Arizona 85212

TO CONSULTANT: Mead and Hunt, Inc.
Attn: Tim Dacey
2440 Deming Way
Middleton, WI 53562

or to such other person(s) or address(es) as any such Party may designate from time to time by notice to the other Parties in accordance with this Section.

Executed as of the Commencement Date.

CONSULTANT
MEAD AND HUNT, INC., a Wisconsin Corporation

By: _____

Name: Timothy R. Dacey

Title: Vice President

Date: 11/04/2022

PMGAA
PHOENIX 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: _____

EXHIBIT A – SCOPE OF SERVICES & FEE SCHEDULE

The services to be performed by Consultant and the completion of related efforts are specified in the following Scope of Services & Fee Schedule agreed to by the parties.

For the services provided herein, PMGAA agrees to pay Consultant the not to exceed amount of $399,964.00

PHOENIX-MESA GATEWAY AIRPORT

EASTSIDE TERMINAL ANALYSIS – GATEWAY TOMORROW

SCOPE OF WORK

EXHIBIT A

PROJECT UNDERSTANDING

The Phoenix-Mesa Gateway Airport Authority (PMGAA) owns and operates the Phoenix-Mesa Gateway Airport (IWA or "Airport"). PMGAA has selected a consultant team lead by Mead & Hunt, with DWL Architects, Unison Consulting, and other partners (hereafter, "the Consultant") to prepare the Eastside Terminal Analysis ("the Project"). The goal of this Project is to develop a vision that will provide guidance to PMGAA and its stakeholders in the future decision-making process for the relocation of the passenger terminal and support facilities from the westside of the Airport to the eastside. Terminal relocation will be driven by future needs and funding eligibility, and a key outcome of this project will be to provide an understanding of the associated financial costs. This Project will provide PMGAA with graphics and a site plan that can be shared with the community for years to come.

It is understood that relocating the terminal and support facilities from the westside to the eastside is not imminent, and this study will focus on the first phase of eastside terminal development, not the full buildout. (The full build out will be evaluated to the extent necessary to ensure its first phase is informed and set up for future development and flexibility.) We refer to the following in this scope of services:

1. **Phase 1** = terminal site plan associated with facilities sized to accommodate approximately 3 million annual passengers (with approximately 12 aircraft gates);
2. **Long-term** = terminal site plan associated with approximately 7 million annual passengers (with approximately 25 aircraft gates)

The Project is not intended to lead into an immediate design and construction project. Instead, it is intended to identify the key considerations that need to be addressed as PMGAA plans for the eventual relocation of the passenger terminal facilities.

The Project is expected to be completed over the course of eleven (11) months from notice to proceed. This schedule includes time for stakeholder coordination and document review.

TASK 1.0 – PROJECT MANAGEMENT

Project management is a series of tasks necessary to keep the project advancing according to scope, fee, and schedule.

1.1 – Project Management & Administration

Tasks include internal project controls, administrative, contractual, and financial tasks required of the Consultant. The Consultant will prepare a project management plan (PMP) for this project that describes

the team roles, communication and documentation protocols, and decision-making procedures. The Project will be invoiced on a time and materials (T&M) basis.

1.2 – Internal Project Team Coordination

The Consultant will hold up to twelve (12) thirty-minute (30) conference calls with the project team during this project. These calls will be used to discuss the project, confirm deadlines, and answer questions. Frequency and attendance will be determined by the Consultant project manager and attended by up to three (3) members of the Consultant team.

1.3 – Quality Assurance and Quality Control

Quality control will be performed by a senior terminal planner who is not involved in the day-to-day project production. Their assignment is to provide an objective review of project materials prior to delivery to PMGAA. A technical editor will review, edit, and format all materials prior to delivery.

TASK 2.0 –COORDINATION

Coordination involves Project participants that are not part of the Consultant team. Effort includes meeting planning, preparation, performance, and debrief. A summary of meetings is included in **Figure 1.**

2.1 – PMGAA Project Team Calls

The Consultant will set up one (1) hour phone calls with PMGAA project management team throughout the duration of this project. These will occur up to sixteen (16) times in total, with frequency increasing ahead of Project meetings. Meetings will be attended by up to three (3) members of the Consultant team.

2.2 – Kickoff Workshop

The Consultant will hold an in-person kickoff workshop to inform PMGAA staff not directly involved with scoping, of the objectives and schedule for the study and to solicit their input. Up to three (3) members of the Consultant team will attend these meeting.

The kickoff workshop will include:

1. Overview of scope of work, schedule, and deliverables
2. Overview of the changing landscape of passenger terminal facilities (e.g. emerging technology, changing relationship between passengers and parking spaces, etc)
3. Examples of other terminal concepts to help establish values from the participants which will inform project development
4. Opportunity for PMGAA staff to provide input

2.3 – Gateway Senior Staff

The Consultant will hold up to three (3) meetings with Gateway Senior Staff. These meetings will occur virtually unless the Consultant is in town for another project meeting. The purpose of these meetings is to help guide decisions about project direction. Meeting attendees will be determined by PMGAA. Up to three (3) members of the Consultant team will attend these meetings. It is anticipated that the final staff

meeting will occur in person and not affiliated with another trip, and be attended by two (2) members of the consultant team.

2.4 – Study Advisory Committee (SAC)

The SAC consists of participants selected by PMGAA to provide their input at key milestones in the project. PMGAA will coordinate with SAC members, send out meeting invitations and materials, and handle meeting logistics. The Consultant will provide PMGAA with an agenda and deliverables for SAC review prior to the meetings. The SAC will consist of up to fifteen (15) members, which may include representatives of the following organizations:

- Federal Aviation Administration (FAA)
- Arizona Department of Transportation Aeronautics Division (ADOT)
- Transportation Security Administration (TSA)
- Allegiant Airlines
- Airport tenants
- Cities of Phoenix, Mesa, Apache Junction
- Towns of Gilbert and Queen Creek
- Gila River Indian Community
- Local Businesses

The SAC will review draft documents (provided as PDFs, no prints) and provide input for PMGAA. The Consultant will prepare a presentation (PDF, no prints) that includes material related to agenda items. PMGAA will direct the Consultant on how to incorporate SAC feedback into project documents. The Consultant will conduct two (2) meetings with the SAC at key decision points. Up to three (3) members of the Consultant team will attend these meetings. The meetings are expected to occur as follows:

- Meeting 1 objective: inform SAC of the purpose of the study, its schedule and scope, as well as preliminary alternatives under consideration; conducted midway through alternatives task
- Meeting 2 objective: inform SAC of recommended concept, its approximate order of magnitude cost, and future steps prior to realization of the terminal; conducted in the last third of the project schedule

The Consultant will develop meeting materials with PMGAA input for SAC members which will identify the meeting agenda and objective. The Consultant will collect written and verbal comments at SAC meetings; however, meeting minutes will not be recorded.

2.5 – PMGAA Board

The Consultant will provide project updates to the PMGAA Board up to two (2) times during this project. These updates will be an agenda item on regularly scheduled PMGAA Board meetings. These meetings will be in person if they coincide with a scheduled SAC meeting. Up to two (2) members of the Consultant team will attend each of these meetings. Consultant staff without a speaking role will not attend.

Figure 1: Summary of on-site Meetings

NTP+	Trip #	Attendees	Meetings	Purpose
2	1	3	• 2.3 Kickoff Workshop	terminal trends, case studies, establish goals
4	2	3	• SAC Meeting #1 • PMGAA Board #1	Component Alternatives Review
7	3	3	• SAC Meeting #2	Conceptual Development Plan
10	4	2	• PMGAA Board #2	Financial Plan
NTP+ = Months from notice to proceed sent to Consultant, issued by PMGAA. Schedule is subject to change. An up-to-date schedule will be maintained by the Consultant.				

TASK 3.0 – FACILITY ANALYSIS

This task will build off the Consultant's previous work at the Airport, in particular the airport master plan. For example, activity peaking characteristics will be used from the master plan. **Notably, the long-term terminal site plan will be expandable and planned to accommodate approximately 25 aircraft gates, whereas Phase 1 of the terminal site plan will accommodate approximately 12 aircraft gates, associated with approximately 3 million annual passengers.**

Task 3.0 and 4.0 Focus Areas

- Apron sizing and taxilane configuration
- Terminal building massing
- Roadways and parking configuration
- Rental car facilities

The terminal programming will be used from the airport master plan. The planning activity level 3 (PAL 3) requirements will be scaled up in some cases to understand the long-term site plan; whereas the phase 1 requirements will be based on PAL 3 (e.g. 5 security screening lanes, 11-12 airplane design group III gates). The focus of this effort will be to define the terminal envelope which includes: landside facilities (parking, rental car, and terminal roadways); terminal processor and concourse; and aircraft apron and taxilanes.

The Consultant will validate the financial model from the 2020 Airport Master Plan to reflect 2022 conditions. The Consultant will request information from PMGAA staff. The updated financial model will be used as the analysis baseline for the Financial Considerations and Recommendations.

TASK 4.0 – ALTERNATIVES

Alternatives development is an iterative process. Alternatives will be eliminated, refined, and advanced based on direction from PMGAA.

4.1 –Alternative Evaluation Framework

The Consultant will develop an evaluation framework with PMGAA informed by the SAC. This framework will define the criteria used to evaluate each alternative. It is expected that some criteria will be more important than others (e.g. customer experience, capital cost estimates, future flexibility) and will account for facility space needs based on passenger levels.

4.2 –Component Alternatives

The Consultant will prepare conceptual alternatives in the form of site plans (in 2D, plan view). The Consultant will prepare comparisons matrices for each area of evaluation. Variations within the site plan will address:

1. Rental car facility location and configuration (at grade or multi-level garage);
2. Public parking location and configuration (at grade or multi-level garage)
3. Terminal curbside roadways (single level or multi-level)
4. Terminal processor (two story facility or single story)

Note the concourse will be configured largely as identified within the preferred development of the master plan: linear concourse with single-loaded and double-loaded segments.

4.3 –Comprehensive Alternatives

Utilizing the results from **Task 4.2**, the Consultant will prepare two (2) alternatives for consideration by PMGAA and presentation to the SAC (1) in 2D, plan view. Alternatives will be evaluated using the criteria in **Task 4.1** for PMGAA consideration. PMGAA, with consideration of SAC input, will select one (1) preferred alternative (or a combination of elements from other alternatives) for further evaluation.

4.4 –Conceptual Development Plan

The Consultant will develop a conceptual development plan for the preferred alternative, refining that which was developed in **Task 4.3.**

The Consultant will develop both a long-term site plan and as well as a Phase 1 site plan for review and comment by PMGAA staff. Upon approval of the site plan, the Consultant will develop the exterior renderings **(Task 6).**

The Consultant will also prepare a phasing plan for the preferred alternative, depicting up to four phases of development for major facilities (terminal, concourses, parking areas) in plan view.

4.5 – Alternatives Technical Memorandum

The Consultant will document the findings of **Task 4.0** in a report (PDF, no prints) that will be provided to PMGAA for review. The technical memorandum will be approximately 10 pages in length and include:

1. Component alternative exhibits (2D, plan view)
2. Comprehensive alternative site plans (2D, plan view)
3. Screening criteria and results
4. Conceptual Development Plan exhibits (2D, plan view)

a. Phase 1
b. Long term

The components addressed in section 4 include those listed in the following table.

Terminal Area Components
Airside
Aircraft Parking Apron
Taxiway System
Airfield Setbacks and FAA Design Standards
Airspace Constraints Standards
Terminal
Concourse massing based on primary area components
Terminal massing based on primary area components
Roadways and Parking
Curb front (Arrivals and Departures, TNCs, etc.)
TNC and Taxi Staging Areas
Access Roads
Passenger Parking (Surface or Garage)
Employee and Vendor Parking (Surface or Garage)
Deliveries and Receiving
Rental Car Facilities
Ready/Return
Quick Turnaround
Fueling
Support and Other Facilities
Airport Administration Massing
Building Systems Common Utility Plant Location
Fuel Storage

TASK 5.0 – FINANCIAL

Financial assessment will occur in concert with alternatives development. This task will focus on developing a framework of financial considerations rather than a definitive funding plan. This approach is intended to make this work product useful for years after this Project is complete, and not bound to implementation in a specific year.

5.1 – Cost Estimates

Capital cost estimates will be developed for the Concept Development Plan defined in **Task 4.4.** Costs will still be presented as a rough-order-of-magnitude and will not be detailed engineer's or architect's estimates. The cost estimate will summarize the major components of each cost estimate for:

1. Terminal roadway system
2. Rental car facilities
3. Parking facilities
4. Terminal processor
5. Concourses
6. Apron and taxilanes

5.2 – Financial Considerations and Recommendations

The Consultant will develop a guidance document that identifies potential funding sources (including public-private-partnerships and alternative funding strategies such as establishing a development or transportation district tax or assessment) that are available for each element of the terminal area. In order to determine what funding is available, the Consultant will work with PMGAA to determine all potential funding sources. Unison will thoroughly analyze PMGAA's PFC program. This analysis will include analyzing the PFC collection authority and estimated future collections and uses.

A specific funding plan will not be developed; however, this document will serve as a guide for when such a plan is needed. The guidance document will incorporate a "green, yellow, and red light" funding scenario summary matrix for ease of use.

The Consultant will suggest an alternate airline rate making methodology. The methodology will include the estimated impacts of the cost estimates on the airline rates. The Consultant will provide the pros and cons of the alternate rate methodology. This will include discussion of how each element impacts PMGAA's cost centers, and what effect the different funding options may have on tenant rates and cost per enplanement.

5.3 – Financial Report

The Consultant will document the findings of **Task 5.0** and recommended next steps in the terminal programming process in a report (PDF, no prints) that will be provided to PMGAA.

TASK 6.0 –VISUALIZATION

Visualization incudes the creation of diagrams, images, and renderings developed throughout the Project.

6.1 – Comprehensive Visualizations

Comprehensive visualizations will include:

1. Refined site plans depicting the Conceptual Development Plan at Phase 1 and phased long-term build out, depicting location of terminal and support facilities (parking, terminal roadways, and rental car facility) alongside the parallel taxiway will be prepared. These will be a refinement of the exhibits prepared as part of **Task 4.4** – refinement will be based on feedback from PMGAA and SAC meeting 2.
2. Five “birds-eye view” exterior renderings of the Conceptual Development Plan at Phase 1 – OR – long-term build, depicting apron, taxilanes, aircraft gates, concourse, terminal processor, curbside, and parking facilities

6.2 – Final Visualizations

Final visualizations will address PMGAA staff comments on the material developed as part of **Task 6.1**, depicting the preferred alternative.

TASK 7.0 –DOCUMENTATION

7.1 – Final Report – Graphical Executive Summary

The final deliverable will include PDFs and editable versions of report materials. The Consultant will prepare an executive summary focused on the ultimate site plan, alongside cost estimates and renderings for phase 1. The summary in anticipated to be approximately 10 11”x17” pages or (20) 8 ½” x 11” pages. This will be delivered as a hard copy (up to eight (8) prints) and PDF.

7.2 – Digital Library and Closeout

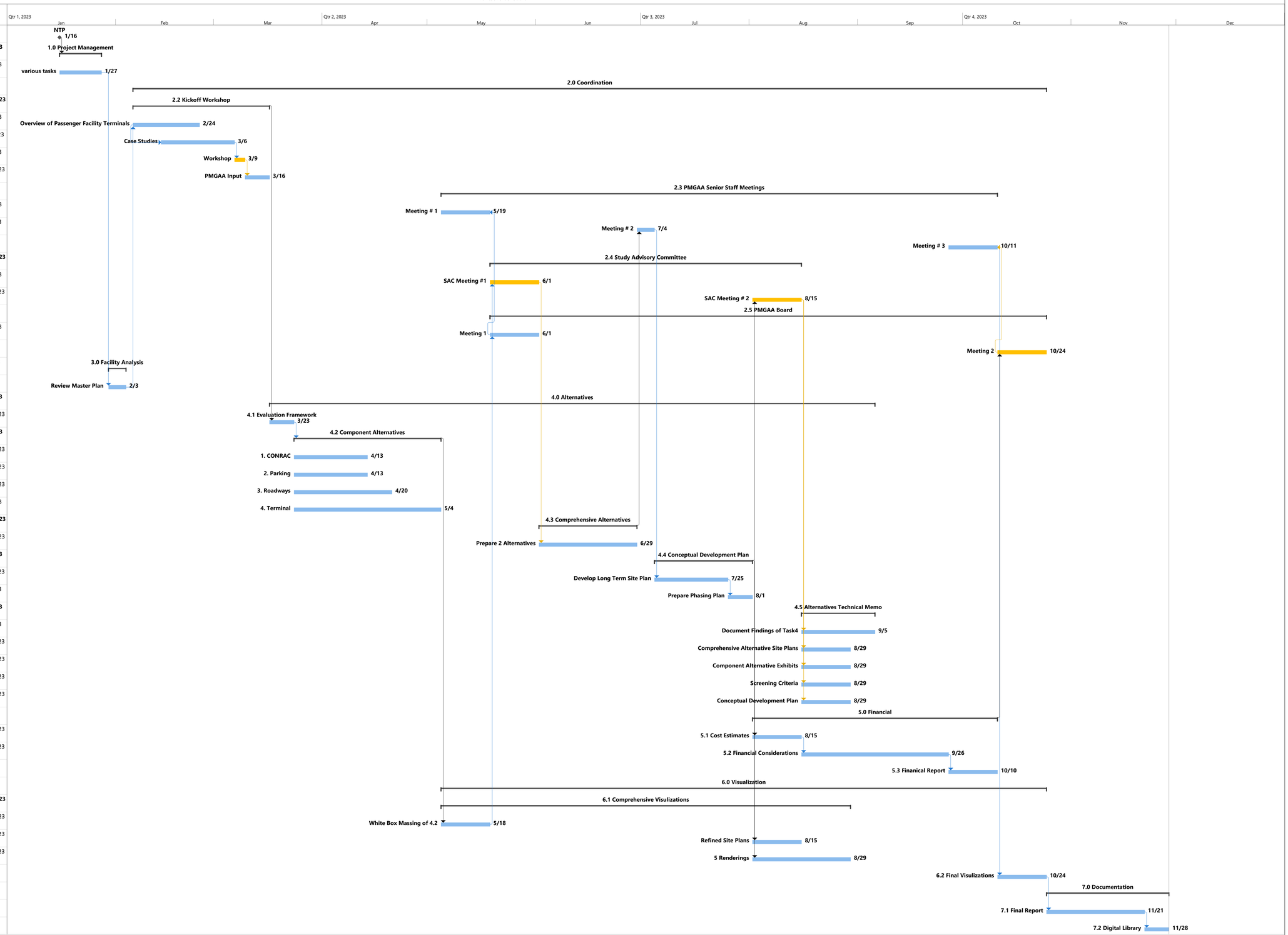
The Consultant will provide PMGAA with a digital library of all developed materials. Deliverables will be provided electronically. This includes renderings for future PMGAA use. The Consultant will provide one (1) external media device (e.g. portable hard drive) containing the files.

PROJECT SCHEDULE

See attachment C

PHOENIX-MESA GATEWAY AIRPORT
EASTSIDE TERMINAL ANALYSIS - GATEWAY TOMORROW
Tentative Schedule

ID	Task Mode	Task Name	Duration	Start	Finish
1		NTP	0 days	Mon 1/16/23	Mon 1/16/23
2		**1.0 Project Management**	**10 days**	**Mon 1/16/23**	**Fri 1/27/23**
3		various tasks	10 days	Mon 1/16/23	Fri 1/27/23
4		**2.0 Coordination**	**187 days**	**Mon 2/6/23**	**Tue 10/24/23**
5		**2.2 Kickoff Workshop**	**29 days**	**Mon 2/6/23**	**Thu 3/16/23**
7		Overview of Passenger Facility Terminals	15 days	Mon 2/6/23	Fri 2/24/23
8		Case Studies	15 days	Tue 2/14/23	Mon 3/6/23
9		Workshop	3 days	Tue 3/7/23	Thu 3/9/23
10		PMGAA Input	5 days	Fri 3/10/23	Thu 3/16/23
11		**2.3 PMGAA Senior Staff Meetings**	**113 days**	**Fri 5/5/23**	**Wed 10/11/23**
12		Meeting # 1	10 days	Fri 5/5/23	Fri 5/19/23
13		Meeting # 2	3 days	Fri 6/30/23	Tue 7/4/23
14		Meeting # 3	10 days	Wed 9/27/23	Wed 10/11/23
16		**2.4 Study Advisory Committee**	**63 days**	**Fri 5/19/23**	**Tue 8/15/23**
17		SAC Meeting #1	10 days	Fri 5/19/23	Thu 6/1/23
19		SAC Meeting # 2	10 days	Wed 8/2/23	Tue 8/15/23
21		**2.5 PMGAA Board**	**113 days**	**Fri 5/19/23**	**Tue 10/24/23**
22		Meeting 1	10 days	Fri 5/19/23	Thu 6/1/23
23		Meeting 2	10 days	Wed 10/11/23	Tue 10/24/23
24		**3.0 Facility Analysis**	**5 days**	**Mon 1/30/23**	**Fri 2/3/23**
25		Review Master Plan	5 days	Mon 1/30/23	Fri 2/3/23
26		**4.0 Alternatives**	**123 days**	**Fri 3/17/23**	**Tue 9/5/23**
27		4.1 Evaluation Framework	5 days	Fri 3/17/23	Thu 3/23/23
28		**4.2 Component Alternatives**	**30 days**	**Fri 3/24/23**	**Thu 5/4/23**
29		1. CONRAC	15 days	Fri 3/24/23	Thu 4/13/23
30		2. Parking	15 days	Fri 3/24/23	Thu 4/13/23
31		3. Roadways	20 days	Fri 3/24/23	Thu 4/20/23
32		4. Terminal	30 days	Fri 3/24/23	Thu 5/4/23
33		**4.3 Comprehensive Alternatives**	**20 days**	**Fri 6/2/23**	**Thu 6/29/23**
34		Prepare 2 Alternatives	20 days	Fri 6/2/23	Thu 6/29/23
35		**4.4 Conceptual Development Plan**	**20 days**	**Wed 7/5/23**	**Tue 8/1/23**
36		Develop Long Term Site Plan	15 days	Wed 7/5/23	Tue 7/25/23
37		Prepare Phasing Plan	5 days	Wed 7/26/23	Tue 8/1/23
38		**4.5 Alternatives Technical Memo**	**15 days**	**Wed 8/16/23**	**Tue 9/5/23**
39		Document Findings of Task4	15 days	Wed 8/16/23	Tue 9/5/23
40		Comprehensive Alternative Site Plans	10 days	Wed 8/16/23	Tue 8/29/23
41		Component Alternative Exhibits	10 days	Wed 8/16/23	Tue 8/29/23
42		Screening Criteria	10 days	Wed 8/16/23	Tue 8/29/23
43		Conceptual Development Plan	10 days	Wed 8/16/23	Tue 8/29/23
44		**5.0 Financial**	**50 days**	**Wed 8/2/23**	**Tue 10/10/23**
45		5.1 Cost Estimates	10 days	Wed 8/2/23	Tue 8/15/23
46		5.2 Financial Considerations	30 days	Wed 8/16/23	Tue 9/26/23
47		5.3 Finanical Report	10 days	Wed 9/27/23	Tue 10/10/23
48		**6.0 Visualization**	**123 days**	**Fri 5/5/23**	**Tue 10/24/23**
49		**6.1 Comprehensive Visulizations**	**83 days**	**Fri 5/5/23**	**Tue 8/29/23**
50		White Box Massing of 4.2	10 days	Fri 5/5/23	Thu 5/18/23
51		Refined Site Plans	10 days	Wed 8/2/23	Tue 8/15/23
52		5 Renderings	20 days	Wed 8/2/23	Tue 8/29/23
53		6.2 Final Visulizations	10 days	Wed 10/11/23	Tue 10/24/23
54		**7.0 Documentation**	**25 days**	**Wed 10/25/23**	**Tue 11/28/23**
55		7.1 Final Report	20 days	Wed 10/25/23	Tue 11/21/23
56		7.2 Digital Library	5 days	Wed 11/22/23	Tue 11/28/23



Project: IWA Schedule
Date: Tue 11/1/22

Task | Split | Milestone | Summary | Project Summary | Inactive Task | Inactive Milestone | Inactive Summary | Manual Task | Duration-only | Manual Summary Rollup | Manual Summary | Start-only | Finish-only | External Tasks | External Milestone | Deadline | Progress | Manual Progress

Probable on-Site Meetings indicated with Orange Bars

EXHIBIT B - FEE
Phoenix-Mesa Gateway Airport
Eastside Terminal Analysis
Mesa, AZ

October 30, 2022
Mead & Hunt

	MEAD & HUNT PERSONNEL CATEGORY, HOURS AND LABOR COST																		SUBCONSULTANT FEE								TOTAL FEE	TOTAL HOURS
	Principal		Project Manager		Sr. Consultant (Plan/Engr/Arch)		Consultant (Plan/Engr/Arch)		Technician		Junior Consultant (Plan/Engr/Arch)		Administrative						DWL		UNISON		TRANSSYSTEMS		SUBCONSULTANT			
	Labor	Cost	Labor	Cost	Labor	Cost	Labor	Cost	Labor	Cost	Labor	Cost	Labor	Cost	HOURS	LABOR	EXPENSES	MEAD & HUNT FEE	Hours	Fee	Hours	Fee	Hours	Fee	Hours	SUBCONSULTANT FEE		
Hourly Rates by Personnel Category		$291		$230		$184		$153		$123		$108		$92														
Task 1 Project Management	**12**	**$3,492**	**104**	**$23,920**	**16**	**$2,944**	**0**	**$0**	**0**	**$0**	**0**	**$0**	**20**	**$1,840**	**152**	**$32,196**	**$0**	**$32,196**	**18**	**$3,346**	**0**	**$0**	**0**	**$0**	**18**	**$ 3,346**	**$35,542**	**170**
Task 1.1 Project Management & Administration	12	$3,492	98	$22,540		$0		$0		$0		$0	20	$1,840	130	$27,872	$0	$27,872	10	$2,218					10	$2,218	$30,090	
Task 1.2 Internal Project Team Coordination		$0	6	$1,380	4	$736		$0		$0		$0		$0	10	$2,116	$0	$2,116	4	$564					4	$564	$2,680	
Task 1.3 Quality Assurance and Quality Control		$0		$0	12	$2,208		$0		$0		$0		$0	12	$2,208	$0	$2,208	4	$564					4	$564	$2,772	
Task 2 Coordination	**16**	**$4,656**	**100**	**$23,000**	**72**	**$13,248**	**40**	**$6,120**	**0**	**$0**	**52**	**$5,616**	**0**	**$0**	**280**	**$52,640**	**$10,550**	**$63,190**	**75**	**$12,555**	**0**	**$0**	**0**	**$0**	**75**	**$12,555**	**$75,745**	**355**
Task 2.1 PMGAA Project Team Calls	0	$0	22	$5,060	8	$1,472	8	$1,224		$0	8	$864		$0	46	$8,620	$0	$8,620	7	$1,547					7	$1,547	$10,167	
Task 2.2 Kickoff Workshop	0	$0	16	$3,680	24	$4,416	32	$4,896		$0	32	$3,456		$0	104	$16,448	$3,100	$19,548	48	$6,548					48	$6,548	$26,096	
Task 2.3 PMGAA Senior Staff	8	$2,328	10	$2,300	8	$1,472		$0		$0		$0		$0	26	$6,100	$0	$6,100	6	$1,326					6	$1,326	$7,426	
Task 2.4 Study Advisory Committee (SAC)	0	$0	32	$7,360	32	$5,888		0		$0	12	$1,296		$0	76	$14,544	$6,200	$20,744	8	$1,808					8	$1,808	$22,552	
Task 2.5 PMGAA Board	8	$2,328	20	$4,600		$0		$0		$0		$0		$0	28	$6,928	$1,250	$8,178	6	$1,326	0	$0			6	$1,326	$9,504	
Task 3 Facility Analysis	**0**	**$0**	**6**	**$1,380**	**12**	**$2,208**	**16**	**$2,448**	**0**	**$0**	**0**	**$0**	**0**	**$0**	**34**	**$6,036**	**$0**	**$6,036**	**8**	**$1,128**	**12**	**$3,120**	**0**	**$0**	**20**	**$4,248**	**$10,284**	**54**
Task 3.1 Master Plan Summary	0	$0	6	$1,380	12	$2,208	16	$2,448	0	$0	0	$0		$0	34	$6,036	$0	$6,036	8	$1,128	12	$3,120			20	$4,248	$10,284	
Task 4 Alternatives	**11**	**$3,201**	**60**	**$13,800**	**110**	**$20,240**	**120**	**$18,360**	**144**	**$17,712**	**172**	**$18,576**	**32**	**$2,944**	**649**	**$94,833**	**$0**	**$94,833**	**302**	**$36,206**	**0**	**$0**	**120**	**$23,300**	**422**	**$59,506**	**$154,339**	**1,071**
Task 4.1 Alternative Evaluation Framework	1	$291	4	$920	8	$1,472	4	$612		$0	0	$0		$0	17	$3,295	$0	$3,295							0	$0	$3,295	
Task 4.2 Component Alternatives	4	$1,164	24	$5,520	34	$6,256	36	$5,508	40	$4,920	52	$5,616		$0	190	$28,984	$0	$28,984	186	$22,446			48	$9,800	234	$32,246	$61,230	
Task 4.3 Comprehensive Alternatives	2	$582	8	$1,840	24	$4,416	24	$3,672	32	$3,936	32	$3,456		$0	122	$17,902	$0	$17,902	68	$8,048			52	$9,780	120	$17,828	$35,730	
Task 4.4.1 Conceptual Developent	2	$582	4	$920	16	$2,944	32	$4,896	40	$4,920	40	$4,320		$0	134	$18,582	$0	$18,582	48	$5,712			20	$3,720	68	$9,432	$28,014	
Task 4.4.2 Phasing Plan	0	$0	4	$920	16	$2,944	12	$1,836	32	$3,936	16	$1,728		$0	80	$11,364	$0	$11,364							0	$0	$11,364	
Task 4.5 Alternatives Report	2	$582	16	$3,680	12	$2,208	12	$1,836		$0	32	$3,456	32	$2,944	106	$14,706	$0	$14,706							0	$0	$14,706	
Task 5 Financial	**10**	**$2,910**	**26**	**$5,980**	**54**	**$9,936**	**0**	**$0**	**24**	**$2,952**	**0**	**$0**	**16**	**$1,472**	**130**	**$23,250**	**$0**	**$23,250**	**33**	**$4,733**	**163**	**$44,285**	**0**	**$0**	**196**	**$49,018**	**$72,268**	**326**
Task 5.1 Component Alternatives Cost Estimates	4	$1,164	8	$1,840	48	$8,832		$0	24	$2,952		$0		$0	84	$14,788	$0	$14,788	33	$4,733					33	$4,733	$19,521	
Task 5.2 Financial Considerations and Recommendat	4	$1,164	0	$0	0	$0	0	$0		$0		$0		$0	4	$1,164	$0	$1,164			163	$44,285			163	$44,285	$45,449	
Task 5.3 Financial Report	2	$582	18	$4,140	6	$1,104		$0		$0		$0	16	$1,472	42	$7,298	$0	$7,298							0	$0	$7,298	
Task 6 Visualization	**0**	**$0**	**8**	**$1,840**	**0**	**$0**	**0**	**$0**	**0**	**$0**	**0**	**$0**	**0**	**$0**	**8**	**$1,840**	**$0**	**$1,840**	**286**	**$29,036**	**0**	**$0**	**0**	**$0**	**286**	**$29,036**	**$30,876**	**294**
Task 6.1 Component Visualizations		$0	4	$920		$0		$0	0	$0		$0		$0	4	$920	$0	$920	156	$16,556					156	$16,556	$17,476	
Task 6.2 Final Visualizations		$0	4	$920		$0		$0		$0		$0		$0	4	$920	$0	$920	130	$12,480					130	$12,480	$13,400	
Task 7 Documentation	**4**	**$1,164**	**10**	**$2,300**	**16**	**$2,944**	**4**	**$612**	**16**	**$1,968**	**32**	**$3,456**	**44**	**$4,048**	**126**	**$16,492**	**$800**	**$17,292**	**26**	**$3,618**	**0**	**$0**	**0**	**$0**	**26**	**$3,618**	**$20,910**	**152**
Task 7.1 Final Report	2	$582	6	$1,380	10	$1,840		$0	8	$984	24	$2,592	20	$1,840	70	$9,218	$800	$10,018	26	$3,618					26	$3,618	$13,636	
Task 7.2 Digital Library	2	$582	4	$920	6	$1,104	4	$612	8	$984	8	$864	24	$2,208	56	$7,274	$0	$7,274							0	$0	$7,274	
TOTALS	**53**	**$18,333**	**314**	**$78,200**	**280**	**$61,456**	**180**	**$27,540**	**184**	**$25,584**	**256**	**$27,648**	**112**	**$11,776**	**1,379**	**$227,287**	**$11,350**	**$238,637**	**748**	**$90,622**	**175**	**$47,405**	**120**	**$23,300**	**1,043**	**$161,327**	**$ 399,964**	**2,422**

EXHIBIT B - COMPENSATION

All compensation for services rendered by Consultant shall be based upon criteria established below. All services must be billed through the Consultant.

1. Fees to be Specified in Contract

Any and all services to be performed under this Contract require approval. All compensation for services shall be identified in writing. The Contract shall describe the scope of services to be performed (by tasks and subtasks, where appropriate), the fees associated with that performance, and any applicable special provisions. Consultant's compensation for services included in this Contract is totaled and set forth in **EXHIBIT A**, "Scope of Services and Fee Schedule".

2. Method of Payment

Subject to the terms of this Contract, PMGAA shall pay Consultant the appropriate rate or fixed price amount for services rendered as described in the Contract only after Consultant has submitted an invoice for services performed and PMGAA has certified and approved each invoice.

For services rendered in accordance with the Contract, Consultant shall submit to PMGAA an invoice depicting tasks performed and/or hours spent for services performed. Invoices must be based on the actual hours and/or expenses incurred for the services completed during the billing period. Consultant's invoices must specify that Consultant has performed the services, and PMGAA must certify and approve each invoice as a condition to payment.

3. Consultant Responsibilities for Compensation

Consultant shall prepare monthly invoices and/or progress reports in accordance with terms specified in the Contract. Progress reports will clearly indicate the progress to date and the amount of compensation due by virtue of that progress. All invoices for payment shall be for work completed unless otherwise agreed to by PMGAA. Invoices/requisitions for payment for services subject to funding by the FAA and/or ADOT shall include the documentation requirements of the FAA and/or ADOT, which are outlined in the *Airport Improvement Program (AIP) Handbook* dated September 30, 2014, or most current version.

4. PMGAA Responsibilities for Compensation

PMGAA agrees to pay Consultant's invoices for payment within 30 calendar days after the invoice is approved. PMGAA may withhold payment on any invoice if it believes that Consultant has not performed the work in a satisfactory manner. If PMGAA withholds payment to Consultant, PMGAA shall promptly notify Consultant and explain the reasons for the decision to withhold payment.

5. Billing Address

All invoices submitted to PMGAA for payment shall be submitted to:

Accounts Payable: ap@gatewayairport.com

EXHIBIT C - SPECIAL PROVISIONS

1. Civil Rights Act of 1964, Title VI – General

The contractor agrees to comply with pertinent statues, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color or national origin, sex, age or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance.

2. Civil Rights Act of 1964, Title VI – Assurances

During the performance of this Contract, the contractor, for itself, its assignees and successors in interest agrees as follows:

a. Compliance with Regulations – Compliance with Regulations: The contractor (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts And Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.

b. Nondiscrimination – The contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR Part 21.

c. Solicitations for Subcontracts, including Procurements of Materials and Equipment – In all solicitations, either by competitive bidding, or negotiation made by the contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the contractor of the contractor's obligations under this contract and the Non-discrimination Acts And Authorities on the grounds of race, color, or national origin.

d. Information and Reports – The contractor will provide all information and reports required by the Acts, the Regulations and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by PMGAA or the FAA to be pertinent to ascertain compliance with such Nondiscrimination Acts And Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the contractor will so certify to PMGAA or the FAA as appropriate, and will set forth what efforts it has made to obtain the information.

e. Sanctions for Noncompliance – In the event of a contractor's noncompliance with the Nondiscrimination provisions of this contract, the Recipient will impose such contract sanctions as it or the FAA may determine to be appropriate, including, but not limited to:

i) Withholding of payments to the contractor under the contract until the contractor complies, and/or;
ii) Cancellation, termination, or suspension of the Contract, in whole or in part.

f. Incorporation of Provisions – The contractor will include the provisions of paragraphs one through six of this **EXHIBIT C** in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. The contractor will take action with respect to any subcontract or procurement as PMGAA or the FAA may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the contractor may request PMGAA to enter into any litigation to protect the interests of PMGAA. In addition, the contractor may request the United States to enter into the litigation to protect the interests of the United States.

3. Civil Rights – Title VI List of Pertinent Nondiscrimination Acts and Authorities

During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "contractor") agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq*., 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR part 21 (Non-discrimination In Federally-Assisted Programs of The Department of Transportation—Effectuation of Title VI of The Civil Rights Act of 1964);
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 *et seq*.), as amended, (prohibits discrimination on the basis of disability); and 49 CFR part 27;
- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 *et seq*.), (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 CFR parts 37 and 38;
- The FAA's Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures non-discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq).

4. <u>Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion</u>

Consultant, by accepting this Contract, certifies that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any government department or agency.

5. <u>Project Security</u>

As some or all portions of work possible during the Term of this Contract may be located inside the secured area of the Airport, adherence to and familiarity with federal security regulations is essential. For these projects, Consultant shall be responsible for fulfilling the security requirements described herein.

a. <u>Secured Area Access</u> – All Consultant personnel who require unescorted access to the secured area of the Airport, prior to the issuance of an Airport Identification badge, must successfully complete the Security Badge Application and Security Badge Authorization forms.

b. Employee Security Badges – If deemed necessary by PMGAA Contractor and/or subcontractor personnel performing work functions in accordance with this Contract shall obtain and properly display an Airport security badge. Consultant shall submit a Security Badge Application form to the PMGAA security office for each employee requiring unescorted access, along with the current fee for each badge. Badge fees are identified on the current *Airport Fees, Services and Rental Rates* available via the Airport website at www.gatewayairport.com and are subject to change.

   i. All fees must be paid to PMGAA by cash or check.
   ii. Airport Security Badge Application forms and instructions are available via the Airport website at www.gatewayairport.com.
   iii. An authorized representative of Consultant must also obtain and submit a Security Media Authorization form, which is to be submitted to the PMGAA badging office. The Security Media Authorization form and instructions are available via the Airport website at www.gatewairport.com.
   iv. A training class on aviation security must be successfully completed before individuals are issued a badge. Fees for the security badge include attendance for the necessary training classes. Attendance at the security classes and issuance of the security badge may take two hours per person.
   v. Additional information, including a "Frequently Asked Questions" is available via the Airport website at www.gatewairport.com or by contacting the PMGAA Badging Office at (480) 988-7522. The Badging Office is located at 5803 S. Sossaman Road, Mesa AZ 85212.
   vi. Consultant shall immediately notify the PMGAA Badging Office of any Consultant personnel whose employment status has changed.
   vii. Consultant shall retrieve all security badges and keys and return them to the PMGAA Badging Office. A fee, as indicated on the most current *Airport Rates and Charges Schedule*, will be charged for each badge that is damaged, lost or not returned.
   viii. The PMGAA Badging Office will require a completed Security Badge Application from each Consultant employee so certified by Consultant as requiring such before a Security Badge is issued.
   ix. Under certain circumstances and out of control of PMGAA, security measures may change on short notice. No deviations from any security measure shall be allowed at any time.
   x. At all times, aircraft shall have the right-of-way over all vehicle traffic.

c. Fines – Due to both the safety and security precautions necessary at the Airport, any failure of the Consultant to adhere to prescribed Airport requirements/regulations has consequences that may jeopardize the health, welfare and lives of Airport customers and employees, as well as the Consultant's own employees. Therefore, if Consultant is found to be in non-compliance with any security, airfield badging/licensing and airfield safety requirement, a Notice of Violations (NOV) may be issued. A current listing of fines is available by contacting the PMGAA Badging Office.

6. Standard Terms & Conditions

PMGAA's Standard Terms & Conditions (in **EXHIBIT D** attached) include clauses that pertain to both construction and professional services. For such, the term "contractor" is to be considered same as "consultant." If a clause implies construction service then it is waived for a professional services contract. PMGAA reserves the right to make that determination if there is a conflict.

7. Federal and State Guidelines and Regulations

All work performed under this Contract must satisfy FAA and applicable agency standards, and be accomplished in accordance with applicable federal, state and local guidelines and regulations, including FAA Advisory Circulars, NEPA and Arizona environmental statutes.

Consultant shall perform the services as described in approved Contract in accordance with the applicable requirements imposed by PMGAA, ADOT, FAA and any other applicable sponsoring agencies. Consultant and its subconsultants/subcontractors, if any, shall comply with any and all applicable laws, regulations, executive orders, policies, guidelines, and any other requirements for FAA Airport Improvement Program (AIP) projects. Consultant shall provide PMGAA all information, reports, documents, and/or certifications requested by PMGAA for the satisfaction of any grant requirements for the reimbursement of services, including, without limitation, identifying

the specific services provided by Consultant and the billing period(s) during which services were or are to be provided. Nothing herein shall be construed as making the FAA or ADOT a party to this Contract.

8. Right to Contract With Other Firms

PMGAA shall have the right to contract with other firms and/or persons and/or to self-perform additional services, which may be the subject of this Contract. Consultant shall conduct its operations and perform any services authorized under the Contract so as not to interfere with or hinder the progress of completion of the work being performed by PMGAA and/or other firms and/or persons. Consultants working on the same project shall cooperate with each other in the performance, scheduling, and, if applicable, the integration of their respective services.

9. Independent Contractor Status

At all relevant times, Consultant is - and shall remain - an independent contractor with regard to performance of its services. PMGAA retains no control over Consultant, the performance of its work or services, or the safety of its employees. Consultant is not authorized to enter into any contract or commitment, authorize any payment, or accept any document, services, goods or materials for, in the name of, or on behalf of PMGAA.

EXHIBIT D – PMGAA STANDARD TERMS & CONDITIONS

1. **Certification.** Consultant certifies:
   a. The award of this Contract did not involve collusion or other anti-competitive practices.
   b. It shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11246, or A.R.S. Section 31-1461, et. seq.
   c. It has not given, offered to give, nor intends to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with this Contract; and Consultant hereby certifies that the individual signing this Contract is an authorized agent for Consultant and has the authority to bind the Consultant to the Contract.

2. **Termination of Contract.**

   a. PMGAA reserves the right to cancel this Contract in whole or in part due to failure of Consultant to carry out any term, promise, or condition of the Contract. At least ten (10) business days before terminating the Contract, PMGAA will issue a written notice of default specifying one of the following reasons. PMGAA shall, at all times during the term of the Contract or any extension term thereto, have the sole authority to determine if the default has been cured to its satisfaction.

      (1) Consultant has provided personnel that do not meet the requirements of the Contract.

      (2) Consultant has failed to perform adequately the stipulations, conditions or services/specifications required in this Contract.

      (3) Consultant has attempted to impose on PMGAA personnel or materials, products, or workmanship of unacceptable quality.

      (4) Consultant has failed to furnish the required service(s) and/or product(s) within the time stipulated in the Contract or associated Authorization of Services.

      (5) Consultant has failed to make progress in the performance of the requirements of the Contract or Authorization of Services, or Consultant fails to give PMGAA adequate assurance the Consultant will perform the Contract in full and on time.

      (6) Each payment obligation of PMGAA created hereby is conditioned on the availability of PMGAA, state, or federal funds appropriated for payment of the obligation. If funds are not available or allocated by PMGAA for continuance of service under this Contract, then PMGAA may terminate the Contract. PMGAA shall promptly notify Consultant regarding the service that may be affected by a shortage of funds. No penalty accrues to PMGAA if this provision is exercised, and PMGAA shall not be liable for any future payments due or for any damages as a result of termination under this paragraph.

   b. This Contract may be terminated at any time by mutual written consent or by PMGAA - with or without cause - provided the terminating party gives fourteen (14) calendar days' advance written notice to the other party. PMGAA may terminate this Contract, in whole or in part, for PMGAA's convenience and with fourteen (14) days' written notice. If this Contract is terminated, then PMGAA is liable only for services rendered and material received, certified, and approved by PMGAA under the Contract before the termination effective date.

3. **Dispute Resolution**.

   a. **Negotiations**. If a dispute arises out of or relates to this Contract or its breach, the parties to this Contract shall endeavor to settle the dispute through direct discussions as a condition precedent to mediation or binding dispute resolution.

   b. **Mediation**. Should the parties to this Contract be unable to resolve their dispute through direct negotiations, the parties to this Contract, upon the written request of either, shall engage in mediation, to be administered privately by a mediator and according to rules mutually agreed upon by the parties to this Contract, or, the absence of such mutual agreement, by a mediator appointed by JAMS and

administered by JAMS in accordance with its then-current mediation rules. The fees and costs of mediation shall be split equally by the parties to this Contract, but subject to reallocation following binding dispute resolution.

c. **Binding Dispute Resolution**. Should the parties to this Contract be unable to resolve their dispute through direct negotiations or mediation, either party may, within the time limitations for bringing claims under Arizona law and this Contract, commence formal dispute resolution proceedings. Both parties to this Contract consent to binding arbitration administered by JAMS according to its then current arbitration rules, provided, however, that (i) in the event both parties agree, the arbitration may be administered privately by an arbitrator and according to rules mutually agreed upon by the parties to this Contract, and (ii) in the event any party seeks relief against the other party or against a non-party which cannot fully be granted in arbitration, by reason of non-joinder or otherwise, the parties to this Contract are excused from this arbitration requirement and the parties to this Contract shall proceed in the state or federal courts of competent jurisdiction and located in Maricopa County, Arizona. In any arbitration or litigation, the prevailing party shall be entitled to an award of its reasonable attorneys' fees and costs as determined by the arbitrator or court as applicable.

4. **Independent Contractor.** At all times, each party acts in its individual capacity not as agent, employee, partner, joint venturer, or associate of the other party. An employee or agent of one party may not be deemed or construed to be the employee or agent of the other party for any purpose whatsoever. Neither Consultant nor any of its employees are entitled to compensation from PMGAA in the form of salaries, paid vacation, or sick days. PMGAA will not provide any insurance to Consultant, including *Workers' Compensation* coverage. PMGAA will not withhold FICA, taxes, or any similar deductions from PMGAA's payments under this Contract.

5. **Affirmative Action.** Consultant shall abide by all the federal and state of Arizona provisions for equal opportunity in the work place.

6. **Human Relations**. Consultant shall abide by all the federal and state of Arizona provisions against discrimination of disadvantaged business enterprises in applicable PMGAA contracts.

7. **Non-Exclusive Contract**. This Contract is for the sole convenience of PMGAA. PMGAA reserves the right in its discretion to obtain the same or similar goods or services from any other source.

8. **Americans with Disabilities Act.** Consultant shall comply with all applicable provisions of the *Americans with Disabilities Act* (Public Law 101-336, 42 U.S.C. 12101-12213) and applicable federal regulations under the *Act*.

9. **Confidentiality of Records**. Consultant shall establish and maintain procedures and controls that are acceptable to PMGAA for the purpose of assuring that no information contained in its records or obtained from PMGAA or from others in carrying out its functions under the Contract shall be used by or disclosed by it, its agents, officers, or employees, except as required to efficiently perform duties under this Contract. Persons requesting such information should be referred to PMGAA. Consultant also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of Consultant as needed for the performance of duties under the Contract, unless otherwise agreed to in writing by PMGAA.

10. **Gratuities.** PMGAA may, by written notice to the Consultant, cancel this Contract if it is found that gratuities, in the form of entertainment, gifts or otherwise, were offered or given by Consultant or any agent or representative of Consultant, to any officer or employee of PMGAA involved in the amending, or the making of any determinations with respect to the performing of such Contract. If this Contract is canceled by PMGAA under this provision, PMGAA shall, in addition to any other rights and remedies, repay to the Consultant the amount of the gratuity.

11. **Applicable Law.** This Contract shall be governed by, and PMGAA and Consultant shall have, all remedies afforded each by the *Uniform Commercial Code*, as adopted in the state of Arizona, except as otherwise provided in this Contract or in laws pertaining specifically to PMGAA. This Contract shall be governed by

the laws of the state of Arizona, and suits pertaining to this Contract shall be brought only in federal or state courts in the state of Arizona.

12. **Contract**. This Contract is based on and the result of a negotiated Scope of Work and Proposal, Bid or Statement of Qualifications submitted by Consultant under this RFP, IFB or RFQ. The Contract contains the entire agreement between PMGAA and Consultant. No prior oral or written agreements, contracts, proposals, negotiations, purchase orders, or master agreements (in any form) are enforceable between the parties.

13. **Contract Amendments**. This Contract shall be modified only by a written amendment signed by the PMGAA Executive Director or his/her designee, and persons duly authorized to enter into contracts on behalf of Consultant.

14. **Provisions Required by Law**. Each and every provision of law and any clause required by law to be in the Contract shall be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party the Contract shall forthwith be physically amended to make such insertion or correction.

15. **Severability.** The provisions of this Contract are severable to the extent that any provision or application held to be invalid shall not affect any other provision or application of the Contract, which may remain in effect without the valid provision, or application.

16. **Protection of Government Property.** Consultant shall use reasonable care to avoid damaging all PMGAA property, including buildings, equipment, and vegetation (such as trees, shrubs, and grass). If Consultant damages PMGAA's property in any way, Consultant shall immediately report such damage to PMGAA and repair or replace the damage at no cost to PMGAA, as directed by the PMGAA Executive Director. If Consultant fails or refuses to repair or replace the damage, then PMGAA may terminate the Contract, and PMGAA shall deduct the repair or replacement cost from money due Consultant under the Contract.

17. **Interpretation – Parol Evidence.** This Contract is intended by the parties as a final expression of their agreement and is intended also as a complete and exclusive statement of the terms thereof. No course of prior dealings between the parties and no usage of the trade shall be relevant to supplement or explain any term used in this Contract. Acceptance or acquiescence in a course of performance rendered under this Contract shall not be relevant to determine the meaning of this Contract even though the accepting or acquiescing party has knowledge of the nature of the performance and opportunity to object.

18. **Subcontracts.** Consultant shall not assign any rights or interest nor enter into any subcontract with any other party to furnish any of the materials, goods or services specified herein without the prior written permission of PMGAA. PMGAA may, at its sole discretion, accept or reject proposed subcontractors or assignment. PMGAA shall notify Consultant of its acceptance or rejection within forty-five (45) days or written request by Consultant. All subcontracts shall comply with federal and state laws and regulations applicable to the materials, goods or services covered by the subcontract and shall include all the terms and conditions set forth herein, which shall apply with equal force to the subcontract, as if the subcontractor were the Consultant referred to herein. Consultant is responsible for Contract performance whether subcontractors are used.

19. **No Waiver.** No provision in this Contract shall be construed, expressly or by implication, to waive either party's existing or future claim, right, or remedy available by law for breach of contract. The failure of either party to insist on strict performance of any Contract term or condition; to exercise or delay exercising any right or remedy provided in the Contract or by law; or to accept materials, services, or Consultant's services under this Contract or imposed by law, shall not be deemed a waiver of any right of either party to insist upon strict performance of the Contract.

20. **Warranties.** Consultant warrants that all materials and services delivered under this Contract shall conform to the specifications thereof. Mere receipt of shipment of the material or service specified and any inspection incidental thereto by PMGAA, shall not alter or affect the obligations of Consultant or the rights of PMGAA under the foregoing warranties. Additional warranty requirements may be set forth in this Contract.

21. **Indemnification.** To the fullest extent permitted by law, Consultant shall defend, save, indemnify, and hold harmless PMGAA, its agents, representatives, officers, directors, officials, and employees (collectively the "Indemnitees"), for, from and against all claims, damages, losses and expenses, including but not limited to attorney fees, court costs, expert witness fees, and the cost of appellate proceedings, relating to, arising out of, or alleged to have resulted from the Consultant's acts, errors, omissions, or mistakes relating to Consultant's services under this Contract.

22. **Right to Assurance.** Whenever one party to this Contract in good faith has reason to question the other party's intent to perform, the former party may demand that the other party give a written assurance of this intent to perform. If a demand is made and no written assurance is given within five (5) business days, the demanding party may treat this failure as an anticipatory repudiation with this Contract.

23. **Advertising.** Consultant shall not advertise or publish information concerning this Contract without prior written consent of PMGAA.

24. **Right to Inspect.** PMGAA may, at reasonable times, and at PMGAA's expense, inspect the place of Consultant's or any of Consultant's subcontractor's business, which is related to the performance of this Contract or related subcontract.

25. **Force Majeure.** 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 Contract to be performed by such party ("Required Act"), and such delay or hindrance is due to causes entirely beyond its control such as riots, insurrections, martial law, civil commotion, war, fire, flood, earthquake, or other casualty or acts of God ("Force Majeure Event"), 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 delay. For purposes of this Contract, the financial inability of Consultant to perform any Required Act, including, without limitation, failure to obtain adequate or other financing shall not be deemed to constitute a Force Majeure Event. A Force Majeure Event shall not be deemed to commence until ten (10) days before the date on which the party who asserts some right, defense, or remedy arising from or based upon such Force Majeure Event gives written notice thereof to the other party. If abnormal adverse weather conditions are the basis for a claim for an extension of time due to a Force Majeure Event, the written notice shall be accompanied by data substantiating (a) that the weather conditions were abnormal for the time and could not have been reasonably anticipated and (b) that the weather conditions complained of had a significant adverse effect on the performance of a Required Act. To establish the extent of any delay to the performance of a Required Act due to abnormal adverse weather, a comparison will be made of the weather for the time of performance of the Required Act with the average of the preceding ten (10) years' climatic range based on the National Weather Service statistics for the nearest weather reporting station to the Premises. No extension of time for or excuse for a delay in the performance of a Required Act will be granted for rain, snow, wind, cold temperatures, flood, or other natural phenomena of normal intensity for the locality where the Premises are located.

26. **Inspection.** All material or service is subject to final inspection and acceptance by PMGAA. Material or service failing to conform to the specifications of this Contract will be held at Consultant's risk and may be returned to Consultant. If so returned, all costs are the responsibility of Consultant. Noncompliance shall conform to the cancellation clause set forth in this Contract.

27. **Exclusive Possession.** All services, information, computer program elements, reports, and other deliverables, which may be created under this Contract, are the sole property of PMGAA and shall not be used or released by Consultant or any other person except with prior written permission by PMGAA.

28. **Title and Risk of Loss.** The title and risk of loss of materials or services shall not pass to PMGAA until PMGAA actually receives the material or service at the Airport, unless otherwise provided within this Contract.

29. **Liens.** All materials, services, and other deliverables supplied to PMGAA under this Contract must be free of all liens and other encumbrances. Upon request of PMGAA, Consultant shall provide a formal release of all liens.

30. **Licenses.** Consultant shall maintain in current status all federal, state, and local licenses and permits required for the operation of the business conducted by Consultant as applicable to this Contract.

31. **Subsequent Employment.** PMGAA may cancel this Contract without penalty or further obligation in accordance with A.R.S. Section 38-511 if any person significantly involved in initiating, negotiating, securing, drafting, or creating the contract, on behalf of the PMGAA is or becomes, at any time while the Contract or any extension of the contract is in effect, an employee of, or a contractor to any other party to this Contract with respect to the subject matter of the Contract. Such cancellation shall be effective when the parties to this Contract receive written notice from PMGAA, unless the notice specifies a later time.

32. **Clean Up.** Consultant shall at all times keep Contract performance areas, including storage areas used by the Consultant, free from accumulation of waste material or rubbish and, prior to completion of the work, remove any rubbish from the premises and all tools, scaffolding, equipment and materials not property of PMGAA. Upon completion of any repair, Consultant shall leave the work and premises in clean, neat, and workmanlike condition.

33. **Patents.** Consultant shall defend, indemnify, and hold harmless PMGAA, its officers and employees from all liabilities, claims, damages, costs, or expenses, including, but not limited to attorneys' fees, for any alleged infringement of any person's patent rights or copyrights in consequence of the use by PMGAA, its officers, employees, agents, and other duly authorized representatives of tangible or intellectual property supplied to PMGAA by Consultant under this Contract.

34. **Records and Audit Rights.** Consultant's and all of its approved subcontractors' books, records, correspondence, accounting procedures and practices, and any other supporting evidence relating to this Contract, including the papers of all Consultant and subcontractor employees that work on the Contract (all the foregoing collectively referred to as "Records"), must be open to inspection and subject to audit and/or reproduction during normal working hours by PMGAA. PMGAA is entitled to evaluate and verify all invoices, payments or claims based on Consultant's and its subcontractor's actual costs (including direct and indirect costs and overhead allocations) incurred or units expended directly in the performance of work under this Contract. For any audit under this Section, Consultant and its subcontractors hereby waive the right to keep such Records confidential. PMGAA is entitled to access to these Records from the effective date of this Contract for the duration of the work and until five years after the date of final payment by PMGAA to Consultant under the Contract. During normal working hours, PMGAA is entitled to access to all necessary Consultant and subcontractor facilities and shall be provided adequate and appropriate workspace, in order to conduct audits under this Section. PMGAA shall give Consultant or subcontractors reasonable advance notice of intended audits. Consultant shall require its subcontractors to comply with the provisions of this Section by including its requirements in all subcontracts related to this Contract.

35. **E-Verify Requirements.** To the extent applicable under A.R.S. § 41-4401, Consultant and its subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees, and compliance with the E-Verify requirements under A.R.S. §23-214(A). Consultant's or its subcontractors' failure to comply with such warranty shall be deemed a material breach of this Contract and may result in the termination of this Contract by PMGAA. PMGAA shall have the right to inspect the papers of Consultant's and any of Consultant's subcontractor's employee who works on this Contract to ensure the Consultant is complying with this paragraph.

EXHIBIT E – CONSULTANT'S RFQ SUBMITTAL

Consultant's Proposal in response to Phoenix-Mesa Gateway Airport Authority's Solicitation 2023-001-RFQ dated May 24, 2022, is hereby incorporated herein and made part of this Contract.

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 22-72

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 1020, Service Truck Replacements**
Date:	**November 15, 2022**

Proposed Motion
To authorize the purchase of two vehicles from San Tan Auto Partners, LLC dba San Tan Ford (San Tan Ford), in an amount not to exceed $77,658.34.

Narrative
FY23 approved capital plans included the replacement of two airport service vehicles.

The purchase includes two service body trucks. Currently two 2008 Dodge 2500 vehicles, E-230 and E-235, are beyond their service life due to age and normal wear and tear.

PMGAA and 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 PMGAA will utilize San Tan Ford for the new vehicle purchases. This contract is available upon request.

In October 2022, a cooperative quote was obtained through San Tan Ford utilizing the Arizona State Contract CTR059323 in the amount of $38,829.17 per vehicle.

Fiscal Impact
This purchase was included in the FY23 capital budget and is funded with CIP #1020.

Attachment(s)
Quote

RESOLUTION NO. 22-72

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize the purchase of two vehicles from San Tan Auto Partners, LLC dba San Tan Ford (San Tan Ford), in an amount not to exceed $77,658.34;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

> **The Board of Directors of the Authority hereby authorizes the purchase of two vehicles from San Tan Auto Partners, LLC dba San Tan Ford (San Tan Ford), in an amount not to exceed $77,658.34. 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 15th day of November, 2022.

_____
Brigette Peterson, Chair

ATTEST:

_____
Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

_____
Jill Casson Owen, Attorney

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

2022 F-250 4x2 SD Regular Cab 8' box 142" WB SRW XL (F2A)

VIN: 1FTBF2A60NEF87350 | Price Level: 275 | Stock No: F222850

Client Proposal

Prepared by:
Joe Sanchez
Office: 480-621-3741
Email: joesanchez@santanford.com
Quote ID: F222850-1
Date: 10/31/2022

Government Fleet Account Manager
Joe Sanchez (480) 621-3741 joesanchez@santanford.com
Department Fax (480) 621-3796

Date: October 31, 2022

Customer: **Phoenix-Mesa Gateway Airport Authority**

Line Item/State Contract #: F2A / CTR059323 **Phase 2**

Vehicle Description: 2022 Ford F250 Regular Cab 4X2

with 6.2L FFV V8 Gas Engine

	Base Bid Price	**$35,420.00**
	Upgrade Options	
1	Power Equipment Group	Included in Pricing
2	Cruise Control	Included in Pricing
3	Trailer Brake Controller	Included in Pricing
4	Platform Running Boards	Included in Pricing
5	Upfitter Switches	Included in Pricing
6	Sprayed-in Bedliner (Over Lids)	595.00
7	Window Tint	Included in Pricing
8	4 Keys with 2 FOBS	Included in Pricing
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
		$595.00
	Bid Price (with options)	**$36,015.00**
	Tire Tax	5.00
	Sales Tax (7.80%)	2,809.17
	Ford Extended Service Plan	
	Transportation Fee	
	Total Delivered Price	**$38,829.17**

Notes:

Thank You,
Joe

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 22-73

To:	**Board of Directors**
From:	**Matt Nebgen, Gateway Aviation Services Director**
Through:	**Scott Brownlee, Deputy Director/COO**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject:	**CIP 1255 – Dual Electric GPU**
Date:	**November 15, 2022**

Proposed Motion
To authorize the purchase of one Dual Electric GPU from ITW GSE, Inc. (ITW GSE) in an amount not to exceed $151,496.28.

Narrative
Phoenix Mesa Gateway Airport Authority's Fixed Base Operator (FBO) uses the dual electric GPU to provide AC or DC power to various aircraft that come to Phoenix-Mesa Gateway Airport (PMGA) and require AC or DC power for aircraft electronics or for starting the aircraft. This unit will replace the FBO's current dual GPU which has reached the end of its useful life cycle.

Purchasing a diesel engine GPU is not practical due to current DEF issues with the diesel engines.

Request for Proposals No. 2023-012-RFP for one Dual Electric GPU was issued on October 4, 2022 and advertised in the Arizona Business Gazette on October 6, 13, 20, and 27, 2022. The notice was also posted on the Airport's website, as well as the AzAA, ACC, and ACI-NA websites. In addition, the RFP notice was emailed to 2 prospective respondents. Proposals were due on November 1, 2022.

PMGAA staff received one proposal in response to the RFP, from ITW GSE. As only one proposal was received and in accordance with Procurement Policy 22-01, it was determined that the pricing received through ITW GSE's proposal was in line with the requested equipment. Therefore, PMGAA staff is recommending award of this purchase to ITW GSE.

Fiscal Impact
This expenditure is included in the FY23 capital budget as Project 1255.

Attachment(s)
Price Proposal

RESOLUTION NO. 22-73

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize the purchase of one Dual Electric GPU from ITW GSE, Inc. (ITW GSE) in an amount not to exceed $151,496.28;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

> **The Board of Directors of the Authority hereby authorizes the purchase of one Dual Electric GPU from ITW GSE, Inc. (ITW GSE) in an amount not to exceed $151,496.28. 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 15th day of November, 2022.

Brigette Peterson, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

Attachment B
Price Proposal

Item	Price
One (1) New Electric GPU, To Meet Minimum Specifications Per Attachment A	$ **136,654.00**
Manuals on Maintenance, Operations, and Parts – 2 Sets (Hard Copy & Digital)	$ **0.00**
Battery Charger (if not integral to the Equipment) **(integral to unit)**	$ **0.00**
Sales Tax, 8.3% PMGAA is NOT tax exempt. If Offeror does not collect sales tax on behalf of the State of Arizona when invoicing, Offeror should still include tax at a rate of 7.6% for Use Tax.	$ **11,342.28**
Warranty, To Meet Minimum Specifications Per Attachment A	$ **0.00**
Shipping	$ **3,500.00**
Total	$ **151,496.28**

Offeror's Payment Terms: Equipment: Net 30 days

Parts: Net 30 days

Discounts:
Prompt Payment: Equipment: Discounted 0.0 % if payment is made within n/a days.
Parts: Discounted 0.0 % if payment is made within n/a days.

Parts: PMGAA price for purchasing parts direct from the Offeror shall be discounted by 20.0 % of the current list price for parts published by Offeror.

Exceptions / Clarifications of Offeror:

Delivery Time Estimate: Estimated Delivery available Jan 15, 2023

Equipment Manufacturer: ITW GSE, Inc.

Equipment is Manufactured in (Country): Denmark

Greg Rentfro
Printed Name

Signature

October 31, 2022
Date

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 22-74

To: **Board of Directors**
From: **Chuck Odom, Chief Financial Officer**
Through: **J. Brian O'Neill, A.A.E., Executive Director/CEO**
Subject: **Airport Rates and Charges- Recommended Revision Effective January 1, 2023**
Date: **November 15, 2022**

Proposed Motion
To adopt the revised PMGAA Board Approved Airport Rates and Charges schedule with an effective date of January 1, 2023.

Narrative
Airport staff is recommending the below changes to the current PMGAA Board Approved Airport Rates & Charges schedule.

1) **Aircraft Landing Fee -** Signatory Commercial Carriers – rate increase from $1.32 to $1.36 per 1,000 lbs. maximum gross landing weight (MGLW).
2) **Aircraft Landing Fee -** Non-Signatory Commercial Carriers, General Aviation, and other eligible aircraft - rate increase from $1.98 to $2.04 per 1,000 lbs. MGLW.

As current standard, landing fee exemptions will continue to be the following:

- U.S. government owned aircraft
- Non-revenue and flight training aircraft up to 12,500 MGLW
- All based flight training aircraft.

3) Pending approval, the Terminal Daily Parking Lot maximum rate will increase from $11 to $13 and the Ray Road Economy Parking Lot (uncovered) maximum daily rate will increase from $7 to $9. These parking rates have not increased since 7/1/2015. There have been several parking lot improvements since then. Most recently, new parking lot equipment with up-to-date technology to include contactless payment options, and ticket stock instead of tokens. PMGAA also added a cell phone lot, a terminal employee parking lot, and expanded the Ray Road Economy Parking Lot.

4) The current Lost Token Fee of $250 will be updated to read Lost Ticket Fee.

5) Fire Suppression Services, Airport Fuel Licenses & Permits, U.S. Customs and Border Protection, and Gateway Aviation Services sections will be removed from PMGAA Board Approved Airport Rates and Charges and moved to PMGAA Executive Director Approved Airport Fees, Services and Rental Rates. This change will better align operational related items on the same document and group airline, passenger, and terminal related items on the PMGAA Board Approved Airport Rates and Charges.

Fiscal Impact

By increasing the Landing Fees 3%, an additional $53,000 will be generated over the next year.

By increasing the Terminal Daily Parking Lot rate by $2.00, an additional $111,000 per year will be generated. The $2.00 increase to the Ray Road Economy Parking Lot (uncovered) rate will generate an additional $262,000.

Attachment(s)
Proposed changes to PMGAA Board Approved Airport Rates & Charges

RESOLUTION NO. 22-74

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to adopt the revised Airport Rates and Charges schedule with an effective date of January 1, 2023;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

> **The Board of Directors of the Authority hereby adopts the revised Airport Rates and Charges schedule with an effective date of January 1, 2023. 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 15th day of November, 2022.

Brigette Peterson, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

PMGAA Board Approved
Airport Rates and Charges

Effective Januray 1, 2023

This schedule of Airport Rates and Charges is subject to frequent updates. For the latest schedule, please visit the Phoenix-Mesa Gateway Airport website at: http://www.gatewayairport.com/PoliciesDocumentsandForms#BoardPolicies

Signatory Commercial Carriers	Scheduled FAR Part 121 and 129 operators, with a 90-day rolling average of 90 or more departures per month.		
Non-Signatory Commercial Carriers	Scheduled FAR Part 121 and 129 operators, with a 90-day rolling average of less than 90 departures per month.		
Aircraft Landing Fees	Signatory Commercial Carriers, ~~$1.32~~ $1.36 per 1,000 lbs. maximum gross landing weight (MGLW) Non-Signatory Commercial Carriers, General Aviation and other eligible aircraft ~~$1.98~~ $2.04 per 1,000 lbs. MGLW. Exemptions: 1. U.S. Government owned aircarft 2. Non-revenue and flight training aircraft up to 12,500 MGLW 3. All based flight training school aircraft		
Aircraft Terminal Use Fee	Signatory Commercial Carriers - $50 per Turn Non-Signatory Commercial Carriers - $75 per Turn		
	Commercial Carriers with no operating agreement, see page 2 Non-Operating Agreement Passenger Terminal – Common Use Areas and Equipment		
Aircraft Parking Fee	**Aircraft Passenger Capacity**	**Signatory**	**Non-Signatory**
	1-69	$35	$53
	70-250	$70	$105
	251 or greater	$100	$150
	Any operator without an active Airport operating agreement will be assessed for the occupancy of an aircraft parking position for more than 3 hours, including terminal gates and remote parking positions, and for each additional 24 hour period.		
Airport Car Rental Customer Facility Charge (CFC)	$3.50 per vehicle rental day		
Aviation Fuel Flowage Fees	Fuel Flowage Fees are paid to PMGAA by any entity or person dispensing or receiving fuel on the Airport in accordance with PMGAA Aviation Fuel Storage, Dispensing & Handling Guidelines.		
	Signatory Commercial Carriers by agreement		
	Non-Signatory Commercial Carriers - $.05 per gallon		
	All Others - $0.12 per gallon		
~~**Fire Suppression Services**~~ **This section to be moved to PMGAA Executive Director Approved Airport Fees, Services and Rental Rates**	~~$.50 per year per square foot of floor space + $250.00 set-up charge, billed in monthly installments. 15% of annual fees required as security deposit. South ramp connection fee = $209,746.~~		
Parking Rates	**Fee by Location**	**Rate**	**Daily Maximum Charge**
	Hourly Parking Lot	$1.00 / 30 minutes*	$48
	Daily Parking Lot	$1.00 / 30 minutes*	~~$11~~ $13
	Ray Rd Economy Parking Lot Uncovered	$1.00 / 30 minutes*	~~$7~~ $9
	Ray Rd Economy Parking Lot Covered	$1.00 / 30 minutes*	$11
	Lost ~~Token~~ Ticket Fee with itinerary = Days of Stay x Parking Lot Rate + $20 Lost ~~Token~~ Ticket & Admin Fee Lost ~~Token~~ Ticket Fee without itinerary (may be adjusted later with proof of itinerary)		$250
Passenger Facility Charge (PFC)	$4.50 per enplaned commercial passenger, Per FAA Approved PFC Application; reference Federal Register: (Vol. 79, Number 3)		
~~**Airport Licenses & Permits**~~ **This section to be moved to PMGAA Executive Director Approved Airport fees, Services and Rental Rates**	~~Fuel Dispensing Permit~~	~~$100.00 per organization, permit valid for 2 years~~	
	~~Fuel Handling Permit (includes exam)~~	~~$15.50 per individual, permit valid for 2 years~~	
	~~Fuel Storage & Service Equipment Permit~~	~~$38.00 per filtration vessel, permit valid for 2 years~~	

All Airport Rates and Charges may vary due to terms defined in specific agreements.

Late payments are subject to a 1.5% finance charge. Payment terms are net 30 days unless otherwise specified.

Common Use Terminal Equipment		Signatory Commercial Carriers	$1,250 per month	
		Non-Signatory Commercial Carriers	$ 500 per month	
Common Use Area - Operational Surcharges				
Item	Description	Area	Operation	Surcharge
Operational Surcharges	Charges for exceeding allocated time slots on common use areas	Ticket counter or gate	Occupying a gate after the scheduled allocation time, resulting in aircraft holding or gate change	$200 per hour
		Use of ticket counter or gate without prior permission.		$200 plus regular fees
		Failure to use allocated time slot without 48-hour cancellation notice	Negatively impacting another scheduled carrier or causing Airport to shift resources to accommodate.	$200 plus regular fees
Transient Air Carrier Passenger Terminal - Common Use Areas and Equipment Rates				
Item	Description	Aircraft Passenger Capacity	Resources Included	Rate
Full Service	Includes ticket counter(s) and lobby area, secure hold room and boarding area podium, aircraft parking position (2 hours), baggage claim area, and common use computer equipment per flight, as scheduled by Airport Operations.	1-69	1 ticket counter, 1 gate podium, 1 shared use hold room, 1 baggage belt, 1 aircraft parking spot	$ 260 per flight
		70-250	2 ticket counters, 1 gate podium, 1 shared use hold room, 1 baggage belt, 1 aircraft parking spot	$ 495 per flight
		251 or greater	3 ticket counters, 2 gate podiums, 2 shared use hold rooms, 1 baggage belt, 1 aircraft parking spot	$ 915 per flight
Ticket Counter and Lobby	Use of 1 ticket counter and shared use of the lobby area for up to 2.5 hours. Includes common use equipment.	1-69	1 ticket counter and lobby	$ 75 per flight
		70-250	2 ticket counters and lobby	$ 150 per flight
		251 or greater	3 ticket counters and lobby	$ 225 per flight
Boarding Gates – Secured Hold Room	Shared use of secured boarding gate area for up to 2 hours and one aircraft parking position. Includes use of gate podium, common use equipment, and one passenger boarding ramp.	1-69	1 gate podium and 1 hold room	$ 110 per flight
		70-250	1 gate podium and 1 hold room	$ 220 per flight
		251 or greater	2 gate podiums and 2 hold rooms	$ 440 per flight

All Airport Rates and Charges may vary due to terms defined in specific agreements.

Late payments are subject to a 1.5% finance charge. Payment terms are net 30 days unless otherwise specified.

Transient Air Carrier Passenger Terminal - Common Use Areas and Equipment Rates				
Item	**Description**	**Aircraft Passenger Capacity**	**Resources Included**	**Rate**
Baggage Claim	Use of baggage claim area and baggage delivery belt/slide. Includes aircraft parking position*. * if associated with a live departure within 3 hours of arrival. Otherwise standard aircraft parking fee applies.	1-69	1 belt, oversize slide, aircraft parking*	$ 75 per flight
		70-250	1 belt, oversize slide, aircraft parking*	$ 125 per flight
		251 or greater	2 belts, oversize slide, aircraft parking*	$ 250 per flight

~~**U.S. Customs and Border Protection**~~	**This section to be moved to PMGAA Executive Director Approved Airport Fees, Services and Rental Rates**	
~~**U.S. Customs and Border Protection (CBP) Service User Fees**~~	~~**Category (based on MGLW**~~	~~**Inspection Fee (per aircraft arrival)**~~
	~~<5,000~~	~~$80~~
	~~5,001 – 12,500~~	~~$250~~
	~~12,501 – 35,000~~	~~$350~~
	~~35,001 – 100,000~~	~~$480~~
	~~100,001 – 255,000~~	~~$670~~
	~~> 255,000~~	~~$830~~
	~~Regular service hours are Monday – Friday, 1100 – 1900 hrs. (MST). After-hours by appointment only. For after-hours appointments, there will be a minimum two-hour fee of $415 per inspector in addition to the standard user fee shown above. Two hours after the aircraft's scheduled arrival time, each additional 30 minutes required of the U.S. Customs Inspector will incur a $61 fee above the $415 minimum each.~~	

~~Gateway Aviation Services (Fixed Based Operator) Rates and Charges~~

This section to be moved to PMGAA Executive Director Approved Airport Fees, Services and Rental Rates

~~**Aircraft Open Ramp Tie-Down Fees**~~ ~~(Space subject to availability)~~	~~**Category based on maximum gross landing weight (MGLW)**~~	~~**Monthly Tie-Down Fee**~~
	~~<5,000 lbs.~~	~~$44.00~~
	~~5,001 – 12,500 lbs.~~	~~$98.00~~
	~~12,501 – 35,000 lbs.~~	~~$201.00~~
	~~35,001 – 100,000 lbs.~~	~~$316.00~~
	~~100,001 – 255,000 lbs.~~	~~$672.00~~
	~~> 255,000 lbs.~~	~~$1,321.00~~

~~A purchase of the following fuel gallon minimums will waive the first Daily Ramp Fee per visit. A purchase of a meal from the restaurant located in the Gateway Aviation Center will equate to a $20.00 credit applicable to the first Daily Ramp Fee per visit.~~

~~**Daily Ramp Fee**~~	~~**Max Gross Landing Weight**~~	~~**Rate**~~	~~**Minimum Gallon Fuel Waiver**~~
	~~<5000~~	~~$20.00~~	~~10~~
	~~5,001-12,500~~	~~$30.00~~	~~75~~
	~~12,501-35,000~~	~~$90.00~~	~~150~~
	~~35,001-100,000~~	~~$200.00~~	~~200~~
	~~100,001-255,000~~	~~$300.00~~	~~500~~
	~~>255,001~~	~~$500.00~~	~~1,000~~

All Airport Rates and Charges may vary due to terms defined in specific agreements.
Late payments are subject to a 1.5% finance charge. Payment terms are net 30 days unless otherwise specified.

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Management Information Report

To: Board of Directors
From: Chuck Odom, Chief Financial Officer
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Re: September 2022 Financials
Date: November 15, 2022

Attached is the monthly Financials Report for September 2022.

Phoenix-Mesa Gateway Airport Authority
AIRPORT - All Operations P&L
September, 2022

	Month of September 2022				Y-T-D as of September 2022			
	September FY22 Actual	September FY23 Actual	YOY Variance	B/(W)	YTD FY22 Actual	YTD FY23 Actual	Y-T-D Variance	B/(W)
Aeronautical Operating Revenues								
Aircraft Parking	16,947	25,578	8,631	51%	62,557	79,513	16,956	27%
Fuel Flowage Fees	41,061	56,914	15,853	39%	138,161	153,403	15,242	11%
Landing Fees	97,307	97,327	20	0%	361,924	287,431	(74,493)	-21%
Lease Income Aero	243,813	232,139	(11,674)	-5%	845,061	869,228	24,167	3%
Fuel Sales	417,694	698,135	280,441	67%	1,245,088	1,862,961	617,873	50%
Services Sold - Aero	281,811	404,942	123,131	44%	1,059,157	1,086,779	27,622	3%
Sub-total Aero Operating Revenues	1,098,633	1,515,035	416,402	38%	3,711,948	4,339,315	627,367	17%
Non-Aeronautical Operating Revenues								
Concessions	61,893	63,912	2,019	3%	212,476	270,783	58,307	27%
Lease Income Non-Aero	117,502	107,663	(9,839)	-8%	361,151	327,692	(33,459)	-9%
Parking	275,447	336,226	60,779	22%	1,158,497	1,275,612	117,115	10%
Rental Car Fees	107,260	104,592	(2,668)	-2%	320,327	364,072	43,745	14%
Svcs Sold - Non Aero	2,203	2,239	36	2%	10,701	6,426	(4,275)	-40%
Sub-total Non-Aero Operating Revenues	564,305	614,632	50,327	9%	2,063,152	2,244,585	181,433	9%
Total Operating Revenues	**1,662,938**	**2,129,667**	**466,729**	**28%**	**5,775,100**	**6,583,900**	**808,800**	**14%**
Operating Expenses								
Costs of Goods Sold	273,774	497,824	(224,050)	-82%	813,456	1,367,329	(553,873)	-68%
Personnel	752,656	861,799	(109,143)	-15%	2,235,769	2,267,963	(32,194)	-1%
Comm & Utilities	93,103	97,649	(4,546)	-5%	303,432	310,278	(6,846)	-2%
Contractual Services	565,250	430,712	134,538	24%	1,347,747	1,421,570	(73,823)	-5%
Insurance	45,974	50,629	(4,655)	-10%	142,053	152,167	(10,114)	-7%
Other	13,613	13,542	71	1%	50,607	55,084	(4,477)	-9%
Repair & Maintenance	32,467	63,705	(31,238)	-96%	126,152	228,290	(102,138)	-81%
Supplies & Materials	97,622	62,891	34,731	36%	271,344	193,918	77,426	29%
Air Service Incentives [2,000,000]	-	-	-	0%	-	-	-	0%
Operating Contingency [2,622,382]	-	-	-	0%	-	-	-	0%
Total Operating Expenses	**1,874,459**	**2,078,751**	**(204,292)**	-11%	**5,290,560**	**5,996,599**	**(706,039)**	-13%
Operating Income (Loss) Before Depreciation	**(211,521)**	**50,916**	**262,437**	124%	**484,540**	**587,301**	**102,761**	21%
	-12.7%	2.4%			8.4%	8.9%		
Depreciation		1,424,747				4,300,687		

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Management Information Report

To: **Board of Directors**
From: **Chuck Odom, Chief Financial Officer**
Through: **J. Brian O'Neill, A.A.E., Executive Director/CEO**
Re: Solicitation Notification
Date: **November 15, 2022**

This report is to provide notification of the active and upcoming solicitations to help ensure compliance with the Phoenix-Mesa Gateway Airport Authority procurement transparency clause. The active activities include the following:

Active/Pending Solicitations

Type Solicitation	Number	Title	Anticipated Contract Award (Board Action)
Request for Qualifications	2023-001-RFQ	East Side Terminal Planning Initiative	November 2022
Request for Qualifications	2023-009-RFQ	Design, Fabrication, and Installation of Signs	November 2022
Request for Qualifications	2023-010-RFQ	CMAR for Enclosed Pedestrian Walkway	November 2022
Request for Proposals	2023-012-RFP	Aircraft Electric GPU	December 2022
Request for Proposals	2023-015-RFP	Janitorial Services	December 2022
Request for Proposals	2023-011-RFP	Insurance Broker Services	January 2023

Future Solicitations

Type Solicitation	Number	Title	Scheduled for Release	Anticipated Contract Award (Board Action)
Request for Proposals	2023-013-RFP	Fire Pumps	November 2022	January 2023
Request for Proposals	2023-014-RFP	ARFF Services	January 2023	April 2023
Request for Proposals	2023-006-RFP	Car Rental Concessions	March 2023	September 2023

Fiscal year totals from sales of decommissioned / nonworking equipment total $1,915.00.

If you have any questions about the solicitations or the procurement process, please feel free to contact me at 480-988-7613.

NOTICE AND AGENDA OF MEETING OF THE
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
BOARD OF DIRECTORS

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Phoenix-Mesa Gateway Airport Authority and to the public that the Phoenix-Mesa Gateway Airport Authority will hold a meeting open to the public on **Tuesday, December 20, 2022 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 Phoenix-Mesa Gateway Airport Authority may attend either in person or by telephone. The Board may vote to hold an executive session for the purpose of obtaining legal advice from the Board's attorney on any matter listed on the agenda pursuant to A.R.S. § 38-431.03 (A)(3)&(4).

The agenda for the meeting is as follows:

1. **Call to Order** (Mayor Brigette Peterson, Chair)
   Members of the Phoenix-Mesa Gateway Airport Authority will attend either in person or via videoconference.

2. **Roll Call** (Mayor Brigette Peterson, Chair)

3. **Pledge of Allegiance**

4. **Call to the Public**
   Members of the Board may not discuss items that are not on the agenda. Therefore, action taken as a result of public comment will be limited to directing staff to study the matter or scheduling the matter for further consideration and decision at a later date. Maximum of three minutes per speaker.

5. **Executive Director's Report** - J. Brian O'Neill, A.A.E., Executive Director/CEO

6. **Consent Agenda**

   a) **Minutes** of the Board Meeting held on **November 15, 2022**.

   b) **Resolution No. 22-74 –** Adopting the revised **Airport Rates and Charges** schedule with an effective date of January 1, 2023.

   c) **Resolution No. 22-75 –** Approving a one-year Air Carrier Operating Agreement with **Allegiant Air, LLC**.

   d) **Resolution No. 22-76 –** Authorizing services with **Universal Protection Service, LP dba Allied Universal Security Services (Allied)** to provide unarmed security guard services annually. Labor is a variable amount based on demand. Hourly labor rates, which include fringe benefits, for year one of the contract are below and may be adjusted on an annual basis:

Description	Est. Weekly Hours	Billable Rate
Standard security guard - regular time	60	$27.44
Standard security guard - overtime	10	$41.16
Description	Est. Annual Hours	Billable Rate
Standard security guard - holiday time	120	$41.16

   e) **Resolution No. 22-77 –** Authorizing a contract with **Flagship Airport Services, Inc. (Flagship)** for janitorial services at a fixed management fee, in an amount of $617,336.60 beginning January 1, 2023, for three years with two (2) one-year renewal options in amounts of $218,247.23 and

$224,794.65 respectively each year. This amount does not include labor, which is a variable amount based on demand. Hourly labor rates, which include fringe benefits, for year one of the contract are below and will be adjusted on an annual basis:

Supervisors:	$25.41
Janitors:	$21.40
Porters:	$20.86
Floor Technicians:	$22.98

f) **Resolution No. 22-78 –** Authorizing a purchase with **CDW Government, Inc. (CDW-G)** for a technology refresh of a Storage Area Network (SAN) system in an amount not to exceed $131,565.34.

g) **Resolution No. 22-79 –** Approving the renewal of the Ground Transportation License Agreement between **Turo, Inc**. and Phoenix-Mesa Gateway Airport Authority.

h) **Resolution No. 22-80 –** Authorizing a facility lease agreement with **Essential Turbines, Inc**. for the property located at 7808 East Velocity Way, Mesa, AZ 85212 with an Effective Date of January 1st, 2023. The initial Term is for three (3) years, with no options to extend.

i) **Resolution No. 22-81 –** Authorizing a three-year contract with two additional one-year extension periods at the sole option of Phoenix-Mesa Gateway Airport Authority, with **Alliant Insurance Services, Inc. (Alliant)** for Insurance Broker Services in an amount not to exceed $265,000 over the five (5) year period.

Consideration and Possible Approval of:

7. **Resolution No. 22-82** Approving a Construction Manager At Risk (CMAR) Construction Services Contract and GMP 1 Early Works Procurement for the Fuel Farm Expansion Project with **KEAR Civil Corp. (KEAR)**, in an amount not to exceed $1,678,587.20 under CIP 1224**.**

8. **Board Member Comments/Announcements**

9. **Next Meeting: Tuesday, January 17, 2023 at 9:00 a.m.**

10. **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. Requests should be made as early as possible to allow time to arrange the accommodation.

Phoenix-Mesa Gateway Airport

- Gulfstream Goes Vertical with New West Coast Service Center
- Record-Setting Commercial Passenger Activity in October
- Four-Gate Terminal Annex Closing for Demolition on December 15th
- Terminal Concessions Continue Strong Performance
- Gateway Executive Airpark Hangars Making Progress
- Taxiway Charlie Connectors Provide Gulfstream Airfield Access

Executive Director's Report

December 2022

Private Development and Increasing Passenger Activity at Phoenix-Mesa Gateway Airport Fuels Regional Job Growth and Economic Sustainability

By: Gilbert Mayor Brigette Peterson
Chairwoman, Phoenix-Mesa Gateway Airport Authority

If you haven't visited Phoenix-Mesa Gateway Airport (Airport, Gateway Airport) recently, you probably wouldn't recognize the place. Commercial aircraft from multiple domestic and international airlines are pulled up to the passenger terminal, a record number of air travelers are enjoying new food, beverage, and retail concessions, a new $30MM air traffic control tower proudly governs airfield activity, and a five-gate, 30,000 square foot (SF) terminal addition is currently under construction. And if that's not enough, there's also more than one million SF of private development underway at the Airport, representing a significant investment and an increase in high-wage aeronautical and non-aeronautical job opportunities for the Phoenix East Valley.

Global aviation industry leaders such as Gulfstream Aerospace Corporation (Gulfstream) and Virgin Galactic are making major financial investments at Gateway Airport. Gulfstream already occupies over 100,000 SF of airfield facilities and is currently constructing their new 225,000 SF West Coast Service Center on the east side of the airfield that will be home to approximately 350-400 employees.

Virgin Galactic is constructing two large facilities totaling more than 150,000 SF at the north end of the airfield. One facility will house the "mothership" and the other is where they will manufacture up to six "spaceships" each year. According to Virgin Galactic representatives, the mothership will transport the spaceships manufactured at Gateway Airport to New Mexico for launch.

Gateway Airport also has two exciting master development projects offering mixed-use aeronautical and non-aeronautical parcels totaling approximately 660 acres. SkyBridge Arizona (SkyBridge), which includes 360 acres of land at the south end of the Airport, is being developed by Mesa SkyBridge, LLC. SkyBridge's first two facilities, totaling over 135,000 SF are complete and have been fully leased. SkyBridge is now constructing a 129-room hotel and two, 250,000 SF industrial buildings. SkyBridge is also investing between $25-$40 MM to construct horizontal infrastructure including a taxi lane extension, aircraft ramp area, roadways, and wet/dry utilities.

(Continued on next page)

Gateway***East*** is a 300-acre non-aeronautical development opportunity located on the eastside of the Airport adjacent to Ellsworth Road, the SR 24 Freeway, and the Loop 202 San Tan Freeway. The Boyer Company, LC (Boyer) from Salt Lake City, UT is planning a mixed-use development project including office, industrial, and commercial retail space. Boyer is in the process of working with the City of Mesa and PMGAA to complete a master plan for Phase I which includes the first 100 acres of development.

At full build out, SkyBridge and Gateway***East*** will represent thousands of new high-wage jobs in the region.

It is my honor and privilege to serve as the Phoenix-Mesa Gateway Airport Authority's Chairwoman for fiscal year 2023 (FY23). The sky's the limit at Gateway Airport and the entire Phoenix East Valley will continue to benefit from increasing job opportunities, more options for air travelers, and stronger regional economic sustainability.

Financial Snapshot

OPERATING INCOME	October		Month Variance	FYTD Comparison		FYTD Variance
	2021	2022		FY22	FY23	
Revenues	$1,972,579	$2,584,735	**$612,156**	$7,747,678	$9,168,477	**$1,420,799**
Less Expenses	$1,710,510	$2,344,244	**$633,734**	$7,001,070	$8,340,843	**$1,339,773**
Operating Income *(Before Depreciation)*	**$262,069**	**$240,491**	**($21,578)**	**$746,608**	**$827,634**	**$81,026**

Investment Fund Balances: As of October, the Local Governmental Investment Pool (LGIP) 700 = $18,520,475; Wells Fargo; Collateralized Money Market = $5,792,829 and Collateralized CD's = $43,989,476; Total $68,302,780. The market value accounting adjustment was $101,319 for the month. The entry is for accounting purposes only. PMGAA invests in fixed rate instruments.

Finance and Accounting

PMGAA reported a net operating income of $240,491 in October 2022, a $21,578 decrease compared to the net operating income PMGAA achieved in October 2021. Year-to-date (YTD) FY23, PMGAA has a net operating income of $827,634, an 11% increase over the same time period in FY22.

October's financial results were primarily driven by aviation fuel sales, vehicle parking revenue, and rental car fees. Fuel sales were up 62%, parking revenue up 18%, and rental car fees up 61%.

Operating expenditures in October 2022 were 37% above last October due to increases in aviation fuel cost of goods sold ($293,239), PMGAA personnel costs ($213,323), and contractual services ($125,422). Increasing operational expenditures reflect the challenging employment environment, various inflationary pressures, and on-going supply chain issues that Gateway Airport has been experiencing for quite some time.

PMGAA Solicitations

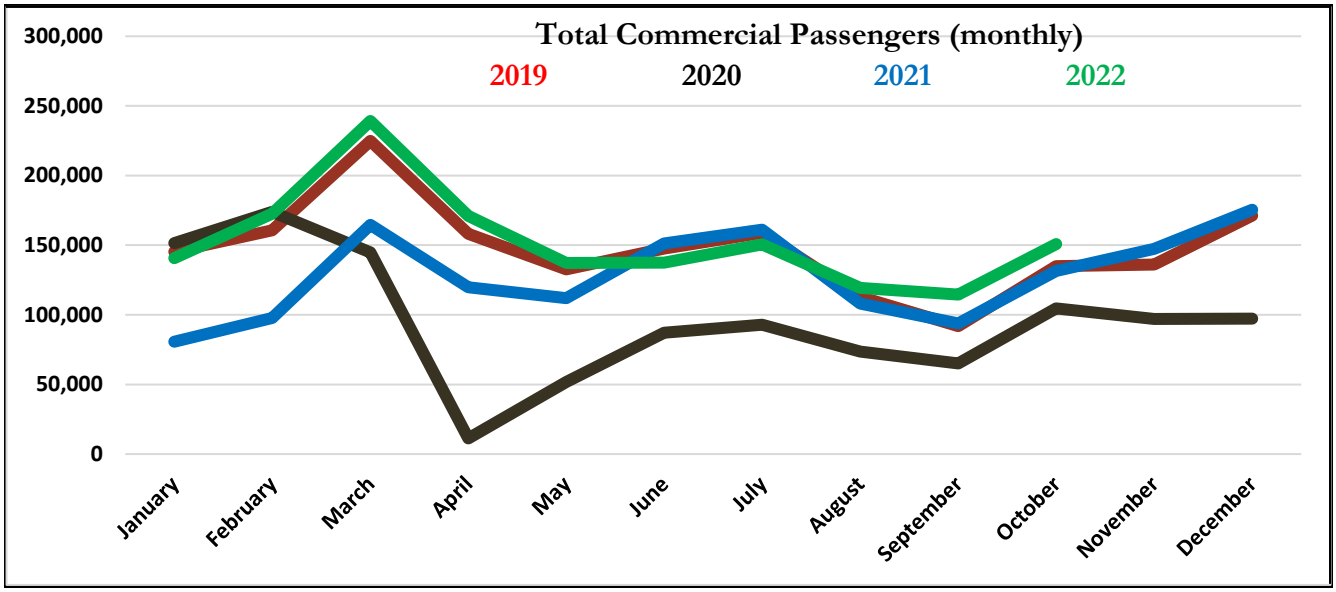
Active/Pending Solicitations

TYPE OF SOLICITATION	Number	Title	Anticipated Contract Award
Request for Proposals	2023-015-RFP	Janitorial Services	December 2022
Request for Proposals	2023-011-RFP	Insurance Broker Services	January 2023
Request for Proposals	2023-013-RFP	Fire Pumps	January 2023
Request for Qualifications	2023-016-RFQ	Structural Special Inspections and Fire Proofing Special Inspection Services	January 2023

Future Solicitations

TYPE OF SOLICITATION	Number	Title	Scheduled for Release
Request for Proposals	2023-017-RFP	Preconditioned Air Units and Ground Power Units	December 2022
Request for Proposals	2023-014-RFP	ARFF Services	January 2023
Request for Proposals	2023-018-RFP	Insurance Broker Services – Health & Welfare Benefits	February 2023
Request for Proposals	2023-006-RFP	Car Rental Concessions	March 2023

Airport Operations



Gateway Airport Reports Record-Setting Commercial Passenger Activity in October

Gateway Airport set a new passenger activity record for the month of October, welcoming 150,846 total passengers in 2022, a 15% increase over October last year. Year-to-date, 535,422 total passengers have traveled through the Airport, an 8% increase compared to the same time period last fiscal year (FY).

PASSENGER COUNTS		October		% Change	FYTD		% Change
		2021	2022		FY22	FY23	
Passengers	TOTAL	131,479	150,846	15%	494,402	535,422	8%
	Deplaned	68,782	78,536	14%	253,097	272,675	8%
	Enplaned	62,697	72,310	15%	241,305	262,747	9%
Allegiant	Scheduled	130,402	144,562	11%	487,077	528,146	8%
Swoop	Scheduled	995	1,997	101%	1,236	2,597	110%
Sun Country	Scheduled	0	3,693	100%	0	3,693	100%
WestJet	Scheduled	0	255	100%	0	255	100%
Flair	Scheduled	0	339	100%	0	339	100%
Elite/Swift	Charter	82	0	-100%	1,216	392	-68%

OPERATIONS	October		% Change	FYTD		% Change
	2021	2022		FY22	FY23	
Air Carrier	1,071	948	-11%	4,098	3,642	-11%
Military	316	385	22%	1,099	1,288	17%
General Aviation	21,208	23,080	9%	73,038	83,953	15%
TOTAL	**22,595**	**24,413**	**8%**	**78,235**	**88,883**	**14%**

Engineering and Planning

Four-Gate Terminal Annex Closing for Demolition on December 13th

When commercial passenger service began at Gateway Airport in 2007, ticketing, security screening, arrivals & departures, and baggage claim were all conducted within one 24,000 SF building. In 2008, Allegiant began increasing flight frequency and adding new nonstop destinations, so PMGAA purchased a portable 10,000 SF "temporary passenger terminal annex" with four gates to be used until a permanent structure could be constructed at a later date.

Temporary Passenger Terminal Annex

Fifteen years later, the portable building is still in use, but has outlived its useful life. It is being replaced with a modern, five-gate, 30,000 SF terminal addition. On December 13, 2022, the temporary passenger terminal annex will close its doors and be readied for demolition, making way for a new $30MM terminal addition to be constructed in 2023.

Taxiway Charlie Connectors Provide Gulfstream Airfield Access

Taxiway Charlie Connectors

As walls continue to be erected for Gulfstream Aerospace Corporation's 225,000 SF West Coast Service Center on the east side of the Airport, PMGAA is underway with a project to connect Gulfstream's new facility to the rest of the airfield. Construction of two taxiway connectors is scheduled to be completed in the spring of 2023, in time to merge with the expansive aircraft parking ramp in front of Gulfstream's facility.

PMGAA Team Member Spotlight

Employee Name: **Joshua Jefferson**
Employee Title: **Economic Development and Real Estate Project Manager**
PMGAA Department: **Business Development**
Years with PMGAA: **11+**

What are your job responsibilities for PMGAA? As one of two Economic Development & Real Estate Project Managers, I manage a majority of PMGAA's real estate business attraction efforts. Ultimately, my job is to create, nurture, and leverage relationships with key industry stakeholders to maximize the revenue potential to PMGAA. This public-facing effort includes analyzing economic trends and markets, strategically targeting prospect opportunities, negotiating, drafting, and managing complex agreements, and identifying competitive real estate development & re-use projects at the Airport.

What is your most memorable Gateway Airport moment? I have two most memorable moments at Gateway Airport: First, being able to announce to the world that "spacecraft" will be manufactured at Gateway Airport. Working to bring Virgin Galactic's manufacturing operation to Gateway Airport has been "out of this world." Second, but definitely the most important, I proposed to my fiancé in the new ATCT one week before it opened!

What is something people may not know about you? I am a Federal Aviation Administration (FAA) certificated Private Pilot, Unmanned Aerial Systems (UAS) Operator, and an Airframe & Powerplant (A&P) Technician.

Business Development

Gateway Executive Airpark Hangars Making Progress

Gateway Executive Airpark is a 183,000 sq. ft. state-of-the-art, full-service hangar complex currently under construction at the north end of Gateway Airport's airfield between Textron Aviation's Mesa Service Center

and Embraer's Executive Jet Service Center. This exciting private development project includes both multi-tenant and single tenant hangars sized to accommodate larger jets, multiple smaller aircraft, and helicopters.

Hangar A is almost complete and will soon be available for lease. Virgin Galactic has committed to lease Hangars B and C once they are constructed later in 2023.

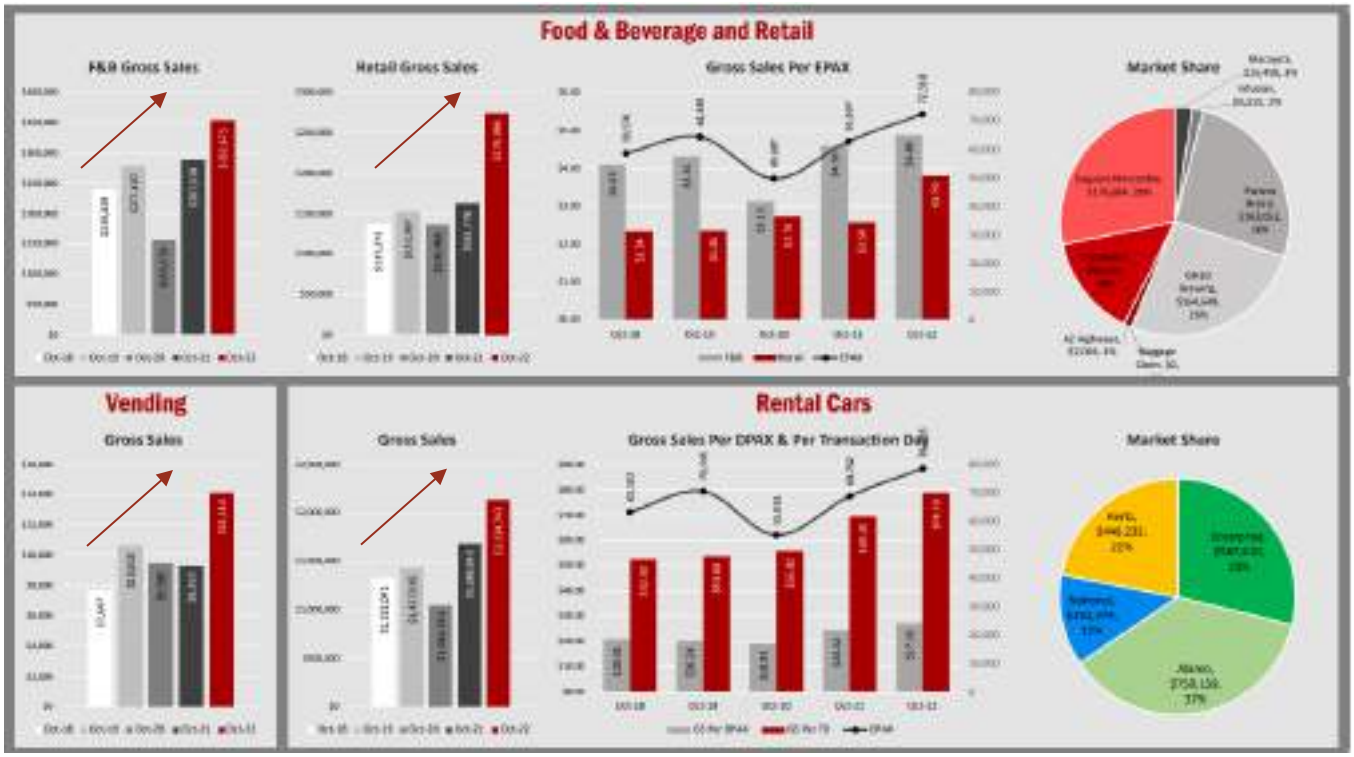
Gulfstream Goes Vertical with New West Coast Service Center

Exterior Walls Being Erected at New Gulfstream Facility

There's nothing more exciting at an airport than when a major construction project finally "goes vertical." It's the time when the lease has been approved, the design process completed, and the necessary permits have been issued…It's time to build!

If you've travelled recently on the Loop 202, SR24, or Ellsworth Road near Gateway Airport, you can't miss the large concrete walls rising up on the east side of the airfield. Gulfstream Aerospace Corporation has begun construction of its new 225,000 SF West Coast Service Center. The $100MM+ project will take approximately one year to complete, with an anticipated opening date in the fall of 2023.

Terminal Concessions Continue Strong Performance



Community Noise Report

CALLERS	October		FYTD	
	2021	2022	FY22	FY23
Total	18	18	48	48

AIRCRAFT TYPE	October		FYTD	
	2021	2022	FY22	FY23
	Callers	Callers	Callers	Callers
Commercial	9	9	33	28
GA Total	1	4	3	8
Helicopter	5	0	5	0
Military	3	5	7	12
Total	18	18	48	48

LOCATION	October		FYTD	
	2021	2022	FY22	FY23
Mesa	4	6	13	24
Gilbert	12	10	29	20
Gold Canyon	0	0	0	0
Queen Creek	1	1	3	2
Queen Valley	1	0	2	1
San Tan Valley	0	0	0	0
Apache Junction	0	1	1	1
Chandler	0	0	0	0
TOTAL	18	18	48	48

PMGAA received communication from 18 individuals regarding aircraft noise issues during October 2022, the same number of inquiries PMGAA received last October. The relatively low number of noise calls this month is due to cooler weather keeping windows closed at night and in the morning when Airport activity is fairly robust.

Gateway Aviation Services

PMGAA pumped more than 1.47MM gallons of aviation fuel during the month of October 2022, a 1% decrease from the amount of fuel dispensed during October 2021. Commercial fuel sales were down 12% for October and 19% FYTD, a reflection of Allegiant's schedule reduction due to a pilot shortage.

FUEL (Gallons)	October			FYTD		
	2021	2022	% Change	FY22	FY23	% Change
AvGas	44,950	48,272	7%	153,059	173,602	13%
Retail Jet A	51,502	93,529	82%	168,414	253,851	51%
Contract	226,921	307,557	36%	1,060,191	1,251,991	18%
Commercial	1,158,289	1,021,804	-12%	4,343,123	3,507,419	-19%
TOTAL	1,481,662	1,471,162	-1%	5,724,787	5,186,863	-9%

Community and Government Relations

DHS Extends REAL ID Enforcement Deadline Until May 7, 2025

The Department of Homeland Security (DHS) has announced its intent to extend the REAL ID full enforcement date by 24 months, from May 3, 2023 to May 7, 2025. Under the new regulations published to execute this change, states will now have additional time to ensure their residents have driver's licenses and identification cards that meet the security standards established by the REAL ID Act.

MINUTES OF PUBLIC MEETING OF THE
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
BOARD OF DIRECTORS | November 15, 2022

A public meeting of the Phoenix-Mesa Gateway Airport Authority (PMGAA) was convened on Tuesday, November 15, 2022, 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 Brigette Peterson, Gilbert
Councilmember Jim Waring, Phoenix *(via audioconference until 9:38 a.m.*)
Mayor Chip Wilson, Apache Junction
Lt. Governor Monica Antone, Gila River Indian Community*
Vice Mayor Jeff Brown, Queen Creek
Mayor John Giles, Mesa*
** Neither present nor represented*

Airport Staff Present

J. Brian O'Neill, Executive Director/CEO
Scott Brownlee, Deputy Director/COO
Chuck Odom, CFO
Misty Johnson, Clerk of the Board
Jill Casson Owen, Attorney
Tony Bianchi, Planning Project Manager

1. **Call to Order** at 9:03 a.m. (Mayor Peterson, Chair)

2. **Roll Call**

3. **Pledge of Allegiance**

4. **Call to the Public**
   There were no public comments.

5. **Executive Director's Report** – J. Brian O'Neill, A.A.E., Executive Director/CEO
   Executive Director O'Neill provided a briefing on PMGAA financial performance, passenger activity, the community noise report, and various Airport projects.

   - Fiscal Year-to-Date (FYTD) Net Operating Income is $587,301.
   - Record setting passenger activity in September! Phoenix-Mesa Gateway Airport (Airport, Gateway Airport) welcomed 114,515 in September, a 22% increase in passengers compared to September 2021. Gateway Airport also welcomes the return of Sun Country Airlines, Swoop, WestJet and Flair for a very busy and successful winter season.
   - Gulfstream has been leasing a 50,000 SF hangar at the Airport since the beginning of 2022 while their new 225,000 SF West Coast Service Center is constructed. The City of Mesa is providing landside infrastructure for wet and dry utilities and PMGAA is providing airside infrastructure improvements for access to the airfield. Vertical construction on the West Coast Service Center began on November 12th.
   - Virgin Galactic is leasing two of the three hangars in the Gateway Executive Airpark located at the north end of the airfield. Virgin Galactic intends to use the hangars as a final assembly manufacturing facility for its spaceships. The spaceships will be transported to New Mexico for their launch activities.

DRAFT

- Construction is underway on SkyBridge Arizona's new 129-room hotel and associated roadway infrastructure. They also recently received approval from the City of Mesa for two 250,000 SF industrial buildings and construction will begin after the first of the year. Construction of taxilane Sierra is expected to begin in early 2023 as well.
- Gateway***East*** is a 300-acre, mixed use non-aeronautical master development opportunity located on the east side of the Airport. The Boyer Company is working with the City of Mesa and the Authority on zoning and design standards for Phase I of the project.
- The new Macayo's Mexican Food/Infusion Coffee & Tea Crafters concession in the terminal opened on October 22nd.
- May 3, 2023 is the Travel ID/Real ID deadline. The Authority is campaigning to encourage passengers to get their Real ID compliant driver's license in advance of the new deadline.
- A 6,000 SF temporary terminal facility is being constructed to serve as three-gates during construction of a new 30,000 SF five-gate terminal addition. Once the terminal addition is complete, the temporary sprung structure facility will be disassembled and reassembled for reuse, possibly as a U.S. Customs and Border Protection FIS facility.
- Construction of an enclosed pedestrian walkway will allow passengers to proceed from the ticketing terminal building directly into the security screening checkpoint area. This customer service enhancement project will increase the queuing area for the security screening checkpoint by approximately 30% and will keep passengers in a climate-controlled environment from ticketing through security screening.
- Gateway Airport is continuing its expansion of the Alpha Apron. Phase IV is an additional 250,000 SF of concrete to increase parking for larger and heavier aircraft. Alpha Apron Phase III was completed just before the wildfire season this year and was used by the U.S. Forest Service.
- Center Runway Reconstruction began on October 3rd and is anticipated to be complete by April 2023. The runway will be closed while the reconstruction takes place. The Airport has two other 10,000-foot runways and will maintain normal operations during the entire project. Funding for this project utilizes a combination of FAA entitlement, discretionary and Bipartisan Infrastructure Law (BIL) grants.
- Improvements to the Rental Car Return Lot are complete. This project used Customer Facility Charge (CFC) funds to re-design traffic flow, expand capacity, and add new office facilities. Shade structures are on back-order and will be erected for customer convenience. The Rental Car Care Facility, where all rental vehicles are maintained, washed, and vacuumed will undergo updates as well. This project will start in the spring of 2023 and will take approximately nine to twelve months to complete.
- A new and improved parking lot revenue control system will be fully operational in all public parking lots at the Airport in time for the busy Thanksgiving holiday. This new system replaces the old token system previously used by PMGAA.
- PMGAA is constructing two taxiway connectors for Gulfstream Aerospace Corp. Gulfstream and the Authority are sharing the cost of the project. Anticipated completion of this project is February 2023, well in advance of Gulfstream needing to connect their new facility to the airfield.

6. **Presentation: Gateway Tomorrow Planning Study –** Tony Bianchi, Planning Project Manager

- Gateway Tomorrow is a planning initiative designed to reset and refine the vision for a future commercial passenger terminal campus on the east side of Airport. The goal of this project is to develop a vision that will provide guidance to PMGAA and its stakeholders in the future decision-making process for the relocation of the passenger terminal and support facilities from the west side of the Airport to the east side. The project is not intended to lead into an immediate design and construction project.

7. **Consent Agenda**

   a) **Minutes** of the Board Meeting held on **October 18, 2022.**

   b) **Resolution No. 22-69 –** Authorizing a contract with **Fluoresco Services, LLC, (Fluoresco)** for design, fabrication, and installation of signs.

   c) **Resolution No. 22-70 –** Approving an agreement with **TranSystems Corporation**, for Construction Administration Services, for the Rental Car Care Facility Improvements Project, in an amount not to exceed $197,440 under CIP 1242.

   d) **Resolution No. 22-71 –** Authorizing an agreement with **Mead & Hunt, Inc. (Mead & Hunt),** for Planning Study Services for the Eastside Terminal Analysis - Gateway Tomorrow Project, in an amount not to exceed $399,964, under CIP 1253.

   e) **Resolution No. 22-72 –** Authorizing the purchase of two vehicles from **San Tan Auto Partners, LLC dba San Tan Ford (San Tan Ford)**, in an amount not to exceed $77,658.34.

   f) **Resolution No. 22-73 –** Authorizing the purchase of one Dual Electric GPU from **ITW GSE, Inc. (ITW GSE)** in an amount not to exceed $151,496.28.

Vice Mayor Jeff Brown moved to approve the Consent Agenda.
Mayor Chip Wilson seconded the motion.
The motion was carried unanimously.

Consideration and Possible Approval of:

8. **Resolution No. 22-74** Adopting the revised **Airport Rates and Charges** schedule with an effective date of January 1, 2023.

Mayor Chip Wilson moved to approve Resolution No. 22-74.
Vice Mayor Jeff Brown seconded the motion.

The roll call vote determined there was no longer a quorum. Therefore, Resolution 22-74 will be placed on the consent agenda for the December 20, 2022 PMGAA Board meeting.

9. **Board Member Comments/Announcements.**
   None.

10. **Next Meeting: Tuesday, December 20, 2022** 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 Phoenix-Mesa Gateway Airport Authority may attend either in person or by telephone/videoconference.

11. **Adjournment.**
    The meeting adjourned at 9:40 a.m.

Dated this _____ day of _____ 20___.

_____
Misty Johnson, Clerk of the Board

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 22-74

To: **Board of Directors**
From: **Chuck Odom, Chief Financial Officer**
Through: **J. Brian O'Neill, A.A.E., Executive Director/CEO**
Subject: **Airport Rates and Charges- Recommended Revision Effective January 1, 2023**
Date: **December 20, 2022**

Proposed Motion
To adopt the revised PMGAA Board Approved Airport Rates and Charges schedule with an effective date of January 1, 2023.

Narrative
Airport staff is recommending the below changes to the current PMGAA Board Approved Airport Rates & Charges schedule.

1) **Aircraft Landing Fee -** Signatory Commercial Carriers – rate increase from $1.32 to $1.36 per 1,000 lbs. maximum gross landing weight (MGLW).
2) **Aircraft Landing Fee -** Non-Signatory Commercial Carriers, General Aviation, and other eligible aircraft - rate increase from $1.98 to $2.04 per 1,000 lbs. MGLW.

As current standard, landing fee exemptions will continue to be the following:

- U.S. government owned aircraft
- Non-revenue and flight training aircraft up to 12,500 MGLW
- All based flight training aircraft.

3) Pending approval, the Terminal Daily Parking Lot maximum rate will increase from $11 to $13 and the Ray Road Economy Parking Lot (uncovered) maximum daily rate will increase from $7 to $9. These parking rates have not increased since 7/1/2015. There have been several parking lot improvements since then. Most recently, new parking lot equipment with up-to-date technology to include contactless payment options, and ticket stock instead of tokens. PMGAA also added a cell phone lot, a terminal employee parking lot, and expanded the Ray Road Economy Parking Lot.

4) The current Lost Token Fee of $250 will be updated to read Lost Ticket Fee.

5) Fire Suppression Services, Airport Fuel Licenses & Permits, U.S. Customs and Border Protection, and Gateway Aviation Services sections will be removed from PMGAA Board Approved Airport Rates and Charges and moved to PMGAA Executive Director Approved Airport Fees, Services and Rental Rates. This change will better align operational related items on the same document and group airline, passenger, and terminal related items on the PMGAA Board Approved Airport Rates and Charges.

Fiscal Impact

By increasing the Landing Fees 3%, an additional $53,000 will be generated over the next year.

By increasing the Terminal Daily Parking Lot rate by $2.00, an additional $111,000 per year will be generated. The $2.00 increase to the Ray Road Economy Parking Lot (uncovered) rate will generate an additional $262,000.

Attachment(s)
Proposed changes to PMGAA Board Approved Airport Rates & Charges

RESOLUTION NO. 22-74

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to adopt the revised Airport Rates and Charges schedule with an effective date of January 1, 2023;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

> **The Board of Directors of the Authority hereby adopts the revised Airport Rates and Charges schedule with an effective date of January 1, 2023. 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 20th day of December, 2022.

Brigette Peterson, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

PMGAA Board Approved
Airport Rates and Charges

Effective Januray 1, 2023

This schedule of Airport Rates and Charges is subject to frequent updates. For the latest schedule, please visit the Phoenix-Mesa Gateway Airport website at: http://www.gatewayairport.com/PoliciesDocumentsandForms#BoardPolicies

Signatory Commercial Carriers	Scheduled FAR Part 121 and 129 operators, with a 90-day rolling average of 90 or more departures per month.		
Non-Signatory Commercial Carriers	Scheduled FAR Part 121 and 129 operators, with a 90-day rolling average of less than 90 departures per month.		
Aircraft Landing Fees	Signatory Commercial Carriers, ~~$1.32~~ $1.36 per 1,000 lbs. maximum gross landing weight (MGLW) Non-Signatory Commercial Carriers, General Aviation and other eligible aircraft ~~$1.98~~ $2.04 per 1,000 lbs. MGLW. Exemptions: 1. U.S. Government owned aircarft 2. Non-revenue and flight training aircraft up to 12,500 MGLW 3. All based flight training school aircraft		
Aircraft Terminal Use Fee	Signatory Commercial Carriers - $50 per Turn Non-Signatory Commercial Carriers - $75 per Turn		
	Commercial Carriers with no operating agreement, see page 2 Non-Operating Agreement Passenger Terminal – Common Use Areas and Equipment		
Aircraft Parking Fee	**Aircraft Passenger Capacity**	**Signatory**	**Non-Signatory**
	1-69	$35	$53
	70-250	$70	$105
	251 or greater	$100	$150
	Any operator without an active Airport operating agreement will be assessed for the occupancy of an aircraft parking position for more than 3 hours, including terminal gates and remote parking positions, and for each additional 24 hour period.		
Airport Car Rental Customer Facility Charge (CFC)	$3.50 per vehicle rental day		
Aviation Fuel Flowage Fees	Fuel Flowage Fees are paid to PMGAA by any entity or person dispensing or receiving fuel on the Airport in accordance with PMGAA Aviation Fuel Storage, Dispensing & Handling Guidelines.		
	Signatory Commercial Carriers by agreement		
	Non-Signatory Commercial Carriers - $.05 per gallon		
	All Others - $0.12 per gallon		
~~**Fire Suppression Services**~~ **This section to be moved to PMGAA Executive Director Approved Airport Fees, Services and Rental Rates**	~~$.50 per year per square foot of floor space + $250.00 set-up charge, billed in monthly installments. 15% of annual fees required as security deposit. South ramp connection fee = $209,746.~~		
Parking Rates	**Fee by Location**	**Rate**	**Daily Maximum Charge**
	Hourly Parking Lot	$1.00 / 30 minutes*	$48
	Daily Parking Lot	$1.00 / 30 minutes*	~~$11~~ $13
	Ray Rd Economy Parking Lot Uncovered	$1.00 / 30 minutes*	~~$7~~ $9
	Ray Rd Economy Parking Lot Covered	$1.00 / 30 minutes*	$11
	Lost ~~Token~~ Ticket Fee with itinerary = Days of Stay x Parking Lot Rate + $20 Lost ~~Token~~ Ticket & Admin Fee Lost ~~Token~~ Ticket Fee without itinerary (may be adjusted later with proof of itinerary)		$250
Passenger Facility Charge (PFC)	$4.50 per enplaned commercial passenger, Per FAA Approved PFC Application; reference Federal Register: (Vol. 79, Number 3)		
~~**Airport Licenses & Permits**~~ **This section to be moved to PMGAA Executive Director Approved Airport fees, Services and Rental Rates**	~~Fuel Dispensing Permit~~	~~$100.00 per organization, permit valid for 2 years~~	
	~~Fuel Handling Permit (includes exam)~~	~~$15.50 per individual, permit valid for 2 years~~	
	~~Fuel Storage & Service Equipment Permit~~	~~$38.00 per filtration vessel, permit valid for 2 years~~	

All Airport Rates and Charges may vary due to terms defined in specific agreements.

Late payments are subject to a 1.5% finance charge. Payment terms are net 30 days unless otherwise specified.

Common Use Terminal Equipment		Signatory Commercial Carriers	$1,250 per month	
		Non-Signatory Commercial Carriers	$ 500 per month	
Common Use Area - Operational Surcharges				
Item	Description	Area	Operation	Surcharge
Operational Surcharges	Charges for exceeding allocated time slots on common use areas	Ticket counter or gate	Occupying a gate after the scheduled allocation time, resulting in aircraft holding or gate change	$200 per hour
		Use of ticket counter or gate without prior permission.		$200 plus regular fees
		Failure to use allocated time slot without 48-hour cancellation notice	Negatively impacting another scheduled carrier or causing Airport to shift resources to accommodate.	$200 plus regular fees
Transient Air Carrier Passenger Terminal - Common Use Areas and Equipment Rates				
Item	Description	Aircraft Passenger Capacity	Resources Included	Rate
Full Service	Includes ticket counter(s) and lobby area, secure hold room and boarding area podium, aircraft parking position (2 hours), baggage claim area, and common use computer equipment per flight, as scheduled by Airport Operations.	1-69	1 ticket counter, 1 gate podium, 1 shared use hold room, 1 baggage belt, 1 aircraft parking spot	$ 260 per flight
		70-250	2 ticket counters, 1 gate podium, 1 shared use hold room, 1 baggage belt, 1 aircraft parking spot	$ 495 per flight
		251 or greater	3 ticket counters, 2 gate podiums, 2 shared use hold rooms, 1 baggage belt, 1 aircraft parking spot	$ 915 per flight
Ticket Counter and Lobby	Use of 1 ticket counter and shared use of the lobby area for up to 2.5 hours. Includes common use equipment.	1-69	1 ticket counter and lobby	$ 75 per flight
		70-250	2 ticket counters and lobby	$ 150 per flight
		251 or greater	3 ticket counters and lobby	$ 225 per flight
Boarding Gates – Secured Hold Room	Shared use of secured boarding gate area for up to 2 hours and one aircraft parking position. Includes use of gate podium, common use equipment, and one passenger boarding ramp.	1-69	1 gate podium and 1 hold room	$ 110 per flight
		70-250	1 gate podium and 1 hold room	$ 220 per flight
		251 or greater	2 gate podiums and 2 hold rooms	$ 440 per flight

All Airport Rates and Charges may vary due to terms defined in specific agreements.

Late payments are subject to a 1.5% finance charge. Payment terms are net 30 days unless otherwise specified.

Transient Air Carrier Passenger Terminal - Common Use Areas and Equipment Rates				
Item	**Description**	**Aircraft Passenger Capacity**	**Resources Included**	**Rate**
Baggage Claim	Use of baggage claim area and baggage delivery belt/slide. Includes aircraft parking position*. * if associated with a live departure within 3 hours of arrival. Otherwise standard aircraft parking fee applies.	1-69	1 belt, oversize slide, aircraft parking*	$ 75 per flight
		70-250	1 belt, oversize slide, aircraft parking*	$ 125 per flight
		251 or greater	2 belts, oversize slide, aircraft parking*	$ 250 per flight

~~**U.S. Customs and Border Protection**~~	**This section to be moved to PMGAA Executive Director Approved Airport Fees, Services and Rental Rates**	
~~**U.S. Customs and Border Protection (CBP) Service User Fees**~~	~~**Category (based on MGLW**~~	~~**Inspection Fee (per aircraft arrival)**~~
	~~<5,000~~	~~$80~~
	~~5,001 – 12,500~~	~~$250~~
	~~12,501 – 35,000~~	~~$350~~
	~~35,001 – 100,000~~	~~$480~~
	~~100,001 – 255,000~~	~~$670~~
	~~> 255,000~~	~~$830~~
	~~Regular service hours are Monday – Friday, 1100 – 1900 hrs. (MST). After-hours by appointment only. For after-hours appointments, there will be a minimum two-hour fee of $415 per inspector in addition to the standard user fee shown above. Two hours after the aircraft's scheduled arrival time, each additional 30 minutes required of the U.S. Customs Inspector will incur a $61 fee above the $415 minimum each.~~	

~~Gateway Aviation Services (Fixed Based Operator) Rates and Charges~~

This section to be moved to PMGAA Executive Director Approved Airport Fees, Services and Rental Rates

~~**Aircraft Open Ramp Tie-Down Fees**~~ ~~(Space subject to availability)~~	~~**Category based on maximum gross landing weight (MGLW)**~~	~~**Monthly Tie-Down Fee**~~
	~~<5,000 lbs.~~	~~$44.00~~
	~~5,001 – 12,500 lbs.~~	~~$98.00~~
	~~12,501 – 35,000 lbs.~~	~~$201.00~~
	~~35,001 – 100,000 lbs.~~	~~$316.00~~
	~~100,001 – 255,000 lbs.~~	~~$672.00~~
	~~> 255,000 lbs.~~	~~$1,321.00~~

~~A purchase of the following fuel gallon minimums will waive the first Daily Ramp Fee per visit. A purchase of a meal from the restaurant located in the Gateway Aviation Center will equate to a $20.00 credit applicable to the first Daily Ramp Fee per visit.~~

~~**Daily Ramp Fee**~~	~~**Max Gross Landing Weight**~~	~~**Rate**~~	~~**Minimum Gallon Fuel Waiver**~~
	~~<5000~~	~~$20.00~~	~~10~~
	~~5,001-12,500~~	~~$30.00~~	~~75~~
	~~12,501-35,000~~	~~$90.00~~	~~150~~
	~~35,001-100,000~~	~~$200.00~~	~~200~~
	~~100,001-255,000~~	~~$300.00~~	~~500~~
	~~>255,001~~	~~$500.00~~	~~1,000~~

All Airport Rates and Charges may vary due to terms defined in specific agreements.
Late payments are subject to a 1.5% finance charge. Payment terms are net 30 days unless otherwise specified.

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 22-75

To:	**Board of Directors**
From:	**Shea Joachim, CEcD, Business Development Director**
Through:	**J. Brian O'Neill, A.A.E., Executive Director/CEO**
Subject:	**Allegiant Air Carrier Operating Agreement**
Date:	**December 20, 2022**

Proposed Motion

To approve a one-year Air Carrier Operating Agreement with Allegiant Air, LLC.

Narrative

Allegiant Air, LLC ("Allegiant"), a wholly-owned subsidiary of Allegiant Travel Company, currently provides commercial passenger transportation services to more than 50 domestic destinations at Phoenix-Mesa Gateway Airport ("Airport"). Allegiant's operation at the Airport is governed and guided by an Air Carrier Operating Agreement that specifies exclusive, preferential, and non-exclusive rights to facilities and infrastructure; as well as establishes associated operating costs.

This new one-year agreement accomplishes several important goals:

- Maintains and promotes a low-cost operating structure for Allegiant at the Airport
- Allocates facilities for Allegiant's preferential use
- Encourages and rewards future growth at the Airport by Allegiant through a defined incentive and non-airline revenue sharing program
- Preserves and enhances an operating environment at the Airport that provides Allegiant unparalleled efficiency and convenience

Fiscal Impact

The Airport receives revenue from Allegiant through facility leases; aircraft landing and parking fees; terminal and terminal equipment use fees; and fuel storage/upload fees. The Airport also receives revenue from Allegiant's customers for vehicle parking and other ground transportation services; food/beverage/retail purchases; Passenger Facility Charges (PFC); Customer Facility Charges (CFC); and Federal Aviation Administration (FAA) Airport Improvement Program (AIP) Entitlement Grants.

Attachment(s)

Air Carrier Operating Agreement

RESOLUTION NO. 22-75

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to approve a one-year Air Carrier Operating Agreement with Allegiant Air, LLC;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

> **The Board of Directors of the Authority hereby approves a one-year Air Carrier Operating Agreement with Allegiant Air, LLC. 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 20th day of December, 2022.

_____
Brigette Peterson, Chair

ATTEST:

_____
Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

_____
Jill Casson Owen, Attorney

Phoenix-Mesa Gateway Airport Authority

Air Carrier Operating Agreement

with

Allegiant Air, LLC

Effective Date: January 1, 2023

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PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
AIR CARRIER OPERATING AGREEMENT

This Air Carrier Operating Agreement (the "Agreement") is executed to be effective the 1st day of January 2023 (the "Effective Date") between the **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY** ("PMGAA"), a joint powers airport authority authorized under the laws of the State of Arizona ("PMGAA"), and **ALLEGIANT AIR, LLC** ("CARRIER"). PMGAA and CARRIER may be referred to collectively as "Parties," and each separately may be referred to as a "Party."

RECITALS:

A. PMGAA is the owner and operator of the Phoenix-Mesa Gateway Airport generally located at the intersection of Ray Road and Sossaman Road, City of Mesa, Maricopa County, Arizona (the "Airport"); and

B. PMGAA has the right to enter into Agreement, license and grant the use of property and facilities on the Airport and has full power and authority to enter into this Agreement in respect thereof; and

C. CARRIER provides commercial airline services, charters, flight crews, aircraft and desires to use the Airport facilities for commercial operations; and

D. CARRIER desires to obtain certain non-exclusive rights to use the common use areas of the passenger terminal, services and privileges in connection with the use of the Airport and its facilities, and PMGAA is willing to grant the same to CARRIER upon the terms and conditions hereinafter stated; and

E. The Parties agree to enter into this Agreement, specifying the rights and obligations of the Parties with respect to the operation of the Airport by PMGAA and the use and/or occupancy of the Airport by CARRIER;

NOW, THEREFORE, for good and valuable consideration, the mutual covenants and conditions herein set forth and the sufficiency of which is agreed to by the Parties, the Parties hereby agree as follows:

1. PERMITTED ACTIVITIES AND CONDITIONS OF AIRPORT USE.

1.1 CARRIER shall have the right to use, in common with others, the passenger terminal, taxiways, runways and air navigational aids of the Airport for the purpose of conducting its Federal Aviation Regulation (FAR) Part 121 scheduled domestic operations, public charter, private charter and the landing and taking off of aircraft incidental thereto, and provided, however, such activities and services are performed in strict accordance with applicable PMGAA Minimum Standards, upon terms and conditions as herein provided.

1.2 RESERVED.

1.3 CARRIER shall not engage in any other commercial or revenue producing activity at the Airport (excluding charter activities by CARRIER, and charter activities requested by PMGAA) without first applying for and receiving written approval for such activity from PMGAA. In the event any other commercial or revenue producing activity is engaged in by CARRIER prior to obtaining such approval, without waiver or limitation of any other remedies available to PMGAA at law or equity, CARRIER hereby agrees to remit to PMGAA the sum equal to TEN PERCENT (10%) of gross billings for such unauthorized activity, plus any expenses incurred by PMGAA in the course of any audit conducted for all of CARRIER's activities.

1.4 CARRIER shall at all times comply with all Federal, State and local laws, ordinances, rules and regulations which are applicable to its operations or the Premises itself (including but not limited to the Americans with Disabilities Act), including all laws, ordinances, rules and regulations adopted after the Effective Date. Carrier shall at all times comply with the PMGAA Rules and Regulations, as the same may be amended from time to time in the Authority's sole and absolute discretion.

2. TERM.

2.1 Subject to earlier termination as provided herein, the term of this Agreement shall be one (1) year, commencing on the Effective Date (the "Term").

2.2 Either Party may terminate this Agreement by providing the notified Party ninety (90) calendar days advance written notice of the terminating Party's intent to do so.

3. EXCLUSIVE, PREFERENTIAL, AND NONEXCLUSIVE RIGHTS.

CARRIER shall have the exclusive, preferential, and non-exclusive rights, as applicable, to occupy and use the designated areas of the Airport while in compliance with the terms and conditions of this Agreement. All rights granted to CARRIER under this Agreement are nonexclusive, except as otherwise expressly stated in this Agreement. PMGAA may, in its sole discretion and at any time, permit third parties to conduct any and all business activities at the Airport that PMGAA deems appropriate, or conduct such activities itself, provided that such activities do not require or materially interfere with CARRIER's use of the Airport.

3.1 CARRIER shall not schedule or advertise flight schedules originating from or destined for Phoenix-Mesa Gateway Airport without prior coordination with PMGAA and confirmation from PMGAA of terminal availability.

Pursuant to PMGAA's Common Use Facilities Operating Procedures (attached as **EXHIBIT C**), CARRIER shall submit a copy of CARRIER's proposed schedule to PMGAA no less than 60 days prior to the schedule effective date. Along with the schedule submission, CARRIER shall include the name and contact information of the individual responsible for setting CARRIER's schedule at the Airport.

3.2 PMGAA shall provide CARRIER with exclusive use of the Airport facilities identified in **EXHIBIT D**. CARRIER acknowledges that PMGAA has informed them that CARRIER's occupancy of the Line Shack will be disrupted during the Term to accommodate improvements to the passenger terminal. PMGAA shall provide replacement facilities to CARRIER that are reasonably similar in size and location.

3.3 PMGAA shall provide CARRIER with preferential use of five (5) boarding gates and twelve (12) ticketing positions. In addition, CARRIER shall have common use access to additional ticket counters, gate hold rooms, and the baggage claim area for scheduled flight operations, the scheduling of such use is subject to the guidelines outlined in PMGAA's Common Use Facilities Operating Procedures. Common use requirements shall be scheduled with PMGAA's Operations & Maintenance department prior to any planned use.

3.4 PMGAA has implemented Common Use Facilities Operating Procedures. PMGAA reserves the right to modify said procedures from time-to-time, as it deems necessary in its sole and absolute discretion and authority to accomplish its purposes. CARRIER shall at all times comply with these operating procedures.

3.5 PMGAA has implemented an Airport Security Program in a form acceptable to the Transportation Security Administration (TSA). PMGAA reserves the right to modify said program from time-to-time, as it deems necessary to accomplish its purposes. CARRIER shall at all times comply with the Airport Security Program and indemnify, defend, hold and save PMGAA, its board members,

member governments, officers, officials, employees, and agents free and harmless for, from, and against any violations of said Security Program caused, or alleged to be caused, by the acts, errors or omissions of CARRIER, its employees, agents, invitees or contractors.

4. RENTALS, FEES AND CHARGES

4.1 General. Rent for use of any exclusive use space is due and payable at the beginning of each month. All other fees are assessed at the time of each use, flight, or service, as applicable, and are due and payable no later than the twentieth (20th) day of the following month in which the use or activity occurred ("Fee Due Date"). CARRIER shall self-report its flight activity monthly to PMGAA pursuant to Section 5. Delinquent rents and fees shall be assessed a finance charge in accordance with Section 4.11.2. Any ground handling services requested of PMGAA or other authorized service provider by CARRIER shall be governed by a separate agreement. In any event, CARRIER shall be the responsible party for the purposes of this Air Carrier Operating Agreement, and therefore CARRIER shall pay, or cause to be paid, to PMGAA, the fees and charges as outlined below.

4.2 Landing Fees. CARRIER shall pay a landing fee at a rate equal to the amount reflected on the most current Airport Rates & Charges Schedule at the time of the aircraft operation, for each flight operated by or in conjunction with CARRIER that is subject to a landing fee. The weight used to determine the landing fee for any particular aircraft shall be its maximum certificated gross landing weight (MGLW), as certified by the Federal Aviation Administration (FAA).

4.3 Terminal Use Fees. Terminal Use includes ticket counter(s) and lobby area, secure hold room and boarding area podium, aircraft parking position, baggage claim area, and common use computer equipment per flight. CARRIER shall pay PMGAA a Terminal Use Fee in the amount reflected on the most current Airport Rates & Charges Schedule.

4.4 Common Use Set-up and Operating Fees. CARRIER shall pay PMGAA for common use terminal equipment, internet connection, and dark fiber per the most current Airport Rates & Charges Schedule.

4.5 Aircraft Parking Fees. CARRIER shall pay PMGAA a fee per the most recent Airport Rates & Charges Schedule for any aircraft occupying an aircraft parking position, including terminal gates and remote parking positions, for more than three hours. This fee shall be waived if the aircraft performed a revenue service operation the day prior or will perform a revenue service operation the day after being parked for more than three hours.

4.6 Passenger Facility Charges. CARRIER shall pay monthly to PMGAA, on or before the Twentieth (20th) day of each month (the "PFC Due Date"), a Passenger Facility Charges (PFC) in the amount of Four and 50/100 Dollars ($4.50) for each Enplaned Passenger departing the Airport on a CARRIER Revenue Flight during the previous calendar month. The collection of said fees by CARRIER shall be subject to the terms, conditions and methods of collection set forth in the Aviation Safety and Capacity Expansion Act of 1990, Section 9110, at it now exists or is modified hereafter (the "PFC Act") and 14 CFR 158.53.

4.7 Monthly Tie Down Fees. CARRIER shall pay Monthly Tie Down Fees per Airports Rates and Charges.

4.8 Fueling Fees. CARRIER shall execute a Fueling Service Agreement with PMGAA co-terminous with this Agreement.

4.9 Aircraft Ramp Space and Services. CARRIER shall pay PMGAA monthly for any aircraft line services, out-of-station Aircraft Rescue and Firefighting (ARFF) services, operations safety officers, ground service equipment use, fuel spill response teams and any other space or service requirements as specified in the Airport Rates & Charges Schedule or, if not so specified in that Schedule, as determined by PMGAA (collectively, "Additional Services").

4.10 Other Fees. Unless specified otherwise herein, CARRIER shall pay PMGAA for its usage or rental of PMGAA equipment and the performance of services by PMGAA within TEN (10) business days of CARRIER's receipt of an invoice (the "Invoice Due Date") for same from PMGAA. The amount of such fees shall be as provided by separate agreement between CARRIER and PMGAA, or, in the absence of such agreement, as specified in the most current Airport Rates and Charges Schedule or Airport Fees, Services & Rental Rates in effect when the charge or fee was incurred. Failure to remit payment by the Invoice Due Date may result in the suspension of further equipment rentals or services until payment is made to PMGAA in full.

4.11 Requirements. With regard to the fees and charges specified in this SECTION 4, the following conditions and considerations shall apply:

4.11.1 Airport Rates & Charges Schedule. The Airport Rates & Charges Schedule and Airport Fees, Services and Rental Rates referred to in this Agreement may be revised from time to time. CARRIER shall pay the most current fee(s) at the time of the event or service, as applicable, unless specifically outlined in this Agreement. The current Airport Rates & Charges Schedule and the Airport Fees, Services and Rental Rates are attached as **EXHIBIT A** and is subject to change without prior notice or approval of CARRIER.

4.11.2 Finance Charges and Late Fees. If CARRIER fails to pay any charge due and owing to PMGAA in full on or before Fee Due Date, Invoice Due Date or PFC Due Date, as applicable, CARRIER shall be responsible for interest on the unpaid fee or charge at the rate of EIGHTEEN PERCENT (18%) per annum from the applicable due date until payment in full is made. In addition, in the event any payment is received more than TEN (10) days after the applicable due date, a late penalty of TEN PERCENT (10%) of the amount of such delinquent amount shall be due and payable in addition thereto.

4.11.3 Books and Records. CARRIER shall maintain permanent books, records and ledgers accurately reflecting the total passengers, and total number of monthly aircraft landings for all aircraft subject to a landing fee indicating the make, type (including model designation), registration number, maximum certificated gross landing weight, and arrival and departure time of each aircraft involved. These records shall be made available to PMGAA upon request. PMGAA may audit the books, records and ledgers maintained by CARRIER in accordance with this SECTION 4. In the event an audit reveals a deficiency of TWO PERCENT (2%) or greater in the amount of payment made pursuant to this SECTION 4, CARRIER shall not only pay such deficiency but also the cost of any audit performed by PMGAA.

4.12 Airport Incentives. As an inducement for CARRIER to initiate additional airline services at the Airport, PMGAA is prepared to provide a comprehensive package of incentives that could include landing fee and terminal use fee waivers, specific route revenue guarantees, and non-airline revenue sharing for eligible new nonstop destinations, increased frequency to existing destinations identified as underserved by PMGAA, and total annual emplaned passenger activity. The PMGAA Air Service Incentive Program for CARRIER is attached as **EXHIBIT E**.

5. REPORTING REQUIREMENTS

5.1 CARRIER shall file with PMGAA written reports for the items specified below no later than the TENTH (10th) day of the calendar month following the month in which the specified activities occurred. Such reports shall cover all of CARRIER's Airport activities during said month, and include activity handled by CARRIER for other Air Transportation Companies not having an agreement with PMGAA providing for its own submission of activity data to PMGAA.

5.1.1 A complete listing of all of CARRIERS's actual aircraft landings at the Airport, including

aircraft type and MGLW; and a listing, by destinations, of the number of flights that qualify under applicable waiver agreements for any landing fee waivers;

5.1.2 A complete listing of CARRIER's Enplaned Passengers and Deplaned Passengers, specified by and including the type of aircraft;

5.1.3 A complete listing, by date and flight number, of CARRIER's commercial cargo loaded and off loaded.

5.2 PMGAA shall have the right to rely on said activity reports in determining rentals and other charges due hereunder; provided, however, CARRIER shall have full responsibility for the accuracy of said reports. Payment deficiencies due to incomplete or inaccurate activity reports shall be subject to interest charges as set forth in SECTION 4.11.2 herein.

5.3 CARRIER shall at all times maintain and keep books, ledgers, accounts or other records wherein are accurately kept all entries reflecting the activity statistics to be reported pursuant to SECTION 5. Such records shall be retained by CARRIER for a period of THREE (3) years subsequent to the activities reported therein, or such other retention period as set forth in 14 CFR Part 249.7, and made available at Mesa, Arizona for audit and/or examination by PMGAA or its duly authorized representative during all normal business hours. CARRIER shall produce such books and records at Mesa, Arizona within THIRTY (30) calendar days of PMGAA's notice to do so or pay all reasonable expenses, including but not limited to, transportation, food, lodging and other related expenses, necessary for an auditor selected by PMGAA to audit said books and records.

5.4 The cost of audit, with the exception of the aforementioned expenses, shall be borne by PMGAA; provided, however, the total cost of said audit shall be borne by CARRIER if either or both of the following conditions exist:

5.4.1 The audit reveals an underpayment of more than TWO PERCENT (2%) of rentals, fees and charges due hereunder, as determined by said audit; and/or

5.4.2 CARRIER has failed to maintain true and complete books, records, accounts and supportive source documents in accordance with SECTION 5.

5.5 All payments due and payable hereunder shall be paid in lawful money of the United States of America, without set off, by check made payable to the Phoenix-Mesa Gateway Airport Authority and delivered to:

Phoenix-Mesa Gateway Airport Authority
Attn.: Accounts Receivable
5835 S. Sossaman Road
Mesa, Arizona 85212-0614

6. INSURANCE

6.1 General. Carrier shall procure and maintain the following types and amounts of insurance for its operations at the Airport throughout the Term of this Agreement and any extension thereto:

Aircraft Liability insurance covering third party bodily injury and property damage, and passenger and contractual liabilities which shall protect and indemnify PMGAA from any and all claims arising in connection with aircraft movement on the Airport in amounts as are customarily carried by a carrier of like kind and size, but in no event less than $250,000,000.00 per occurrence. Such insurance shall also insure against third party liabilities arising from War Risk perils.

Airport Premises Liability insurance third party bodily injury and property damage, including coverage for "premises/operations," "products and completed operations," "host liquor" and

"blanket contractual" liabilities in an amount not less than $250,000,000.00 per occurrence.

Comprehensive Automobile Liability insurance for all owned, non-owned and hired vehicles operated airside on the Airport that are assigned to or used in the performance of commercial activities in the amount of $25,000,000.00 per occurrence or combined single limit. If any hazardous materials are transported in conjunction with Carrier's business operations at or on the Airport, an MSC 90 endorsement shall be required in addition thereto.

Workers' Compensation insurance, as required by law, and *Employer's Liability* insurance in the amount of $1,000,000.

6.2 Additional Insurance. At any time during the Term of this Agreement, including any extension thereto, PMGAA may, in its reasonable determination decide that the insurance coverage required by this SECTION 6 is no longer adequate, require CARRIER to increase its coverage to commercially reasonable amounts.

6.3 Blanket Insurance. CARRIER's insurance obligations under this Agreement may be satisfied by means of the general corporate "blanket" policies carried by it and evidenced by the insurance carrier's standard certificates thereof.

6.3.1 Use of Proceeds. Proceeds of any liability and property damage insurance required under this SECTION 6 shall be applied toward extinguishing, satisfying or remedying the liability, loss or damage with respect to which such proceeds may be paid.

6.4 Indemnity. To the fullest extent permitted by law CARRIER (as "indemnitor") shall indemnify, defend, hold and save PMGAA, its board members, and its member governments, officers, officials, employees, and agents (as "indemnitee") free and harmless of, for, from and against any and all Losses caused in whole or in part by (a) any act or omission of CARRIER (including indemnitor's officers, officials, agents, employees, contractors or invitees), (b) CARRIER's operations at the Airport, (c) CARRIER's violations of said Security Program caused, or alleged to be caused, by the acts, errors or omissions of CARRIER, its employees, agents, invitees or contractors, or (d) any default by CARRIER hereunder. This indemnification shall exclude responsibility for any consequential damages and for claims to the extent arising by reason of the negligent or wrongful act of PMGAA or its employees, contractors or agents. For purposes hereof "Losses" shall mean any and all losses, liabilities, judgments, suits, claims, damages, fines, penalties, costs and expenses (including reasonable attorneys and consultant fees, investigation costs, monitoring costs, remediation costs, and court costs), of any kind or nature." In carrying out the defense of any claim subject to its indemnification obligations hereunder, CARRIER shall use counsel reasonably acceptable to PMGAA.

6.5 Insurance Form. Each insurance policy obtained pursuant to this SECTION 6, except for Workers' Compensation and Employer Liability policies, shall: (i) name PMGAA as a certificate holder or an additional insured to the extent of Operator's contractual indemnity obligations; (ii) contain a provision that written notice of cancellation or modification thereof shall be given to PMGAA not less than THIRTY (30) calendar days before such cancellation or modification takes effect (TEN (10) days in the case of nonpayment of premium); and (iii) contain a waiver of subrogation in favor of PMGAA. Operator shall not permit any insurance policy to be canceled or modified without PMGAA's written consent unless equivalent replacement policies are issued with no lapse in coverage. All policies shall be obtained from insurance companies licensed to do business in the State of Arizona and possessing a rating of at least A - VII or higher from the A.M. Best Company, or an equivalent rating approved by PMGAA.

7. DISABLED OR ABANDONED AIRCRAFT.

7.1 Removal of Disabled Aircraft. Should any aircraft owned or operated by CARRIER, through accident or for any other reason, become disabled or be abandoned in any area which could

interfere with the continuous, normal operations of any of the runways, taxiways and airfield facilities at the Airport, CARRIER shall, at CARRIER'S sole cost and expense:

7.1.1 Immediately remove said aircraft to such location as may be designated by PMGAA, unless such aircraft is required to remain in place pending investigation by the appropriate regulatory agency or agencies of the federal government; and

7.1.2 In the event of any accident where federal investigation in place is required, immediately upon receiving clearance to do so from the appropriate federal agency, remove said aircraft and any wreckage or debris resulting therefrom to the area(s) designated by said federal agency authorizing such removal; otherwise, such aircraft wreckage and debris shall be immediately removed from the Airport or stored at a location approved by PMGAA.

7.2 Failure to Remove Disabled Aircraft. Should CARRIER fail to proceed immediately to remove disabled aircraft, or should aircraft owned or operated by CARRIER be abandoned on the Airport, PMGAA shall have the right to remove such aircraft by any means PMGAA deems necessary under the circumstances, and CARRIER shall, to the fullest extent permitted by law, indemnify, defend, keep and hold PMGAA, its members, board of directors, officers, agents, officials, servants, employees and contractors harmless from and against any and all claims, costs, loss, liability, actions, suits, proceedings, damage or expense (including costs of suit and attorneys' fees and expenses) incurred by PMGAA or claimed by anyone by reason of removal of said aircraft, injury to persons or property or damages to such aircraft caused by such removal, as well as storage costs therefor. CARRIER shall reimburse PMGAA for any costs incurred by PMGAA in removing and storing any aircraft, at PMGAA's sole discretion, and as provided herein in performing authorized maintenance on its aircraft on the Airport.

7.3 Sound and Noise Suppression. CARRIER shall comply fully with Airport Rules & Regulations and Minimum Standards when performing high-speed engine test operations at the Airport, if any, and SECTION 10.3 to mitigate excessive ambient sound and/or noise that may be generated incident thereto and that have or may have an adverse effect on other Airport tenant operations and the surrounding community. CARRIER acknowledges and agrees that the Airport Rules & Regulation for such test operations may change from time to time at PMGAA's sole and absolute discretion. CARRIER also agrees that any costs associated with compliance with Airport Rules & Regulations for sound or noise suppression or mitigation shall be borne solely by CARRIER.

8. ENVIRONMENTAL COMPLIANCE.

CARRIER shall at all times during the existence of this Agreement promptly observe and comply with applicable Federal, State, and local laws, regulations, rules and standards concerning the environment (collectively, the "Environmental Laws"). CARRIER shall be responsible for collecting, storing, recycling and/or disposing of its hazardous or toxic waste, if any, in compliance with the Environmental Laws governing the storage and disposal of hazardous or toxic waste. CARRIER shall ensure its employees and agents are aware that domestic drains, storm drains, or industrial waste drains shall not be used to dispose of gasoline, hydraulic fluid, solvents, concentrated cleaning agents or any other hazardous or toxic materials. Where so required, PMGAA may act on behalf of CARRIER, as and if appropriate, to dispose of CARRIER's waste, sign manifests on behalf of CARRIER and assign such disposal to CARRIER's EPA identification (ID) number. CARRIER shall repay PMGAA the costs and fees for doing so within TEN (10) days of demand therefor. CARRIER shall, to the fullest extent permitted by law, indemnify, defend and hold PMGAA, its members, board of directors, officers, agents, officials, employees, and contractors harmless from and against any and all claims, costs, loss, liability, actions, suits, proceedings, damage or expense including, but not limited to, the costs of suit and reasonable attorneys' fees and expenses of any nature whatsoever arising out of or related to CARRIER's failure to comply with the Environmental Laws.

9. TAXES AND RELATED IMPOSITIONS.

In the event any governmental authority shall impose a tax or imposition based upon this Agreement, upon

CARRIER or its aircraft, or upon payments to be made hereunder, CARRIER shall pay such amounts either to PMGAA or the appropriate governmental authority on or before any delinquency date. Specifically, CARRIER shall be responsible for any transaction privilege, sales, excise or other similar tax except income taxes as a result of this Agreement. CARRIER shall also pay all licensing or permitting fees necessary or required by law for the conduct of its aeronautical operations hereunder, or any other matters hereunder. CARRIER shall be responsible for any property interests created hereunder, which may constitute or be deemed to be a possessory interest for purposes of taxation.

10. RULES, REGULATIONS AND MINIMUM STANDARDS.

10.1 CARRIER shall at all times comply with all federal, State and local laws and ordinances, rules and regulations, which are applicable to its operations, or the operation, management, maintenance, or administration of the Airport, including but not limited to the Americans with Disabilities Act, and all laws, ordinances, rules and regulations adopted after the Effective Date. CARRIER shall at all times comply with all Airport Rules and Regulations, and Minimum Standards established by PMGAA regarding operation and maintenance of the Airport, copies of which are attached as **EXHIBIT B** and are incorporated herein. CARRIER will be responsible for controlling and preventing disruptive pedestrian and vehicle traffic, if any, associated with its activities on the Airport. CARRIER also shall display or provide copies to PMGAA of any permits, licenses, or other evidence of compliance with laws upon request.

10.2 PMGAA shall operate the Airport in compliance with all applicable Federal state and local laws, ordinances, rules and regulations, and shall enforce the Airport Rules and Regulations established by it to ensure the effective and orderly operation of the Airport, and to prevent any disruption caused by CARRIER's operations at and on the Airport.

10.3 CARRIER acknowledges receipt of and agrees to abide by PMGAA's *Fly Friendly* noise abatement procedures and will provide such information to flight crews and/or students, post the information in CARRIER's flight planning area, and use the procedures to the extent possible when consistent with safety and air traffic control directives.

11. DEFAULT: TERMINATION BY PMGAA

11.1 General Grounds. PMGAA may terminate this Agreement upon the occurrence of any of the following events:

11.1.1 Failure of CARRIER to perform any of its obligations under this Agreement, or any other contract, license or agreement between the Parties, which failure shall not be cured within FIVE (5) business days after delivery by PMGAA **to** CARRIER of a written notice of such failure.

11.1.2 The filing of any lien against the Airport because of any act or omission of CARRIER which is not discharged within FIVE (5) business days of receipt of actual notice of such lien by CARRIER.

CARRIER may terminate this Agreement upon the occurrence of any of the following events:

11.1.3 Failure of PMGAA to perform any of its obligations under this Agreement, or any other contract, license or agreement between the Parties, which failure shall not be cured within FIVE (5) business days after delivery by CARRIER **to** PMGAA of a written notice of such failure.

11.1.4 The filing of any lien against CARRIER because of any act or omission of PMGAA which is not discharged within FIVE (5) business days of receipt of actual notice of such lien by PMGAA.

11.2 Failure to Pay Fees. PMGAA may declare CARRIER in default of this Agreement by giving CARRIER FIVE (5) business day's written notice of CARRIER's failure to timely pay any fees or payments due pursuant to this Agreement. If CARRIER fails to cure such payment default within said FIVE (5) business day period, PMGAA may, in its sole discretion, elect to do any one or more than one of the following:

11.2.1 Institute action(s) to enforce this Agreement; or

11.2.2 Terminate this Agreement automatically without further notice to CARRIER; or

11.2.3 Exercise any other remedy allowed by law or equity.

11.3 Failure to Provide Insurance. In the event CARRIER at any time fails to maintain all insurance coverage required by this Agreement, PMGAA shall have the right, upon written notice to CARRIER, **to** immediately terminate this Agreement or secure the required insurance at CARRIER's expense.

11.4 No Waiver by PMGAA. No waiver by PMGAA of any default by CARRIER in the performance of its obligations under this Agreement shall be deemed to be a waiver of any subsequent default by CARRIER in the performance of any such obligations.

12. GOVERNING LAW; ATTORNEY'S FEES.

The laws of the State of Arizona shall govern this Agreement and the matters set forth therein, without regard to its conflict of law principles. Venue of any action brought under this Agreement shall, at the option of PMGAA, lie in Maricopa County, Arizona. In the event of any litigation or arbitration between PMGAA and CARRIER arising under this Agreement, the successful party shall be entitled to recover its attorney's fees, expert witness fees and other costs incurred in connection with such litigation or arbitration.

13. NONWAIVER.

PMGAA's right to revoke this Agreement shall be absolute. Any election by PMGAA to not enforce any provision of this Agreement, or any failure by PMGAA to exercise any of the remedies allowed PMGAA under this Agreement, shall not operate as a waiver by PMGAA of any of its right hereunder.

14. ASSIGNMENT.

CARRIER shall not assign or transfer any right or interest in this Agreement.

15. OTHER RESTRICTIONS.

CARRIER shall comply with all rules, laws, ordinances, and statues of any governmental authority having jurisdiction over the Airport or the matters provided in this Agreement.

16. AIRPORT SECURITY.

PMGAA maintains an approved Airport Security Plan (the "Security Plan") pursuant to 49 CFR Parts 1540 and 1542. CARRIER shall at all times comply with the Security Plan and the written and verbal directives issued by PMGAA supporting the Security Plan.

16.1 CARRIER shall immediately correct physical or procedural deficiencies which are contrary to the Security Plan, security directives, security bulletins, or verbal notifications existing now or in the future. CARRIER is responsible for maintaining security practices, facilities, and perimeter boundaries on their leasehold that meet the security standards of the Security Plan.

16.2 CARRIER shall, to the fullest extent permitted by law, indemnify, defend, and hold PMGAA

harmless for, from, and against any violations of the Security Plan committed by any agents, employees, invitees, subcontractors, or independent contractors of CARRIER.

16.3 CARRIER shall conduct and document all self-audits and self-inspections as required by the TSA or PMGAA and make such audits available for inspection.

16.4 CARRIER shall designate a primary security coordinator to receive security -related briefings, bulletins, and sensitive security information ("SSI").

16.5 PMGAA reserves the right to modify the Security Plan from time-to-time, as necessary, or as directed by the TSA.

17. AIRPORT SECURITY BADGE

17.1 Carrier employees/contractors that require a badge shall be obligated to complete all training and comply with all security requirements and directives issued by PMGAA, TSA, or other entities having jurisdiction at PMGAA.

17.2 CARRIER and employees/contractors shall comply with all security-related audits, inspection, and screenings conducted by PMGAA.

17.3 CARRIER will immediately notify PMGAA and promptly return badges to the Airport Badging Office when badge holders terminate employment, the badge is no longer needed, or the employee/contractor is on extended leave.

17.4 Misuse of a badge or security procedures will bring about punitive action including suspension or revocation of one or all badges.

18. NOTICE.

18.1 All notices required or permitted under this Agreement shall not be deemed effective unless personally delivered or mailed by certified mail, return receipt requested, postage prepaid, or by reputable commercial overnight courier service, to the following addresses:

TO PMGAA:	Phoenix-Mesa Gateway Airport Authority Attn.: Business Development Department 5835 S. Sossaman Road Mesa, Arizona 85212-0614
TO CARRIER:	Allegiant Air, LLC Attn: Director of Airports 1201 N. Town Center Drive Las Vegas, NV 89144

18.2 Notices shall be deemed to have been received TWO (2) business days after the date of mailing, if given by certified mail, or upon actual receipt if personally delivered or if given by reputable commercial overnight courier service. Any Party may designate in writing a different address for notice purposes pursuant to this SECTION.

19. PRIOR AGREEMENTS AND PERMITS.

Upon execution hereof, this Agreement shall supersede and cancel any prior air carrier operating agreements between PMGAA and CARRIER with respect to the business activities governed hereby. CARRIER shall not construe PMGAA's execution of this Agreement as a waiver of any prior indebtedness or obligation to PMGAA under any prior agreement or license, nor does PMGAA waive any claim or cause of action arising therefrom.

20. CORPORATE AUTHORIZATION.

In executing this Agreement, CARRIER represents and warrants to PMGAA that if CARRIER is a corporation, CARRIER has obtained and been granted the full right, power and authority to enter into this Agreement.

21. MISCELLANEOUS.

21.1 Personal Liability. No member of or employee of either Party shall be charged personally or held contractually liable by or to the other Party under any term or provision of this Agreement because of any breach thereof or because of its execution or attempted execution.

21.2 No Waiver. No provision of this Agreement may be waived or modified except by a writing signed by the Party against whom such waiver or modification is sought.

21.3 Non-Waiver of Rights. No waiver or default by PMGAA of any of the terms, conditions, covenants or agreements hereof to be performed, kept or observed by CARRIER shall be construed or act as a waiver of any subsequent default of any of the terms, covenants, conditions or agreements herein contained to be performed, kept or observed by CARRIER, and PMGAA shall not be restricted from later enforcing any of the terms and conditions of this Agreement.

21.4 Amendment. Only a written instrument executed by the Parties may amend this Agreement.

21.5 Invalid Provisions. Should any provision of this Agreement or any application thereof be held invalid by a court of competent jurisdiction, the remainder of this Agreement shall not be affected thereby, unless one or both Parties would be substantially and materially prejudiced.

21.6 Headings. The headings contained herein are for convenience in reference only and are not intended to define or limit the scope of this Agreement or any term thereof.

21.7 Entire Agreement. This Agreement, including **EXHIBITS** attached hereto at the time of its execution, constitutes the entire agreement between the Parties hereto and supersedes all prior negotiations, understandings and agreements between the Parties concerning such matters.

22. INCORPORATION OF RECITALS.

The recitals set forth above are acknowledged by the Parties to be true and correct and are incorporated herein by this reference.

IN WITNESS WHEREOF, the Parties have executed this Agreement to be effective on the Effective Date specified above.

CARRIER:	**PMGAA:**
ALLEGIANT AIR, LLC	**PHOENIX-MESA GATEWAY AIRPORT AUTHORITY,** a joint powers airport authority authorized by the State of Arizona
By: _____	By: _____
Name: Thayne Klinger	Name: J. Brian O'Neill, A.A.E.
Title: Director of Airports	Title: Executive Director/CEO
Date: November 14, 2022	Date: _____

EXHIBIT A

Airport Rates & Charges Schedule

https://www.gatewayairport.com/Documents/DocumentLibrary/Board%20Policies/Airport%20Rates%20and%20Charges%20effective%202022.08.01.pdf?Uniqueifier=YkyxEcEHlV

Airport Fees, Services & Rental Rates

https://www.gatewayairport.com/Documents/DocumentLibrary/ExecDirSect/Signed%20Airport%20Fees,%20Services%20and%20Rental%20Rates%20Effective%202-1-22.pdf?Uniqueifier=TPMyzMkxNw

EXHIBIT B

PMGAA Minimum Standards

https://www.gatewayairport.com/Documents/DocumentLibrary/Board%20Policies/Airport%20Minimum%20Standards.pdf?Uniqueifier=ouIVauG2kL

PMGAA Rules & Regulations

https://www.gatewayairport.com/Documents/DocumentLibrary/Board%20Policies/Airport%20Rules%20and%20Regulations_21-49.pdf?Uniqueifier=I5FDU4WQYn

EXHIBIT C

Common Use Facilities Operating Procedures:

https://www.gatewayairport.com/Documents/DocumentLibrary/Regulatory%20Documents/PMGAA_CUSE%20Procedures%2022-01%2020220420.pdf?Uniqueifier=yUJkj7HJKQ

EXHIBIT D

Airport Facilities Designated for Exclusive Use*:

Space	Amount of SF	Rent per SF
Ticketing Terminal – Suite 207	675 SF	$36.00 / SF / Year **
Line Shack (building 1355)	678 SF	$18.00 / SF / Year **
Ticketing Terminal – Suite 201	116 SF	$36.00 / SF / Year **

* PMGAA has all of the building maintenance & utility (water, electricity, etc.) responsibilities for space designated for CARRIER's exclusive use.

** The rent per SF does not include any applicable taxes. The applicable taxes will be charged in addition to the rent.

EXHIBIT E

Incentives to Increase Air Service:

1) PMGAA's approved Air Service Incentive Program (Effective January 1, 2017) is provided below:

https://www.gatewayairport.com/Documents/DocumentLibrary/Board%20Policies/Air%20Service%20Incentive%20Program_16-58.pdf?Uniqueifier=byRBuEnjFo

2) During the Term of this Agreement, if CARRIER maintains its Signatory Carrier status and pursuant to Part D of the Air Service Incentive Program, PMGAA agrees to share non-Airline revenue (parking fees, rental car fees, food and beverage concessions, and retail concessions) with CARRIER as outlined below:

Fiscal Year EPAX Thresholds	**Increase in Fiscal Year EPAX Above 800,000 Threshold**	**Percentage of Incremental Non-Airline Revenue Shared for Incremental Increase in EPAX Above Threshold**
0 – 800,000	Not Applicable	0.0%
800,001 – 850,000	50,000 (800,001 – 850,000)	15.0%
850,001 – 900,000	50,000 (800,001 – 850,000) 50,000 (850,001 – 900,000)	15.0% 17.5%
900,001 – 950,000	50,000 (800,001 – 850,000) 50,000 (850,001 – 900,000) 50,000 (900,001 – 950,000)	15.0% 17.5% 20.0%
950,001, - 1,000,000	50,000 (800,001 – 850,000) 50,000 (850,001 – 900,000) 50,000 (900,001 – 950,000) 50,000 (950,001 – 1,000,000)	15.0% 17.5% 20.0% 22.5%
1,000,001 – 1,050,000	50,000 (800,001 – 850,000) 50,000 (850,001 – 900,000) 50,000 (900,001 – 950,000) 50,000 (950,001 – 1,000,000) 50,000 (1,000,001 – 1,050,000)	15.0% 17.5% 20.0% 22.5% 25.0%

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 22-76

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: Unarmed Security Services
Date: December 20, 2022

Proposed Motion
To authorize services with Universal Protection Service, LP dba Allied Universal Security Services (Allied) to provide unarmed security guard services annually. Labor is a variable amount based on demand. Hourly labor rates, which include fringe benefits, for year one of the contract are below and may be adjusted on an annual basis:

Description	Est. Weekly Hours	Billable Rate
Standard security guard - regular time	60	$27.44
Standard security guard - overtime	10	$41.16

Description	Est. Annual Hours	Billable Rate
Standard security guard - holiday time	120	$41.16

Narrative
Phoenix-Mesa Gateway Airport Authority maintains facilities hosting commercial airline passengers. Passenger activity is increasing, with over 1.5 million passengers using the terminal in FY22. A primary function of the Operations and Maintenance Department is to ensure secure facilities and maintain regulatory compliance. An essential part of that plan is maintaining a visible presence at the Passenger Terminal and enhance the safety and security for our traveling customers.

Authorization to provide unarmed security guard services supplements coverage and support at the Passenger Terminal. Responsibilities include, but are not limited to, terminal curbside patrol and terminal traffic control, enhancing PMGAA's security posture, and supplementing a Just Plane Easy customer experience.

PMGAA and Allied are both participants of the Strategic Alliance for Volume Expenditures (S.A.V.E.). Under S.A.V.E., Allied was awarded Contract #2021073 for private security guard services, and it is through this competitive selection that PMGAA will utilize Allied for private security guard services. This contract is available upon request.

Fiscal Impact
This expenditure is included in the FY23 operating budget and is funded under OPM Contractual Services.

Attachment(s)
None

RESOLUTION NO. 22-76

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize services with Universal Protection Service, LP dba Allied Universal Security Services (Allied) to provide unarmed security guard services annually. Labor is a variable amount based on demand. Hourly labor rates, which include fringe benefits, for year one of the contract are below and may be adjusted on an annual basis:

Description	Est. Weekly Hours	Billable Rate
Standard security guard - regular time	60	$27.44
Standard security guard - overtime	10	$41.16
Description	Est. Annual Hours	Billable Rate
Standard security guard - holiday time	120	$41.16;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes services with Universal Protection Service, LP dba Allied Universal Security Services (Allied) to provide unarmed security guard services annually. Labor is a variable amount based on demand. Hourly labor rates, which include fringe benefits, for year one of the contract are below and may be adjusted on an annual basis:

Description	**Est. Weekly Hours**	**Billable Rate**
Standard security guard - regular time	60	$27.44
Standard security guard - overtime	10	$41.16
Description	**Est. Annual Hours**	**Billable Rate**
Standard security guard - holiday time	120	$41.16 **.**

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 20th day of December, 2022.

Brigette Peterson, Chair

ATTEST:

APPROVED AS TO FORM:

Misty Johnson, Clerk of the Board

Jill Casson Owen, Attorney

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 22-77

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:	**Airport Janitorial Contract**
Date:	**December 20, 2022**

Proposed Motion

To authorize a contract with Flagship Airport Services, Inc. (Flagship) for janitorial services at a fixed management fee, in an amount of $617,336.60 beginning January 1, 2023, for three years with two (2) one-year renewal options in amounts of $218,247.23 and $224,794.65 respectively each year. This amount does not include labor, which is a variable amount based on demand. Hourly labor rates, which include fringe benefits, for year one of the contract are below and will be adjusted on an annual basis:

Supervisors:	**$25.41**
Janitors:	**$21.40**
Porters:	**$20.86**
Floor Technicians:	**$22.98**

Narrative

Janitorial services are provided by Flagship under a current contract with PMGAA. In order to address the current labor market shortages, PMGAA was required to resolicit these services under a new RFP.

Authorization of the contract will provide janitorial cleaning services in the Terminal and Airport campus buildings to maintain a clean, sanitary, and safe environment in a cost-effective manner. The janitorial service will provide a high level of customer service in a timely and professional manner using industry standards for janitorial cleaning services.

Request for Proposals 2023-015-RFP for janitorial services for the Airport was issued on October 4, 2022 and advertised in the Arizona Business Gazette on October 6, 13, 20 and 27, 2022. In addition, the solicitation was posted on Arizona Airports Association, Southwest American Association of Airport Executives, Airports Council International North America and the Airport's website. It was also emailed to a list of 27 prospective respondents. The Airport received two proposals, one was deemed nonresponsive for not including required information.

The evaluation panel believes Flagship has demonstrated the ability to perform the scope of work, when staffed appropriately. They also believe that the proposed wage increase should provide Flagship with the ability to hire and retain staff at the appropriate level. To ensure the market conditions exist, PMGAA staff will periodically audit payroll records of Flagship.

Fiscal Impact

The first 6 months of Year 1 is budgeted in the FY23 OPM Operating Budget. The remaining operating costs will be budgeted in the appropriate fiscal year.

Attachment(s)

Contract

RESOLUTION NO. 22-77

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize a contract with Flagship Airport Services, Inc. (Flagship) for janitorial services at a fixed management fee, in an amount of $617,336.60 beginning January 1, 2023, for three years with two (2) one-year renewal options in amounts of $218,247.23 and $224,794.65 respectively each year. This amount does not include labor, which is a variable amount based on demand. Hourly labor rates, which include fringe benefits, for year one of the contract are below and will be adjusted on an annual basis:

Supervisors:	$25.41
Janitors:	$21.40
Porters:	$20.86
Floor Technicians:	$22.98;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes a contract with Flagship Airport Services, Inc. (Flagship) for janitorial services at a fixed management fee, in an amount of $617,336.60 beginning January 1, 2023, for three years with two (2) one-year renewal options in amounts of $218,247.23 and $224,794.65 respectively each year. This amount does not include labor, which is a variable amount based on demand. Hourly labor rates, which include fringe benefits, for year one of the contract are below and will be adjusted on an annual basis:

Supervisors:	**$25.41**
Janitors:	**$21.40**
Porters:	**$20.86**
Floor Technicians:	**$22.98. 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 20th day of December 2022.

Brigette Peterson, Chair

ATTEST:

APPROVED AS TO FORM:

Misty Johnson, Clerk of the Board

Jill Casson Owen, Attorney

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY

AND

FLAGSHIP AIRPORT SERVICES, INC.

FOR

JANITORIAL SERVICES

CONTRACT NUMBER 20230134

The Phoenix-Mesa Gateway Airport is owned and operated by the Phoenix-Mesa Gateway Airport Authority (PMGAA), a joint powers airport authority authorized by the State of Arizona and consisting of the City of Mesa, City of Phoenix, City of Apache Junction, Town of Gilbert, Town of Queen Creek and the Gila River Indian Community.

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Phoenix-Mesa Gateway Airport Authority, a joint powers airport authority authorized by the State of Arizona ("PMGAA") desires performance of the services more fully described in this **Contract Number 20230134** ("Contract") and the attached exhibits. Flagship Airport Services, Inc., a California S-Corporation ("Contractor"), with its principal offices located at 405 S. Kimball Avenue, Southlake, Texas, 76092, desires to perform these services.

Recitals

A. PMGAA requires the services as described in this Contract, including any and all exhibits and amendments, and Contractor is willing to provide these and other services under this Contract; and

B. PMGAA desires to contract with Contractor to provide services as noted herein.

Now therefore, in consideration of the recitals and the mutual covenants set forth below, PMGAA and Contractor agree as follows.

SECTION I – CONTRACTOR SERVICES

The services to be performed by Contractor are specified in this Contract. PMGAA will not pay Contractor for any services that have not been authorized under the Contract. There is no guarantee of a minimum purchase of services.

The anticipated services to be provided by Contractor under this Contract shall generally include, but not be limited to, the following: Janitorial Services, as more specifically described in the detailed scope of services attached as **EXHIBIT A**, "Scope of Services & Fee Schedule."

PMGAA's authorized representative shall be the PMGAA Operations and Maintenance Director, or his/her duly authorized representative, and that he/she shall be the sole contact for administering this Contract.

All services provided by Contractor under this Contract must be performed in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances in Arizona. Contractor makes no other warranty, expressed or implied.

SECTION II – PMGAA RESPONSIBILITIES

PMGAA shall furnish Contractor, at no cost to Contractor, the following information or services for this Contract:

A. Access to copies of readily available maps, records, as-built drawings, benchmarks or other data pertinent to work assignments affiliated with this Contract. This does not, however, relieve Contractor of the responsibility of searching records for additional information, for requesting specific information or for verification of that information provided. PMGAA does not warrant the accuracy or comprehensiveness of any information or documents provided to Contractor.

B. In PMGAA's discretion and upon Contractor's reasonable request, access to staff for consultation with Contractor during the performance of this contract in order to identify the problems, needs, and other functional aspects of the work.

C. Prompt review of and feedback on Contractor's deliverables. PMGAA will advise Contractor concerning progress of PMGAA's review of the work, as needed.

SECTION III - PERIOD OF SERVICE

Contractor shall complete all work in accordance with the provisions of this Contract as amended.

All work initiated under this Contract must be completed on or before the expiration date of the Contract as amended.

The term of this Contract shall commence on January 1, 2023 and ends on December 31, 2025 ("Base Term"), unless terminated, canceled or extended as provided in this Contract.

This Contract has two (2) optional one-year extensions that PMGAA may exercise at its sole discretion. Prior to the expiration of the Contract Base Term, PMGAA may elect to extend the Contract. If PMGAA exercises such right, all terms, conditions and provisions of the original Contract shall remain the same and apply during the extended

period. All fees for the optional renewal terms are provided for in **EXHIBIT A**, "Scope of Services & Fee Schedule.". Any extension of this Contract shall require an amendment signed by both parties.

Contractor shall commence its services within seven (7) days of the written authorization by PMGAA. Contractor shall perform its services in a diligent manner and in accordance with this Contract.

SECTION IV – KEY PERSONNEL

The Contractor itself shall provide all services to be performed under this Contract. If Sub-Contractors are required by Contractor to perform any services listed under this contract, Contractor shall notify PMGAA prior to authorizing work by said Sub-Contractors. PMGAA may, at its sole discretion, accept or reject proposed Sub-Contractors.

SECTION V - PAYMENTS TO THE CONTRACTOR

Contractor will be paid for work performed under this Contract plus any adjustments that have been approved in writing by PMGAA in accordance with PMGAA's Procurement Policy. Payments will be made in accordance with **EXHIBIT C**, "Compensation."

All services to be rendered by Contractor are subject to the terms of **EXHIBIT C**, "Compensation" attached hereto.

PMGAA does not guarantee any minimum or maximum fee during the Term of this Contract, and Contractor, in executing this Contract, shall not anticipate or require any minimum or maximum fee.

SECTION VI - ALTERATION IN SCOPE OF SERVICES

If PMGAA requests a change, addition, or reduction in the Scope of Services, Contractor shall provide PMGAA a detail of all equipment costs, labor costs, and other pertinent costs associated with the change. For any alteration in the Scope of Services that would materially increase or decrease the Contract fee, the parties shall negotiate an amendment to the Contract to be executed by PMGAA and Contractor.

No work shall commence on any amendment or change until the amendment has been approved by PMGAA and Contractor has been notified to proceed by PMGAA. No claim for extra work done or materials furnished by Contractor will be allowed by PMGAA, except as provided herein, nor shall Contractor do any work or furnish any materials not covered by this Contract unless the work is first authorized in writing by PMGAA and the change complies with PMGAA's Procurement Policy. Any work or materials furnished by Contractor without advance, written authorization will be at Contractor's own risk, cost, and expense. Without written authorization, Contractor shall make no claim for compensation for such work or materials furnished.

SECTION VII - WORK ASSIGNMENT COMPLETION

If, during the Term of this Contract, situations arise which prevent work completion within the allotted time, PMGAA may grant an appropriate time extension.

SECTION VIII - OWNERSHIP OF DOCUMENTS

Any documents, including all electronic copies thereof, prepared under or as a result of this Contract, shall be the property of PMGAA. To the extent necessary to effectuate such ownership, Contractor hereby assigns all right, title and interests to such documents to PMGAA. Contractor shall execute any separate contracts or documents, if any, which may be necessary to implement the terms of this Section.

All of Contractor's documents prepared under this Contract, including electronic files, are instruments of service. All of these documents become the property of PMGAA upon completion of the services and payment in full to Contractor. PMGAA may reuse or modify the documents, as it deems necessary, without Contractor's prior written authorization. PMGAA shall indemnify and hold harmless Contractor, its officers, directors, employees and sub-contractors (collectively, the "Contractor") against any and all damages, liabilities or costs arising from PMGAA's modification of documents produced by Contractor under this Contract unless Contractor authorizes the modification in writing.

SECTION IX - COMPLIANCE WITH LAWS

Contractor shall comply with all federal, state and local laws, local ordinances and regulations throughout the Term.

Contractor's signature on this Contract certifies compliance with the provisions of the I-9 requirements of the *Immigration Reform and Control Act of 1986* for all personnel that Contractor and any sub-contractors employ to complete any work assignment.

PMGAA shall administer this Contract in accordance with PMGAA's Procurement Policy.

SECTION X - GENERAL CONSIDERATIONS

A. The failure of either party to enforce any of the provisions of this Contract or require performance of the other party of any of the provisions hereof shall not be construed to be a waiver of the provisions, nor shall it affect the validity of this Contract or the right of either party to enforce each and every provision.

B. The fact that PMGAA has accepted or approved Contractor's work shall in no way relieve Contractor of responsibility for the work under this Contract.

C. This Contract shall be governed by the laws of the state of Arizona, both as to interpretation and performance. Any action at law, suit in equity, or judicial proceeding for the enforcement of this Contract, or any provision thereof, shall be instituted only in the courts of the state of Arizona.

D. All exhibits to this Contract and any amendments to the Contract are incorporated into it.

SECTION XI - NO KICK-BACK CERTIFICATION

Contractor warrants that no person has been employed or retained to solicit or secure this Contract upon any agreement or understanding for a commission, percentage, brokerage, or contingent fee and that no member of the PMGAA Board of Directors or any employee of PMGAA has any interest, financially or otherwise, in Contractor's firm.

For breach or violation of this warranty, PMGAA may annul this Contract without liability.

SECTION XII – SUSPENSION OF SERVICES

Contractor shall, within five (5) business days upon receiving written notice from PMGAA, suspend, delay, or interrupt all or a part of the Scope of Services. Contractor shall resume the Scope of Services within five (5) business days of receiving written notice from PMGAA.

SECTION XIII – TIMES OF PAYMENTS

Contractor shall submit monthly invoices for services actually completed. PMGAA shall review, certify, and approve or reject each invoice in whole or in part. PMGAA shall pay each approved invoice within 30 calendar days of the date that PMGAA approves the invoice.

SECTION XIV – TIMELY REVIEW

PMGAA will review Contractor's studies, reports, proposals, and other related documents and render any decisions required by Contractor in a timely manner. Notwithstanding these reviews, Contractor remains solely responsible for all of its deliverables and services under this Contract. By PMGAA's reviews, PMGAA does not assume any liability for or retained control over Contractor's work or Contractor's responsibility for the safety of its employees.

SECTION XV – DISPUTE RESOLUTION

All disputes between PMGAA and Contractor arising out of or relating to this Contract will be subject to the Dispute Resolution provisions as set forth in **EXHIBIT E**, "PMGAA Standard Terms and Conditions", attached hereto and incorporated herein by reference.

PMGAA and Contractor shall include a similar dispute resolution provision in all contracts with other contractors and Contractors retained for the Project and shall require all other independent contractors and Contractors to include a similar dispute resolution provision in all contracts with subcontractors, sub-contractors, suppliers or fabricators retained by them.

SECTION XVI - LIABILITY OF CONTRACTOR

To the fullest extent permitted by law, Contractor shall defend, save, indemnify, and hold harmless PMGAA, its member governments, departments, officers, employees, and agents from and against damages arising out of any act, error, or omission of Contractor relating to its services under this Contract.

SECTION XVII - LAWS AND REGULATIONS

All federal, state, and local laws and regulations that relate to Contractor's services apply to Contractor's performance of this Contract throughout. These laws and regulations are deemed included in this Contract the same as though written out in full, especially the current applicable Federal Aviation Administration (FAA) rules and regulations associated with airport projects; pertinent Airport engineering standards; and local rules, regulations, and industry standards.

SECTION XVIII – ARCHAEOLOGICAL RESOURCE PROTECTION

While performing services under this Contract, Contractor may encounter a known or unknown archaeological site located at the Airport. If Contractor encounters what it believes to be an archaeological site, Contractor shall immediately notify PMGAA of the site's location and take all reasonable precautions to protect and preserve the site until PMGAA otherwise directs.

SECTION XIX INSURANCE REQUIREMENTS

A. Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, its agents, representatives, or employees.

B. All insurance policies required by this Contact, except *Workers Compensation* and *Professional Liability*, shall name PMGAA, its agents, representatives, officers, directors, officials and employees as Additional Insured.

C. Minimum Scope and Limits of Insurance. Coverage shall be at least as broad as:

   i. Commercial General Liability: Insurance Services Office Form CG 00 01 covering Bodily Injury and Property Damage on an "occurrence" basis, including personal & advertising injury with limits no less than $5,000,000 per occurrence, $5,000,000 General Aggregate.
   ii. Auto Liability: ISO Form CA 00 01 covering any auto (Symbol 1), or if Contractor has no owned autos, hired, (Symbol 8) and non-owned autos (Symbol 9), with limit no less than $5,000,000 Combined Single limit per accident for bodily injury and property damage.
   iii. Workers' Compensation: Statutory Limits as required by the state of Arizona, and Employer's Liability Insurance with limit of no less than $1,000,000 per accident for bodily injury or disease.

D. If the Contractor maintains higher limits than the minimums shown above, PMGAA requires and shall be entitled to coverage for the higher limits maintained by the Contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to PMGAA.

E. Additional insurance provisions. The insurance policies shall provide, or be endorsed to include, the following provisions:

   i. Notice of Cancellation: Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to PMGAA.
   ii. Waiver of Subrogation: Contractor waives any right to subrogation. Contractor shall obtain an endorsement necessary to affect this waiver of subrogation from the insurer for all lines of coverage required by this Contract, except *Workers Compensation* and *Professional Liability,* for claims arising out of the Contractor's work or service.
   iii. Primary Coverage: For all claims related to this Contract, all of Contractor's insurance policies will be primary and non-contributory. Any insurance or self-insurance maintained by PMGAA, its officers, officials, employees, or volunteers will be in excess of Contractor's insurance and will not contribute with it.
   iv. Deductibles and Self-Insured Retentions: Any deductibles or self-insured retentions must be declared to and approved by PMGAA. PMGAA may require the Contractor to provide proof of

ability to pay losses and related investigations, claim administration, and defense expenses within the retention.

v. Acceptability of Insurers: Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A, VII, unless otherwise acceptable to PMGAA.

vi. Claims Made Policies: No Claims Made policies (other than Professional Liability) will be accepted. For policies that provide claims-made coverage:

a) The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.

b) Insurance must be maintained, and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.

c) If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Contractor must purchase "extended reporting" coverage for a minimum of five (5) years after completion of work.

vii. Verification of Coverage: Contractor shall furnish PMGAA with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by PMGAA before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor's obligation to provide the required insurance. PMGAA reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

viii. Subcontractors: Contractor shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Contractor shall ensure that PMGAA is an additional insured on insurance required from subcontractors.

ix. Special Risks or Circumstances: PMGAA reserves the right to modify these requirements, including limits, based on the nature of the risk, scope of services, prior experience, insurer, coverage, or other special circumstances.

SECTION XX NOTICES

Any notice, report or information which may be or is required to be given under this Contract will be in writing and shall be sent by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

TO PMGAA: Phoenix-Mesa Gateway Airport Authority
Attn: Operations and Maintenance Director
5835 South Sossaman Road
Mesa, Arizona 85212

TO CONTRACTOR: Flagship Airport Services, Inc.
Attn: Jim Mikacich
405 S. Kimball Avenue
Southlake, TX 76092

or to such other person(s) or address(es) as any such Party may designate from time to time by notice to the other Parties in accordance with this Section.

SECTION XXI LOST AND FOUND ITEMS

The Contractor must call the Airport Operations Center immediately at 480-988-7570 to report unattended or found items. Contractor employees must remain with the found items until appropriate Airport Operations staff responds to take custody of the items.

SECTION XXII ITEMS REQUIRING REPAIR

Contractor's employees shall report daily, through the Supervisor, all conditions requiring attention of PMGAA, such as broken fixtures, broken dispensers, leaking pipes, defective equipment, etc. Unusual conditions shall also be reported to PMGAA staff, such as unlocked doors, non-routine occupancy, etc.

SECTION XXIII STORAGE AREAS

PMGAA, at its sole discretion, may provide storage area(s) to be used by Contractor for storage of materials and equipment. The Contractor shall keep such storage places neat, clean, and sanitary. Contractor shall not utilize storage areas for non-operating equipment, expired or unusable materials or supplies.

SECTION XXIV LIQUIDATED DAMAGES

For the purposes of this section, "employee" shall mean the same as "worker" or "subcontractor".

A. PMGAA reserves the right, at its sole and absolute discretion, to temporarily suspend, deny or permanently revoke Contractor's operating privileges under this Contract in the event of extended failure to meet the requirements of this Contract or failure to correct deficiencies in performance.

In addition to any other remedy available to PMGAA at law or in equity, the Contractor will be liable for and must pay to PMGAA the amounts listed below for each violation by the Contractor. The parties further agree that the amounts are reasonable and approximate the actual or anticipated loss to PMGAA at the time and making of this Contract in the event that the Contractor commits a breach. The parties acknowledge and agree to the fixed amounts set forth below because of the difficulty of proving PMGAA's actual damages in the event that the Contractor commits a breach. PMGAA may impose liquidated damages as follows:

Insufficient employees to staff minimum weekly staff hours.	$200 per every 8 hours short
Recurring deficiencies of the same nature that exceeds three (3) instances in any 90-day period.	$500 per violation
Failure to meet response times stated in this Contract for: emergency calls; bio fluid and spill clean-up; and unsatisfactory cleaning performance.	$250 per violation
Unsatisfactory cleaning performance.	$250 per violation
Failure to comply with Airport Security policies.	$500 per violation
Contractor employees not in uniform.	$150 per violation
Wastewater from cleaning equipment not filtered/strained prior to dumping into Airport sanitary system.	$100 per violation
Failure to keep coin operated tampon and sanitary napkin vending machines stocked.	$100 per violation
Failure to submit weekly staff payroll report as specified herein	$100 per violation
Failure to dispose of trash, garbage, refuse, or any other solid/liquid waste (to include biohazards) in an approved manner	$150 per violation
Possessing a deadly weapon as defined by Arizona law (A.R.S. § 13-3101(A)(1)).	$1,000 per violation

B. Prior to the imposition of liquidated damages, the Contractor will be notified in writing by PMGAA. PMGAA's notice will include a brief narrative apprising the Contractor of the time, place, and nature of the violation(s). The notice will set forth those facts substantiating the violation. The Contractor will be afforded an opportunity to respond, in writing, within twenty-four (24) hours from date and time of the notice.

C. The Contractor must agree to properly cure any default within three (3) business days from the date the notice of default is sent by PMGAA. If the unsatisfactory condition is not corrected within three (3) business days, then liquidated damages may be applied at the discretion of PMGAA.

D. All amounts owed by the Contractor are due and payable to PMGAA within thirty (30) calendar days after the notice of violation. The amount payable will be deducted from the Contractor's invoice on the next month's invoice statement.

E. The above list may be adjusted/added to/deleted to by PMGAA at any time with written notice to Contractor.

F. Contractor agrees all of the deficiencies listed in this section shall result in PMGAA incurring damages that are impractical or impossible to determine. Contractor agrees the monetary assessments set forth in this section are reasonable approximations of such damages. The parties intend that Contractor's payment of the Liquidated Damages amount would serve to compensate PMGAA for any breach by Contractor of its obligations under this section, and they do not intend for it to serve as punishment for any such breach by Contractor, but rather a reasonable measure of damages.

SECTION XXV SECURITY

For the purposes of this section, "employee" shall mean the same as "worker" or "subcontractor".

A. The Contractor acknowledges that the employees it provides pursuant to this Contract must be at Contractor's expense and subject to background and security checks and screening at the request of PMGAA. The Contractor must make the results of checks and screening available to PMGAA for all employees considered for performing work, including supervision and oversight, under this Contract. PMGAA may make further security inquiries and checks. PMGAA may, in its sole discretion, accept or reject any or all of the employees proposed by the Contractor for performing work under this Contract.

B. If Contractor's employee's background check is unsatisfactory, whether an initial or subsequent periodic background check, such employee shall not be permitted to work at or from PMGAA and such employee shall immediately deliver his/her SIDA identification badge to the PMGAA Badging Office.

C. Neither Contractor nor Contractor's staff shall permit any other individual to have access to secure areas of buildings, rooms, nor grounds as the same may be designated by PMGAA, without prior approval from PMGAA Management. Permitting or allowing unauthorized persons, such as friends, visitors, children or any other family members, access to such secure areas shall be cause for termination of the Contract.

D. The Contractor shall comply with the Airport's Security Plan, and actions directed by PMGAA to comply with security directives issued by the Transportation Security Administration, and any amendments hereto.

E. Contractor shall comply with and if necessary assist PMGAA with the Airport Emergency Plan as approved by the Federal Aviation Administration (FAA).

F. The Contractor acknowledges and agrees that the access control, badge, and key requirements in this Section are necessary to preserve and protect public health, safety, and welfare. Accordingly, the Contractor agrees to properly cure any default under this Section within three (3) business days from the date notice of default is sent by PMGAA.

Contractor's default under this Section shall include the following, all of which constitute a material breach of the Contract:

1. Contractor's employee gains access to an Airport facility without the proper badge or key;
2. Contractor's employee uses another person's badge or key to gain access to an Airport facility;
3. Contractor's employee commences services under this Contract without the proper badge, key, or Background Screening;
4. Contractor's employee or the Contractor submits false, incomplete, or misleading information or negligently submits incorrect information to PMGAA to obtain a badge, key, or applicable Background Screening; or
5. The Contractor fails to collect and timely return an employee's badge or key upon termination of the employee's employment, reassignment of the employee to another airport facility, or upon the expiration, cancellation, or termination of this Contract.

SECTION XXVI PAYROLL RECORDS

Contractor shall submit to PMGAA, on a weekly basis and in a format approved by PMGAA, a report delineating the following for the immediately preceding week:

A. Position title and associated staff

B. Number of hours of each staff member worked at PMGAA

Executed as of the Commencement Date.

CONTRACTOR
FLAGSHIP AIRPORT SERVICES, INC.,
a California S-Corporation

By: James M. Mikacich

Name: James M. Mikacich

Title NVP, Aviation Sales

Date: 11/28/2022

PMGAA
PHOENIX 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: _____

EXHIBIT A – SCOPE OF SERVICES & FEE SCHEDULE

The services to be performed by Contractor and the completion of related efforts are specified in the following Scope of Services & Fee Schedule agreed to by the parties.

SCOPE OF SERVICES

Contractor shall provide the labor, supervision, materials, equipment, cleaning supplies, and incidentals, except as provided for herein, for complete janitorial cleaning services required to maintain a clean, sanitary, and safe environment in the locations designated in Exhibits F and G and at the frequencies stated in Exhibit G. The Contractor must, at a minimum, meet the following standards in performing janitorial service.

CLEANING/MAINTENANCE:

1. **Day Porter Services – Airport Terminal Building Only**
   a. Day porter personnel will continuously monitor the Terminal Complex to identify needed custodial activities to maintain a clean and orderly facility.
   b. Staff shall utilize the *General Cleaning*, *Emptying Trash & Recycle Receptacles*, and *Restroom Maintenance tasks* as detailed in this Section Two, C, while on duty.
2. **Facility Porter – Airport Campus Buildings Only**
   a. Facility porter personnel will continuously monitor the Airport Campus Buildings to identify needed custodial activities to maintain clean and orderly facilities.
   b. Staff shall utilize the *General Cleaning*, *Emptying Trash & Recycle Receptacles*, and *Restroom Maintenance tasks* as detailed in this Section Two, C, while on duty.
   c. Position shall be on-site at PMGAA Campus Buildings Monday – Friday, 8:00 am to 5:00 pm
3. **General Cleaning**
   a. Dusting and/or wet washing/wiping
      i. All surfaces up to sixteen (16) must be dusted and/or wet washed/wiped to remove all dirt, debris, lint etc.
      ii. All sensitive and electronic surfaces shall be avoided.
   b. Brightwork (Stainless Steel, Chrome, Brass)
      i. All cleaned metal surfaces must be free from deposits or tarnish. These items must have a uniformly bright appearance, free from spots, smudges, and streaks. Cleaning agents must be removed from all adjacent surfaces.
   c. Cigarette Urns
      i. Each receptacle shall be emptied of all butts, ash, and other debris.
      ii. Urns shall be kept clean by washing or other means as necessary to keep them looking clean and as sanitary as reasonable.
   d. Curb areas, sidewalks, and courtyards
      i. Each area shall be swept and/or washed to remove dust, dirt, trash, and debris of all types.
   e. Floor Care
      i. Hard surfaces shall be swept
      ii. Carpet shall be vacuumed to remove all visible debris.
   f. Glass Cleaning
      i. Door glass, sidelights, glass display cases, partition glass & Plexiglas, information display monitors and mirrors shall be cleaned with the appropriate chemicals and in a manner that ensure the surface is free of streaks, film, deposits, and has a uniform surface.
   g. Sweeping
      i. All hard floors (indoor and outdoor) must be swept each night. This includes sweeping under all furniture, behind plants, machines, and waste receptacles.

h. Vacuuming
   i. Vacuum to remove all visible debris. Vacuuming must be completed at a frequency that protects the integrity of the carpet and prolong wear.

i. Carpet Spot Cleaning
   i. Proper spot cleaning techniques shall be utilized to maintain the appearance of the carpet.

4. Emptying Trash & Recycle Receptacles

a. Trash and Recycle receptacles must be emptied and spot cleaned as needed to maintain safe and sanitary conditions. Liners must be replaced at each emptying of the receptacle.

b. Periodically, all receptacles must be thoroughly cleaned, inside and out as needed with germicidal detergent.

5. Restroom Maintenance

a. Use a disinfectant cleaning solution to clean and wipe down the following surfaces every cleaning day. All surfaces shall be wiped dry. Cleaning cloths used for toilets and urinals shall not be used for any other purpose.
   i. Toilets (all surfaces and handles)
   ii. Urinals (all surfaces and handles)
   iii. Wash basins and counters
   iv. Divider and stall partitions
   v. Doors and kick plates
   vi. Light switches and switch covers
   vii. Handles, doorknobs, chrome fixtures
   viii. Dispensers and hand dryers
   ix. Sanitary napkin/tampon receptacles
   x. Trash receptacle exterior surfaces
   xi. Baby changing stations
   xii. Tile wainscot

b. Use appropriate chemicals, brushes, and pumice stone to remove stains, streaks, film, mildew and other deposits from toilet, urinal, wash basin and partition surfaces. This shall be done to continuously maintain a very clean appearance and a sanitary, odor-free condition. All surfaces shall be wiped dry to help avoid streaks and spotting from hard water deposits.

c. Empty trash receptacles and install new plastic liners.

d. Empty sanitary napkin/tampon receptacles and install new plastic liners.

e. Clean mirrors with glass cleaner until free of streaks and spots.

f. Sweep and wet mop all floors and baseboards with a solution of clean water and a disinfectant. 'Wet floor' signs are required while the floors dry. Rinse mops often and again after the job is complete. Mops shall be wrung out and hung in the air to dry between cleanings. Dirty or stinking mops are not permitted. Mops and buckets will be frequently inspected to determine their suitability for cleaning in restrooms and all other areas.

g. The Contractor shall maintain all new and existing dispensers for these products at a quantity level that will ensure facility users have a constant supply. The Contractor shall respond within 30 minutes to correct outages of any:
   i. Paper products
   ii. Lotion soap packaged to fit dispensers
   iii. Air freshener fillers
   iv. Sanitary napkins and tampons
   v. Urinal screens
   vi. Facial quality toilet tissue
   vii. Paper toilet seat covers
   viii. Paper towels to fit dispensers
   iv. Baby changing station liners

x. Foaming hand sanitizers
xi. Sanitary napkin and tampon disposal bags

6. Restock Supplies

a. Contractor shall be responsible for pick-up, check-out and transporting by means of a street legal vehicle, of bulk expendable supplies from the PMGAA warehouse to the subject facilities and restocking all dispensers of such supplies.

7. Floor Maintenance

a. General
   i. Unless noted otherwise, all floors shall be checked and maintained for cleanliness and appearance each day that basic cleaning tasks are scheduled to be performed.
b. Sweep & Mop/Scrub
   i. Remove all loose dirt, dust, debris, etc. by sweeping all hard surfaces
   ii. Wet mop or auto scrub the surface to remove all dust, dirt, liquids, debris, or other substances from all hard surfaces.
c. Hard floors – Concrete
   i. Burnish and Scrubbing
      a) Floors shall be burnished and scrubbed to sufficiently maintain maximum gloss.
         1) Scrubbing
            A. Floors shall be scrubbed daily.
            B. Terminal Floor Finish: Contractor shall follow manufacturer guidance for on-going maintenance for the Scotchgard™ Stone Floor Protection System. Contractor shall utilize Scotch-Brite™ Clean & Shine Pads and 3M™ Clean & Shine Daily Floor Enhancer, or PMGAA approved equal.
         2) Burnishing
            A. Floors shall be burnished at least once per week.
            B. Contractor shall follow manufacturer guidance for on-going maintenance for the Scotchgard™ Stone Floor Protection System.
   ii. Striping and Refinishing
      a) Follow manufacturer guidance for application, installation, and on-going maintenance of PMGAA's floor finishes.
         1) Terminal Floor Finish: Scotchgard™ Stone Floor Protection System
d. Hard floors – Linoleum
   i. Burnishing and Scrubbing
      a) Floors shall be burnished and scrubbed per the manufacturer's recommendation to sufficiently maintain maximum gloss. Burnishing shall be completed at least once per week.
   ii. Striping and Refinishing
      a) Follow manufacturer guidance for application, installation, and on-going maintenance of PMGAA's floor finishes.
e. Hard floors – Tile
   i. Scrubbing
      a) Tile floors shall be scrubbed daily to ensure a uniformly clean surface free of any soiling. A tile specific floor cleaner shall be utilized to remove excessive soiling and ensure all grout maintains a uniformly clean appearance.
f. Carpet
   i. Extraction Cleaning shall be performed as follows:
      a) All loose dirt, sticky substances, trash, debris and other unwanted deposits shall be vacuumed from the carpet in preparation for carpet extraction cleaning.
      b) The carpet shall be inspected for stains, gum, and other discolorations before the extraction

cleaning begins and shall be pre-treated to aid in the extraction process.

c) The carpets shall be cleaned utilizing hot water extraction equipment that shall meet the requirements of the Carpet and Rug Institute's "Seal of Approval" Testing Program for deep-cleaning extractors. Cleaning chemicals, approved by the equipment and carpet manufacturer shall always be utilized. The chemical cleaning solution shall be mixed at the weakest strength recommended to minimize foaming and residue problems.

d) The extraction procedure, once started, shall continue until 100 percent of the exposed carpet at that contract site is cleaned and until the solution being extracted appears to be clean and mostly clear, having a color close to that of clean water.

e) Only the minimum amount of water necessary for cleaning shall be used to ensure that the carpet can dry as rapidly as possible. When it is necessary to speed the drying of cleaned carpet areas, so that users may have access to areas without walking on wet carpet, the Contractor shall supply a sufficient number of carpet drying blowers so that carpet is dry before the building opens at regular hours. With this requirement in mind, carpeting shall not be cleaned late into the morning of a day the building will be open for business.

8. High Reach Cleaning

a. Dusting and/or wet washing/wiping of high-reach area items beyond 16' height requiring a mechanical lift shall be performed using appropriate hand tools and cleaning chemicals for the type of surface being dusted or washed.
b. No streaking or chemical residues shall be left on any surface.
c. The following high- reach/ceiling building surfaces shall be checked and dusted or wet washed/wiped to remove accumulated dust particles, dirt, debris, lint, cobwebs, grime, stains, smears, film or other deposits and residues:
   i. Fire alarms
   ii. Smoke detectors
   iii. Ceiling corners
   iv. Window ledges

9. HVAC Cleaning

a. Dusting and/or wet washing/wiping of HVAC Louvers and Registers shall be performed using appropriate hand tools and cleaning chemicals for the type of surface being dusted, vacuumed or washed to remove accumulated dust particles, dirt, debris, lint, cobwebs or other deposits and residues.
b. No streaking or chemical residues shall be left on any surface.

10. Pet Relief Areas – Airport Terminal Building Only

a. Empty pet waste container and restock the "FIDO" bags at each "FIDO Station"
b. Sanitize, wet wipe, and clean as applicable.

MANAGERIAL/SUPERVISORY RESPONSIBLITIES

1. On-site manager/supervisors will be responsible for operational decisions to meet the stated cleaning standards. Manager/Supervisors must ensure that all work is adequately performed, satisfies all required specifications, communicates potential problems, and identifies and reports all building maintenance issues as soon as possible to the Airport Operations Center (AOC) at (480) 988-7570.

   <u>On-site shall mean that manager/supervisors are at PMGAA at all times that work is being completed (all shifts).</u> All janitorial employees must receive close and continuing front-line supervision by Contractor.

2. The on-duty supervisor will be the primary person(s) in charge of self-inspection in compliance with the quality assurance program and shall ensure that:
   a. Contractor's employees wear the approved uniform.

b. Contractor's employees will not use or tamper with office machines, equipment, or PMGAA employee's personal property at any time.
c. Contractor's employees will not open desk drawers, cabinets, or refrigerators at any time with the exception that refrigerators may be opened when cleaned.
d. Contractor's employees will not use personal cell phones or other such personal electronic devices while performing janitorial duties except for emergencies or business related work.
e. Contractor's employees will be provided with communication devices and shall have such device on their person while performing work duties.
f. Sufficient staff and resources to complete janitorial scope of work are allocated to PMGAA. This includes the maintenance of an equipment program compliant with Section Two, C, Equipment and Supplies of this solicitation.
g. Hallway access doors, to secured areas, offices, office suites, or AOA gates, and trash enclosure gates, will, unless otherwise specified by PMGAA, be kept locked at all times, for security reasons, even when Contractor's employees are in these areas cleaning.
h. Assure that Contractor's staff does not bring guests, family members, children or others into secure or restricted areas.

STAFF APPEARANCE AND BEHAVIOR

1. Appearance

a. Contractor shall establish and enforce dress code policies as approved by PMGAA. All Contractor's personnel shall adhere to the following at all times while on duty at PMGAA:
b. Uniforms shall consist of a top with company logo and approved pants. If jackets or sweaters are worn, they shall coordinate with the uniform and clearly bear the company logo. Employees shall be in an approved uniform that is clean, neat, and free from tears, holes, frayed edges, and body odor. Open-toed shoes, shorts, and non-company logo hats are not acceptable. All uniforms shall be the same for all employees and must be different in both design and color, from those worn by PMGAA employees. Uniforms shall be approved by PMGAA.
c. Contractor's employees must always wear PMGAA issued ID badge/access card at all times during work hours, the same to be worn on the outermost garment and above the waist.
d. Staff shall be clean, well-groomed, and neatly dressed
e. Contractor's employees' hair and beards must be clean and neatly trimmed. Extreme hairstyles and colors are not appropriate. Excessive or offensive tattoos must be covered while working. Extreme piercings are not appropriate and must be covered while working.

2. Behavior

a. Contractor shall be responsible for the conduct, demeanor, and appearance of its employees while on or about PMGAA subject facilities and while acting in the course and scope of employment.
b. Contractor's employees are to be attentive, alert, and responsive to all customer issues, needs, comments, or complaints. At no time shall an Contractor's employee make a customer feel threatened, insecure, or ignored on and around the subject facilities. Issues should be reported to a Supervisor whenever an employee needs support and guidance.
c. Contractor's employees are prohibited from receiving and soliciting tips under any circumstances.
d. Contractor's employees shall not use profanity, engage in any loud, boisterous or otherwise offensive or disturbing behavior, nor display rudeness to any person at PMGAA.
e. The use, consumption, or storage of alcohol or controlled substances on PMGAA property is not allowed. Contractor's employees that appear to be under the influence of alcohol or drugs shall not be permitted into the subject facilities. Contractor shall have a written drug and alcohol testing policy in place for all staff assigned to PMGAA. Such plan shall be made available to PMGAA upon request.

f. Contractor's employees shall not open any desk, file drawer or cabinets.
g. Contractor's employees shall not use personal cell phones except in emergencies or work related business.
h. Contractor's employees shall not use PMGAA office equipment under any circumstances.

EQUIPMENT AND SUPPLIES

1. Unless otherwise noted, all supplies and equipment required to carry out the janitorial/cleaning operations within the scope of the Contract shall be provided by the Contractor and shall meet the standards of the Federal Occupational Safety and Health Act and the State of Arizona safety codes.
2. **Cleaning Equipment**
   a. Cleaning equipment utilized in the performance at the startup of this Contract must be either new or have been in service no more than 12 months and must currently be operating within manufacturer's specifications.
   b. All cleaning equipment must be replaced when equipment does not meet Original Equipment Manufacturer (OEM) performance standards. Equipment must be of the size and type customarily used in work of this nature, equipped with gel batteries and safeguards such as rollers or rubber bumpers to reduce potential damage to building surfaces, and visibly labeled with Contractor's company name and permanently identified with a unique number.
   c. Equipment that will not be placed back in service must not be stored onsite. All small tools, such as brooms and dustpans, must be replaced as needed so as to ensure maximum functionality and appearance. PMGAA will approve any equipment replacements or additions. An updated equipment list must be submitted to PMGAA. Contractor equipment, signs, carts, barrels, and tools used within the view of the public must be kept clean and free of accumulated dirt, grime, grease, stickers, tape, and markings. All identification labels, names or markings must be professionally designed and applied.
3. **Cleaning Equipment Requirements & Minimums**
   a. Contractor shall provide all required equipment to meet the requirements of the Scope of Work. At the terminal, the <u>Contractor shall provide separate sets of equipment for both the secure and non-secure portions of the facility.</u>
   b. Vacuums - Contractor must use commercial grade vacuums with HEPA filtration or equipment that meet these standards along with a bristle beater bar to be used exclusively in all carpeted areas. Backpack and canister vacuum cleaners must be allowed for hard to reach places. Vacuum cleaners must meet the requirements of the Carpet & Rug institute's "Green Label" Testing Program and operate at less than 70 dBA.
   c. Mobile Safety Barriers – Contractor shall provide at least five (5) extendable, mobile safety barriers to facilitate the closure/delineation of work areas when conducting activities such as floor or carpet maintenance.
   d. Carpet extraction equipment used for restorative deep cleaning must meet the requirements of the Carpet and Rug Institute's "Seal of Approval" Testing Program for deep-cleaning extractors.
   e. Powered floor maintenance equipment, including electric and battery- powered floor buffers and burnishers must be equipped with vacuums, guards and/or other devices for capturing fine particulates and operate with a sound level of less than 70 dBA.
   f. Propane-powered cleaning equipment may be utilized by the Contractor with the written approval of PMGAA and under the following conditions:
      i. Strict adherence to National Fire Protection Agency (NFPA) Standard for Storage and Handling of LP Gas
      ii. Employees shall be trained in the proper handling and operating procedures in accordance with NFPA standards
      iii. Proper emissions and safety guards shall be in place

iv. Propane powered cleaning equipment shall not be left unattended at any time
v. Propane cylinders shall be stored and secured offsite when not in use

4. Contractor must have a repair program in place for preventative maintenance and repair of broken equipment. Contractor must ensure that an appropriate number of machines are in working order each night to perform the cleaning tasks required. In the event that a piece of equipment has a down time of more than two (2) days, the Contractor must lease or rent equipment and inform PMGAA. Lack of equipment will not be accepted as a reason for services not to be performed.

5. Corded equipment shall not be plugged into charging station courtesy outlets in the public areas of PMGAA. Contractor's employees shall not connect multiple extension cords together (daisy-chain) when operating corded equipment. Contractor may be responsible for any damage incurred to electrical outlets and outlet covers caused by the improper disconnection of equipment. De-energized outlets must be reported to the Airport Operations Center immediately.

6. Contractor shall comply with OSHA Hazard Community Standards, 29 CFR 1910.1200. Contractor's staff must follow all aspects of the OSHA Right to Know Program on Hazardous Materials. Material Safety Data Sheets (MSDS) shall be made readily available to PMGAA.

7. Contractor shall submit a written list of all supplies with attached MSDS intended for use at/within the subject facilities. This list shall be submitted no later than one week prior to start of the Contract unless otherwise mutually agreed.

8. Adequate quantities and properly labeled supplies (minimum of two weeks inventory) must be on hand to perform janitorial/cleaning duties at all times. Within 10 days of contract effective date, Contractor shall have all staff trained and resources available to meet PMGAA Pandemic Plan responsibilities.

9. Consumable Supplies

a. Consumable supplies such as toilet tissue, paper towels, soap for dispensers, scented urinal screens, trash liners, hand sanitizer and bathroom air fresheners shall be furnished by PMGAA. The Contractor shall be responsible for transporting, by means of a street legal vehicle, bulk expendable supplies from PMGAA warehouse to the subject facilities and for servicing all dispensers of such supplies per the established cleaning schedule using PMGAA furnished supplies. The PMGAA Warehouse is located at 6263 S. Taxiway Circle, Mesa, AZ, 85212.

b. Expendable supplies shall be utilized exclusively for PMGAA locations and facilities.

c. The Contractor will be responsible for the inventory of expendable supplies in each subject facility and for restocking supplies as needed. Contractor shall accurately and promptly record the removal of supplies from the warehouse in the manner directed by PMGAA. Contractor shall immediately notify PMGAA personnel of a shortage of warehouse supplies, or other supply issues.

10. Radios

PMGAA shall supply Contractor with one (1) 800 MHZ radio for use by designated on-duty employees of Contractor. Each radio will be programmed by PMGAA to function on the PMGAA radio network. Radio may never leave Airport Property and shall be surrendered to PMGAA for inspection and program updates, or program removal without prior notice.

11. All equipment submitted in Contractor's proposal dated October 28, 2022, shall be in service beginning the effective date of the contact and continue in service for the duration of the Contract, notwithstanding any other provisions in this Contract.

RESPONSE TIME PLAN AND REQUIREMENTS

1. Contractor must monitor, answer, and respond to all handheld radio calls, cell phone calls, and other communication devices immediately.

a. **Call for Service:** Upon request of Airport Operations, or in an emergency, the Contractor shall respond to the requested location within 15 minutes of notification.

b. **Unsatisfactory Cleaning Performance:** The Contractor will have 24 hours from time of notification to correct unsatisfactory cleaning performance.
c. **Biological Clean-up**: Maintain training and equipment to clean up biological materials.

REPORTING

1. Contractor shall submit to PMGAA, on a weekly basis and in a format approved by PMGAA, a report delineating the following for the immediately preceding week:
   a. Position title and associated staff
   b. Number of hours each staff member worked at PMGAA

FEE SCHEDULE

Contactor agrees to pay all employees performing duties under this Contract the wages specified herein during the Base Term of this Contract and any extension thereof.

Attachment B
Wage Information & Price Proposal

Position	Pay Information	Year 1	Year 2	Year 3	Year 4	Year 5
Supervisor	Wage Rate	$ 20.18	$ 20.78	$ 21.41	$ 22.05	$ 22.71
	Fringe Benefit Rate	$ 5.23	$ 5.38	$ 5.54	$ 5.71	$ 5.88
	Total Wage	$ 25.41	$ 26.17	$ 26.95	$ 27.76	$ 28.59
Janitor	Wage Rate	$ 17.00	$ 17.51	$ 18.04	$ 18.58	$ 19.13
	Fringe Benefit Rate	$ 4.40	$ 4.54	$ 4.67	$ 4.81	$ 4.96
	Total Wage	$ 21.40	$ 22.05	$ 22.71	$ 23.38	$ 24.09
Porter (Day Porter or Facility Porter)	Wage Rate	$ 16.57	$ 17.07	$ 17.58	$ 18.11	$ 18.65
	Fringe Benefit Rate	$ 4.29	$ 4.42	$ 4.55	$ 4.69	$ 4.83
	Total Wage	$ 20.86	$ 21.49	$ 22.13	$ 22.80	$ 23.48
Floor Technician	Wage Rate	$ 18.25	$ 18.80	$ 19.36	$ 19.94	$ 20.54
	Fringe Benefit Rate	$ 4.73	$ 4.87	$ 5.01	$ 5.17	$ 5.32
	Total Wage	$ 22.98	$ 23.67	$ 24.38	$ 25.11	$ 25.86

For the services provided herein, PMGAA agrees to pay Contractor as follows:

1. Annual Management Fee. Paid monthly during the contract Term according to the fee specified herein.
2. Reimbursable Labor Cost. PMGAA shall pay for all staff hours performed under this Contract, and documented in Contractor's monthly payroll report, according to the wage rates specified herein. PMGAA will not pay for employee hours scheduled but not worked.

Attachment B

Wage Information & Price Proposal - Continued

Management Fee (Fixed)	Year 1	Year 2	Year 3	Year 4 (Optional)	Year 5 (Optional)
Management Fee - Fixed fee to include, but not limited to: - Equipment - Employee hiring, training, etc. - Uniforms - Insurance - Fuel - Vehicle Maintenance	$ 199,727.13	$ 205,718.95	$ 211,890.52	$ 218,247.23	$ 224,794.65

Reimbursable Labor - Staff Hours	Year 1	Year 2	Year 3	Year 4 (Optional)	Year 5 (Optional)
Supervisors	6240.00	6240.00	6240.00	6240.00	6240.00
Janitors	8320.00	8320.00	8320.00	8320.00	8320.00
Day / Facility Porters	14560.00	14560.00	14560.00	14560.00	14560.00
Floor Technicians	4680.00	4680.00	4680.00	4680.00	4680.00
Total FTEs	16.25	16.25	16.25	16.25	16.25

Reimbursable Labor - Cost	Year 1	Year 2	Year 3	Year 4 (Optional)	Year 5 (Optional)
Supervisors	$ 158,533.28	$ 163,289.28	$ 168,187.96	$ 173,233.60	$ 178,430.60
Janitors	$ 178,072.96	$ 183,415.15	$ 188,917.60	$ 194,585.13	$ 200,422.69
Day / Facility Porters	$ 300,771.52	$ 312,884.67	$ 322,271.21	$ 331,939.34	$ 341,897.52
Floor Technicians	$ 107,531.19	$ 110,757.13	$ 114,079.84	$ 117,502.23	$ 121,027.30
Yearly Total	$ 747,908.95	$ 770,346.22	$ 793,456.61	$ 817,260.30	$ 841,778.11

Total Expenses	Year 1	Year 2	Year 3	Year 4 (Optional)	Year 5 (Optional)
Management Fee	$ 199,727.13	$ 205,718.95	$ 211,890.52	$ 218,247.23	$ 224,794.65
Reimbursable Labor	$ 747,908.95	$ 770,346.22	$ 793,456.61	$ 817,260.30	$ 841,778.11
Yearly Total	$ 947,636.08	$ 976,065.17	$ 1,005,347.12	$ 1,035,507.53	$ 1,066,572.76

EXHIBIT B – STAFFING REQUIREMENTS

Contractor agrees to provide the following staffing, at a minimum, throughout the duration of the Contract. Any changes in staffing must be requested, in writing to PMGAA, at least sixty (60) days in advance and approved, in writing by PMGAA. PMGAA, in its sole discretion, may or may not approve of the staffing change request.

Attachment A
Staffing Breakdown

Number	Position Title	Weekly Scheduled Hours	Yearly Hours	FTE
1	On-site Manager	40	2080	1
2	Supervisor	40	2080	1
3	Lead Day Porter	40	2080	1
4	Day Porter	40	2080	1
5	Day Porter	40	2080	1
6	Day Porter	40	2080	1
7	Day Porter	40	2080	1
8	Day Porter	40	2080	1
9	Supervisor	40	2080	1
10	Janitor	40	2080	1
11	Janitor	40	2080	1
12	Janitor	40	2080	1
13	Floor Technician	40	2080	1
14	Floor Technician	40	2080	1
15	Facility Porter	40	2080	1
16	Janitor	40	2080	1
17	Floor Technician	10	520	0.25
18			0	0
19			0	0
20			0	0
21			0	0
22			0	0
23			0	0
24			0	0
25			0	0
26			0	0
27			0	0
28			0	0
29			0	0
30			0	0
	Totals	650	33800	16.25

EXHIBIT C - COMPENSATION

All compensation for services rendered by Contractor shall be based upon criteria established below. All services must be billed through the Contractor.

1. Fees to be Specified in Contract

Any and all services to be performed under this Contract require approval. All compensation for services shall be identified in writing. The Contract shall describe the scope of services to be performed (by tasks and subtasks, where appropriate), the fees associated with that performance, and any applicable special provisions. Contractor's compensation for services included in this Contract is totaled and set forth in **EXHIBIT A**, "Scope of Services and Fee Schedule". Contractor's invoices shall detail employee positions and hours worked at PMGAA. The positions and hours worked shall match those submitted under Section XXVI, Payroll Records. PMGAA will only pay Contractor for actual hours worked at PMGAA by Contractor's employees, in addition to Contractor's Management Fee.

2. Method of Payment

Subject to the terms of this Contract, PMGAA shall pay Contractor the appropriate rate or fixed price amount for services rendered as described in the Contract only after Contractor has submitted an invoice for services performed and PMGAA has certified and approved each invoice.

For services rendered in accordance with the Contract, Contractor shall submit to PMGAA an invoice depicting tasks performed and/or hours spent for services performed. Invoices must be based on the actual hours and/or expenses incurred for the services completed during the billing period. Contractor's invoices must specify that Contractor has performed the services, and PMGAA must certify and approve each invoice as a condition to payment.

3. Contractor Responsibilities for Compensation

Contractor shall prepare monthly invoices and/or progress reports in accordance with terms specified in the Contract. Progress reports will clearly indicate the progress to date and the amount of compensation due by virtue of that progress. All invoices for payment shall be for work completed unless otherwise agreed to by PMGAA. Invoices/requisitions for payment for services subject to funding by the FAA and/or ADOT shall include the documentation requirements of the FAA and/or ADOT, which are outlined in the *Airport Improvement Program (AIP) Handbook* dated September 30, 2014, or most current version.

4. PMGAA Responsibilities for Compensation

PMGAA agrees to pay Contractor's invoices for payment within 30 calendar days after the invoice is approved. PMGAA may withhold payment on any invoice if it believes that Contractor has not performed the work in a satisfactory manner. If PMGAA withholds payment to Contractor, PMGAA shall promptly notify Contractor and explain the reasons for the decision to withhold payment.

5. Billing Address

All invoices submitted to PMGAA for payment shall be submitted to:

Accounts Payable: ap@gatewayairport.com

EXHIBIT D - SPECIAL PROVISIONS

1. Civil Rights Act of 1964, Title VI – General

The contractor agrees to comply with pertinent statues, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color or national origin, sex, age or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance.

2. Civil Rights Act of 1964, Title VI – Assurances

During the performance of this Contract, the Contractor, for itself, its assignees and successors in interest agrees as follows:

a. Compliance with Regulations – Compliance with Regulations: The Contractor (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts And Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.

b. Nondiscrimination – The contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR Part 21.

c. Solicitations for Subcontracts, including Procurements of Materials and Equipment – In all solicitations, either by competitive bidding, or negotiation made by the contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the contractor of the contractor's obligations under this contract and the Non-discrimination Acts And Authorities on the grounds of race, color, or national origin.

d. Information and Reports – The contractor will provide all information and reports required by the Acts, the Regulations and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by PMGAA or the FAA to be pertinent to ascertain compliance with such Nondiscrimination Acts And Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the contractor will so certify to PMGAA or the FAA as appropriate, and will set forth what efforts it has made to obtain the information.

e. Sanctions for Noncompliance – In the event of a contractor's noncompliance with the Nondiscrimination provisions of this contract, the Recipient will impose such contract sanctions as it or the FAA may determine to be appropriate, including, but not limited to:

i) Withholding of payments to the contractor under the contract until the contractor complies, and/or;
ii) Cancellation, termination, or suspension of the Contract, in whole or in part.

f. Incorporation of Provisions – The contractor will include the provisions of paragraphs one through six of this **EXHIBIT D** in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. The contractor will take action with respect to any subcontract or procurement as PMGAA or the FAA may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the contractor may request PMGAA to enter into any litigation to protect the interests of PMGAA. In addition, the contractor may request the United States to enter into the litigation to protect the interests of the United States.

3. Civil Rights – Title VI List of Pertinent Nondiscrimination Acts and Authorities

During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "contractor") agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq*., 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR part 21 (Non-discrimination In Federally-Assisted Programs of The Department of Transportation—Effectuation of Title VI of The Civil Rights Act of 1964);
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 *et seq*.), as amended, (prohibits discrimination on the basis of disability); and 49 CFR part 27;
- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 *et seq*.), (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 CFR parts 37 and 38;
- The FAA's Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures non-discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq).

4. <u>Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion</u>

Contractor, by accepting this Contract, certifies that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any government department or agency.

5. <u>Project Security</u>

As some or all portions of work possible during the Term of this Contract may be located inside the secured area of the Airport, adherence to and familiarity with federal security regulations is essential. For these projects, Contractor shall be responsible for fulfilling the security requirements described herein.

a. <u>Secured Area Access</u> – All Contractor personnel who require unescorted access to the secured area of the Airport, prior to the issuance of an Airport Identification badge, must successfully complete the Security Badge Application and Security Badge Authorization forms.

b. Employee Security Badges – If deemed necessary by PMGAA all Contractor and/or subcontractor personnel performing work functions in accordance with this Contract shall obtain and properly display an Airport security badge. Contractor shall submit a Security Badge Application form to the PMGAA security office for each employee requiring unescorted access, along with the current fee for each badge. Badge fees are identified on the current *Airport Fees, Services and Rental Rates* available via the Airport website at www.gatewayairport.com and are subject to change.

i. All fees must be paid to PMGAA by cash or check.
ii. Airport Security Badge Application forms and instructions are available via the Airport website at www.gatewayairport.com.
iii. An authorized representative of Contractor must also obtain and submit a Security Media Authorization form, which is to be submitted to the PMGAA badging office. The Security Media Authorization form and instructions are available via the Airport website at www.gatewairport.com.
iv. A training class on aviation security must be successfully completed before individuals are issued a badge. Fees for the security badge include attendance for the necessary training classes. Attendance at the security classes and issuance of the security badge may take two hours per person.
v. Additional information, including a "Frequently Asked Questions" is available via the Airport website at www.gatewairport.com or by contacting the PMGAA Badging Office at (480) 988-7522. The Badging Office is located at 5803 S. Sossaman Road, Mesa AZ 85212.
vi. Contractor shall immediately notify the PMGAA Badging Office of any Contractor personnel whose employment status has changed.
vii. Contractor shall retrieve all security badges and keys and return them to the PMGAA Badging Office. A fee, as indicated on the most current *Airport Rates and Charges Schedule*, will be charged for each badge that is damaged, lost or not returned.
viii. The PMGAA Badging Office will require a completed Security Badge Application from each Contractor employee so certified by Contractor as requiring such before a Security Badge is issued.
ix. Under certain circumstances and out of control of PMGAA, security measures may change on short notice. No deviations from any security measure shall be allowed at any time.
x. At all times, aircraft shall have the right-of-way over all vehicle traffic.

c. Fines – Due to both the safety and security precautions necessary at the Airport, any failure of the Contractor to adhere to prescribed Airport requirements/regulations has consequences that may jeopardize the health, welfare and lives of Airport customers and employees, as well as the Contractor's own employees. Therefore, if Contractor is found to be in non-compliance with any security, airfield badging/licensing and airfield safety requirement, a Notice of Violations (NOV) may be issued. A current listing of fines is available by contacting the PMGAA Badging Office.

6. Standard Terms & Conditions

PMGAA's Standard Terms & Conditions (in **EXHIBIT E** attached) include clauses that pertain to both construction and professional services. For such, the term "contractor" is to be considered same as "consultant." If a clause implies construction service then it is waived for a professional services contract. PMGAA reserves the right to make that determination if there is a conflict.

7. Federal and State Guidelines and Regulations

All work performed under this Contract must satisfy FAA and applicable agency standards, and be accomplished in accordance with applicable federal, state and local guidelines and regulations, including FAA Advisory Circulars, NEPA and Arizona environmental statutes.

Contractor shall perform the services as described in approved Contract in accordance with the applicable requirements imposed by PMGAA, ADOT, FAA and any other applicable sponsoring agencies. Contractor and its sub-contractors/subcontractors, if any, shall comply with any and all applicable laws, regulations, executive orders, policies, guidelines, and any other requirements for FAA Airport Improvement Program (AIP) projects. Contractor shall provide PMGAA all information, reports, documents, and/or certifications requested by PMGAA for the satisfaction of any grant requirements for the reimbursement of services, including, without limitation, identifying

the specific services provided by Contractor and the billing period(s) during which services were or are to be provided. Nothing herein shall be construed as making the FAA or ADOT a party to this Contract.

8. Right to Contract With Other Firms

PMGAA shall have the right to contract with other firms and/or persons and/or to self-perform additional services, which may be the subject of this Contract. Contractor shall conduct its operations and perform any services authorized under the Contract so as not to interfere with or hinder the progress of completion of the work being performed by PMGAA and/or other firms and/or persons. Contractors working on the same project shall cooperate with each other in the performance, scheduling, and, if applicable, the integration of their respective services.

9. Independent Contractor Status

At all relevant times, Contractor is - and shall remain - an independent contractor with regard to performance of its services. PMGAA retains no control over Contractor, the performance of its work or services, or the safety of its employees. Contractor is not authorized to enter into any contract or commitment, authorize any payment, or accept any document, services, goods or materials for, in the name of, or on behalf of PMGAA.

EXHIBIT E – PMGAA STANDARD TERMS & CONDITIONS

1. **Certification.** Contractor certifies:
   a. The award of this Contract did not involve collusion or other anti-competitive practices.
   b. It shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11246, or A.R.S. Section 31-1461, et. seq.
   c. It has not given, offered to give, nor intends to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with this Contract; and Contractor hereby certifies that the individual signing this Contract is an authorized agent for Contractor and has the authority to bind the Contractor to the Contract.

2. **Termination of Contract.**

   a. PMGAA reserves the right to cancel this Contract in whole or in part due to failure of Contractor to carry out any term, promise, or condition of the Contract. At least ten (10) business days before terminating the Contract, PMGAA will issue a written notice of default specifying one of the following reasons. PMGAA shall, at all times during the term of the Contract or any extension term thereto, have the sole authority to determine if the default has been cured to its satisfaction.

      (1) Contractor has provided personnel that do not meet the requirements of the Contract.

      (2) Contractor has failed to perform adequately the stipulations, conditions or services/specifications required in this Contract.

      (3) Contractor has attempted to impose on PMGAA personnel or materials, products, or workmanship of unacceptable quality.

      (4) Contractor has failed to furnish the required service(s) and/or product(s) within the time stipulated in the Contract or associated Authorization of Services.

      (5) Contractor has failed to make progress in the performance of the requirements of the Contract or Authorization of Services, or Contractor fails to give PMGAA adequate assurance the Contractor will perform the Contract in full and on time.

      (6) Each payment obligation of PMGAA created hereby is conditioned on the availability of PMGAA, state, or federal funds appropriated for payment of the obligation. If funds are not available or allocated by PMGAA for continuance of service under this Contract, then PMGAA may terminate the Contract. PMGAA shall promptly notify Contractor regarding the service that may be affected by a shortage of funds. No penalty accrues to PMGAA if this provision is exercised, and PMGAA shall not be liable for any future payments due or for any damages as a result of termination under this paragraph.

   b. This Contract may be terminated at any time by mutual written consent or by PMGAA - with or without cause - provided the terminating party gives ninety (90) calendar days' advance written notice to the other party. PMGAA may terminate this Contract, in whole or in part, for PMGAA's convenience and with ninety (90) days' written notice. If this Contract is terminated, then PMGAA is liable only for services rendered and material received, certified, and approved by PMGAA under the Contract before the termination effective date.

3. **Dispute Resolution**.

   a. **Negotiations**. If a dispute arises out of or relates to this Contract or its breach, the parties to this Contract shall endeavor to settle the dispute through direct discussions as a condition precedent to mediation or binding dispute resolution.

   b. **Mediation**. Should the parties to this Contract be unable to resolve their dispute through direct negotiations, the parties to this Contract, upon the written request of either, shall engage in mediation, to be administered privately by a mediator and according to rules mutually agreed upon by the parties to this Contract, or, the absence of such mutual agreement, by a mediator appointed by JAMS and

administered by JAMS in accordance with its then-current mediation rules. The fees and costs of mediation shall be split equally by the parties to this Contract, but subject to reallocation following binding dispute resolution.

c. **Binding Dispute Resolution**. Should the parties to this Contract be unable to resolve their dispute through direct negotiations or mediation, either party may, within the time limitations for bringing claims under Arizona law and this Contract, commence formal dispute resolution proceedings. Both parties to this Contract consent to binding arbitration administered by JAMS according to its then current arbitration rules, provided, however, that (i) in the event both parties agree, the arbitration may be administered privately by an arbitrator and according to rules mutually agreed upon by the parties to this Contract, and (ii) in the event any party seeks relief against the other party or against a non-party which cannot fully be granted in arbitration, by reason of non-joinder or otherwise, the parties to this Contract are excused from this arbitration requirement and the parties to this Contract shall proceed in the state or federal courts of competent jurisdiction and located in Maricopa County, Arizona. In any arbitration or litigation, the prevailing party shall be entitled to an award of its reasonable attorneys' fees and costs as determined by the arbitrator or court as applicable.

4. **Independent Contractor.** At all times, each party acts in its individual capacity not as agent, employee, partner, joint venturer, or associate of the other party. An employee or agent of one party may not be deemed or construed to be the employee or agent of the other party for any purpose whatsoever. Neither Contractor nor any of its employees are entitled to compensation from PMGAA in the form of salaries, paid vacation, or sick days. PMGAA will not provide any insurance to Contractor, including *Workers' Compensation* coverage. PMGAA will not withhold FICA, taxes, or any similar deductions from PMGAA's payments under this Contract.

5. **Affirmative Action.** Contractor shall abide by all the federal and state of Arizona provisions for equal opportunity in the work place.

6. **Human Relations**. Contractor shall abide by all the federal and state of Arizona provisions against discrimination of disadvantaged business enterprises in applicable PMGAA contracts.

7. **Non-Exclusive Contract**. This Contract is for the sole convenience of PMGAA. PMGAA reserves the right in its discretion to obtain the same or similar goods or services from any other source.

8. **Americans with Disabilities Act.** Contractor shall comply with all applicable provisions of the *Americans with Disabilities Act* (Public Law 101-336, 42 U.S.C. 12101-12213) and applicable federal regulations under the *Act*.

9. **Confidentiality of Records**. Contractor shall establish and maintain procedures and controls that are acceptable to PMGAA for the purpose of assuring that no information contained in its records or obtained from PMGAA or from others in carrying out its functions under the Contract shall be used by or disclosed by it, its agents, officers, or employees, except as required to efficiently perform duties under this Contract. Persons requesting such information should be referred to PMGAA. Contractor also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of Contractor as needed for the performance of duties under the Contract, unless otherwise agreed to in writing by PMGAA.

10. **Gratuities.** PMGAA may, by written notice to the Contractor, cancel this Contract if it is found that gratuities, in the form of entertainment, gifts or otherwise, were offered or given by Contractor or any agent or representative of Contractor, to any officer or employee of PMGAA involved in the amending, or the making of any determinations with respect to the performing of such Contract. If this Contract is canceled by PMGAA under this provision, PMGAA shall, in addition to any other rights and remedies, repay to the Contractor the amount of the gratuity.

11. **Applicable Law.** This Contract shall be governed by, and PMGAA and Contractor shall have, all remedies afforded each by the *Uniform Commercial Code*, as adopted in the state of Arizona, except as otherwise provided in this Contract or in laws pertaining specifically to PMGAA. This Contract shall be governed by

the laws of the state of Arizona, and suits pertaining to this Contract shall be brought only in federal or state courts in the state of Arizona.

12. **Contract**. This Contract is based on and the result of a negotiated Scope of Work and Proposal, Bid or Statement of Qualifications submitted by Contractor under this RFP, IFB or RFQ. The Contract contains the entire agreement between PMGAA and Contractor. No prior oral or written agreements, contracts, proposals, negotiations, purchase orders, or master agreements (in any form) are enforceable between the parties.

13. **Contract Amendments**. This Contract shall be modified only by a written amendment signed by the PMGAA Executive Director or his/her designee, and persons duly authorized to enter into contracts on behalf of Contractor.

14. **Provisions Required by Law**. Each and every provision of law and any clause required by law to be in the Contract shall be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party the Contract shall forthwith be physically amended to make such insertion or correction.

15. **Severability.** The provisions of this Contract are severable to the extent that any provision or application held to be invalid shall not affect any other provision or application of the Contract, which may remain in effect without the valid provision, or application.

16. **Protection of Government Property.** Contractor shall use reasonable care to avoid damaging all PMGAA property, including buildings, equipment, and vegetation (such as trees, shrubs, and grass). If Contractor damages PMGAA's property in any way, Contractor shall immediately report such damage to PMGAA and repair or replace the damage at no cost to PMGAA, as directed by the PMGAA Executive Director. If Contractor fails or refuses to repair or replace the damage, then PMGAA may terminate the Contract, and PMGAA shall deduct the repair or replacement cost from money due Contractor under the Contract.

17. **Interpretation – Parol Evidence.** This Contract is intended by the parties as a final expression of their agreement and is intended also as a complete and exclusive statement of the terms thereof. No course of prior dealings between the parties and no usage of the trade shall be relevant to supplement or explain any term used in this Contract. Acceptance or acquiescence in a course of performance rendered under this Contract shall not be relevant to determine the meaning of this Contract even though the accepting or acquiescing party has knowledge of the nature of the performance and opportunity to object.

18. **Subcontracts.** Contractor shall not assign any rights or interest nor enter into any subcontract with any other party to furnish any of the materials, goods or services specified herein without the prior written permission of PMGAA. PMGAA may, at its sole discretion, accept or reject proposed subcontractors or assignment. PMGAA shall notify Contractor of its acceptance or rejection within forty-five (45) days or written request by Contractor. All subcontracts shall comply with federal and state laws and regulations applicable to the materials, goods or services covered by the subcontract and shall include all the terms and conditions set forth herein, which shall apply with equal force to the subcontract, as if the subcontractor were the Contractor referred to herein. Contractor is responsible for Contract performance whether subcontractors are used.

19. **No Waiver.** No provision in this Contract shall be construed, expressly or by implication, to waive either party's existing or future claim, right, or remedy available by law for breach of contract. The failure of either party to insist on strict performance of any Contract term or condition; to exercise or delay exercising any right or remedy provided in the Contract or by law; or to accept materials, services, or Contractor's services under this Contract or imposed by law, shall not be deemed a waiver of any right of either party to insist upon strict performance of the Contract.

20. **Warranties.** Contractor warrants that all materials and services delivered under this Contract shall conform to the specifications thereof. Mere receipt of shipment of the material or service specified and any inspection incidental thereto by PMGAA, shall not alter or affect the obligations of Contractor or the rights of PMGAA under the foregoing warranties. Additional warranty requirements may be set forth in this Contract.

21. **Indemnification.** To the fullest extent permitted by law, Contractor shall defend, save, indemnify, and hold harmless PMGAA, its agents, representatives, officers, directors, officials, and employees (collectively the "Indemnitees"), for, from and against all claims, damages, losses and expenses, including but not limited to attorney fees, court costs, expert witness fees, and the cost of appellate proceedings, relating to, arising out of, or alleged to have resulted from the Contractor's acts, errors, omissions, or mistakes relating to Contractor's services under this Contract.

22. **Right to Assurance.** Whenever one party to this Contract in good faith has reason to question the other party's intent to perform, the former party may demand that the other party give a written assurance of this intent to perform. If a demand is made and no written assurance is given within five (5) business days, the demanding party may treat this failure as an anticipatory repudiation with this Contract.

23. **Advertising.** Contractor shall not advertise or publish information concerning this Contract without prior written consent of PMGAA.

24. **Right to Inspect.** PMGAA may, at reasonable times, and at PMGAA's expense, inspect the place of Contractor's or any of Contractor's subcontractor's business, which is related to the performance of this Contract or related subcontract.

25. **Force Majeure.** 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 Contract to be performed by such party ("Required Act"), and such delay or hindrance is due to causes entirely beyond its control such as riots, insurrections, martial law, civil commotion, war, fire, flood, earthquake, or other casualty or acts of God ("Force Majeure Event"), 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 delay. For purposes of this Contract, the financial inability of Contractor to perform any Required Act, including, without limitation, failure to obtain adequate or other financing shall not be deemed to constitute a Force Majeure Event. A Force Majeure Event shall not be deemed to commence until ten (10) days before the date on which the party who asserts some right, defense, or remedy arising from or based upon such Force Majeure Event gives written notice thereof to the other party. If abnormal adverse weather conditions are the basis for a claim for an extension of time due to a Force Majeure Event, the written notice shall be accompanied by data substantiating (a) that the weather conditions were abnormal for the time and could not have been reasonably anticipated and (b) that the weather conditions complained of had a significant adverse effect on the performance of a Required Act. To establish the extent of any delay to the performance of a Required Act due to abnormal adverse weather, a comparison will be made of the weather for the time of performance of the Required Act with the average of the preceding ten (10) years' climatic range based on the National Weather Service statistics for the nearest weather reporting station to the Premises. No extension of time for or excuse for a delay in the performance of a Required Act will be granted for rain, snow, wind, cold temperatures, flood, or other natural phenomena of normal intensity for the locality where the Premises are located.

26. **Inspection.** All material or service is subject to final inspection and acceptance by PMGAA. Material or service failing to conform to the specifications of this Contract will be held at Contractor's risk and may be returned to Contractor. If so returned, all costs are the responsibility of Contractor. Noncompliance shall conform to the cancellation clause set forth in this Contract.

27. **Exclusive Possession.** All services, information, computer program elements, reports, and other deliverables, which may be created under this Contract, are the sole property of PMGAA and shall not be used or released by Contractor or any other person except with prior written permission by PMGAA.

28. **Title and Risk of Loss.** The title and risk of loss of materials or services shall not pass to PMGAA until PMGAA actually receives the material or service at the Airport, unless otherwise provided within this Contract.

29. **Liens.** All materials, services, and other deliverables supplied to PMGAA under this Contract must be free of all liens and other encumbrances. Upon request of PMGAA, Contractor shall provide a formal release of all liens.

30. **Licenses.** Contractor shall maintain in current status all federal, state, and local licenses and permits required for the operation of the business conducted by Contractor as applicable to this Contract.

31. **Subsequent Employment.** PMGAA may cancel this Contract without penalty or further obligation in accordance with A.R.S. Section 38-511 if any person significantly involved in initiating, negotiating, securing, drafting, or creating the contract, on behalf of the PMGAA is or becomes, at any time while the Contract or any extension of the contract is in effect, an employee of, or a contractor to any other party to this Contract with respect to the subject matter of the Contract. Such cancellation shall be effective when the parties to this Contract receive written notice from PMGAA, unless the notice specifies a later time.

32. **Clean Up.** Contractor shall at all times keep Contract performance areas, including storage areas used by the Contractor, free from accumulation of waste material or rubbish and, prior to completion of the work, remove any rubbish from the premises and all tools, scaffolding, equipment and materials not property of PMGAA. Upon completion of any repair, Contractor shall leave the work and premises in clean, neat, and workmanlike condition.

33. **Patents.** Contractor shall defend, indemnify, and hold harmless PMGAA, its officers and employees from all liabilities, claims, damages, costs, or expenses, including, but not limited to attorneys' fees, for any alleged infringement of any person's patent rights or copyrights in consequence of the use by PMGAA, its officers, employees, agents, and other duly authorized representatives of tangible or intellectual property supplied to PMGAA by Contractor under this Contract.

34. **Records and Audit Rights.** Contractor's and all of its approved subcontractors' books, records, correspondence, accounting procedures and practices, and any other supporting evidence relating to this Contract, including the papers of all Contractor and subcontractor employees that work on the Contract (all the foregoing collectively referred to as "Records"), must be open to inspection and subject to audit and/or reproduction during normal working hours by PMGAA. PMGAA is entitled to evaluate and verify all invoices, payments or claims based on Contractor's and its subcontractor's actual costs (including direct and indirect costs and overhead allocations) incurred or units expended directly in the performance of work under this Contract. For any audit under this Section, Contractor and its subcontractors hereby waive the right to keep such Records confidential. PMGAA is entitled to access to these Records from the effective date of this Contract for the duration of the work and until five years after the date of final payment by PMGAA to Contractor under the Contract. During normal working hours, PMGAA is entitled to access to all necessary Contractor and subcontractor facilities and shall be provided adequate and appropriate workspace, in order to conduct audits under this Section. PMGAA shall give Contractor or subcontractors reasonable advance notice of intended audits. Contractor shall require its subcontractors to comply with the provisions of this Section by including its requirements in all subcontracts related to this Contract.

35. **E-Verify Requirements.** To the extent applicable under A.R.S. § 41-4401, Contractor and its subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees, and compliance with the E-Verify requirements under A.R.S. §23-214(A). Contractor's or its subcontractors' failure to comply with such warranty shall be deemed a material breach of this Contract and may result in the termination of this Contract by PMGAA. PMGAA shall have the right to inspect the papers of Contractor's and any of Contractor's subcontractor's employee who works on this Contract to ensure the Contractor is complying with this paragraph.

EXHIBIT F – OVERVIEW MAP OF FACILITIES

EXHIBIT G – MINIMUM CLEANING FREQUENCIES BY FACILITY

Contractor shall provide the services to meet the Scope at least to the minimum frequencies listed below for each facility listed.

Airport Terminal Facility

1. Charles L. Williams Terminal Complex (Airport Terminal Building)
   Approximate service square footage: 89,000 square feet

Service Tasks	Frequency
General Cleaning	Daily
Emptying Trash & Recycle Receptacles	Daily
Restock Supplies	Daily
Restroom Maintenance	Daily
Floor Tasks	**Frequency**
Sweep & Mop/Scrub	Daily
Hard Floor – Burnish	Weekly
Hard Floor – Refinishing	Twice Annually
Carpet – Extraction	Quarterly
Carpet – Spot Cleaning	As needed
Specialty Tasks	**Frequency**
High Reach Cleaning	Annually
HVAC Cleaning	Quarterly
Pet Waste Stations	Daily

Day Porter Tasks	Frequency
General Cleaning	Continuous
Emptying Trash & Recycle Receptacles	Continuous
Restock Supplies	Continuous
Restroom Maintenance	Continuous

2. TSA Space (Within the Airport Terminal Building) – Service Window: Monday – Friday, 10pm to 3am
   Approximate service square footage: 1,000 square feet (included in the overall 88,000 Terminal sq ft above)

Service Tasks	Frequency
General Cleaning	Daily
Emptying Trash & Recycle Receptacles	Daily
Restock Supplies	Daily
Restroom Maintenance	N/A
Floor Tasks	**Frequency**
Sweep & Mop/Scrub	Daily
Hard Floor – Burnish	Monthly
Hard Floor – Refinishing	Annually
Carpet – Extraction	Annually
Carpet – Spot Cleaning	As needed
Specialty Tasks	**Frequency**
High Reach Cleaning	N/A
HVAC Cleaning	Quarterly
Pet Waste Stations	N/A

Airport Campus Facilities

	Gateway Aviation Center	CBP Office	Badging Office	Airport Admin - Public	Airport Admin - Secure	Airport Maintenance Building	Fuel Storage Facility	Hangar 46	Hangar 32	Car Care Facility	Lynn Kusy Park	Air Traffic Control Tower (6309-3)	Rental Car Ready Lot
Service Tasks													
General Cleaning	Daily	Daily	Weekly	Daily	Weekly	Daily	Daily	Daily	Weekly	Weekyl	N/A	Daily	N/A
Emptying Trash & Recycle Receptacles	Daily	Daily	Weekly	Daily	Weekly	Daily	Daily	Daily	Weekly	Daily	Daily	Daily	Daily*
Restock Supplies	Daily	Daily	Weekly	Daily	N/A	Daily	Daily	Daily	Weekly	Daily	N/A	Daily	N/A
Restroom Maintenance	Daily	Daily	N/A	Daily	N/A	Daily	Daily	Daily	Weekly	Daily	N/A	Daily	N/A
Floor Tasks													
Sweep & Mop/Scrub	Daily	Daily	N/A	Daily	N/A	Daily	Weekly	Weekly	Weekly	Daily	N/A	Daily	N/A
Hard Floor – Burnish	Weekly	Weekly	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Hard Floor - Striping and Refinishing	Annually	Annually	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Carpet – Extraction	Quarterly	N/A	Semi-Annually	Semi-Annually	Annually	N/A	N/A	N/A	Annually	N/A	N/A	Quarterly	N/A
Carpet – Spot Cleaning	As needed	N/A	As needed	As needed	As needed	N/A	N/A	N/A	As needed	N/A	N/A	As Needed	N/A
Specialty Tasks													
High Reach Cleaning	N/A	N/A	N/A	Annually	Annually	N/A	N/A	N/A	N/A	N/A	N/A	Annually	N/A
HVAC Cleaning	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	N/A	Quarterly	N/A
Pet Waste Stations	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Daily	Daily	N/A	N/A
Facility Porter													
General Cleaning	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	N/A
Emptying Trash & Recycle Receptacles	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	N/A
Restock Supplies	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	N/A
Restroom Maintenance	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	N/A
Building Info													
Service Area Square Footage	10,600	660	600	3,250	10,000	3,550	400	440	5,000	60	N/A	2,705	30,000
Service Times due to facility restrictions	9pm - 5am	M,W,F (Business Hours)	7am-5pm M-Th		F-Su							12am-5am	

*Refuse, debris and trash pickup throughout the rental ready lot and receptacles

EXHIBIT H – CONTRACTOR'S RFP SUBMITTAL

Contractor's Proposal in response to Phoenix-Mesa Gateway Airport Authority's Solicitation 2023-015-RFP dated October 28, 2022, is hereby incorporated herein and made part of this Contract.

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 22-78

To:	**Board of Directors**
From:	**Arturo Montoya, Information Technology Manager**
Through:	**Chuck Odom, Chief Financial Officer/CFO**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject:	**Storage Area Network (SAN) system through CDW-G**
Date:	**December 20, 2022**

Proposed Motion
To authorize a purchase with CDW Government, Inc. (CDW-G) for a technology refresh of a Storage Area Network (SAN) system in an amount not to exceed $131,565.34.

Narrative
PMGAA ITS life cycle refresh program is based on technology best practices for every five years SAN system replacement. CDWG has worked with the manufacturer HPE to provide additional end of year discounts exceeding $73,000 if procured by the end of the calendar year.

The SAN system is critical to the organization for file management of all data requirements. Contracts, board action items, purchase orders, department process documentation, and many other file types are dependent on the SAN system.

The proposed system is the latest generation system of the currently implemented SAN system PMGAA is currently using.

Phoenix-Mesa Gateway Airport Authority (PMGAA) is a participant of the National IPA (NIPA) cooperative purchasing group. Under NIPA, CDW-G was awarded Information Technology Solutions and Services contract #2018011-01. It is through this cooperative purchasing agreement that PMGAA will utilize CDW-G for the SAN system. This contract is available upon request.

Fiscal Impact
This purchase was included in the FY23 Capital Improvement Projects and is funded under CIP 1225.

Attachment(s)
Quote

RESOLUTION NO. 22-78

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize a purchase with CDW Government, Inc. (CDW-G) for a technology refresh of a Storage Area Network (SAN) system in an amount not to exceed $131,565.34;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

> **The Board of Directors of the Authority hereby authorizes a purchase with CDW Government, Inc. (CDW-G) for a technology refresh of a Storage Area Network (SAN) system in an amount not to exceed $131,565.34. 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 20th day of December, 2022.

Brigette Peterson, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

Thank you for choosing CDW. We have received your quote.

Hardware Software Services IT Solutions Brands Research Hub

Review and Complete Purchase

BRIAN WALLACE,

Thank you for considering CDW•G for your technology needs. The details of your quote are below. **If you are an eProcurement or single sign on customer, please log into your system to access the CDW site.** You can search for your quote to retrieve and transfer back into your system for processing.

For all other customers, click below to convert your quote to an order.

Convert Quote to Order

QUOTE #	QUOTE DATE	QUOTE REFERENCE	CUSTOMER #	GRAND TOTAL
MZLX443	9/21/2022	ALLETRA	11231946	$131,565.34

QUOTE DETAILS

ITEM	QTY	CDW#	UNIT PRICE	EXT. PRICE
HPE ALLETRA 5010 CTO BASE ARRAY Mfg. Part#: R4U33A Contract: National IPA Technology Solutions - PMGAA (2018011-01)	2	7175762	$5,500.00	$11,000.00
HPE Nimble Storage 4-port Adapter Kit - network adapter Mfg. Part#: Q8C17B UNSPSC: 43201404 Contract: National IPA Technology Solutions - PMGAA (2018011-01)	2	5128491	$2,000.00	$4,000.00
HPE ALLETRA 5000 2.88TB FIO CACHE Mfg. Part#: R4U47A Contract: National IPA Technology Solutions - PMGAA (2018011-01)	4	7172678	$6,250.00	$25,000.00
HP Nimble Storage NEMA 5-15 to C13 US FIO Power Cord Mfg. Part#: Q8J18A UNSPSC: 26121636 Contract: National IPA Technology Solutions - PMGAA (2018011-01)	4	5102100	$0.00	$0.00
HPE Nimble Storage C13 to C14 FIO Power Cord Mfg. Part#: Q8J27A UNSPSC: 26121636 Contract: National IPA Technology Solutions - PMGAA (2018011-01)	4	5103870	$0.00	$0.00
HPE ALLETRA 5000 42T SAS FIO HDD BND Mfg. Part#: R4U42A Contract: National IPA Technology Solutions - PMGAA (2018011-01)	2	7175766	$8,590.00	$17,180.00
HPE Alletra Tier 1 Storage Array Mfg. Part#: R9X15A Contract: National IPA Technology Solutions - PMGAA (2018011-01)	2	7027805	$0.00	$0.00

QUOTE DETAILS (CONT.)				
HPE Nimble Storage NOS Default Software - license - 1 license Mfg. Part#: Q8G27B UNSPSC: 43232907 Electronic distribution - NO MEDIA Contract: National IPA Technology Solutions - PMGAA (2018011-01)	2	5102099	$0.00	$0.00
HPE Alletra 5010 Software and Support - subscription license (5 years) - 1 Mfg. Part#: S0L75AAE Electronic distribution - NO MEDIA Contract: National IPA Technology Solutions - PMGAA (2018011-01)	2	7175769	$20,500.00	$41,000.00
HPE TIER 1 STORAGE ARRAY STARTUP SVC Mfg. Part#: HA124A1#5MR Electronic distribution - NO MEDIA Contract: National IPA Technology Solutions - PMGAA (2018011-01)	2	6986685	$3,000.00	$6,000.00
HPE TIER 1 STORAGE ARRAY PP STUP SVC Mfg. Part#: HA124A1#V0S Electronic distribution - NO MEDIA Contract: National IPA Technology Solutions - PMGAA (2018011-01)	2	7004467	$2,950.00	$5,900.00
HPE Pointnext Tech Care Essential Service - extended service agreement - 5 Mfg. Part#: HU4A6A5#ZG0 Electronic distribution - NO MEDIA Contract: National IPA Technology Solutions - PMGAA (2018011-01)	2	6816095	$2,800.00	$5,600.00
HPE ALLETRA 5010 CTO BASE ARRAY SUPP Mfg. Part#: HU4A6A5007D Electronic distribution - NO MEDIA Contract: National IPA Technology Solutions - PMGAA (2018011-01)	2	7175773	$900.00	$1,800.00
HPE ALLETRA 5000 42T SAS HDD BDL SUP Mfg. Part#: HU4A6A5007M Electronic distribution - NO MEDIA Contract: National IPA Technology Solutions - PMGAA (2018011-01)	2	7175782	$1,450.00	$2,900.00
HPE ALLETRA 5000 2.88TB FIO BDL SUPP Mfg. Part#: HU4A6A5007T Electronic distribution - NO MEDIA Contract: National IPA Technology Solutions - PMGAA (2018011-01)	4	7175783	$1,250.00	$5,000.00

SUBTOTAL	$125,380.00
SHIPPING	$0.00
SALES TAX	$6,185.34
GRAND TOTAL	**$131,565.34**

PURCHASER BILLING INFO	DELIVER TO
Billing Address: PHOENIX-MESA GATEWAY AIRPORT AUTH ACCOUNTS PAYABLE 5835 S SOSSAMAN RD MESA, AZ 85212-6014 **Phone:** (480) 988-7619 **Payment Terms:** Net 30 Days-Govt State/Local	**Shipping Address:** PHOENIX-MESA GATEWAY AIRPORT AUTH BRIAN WALLACE 5835 S SOSSAMAN RD MESA, AZ 85212-6014 **Phone:** (480) 988-7619 **Shipping Method:** DROP SHIP-GROUND
	Please remit payments to:

CDW Government
75 Remittance Drive
Suite 1515
Chicago, IL 60675-1515

Sales Contact Info

Chris Anderson | (877) 570-2643 | chrande@cdwg.com

LEASE OPTIONS			
FMV TOTAL	**FMV LEASE OPTION**	**BO TOTAL**	**BO LEASE OPTION**
$125,380.00	**$3,327.59/Month**	**$125,380.00**	**$3,852.93/Month**

Monthly payment based on 36 month lease. Other terms and options are available. Contact your Account Manager for details. Payment quoted is subject to change.

Why finance?

• Lower Upfront Costs. Get the products you need without impacting cash flow. Preserve your working capital and existing credit line.

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• Predictable, Low Monthly Payments. Pay over time. Lease payments are fixed and can be tailored to your budget levels or revenue streams.

• Technology Refresh. Keep current technology with minimal financial impact or risk. Add-on or upgrade during the lease term and choose to return or purchase the equipment at end of lease.

• Bundle Costs. You can combine hardware, software, and services into a single transaction and pay for your software licenses over time! We know your challenges and understand the need for flexibility.

General Terms and Conditions:

This quote is not legally binding and is for discussion purposes only. The rates are estimate only and are based on a collection of industry data from numerous sources. All rates and financial quotes are subject to final review, approval, and documentation by our leasing partners. Payments above exclude all applicable taxes. Financing is subject to credit approval and review of final equipment and services configuration. Fair Market Value leases are structured with the assumption that the equipment has a residual value at the end of the lease term.

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This order is subject to CDW's Terms and Conditions of Sales and Service Projects at
http://www.cdwg.com/content/terms-conditions/product-sales.aspx
For more information, contact a CDW account manager

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Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 22-79

To:	**Board of Directors**
From:	**Shea Joachim, CEcD, Business Development Director**
Through:	**J. Brian O'Neill, A.A.E., Executive Director/CEO**
Subject:	**Ground Transportation License Agreement Renewal with Turo, Inc.**
Date:	**December 20, 2022**

Proposed Motion
To approve the renewal of the Ground Transportation License Agreement between Turo, Inc. and Phoenix-Mesa Gateway Airport Authority.

Narrative
Turo, Inc. ("Turo") is the world's largest car sharing marketplace where customers can choose from a variety of privately owned vehicles to book and use for any occasion. The Airport has worked to include this new category in the ground transportation program to provide Airport customers with an additional ground transportation service. Turo and PMGAA entered into a Ground Transportation License Agreement on August 1st, 2022. The Ground Transportation License Agreement is set to expire on December 31, 2022, but it does include a one-year renewal option.

Program Performance
The platform which Turo provides at the Airport has proved to be both a popular and lucrative business opportunity. The Airport requires Turo to pay a fee equal to 10% of Licensee's Monthly Gross Revenue relating to all transactions occurring at the Airport.

Between August 1st, 2022, through October 31st, 2022, the Airport has realized $33,275.60 in revenue. Airport staff believes the revenue generated next calendar year from Turo activity will exceed $50,000.

Staff Recommendation
Staff recommends the Board approve the one-year renewal to the Ground Transportation License Agreement.

Attachment(s)
Turo, Inc. Ground Transportation License Agreement
Turo, Inc. Renewal Approval Letter

RESOLUTION NO. 22-79

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to approve the renewal of the Ground Transportation License Agreement between Turo, Inc. and Phoenix-Mesa Gateway Airport Authority;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

> **The Board of Directors of the Authority hereby approves the renewal of the Ground Transportation License Agreement between Turo, Inc. and Phoenix-Mesa Gateway Airport Authority. 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 20th day of December, 2022.

Brigette Peterson, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

Phoenix-Mesa Gateway Airport

Phoenix-Mesa Gateway Airport Authority

Terminal Ground Transportation License Agreement

with

TURO INC.

Effective Date: **August 1, 2022**

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Phoenix-Mesa Gateway Airport Authority
TERMINAL GROUND TRANSPORTATION
LICENSE AGREEMENT

This non-exclusive TERMINAL GROUND TRANSPORTATION LICENSE AGREEMENT (the "Agreement") is made and entered into this FIRST (1st) day of AUGUST 2022 ("Effective Date"), by and between the **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY**, a joint powers airport authority authorized and existing under the laws of the State of Arizona ("PMGAA"), and Turo, Inc. a DELAWARE CORPORATION ("Licensee"). PMGAA and Licensee may be referred to jointly as "Parties," and each separately as a "Party."

WITNESSETH:

WHEREAS, PMGAA is the owner and operator of the Phoenix-Mesa Gateway Airport, an airport and airfield property generally located at the intersection of Ray Road and Sossaman Road, City of Mesa, Maricopa County, Arizona ("Airport"); and

WHEREAS, PMGAA 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 Agreement in respect thereof; and

WHEREAS, PMGAA desires Licensee's services as the operator of a commercial PEER-TO-PEER VEHICLE SHARING business from and in proximity to the Airport's airline passenger terminal ("Terminal"), is willing to make space available for use by Licensee in connection therewith, and has deemed Licensee qualified to perform said services, and Licensee desires to perform and provide said services.

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. AGREEMENT

1.1 General.

1.1.1 PMGAA hereby grants to Licensee, for the term and under the conditions herein provided, a non-exclusive and revocable right to enter upon and use the Airport (pursuant to the provisions of SECTION 30 herein) for the privilege and purpose of conducting its business as a commercial Peer-to-Peer Vehicle Sharing provider from the specified passenger pickup location depicted in **EXHIBIT A** which is attached hereto and made a part hereof.

1.1.2 In return for the privileges and rights herein granted, Licensee shall provide Peer-to-Peer Vehicle Sharing from the Airport seven (7) days per week, 365-days per year, and/or as dictated by airline flight schedule(s) and public demand for such services.

1.1.3 Licensee shall not engage in any other commercial revenue producing activity at the Airport that is in addition to or materially differs from the activity set forth in SECTIONS 1.1.1 and 1.1.2 hereinabove without first applying for and receiving written approval for such activity from PMGAA. In the event Licensee engages in any such other commercial revenue producing activity prior to obtaining such written approval, without waiver or limitation of any other remedies of PMGAA at law or equity, Licensee hereby agrees to immediately cease said activity upon notice from PMGAA, and remit to PMGAA the sum equal to twenty percent (20%) of Licensee's gross billings for such unauthorized activity, plus any expenses incurred by PMGAA in the course of any audit conducted for any or all of Licensee's activities.

1.2 Definitions. For purposes of this Agreement, the following terms and definitions shall be applicable herein:

Courtesy Vehicle means any form of ground transportation provided by or through any business located off the Airport, including hotels, parking facilities, rental car companies, corporations, shopping centers and attractions, as a service to its employees, customers, or other users, regardless of whether the passenger pays a direct fee for the service

Driver shall mean any person who drives and/or operates a ground transportation provider vehicle on the Airport pursuant to this Agreement.

Gross Revenue shall mean all monetary amounts received, delivered, and/or realized by Licensee (whether collected or not), without deduction or offset, whether by cash, credit or otherwise, related to Licensee's Hosts, and not including any Airport fines or citations issued by PMGAA as authorized and permitted by this Agreement, except: (i) any fee or other charge levied by federal, state, county or municipal government that is explicitly identified by the taxing authority as a tax levied on the customer and required by law to be separately stated and required to be collected; (ii) any fees or costs charged or deducted by third party credit card issuers, including but not limited to MasterCard and Visa; (iii) sums collected for damage, loss, conversion or abandonment of Licensee's Hosts personal property, vehicles or for disposal of Licensee's Hosts damaged vehicles, provided that Licensee Host retains documentation from a third party that establishes that the damage, loss, conversion, abandonment or disposal occurred and identifies the sums collected; (iv) any state road tolls and government issued fines or citations that are (a) paid by Licensee and charged back to the customer or (b) received by Licensee as payment on behalf of the customer; (v) any amounts received for any cancellation fees; and (vi.) any amounts received by Licensee from customers which are fully passed through to Hosts such as post-trip reimbursements, smoking fees, etc.

Ground Transportation Provider shall mean the PMGAA-authorized provision of pre-arranged and contracted ground transportation services to arriving Airport Terminal passengers from the designated passenger pickup location depicted in **EXHIBIT A** using a commercial ground transportation motor vehicle, as defined herein. Ground Transportation Providers shall also be permitted to make drop-offs at the Airport.

Limousine means a motor vehicle without a meter that includes a converted chassis and a seating capacity between seven (7) and fourteen (14) passengers, excluding the Driver.

Livery Vehicle or Livery means a motor vehicle without a meter that provides seating for not less than three (3) passengers, excluding the Driver. Such vehicles are considered to include Lincoln Town Cars and similar full-size luxury vehicles and are registered as a Livery Vehicle with the Arizona Department of Transportation.

Minibus means any motor vehicle with a designated seating capacity between fifteen (15) and twenty-three (23) passengers that is authorized to provide shared ride ground transportation services from the Airport Terminal.

Host means the registered vehicle owner, or a person or entity designated by the registered owner, of a vehicle that is made available for vehicle sharing to customers through Licensee's vehicle sharing program.

Peer-to-Peer Vehicle Sharing means an arms-length, remote, web-based, or mobile transaction where a vehicle owner allows a third party to use the owner's vehicle(s) for a fee. This includes, but is not limited to, reservations made through network applications or another platform that connects vehicle owners with Airport customers seeking to reserve the vehicle(s).

Pre-arranged means transportation for a passenger (or group of passengers) that is arranged in advance in a motor vehicle with seating capacity not exceeding fifteen (15) passengers including the driver (Courtesy/Livery/Sedan/Shared Ride Services shall all be encompassed into this category).

Safety Regulations means the provisions of A.R.S. Title 28, Chapter 14, as amended, and any applicable rules and regulations promulgated thereunder by the Motor Vehicle Division of the State of Arizona Department of Transportation and the PMGAA Executive Director or his/her designee.

Scheduled means a ground transportation motor vehicle picking up a passenger or passengers at the Airport Terminal on a pre-arranged, contract basis.

Shared Ride Services means the non-exclusive use of a ground transportation motor vehicle, either a van or minibus, by two or more unrelated passengers, being transported to separate, pre-determined destinations, or destinations agreed upon by the passenger(s) and Driver. This definition shall not include TNCs or TNC Vehicles.

Shared Ride Van (Shuttle) means any commercial motor vehicle with a designated seating capacity between six (6) and sixteen (16) passengers that is authorized to provide shared ride ground transportation services from the Airport Terminal. This definition shall not include TNC Vehicles.

Taxicab means a ground transportation motor vehicle with a designated seating capacity of seven (7) or fewer passengers, excluding the driver, having four doors for passenger ingress and egress, and furnished for hire on an exclusive basis and at a charge or fare based upon time and/or mileage, the total for which is recorded and indicated on a taxicab meter.

Taxicab Meter means any mechanical, electrical, or electronic device that is installed in a taxicab and conforms to the standards established by the State of Arizona, and otherwise measures the distance driven and/or time upon which the fare is based and numerically displays, in dollars and cents, such fare in a manner readily visible to the passenger(s) and at the fare or rate displayed on the outside of the vehicle.

Taxicab Queuing Area means that certain area, designated by the PMGAA Executive Director, for Licensee's passenger pickup, as depicted in **EXHIBIT A** and which is subject to change at the Executive Director's sole and absolute discretion.

Taxicab Staging Area means that certain area, designated by the PMGAA Executive Director, for the staging of Licensee's taxicabs prior to such taxicabs being dispatched to the Terminal Queuing Area for passenger pickups, as depicted in **EXHIBIT A** and which is subject to change at the Executive Director's sole and absolute discretion.

Transportation Network Company Motor Vehicle (TNC Vehicles) shall mean a motor vehicle with a seating capacity not exceeding eight (8) passenger(s), including the Driver, that is authorized by a transportation network company, and that is used by a transportation network Driver to provide transportation network services.

Transportation Network Company (TNC) shall mean an entity that has been issued a permit by the state of Arizona, that operates in the state of Arizona, that uses a digital network or software application to connect passenger(s) to transportation network services provided by transportation networks, and that may but is not deemed to own, operate, or control a personal motor vehicle of a transportation network Driver.

Unscheduled means a ground transportation motor vehicle picking up a passenger or passengers at the Airport on other than a prearranged basis.

1.3 Licensee's Acknowledgement. By entering into this Agreement, Licensee acknowledges and agrees that:

1.3.1 PMGAA may enter into similar agreements with other Licensees for services similar to those provided hereunder and under similar terms; provided, however, that PMGAA shall not grant to any other individual or entity a similar concession under terms and conditions substantially different from or more favorable than those granted to Licensee, and provided that such third-party activities do not require or materially interfere with Licensee's permitted activities at and on the Airport.

1.3.2 Its obligations to pay fees and all other charges due and owing under the terms hereof shall, except as otherwise provided herein, 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 Licensee may have against PMGAA or the United States of America or anyone else for any reason whatsoever; (ii) any liens, encumbrances or rights of others with respect to Licensee's business; (iii) the invalidity or unenforceability or lack of due authorization or other infirmity of this Agreement or any lack of right, power or authority of PMGAA or Licensee to enter into this Agreement; (iv) any insolvency, bankruptcy, reorganization or similar proceedings by or against Licensee, 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 fees and charges being payable by Licensee hereunder shall continue to be payable in all events and in the manner and at the times provided herein.

a. Pre-Arranged Services; Curb area at the designated pre-arranged passenger pickup location is designated for multiple functions and is provided to Licensee on a space-available basis only. As a result of this limited space, Licensee's Drivers shall only be permitted to occupy such space for a maximum duration of thirty (30) minutes and only to satisfy a scheduled arriving passenger contract requirement. Pre-arranged Hosts arriving early may stage in the Airport designated cell phone lot until the scheduled arrival time or actual arrival. Under no circumstances shall any Licensee Driver be permitted to park within the designated passenger pickup location without a passenger contract commitment or solicit passengers therefrom or elsewhere within the Terminal area. At no time, shall any Driver be permitted to leave his or her vehicle unattended (meaning not out of said Driver's direct line of sight) while parked in the queuing area.

b. Limousine; In providing said services, Licensee's Drivers shall park in the Terminal's hourly (or short-term) lot; except, however, that Drivers of over-sized limousines shall be required to park in the Terminal Cell Phone Lot due to space and maneuvering area limitations in the hourly lot. Drivers parking within the Terminal's hourly (or short-term) lot shall pay the appropriate PMGAA fee. There is no charge for parking in the Terminal Cell Phone Lot. Licensee's Drivers, when parked within the Terminal's hourly (or short-term) lot, shall be permitted to enter the Terminal baggage claim area to meet and greet their customers. Alternatively, Drivers shall be permitted to greet their customer(s) curbside in proximity to the Terminal baggage claim area, but only after receiving notification the customer has arrived and is physically awaiting pickup. At no time, shall any Driver be permitted to leave his or her vehicle unattended (meaning not out of said Driver's direct line of sight) at any Terminal curbside passenger pickup and drop off location. At no time, shall any Driver wait for a passenger arrival while parked curbside, or in a "No Waiting" zone, even if the vehicle is attended. Curbside locations are restricted to passenger loading and unloading only.

c. Transportation Network Companies ("TNC"); in providing said services, Licensee's Drivers shall park in the designated staging area depicted in **EXHIBIT A.** Drivers parking within the Terminal's hourly (or short-term) lot shall pay the appropriate PMGAA fee. Licensee's Drivers shall be permitted to greet their customer(s) curbside at the designated pick-up location depicted in **EXHIBIT A**, but only after receiving notice via the TNC electronic application, that the customer has arrived and is physically waiting at the designated pickup curb line. At no time, shall any Driver be permitted to leave his or her vehicle unattended (meaning not out of said Driver's direct line of sight) at any Terminal curbside passenger pickup and drop off

location. At no time, shall any Driver wait for a passenger arrival while parked curbside, or in a "No Waiting" zone, even if the vehicle is attended. Curbside locations are restricted to passenger loading and unloading only.

d. Taxicab Companies; in providing said services, Licensee's Drivers shall queue in the designated curbside queuing area depicted in **EXHIBIT A** on a first come basis. If the queuing area is full, Drivers shall stage in the designated area depicted in **EXHIBIT A.** Drivers parking within the Terminal's hourly (or short-term) lot shall pay the appropriate PMGAA fee. Licensee's Drivers shall be permitted to greet their customer(s) curbside at the designated pick-up location depicted in **EXHIBIT A**. Except as provided in the *Airport Rules & Regulations*, no Driver, shall not be permitted to leave his or her vehicle unattended (meaning not out of said Driver's direct line of sight) at any Terminal curbside passenger pickup and drop off location. At no time, shall any Driver wait for a passenger arrival while parked curbside, or in a "No Waiting" zone, even if the vehicle is attended. Curbside locations are restricted to passenger loading and unloading only.

e. Peer-to-Peer Vehicle Sharing Companies; in providing said services, Licensee's Hosts shall stage in either the designated open Hourly, Daily, Economy Lots, or queue curbside in the designated Peer-To-Peer area depicted in **EXHIBIT A** on first come basis. If the designated curbside queuing area is full, Hosts shall only stage vehicle(s) in either the designated open Hourly, Daily, or Economy Parking Lot areas. Hosts arriving early may stage in the Airport designated cell phone lot until the scheduled arrival time or actual arrival. Under no circumstances shall any Host be permitted to park within the designated passenger pickup location without a passenger contract commitment or solicit passengers therefrom or elsewhere within the Terminal area. Hosts parking within the Terminal's open Hourly, Daily, or Economy Parking (or short-term) Lot shall pay the posted PMGAA fee. Licensee's Hosts shall be permitted to greet their customer(s) curbside at the designated pick-up location depicted in **EXHIBIT A**. Except as provided in the *Airport Rules & Regulations*, Hosts shall not be permitted to leave their vehicle unattended at any Terminal curbside passenger pick-up and drop-off location.

2. TERM

2.1 Initial Term. The initial term of this Agreement shall commence on the Effective Date and terminate on DECEMBER 31, 2022 ("Initial Term"), unless sooner terminated as provided herein.

2.2 Renewal Term. Provided Licensee is not then in default of this Agreement and Licensee provides THIRTY (30) calendar days prior written notice to PMGAA of its intent to enter into the Renewal Term (unless PMGAA has waived such notice in writing) this Agreement may continue on a year-to-year basis beginning the FIRST (1st) day of JANUARY (each additional year a "Renewal Term") provided.

2.3 This Agreement shall terminate upon: (i) the end of the Term, including any Amendments thereto; or (ii) earlier termination pursuant to the provisions of this Agreement.

3. FEES

Licensee to initial the appropriate fee option below:

3.1 _____ Annual Permit Fee for Pre-arranged Courtesy/Shuttle/Shared Ride Services

3.1.1 For and in consideration of the privilege and authorization herein granted, Licensee shall pay to PMGAA a non-refundable annual permit fee for each van and/or mini-bus registered in the amount of THREE HUNDRED TWENTY DOLLARS AND 00/100 ($320.00), plus any applicable City of Mesa taxes in advance on or before the Effective Date and each 12-month anniversary thereafter. The Annual License Fee is subject to increase at the discretion of PMGAA. Any vehicle placed in service for less than a full payment year

shall be assessed a portion of such fee, retroactive to the first day of the month in which the vehicle was placed in service. Only registered pre-arranged Shared Ride Services vehicles shall be permitted to operate from the Airport Terminal.

3.1.2 Licensee's refusal or failure to pay all Annual License Fees on or before the Effective Date (and on or before each 12-month anniversary of the Effective Date thereafter if the Term is extended as provided herein), shall be subject to a delinquent account fee equal to TEN PERCENT (10%) of the amount owed (the "Delinquent Account Fee"). Such refusal or failure to pay said annual permit fees, or any Delinquent Account Fees, if not cured within FIFTEEN (15) calendar days of written notice thereof from PMGAA, shall be considered a breach of this Agreement and subject Licensee's privileges hereunder to immediate suspension and/or termination.

3.2 _____ Annual Permit Fee for (Sedan/Limousine/Livery)

3.2.1 For and in consideration of the privilege and authorization herein granted, Licensee shall pay to PMGAA a non-refundable annual permit fee for each registered limousine and/or livery vehicle in the amount of TWO HUNDRED TWENTY DOLLARS AND 00/100 ($220.00), plus any applicable City of Mesa taxes in advance on or before the Effective Date and each 12-month anniversary thereafter. The Annual Fee is subject to increase at the discretion of PMGAA. Any vehicle placed in service for less than a full payment year shall be assessed a portion of such fee, retroactive to the first day of the month in which the vehicle was placed in service. Only registered pre-arranged sedan, limousines and/or livery vehicles shall be permitted to operate from the Airport Terminal.

3.2.2 Licensee's refusal or failure to pay all Annual License Fees on or before the Effective Date (and on or before each 12-month anniversary of the Effective Date thereafter if the Term is extended as provided herein), shall be subject to a delinquent account fee equal to TEN PERCENT (10%) of the amount owed (the "Delinquent Account Fee"). Such refusal or failure to pay said annual permit fees, or any Delinquent Account Fees, if not cured within FIFTEEN (15) calendar days of written notice thereof from PMGAA, shall be considered a breach of this Agreement and subject Licensee's privileges hereunder to immediate suspension and/or termination.

3.3 _____ Per Trip Fee with Airport approved GPS tracking/reporting application (TNC)

3.3.1 For and in consideration of the privilege and authorization herein granted, Licensee shall pay to PMGAA a trip fee for each ground transportation provider vehicle trip to the Airport in the amount of TWO DOLLARS AND 00/100 ($2.00), plus any applicable City of Mesa taxes. A trip is each time a ground transportation provider vehicle enters Airport property and makes one or more stops to pick-up one or more passengers or to drop off one or more passengers. Fees shall be paid on or before the TWENTIETH (20th) day following the last day of the preceding calendar month (the Trip Fee Due Date). Per Trip Fee is subject to increase at the discretion of PMGAA.

3.3.2 Licensee's refusal or failure to pay trip fees on or before the Trip Fee Due Date shall be subject to a delinquent account fee equal to TEN PERCENT (10%) of the amount owed (the "Delinquent Account Fee"). Such refusal or failure to pay said trip fees or any Delinquent Account Fees, if not cured within FIFTEEN (15) calendar days of written notice thereof from PMGAA, shall be considered a breach of this Agreement and subject Licensee's privileges hereunder to immediate suspension and/or termination.

3.4 _____ Per Pick-up fee (Taxicab Service)

3.4.1 For and in consideration of the privilege and authorization herein granted, Licensee shall pay to PMGAA a pick-up fee for each ground transportation provider vehicle pick-up to the Airport in the amount of FOUR DOLLARS AND 00/100 ($4.00), plus any applicable City of Mesa taxes. A pick-up is each time a ground transportation provider vehicle enters Airport property and makes one or more stops to pick up one or more passengers. Fees shall be paid on or before the TWENTIETH (20th) day following the last day of the preceding calendar month (the Per Pick-Up Fee Due Date). The Per Pick-Up Fee is subject to increase at the discretion of PMGAA.

3.4.2 Licensee's refusal or failure to pay pick-up fees on or before the Pick-up Fee Due Date shall be subject to a delinquent account fee equal to TEN PERCENT (10%) of the amount owed (the "Delinquent Account Fee"). Such refusal or failure to pay said pick-up fees or any Delinquent Account Fees, if not cured within FIFTEEN (15) calendar days of written notice thereof from PMGAA, shall be considered a breach of this Agreement and subject Licensee's privileges hereunder to immediate suspension and/or termination.

3.5 ✓ Monthly Percentage Fee (Peer-to-Peer Vehicle Sharing)

3.5.1 For and in consideration of the privilege and authorization herein granted, Licensee shall pay to PMGAA a fee equal to TEN PERCENT (10%) of Licensee's Gross Revenue relating to all transactions occurring at the Airport for the previous month. Fees shall be paid on or before the TWENTIETH (20th) day following the last day of the preceding calendar month (the Monthly Percentage Fee Due Date).

3.5.2 Licensee's refusal or failure to pay the Monthly Percentage fee on or before the Monthly Percentage Fee Due Date shall be subject to a delinquent account fee equal to TEN PERCENT (10%) of the amount owed (the "Delinquent Account Fee"). Such refusal or failure to pay said Monthly Percentage fee or any Delinquent Account Fees, if not cured within THIRTY (30) calendar days of written notice thereof from PMGAA, shall be considered a breach of this Agreement and subject Licensee's privileges hereunder to immediate suspension and/or termination.

3.6 Taxes. In the event any governmental authority shall impose a tax or imposition based upon any payments or any other sums paid or owing hereunder or the receipt of such payments by PMGAA, then, Licensee shall pay such amounts to PMGAA at the same time and in addition to payments hereunder, which amounts may include, but are not limited to, any or all rental, transaction privilege, sales, excise or other similar tax exempt income taxes. Licensee's obligation to pay such amounts together with any interest thereon and/or penalties, therefore, shall survive the termination of this Agreement.

3.7 Payments – All Fees. All payments of the fees and charges specified in SECTIONS 3.1, 3.2, 3.3, 3.4 and 3.5 herein shall be tendered in lawful currency of the United States, either by cash, check or electronic transfer, and shall be free from all claims or setoffs of any kind against PMGAA. Cash payments shall be delivered personally to the Phoenix-Mesa Gateway Airport Business Development Department, 5835 S. Sossaman Road, Mesa, Arizona 85212-6014, while payments by company check may be mailed and made payable to the Phoenix-Mesa Gateway Airport Authority at the above address. If paying via electronic transfer, Licensee shall provide the Business Development Department a written accounting (email acceptable) of what such transfer pertains to immediately upon remittance.

3.8 Survival. Licensee's obligation to pay all amounts herein stated, together with any interest thereon and/or penalties therefor, shall survive the termination of this Agreement.

4. PASSENGER TRANSACTIONS

4.1 Fares. Licensee shall ensure Drivers/Hosts furnish passengers a fare receipt (paper or electronic) and may, upon PMGAA request, be required to provide a copy (paper or electronic) of such receipt to PMGAA as a validation of the passenger fare/pricing schedule being employed. Such receipts shall state the name of the Driver/Host, the ground transportation company name, the amount of the fare, the amount paid by the passenger(s) (excluding tips) and the date and time of the transaction. Non-paying passengers (other than co-passengers of a paying passenger) shall not be permitted to ride in Licensee's vehicles, except for Licensee's supervisors and PMGAA officials conducting inspections and/or training.

4.2 **RESERVED**

4.3 Lost and Found Passenger Property.

4.3.1 Licensee shall make a reasonable attempt to recover, identify and return lost items to passengers. When not possible to return an item, Licensee shall:

a. Identify and tag the item, and note the date, route and trip number or location where the item was found, and the name of the person submitting the item.

b. Maintain a log of lost and found items.

4.4 The above SECTION 4.3.1 shall not apply to any Licensee that has established internal procedures for handling and returning lost items to passengers, and such procedures have been approved by PMGAA.

4.5 Licensee shall take measures to protect any personally identifying information on lost items, such as identification cards, credit cards, etc.

5. VEHICLE REQUIREMENTS See EXHIBIT B

6. STAFF AND DRIVERS

6.1 General. To the extent applicable under Arizona Revised Statutes (ARS) §41-4401, as amended, Licensee warrants compliance with all federal immigration laws and regulations that relate to Licensee's employees. Licensee's breach of the above-mentioned warranty shall be deemed a material breach of this Agreement and may result in its termination by PMGAA. PMGAA retains the legal right to randomly inspect the papers and records of any employee operating under this Agreement to ensure Licensee is complying with the above-mentioned warranty.

6.2 General Manager. Licensee shall designate a General Manager or managing supervisor during the Term of this Agreement who shall:

6.2.1 Serve as Licensee's primary contact for PMGAA staff.

6.2.2 Be responsible for Licensee's compliance with all contractual obligations under this Agreement.

6.2.3 Attend all Notice of Violation (NOV) hearings.

6.2.4 Be available during regular business hours (local Phoenix area time).

6.2.5 Respond to PMGAA inquiries within one (1) business day.

6.2.6 Provide response to PMGAA inquiries involving accidents, labor issues and other critical matters, within one (1) business day regardless of the time of day such an event occurs.

6.3 Hosts.

6.3.1 General. Licensee shall ensure that all Hosts operating under this Agreement operate pursuant to the terms of this Agreement, notwithstanding the legal relationship entered into by and between Licensee and the Host. Any material breach of the terms and conditions of this Agreement by any Host, the Licensee shall take the following actions:

a. First offense: Verbal warning to Host.

b. Second offense: Written warning to Host requiring Host to sign written acknowledgement agreeing to full compliance of rules.

c. Third offense: Host receives suspension from delivering vehicles to the Airport.

6.3.2 Licensee shall prevent any Host or designated person from conducting pick-ups and drop-offs at the Airport upon a determination by Licensee or PMGAA staff that the Host or designated person is unqualified for security reasons or is found to be otherwise unfit for the performance of duties. PMGAA may request the removal of any Host or designated person determined to be unqualified for service at the Airport, and Licensee shall bear full financial responsibility for costs when Host or designated person removal or replacement is necessary, as determined by the Executive Director.

6.3.3 Mobile Reservation. Host or designated person shall provide a mobile reservation upon request from a passenger, Airport Staff, or law enforcement officer that shall validate such Host's authorization to provide Peer to Peer Vehicle Sharing at the Airport.

6.3.4 Base Qualifications. By issuing a mobile reservation to a Host, Licensee certifies to PMGAA that such Host meets the following qualifications:

a. All Hosts or designated persons operating a vehicle hold a valid Driver's license.

b. Licensee has conducted its trust and safety screenings on all Hosts that will engage in Peer-to-Peer Vehicle Sharing at the Airport. If a Host is flagged for potential fraudulent or criminal activity, then Licensee's trust and safety team will perform a criminal background search and public records search and lock down the Host's account until the Host clears the background check.

c. All Hosts or designated person operating a vehicle at the Airport, in providing Peer to Peer Vehicle Sharing services under this Agreement, is compliant at their own expenses, with all applicable laws of the United States of America, the state of Arizona, the City and other local authorities, and lawful rules and regulations promulgated by their authority, including Federal Aviation Administration and Transportation Security Administration with reference to Airport security; and all applicable lawful rules, regulations and ordinances of the City now in force or thereafter prescribed and promulgated by authority of law, specifically including all fire codes and security regulations, and all Airport Rules and Regulations as they may be issued from time to time.

7. RULES AND REGULATIONS; SAFETY STANDARDS

7.1 Licensee shall at all times comply with all Federal, State and local laws, ordinances, rules, and regulations which are applicable to its operations at and on the Airport, or the operation, management, maintenance, or administration of the Airport, including all laws, ordinances, rules and regulations adopted after the Effective Date. Licensee shall at all times comply with the Airport Rules and Regulations, as applicable and as the same may be amended from time to time at PMGAA's sole and absolute discretion. A link to the Airport Rules and Regulations and Airport Minimum Standards is attached hereto as **EXHIBIT C**. Licensee also shall display to PMGAA any permits, licenses, or other evidence of compliance with laws upon request.

7.2 Licensee shall comply with all vehicle and Driver safety standards, as provided in A.R.S. Title 28, Chapter 14, and any applicable rules or regulations adopted by the Arizona Motor Vehicle Division and/or PMGAA during the Term of this Agreement.

8. [RESERVED]

9. ADVERTISING STANDARDS

9.1 Vehicles providing service under this Agreement shall not display any advertising copy that:

9.1.1 Is false, misleading, or deceptive.

9.1.2 Relates to an illegal activity.

9.1.3 Reflects explicit sexual or obscene material, or material harmful to minors, as defined in A.R.S. Title 13, Chapter 35, as amended.

9.1.4 Advertises alcohol, tobacco and/or anti-social behavior.

9.1.5 Includes language that is obscene, vulgar, profane, or scatological.

9.1.6 Relates to instruments, devices, items, products, or paraphernalia designed for use in connection with sexual activity.

9.2 Licensee shall comply with any PMGAA request to remove any advertising PMGAA deems to be inappropriate.

10. RECORDS AND AUDITING

10.1 Licensee Records.

10.1.1 With respect to its operations at and on the Airport, Licensee shall maintain true and accurate records, books and data at Licensee's primary business office, or upon PMGAA written request, shall be made available for audit at the Airport, within ten (10) calendar days after such request. PMGAA and its authorized representatives shall have the right, upon reasonable written request and no more than once per calendar year, at reasonable times and during business hours to inspect and examine solely those records, books and other data as required to verify compliance with this Agreement.

10.1.2 All records pertaining to this Agreement shall be kept for a period of three (3) years following the expiration or earlier termination of this Agreement. Licensee shall use either reasonable efforts to work towards maintaining such books and records in accordance with generally accepted accounting principles (GAAP), or shall actually maintain in accordance with GAAP, unless otherwise agreed to by the PMGAA.

10.2 Licensee Monthly Report. Licensee shall submit a monthly report that includes the information below. Said reports shall be provided to PMGAA's Business Development Department no later

than the twentieth (20th) day of the month following the month in which Licensee's activities under this Agreement took place.

10.2.1 Number of transactions at the Airport each day.
10.2.2 Total gross revenue for the month.

10.3 PMGAA Audit Authority. PMGAA or its authorized representatives shall have the right, upon reasonable written request and no more than once per calendar year, to audit solely those records of Licensee relating to billings and payments reported and paid hereunder, and any other activity by Licensee on the Airport during the twelve (12) consecutive month period preceding the date of such audit. If PMGAA finds or determines that a discrepancy exists for the period of the audit, Licensee shall promptly pay the cost and expense of PMGAA's audit. For purposes of this Agreement, a "discrepancy" shall mean one where audited billing(s) exceed reported billings by two percent (2%) or more. The amount of any such deficiency established by such audit shall be conclusive and binding upon the Parties and shall be paid by Licensee no later than ten (10) calendar days from the billing date.

11. DAMAGE AND INSPECTIONS

11.1 Damage to Airport Property.

11.1.1 Licensee shall, at Licensee's own expense, be fully responsible for all damages to Airport property caused by the negligence or willful misconduct of Drivers/Hosts operating under this Agreement, except to the extent caused by the negligence or willful misconduct of PMGAA or its employees, officers, directors, representatives or agents, whereby an Arizona court of competent jurisdiction has rendered a non-appealable decision that such damage to Airport property was caused by PMGAA and/or its employees. If Licensee fails to reimburse PMGAA for damage caused to PMGAA, Licensee's authorization to operate under this Agreement may be suspended or terminated, at the election of PMGAA, until PMGAA has been fully compensated, to PMGAA's complete satisfaction.

11.1.2 Should greater than fifty percent (50%) of the Terminal be rendered untenable by fire or other casualty, such that commercial airline schedules are similarly diminished, and PMGAA either cannot or elects to not complete restorative action within a reasonable period of time, Licensee shall have the option to terminate this Agreement.

11.2 Inspections. PMGAA, its authorized employees, agents, contractors, subcontractors, and other representatives shall have the right, but not the obligation, at all reasonable times, to inspect Licensee's vehicles during regular business hours (or at any time in case of an emergency) to ascertain the condition of said vehicles and to determine Licensee's compliance with the terms of this Agreement. The right of inspection shall impose on PMGAA no duty to inspect and shall impart no liability upon PMGAA for failure to inspect.

12. LIQUIDATED DAMAGES

12.1 Unless cured to the satisfaction of PMGAA within FIFTEEN (15) calendar days of written notice thereof to Licensee, PMGAA reserves the right, in the case of violation of the terms of this Agreement, to temporarily suspend, deny or permanently revoke Licensee's operating privileges, including those pertaining to any Licensee vehicle, employee, franchisee, owner-operator, contractor or Driver/Host found to be in violation of any safety, customer service, vehicle condition and/or cleanliness or regulatory provision of the Arizona Department of Transportation or this Agreement; and to impose the following fines, which Licensee agrees to pay, on a per observed, per violation basis:

Violation	Description	Amount
V-1	Operating a vehicle not registered for service in accordance with this Agreement	$100.00
V-2	Soliciting, scooping, or hawking passengers anywhere in proximity to the Terminal	$100.00
V-3	Operating an unsafe vehicle and/or one that violates the motor vehicle safety standards specified herein	$100.00
V-4	Displaying inappropriate Host conduct (e.g., being discourteous or rude, arguing, engaging in physical fighting or loud, boisterous verbal disputes, sleeping or smoking (cigarettes, cigars, or electronic cigarettes, etc.), in a vehicle, etc.)	$100.00
V-5	Failing to accept a credit (or debit) card for payment	$100.00
V-6	Failing to comply with insurance requirements required by this Agreement	$100.00
V-7	Failing to properly display Licensee's Host mobile reservation identification upon request	$100.00
V-8	Failing to transport a service animal or comply with applicable ADA requirements	$100.00
V-9	Failing to report damage to Airport property	$100.00
V-10	Parking within or at the passenger pickup curb area without a pre-arranged contract.	$100.00
V-11	Exceeding the maximum parking time of thirty (30) minutes at the passenger pickup location unless the occupied space is not required by other authorized vehicles/users.	$100.00

12.2 Licensee agrees all the violations listed in SECTION 12.1 above shall result in PMGAA incurring damages that are impractical or impossible to determine. Licensee agrees the above monetary assessments are reasonable approximations of such damages.

12.3 PMGAA will notify Licensee, in writing, of the time, place and nature of a violation (a "Notice of Violation" or "NOV"), as well as any facts PMGAA has used to substantiate the violation. Licensee shall respond within TEN (10) calendar days of the date PMGAA mailed the NOV to Licensee, and Licensee's response shall be reviewed by the PMGAA Director of Operations and Maintenance who may, at his or her sole discretion, uphold or reverse the violation. Licensee's failure to respond in the time specified hereinabove shall be deemed an admission that the violation occurred.

12.4 All sums payable by Licensee to PMGAA under this SECTION shall be due and payable within THIRTY (30) calendar days after the Notice of Violation was mailed (if no appeal is undertaken), or after a written decision upholding the violation has been mailed. All sums unpaid after such THIRTY (30) calendar days shall be considered delinquent and shall be subject to a Delinquent Account Fee equal to TEN PERCENT (10%) of the amount due. If Licensee refuses to pay any sum due under this SECTION, including any Delinquent Account Fee, PMGAA may suspend this Agreement until payment in full is received, or terminate the Agreement for default.

13. [RESERVED]

14. FAILURE TO COMPLY

If any services performed hereunder or equipment provided hereunder are not in conformity with the requirements of this Agreement, in addition to other available remedies, PMGAA shall have the right to require Licensee to immediately take all necessary steps to ensure future performance of the services in conformity with such requirements.

15. INDEMNIFICATION

To the fullest extent permitted by law, Licensee hereby agrees to defend, indemnify and hold harmless PMGAA and its members, elected or appointed officials, agents, contractors, subcontractors, boards, commissions and employees (hereinafter referred to collectively as the "PMGAA" for purposes of this SECTION) from any and all claims, causes of action, liability, suits, litigation (including reasonable attorney's fees and other costs of investigation and litigation), actions, losses, damages or claims of any nature whatsoever which arise out of or in connection with (i) any accident, injury or damages occurring at or on the Airport, or (ii) any negligent act or omission or willful misconduct of Licensee or its Hosts, agents, employees, contractors, or subcontractors (hereinafter referred to collectively as "Licensee" for purposes of this SECTION) in connection with Licensee's operations hereunder and which result directly or indirectly in the injury to or death of any persons or the damage to or loss of any property, or (iii) the failure of Licensee to comply with any provisions of this Agreement. This indemnification shall exclude responsibility for any consequential damages and for claims arising by reason of the negligent or wrongful act of PMGAA or its employees, contractors, or agents, where such consequential damages and claims are determined by a court of competent jurisdiction to have arisen solely as a result of PMGAA or its employees, contractors or agents (excluding Licensee as an employee, contractor or agent).

16. INSURANCE

16.1 Coverage Required. Licensee shall at all times and prior to the Effective Date, at its sole expense, maintain in effect the insurance coverage set forth below, including delivering a certificate of insurance for each policy to PMGAA; and shall continue to provide such certificates throughout the Term of this contract:

16.1.1 *Commercial General Liability* insurance in an amount not less than $1,000,000 per occurrence and $2,000,000 aggregate covering third party bodily injury and property damage liabilities.

16.1.2 *Commercial Automobile Liability* insurance must comply with all statutory insurance requirements applicable to its operation and to maintain motor vehicle combined single limit liability insurance in the amount of $1,000,000 (CSL) including an additional $250,000 each for uninsured & underinsured motorist coverage covering each vehicle operating at the Airport pursuant to this Agreement.

16.1.3 *Workers' Compensation* insurance, providing AZ State statutory benefits, for Licensee's employees operating at or on the Airport, and *Employer's Liability* insurance in the amount of $1,000,000. Sole Proprietors with no employees may opt out of the Work Comp requirement by providing PMGAA with signed Workers' Compensation Waiver Form as allowed by the State of Arizona A.R.S.23.961(1).

16.2 Form.

16.2.1 Each insurance policy obtained pursuant to this SECTION, except for *Workers' Compensation* and *Employer's Liability* policies, shall: (i) name PMGAA as an additional insured on a primary and non-contributory basis via endorsement; (ii) contain a provision that written notice of cancellation shall be given to PMGAA not less than THIRTY (30) calendar days before such cancellation takes effect TEN (10) calendar days in case of non-payment of premium) via blanket endorsement; (iii) all policies, including Work Comp, shall contain a waiver of subrogation in favor of PMGAA, where allowed by law, via blanket endorsement.

16.2.2 Licensee shall not permit any insurance policy to be canceled without PMGAA's written consent unless equivalent replacement policies are issued with no lapse in coverage. All policies shall be obtained from insurance companies eligible to issue insurance policies in the State of Arizona and possessing a rating of at least A - VII or higher from the A.M. Best Company, or an equivalent rating approved by PMGAA.

17. INDEPENDENT CONTRACTOR STATUS; EMPLOYMENT DISCLAIMER

17.1 The Parties agree Licensee is providing services under this Agreement on a part-time and/or temporary basis, and that the relationship created by this Agreement is that of Independent Contractor. Neither Licensee nor any of Licensee's Hosts, agents, employees, or servants shall be deemed to be Drivers, agents, employees, or servants of PMGAA. PMGAA is interested only in the results obtained under this Agreement. The manner, means and mode of completing the same, are under the sole control of Licensee. This agreement does not imply under any circumstances that an employer/employee relationship exists between PMGAA and the Independent Contractor. Independent Contractors are not eligible for employee benefits, including workers compensation coverage, from PMGAA.

17.2 This Agreement is not intended to constitute, create, give rise to or otherwise recognize a joint venture, partnership, affiliation, subsidiary, agency or other formal business entity, association or organization of any kind whatsoever, and the rights and obligations of the Parties shall be only those expressly set forth in this Agreement. The Parties agree that no individual performing under this Agreement on behalf of Licensee shall be considered a PMGAA employee, and that no rights of PMGAA Civil Service, PMGAA retirement or PMGAA personnel rules shall accrue to such individual. Licensee shall have total responsibility for all salaries, wages, bonuses, retirement, withholdings, worker's compensation, other employee benefits and all taxes and premiums appurtenant thereto, concerning Licensee employees and shall save and hold harmless PMGAA with respect thereto.

18. CONFIDENTIALITY, PUBLIC RECORDS

18.1 All data, including personal identifying information, financial account information or other personal information collected, obtained, or transmitted to either party in connection with this Agreement shall be protected and secured in accordance with Federal, State, and local laws. Licensee shall also comply with any PMGAA policy implemented relating to protecting or securing such data. The obligations of Licensee under this SECTION shall survive termination of this Agreement.

18.2 Licensee agrees the requirements of this SECTION shall be incorporated into all subcontracts entered into by Licensee, as they may affect or are related to this Agreement. It is further agreed that a violation of this SECTION shall be deemed to cause irreparable harm that justifies injunctive relief in court. A violation of this SECTION may result in immediate termination of this Agreement without notice.

18.3 Licensee may request specific documents provided to PMGAA be treated as confidential or proprietary (collectively "confidential"), provided that the Licensee clearly labels the documents "confidential." PMGAA will notify Licensee of any public records request to view the documents, or any portion of the documents marked "confidential." Licensee will have SEVEN (7) calendar days from the date such notice is received to obtain a court order enjoining release of the documents marked confidential. If Licensee does not provide PMGAA with a court order enjoining release of the documents, PMGAA will make the documents requested available for inspection as required under the public records law SEVEN (7) calendar days after the written notice to Licensee is received.

19. CONTACTS WITH THIRD PARTIES

Except, as necessary for Licensee to communicate with third parties that are passengers and Licensee's Hosts, Licensee shall not contact third parties to provide any information in connection to the services provided under this Agreement without prior written consent of PMGAA. Should Licensee be contacted by any person requesting information or requiring testimony relative to the services Licensee is providing under this Agreement or any other prior or existing Agreement with PMGAA, Licensee shall promptly inform PMGAA and shall not disclose such information or give such testimony without written consent from PMGAA or a court order. The obligations of Licensee or any Licensee subcontractor under this SECTION shall survive termination of this Agreement. Licensee agrees that the requirements of this SECTION shall be incorporated into all subcontracts entered into by Licensee that are or may be related to this Agreement. It is further agreed that a violation of this SECTION shall be deemed to cause irreparable harm that justifies injunctive relief in court. A violation of this SECTION also may result in immediate termination of this Agreement without notice.

20. COMPLIANCE WITH LAWS; SUPPLEMENTAL TERMS AND CONDITIONS

Licensee, its Hosts, agents, employees, invitees, subcontractors, and independent contractors shall comply with all directions, rules, regulations and operating procedures of PMGAA in effect or hereinafter promulgated and shall observe and obey all ordinances of the City of Mesa, as well as all federal and state statutes and regulations governing the use of the Airport and Licensee's business activities thereon, including the specific requirements of this SECTION. If a subsequently enacted law imposes substantial additional costs on Licensee, a request for amendment may be submitted to PMGAA.

20.1 Legal Worker Requirements. Licensee warrants and agrees that to the extent applicable under A.R.S. §41-4401, as amended, Licensee will comply with all federal immigration laws and regulations that relate to Licensee's employees, including the E-verify requirements under ARS §23-214(A), as amended. Licensee's breach of the above-mentioned warranty shall be deemed a material breach of this Agreement and may result in its termination by PMGAA. PMGAA retains the legal right to randomly inspect the papers and records of any employee who works under this Agreement to ensure Licensee is complying with the above-mentioned warranty.

20.2 Conflict of Interest. Licensee acknowledges that the provisions of A.R.S. §38-511, as amended are incorporated into this Agreement. Licensee further acknowledges that, to the best of its knowledge, information and belief, no person has been employed or retained to solicit or secure this Agreement upon a promise of a commission, percentage, brokerage, or contingent fee, and that no member of PMGAA or employee thereof has any financial interest in Licensee's business firm. For breach of violation of this warranty, PMGAA shall have the right to annul this Agreement without liability, including any such commission, percentage, brokerage, or contingent fee.

20.3 Scrutinized Business Operations. Licensee certifies that, pursuant to ARS §§35-391.06 and 35-393.06, as amended, it does not have a scrutinized business operation in Sudan or Iran. For purposes of this SECTION, the term "scrutinized business operations" shall have the meanings set forth in ARS §§ 35-391

and 35-393, as applicable. If PMGAA determines that Licensee submitted a false certification, PMGAA may impose remedies as provided by law, including termination of this Agreement.

20.4 Nondiscrimination.

20.4.1 Licensee shall furnish its services to all Airport passengers and the general public on a fair, equal, and not unjustly discriminatory basis.

20.4.2 Licensee shall charge fair, reasonable, and not unjustly discriminatory prices for its services; except that, Licensee may be allowed to offer reasonable and non-discriminatory discounts, rebates, or other similar types of price reductions to volume or frequent purchasers. Non-compliance with this requirement shall be considered a material breach of this Agreement for which PMGAA shall have the right to terminate this Agreement and any estate created herewith, without liability therefor; or, at the election of PMGAA or the United States, either or both of which shall have the right to judicially enforce said requirement.

20.4.3 Licensee warrants that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability, be excluded from participating in any activity conducted at or from the Airport, or otherwise be excluded from the benefits offered by Licensee to the general public. Licensee agrees to comply with pertinent statutes, Executive Orders, and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance.

This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.

21. CIVIL RIGHTS – TITLE VI ASSURANCES

During the performance of this contract, the Licensee, for itself, its assignees, and successors in interest agrees as follows:

21.1 Compliance with Regulations: The Licensee (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.

21.2 Nondiscrimination: The Licensee, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Licensee 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.

21.3 Solicitations for Subcontracts, Including Procurements of Materials and Equipment: In all solicitations, either by competitive bidding, or negotiation made by the Licensee for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the Licensee of the Licensee's obligations under this contract and the Non-discrimination Acts and Authorities on the grounds of race, color, or national origin.

21.4 Information and Reports: The Licensee will provide all information and reports required by the Acts, the Regulations and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the sponsor or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of Licensee is in the exclusive possession of another who fails or refuses to furnish the information, the Licensee will so certify to the sponsor or the

Federal Aviation Administration as appropriate and will set forth what efforts it has made to obtain the information.

21.5 Sanctions for Non-compliance: In the event of a Licensee's non-compliance with the Nondiscrimination provisions of this contract, the Recipient will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to: withholding payments to the Licensee under the contract until the Licensee complies; and/or canceling, terminating, or suspending a contract, in whole or in part.

21.6 Incorporation of Provisions: The Licensee will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. The Licensee will take action with respect to any subcontract or procurement as the sponsor or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for non-compliance. Provided that if the Licensee becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the Licensee may request the sponsor to enter into any litigation to protect the interests of the sponsor. In addition, the Licensee may request the United States to enter into the litigation to protect the interests of the United States.

21.7 The Lessee for himself/herself, his/her heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree that (1) no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land, and the furnishing of services thereon, no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the lessee will use the premises in compliance with all other requirements imposed by or pursuant to the List of discrimination Acts And Authorities.

22. TITLE VI

During the performance of this contract, the Licensee, for itself, its assignees, and successors in interest agrees to comply with the following nondiscrimination statutes and authorities; including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq.*, 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin).
- 49 CFR part 21 (Non-discrimination in Federally-Assisted Programs of The Department of Transportation—Effectuation of Title VI of The Civil Rights Act of 1964);
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 *et seq.*), as amended, (prohibits discrimination on the basis of disability); and 49 CFR part 27;
- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 *et seq.*), (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);

- The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 CFR parts 37 and 38;
- The Federal Aviation Administration's Nondiscrimination 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 nondiscrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq).

23. ENVIRONMENTAL COMPLIANCE

Licensee shall, at Licensee's own expense, comply with all present and hereinafter enacted environmental laws, rules and regulations and any amendments thereto, affecting or applying to Licensee's operations and activities at or on the Airport.

24. AIRPORT SECURITY

PMGAA has implemented an Airport Security Plan ("Security Plan") in a form acceptable to the Transportation Security Administration pursuant to 49 CFR Parts 1540 and 1542. Licensee shall at all times comply with PMGAA Operations Department Security Directives, security bulletins, or verbal notifications existing now or in the future. Licensee shall immediately correct physical or procedural deficiencies which are contrary to PMGAA Operations Department security directives, security bulletins or verbal notifications existing now or in the future.

25. TAXES, LICENSES AND PERMITS

Licensee shall pay all taxes and assessments that may be levied or charged upon its property, equipment, and activity hereunder, and shall secure and comply with all licenses and permits required by PMGAA or any other governmental authority exercising jurisdiction over its business or activities. Licensee shall also pay any taxes or assessments levied upon PMGAA as a result of Licensee conducting its business under the authority of this Agreement.

26. NON-ASSIGNABILITY

26.1 Licensee shall have no power to assign its rights and obligations under this Agreement without the prior written consent of the PMGAA Executive Director, which shall not be unreasonably withheld. Any attempt to assign this Agreement without such prior written consent shall be void.

26.2 Licensee's President Alex Benn, will serve as Licensee's primary representative in the execution of this Agreement.

27. NOTICES

27.1 Notices required under this Agreement shall be in writing and delivered personally or by registered or certified mail, postage prepaid, addressed as follows:

TO PMGAA: Phoenix-Mesa Gateway Airport Authority
Attn.: Business Development Department
5835 S. Sossaman Road
Mesa, Arizona 85212-6014
Telephone: (480) 988-7648

TO LICENSEE: TURO INC.
Attn: Legal
Attn: Legal-Airports
111 Sutter Street, 12th Floor
San Francisco, CA 94104
Email: [redacted]com

27.2 Notice by certified or registered mail in the manner described above shall be deemed effective the day after its deposit in the mail.

28. NON-WAIVER

PMGAA's right to revoke this Agreement shall be absolute. Any election by PMGAA to not enforce any provision of this Agreement, or any failure by PMGAA to exercise any of the remedies allowed PMGAA under this Agreement, shall not operate as a waiver by PMGAA of any of its rights under this Agreement or at law or equity.

29. APPLICABLE LAW

The laws of the State of Arizona, including its conflicts of law provisions, shall govern the matters set forth in this Agreement. Venue of any action brought under this Lease shall, at the option of PMGAA, lie in Maricopa County, Arizona.

30. PRIOR PERMITS

Upon execution hereof, this Agreement shall supersede and cancel any prior agreement(s) between PMGAA and Licensee with respect to Licensee's ground transportation business activities at or on the Airport, or from the Terminal, governed hereby. Licensee shall not construe PMGAA's execution of this Agreement as a waiver of any prior indebtedness or obligation to PMGAA under any prior agreement or license, nor does PMGAA waive any claim or cause of action arising therefrom.

31. CANCELLATION PROVISIONS

31.1 PMGAA's Right of Cancellation. Except as may be otherwise provided herein, PMGAA shall have the right to cancel or terminate this Agreement in its entirety immediately if Licensee commits any one or more of the hereinafter listed events of default and does not cure such default within THIRTY (30) calendar days of PMGAA's written notice thereof. Upon receiving notice of such termination, Licensee shall immediately cease its operations at and on the Airport and remove all its employees and personal property therefrom.

31.1.1 With Cause.

a. If Licensee shall fail to pay any fee or other amount due from Licensee hereunder or as a result of any other agreement executed between the Parties.

b. Solely for purposes of this SECTION 31.1.1 b., if Licensee shall neglect or fail to perform, keep or observe any other terms, covenants or conditions herein contained and if such neglect or failure shall continue for a period of THIRTY (30) calendar days after delivery by PMGAA to Licensee of a written notice of such default; provided, however, if a cure of the default reasonably requires more than THIRTY (30) calendar days to complete, then the time to cure shall be extended so long as the cure is being diligently pursued.

c. The occurrence of any act that deprives Licensee of the rights, licenses, permits and authorizations necessary for the proper and lawful conduct of the Licensee's business operations at and on the Airport, and from the Terminal.

d. Excessive liquidated damages and/or complaints against Licensee by Airport passengers and the general public.

e. The filing, by Licensee, of a voluntary petition in bankruptcy; or its adjudication as a bankruptcy pursuant to an action filed against it; or the taking of its assets by a court under any Federal reorganization act; or the appointment of a receiver for its assets; or the occurrence of a general assignment or attempted assignment for the benefit of creditors.

f. The filing of any Mechanic's, Materialmen's or other lien or any kind against the Licensee because of any act or omission of Licensee which lien is not discharged, by bonding or otherwise, within THIRTY (30) calendar days of receipt of actual notice thereof by Licensee.

g. Existence, for a period in excess of TEN (10) calendar days of any strike, lockout, work stoppage or other dispute between Licensee and its employees, Hosts, contractors or subcontractors which, in the opinion of PMGAA, interferes with the operation of the Airport, or endangers or inconveniences users of Airport facilities.

h. If Licensee shall discontinue or abandon its operations at the Airport for any 24-hour period, exclusive of periods when no commercial airline flight arrivals are scheduled or planned.

i. For violation of any laws, ordinances, regulations, or provisions of this Agreement, PMGAA reserves the right to terminate this Agreement immediately when such action is considered by the PMGAA Executive Director, at his or her sole and absolute discretion, to be in the best interest of Airport passengers and the general public.

31.1.2 Without Cause. PMGAA may terminate this Agreement without cause upon THIRTY (30) calendar days advance written notice to Licensee. In the event of termination without cause, Licensee shall be entitled solely to a pro-rate refund of any fee herein paid.

31.1.3 Temporary Suspension. As provided herein, PMGAA may suspend this Agreement for Licensee's failure to perform in accordance with the terms, covenants, and conditions of this Agreement.

31.2 Licensee's Right of Cancellation. Except as otherwise provided herein, Licensee shall have the right to terminate this Agreement in its entirety upon THIRTY (30) calendar days advance written notice to PMGAA if one or more of the following events of default are committed by PMGAA:

31.2.1 The issuance by any court of competent jurisdiction of any injunction preventing or restraining the use of the Airport in such a manner as to substantially restrict Licensee from conducting its business activities at and on the Airport and from the Terminal, which injunction is not caused by any act or omission of Licensee and such injunction remains in force for at least SIXTY (60) calendar days.

31.2.2 If Licensee is deprived of the use of all or a major portion of the Airport or Terminal for THIRTY (30) calendar days or more, subject to the relocation or other applicable renovation provision provided for herein.

31.2.3 The assumption by the United States Government and the authorized agencies thereof, or any other governmental agency, of the operation, control or use of Airport facilities, including the Terminal, or any substantial part or parts thereof in such a manner as to substantially restrict the conduct of Licensee's business thereto for a period of THIRTY (30) calendar days or more.

31.2.4 A material breach by PMGAA of any of the terms and covenants or conditions within this Agreement. In the event of such a breach, Licensee shall have available all rights and remedies provided at law or in equity, subject to the terms and conditions of this Agreement; provided, however, Licensee may not exercise any such right or remedy unless Licensee has notified PMGAA by written notice of such alleged default, and PMGAA has not cured such default within a THIRTY (30) calendar day period subsequent to receipt of such notice or, in the event such alleged default is of such a nature that it cannot be reasonably cured within such THIRTY (30) day period, PMGAA has failed to cure such alleged default with all due diligence. Notwithstanding anything to the contrary in this Agreement, in no event shall Licensee be entitled to terminate this Agreement or abate or offset any fees or other payments to be made by Licensee hereunder.

31.2.5 Without Cause. Licensee may terminate this Agreement without cause upon THIRTY (30) calendar days advance written notice to PMGAA.

32. PROFESSIONAL COMPETENCY

32.1 Qualifications. Licensee represents that it is familiar with the nature and extent of this Agreement, the services and any conditions that may affect its performance thereunder. Licensee further represents that it is fully experienced and properly qualified, compliant with all applicable license requirements and is equipped, organized, and financed to perform such services.

32.2 Level of Care and Skill.

32.2.1 Services provided by Licensee shall be performed in a manner consistent with that level of care and skill ordinarily exercised by members of Licensee's profession currently practicing in the same industry under similar conditions.

32.2.2 Acceptance or approval by PMGAA of Licensee's work shall in no way relieve Licensee of liability to PMGAA for damages suffered or incurred arising from Licensee's failure to adhere to the aforesaid standard of professional competence.

33. FORCE MAJEURE

Licensee shall not be responsible or liable for, or deemed to be in breach hereof because of any delay in the performance of its obligations hereunder to the extent caused by circumstances beyond its control, without its fault or negligence, and that could not have been prevented by the exercise of due diligence, including, but not limited to, fires, natural disasters, riots, wars, unavoidable and unforeseeable site conditions,

failure of PMGAA to provide data within PMGAA's possession or to make necessary decisions or provide necessary comments in connection with any required reports prepared by Licensee in connection with the services and the unforeseeable inability to obtain necessary site access, authorization, permits, licenses, certifications and approvals (such causes hereafter call "Force Majeure").

34. RELEASE OF INFORMATION

Licensee shall not publish, release, disclose or announce to any member of the public, press, official body or any other third party: any documentation or the contents thereof, without the prior written consent of PMGAA, except as may be required by law.

35. WAIVER OF CLAIMS FOR ANTICIPATED PROFITS

Licensee waives any claims against PMGAA and its officers, officials, agents, and employees for the loss of anticipated profits caused by any suit or proceeding, directly or indirectly, involving any part of this Agreement.

36. CONTINUATION DURING DISPUTE

36.1 Licensee agrees as a condition of this Agreement that in the event of any dispute between the Parties, provided no Notice of Termination has been given to PMGAA, and if it is feasible under the terms of this Agreement, each Party shall continue to perform the obligations not related to the dispute required of it during the resolution of such dispute, unless enjoined or prohibited by a court of competent jurisdiction.

36.2 Failure or delay by either Party to exercise any right, power or privilege specified in or appurtenant to this Agreement shall not be deemed a waiver thereof.

37. THIRD PARTY BENEFICIARY CLAUSE

The Parties expressly agree that this Agreement is not intended by any of its provisions to create of the public or any member thereof a third-party beneficiary, nor to authorize anyone not a party to this Agreement to maintain a suit for personal injuries or property damage pursuant to the terms or provisions of this Agreement.

38. CORPORATE AUTHORIZATION

In executing this Agreement, Licensee represents and warrants to PMGAA that if Licensee is a corporation, Licensee has obtained and been granted the full right, power, and authority to enter into this Agreement and that Licensee is a validly and lawfully organized entity in good standing in its state of organization, as well as in Arizona and in any state in which Licensee conducts business.

39. MISCELLANEOUS

39.1 Personal Liability. No member of PMGAA or employee or agent of either Party shall be charged personally or held contractually liable by or to the other Party under any term or provision of this Agreement because of any breach thereof or because of its execution or attempted execution.

39.2 No Waiver. No provision of this Agreement may be waived or modified except by a written instrument signed by the Party against whom such waiver or modification is sought.

39.3 Non-Waiver of Rights. No waiver or default by PMGAA of any of the terms, conditions, covenants or agreements hereof to be performed, kept or observed by Licensee 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 Licensee, and PMGAA shall not be restricted from later enforcing any of the terms and conditions of this Agreement.

39.4 Amendment. This Agreement may be amended only by a written instrument executed by the Parties, except that fleet listing at **EXHIBIT B** may be updated at any time, upon mutual agreement of the Parties, without formal amendment but shall, upon said mutual agreement, become a valid **EXHIBIT B** replacement to this Agreement thereafter.

39.5 Cancellation. The Parties hereto acknowledge and agree that this Agreement may be cancelled pursuant to the provisions of ARS § 38-511, as amended.

39.6 Invalid Provisions. Should any provision of this Agreement or any application thereof shall be held invalid by a court of competent jurisdiction, the remainder of this Agreement shall not be affected thereby, unless one or both Parties would be substantially and materially prejudiced.

39.7 Litigation Expenses. In the event of litigation between PMGAA and Licensee, 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.

39.8 Headings. The headings contained herein are for convenience in reference only and are not intended to define or limit the scope of this Agreement or any term thereof.

39.9 Approvals, Consents and Notices. All approvals, consents and notices called for in this Agreement shall be in writing, signed by the appropriate party, and may not be established solely by oral testimony.

39.10 Entire Agreement. This Agreement, including exhibits attached hereto at the time of its execution, constitutes the entire Agreement between the Parties hereto.

40. INCORPORATION OF RECITALS

The recitals set forth above are acknowledged by the Parties to be true and correct and are incorporated herein by this reference.

IN WITNESS WHEREOF, the Parties have executed this Agreement the day and year first above written.

FOR PMGAA:

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, an Arizona joint powers airport authority

By: _____
J. Brian O'Neill, A.A.E.
Executive Director/CEO

STATE OF ARIZONA

County of Maricopa

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me this 22nd day of August, 2022, by J. Brian O'Neill, in his capacity as the Executive Director/CEO of the Phoenix-Mesa Gateway Airport Authority.

_____
Notary Public

My Commission Expires: Sept. 12, 2023

MISTY JOHNSON
Notary Public - Arizona
Pinal County
Commission # 572652
My Comm. Expires Sep 12, 2023

FOR LICENSEE:

Turo Inc., a Delaware Corporation

By: _____
Alex Benn, President

STATE OF CALIFORNIA

County of _____

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me this ___ day of _____, 2022, by Alex Benn, in his capacity as President of Turo Inc.

PLEASE SEE ATTACHED
Notary Public

My Commission Expires: _____

TERMINAL GROUND TRANSPORTATION LICENSE AGREEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of SAN FRANCISCO

Subscribed and sworn to (or affirmed) before me on this 16 day of AUGUST, 2022, by ALEX BENN,

proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

(Seal) Signature

SARAH THAUNG
Notary Public - California
San Francisco County
Commission # 2281896
My Comm. Expires Mar 19, 2023

EXHIBIT A

Depiction of Staging Areas, Queuing and Pickup Locations for All Ground Transportation Providers

DAILY PARKING LOT

EXHIBIT B

Peer-to-Peer Vehicle Sharing Vehicle Requirement

Fleet Requirements. All Peer-to-Peer Vehicle Sharing vehicles operated by Licensee under this Agreement must meet all motor vehicle safety standards, as set forth in applicable Federal, State, and local laws.

Fleet Specifications. All Peer-to-Peer Vehicle Sharing vehicles providing services under this Agreement shall:

a. Have interiors and exteriors in clean condition, free from foreign matter and offensive odors. There must be no litter inside a vehicle, and the upholstery must be kept clean, intact, and free of rips and tears. Hosts shall inspect the cleanliness of their vehicle at the beginning of each service day, and sweep/vacuum the interior, remove all trash, and turn in any lost passenger items to Licensee (for transfer to PMGAA, as required by SECTION 4.3 herein) prior to commencement of each new passenger service contract.

EXHIBIT C

Airport Rules and Regulations and Airport Minimum Standards

https://www.gatewayairport.com/documents/documentlibrary/board%20policies/airport%20rules%20and%20regulations_21-49.pdf?Uniqueifier=atrL6rvi5f

https://www.gatewayairport.com/documents/documentlibrary/board%20policies/airport%20minimum%20standards.pdf?Uniqueifier=atrL6rvi5f

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
5835 SOUTH SOSSAMAN ROAD
MESA, ARIZONA 85212-6014

PHONE (480) 988 7600
FAX (480) 988 2315

December 20, 2022

ATTN: Legal, Legal – Airports
Turo, Inc.
111 Sutter Street, 12th Floor
San Francisco, CA 94104

To Whom This May Concern.

Phoenix-Mesa Gateway Airport Authority ("Airport") received notice on October 21st, 2022, that Turo, Inc. wishes to enter the Renewal Term per Section 2.2 of the Ground Transportation License Agreement #2023-0058. The request has been approved, and no further action is required on behalf of Turo, Inc. The renewal term will be effective January 1st, 2023, through December 31st, 2023.

Sincerely,

J. Brian O'Neill, A.A.E.
Executive Director / CEO

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 22-80

To: Board of Directors
From: Shea Joachim, CEcD, Business Development Director
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: Essential Turbines, Inc. – Facility Lease
Date: December 20, 2022

Proposed Motion

To authorize a facility lease agreement with Essential Turbines, Inc. for the property located at 7808 East Velocity Way, Mesa, AZ 85212 with an Effective Date of January 1st, 2023. The initial Term is for three (3) years, with no options to extend.

Narrative

Essential Turbines, Inc. desires to lease the facility located at 7808 E. Velocity Way, Mesa, AZ 85212 to operate a turbine engine repair, testing, and overhaul specialized aviation service organization (SASO).

Agreement Term and Rate

This facility lease has an Effective Date of January 1st, 2023. The initial Term is for three (3) years with no options to renew.

The annual Base Rent is $77,242.24 payable in monthly installments of $6,436.85. The Base Rent shall be adjusted on every twelve (12) month anniversary of the Effective Date by 4%.

Attachment(s)

Facility Lease Agreement

RESOLUTION NO. 22-80

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize a facility lease agreement with Essential Turbines, Inc. for the property located at 7808 East Velocity Way, Mesa, AZ 85212 with an Effective Date of January 1st, 2023. The initial Term is for three (3) years, with no options to extend;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

> **The Board of Directors of the Authority hereby authorizes a facility lease agreement with Essential Turbines, Inc. for the property located at 7808 East Velocity Way, Mesa, AZ 85212 with an Effective Date of January 1st, 2023. The initial Term is for three (3) years, with no options to extend. 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 20th day of December, 2022.

Brigette Peterson, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

Phoenix-Mesa Gateway Airport Authority

FACILITY LEASE

with

Essential Turbines, Inc.

Effective Date: **January 1st, 2023**

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Phoenix-Mesa Gateway Airport Authority
FACILITY LEASE

This Facility Lease (the "**Lease**") is executed to be effective the FIRST (1st) day of January 2023 ("**Effective Date**") between the **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY**, a joint powers airport authority authorized and existing under the laws of the State of Arizona ("**Lessor**"), and **ESSENTIAL TURBINES INC.**, a Canadian 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."

WITNESSETH:

WHEREAS, Lessor is the owner and operator of the Phoenix-Mesa Gateway Airport generally located at the intersection of Ray Road and Sossaman Road, City of Mesa, Maricopa County, Arizona ("**Airport**"); and

WHEREAS, Lessor has the right to lease, license and grant the use of property and facilities on the Airport and has full power and authority to enter into this Lease in respect thereof; and

WHEREAS, Lessor desires to lease to Lessee, and Lessee desires to lease from Lessor, that certain real property at the Airport located at 7808 East Velocity Way, Mesa, Arizona 85212 , and described as building 1090, consisting of approximately FIVE THOUSAND, NINE HUNDRED AND NINETEEN (5,919) square feet, and located on Lot # 47, consisting of approximately FORTY-EIGHT THOUSAND, FOUR HUNDRED AND NINETEEN 96/100 (48,419.96) square feet, as set forth in **EXHIBIT A** attached hereto ("**Premises**"); and

WHEREAS, Lessor desires to lease the Premises to Lessee on the terms and conditions set forth herein;

NOW THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements herein contained, the Parties do hereby undertake, promise and agree, each for itself and its successors and assigns, as follows:

1. LEASE

Lessor hereby leases the Premises to Lessee, subject to all easements and rights of way that may encumber the Premises, and further subject to all operational and use restrictions and other terms and conditions set forth in this Lease.

1.1 Right to Use Premises. Lessor agrees that so long as no Event of Default shall have occurred and is continuing, Lessee shall peaceably have and enjoy the use of the Premises without hindrance from Lessor and those claiming through Lessor. Lessee 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 Reserved.

1.3 Access. Lessee is granted the right of reasonable access to and from the Premises via such portions of the Airport as are or may be necessary to allow Lessee to conduct its business operations permitted herein at and on the Premises and the Airport. Lessor reserves the right to designate the location of such access and to change its location from time to time, as Lessor deems reasonably necessary and appropriate; provided such changes do not materially interfere with Lessee's use of or access to the Premises.

1.4 Permitted Uses. Subject to the provisions of SECTION 1.5, Lessee may use the Premises for general administrative, storage and warehousing, engine repair, testing and overhaul, and other related ancillary uses and for no other use. Lessee's use of the Premises and operation of its business at and on the Airport and the Premises is subject to all applicable laws, rules and regulations of any governmental authority, including Lessor, and to Lessee's compliance with applicable provisions of the *Airport Rules and Regulations* and *Airport Minimum Standards*.

1.5 Prohibited Activities. Lessee shall not use or permit its agents, employees, contractors, invitees, licensees or customers to use the Premises or the Airport for any use that is in violation of the *Airport Rules and Regulations*, the *Airport Minimum Standards*, any matters of record, or applicable laws, rules, regulations and operating policies of any governmental authority, including Lessor, or for any other activity or operation not specified in SECTION 1.4 herein, or that does not have advance, written approval of Lessor's Executive Director.

1.6 On-Site Manager. Upon commencement of business operations at and on the Premises and the Airport, Lessee shall designate an on-site manager for the term of this Lease who shall be available to Lessor and Lessee's customers, if any, during normal business hours, and otherwise as required by the *Airport Minimum Standards*, as applicable.

1.7 Lessee Acknowledgement. Lessee acknowledges and agrees that its obligations to pay Base Rent and all other charges due and owing under the terms hereof shall be absolute and unconditional, and shall not be affected by any circumstances whatsoever, including, without limitation: (i) any set-off, counterclaim, recoupment, defense or other right which Lessee may have against Lessor or the United States of America or anyone else for any reason whatsoever; (ii) any liens, encumbrances or rights of others with respect to the Premises; (iii) the invalidity or unenforceability or lack of due authorization or other infirmity of this Lease or any lack of right, power or authority of Lessor or Lessee to enter into this Lease; (iv) any insolvency, bankruptcy, reorganization or similar proceedings by or against Lessee, or any other person; or (v) any other cause, whether similar or dissimilar to the foregoing, any future or present law notwithstanding, it being the intention of the Parties hereto that all rent being payable by Lessee hereunder shall continue to be payable in all events and in the manner and at the times provided herein.

1.8 Lease Termination. Following the Effective Date should Lessee choose to relocate within the boundaries of the Airport to a facility of equal to or greater in size and comparable condition, Lessee shall then have the right to terminate this Lease in its entirety by providing NINETY (90) days' written notice of Lessee's intent to do so. Lessee must provide Lessor with a copy of its enforceable ground or facility lease at the Airport with its notice to Lessor (the "Relocation Termination Notice")

2. TERM

2.1 Initial Term. The initial term of this Lease shall be for a period of THREE (3) years, commencing on the Effective Date and terminating on DECEMBER 31ST, 2025 thereafter ("**Term**").

2.2 Reserved.

3. NONEXCLUSIVE RIGHTS

Lessee shall have the exclusive right to occupy and use the Premises while in compliance with the terms and conditions of this Lease, 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 that Lessor deems appropriate, or conduct such activities itself, provided that such activities do not require or materially interfere with Lessee's use of the Premises.

4. RENT

4.1 Base Rent. Subject to the increases provided Section 4.3 and 4.4 below, Lessee agrees to pay Lessor annual rental for the use of the Premises in the amount of SEVENTY-SEVEN THOUSAND, TWO HUNDRED FORTY-TWO AND 24/100 DOLLARS ($77,242.24), payable in equal monthly installments of SIX THOUSAND, FOUR HUNDRED THIRTY-SIX AND 91/100 DOLLARS ($6,436.85) ("**Base Rent**").

The Base Rent shall be payable in advance, without any prior demand therefor and without any abatement, deductions or set-offs whatsoever, and tendered in lawful currency of the United States, either by check or electronic transfer.

4.2 Reserved.

4.3 Rent Increases. The annual Base Rent paid by Lessee shall be increased (but never decreased) on every Twelve (12) month anniversary of the Effective Date of this Lease by FOUR (4%) percent.

4.4 Reserved.

4.5 Reserved.

4.6 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.

4.7 Payment.

4.7.1 Unless otherwise specified herein, the first payment of Base Rent shall be paid to Lessor upon the delivery of this Lease, for the period from the Effective Date until the end of the calendar month in which the Effective Date occurs, prorated on the basis of the number of such days to the total number of days in said month. Thereafter, all Base Rent payments shall be paid in monthly installments, in advance, on the first day of each calendar month ("**Base Rent Due Date**"). On each such date, Lessee shall pay the full Base Rent payment.

4.7.2 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.

4.7.3 All payments (and reports, if any) required by this SECTION 4 shall be remitted to the following address by the due date(s) specified hereinabove:

Phoenix-Mesa Gateway Airport Authority
Attn.: Department of Finance (Accounts Receivable)
5835 S. Sossaman Road
Mesa, Arizona 85212-6014

or such other address specified in writing by Lessor to Lessee.

4.8 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) 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.

4.9 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 4.7. 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.

4.10 Survival. Lessee's obligation to pay all amounts stated herein, together with any interest thereon and/or penalties therefor, shall survive the termination of this Lease.

5. PERFORMANCE GUARANTEE

5.1 Security Deposit.

5.1.1 On or before the Effective Date, Lessee shall pay to Lessor an amount equivalent to TWELVE THOUSAND, EIGHT HUNDRED SEVENTY-THREE AND 70/100 DOLLARS ($12,873.70), 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 any construction on the Premises, by providing, at Lessee's sole cost and expense and prior to commencement of construction of any improvements on the Premises, one of the following instruments, chosen at Lessee's discretion:

(a) Payment Bond. Lessee shall require the contractor to provide a labor and materials payment bond in the full contract amount to protect claimants supplying labor and materials in connection with the construction. The bond shall comply in all respects with the requirements of A.R.S. § 33-

1003 as it may be amended or renumbered from time to time. The parties agree that Lessee is not a public body, and the improvements to be constructed under this Lease by Lessee at Lessee's sole cost are not public buildings, public works or public improvements. The bond shall be issued by a surety company reasonably acceptable to Lessor and duly licensed for such undertaking in the state of Arizona and shall be accompanied by a power of attorney disclosing the authority of the person executing it on behalf of the surety. The bond and a copy of the contract shall be recorded in the office of the Maricopa County Recorder as required under A.R.S. § 33-1003, and a copy of the bond shall be provided to Lessor; or

(b) Letter of Credit. Such instrument ("**Letter of Credit**") shall be irrevocable, in an amount equal to the total amount of the construction contract(s) for the construction of the Improvements (as defined in Section 7 below) plus TEN PERCENT (10%) of such amount ("**Improvement Costs**") and be issued to Lessee by a financial institution ("**Bank**") reasonably acceptable to Lessor. The Letter of Credit shall have a term extending from the date of commencement of construction until the date which is TWENTY-FOUR (24) months thereafter, after which date it shall be renewed on a year-to-year basis until construction of 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 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 of this Lease if an Event of Default occurs and is continuing under Section 7. 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. AIRPORT OPERATING AGREEMENT

If and to the extent that Lessee, including its subtenants, contractors, and agents, operates aircraft at or on the Airport, Lessee shall enter, or shall cause its subtenants, contractor or agent to enter, into an operating agreement with Lessor covering such operations prior to the commencement of any such operations. If any of Lessee's subtenants, subcontractors or agents have not entered into its own *Airport Operating Agreement* and is operating under Lessee's *Airport Operating Agreement*, Lessee shall be responsible for such subtenant's contractors or agents compliance with Lessee's *Airport Operating Agreement*. Lessee shall be responsible for compliance by its subtenants, contractors and agents with the *Airport Rules and Regulations* and *Airport Minimum Standards*.

7. IMPROVEMENTS

7.1 Reserved.

7.2 Reserved.

7.3 No Alterations. Lessee shall make no material improvements or alterations to the Premises during the Term of this Lease without the prior written permission of Lessor, which shall not be unreasonably withheld or delayed and, if and to the extent applicable, without the approval by Lessor's Design Review Committee. Lessee shall provide Lessor with electronic as-built drawings (or their equivalent) when any improvement or alteration is completed for which such drawings are reasonably required.

7.4 Title to Alterations and Improvements. Title to all improvements and alterations on the Premises (but not personal property or trade fixtures) shall 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 or other instrument satisfactory to Lessor confirming that title to such improvements and alterations is vested in Lessor. This Section 7.4 shall survive the 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. In the event that any such lien is filed, Lessee shall, at its sole cost, cause such lien to be removed from the Premises by bonding or otherwise within THIRTY (30) calendar days of notice thereof.

7.6 Permit Required. Lessee shall be responsible for determining whether it is subject to local building/construction codes or permit requirements, and for compliance with them to the extent they are applicable. All structural, electrical, plumbing or mechanical construction or reconstruction shall conform to City of Mesa ("**City**") construction and technical codes. No such work shall be commenced without first submitting required plans and obtaining required permits from the City. All such work shall be permitted, inspected and approved by the City prior to concealment or use. Lessee shall provide to Lessor a contemporaneous copy of Lessee's permit application and the associated plans and specifications.

7.7 Damage or Destruction. Lessee shall maintain insurance on all of Lessee's Improvements to the Premises, 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 replace, repair, restore, modify or improve said Improvements, subject to the provisions of SECTION 7.6, using available insurance proceeds together with any additional funds from other available sources, or, alternatively, Lessee shall pay the replacement cost of the Improvements to Lessor.

8. MAINTENANCE

8.1 Lessee. Lessee shall, at its sole cost and expense, keep the Premises and all improvements therein in a neat and clean condition and in good order, condition and repair throughout the Term. In doing so, Lessee shall prepare, maintain and follow a preventative maintenance schedule for all mechanical, electrical, plumbing, drain, piping and air conditioning systems on the Premises, and, upon request, provide a copy of such schedule to Lessor and, if required by Lessor, a list of the dates on which such maintenance was actually done. Lessee's maintenance of the Premises shall include, without limitation, the inspection, servicing and repair of all systems and improvements, including the boilers, interior roof and structures, electrical, plumbing,

heating and cooling, fire detection and suppression systems, pavements, pest control, landscaping and grounds maintenance.

8.2 Lessor. Lessor shall, at its sole cost and expense, sustain and maintain the structural integrity of the Premises, including the exterior roof, and all utility connections where they enter the Premises throughout the Term.

8.3 Damage to Lessor Property. Any real or personal property of Lessor damaged or destroyed by Lessee as a result of Lessee's use or occupancy of the Premises shall be promptly repaired or replaced by Lessee to the satisfaction of Lessor. In lieu of such repair or replacement, where required by Lessor, Lessee shall pay to Lessor an amount sufficient to compensate for the loss sustained by Lessor.

8.4 Trash Removal. Lessee shall at all times keep the Premises in a neat, clean, safe, sanitary and orderly condition and shall keep such area free of all trash and debris. Lessee shall, at Lessee's expense, be responsible for all trash removal from the Premises. Such trash removal shall be performed on a not less than weekly basis, and all trash shall be disposed of off the Airport. Prior to its removal from the Airport, Lessee shall deposit all trash and debris only at collection stations located on the Premises, in accordance with City code.

8.5 Emergency Contacts. Within FIFTEEN (15) days of the Effective Date, Lessee shall provide Lessor with a list of names and telephone numbers for 24-hour emergency contact for the Premises. Lessee shall promptly provide Lessor with updated lists and changes as they occur.

8.6 Excessive Repairs; Lease Termination. Should any required single repair exceed FIVE THOUSAND 00/100 DOLLARS ($5,000.00), then the responsible repair Party (as defined in either Section 8.1 or 8.2 herein) shall have the right (but not the obligation), and in lieu of completing the repair, to terminate this Lease in its entirety by delivering THIRTY (30) days' written notice to the other Party (the "Excessive Repair Lease Termination Notice"). The notified Party shall have the right to elect to complete the repair in lieu of Lease termination and by providing notice of its intent to do so to the other Party (the "Decision to Repair Notice") within FOURTEEN (14) days' following the receipt of the Excessive Repair Lease Termination Notice. The notifying Party shall then provide up to FIVE THOUSAND 00/100 DOLLARS ($5,000.00) towards the repair (the "Repair Reimbursement") following the completion of the repair. The notified Party shall cover all excessive repair costs above this amount.

9. ASSIGNMENT, SUBLETTING AND OTHER TRANSFERS

9.1 Any Transfer of Lease Interest Requires Lessor Advance Written Approval. In the event Lessee desires to transfer, assign, encumber, pledge or hypothecate any portion of its interest in this Lease or any right or interest hereunder (including, but not limited to as part of a mortgagor deed of trust or an assignment by means of a foreclosure or trustee's sale thereunder)(individually and collectively, "**Transfer**"), Lessee must obtain the prior written consent of Lessor, with such consent to be the in sole and absolute discretion of Lessor without exception. 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. Notwithstanding a Transfer, unless released in writing by Lessor in its sole and absolute discretion Lessee shall remain liable at law and at equity, as well as financially liable, under the Lease, regardless of whether the assignee expressly assumes in writing all of Lessee's obligations under this Lease or in the case of a sublease. Lessee understands and agrees to these terms and conditions regarding any proposed Transfer, and that any violation of this Section 9, may irreparably harm Lessor as the requirements set forth herein are directly related to Lessor's (and any Lessee's) legal and financial obligations to the Federal Aviation Administration. This Section 9 shall remain valid and enforceable even in the event of amendment to or repeal of FAA regulations, so long as this Section 9 does not directly conflict therewith.

9.2 Lessee's Required Advance Notice to Lessor of Proposed Transfer. In order for Lessor to 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 Lessee and the proposed transferee (along with transferee's business plans) that are reasonably acceptable to Lessor; and (iii) the transferee assumes and agrees in writing to perform Lessee's obligations under this Lease. However, nothing herein shall be construed as Lessor providing its consent to any Transfer or relieving Lessee of any legal, financial or other obligation under the Lease, regardless of Lessor's acceptance or refusal to accept such proposed transfer of Lease.

9.3 Deemed Transfers. For the purposes of this Lease, a Transfer shall be deemed to include the following: (i) if Lessee is a corporation, partnership, limited liability company or other legal entity, the transfer of any ownership interest in such entity resulting in a change in the present control of such entity by the person or persons owning a majority of the ownership interest thereof as of the date of this Lease; provided, however, if Lessee is a corporation whose stock is traded on a nationally recognized stock exchange, the transfer of Lessee's stock shall not constitute a Transfer requiring Lessor's consent; or (ii) the sale of TWENTY-FIVE PERCENT (25%) or more in value of the assets of Lessee. For purposes of this Lease, "control" shall mean possessing the power to direct or cause the direction of the management and policies of the entity by the ownership of a majority of the voting securities of the entity.

9.4 Subletting. Lessee shall not sublease the Premises or any portion thereof at any time during the Term of this Lease.

10. IDENTIFICATION SIGNS

Lessee may install on the building in which the Premises is located, a sign or signs identifying its business on the exterior of the Premises; provided, however, that the general type, size, and location of such sign(s) shall conform to Lessor's Comprehensive Sign Plan, be approved in writing by Lessor in advance of installation and be subject to any signage rules, codes and/or regulations of any governmental authority.

11. DEFAULT; TERMINATION BY LESSOR

11.1 Events of Default. Each of the following shall constitute a material default of this Lease by Lessee ("**Event of Default**"):

11.1.1 Failure to pay any installment of Base Rent or other amount due from Lessee hereunder, or required by any other agreement between the Parties, provided that Lessee does not cure such failure within TEN (10) business days after delivery by Lessor of a written notice of such failure.

11.1.2 Failure to perform any of its other obligations under this Lease, provided that Lessee does not cure such failure within THIRTY (30) calendar days after delivery by Lessor of a written notice of such default; 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 being diligently pursued, not to exceed ONE HUNDRED TWENTY (120) days.

11.1.3 The filing of any mechanic's, materialmen's or other lien of any kind against the Premises because of any act or omission of Lessee which lien is not discharged, by bonding or otherwise, within THIRTY (30) calendar days of receipt of actual notice thereof by Lessee.

11.1.4 The Transfer or attempted transfer of any interest in the Lease to any transferee without Lessor's advance written authorization, which Lessor may withhold in its sole and absolute discretion.

11.2 Lessor's Remedies. Upon the occurrence of an Event of Default under this Lease, Lessor may, without prejudice to any other rights and remedies available to a Lessor at law, in equity or by statute, but subject to the provisions of SECTIONS 9.2 and 23 herein, exercise one or more of the following remedies, all of which shall be construed and held to be cumulative and non-exclusive:

11.2.1 Terminate this Lease and re-enter and take possession of the Premises; or

11.2.2 Without terminating this Lease, re-enter and take possession of the Premises; or

11.2.3 Without such re-entry, recover possession of the Premises in the manner prescribed by any statute relating to summary process, and any demand for Base Rent, re-entry for condition broken, and any and all notices to quit, or other formalities of any nature to which Lessee may be entitled, are hereby specifically waived to the extent permitted by law; or

11.2.4 With or without terminating this Lease, Lessor may re-let the Premises or any portion thereof.

11.3 No Implied Termination. Lessor shall not be deemed to have terminated this Lease unless Lessor shall have notified Lessee in writing that it has so elected to terminate this Lease. Lessee hereby waives all claims based on Lessor's reentering and taking possession of the Premises, or removing and storing the property of Lessee, and shall save Lessor harmless from all losses, costs or damages occasioned thereby. No such reentry shall be considered or construed to be a forcible entry by Lessor.

11.4 Lessor's Current Damages. 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 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.

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 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 damages incurred by Lessor as a result of such Event of Default. In determining the amount of loss that could reasonably be provided, rents to be paid by subtenants pursuant to Section 9.4, if applicable, and other reasonably projected rental income from leasing the Premises shall be taken into account.

11.6 No Waiver by Lessor. No waiver by Lessor of any breach or default by Lessee in the performance of its obligations under this Lease shall be deemed to be a waiver of any subsequent default by Lessee in the performance of any 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 or more Leasehold Mortgagees 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 Arizona Revised Statutes Sections 33-361 and 362 and other similar laws. Upon written request from Lessee, Lessor agrees to promptly execute and deliver such commercially reasonable landlord subordination agreement and access agreement that any Leasehold Mortgagee may request of Lessor. Lessee shall reimburse Lessor for reasonable third-party costs, including reasonable attorneys' fees, incurred by Lessor in connection with the review and negotiation of any such agreement within THIRTY (30) days after receipt of an invoice from Lessor.

12. RESERVED

13. INDEMNIFICATION

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 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) 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.

14. ENVIRONMENTAL PROTECTION

14.1 Definitions. Unless the context shall clearly require otherwise, the terms defined in this SECTION 14.1 shall, for all purposes of this Lease and of any agreement amendatory hereof or supplemental hereto, have the meanings herein specified, with the following definitions to be equally applicable to both the single and plural forms of any of the following:

14.1.1 *Environmental Laws.* The term "Environmental Laws" shall mean any one or all of the following, as the same are amended from time to time: the *Comprehensive Environmental Response, Compensation, and Liability Act*, 42 USC Section 9601 et seq.; the *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. 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 prior to the Effective Date, except and only to the extent known contamination is caused by or exacerbated by Lessee or unknown contamination is caused by or exacerbated by Lessee'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. This SECTION 14.4 also applies to Lessee's remediation of any contamination of any kind existing on the Premises or Airport prior to the Effective Date, including any such contamination that may be first discovered after the Effective Date but not caused by Lessee.

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. 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 immediately notify Lessor of any of the following: (i) Lessee's receipt of any notification from any governmental entity either charging or informing Lessee that it will be charged with a 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 Reserved.

14.8 Actions of Lessee. The activities or actions of Lessee under this SECTION 14 shall include the activities or actions of Lessee's officers, directors, employees, agents, contractors, invitees and successors.

14.9 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 entries by the United States, EPA, ADEQ, Arizona ADOSH, or any officer, agent, employee or contractor thereof.

14.13 U.S. Air Force Use and Remedial Action.

14.13.1 The Parties assume no liability or responsibility for environmental impacts and 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.

14.15 Spill Protection Plan. In the event Lessee undertakes any type of manufacturing, maintenance or other activities on the Premises involving the use or generation of any Hazardous Material regulated by Hazardous Material Laws, Lessee shall have a plan for responding to Hazardous Material, fuel, and other chemical spills prior to commencement of activities on the Premises and other approved Airport locations. Such plan shall comply with all applicable requirements of said plan which shall be updated from time to time or as may be required to comply with changes in site conditions or applicable requirements, and shall be approved by all agencies that are obligated by law to approve such plan. Such plan shall be independent of Lessor's spill prevention and response plans, if any. Lessee shall not rely on use of Lessor or Lessor personnel or Lessor equipment in execution of its plan. Lessee shall file a copy of the plan and amendments thereto with Lessor's Environmental and Safety Coordinator within THIRTY (30) calendar days of receipt of a CofO from the City. Notwithstanding the foregoing, should Lessor provide any personnel or equipment, whether for initial fire response and/or spill containment, on the request of Lessee, or because Lessee was not, in the opinion of Lessor, conducting firefighting, containment or timely cleanup actions, Lessee agrees to reimburse Lessor for its actual costs in accordance with all applicable laws and regulations, except to the extent that Lessor was responding to conditions caused by events occurring at the Airport (not including the Premises) or by the negligence or omission of Lessor or its employees, agents or contractors.

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.

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 *Commercial Automobile Liability* ($1,000,000.00 per occurrence) insurance covering all owned, non-owned and hire vehicles operated on the Airport that are assigned to or used in the performance of commercial activities, or that are operated within the AOA. If any hazardous materials are transported within Airport boundaries in conjunction with the operator's business activities, an MSC-90 Endorsement is required.

16.1.2 *Environmental Impairment Liability* ($2,000,000.00 per occurrence) insurance covering third party bodily injury and property damage associated with hazardous material storage facilities, tanks, piping, ancillary equipment and containment structures, or structures that are used, controlled, constructed or maintained on the Airport, and including expenses for defense, release mitigation and off- and on-site remediation.

16.1.3 *Comprehensive General Liability* ($2,000,000.00 per occurrence) insurance covering third party bodily injury and property damage, including coverage for "premises/operations," "products and completed operations," "professional," "host liquor" and "blanket contractual liabilities."

16.1.4 *Property* (full value of essential property and Improvements, if any, on an all risks, replacement cost basis) 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 $1,000,000.00 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, 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) 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 Phoenix-Mesa Gateway Airport Authority as additional insured, herein to Lessor, in standard Acord or equivalent form, prior to the Effective Date and shall continue to provide such certificates throughout the term of this Lease.

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.

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. 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.

17. SURRENDER OF POSSESSION

17.1 Condition of Property.

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. All trade fixtures, equipment, and other personal property installed or placed by Lessee on the Premises which are not permanently affixed thereto shall remain the property of Lessee, and Lessee shall have the right at any time during the Term of this Lease, to remove the same from the Airport and Lessee shall repair, at its sole cost, any damage caused by such removal. Any property not removed by Lessee within FIFTEEN (15) calendar days of the expiration or earlier termination of this Lease, or revocation of Lessee's right to occupy the Premises, shall be deemed abandoned, and ownership thereof shall vest in Lessor. Lessee shall, however, remain financially liable to Lessor for the cost of repairs to the Premises incurred as a result of Lessor's removal and/or relocation of property formerly belonging to Lessee and not otherwise removed from the Premises, as provided

herein, and shall remit to Lessor payment for such costs within TEN (10) business days of Lessee's receipt of Lessor's invoice therefor.

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.

17.2 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

Lessor may enter upon the Premises at reasonable times during Lessee's normal business hours and upon at least TWO (2) business days' prior written notice to Lessee (except in emergencies, in which event Lessor may enter immediately and shall notify Lessee promptly following such emergency entry) for any reasonable purpose, including, but not limited to, compliance with the terms and conditions of this Lease and the exercise of its governmental functions for such activities as fire protection or security. Lessee may accompany Lessor on any Lessor inspections and entries. Lessor shall take reasonable steps to avoid interrupting or disrupting the conduct of business of Lessee on the Premises.

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: Phoenix-Mesa Gateway Airport Authority
Attn: Business Development Department
5835 South Sossaman Road
Mesa, Arizona 85212

TO LESSEE: Essential Turbines, Inc.
Attn.: Reid Selover Jr., VP/General Manager - USA
7808 East Velocity Way
Mesa, Arizona 85212
Phone: (602) 226-2358
Email: rselover@essentialturbines.com

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.

22.2 Reserved.

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 Airport, including all laws, ordinances, rules and regulations adopted after the Effective Date. Lessee shall at all times comply with the *Airport Minimum Standards* and *Airport Rules and Regulations*, as the same may be amended from time to time. Copies of the current *Airport Minimum Standards* and *Airport Rules and Regulations* are attached hereto as **EXHIBIT D**. Lessee acknowledges and agrees that Lessor may amend the *Airport Minimum Standards* and *Airport Rules and Regulations* at any time in Lessor's sole discretion. Lessee shall be responsible for controlling and preventing disruptive pedestrian and vehicle traffic associated with its activities on the Premises and at the Airport. Lessee also shall display to Lessor any permits, licenses, or other evidence of compliance with laws upon request.

25. CORPORATE AUTHORIZATION

In executing this Agreement, Lessee represents and warrants to Lessor that if Lessee is a corporation, Lessee has obtained and been granted the full right, power and authority to enter into this Lease.

26. UTILITY LINES AND SERVICE CHARGES

26.1 Connections and Services.

26.1.1 Lessee Responsibility. Lessee shall, at no cost or expense to Lessor, provide or arrange for telecommunications, janitorial, gas, and any additional 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 (other than those described in SECTION 26.1.2 herein), 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.

26.1.2 Lessor Responsibility. Lessor shall arrange and pay for electric, water, and sewer public utilities as a part of Base Rent. Lessor shall not be liable to Lessee for any interruption of utility services to the Premises not caused by Lessor, its agents, employees or contractors; provided, however (i) Lessor shall be obligated to use its best efforts to obtain the resumption of such utility services as quickly as is reasonably possible (unless such interruption of service was caused by the negligence of Lessee, or anyone acting by, through or under Lessee), and (ii) if any utility service is interrupted as a result of acts or omissions of Lessor, its agents, employees or contractors, there shall be an abatement of Base Rent on a per diem basis during the period that such interruption continues.

26.1.3 Lessor Utility Payment Cap. Lessor's total utility payment responsibility (as defined in SECTION 26.1.2 herein) shall be capped at SEVEN HUNDRED 00/100 DOLLARS ($700.00) per month (the "Lessor Utility Payment Cap"). Should Lessee's use of the Premises result in a combined, total utility usage payment by Lessor (for the utilities Lessor is responsible for as defined in SECTION 26.1.2) then Lessee shall reimburse Lessor for the gross dollar amount over the Lessor Utility Payment Cap within THIRTY (30) days.

26.2 Payment. Lessor shall pay electric, water, and sewer utilities. Lessee shall pay for all other utilities needed including trash collection, as 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 sole discretion, including but not limited to, any utility easements on the Premises. Lessor shall conduct such repairs in such a manner and at such times as to not unreasonably interfere with Lessee's activities thereon.

27. RESERVATIONS TO LESSOR

The Premises are accepted "as is, where is" by Lessee, subject to any and all existing easements or other encumbrances. Lessor reserves the right to grant reasonable easements, rights-of-way, and permits, over, on, or across any portions of the Premises for commercially reasonable purposes; provided, that Lessor and the grantee, as applicable, shall not exercise such rights so as to unreasonably interfere with or disrupt Lessee's activities on the Premises, including the development of the Premises, to be determined in the reasonable judgment of Lessor and Lessee, and all such interference shall be minimized. Lessor shall provide Lessee reasonable notice of any plan to undertake the activities contemplated under this Section and shall coordinate with Lessee regarding the execution of such plans to minimize any interference with Lessee's or any subtenant's activities on the Premises. 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) PROVISIONS

28.1 Lessee agrees that in the event improvements are constructed, maintained, or otherwise operated on the Premises for a purpose for which a Department of Transportation (DOT) program or activity is intended, or for another purpose involving the providing of similar services or benefits, Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, *Nondiscrimination in Federally Assisted Programs of the Department of Transportation,* as it may be amended.

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.

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.

28.13 To the extent that Lessee conducts or engages in any aeronautical activity for furnishing services to the public at the Airport, Lessee shall furnish its services on a reasonable and not unjustly discriminatory basis to all users and charge reasonable and not unjustly discriminatory prices for each unit or service; except, however, that Lessee may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar type of price reductions to volume purchasers.

28.14 Lessee shall conform to Lessor and FAA safety and security rules and regulations regarding use of the Airport air operations area including runways, taxiways, taxilanes and aircraft aprons by vehicles, employees, customers, visitors, etc., in order to prevent security breaches and avoid aircraft incursions and vehicle/pedestrian deviations; complete and pass an airfield safe driving instruction program when offered or required by Lessor; and be subject to penalties as prescribed by Lessor for violations of Airport safety and security requirements.

29. TITLE VI

29.1 Lessee agrees to comply with pertinent statues, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color or national origin, sex, age or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. Lessee understands and acknowledges that the FAA requires inclusion of and adherence to the terms and conditions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. §§2000d to 2000d-4) ("**Title VI**") in all airport/aviation lease agreements where Lessor receives federal funding, including the Lease in this instance.

29.2 During the Term, Lessee, for itself, its assignees, and successors in interest agrees as follows:

29.2.1 Compliance with Regulations. Lessee will comply with the Title VI List of Pertinent Non-Discrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this Lease.

29.2.2 Non-discrimination. Lessee, with regard to the work performed by it during Lease, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. Lessee will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR Part 21.

29.2.3 Solicitations for Subcontracts, Including Procurements of Materials and Equipment. In all solicitations, either by competitive bidding, or negotiation made by Lessee for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by Lessee of Lessee's obligations under this Lease and the Non-discrimination Acts And Authorities on the grounds of race, color, or national origin.

29.2.4 Information and Reports. Lessee will provide all information and reports required by the Acts, the Regulations and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the sponsor or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of Lessee is in the exclusive possession of another who fails or refuses to furnish the information, Lessee will so certify to the sponsor or the Federal Aviation Administration as appropriate, and will set forth what efforts it has made to obtain the information.

29.2.5 Sanctions for Noncompliance. In the event of Lessee's noncompliance with the Nondiscrimination provisions of this Lease, Lessor will impose such default remedies as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:

(a) withholding payments, if any, to Lessee under the Lease until Lessee complies; and/or
(b) cancelling, terminating, or suspending the Lease, in whole or in part.

29.2.6. Incorporation of Provisions. Lessee will include the provisions subsections 29.2.1 through 29.2.6 in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. Lessee will take action with respect to any subcontract or procurement as the sponsor or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if Lessee becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, Lessee may request Lessor to enter into any litigation to protect the interests of Lessor. In addition, Lessee may request the United States to enter into the litigation to protect the interests of the United States.

29.3 The Lessee for itself, and its successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree that (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, (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.

29.4 During the performance of this Lease, Lessee, for itself, its assignees, and successors in interest agrees to comply with the following non-discrimination statutes and authorities; including but not limited to the following (which Lessor is required to disclose and include in such Lease and other agreements, pursuant to FAA regulation):

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq*., 78 Stat. 252) (prohibits discrimination on the basis of race, color, national origin);

- 49 CFR Part 21 (Non-discrimination In Federally-Assisted Programs of The Department of Transportation—Effectuation of Title VI of The Civil Rights Act of 1964);

- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. § 4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);

- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 et seq.), as amended, (prohibits discrimination on the basis of disability); and 49 CFR part 27;

- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 *et seq*.) (prohibits discrimination on the basis of age);

- Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);

- The Civil Rights Restoration Act of 1987 (PL 100-209) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act

of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);

- Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 CFR parts 37 and 38;

- The Federal Aviation Administration's Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);

- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures non-discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;

- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);

- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et *seq.*).

29.5 Lessee agrees that in the event improvements are constructed, maintained, or otherwise operated on the Premises for a purpose for which a Department of Transportation (DOT) program or activity is intended, or for another purpose involving the providing of similar services or benefits, Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, as it may be amended.

30. FEDERAL FAIR LABOR STANDARDS ACT

This Lease incorporates by reference the provisions of 29 CFR Part 201, the Federal Fair Labor Standards Act (FLSA), with the same force and effect as if given in full text. Lessee has full responsibility to monitor compliance to the referenced statue or regulation. Lessee must address any claims or disputes that arise from this requirement directly with the U.S. Department of Labor – Wage and Hour Division.

31. OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970

This Lease incorporates by reference the provisions of 29 CFR Part 1910 with the same force and effect as if given in full text. Lessee must provide a work environment that is free from recognized hazards that may cause death or serious physical harm to the employee. Lessee retains full responsibility to monitor its compliance and their subcontractor's compliance with the applicable requirements of the Occupational Safety and Health Act of 1970 (20CFR Part 1910). Lessee must address any claims or disputes that pertain to a referenced requirement directly with the U.S. Department of Labor – Occupational Safety and Health Administration.

32. INCORPORATION OF QUITCLAIM DEED

Lessor owns the Airport pursuant to a Quitclaim Deed from the United States Government (the "**Deed**"), a copy of which is available to Lessee upon request and is hereby incorporated in its entirety. To the extent the Deed has terms, conditions, obligations, requirements or restrictions that apply to this Lease, Lessor, Lessee or any matter in connection herewith, Lessee agrees to be bound by all the terms, covenants and conditions of the Deed, including the following:

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 or all misused badges.

35. DEFAULT BY LESSOR

In the event of any alleged breach by Lessor of its covenants contained in this Lease, Lessee shall have available all rights and remedies provided at law or in equity, subject to the terms and conditions of this Lease; provided, however, Lessee may not exercise any such right or remedy unless Lessee has notified Lessor by written notice of such alleged default, and Lessor has not cured such default within the THIRTY (30) calendar day period subsequent to receipt of such notice or, in the event such alleged default is of such a nature that it cannot reasonably be cured within such THIRTY (30) calendar day period, Lessor has failed to cure such alleged default with all due diligence. Notwithstanding anything to the contrary contained in this Lease, in no event shall Lessee be entitled to terminate this Lease or abate or offset any installment of Base Rent, or any other payments to be made by Lessee hereunder.

36. BROKERS

Per Lessor's Commercial Real Estate Brokers and Agents Commission Policy (Resolution # 15-04), Lessor shall pay a commission of FOURTEEN THOUSAND, FOUR HUNDRED SIXTY-SEVEN 29/100 DOLLARS ($14,467.29) to the brokerage of DPR Commercial Realty (acting through Kristie Phelps) within thirty (30) calendar days following the Effective Date. The Parties acknowledge that DPR Commercial Realty (acting through Kristie Phelps), is the exclusive representing broker for Lessee and there are no other acting brokers as part of this Lease. Lessor shall send the commission payment to:

DPR Commercial Realty
301 E. Bethany Home Road, Suite A-125

Phoenix, Arizona 85012

37. SALE BY LESSOR

Lessee agrees to look solely to Lessor's interest in the Premises for the recovery of any judgment from Lessor, it being agreed that neither Lessor nor the holders of the equity interests of Lessor, nor the members, partners, officers, directors or shareholders of Lessor shall be personally liable for any such judgment. In the event of any sale or other conveyance by Lessor of its interest in the Premises, Lessor shall be automatically freed and released from all personal liability accruing from and after the date of such sale or conveyance as respects the performance of any covenant or obligation on the part of Lessor contained in this Lease to be performed, it being intended hereby that the covenants and obligations contained in this Lease on the part of Lessor shall be binding on the Lessor and its successors and assigns only during and in respect to the respective successive periods of ownership of the Premises.

38. ESTOPPEL CERTIFICATE

Lessee shall, without charge, at any time and from time to time hereafter, within TEN (10) business days after written request of Lessor to do so, certify, by written instrument duly executed and acknowledged by Lessee and certified to Lessor and to any prospective lender or purchaser: (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 Lessee's knowledge; (c) as to the date on which Lessee was obligated to commence paying Base Rent and all other charges hereunder and the expiration date of the Term; (d) as to whether the Lessee has assigned or transferred its interests or any portion thereof in this Lease; and (e) as to any other matters as may be reasonably requested. Lessor and any prospective purchaser or lender to whom the same was certified may rely upon any such certificate.

39. UNAVOIDABLE DELAY

In the event either Party shall be delayed or hindered in or prevented from the performance of any covenant, agreement, work, service, or other act required under this Lease to be performed by such Party ("**Required Act**"), and such delay or hindrance is due to Unavoidable Delay (as defined below), then the performance of such Required Act shall be excused for the period of delay and the time period for performance of the Required Act shall be extended by the same number of days in the period of Unavoidable Delay. For purposes of this Lease, "Unavoidable Delay" shall mean, with respect to either Party, an unavoidable delay in the performance by such Party of any non-monetary conditions or obligations under this Lease due including but not limited to: (a) construction delay to the extent caused by the other Party, (b) legal proceeding brought by a non-Party with respect to the Improvements or any provision or requirement of this Lease which by its nature prohibits the Improvements from being commenced, continued and/or completed, (c) a Party not receiving a governmental permit, license, approval or inspection in time to meet a contractual time period imposed hereunder provided that Party, in good faith, was diligent in the application or request for and prosecution of the process to obtain that permit, license, approval or inspection, (d) flood, (e) epidemic, (f) quarantine restriction, (g) unusually severe weather not reasonably anticipated, (h) strike, (i) walkout, (j) lock-out, (k) war, (l) national emergency, (m) fire, (n) act of God, (o) act of terrorism, (p) natural disaster, (q) explosion, (r) default by the other Party hereunder in the performance of its obligations hereunder, (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) other causes beyond such Party's control; provided that no Unavoidable Delay shall exist unless the Party claiming such Unavoidable Delay shall give written notice to the other Party of the occurrence of the Unavoidable Delay not later than FORTY-FIVE (45) days after the commencement of such Unavoidable Delay.

40. MISCELLANEOUS

40.1 Personal Liability. No member of or employee of either Party shall be charged personally or held contractually liable by or to the other Party under any term or provision of this Lease because of any breach thereof, or because of its execution or attempted execution.

40.2 No Waiver. No provision of this Lease may be waived or modified except by a writing signed by the Party against whom such waiver or modification is sought.

40.3 Non-Waiver of Rights. No waiver or default by Lessor of any of the terms, conditions, covenants or agreements hereof to be performed, kept or observed by Lessee shall be construed or act as a waiver of any subsequent default of any of the terms, covenants, conditions or agreements herein contained to be performed, kept or observed by Lessee, and Lessor shall not be restricted from later enforcing any of the terms and conditions of this Lease.

40.4 Amendment. This Lease 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.

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.

IN WITNESS WHEREOF, the Parties have executed this Lease the day and year first above written.

EXECUTED to be effective on the date specified above.

LESSOR:

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY,
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 Phoenix-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:

Essential Turbines, Inc. a Canadian corporation authorized to do business in Arizona

By:
Reid Selover, Vice President / General Manager - USA

Date: _____

STATE OF _____)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me on _____ by _____, as _____ of _____, a(n) _____, on behalf of the company.

_____
NOTARY PUBLIC

My Commission Expires:
_____

EXHIBIT A

DEPICTION OF THE PREMISES

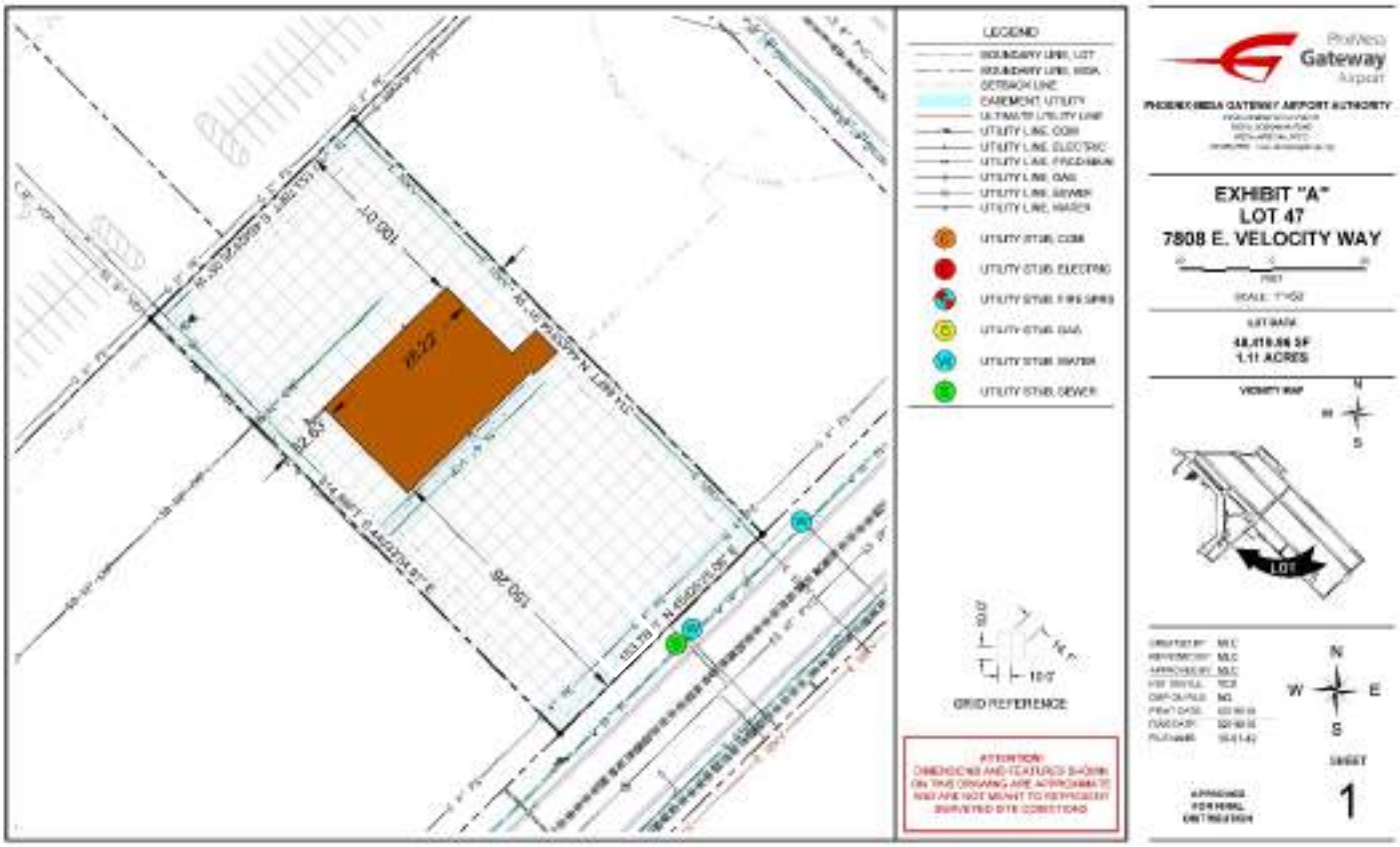

EXHIBIT A

DEPICTION OF THE PREMISES (CONTINUED)

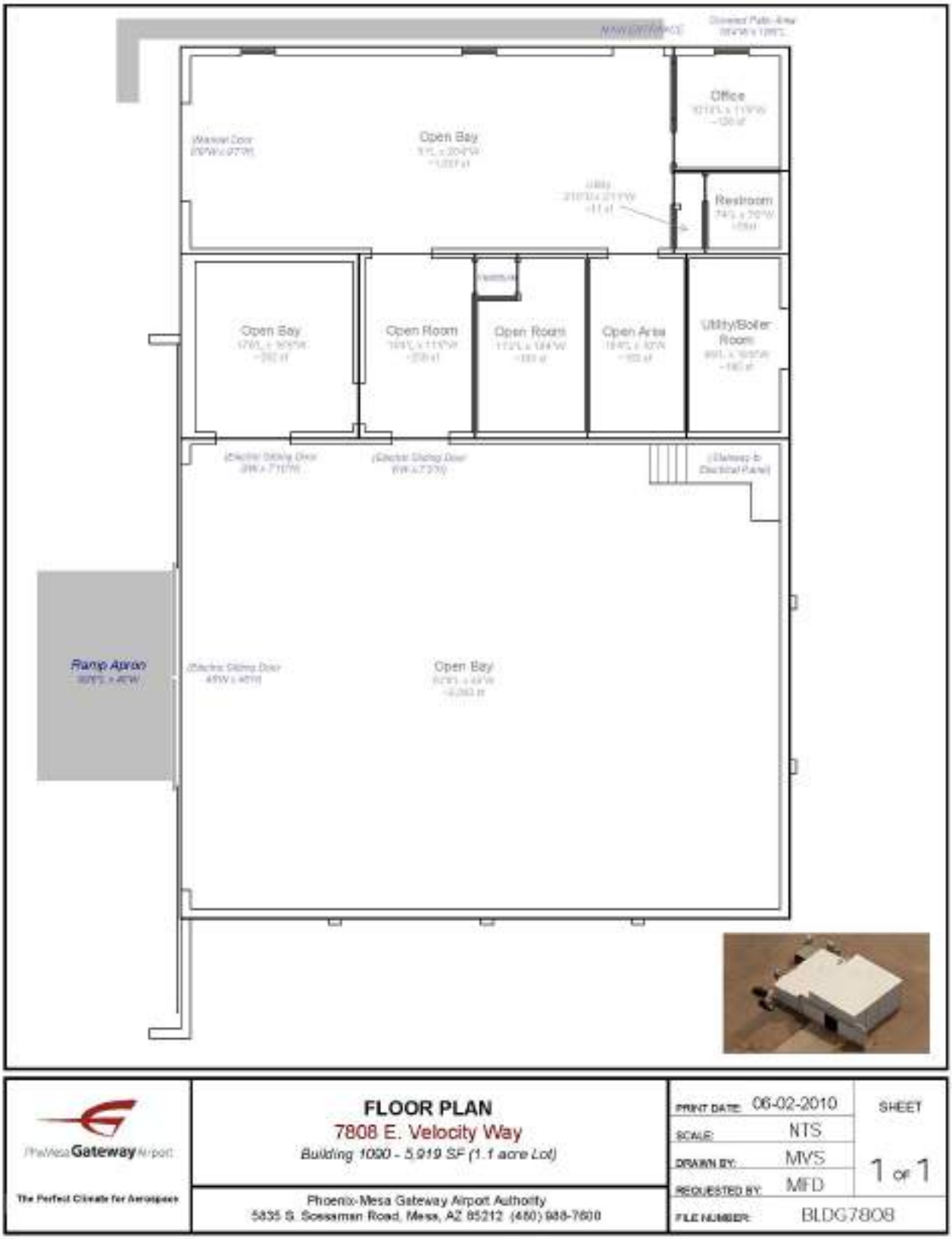

EXHIBIT B

AIRPORT RATES & CHARGES SCHEDULE

(Link)

https://www.gatewayairport.com/Documents/DocumentLibrary/Board%20Policies/Approved_AirportRatesandCharges_effective6.1.19.pdf?Uniqueifier=vm2pw2DmuS

&

AIRPORT FEES, SERVICES AND RENTAL RATES SCHEDULE

(Link)

https://www.gatewayairport.com/documents/documentlibrary/execdirsect/airport%20fees,%20services%20and%20rental%20rates2019.pdf?Uniqueifier=ucXwLL0j4a

EXHIBIT C

INTENTIONALLY DELETED

EXHIBIT D

AIRPORT MINIMUM STANDARDS

(*Link*)

https://www.gatewayairport.com/Documents/DocumentLibrary/Board%20Policies/Airport%20Minimum%20Standards.pdf?Uniqueifier=vm2pw2DmuS

&

AIRPORT RULES AND REGULATIONS

(Link)

https://www.gatewayairport.com/Documents/DocumentLibrary/Board%20Policies/Rules%20and%20Regulations_19-20.pdf?Uniqueifier=vm2pw2DmuS

EXHIBIT E

INTENTIONALLY DELETED

EXHIBIT F

INTENTIONALLY DELETED

EXHIBIT G

INTENTIONALLY DELETED

EXHIBIT H

INTENTIONALLY DELETED

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 22-81

To:	**Board of Directors**
From:	**Chuck Odom, Chief Financial Officer**
Through:	**Scott Brownlee, Deputy Director/COO**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject:	**Insurance Broker Services- All Lines Other Than Health & Welfare/Benefits**
Date:	**December 20, 2022**

Proposed Motion

To authorize a three-year contract with two additional one-year extension periods at the sole option of Phoenix-Mesa Gateway Airport Authority, with Alliant Insurance Services, Inc. (Alliant) for Insurance Broker Services in an amount not to exceed $265,000 over the five (5) year period.

Narrative

Alliant, as the insurance broker of record, will procure Airport Liability, Property, Automobile, Fuel Farm & Inland Marine, Crime, Cyber, Director & Officers/Employment Practices, Environmental, Fiduciary, and Worker's Compensation policies on behalf of Phoenix-Mesa Gateway Airport Authority.

Request for Proposals No. 2023-011-RFP for Property and Casualty Insurance Broker Services was issued on September 20, 2022 and advertised in the Arizona Business Gazette on September 22 and 29, 2022 and October 6 and 13, 2022. The notice was also posted on PMGAA's website as well as the Arizona Airports Association, Airport Consultants Council, the Southwest American Association of Airport Executives websites. In addition, the solicitation notice was emailed to sixteen prospective respondents. PMGAA received two proposals on October 20, 2022 from the following firms:

Alliant Insurance Services, Inc.
Mountain West Series of Lockton Companies, LLC

PMGAA staff evaluated the proposals received and recommends contract award to Alliant based on the fees charged, extensive airport, aviation, and environmental experience, in depth market knowledge, as well as PMGAA's access to insurance aviation experts throughout the company. Alliant was ranked number one unanimously by the Evaluation Panel.

The base contract period is from July 1, 2023, through June 30, 2026.

Fiscal Impact

The first year of the contract is budgeted in the FY24 Insurance Budget. The remaining years fees will be budgeted in the appropriate fiscal years.

Attachment(s)

Professional Services Agreement

RESOLUTION NO. 22-81

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize a three-year contract with two additional one-year extension periods at the sole option of Phoenix-Mesa Gateway Airport Authority, with Alliant Insurance Services, Inc. (Alliant) for Insurance Broker Services in an amount not to exceed $265,000 over the five (5) year period;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

> **The Board of Directors of the Authority hereby authorizes a three-year contract with two additional one-year extension periods at the sole option of Phoenix-Mesa Gateway Airport Authority, with Alliant Insurance Services, Inc. (Alliant) for Insurance Broker Services in an amount not to exceed $265,000 over the five (5) year period. 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 20th day of December, 2022.

Brigette Peterson, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY

AND

ALLIANT INSURANCE SERVICES, INC.

FOR

INSURANCE BROKER SERVICES

CONTRACT NUMBER 20230151

The Phoenix-Mesa Gateway Airport is owned and operated by the Phoenix-Mesa Gateway Airport Authority (PMGAA), a joint powers airport authority authorized by the State of Arizona and consisting of the City of Mesa, City of Phoenix, City of Apache Junction, Town of Gilbert, Town of Queen Creek and the Gila River Indian Community.

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Phoenix-Mesa Gateway Airport Authority, a joint powers airport authority authorized by the State of Arizona ("PMGAA") desires performance of the services more fully described in this **Contract Number 20230151** ("Contract") and the attached exhibits. Alliant Insurance Services, Inc., a California C Corporation ("Consultant"), with its principal offices located at 18100 Von Karman Avenue, 10th Floor, Irvine, CA 92612, desires to perform these services.

Recitals

A. PMGAA requires the services as described in this Contract, including any and all exhibits and amendments, and Consultant is willing to provide these and other services under this Contract; and

B. PMGAA desires to contract with Consultant to provide services as noted herein.

Now therefore, in consideration of the recitals and the mutual covenants set forth below, PMGAA and Consultant agree as follows.

SECTION I – CONSULTANT SERVICES

The services to be performed by Consultant are specified in this Contract. PMGAA will not pay Consultant for any services that have not been authorized under the Contract. There is no guarantee of a minimum purchase of services.

The anticipated services to be provided by Consultant under this Contract shall generally include, but not be limited to, the following: Insurance Broker Services, as more specifically described in the detailed scope of services attached as **EXHIBIT A**, "Scope of Services & Fee Schedule."

PMGAA's authorized representative shall be the PMGAA Chief Financial Officer, or his/her duly authorized representative, and that he/she shall be the sole contact for administering this Contract.

All services provided by Consultant under this Contract must be performed in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances in Arizona. Consultant makes no other warranty, expressed or implied.

Consultant must possess and keep in force all licenses and permits required to perform the services listed herein throughout the Contract Term and any renewal thereof.

SECTION II – PMGAA RESPONSIBILITIES

PMGAA shall furnish Consultant, at no cost to Consultant, the following information or services for this Contract:

A. Access to copies of readily available maps, records, as-built drawings, benchmarks or other data pertinent to work assignments affiliated with this Contract. This does not, however, relieve Consultant of the responsibility of searching records for additional information, for requesting specific information or for verification of that information provided. PMGAA does not warrant the accuracy or comprehensiveness of any information or documents provided to Consultant.

B. In PMGAA's discretion and upon Consultant's reasonable request, access to staff for consultation with Consultant during the performance of this contract in order to identify the problems, needs, and other functional aspects of the work.

C. Prompt review of and feedback on Consultant's deliverables. PMGAA will advise Consultant concerning progress of PMGAA's review of the work, as needed.

SECTION III - PERIOD OF SERVICE

Consultant shall complete all work in accordance with the provisions of this Contract as amended.

All work initiated under this Contract must be completed on or before the expiration date of the Contract as amended.

The term of this Contract shall commence on July 1, 2023 and ends on June 30, 2026 ("Base Term"), unless terminated, canceled or extended as provided in this Contract.

This Contract has two (2) optional one-year extensions that PMGAA may exercise at its sole discretion. Prior to the expiration of the Contract Base Term, PMGAA may elect to extend the Contract. If PMGAA exercises such right, all terms, conditions and provisions of the original Contract shall remain the same and apply during the extended period. All fees for the optional renewal terms are provided for in **EXHIBIT A**, "Scope of Services & Fee Schedule.". Any extension of this Contract shall require an amendment signed by both parties.

Consultant shall commence its services within seven (7) days of the written authorization by PMGAA. Consultant shall perform its services in a diligent manner and in accordance with this Contract.

SECTION IV – KEY PERSONNEL

The Consultant itself shall provide all services to be performed under this Contract. If Sub-Consultants are required by Consultant to perform any services listed under this contract, Consultant shall notify PMGAA prior to authorizing work by said Sub-Consultants. PMGAA may, at its sole discretion, accept or reject proposed Sub-Consultants.

SECTION V - PAYMENTS TO THE CONSULTANT

Consultant will be paid for work performed under this Contract plus any adjustments that have been approved in writing by PMGAA in accordance with PMGAA's Procurement Policy. Payments will be made in accordance with **EXHIBIT B**, "Compensation."

All services to be rendered by Consultant are subject to the terms of **EXHIBIT B**, "Compensation" attached hereto.

PMGAA does not guarantee any minimum or maximum fee during the Term of this Contract, and Consultant, in executing this Contract, shall not anticipate or require any minimum or maximum fee.

SECTION VI - ALTERATION IN SCOPE OF SERVICES

For any alteration in the Scope of Services that would materially increase or decrease the Contract fee, the parties shall negotiate an amendment to the Contract to be executed by PMGAA and Consultant. No work shall commence on any amendment or change until the amendment has been approved by PMGAA and Consultant has been notified to proceed by PMGAA. No claim for extra work done or materials furnished by Consultant will be allowed by PMGAA, except as provided herein, nor shall Consultant do any work or furnish any materials not covered by this Contract unless the work is first authorized in writing by PMGAA and the change complies with PMGAA's Procurement Policy. Any work or materials furnished by Consultant without advance, written authorization will be at Consultant's own risk, cost, and expense. Without written authorization, Consultant shall make no claim for compensation for such work or materials furnished.

SECTION VII - WORK ASSIGNMENT COMPLETION

If, during the Term of this Contract, situations arise which prevent work completion within the allotted time, PMGAA may grant an appropriate time extension.

SECTION VIII - OWNERSHIP OF DOCUMENTS

Any documents, including all electronic copies thereof, prepared under or as a result of this Contract, shall be the property of PMGAA. To the extent necessary to effectuate such ownership, Consultant hereby assigns all right, title and interests to such documents to PMGAA. Consultant shall execute any separate contracts or documents, if any, which may be necessary to implement the terms of this Section.

All of Consultant's documents prepared under this Contract, including electronic files, are instruments of service. All of these documents become the property of PMGAA upon completion of the services and payment in full to Consultant. PMGAA may reuse or modify the documents, as it deems necessary, without Consultant's prior written authorization. PMGAA shall indemnify and hold harmless Consultant, its officers, directors, employees and subconsultants (collectively, the "Consultant") against any and all damages, liabilities or costs arising from PMGAA's modification of documents produced by Consultant under this Contract unless Consultant authorizes the modification in writing.

SECTION IX - COMPLIANCE WITH LAWS

Consultant shall comply with all federal, state and local laws, local ordinances and regulations throughout the Term.

Consultant's signature on this Contract certifies compliance with the provisions of the I-9 requirements of the *Immigration Reform and Control Act of 1986* for all personnel that Consultant and any subconsultants employ to complete any work assignment.

PMGAA shall administer this Contract in accordance with PMGAA's Procurement Policy.

SECTION X - GENERAL CONSIDERATIONS

A. The failure of either party to enforce any of the provisions of this Contract or require performance of the other party of any of the provisions hereof shall not be construed to be a waiver of the provisions, nor shall it affect the validity of this Contract or the right of either party to enforce each and every provision.

B. The fact that PMGAA has accepted or approved Consultant's work shall in no way relieve Consultant of responsibility for the work under this Contract.

C. This Contract shall be governed by the laws of the state of Arizona, both as to interpretation and performance. Any action at law, suit in equity, or judicial proceeding for the enforcement of this Contract, or any provision thereof, shall be instituted only in the courts of the state of Arizona.

D. Consultant shall maintain a full-service office within Maricopa County.

E. All exhibits to this Contract and any amendments to the Contract are incorporated into it.

SECTION XI - NO KICK-BACK CERTIFICATION

Consultant warrants that no person has been employed or retained to solicit or secure this Contract upon any agreement or understanding for a commission, percentage, brokerage, or contingent fee and that no member of the PMGAA Board of Directors or any employee of PMGAA has any interest, financially or otherwise, in Consultant's firm.

For breach or violation of this warranty, PMGAA may annul this Contract without liability.

SECTION XII – SUSPENSION OF SERVICES

Consultant shall, within five (5) business days upon receiving written notice from PMGAA, suspend, delay, or interrupt all or a part of the Scope of Services. Consultant shall resume the Scope of Services within five (5) business days of receiving written notice from PMGAA.

SECTION XIII – TIMES OF PAYMENTS

Consultant shall submit an invoice to PMGAA, in accordance with **EXHIBIT B**, "Compensation", for the Annual Fee.

A. For the first year of the Contract, Consultant shall submit an invoice to PMGAA for the Annual Fee within thirty (30) days from the Contract Commencement date. PMGAA shall pay Consultant the first year's Annual Fee within thirty (30) days of receipt, review, and approval of Consultant's invoice.

B. For subsequent years and any Renewal Term, Consultant shall submit an invoice to PMGAA for the Annual Fee within thirty (30) days from the anniversary date of the Contract. PMGAA shall pay Consultant the Annual Fee within thirty (30) days of receipt, review, and approval of Consultant's invoice.

SECTION XIV – TIMELY REVIEW

PMGAA will review Consultant's studies, reports, proposals, and other related documents and render any decisions required by Consultant in a timely manner. Notwithstanding these reviews, Consultant remains solely responsible for all of its deliverables and services under this Contract. By PMGAA's reviews, PMGAA does not assume any liability for or retained control over Consultant's work or Consultant's responsibility for the safety of its employees.

SECTION XV – DISPUTE RESOLUTION

All disputes between PMGAA and Consultant arising out of or relating to this Contract will be subject to the Dispute Resolution provisions as set forth in **EXHIBIT D**, "PMGAA Standard Terms and Conditions", attached hereto and incorporated herein by reference.

PMGAA and Consultant shall include a similar dispute resolution provision in all contracts with other contractors and consultants retained for the Project and shall require all other independent contractors and consultants to include a similar dispute resolution provision in all contracts with subcontractors, subconsultants, suppliers or fabricators retained by them.

SECTION XVI - LIABILITY OF CONSULTANT

To the fullest extent permitted by law, Consultant shall defend, save, indemnify, and hold harmless PMGAA, its member governments, departments, officers, employees, and agents from and against damages arising out of and to the extent caused by Consultant's acts, errors, or omissions of Consultant relating to its services under this Contract.

SECTION XVII - LAWS AND REGULATIONS

All federal, state, and local laws and regulations that relate to Consultant's services apply to Consultant's performance of this Contract throughout. These laws and regulations are deemed included in this Contract the same as though written out in full, especially the current applicable Federal Aviation Administration (FAA) rules and regulations associated with airport projects; pertinent Airport engineering standards; and local rules, regulations, and industry standards.

SECTION XVIII – ARCHAEOLOGICAL RESOURCE PROTECTION

While performing services under this Contract, Consultant may encounter a known or unknown archaeological site located at the Airport. If Consultant encounters what it believes to be an archaeological site, Consultant shall immediately notify PMGAA of the site's location and take all reasonable precautions to protect and preserve the site until PMGAA otherwise directs.

SECTION XIX INSURANCE REQUIREMENTS

A. Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees.

B. All insurance policies required by this Contact, except *Workers Compensation* and *Professional Liability*, shall name PMGAA, its agents, representatives, officers, directors, officials and employees as Additional Insured.

C. Minimum Scope and Limits of Insurance. Coverage shall be at least as broad as:

   i. Professional Liability (Errors and Omissions): Insurance appropriate to the Consultant's profession, with limit no less than $5,000,000 per occurrence, claim or incident.
   ii. Commercial General Liability: Insurance Services Office Form CG 00 01 covering Bodily Injury and Property Damage on an "occurrence" basis, including personal & advertising injury with limits no less than $1,000,000 per occurrence, $2,000,000 General Aggregate.
   iii. Auto Liability: ISO Form CA 00 01 covering any auto (Symbol 1), or if Consultant has no owned autos, hired, (Symbol 8) and non-owned autos (Symbol 9), with limit no less than $1,000,000 Combined Single limit per accident for bodily injury and property damage ($5,000,000 if operating in the Air Operations Area of the Airport).
   iv. Workers' Compensation: Statutory Limits as required by the state of Arizona, and Employer's Liability Insurance with limit of no less than $1,000,000 per accident for bodily injury or disease.
   v. Privacy Liability: Liability arising out of the breach of personally identifiable information whether the disclosure is committed intentionally, negligently, electronically or non-electronically in the amount of $2,000,000 per occurrence, $2,000,000 aggregate.

D. Additional insurance provisions. The insurance policies shall provide, or be endorsed to include, the following provisions:

i. Notice of Cancellation: Each insurance policy required above, except for Professional Liability, shall provide that coverage shall not be canceled, except with notice to PMGAA.

ii. Waiver of Subrogation: Consultant waives any right to subrogation. Consultant shall obtain an endorsement necessary to affect this waiver of subrogation from the insurer for all lines of coverage required by this Contract, except *Workers Compensation* and *Professional Liability,* for claims arising out of the Consultant's work or service.

iii. Primary Coverage: For all claims related to this Contract, all of Consultant's insurance policies will be primary and non-contributory. Any insurance or self-insurance maintained by PMGAA, its officers, officials, employees, or volunteers will be in excess of Consultant's insurance and will not contribute with it, except for Professional Liability.

iv. Deductibles and Self-Insured Retentions: Any deductibles or self-insured retentions must be declared to and approved by PMGAA. PMGAA may require the Consultant to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.

v. Acceptability of Insurers: Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A, VII, unless otherwise acceptable to PMGAA.

vi. Claims Made Policies: No Claims Made policies (other than Professional Liability) will be accepted. For policies that provide claims-made coverage:

a) The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.

b) Insurance must be maintained, and evidence of insurance must be provided for at least three (3) years after completion of the contract of work.

c) If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Consultant must purchase "extended reporting" coverage for a minimum of three (3) years after completion of work.

vii. Verification of Coverage: Consultant shall furnish PMGAA with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by PMGAA before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide the required insurance.

viii. Subcontractors: Consultant shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Consultant shall ensure that PMGAA is an additional insured on insurance required from subcontractors.

ix. Special Risks or Circumstances: PMGAA reserves the right to modify these requirements, including limits, based on the nature of the risk, scope of services, prior experience, insurer, coverage, or other special circumstances upon notice and approval of Consultant.

SECTION XX NOTICES

Any notice, report or information which may be or is required to be given under this Contract will be in writing and shall be sent by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

TO PMGAA: Phoenix-Mesa Gateway Airport Authority
Attn: Chief Financial Officer
5835 South Sossaman Road
Mesa, Arizona 85212

TO CONSULTANT: Alliant Insurance Services, Inc.
Attn: Rex Jorgensen
2415 E. Camelback Rd., Suite 950
Phoenix, AZ 85016

or to such other person(s) or address(es) as any such Party may designate from time to time by notice to the other Parties in accordance with this Section.

Executed as of the Commencement Date.

CONSULTANT
Alliant Insurance Services, Inc.,
a California C Corporation

By: Jeffrey S. Moard
Name: Jeffrey S. Moard
Title: SR Executive VP
Date: 12/8/22

PMGAA
PHOENIX 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: _____

EXHIBIT A – SCOPE OF SERVICES & FEE SCHEDULE

The services to be performed by Consultant and the completion of related efforts are specified in the following Scope of Services & Fee Schedule agreed to by the parties.

SCOPE OF SERVICES

1. Consultant shall provide insurance brokerage services to PMGAA staff in continuing to develop PMGAA's insurance programs and operation of commercial risk management programs including, but not limited to the following:
    a. Market PMGAA's insurance program for coverage when instructed to do so by PMGAA, including assisting PMGAA staff in the completion of all applications, documents and gathering data which may be requested by insurance companies.
    b. Analyze proposals received from various insurance companies and other parties, negotiate changes for the benefit of PMGAA and verify the reasonableness of the price for the coverage provided. Make recommendations to PMGAA as to the most advantageous insurance program providing the highest level of coverage at the best possible price to meet PMGAA's needs and objectives.
    c. Provide PMGAA with a summary of various insurance program quotations and options, including but not limited to: limits, coverages, retention levels, terms, conditions, and payment options.
    d. Provide analysis and recommendations as to the most cost-effective means for addressing PMGAA's airport exposures.
    e. Represent PMGAA in all negotiations with insurers, underwriters and other parties with regard to the insurance program.
    f. When instructed to do so by PMGAA, administer the placement of coverage and provide original binders, policies and endorsements as required by PMGAA.
    g. Provide extensive review of binders and policies including verification of conformity to specifications. Request any necessary endorsements/changes/revisions that may be required.
    h. Provide verifications of insurance, as needed by PMGAA, to satisfy various lending institutions, mortgage holders, lessors and contracts.
    i. Assure that insurance policies are placed with insurance companies classified by A.M. Best's Key Rating Guide as A+ and Class 7, or better and keep PMGAA informed of any changes in rating of the companies and make recommendations should ratings change during the policy term.
    j. Continually evaluate PMGAA's insurance program and recommend coverage changes, including additional coverages, and improvements to provide the highest level of coverage at the least possible cost to PMGAA.
    k. Oversee and coordinate all relevant services performed by insurance companies/underwriters or any service agencies.
    l. Perform administrative and clerical services relative to account management, including but not limited to, issuance of certificates of insurance, and verification of audits and all premium adjustments.
    m. If applicable, submit all premiums/payments to carriers, and other parties.
    n. Assign an Account Manager to PMGAA who will be responsible for communication with PMGAA staff and who, along with any other team members assigned, must be available on a daily basis to PMGAA staff for advice and consultation on insurance program related issues and concerns.
    o. Audit current lines and limits and ensure all are in line with other similar size airports and also meet the benchmarks associated with industry standards.
    p. Provide, on an annual basis, a comprehensive risk exposure evaluation to identify avenues for risk transfer of actual or potential loss faced by PMGAA.
    q. Review any related insurance company audits for accuracy.
    r. Provide PMGAA with aviation insurance market trends on a regular basis.
    s. Work with PMGAA staff to review insurance requirements / recommendations for all contracts and agreements PMGAA enters into in order to ensure proper coverage for PMGAA.
    t. Act as PMGAA's agent with carriers to resolve claims.
    u. Provide loss control services to include analyzing of current programs and providing recommendations to improve. This should include reviewing of open claims and trends with respect to loss control.

v. Provide training on insurance coverage, industry recommendations, insurance terminology, etc. to PMGAA staff as requested.
w. Offeror understands that it will be representing and working on behalf of PMGAA for the term of this Contract.

FEE SCHEDULE

The fees stated herein are all inclusive, meaning that all related items, including labor, deliverables, tools, materials, equipment, supplies, expenses, etc. shall be factored into the fees listed below. Travel, including airfare, hotel, meals, and any other related accommodations are Consultant's responsibility and will not be reimbursed or paid for by PMGAA.

In cases where commission is mandated by the desired plans/policies, Consultant shall notify PMGAA in writing and such commission shall be deducted from the agreed upon Annual Fee paid by PMGAA.

For the services provided herein, PMGAA agrees to pay Consultant the not to exceed amounts listed below.

Annual Fee:

$ 50,000.00 Year One, July 1, 2023 – June 30, 2024

$ 51,500.00 Year Two, July 1, 2024 – June 30, 2025

$ 53,000.00 Year Three, July 1, 2025 – June 30, 2026

$ 54,500.00 Year Four, Optional Extension, July 1, 2026 – June 30, 2027

$ 56,000.00 Year Five, Optional Extension, July 1, 2027 – June 30, 2028

EXHIBIT B - COMPENSATION

All compensation for services rendered by Consultant shall be based upon criteria established below. All services must be billed through the Consultant.

1. Fees to be Specified in Contract

Any and all services to be performed under this Contract require approval. All compensation for services shall be identified in writing. The Contract shall describe the scope of services to be performed (by tasks and subtasks, where appropriate), the fees associated with that performance, and any applicable special provisions. Consultant's compensation for services included in this Contract is totaled and set forth in **EXHIBIT A**, "Scope of Services and Fee Schedule".

2. Method of Payment

Subject to the terms of this Contract, PMGAA shall pay Consultant the appropriate rate or fixed price amount for services rendered as described in the Contract only after Consultant has submitted an invoice for services performed and PMGAA has certified and approved each invoice.

For services rendered in accordance with the Contract, Consultant shall submit to PMGAA an invoice depicting tasks performed, or to be performed. Consultant's invoices must specify that Consultant has performed, or will perform, the services, and PMGAA must certify and approve each invoice as a condition to payment.

3. Consultant Responsibilities for Compensation

Consultant shall prepare and submit invoices in accordance with the Contract terms.

4. PMGAA Responsibilities for Compensation

PMGAA agrees to pay Consultant's invoices for payment within 30 calendar days after the invoice is approved. PMGAA may withhold payment on any invoice if it believes that Consultant has not performed the work in a satisfactory manner. If PMGAA withholds payment to Consultant, PMGAA shall promptly notify Consultant and explain the reasons for the decision to withhold payment.

5. Billing Submittals

All invoices submitted to PMGAA for payment shall be submitted to:

Accounts Payable: ap@gatewayairport.com

EXHIBIT C - SPECIAL PROVISIONS

1. Civil Rights Act of 1964, Title VI – General

The contractor agrees to comply with pertinent statues, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color or national origin, sex, age or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance.

2. Civil Rights Act of 1964, Title VI – Assurances

During the performance of this Contract, the contractor, for itself, its assignees and successors in interest agrees as follows:

a. Compliance with Regulations – Compliance with Regulations: The contractor (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts And Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.

b. Nondiscrimination – The contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR Part 21.

c. Solicitations for Subcontracts, including Procurements of Materials and Equipment – In all solicitations, either by competitive bidding, or negotiation made by the contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the contractor of the contractor's obligations under this contract and the Non-discrimination Acts And Authorities on the grounds of race, color, or national origin.

d. Information and Reports – The contractor will provide all information and reports required by the Acts, the Regulations and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by PMGAA or the FAA to be pertinent to ascertain compliance with such Nondiscrimination Acts And Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the contractor will so certify to PMGAA or the FAA as appropriate, and will set forth what efforts it has made to obtain the information.

e. Sanctions for Noncompliance – In the event of a contractor's noncompliance with the Nondiscrimination provisions of this contract, the Recipient will impose such contract sanctions as it or the FAA may determine to be appropriate, including, but not limited to:

i) Withholding of payments to the contractor under the contract until the contractor complies, and/or;
ii) Cancellation, termination, or suspension of the Contract, in whole or in part.

f. Incorporation of Provisions – The contractor will include the provisions of paragraphs one through six of this **EXHIBIT C** in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. The contractor will take action with respect to any subcontract or procurement as PMGAA or the FAA may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the contractor may request PMGAA to enter into any litigation to protect the interests of PMGAA. In addition, the contractor may request the United States to enter into the litigation to protect the interests of the United States.

3. Civil Rights – Title VI List of Pertinent Nondiscrimination Acts and Authorities

During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "contractor") agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq*., 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR part 21 (Non-discrimination In Federally-Assisted Programs of The Department of Transportation—Effectuation of Title VI of The Civil Rights Act of 1964);
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 *et seq*.), as amended, (prohibits discrimination on the basis of disability); and 49 CFR part 27;
- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 *et seq*.), (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 CFR parts 37 and 38;
- The FAA's Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures non-discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq).

4. <u>Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion</u>

Consultant, by accepting this Contract, certifies that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any government department or agency.

5. <u>Project Security</u>

As some or all portions of work possible during the Term of this Contract may be located inside the secured area of the Airport, adherence to and familiarity with federal security regulations is essential. For these projects, Consultant shall be responsible for fulfilling the security requirements described herein.

a. <u>Secured Area Access</u> – All Consultant personnel who require unescorted access to the secured area of the Airport, prior to the issuance of an Airport Identification badge, must successfully complete the Security Badge Application and Security Badge Authorization forms.

b. Employee Security Badges – If deemed necessary by PMGAA All Consultant and/or subcontractor personnel performing work functions in accordance with this Contract shall obtain and properly display an Airport security badge. Consultant shall submit a Security Badge Application form to the PMGAA security office for each employee requiring unescorted access, along with the current fee for each badge. Badge fees are identified on the current *Airport Fees, Services and Rental Rates* available via the Airport website at www.gatewayairport.com and are subject to change.

i. All fees must be paid to PMGAA by cash or check.
ii. Airport Security Badge Application forms and instructions are available via the Airport website at www.gatewayairport.com.
iii. An authorized representative of Consultant must also obtain and submit a Security Media Authorization form, which is to be submitted to the PMGAA badging office. The Security Media Authorization form and instructions are available via the Airport website at www.gatewairport.com.
iv. A training class on aviation security must be successfully completed before individuals are issued a badge. Fees for the security badge include attendance for the necessary training classes. Attendance at the security classes and issuance of the security badge may take two hours per person.
v. Additional information, including a "Frequently Asked Questions" is available via the Airport website at www.gatewairport.com or by contacting the PMGAA Badging Office at (480) 988-7522. The Badging Office is located at 5803 S. Sossaman Road, Mesa AZ 85212.
vi. Consultant shall immediately notify the PMGAA Badging Office of any Consultant personnel whose employment status has changed.
vii. Consultant shall retrieve all security badges and keys and return them to the PMGAA Badging Office. A fee, as indicated on the most current *Airport Rates and Charges Schedule*, will be charged for each badge that is damaged, lost or not returned.
viii. The PMGAA Badging Office will require a completed Security Badge Application from each Consultant employee so certified by Consultant as requiring such before a Security Badge is issued.
ix. Under certain circumstances and out of control of PMGAA, security measures may change on short notice. No deviations from any security measure shall be allowed at any time.
x. At all times, aircraft shall have the right-of-way over all vehicle traffic.

c. Fines – Due to both the safety and security precautions necessary at the Airport, any failure of the Consultant to adhere to prescribed Airport requirements/regulations has consequences that may jeopardize the health, welfare and lives of Airport customers and employees, as well as the Consultant's own employees. Therefore, if Consultant is found to be in non-compliance with any security, airfield badging/licensing and airfield safety requirement, a Notice of Violations (NOV) may be issued. A current listing of fines is available by contacting the PMGAA Badging Office.

6. Standard Terms & Conditions

PMGAA's Standard Terms & Conditions (in **EXHIBIT D** attached) include clauses that pertain to both construction and professional services. For such, the term "contractor" is to be considered same as "consultant." If a clause implies construction service then it is waived for a professional services contract. PMGAA reserves the right to make that determination if there is a conflict.

7. Federal and State Guidelines and Regulations

All work performed under this Contract must satisfy FAA and applicable agency standards, and be accomplished in accordance with applicable federal, state and local guidelines and regulations, including FAA Advisory Circulars, NEPA and Arizona environmental statutes.

Consultant shall perform the services as described in approved Contract in accordance with the applicable requirements imposed by PMGAA, ADOT, FAA and any other applicable sponsoring agencies. Consultant and its subconsultants/subcontractors, if any, shall comply with any and all applicable laws, regulations, executive orders, policies, guidelines, and any other requirements for FAA Airport Improvement Program (AIP) projects. Consultant shall provide PMGAA all information, reports, documents, and/or certifications requested by PMGAA for the satisfaction of any grant requirements for the reimbursement of services, including, without limitation, identifying

the specific services provided by Consultant and the billing period(s) during which services were or are to be provided. Nothing herein shall be construed as making the FAA or ADOT a party to this Contract.

8. Right to Contract With Other Firms

PMGAA shall have the right to contract with other firms and/or persons and/or to self-perform additional services, which may be the subject of this Contract. Consultant shall conduct its operations and perform any services authorized under the Contract so as not to interfere with or hinder the progress of completion of the work being performed by PMGAA and/or other firms and/or persons. Consultants working on the same project shall cooperate with each other in the performance, scheduling, and, if applicable, the integration of their respective services.

9. Independent Contractor Status

At all relevant times, Consultant is - and shall remain - an independent contractor with regard to performance of its services. PMGAA retains no control over Consultant, the performance of its work or services, or the safety of its employees. Consultant is not authorized to enter into any contract or commitment, authorize any payment, or accept any document, services, goods or materials for, in the name of, or on behalf of PMGAA.

EXHIBIT D – PMGAA STANDARD TERMS & CONDITIONS

1. **Certification.** Consultant certifies:
   a. The award of this Contract did not involve collusion or other anti-competitive practices.
   b. It shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11246, or A.R.S. Section 31-1461, et. seq.
   c. It has not given, offered to give, nor intends to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with this Contract; and Consultant hereby certifies that the individual signing this Contract is an authorized agent for Consultant and has the authority to bind the Consultant to the Contract.

2. **Termination of Contract.**

   a. PMGAA reserves the right to cancel this Contract in whole or in part due to failure of Consultant to carry out any term, promise, or condition of the Contract. At least ten (10) business days before terminating the Contract, PMGAA will issue a written notice of default specifying one of the following reasons. PMGAA shall, at all times during the term of the Contract or any extension term thereto, have the sole authority to determine if the default has been cured to its satisfaction.

      (1) Consultant has provided personnel that do not meet the requirements of the Contract.

      (2) Consultant has failed to perform adequately the stipulations, conditions or services/specifications required in this Contract.

      (3) Consultant has attempted to impose on PMGAA personnel or materials, products, or workmanship of unacceptable quality.

      (4) Consultant has failed to furnish the required service(s) and/or product(s) within the time stipulated in the Contract or associated Authorization of Services.

      (5) Consultant has failed to make progress in the performance of the requirements of the Contract or Authorization of Services, or Consultant fails to give PMGAA adequate assurance the Consultant will perform the Contract in full and on time.

      (6) Each payment obligation of PMGAA created hereby is conditioned on the availability of PMGAA, state, or federal funds appropriated for payment of the obligation. If funds are not available or allocated by PMGAA for continuance of service under this Contract, then PMGAA may terminate the Contract. PMGAA shall promptly notify Consultant regarding the service that may be affected by a shortage of funds. No penalty accrues to PMGAA if this provision is exercised, and PMGAA shall not be liable for any future payments due or for any damages as a result of termination under this paragraph.

   b. This Contract may be terminated at any time by mutual written consent or by PMGAA - with or without cause - provided the terminating party gives fourteen (14) calendar days' advance written notice to the other party. PMGAA may terminate this Contract, in whole or in part, for PMGAA's convenience and with fourteen (14) days' written notice.

   c. If this Contract is canceled or terminated, then PMGAA is liable only for services rendered and/or material received, certified, and approved by PMGAA under the Contract before the cancellation/termination effective date. If cancelled or terminated prior to the Contract expiration date, the Annual Fee stated in **Exhibit A**, "Scope of Services and Fee Schedule", shall be prorated and Consultant shall return any portion owed to PMGAA within thirty (30) calendar days of the Contract cancellation/termination date.

3. **Dispute Resolution**.

   a. **Negotiations**. If a dispute arises out of or relates to this Contract or its breach, the parties to this Contract shall endeavor to settle the dispute through direct discussions as a condition precedent to mediation or binding dispute resolution.

b. **Mediation**. Should the parties to this Contract be unable to resolve their dispute through direct negotiations, the parties to this Contract, upon the written request of either, shall engage in mediation, to be administered privately by a mediator and according to rules mutually agreed upon by the parties to this Contract, or, the absence of such mutual agreement, by a mediator appointed by JAMS and administered by JAMS in accordance with its then-current mediation rules. The fees and costs of mediation shall be split equally by the parties to this Contract, but subject to reallocation following binding dispute resolution.

c. **Binding Dispute Resolution**. Should the parties to this Contract be unable to resolve their dispute through direct negotiations or mediation, either party may, within the time limitations for bringing claims under Arizona law and this Contract, commence formal dispute resolution proceedings. Both parties to this Contract consent to binding arbitration administered by JAMS according to its then current arbitration rules, provided, however, that (i) in the event both parties agree, the arbitration may be administered privately by an arbitrator and according to rules mutually agreed upon by the parties to this Contract, and (ii) in the event any party seeks relief against the other party or against a non-party which cannot fully be granted in arbitration, by reason of non-joinder or otherwise, the parties to this Contract are excused from this arbitration requirement and the parties to this Contract shall proceed in the state or federal courts of competent jurisdiction and located in Maricopa County, Arizona. In any arbitration or litigation, the prevailing party shall be entitled to an award of its reasonable attorneys' fees and costs as determined by the arbitrator or court as applicable.

4. **Independent Contractor.** At all times, each party acts in its individual capacity not as agent, employee, partner, joint venturer, or associate of the other party. An employee or agent of one party may not be deemed or construed to be the employee or agent of the other party for any purpose whatsoever. Neither Consultant nor any of its employees are entitled to compensation from PMGAA in the form of salaries, paid vacation, or sick days. PMGAA will not provide any insurance to Consultant, including *Workers' Compensation* coverage. PMGAA will not withhold FICA, taxes, or any similar deductions from PMGAA's payments under this Contract.

5. **Affirmative Action.** Consultant shall abide by all the federal and state of Arizona provisions for equal opportunity in the work place.

6. **Human Relations**. Consultant shall abide by all the federal and state of Arizona provisions against discrimination of disadvantaged business enterprises in applicable PMGAA contracts.

7. **Non-Exclusive Contract**. This Contract is for the sole convenience of PMGAA. PMGAA reserves the right in its discretion to obtain the same or similar goods or services from any other source.

8. **Americans with Disabilities Act.** Consultant shall comply with all applicable provisions of the *Americans with Disabilities Act* (Public Law 101-336, 42 U.S.C. 12101-12213) and applicable federal regulations under the *Act*.

9. **Confidentiality of Records**. Consultant shall establish and maintain procedures and controls that are acceptable to PMGAA for the purpose of assuring that no information contained in its records or obtained from PMGAA or from others in carrying out its functions under the Contract shall be used by or disclosed by it, its agents, officers, or employees, except as required to efficiently perform duties under this Contract. Persons requesting such information should be referred to PMGAA. Consultant also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of Consultant as needed for the performance of duties under the Contract, unless otherwise agreed to in writing by PMGAA.

10. **Gratuities.** PMGAA may, by written notice to the Consultant, cancel this Contract if it is found that gratuities, in the form of entertainment, gifts or otherwise, were offered or given by Consultant or any agent or representative of Consultant, to any officer or employee of PMGAA involved in the amending, or the making of any determinations with respect to the performing of such Contract. If this Contract is canceled

by PMGAA under this provision, PMGAA shall, in addition to any other rights and remedies, repay to the Consultant the amount of the gratuity.

11. **Applicable Law.** This Contract shall be governed by the laws of the state of Arizona, and suits pertaining to this Contract shall be brought only in federal or state courts in the state of Arizona.

12. **Contract**. This Contract is based on and the result of a negotiated Scope of Work and Proposal, Bid or Statement of Qualifications submitted by Consultant under this RFP, IFB or RFQ. The Contract contains the entire agreement between PMGAA and Consultant. No prior oral or written agreements, contracts, proposals, negotiations, purchase orders, or master agreements (in any form) are enforceable between the parties.

13. **Contract Amendments**. This Contract shall be modified only by a written amendment signed by the PMGAA Executive Director or his/her designee, and persons duly authorized to enter into contracts on behalf of Consultant.

14. **Provisions Required by Law**. Each and every provision of law and any clause required by law to be in the Contract shall be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party the Contract shall forthwith be physically amended to make such insertion or correction.

15. **Severability.** The provisions of this Contract are severable to the extent that any provision or application held to be invalid shall not affect any other provision or application of the Contract, which may remain in effect without the valid provision, or application.

16. **Protection of Government Property.** Consultant shall use reasonable care to avoid damaging all PMGAA property, including buildings, equipment, and vegetation (such as trees, shrubs, and grass). If Consultant damages PMGAA's property in any way, Consultant shall immediately report such damage to PMGAA and repair or replace the damage at no cost to PMGAA, as directed by the PMGAA Executive Director. If Consultant fails or refuses to repair or replace the damage, then PMGAA may terminate the Contract, and PMGAA shall deduct the repair or replacement cost from money due Consultant under the Contract.

17. **Interpretation – Parol Evidence.** This Contract is intended by the parties as a final expression of their agreement and is intended also as a complete and exclusive statement of the terms thereof. No course of prior dealings between the parties and no usage of the trade shall be relevant to supplement or explain any term used in this Contract. Acceptance or acquiescence in a course of performance rendered under this Contract shall not be relevant to determine the meaning of this Contract even though the accepting or acquiescing party has knowledge of the nature of the performance and opportunity to object.

18. **Subcontracts.** Consultant shall not assign any rights or interest nor enter into any subcontract with any other party to furnish any of the materials, goods or services specified herein without the prior written permission of PMGAA. PMGAA may, at its sole discretion, accept or reject proposed subcontractors or assignment. PMGAA shall notify Consultant of its acceptance or rejection within forty-five (45) days or written request by Consultant. All subcontracts shall comply with federal and state laws and regulations applicable to the materials, goods or services covered by the subcontract and shall include all the terms and conditions set forth herein, which shall apply with equal force to the subcontract, as if the subcontractor were the Consultant referred to herein. Consultant is responsible for Contract performance whether subcontractors are used.

19. **No Waiver.** No provision in this Contract shall be construed, expressly or by implication, to waive either party's existing or future claim, right, or remedy available by law for breach of contract. The failure of either party to insist on strict performance of any Contract term or condition; to exercise or delay exercising any right or remedy provided in the Contract or by law; or to accept materials, services, or Consultant's services under this Contract or imposed by law, shall not be deemed a waiver of any right of either party to insist upon strict performance of the Contract.

20. **Warranties.** Consultant warrants that all materials and services delivered under this Contract shall conform to the specifications thereof. Mere receipt of shipment of the material or service specified and any inspection incidental thereto by PMGAA, shall not alter or affect the obligations of Consultant or the rights

of PMGAA under the foregoing warranties. Additional warranty requirements may be set forth in this Contract.

21. **Indemnification.** To the fullest extent permitted by law, Consultant shall defend, save, indemnify, and hold harmless PMGAA, its agents, representatives, officers, directors, officials, and employees (collectively the "Indemnitees"), for, from and against all claims, damages, losses and expenses, including but not limited to reasonable attorney fees, court costs, expert witness fees, and the cost of appellate proceedings, relating to, arising out of, or alleged to have resulted from and to the extent caused by Consultant's acts, errors, omissions, or mistakes relating to Consultant's services under this Contract.

22. **Right to Assurance.** Whenever one party to this Contract in good faith has reason to question the other party's intent to perform, the former party may demand that the other party give a written assurance of this intent to perform. If a demand is made and no written assurance is given within five (5) business days, the demanding party may treat this failure as an anticipatory repudiation with this Contract.

23. **Advertising.** Consultant shall not advertise or publish information concerning this Contract without prior written consent of PMGAA.

24. **Right to Inspect.** PMGAA may, at reasonable times, and at PMGAA's expense, inspect the place of Consultant's or any of Consultant's subcontractor's business, which is related to the performance of this Contract or related subcontract.

25. **Force Majeure.** 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 Contract to be performed by such party ("Required Act"), and such delay or hindrance is due to causes entirely beyond its control such as riots, insurrections, martial law, civil commotion, war, fire, flood, earthquake, or other casualty or acts of God ("Force Majeure Event"), 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 delay. For purposes of this Contract, the financial inability of Consultant to perform any Required Act, including, without limitation, failure to obtain adequate or other financing shall not be deemed to constitute a Force Majeure Event. A Force Majeure Event shall not be deemed to commence until ten (10) days before the date on which the party who asserts some right, defense, or remedy arising from or based upon such Force Majeure Event gives written notice thereof to the other party. If abnormal adverse weather conditions are the basis for a claim for an extension of time due to a Force Majeure Event, the written notice shall be accompanied by data substantiating (a) that the weather conditions were abnormal for the time and could not have been reasonably anticipated and (b) that the weather conditions complained of had a significant adverse effect on the performance of a Required Act. To establish the extent of any delay to the performance of a Required Act due to abnormal adverse weather, a comparison will be made of the weather for the time of performance of the Required Act with the average of the preceding ten (10) years' climatic range based on the National Weather Service statistics for the nearest weather reporting station to the Premises. No extension of time for or excuse for a delay in the performance of a Required Act will be granted for rain, snow, wind, cold temperatures, flood, or other natural phenomena of normal intensity for the locality where the Premises are located.

26. **Inspection.** All material or service is subject to final inspection and acceptance by PMGAA. Material or service failing to conform to the specifications of this Contract will be held at Consultant's risk and may be returned to Consultant. If so returned, all costs are the responsibility of Consultant. Noncompliance shall conform to the cancellation clause set forth in this Contract.

27. **Exclusive Possession.** All services, information, computer program elements, reports, and other deliverables, which may be created under this Contract, are the sole property of PMGAA and shall not be used or released by Consultant or any other person except with prior written permission by PMGAA.

28. **Title and Risk of Loss.** The title and risk of loss of materials or services shall not pass to PMGAA until PMGAA actually receives the material or service at the Airport, unless otherwise provided within this Contract.

29. **Liens.** All materials, services, and other deliverables supplied to PMGAA under this Contract must be free of all liens and other encumbrances. Upon request of PMGAA, Consultant shall provide a formal release of all liens.

30. **Licenses.** Consultant shall maintain in current status all federal, state, and local licenses and permits required for the operation of the business conducted by Consultant as applicable to this Contract.

31. **Subsequent Employment.** PMGAA may cancel this Contract without penalty or further obligation in accordance with A.R.S. Section 38-511 if any person significantly involved in initiating, negotiating, securing, drafting, or creating the contract, on behalf of the PMGAA is or becomes, at any time while the Contract or any extension of the contract is in effect, an employee of, or a contractor to any other party to this Contract with respect to the subject matter of the Contract. Such cancellation shall be effective when the parties to this Contract receive written notice from PMGAA, unless the notice specifies a later time.

32. **Not Used.**

33. **Patents.** Consultant shall defend, indemnify, and hold harmless PMGAA, its officers and employees from all liabilities, claims, damages, costs, or expenses, including, but not limited to reasonable attorneys' fees, for any alleged infringement of any person's patent rights or copyrights in consequence of the use by PMGAA, its officers, employees, agents, and other duly authorized representatives, in the manner contemplated by or required in connection with the performance of the Contract, of tangible or intellectual property supplied to PMGAA by Consultant under this Contract.

34. **Records and Audit Rights.** Consultant's and all of its approved subcontractors' books, records, correspondence, accounting procedures and practices, and any other supporting evidence relating to this Contract, including the papers of all Consultant and subcontractor employees that work on the Contract (all the foregoing collectively referred to as "Records"), must be open to inspection and subject to audit and/or reproduction during normal working hours by PMGAA. PMGAA is entitled to evaluate and verify all invoices, payments or claims based on Consultant's and its subcontractor's actual costs (including direct and indirect costs and overhead allocations) incurred or units expended directly in the performance of work under this Contract. PMGAA is entitled to access to these Records from the effective date of this Contract for the duration of the work and until five years after the date of final payment by PMGAA to Consultant under the Contract. During normal working hours, PMGAA is entitled to access to all necessary Consultant and subcontractor facilities and shall be provided adequate and appropriate workspace, in order to conduct audits under this Section. PMGAA shall give Consultant or subcontractors reasonable advance notice of intended audits. Consultant shall require its subcontractors to comply with the provisions of this Section by including its requirements in all subcontracts related to this Contract. Except as required by any open records laws(s) with which PMGAA must comply, PMGAA will and cause its agents to otherwise maintain Consultant's non-public records as confidential as against third parties.

35. **E-Verify Requirements.** To the extent applicable under A.R.S. § 41-4401, Consultant and its subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees, and compliance with the E-Verify requirements under A.R.S. §23-214(A). Consultant's or its subcontractors' failure to comply with such warranty shall be deemed a material breach of this Contract and may result in the termination of this Contract by PMGAA. PMGAA shall have the right to inspect the papers of Consultant's and any of Consultant's subcontractor's employee who works on this Contract to ensure the Consultant is complying with this paragraph.

EXHIBIT E – CONSULTANT'S RFP SUBMITTAL

Consultant's Proposal in response to Phoenix-Mesa Gateway Airport Authority's Solicitation 2023-011-RFP dated October 20, 2022, is hereby incorporated herein and made part of this Contract.

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 22-82

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:	**Fuel Farm Expansion CMAR Construction Services Contract and GMP 1 Early Works Procurement – KEAR Civil Corp, CIP 1224**
Date:	**December 20, 2022**

Proposed Motion

To approve a Construction Manager At Risk (CMAR) Construction Services Contract and GMP 1 Early Works Procurement for the Fuel Farm Expansion Project with KEAR Civil Corp. (KEAR), in an amount not to exceed $1,678,587.20 under CIP 1224.

Narrative

Due to the increased commercial aircraft passenger traffic and the additional airlines utilizing PMGAA, Airport staff had an analysis completed of the existing and anticipated Jet-A Fuel Storage Capacity that is needed at the Fuel Farm. Currently the Airport has a usable storage capacity of 225,000 gallons of Jet-A Aviation Fuel, which has been determined by a consultant and Airport Staff to be approximately a little over three (3) days of storage reserves on hand. Based on recent growth patterns, within the next five years, this number is anticipated to be significantly less than three days of storage reserves on hand. Industry standard is 5 to 7 days storage to allow for disruptions and supply challenges. With the findings from this recent study, PMGAA staff has determined the need for an expansion to the Fuel Farm is in order to accommodate appropriate Jet-A Fuel Storage Capacity.

The Contractor, KEAR, is currently providing Pre-Construction Services as a CMAR and will add three (3) additional 50,000-gallon (gross) Jet-A fuel storage tanks, fuel lines, pumps and will utilize the airport controlled vacant lot adjacent to the existing fuel farm in order to provide an interim fuel solution.

The GMP 1 Early Works Procurement is needed in order to purchase very long lead items that include the steel fuel tanks, piping and other items that are necessary for the Fuel Farm Improvements Project. PMGAA staff will present an additional GMP (GMP 2) to install and construct the improvements to the Board for review and consideration at a later date.

The Request for Qualifications (RFQ) Solicitation 2022-024-RFQ – CMAR for Fuel Farm Expansion, was issued on March 31, 2022, and advertised in the Arizona Business Gazette on 4/7, 4/14 and 4/21/22. It was also posted on the AzAA, ACC, ACI-NA and SWAAAE Websites as well as the Phoenix-Mesa Gateway Airport Authority Website. In addition, the RFQ was emailed to a list of 97 prospective firms. The Statements of Qualification (SOQ) opening was held on April 25, 2022, and four (4) SOQ's were received.

Archer Western
JE Dunn
Kear Civil Corp.
SDB

The panel unanimously ranked KEAR as the firm most qualified and that best satisfies the requirements for this project. The PMGAA Executive Team concurred with this selection.

Fiscal Impact
This CMAR Construction Services Contract and GMP 1 Early Works Procurement is included in the FY23 Capital Budget and is funded with PMGAA non-grant funds under CIP 1224.

Attachment(s): CMAR Construction Services Contract and GMP 1 Early Works Procurement

RESOLUTION NO. 22-82

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to approve a Construction Manager At Risk (CMAR) Construction Services Contract and GMP 1 Early Works Procurement for the Fuel Farm Expansion Project with KEAR Civil Corp., in an amount not to exceed $1,678,587.20 under CIP 1224;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

> **The Board of Directors of the Authority hereby approves a Construction Manager At Risk (CMAR) Construction Services Contract and GMP 1 Early Works Procurement for the Fuel Farm Expansion Project with KEAR Civil Corp., in an amount not to exceed $1,678,587.20 under CIP 1224. 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 20th day of December, 2022.

Brigette Peterson, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

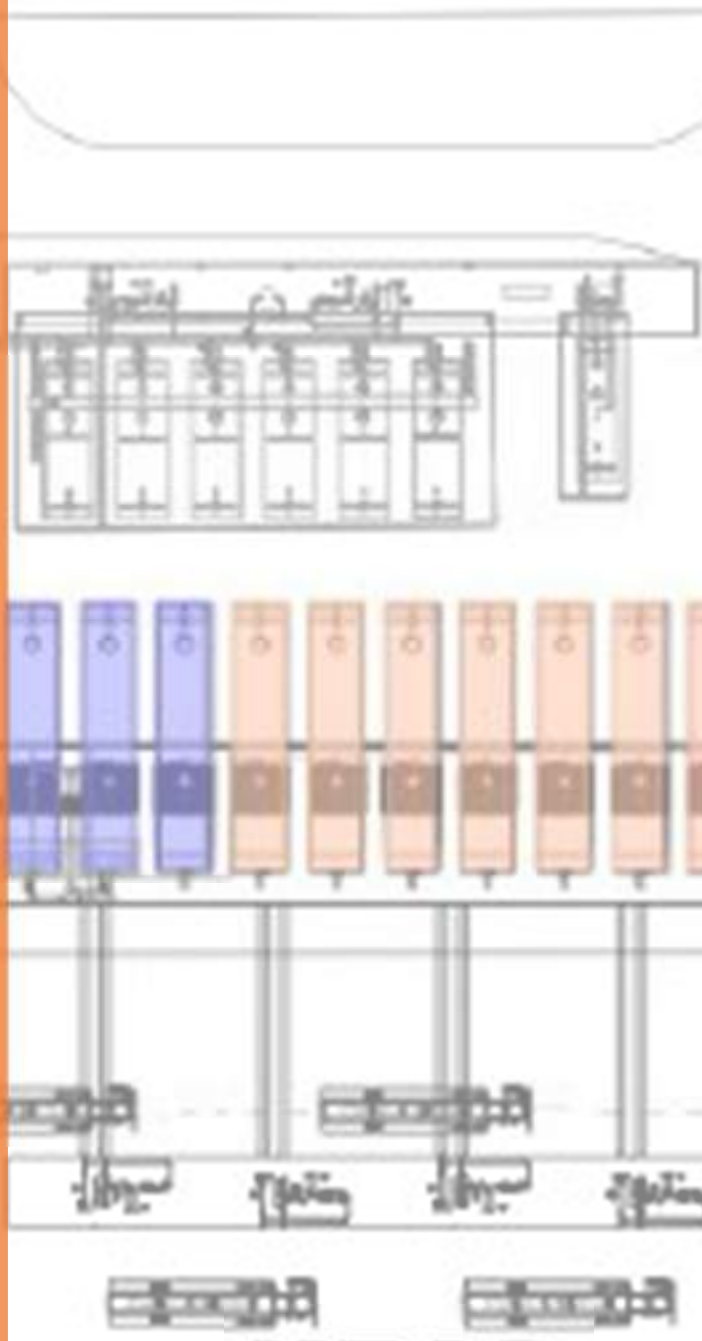
Phoenix-Mesa Gateway Airport

Phoenix-Mesa Gateway Airport
Jet A Fuel Farm Expansion

Construction Manager at Risk (CMAR) GMP 1 Tank Proposal

Project No: 1338

December 9, 2022



KEAR CIVIL CORP

Prepared & Submitted By:

KEAR Civil Corporation
22555 N. 20th Ave
Phoenix, AZ 85027

www.kearcorp.com

AZROC: A-231544

Guaranteed Maximum Price Proposal for the Phoenix-Mesa Gateway Fuel Farm Expansion CMAR GMP 1

December 9, 2022

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4. Plans & Specifications
5. Clarifications & Assumptions
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1. SCOPE OF WORK

Overall Project Description

This GMP has been assembled for the procurement of long lead items for the Fuel Farm Expansion Project at Phoenix-Mesa Gateway Airport. The project increases fuel storage capacity of the existing fuel farm and will tie-in to the existing fuel storage system. Civil and electrical improvements will be made to the existing infrastructure and site to accommodate the expansion of the fuel farm storage capacity by 150,000 gallons of Jet A fuel.

GMP 1 Description

GMP 1 is defined by the work description provided with the RFP documents for the early procurement of Above Ground Storage Tanks and Catwalks to be installed during GMP 2. PMGAA has requested three (3) 50,000-gallon Jet A UL 142 storage tanks with catwalks for procurement as outlined below.

GMP 1

Provide (3) 50,000-gallon (NOM) UL 142 Double Wall Above Ground Fuel Storage Tanks.

- Catwalks, landings and stairs per drawings
- Saddles, fittings manways, ladders and drop tubes per drawings
- Tank Accessory Package
  - (3) Primary Vent
  - (3) Emergency Vent
  - (6) 36" Manway Hatches
  - (6) Manual Gauge Hatches
  - (3) 6” Floating Suction Assemblies (Shipped Loose)
- Coating Package
  - Internal Coating: Sandblast and Two-Coat System
  - External Coating: Sandblast and Two-Coat System
  - Third Party NACE Inspections
- Shipping FOB to jobsite

2. PROPOSAL SUMMARY SHEET

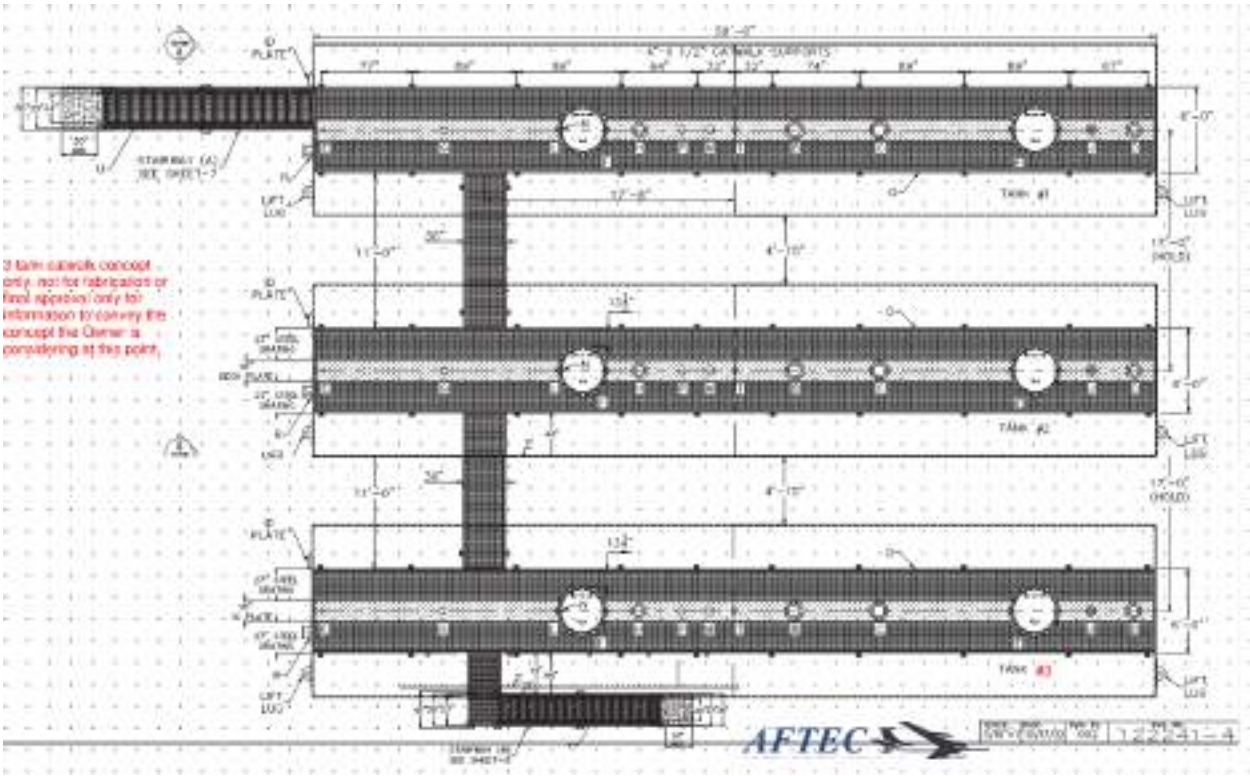
Project: PMGAA Fuel Farm Expansion
Project #: 1338
Desc: GMP 1-Tank Procurement
Submitted: 12/9/2022

GMP 1 Tank Procurement

ITEM	DESCRIPTION	QTY	UNIT	UNIT COST	SUBTOTAL
	GENERAL REQUIREMENTS				
1	***Procure 3 Tanks With Appurtenances***	1.0	LS	$ 1,397,185.00	$ 1,397,185.00
	SUBTOTAL				**$ 1,397,185.00**
GMP SUMMARY					
A.	C.O.W. (L,M,S,E)				$ 1,397,185.00
	Indirect Costs			**Rate**	
B.	CMAR Contingency				$ -
C.	Construction Fee			6.0%	$ 101,440.00
D.	General Conditions				$ 60,042.04
D1.	Payment & Performance Bond				$ -
D2.	Insurance			1.75%	$ 29,417.50
E.	Sales Tax-65% of 8.3%	*5.39%*		5.39%	$ 90,502.66
			F. TOTAL GMP		**$ 1,678,587.20**
			G. Owner's Contingency		$ -
			H. Contract Amount		$ 1,678,587.20

3. AFTEC Proposal

The early tank procurement quote request was sent to AFTEC. KEAR Civil Corp recommends AFTEC be awarded the Early Tank Procurement Work Package for three (3) 50,000 gallon UL 142 Tanks. Pricing of the catwalk system has been based on the sketch below.



AFTEC
AVIATION FUEL TECHNICIANS, LLC
A Veteran-Owned Small Business

4340-H Taggart Creek Road
Charlotte, NC 28208
P. 704.521.1205
F. 704.521.1341

David Boyle, P.E.
dboyle@aftecusa.com

December 9, 2022

Quote No. 9480-B

To: Kear Civil
Re: Fuel Farm Expansion, Phoenix-Mesa Gateway Airport, Mesa AZ
Sol. #:

Quote No. 9480-B

In response to your request, AFTEC is pleased to quote the following equipment:

QTY	DESCRIPTION	UNIT PRICE	EXT. PRICE
		-	-
	References:		
	Section 40 65 01 Above Grade Fuel Tanks		
	Para 2.1 Above Grade Fuel Tank		
1	Double Wall Tank	232,173.02	232,173.02
	TAG: T-1, T-2		
	Volume: 50,000 Gallons		
	Type: Aboveground, Double Wall, Type I, Horizontal, Cylindrical		
	Product: Jet A		
	Listing: UL 142		
	Material: Mild Carbon Steel		
	Dia: 12' Length: 59'6"		
	Construction: Butt Weld		
	Fittings: Per shop drawing		
	Flanges: Per shop drawing		
	Manway: (1) 36" dia. bolted w/ hinge		
	Drop Pipes: (1) 8" SS w/ Elbow, (2) 6" SS Stillwells		
	Sump: None		
	Interior Coating: 2 part Epoxy		
	Exterior Primer: Zinc-Rich Polyurethane Primer		
	Exterior Primer: Epoxy Primer		
	Exterior Coating: Acrylic Polyurethane - White		
	Support System: (2) Saddles, 6" high		
	Seal Weld saddles to tank: No (welded tabs w/ hardware for field bolting)		
	Slope: 2% in concrete pedestals by others (all fittings to be plumb)		
	Interior Ladder: (2) Standard SS		
	Platforms and Stairways, lot, to include:		
1	Platform: 6' wide x 59'6" long, Galvanized CS Grating, Railing	111,185.83	111,185.83
1	Connecting Platform: 36" wide spanning distance between the two tanks	6,666.67	6,666.67
	Galvanized CS Grating, Railing		
1	NACE Inspection, Level 3, Third Party, Interior and Exterior Coatings	12,977.78	12,977.78
	Para 2.2 Quick Opening Swing Out Manway		
2	Quick Opening, Out-swing Manway, 36", CS, Buna-N	5,638.51	11,277.01

QTY	DESCRIPTION	UNIT PRICE	EXT. PRICE
	1. Specified manway is intended for pressure vessels and is atypical for vented fuel storage tanks. 2. To preserve UL tank listing, quick-opening manway will be flanged and bolted to UL tank manway nozzle. 3. Above is unit cost per manway (in lieu of standard). Standard scope includes UL bolted manways, one (per tank) with hinge.		
	Para 2.3 Tank Vents		
2	Vent, Emergency, 8" FL, 16 oz	607.49	1,214.98
1	Vent, Normal, SS/SS, FL, 8"	3,120.00	3,120.00
	No Spec: Floating Suction		
1	Floating Suction, alum, 6", type 3H, 162" long, restr, bell/ baffle inlet	5,896.06	5,896.06
	Anti-vortex plate		
	Approved: **Date:**		
	PO #:		

Sub-total:	$	384,511.35
Est. Freight:	$	83,110.00
Sales Tax:		Not Included
Total:	$	467,621.35

EXWorks: Factory; Freight price (ground) to CONUS project site if noted

Shipment: 30-32 weeks after approved drawings / submittals

TERMS: Net 30 w/ open acct; 1% monthly late fee on amounts not paid timely.

AFTEC does accept Visa or Mastercard (call for Limitations)

AFTEC does not accept liquidated damages or retentions.

Prices do not include crating, freight, or sales tax unless noted.

If Freight is quoted, fuel surcharge may be applicable at time of shipment.

Steel Surcharges may be applicable if submittals are not appr'd within 30 days of submission.

Quoting only the above equipment; no offloading, installation, or start-up (unless noted) provided.

We provide manufacturers' equipment warranties and O&Ms only. We make no express or implied warranties or any warranty of merchantability or fitness for any particular purpose whatsoever.

Submittal literature provided in digital form only.

O&Ms (digital only) provided after final payment only.

Pricing is valid for 30 days and is protected thru the order process if ordered within 30 days of quote

Start up and Training: US$1800 per day per technician plus expenses.

Contractor to confirm quantities.

These terms are part of any purchase order.

Assembly Required.

AFTEC is a Veteran-Owned Small Business (VOSB).

David M. Boyle, P.E.
Managing Principal

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A Veteran-Owned Small Business

4340-H Taggart Creek Road
Charlotte, NC 28208
P. 704.521.1205
F. 704.521.1341

David Boyle, P.E.
dboyle@aftecusa.com

August 16, 2022

Quote No. 9480 Rev 4

To: Contractors
Re: Phoenix Gateway AZA
Sol. #:

Quote No. 9480
Rev 1: 08-19-22
Rev 2: 08-26-22
Rev 3: 08-29-22
Rev 4: 09-19-22

In response to your request, AFTEC is pleased to quote the following equipment:

QTY	DESCRIPTION	MANUF.	UNIT PRICE	EXT. PRICE
			-	-
	References:			
	Section 40 65 01 Above Grade Fuel Tanks			
	Para 2.1 Above Grade Fuel Tank			
2	Double Wall Tank	Highland	219,270.00	438,540.00
	TAG: Jet A Storage Tank			
	Volume: 50000 Gallons			
	Type: Aboveground, Double Wall, Type I, Horizontal, cylind.			
	Listing: UL 142			
	Material: Primary: Mild Carbon Steel			
	Butt Weld			
	Dia: 12' Length: 59'6"			
	Construction: Standard			
	Fittings: Standard various sizes			
	Flanges: () 1", (1) 2", () 3", (1) 4", (1) 6", (3) 8", () 10"			
	Manway: (1) 24" bolted w/ hinge, (1) 36" - bolted			
	Drop Pipes: (1) 8" CS			
	Internal pipe: (2) 6" Stillwell SS			
	Sump: None			
	Interior Coating: 2 part Epoxy	Chemline		
	Exterior Primer: Zinc-Rich Polyurethane Primer	Chemline		
	Exterior Primer: Epoxy Primer	Chemline		
	(Meets 24441 for primer and intermediate)			
	Exterior Coating: Acrylic polyurethane white	Chemline		
	Support System: 2 - Saddles, 6" high			
	Seal Weld saddles to tank: Yes			
	Slope: 0%			
	Per plans, slope will be provided in concrete. Tank fittings will will be plumb.			
	Interior Ladder: (2) Standard SS			
1	Platforms and Stairways, lot, to include	Highland		
2	Stairway: Freestand; 30" wide, CS/galv grating	Highland	15,980.00	31,960.00
2	Platform: 5' wide x tank length ' long, galv grating, railing	Highland	106,186.67	212,373.33
1	Connecting Platform: 36" wide span distance of 2-tank width, galv grating, railing	Highland	5,737.78	5,737.78
2	NACE Inspection, third party	Gannett	12,977.78	25,955.56
	Para 2.2 Quick Opening Swing Out Manway			
4	Quick opening, out-swing manway, 36", CS, Buna-N	Chase	5,638.51	22,554.02
	1. Specified manway is intended for pressure vessels and is atypical for vented fuel storage tanks. 2. To preserve UL tank listing, quick-opening manway will be flanged and bolted to UL tank manway nozzle. 3. Above is unit cost per manway (in lieu of standard). Standard scope includes UL bolted manways, one (per tank) with hinge.			
	Para 2.3 Tank Vents			
4	Vent, Emergency, 8" FL, 2.5 oz	Morrison	429.26	1,717.04
2	Vent, normal, SS/SS, FL, 8"	Shand&Jurs	2,925.00	5,850.00

QTY	DESCRIPTION	MANUF.	UNIT PRICE	EXT. PRICE
2	No Spec: Floating Suction			
2	Floating Suction, alum, 6", type 3H, 192" long, restr, bell/ baffle inlet	Gammon	5,896.06	11,792.12
	Anti-vortex plate			
	Approved: **Date:**			
	PO #:			

Sub-total:	$	756,479.85
Est. Freight:	$	106,550.00
Sales Tax:		Not Included
Total:	$	863,029.85

EXWorks: Factory; Freight price (ground) to CONUS project site if noted

Shipment: 30-32 weeks after approved drawings / submittals

TERMS: Net 30 w/ open acct; 1% monthly late fee on amounts not paid timely.

AFTEC does accept Visa or Mastercard (call for Limitations)

AFTEC does not accept liquidated damages or retentions.

Prices do not include crating, freight, or sales tax unless noted.

If Freight is quoted, fuel surcharge may be applicable at time of shipment.

Steel Surcharges may be applicable if submittals are not appr'd within 30 days of submission.

Quoting only the above equipment; no offloading, installation, or start-up (unless noted) provided.

We provide manufacturers' equipment warranties and O&Ms only. We make no express or implied warranties or any warranty of merchantability or fitness for any particular purpose whatsoever.

Submittal literature provided in digital form only.

O&Ms (digital only) provided after final payment only.

Pricing is valid for 30 days and is protected thru the order process if ordered within 30 days of quote

Start up and Training: US$1800 per day per technician plus expenses.

Contractor to confirm quantities.

These terms are part of any purchase order.

Assembly Required.

AFTEC is a Veteran-Owned Small Business (VOSB).

David M. Boyle, P.E.
Managing Principal

4. PLANS AND SPECIFICATIONS

DRAWINGS

SHEET NUMBER	SHEET NAME	DATE
F001	FUELING LEGEND AND DRAWING LIST	August 8, 2022
F201	AZA FUELING SITE PLAN	August 8, 2022
F301	FUEL FARM LAYOUT	August 8, 2022
F302	ENLARGED TANK LAYOUT	August 8, 2022
F303	ENLARGED TANK LAYOUT	August 8, 2022
F801	ELEVATION	July 19, 2022
F802	ELEVATION	August 8, 2022
F901	FUEL FLOW DIAGRAM	August 8, 2022
F902	FUEL FLOW DIAGRAM	August 8, 2022
F903	FUEL FLOW DIAGRAM	August 8, 2022
F904	FUEL FLOW DIAGRAM	August 8, 2022
F905	FUEL FLOW DIAGRAM	August 8, 2022
F1001	TANK DETAIL	August 8, 2022
F1101	FUELING EQUIPMENT SCHEDULE	August 8, 2022
F1102	INSTRUMENTATION AND LINE LIST	August 8, 2022

SPECIFICATIONS

SECTION	TITLE	LAST ISSUE
40 01 00	BASIC PROCESS SYSTEM REQUIREMENTS	July 19, 2022
40 01 20	SELECTIVE DEMOLITION	July 19, 2022
40 20 00	PROCESS PIPING, Valves and Fittings	July 19, 2022
40 43 23	PROCESS PUMPS	July 19, 2022
40 52 47	Aviation Fueling System Inspection, Cleaning, Flushing and Testing	July 19, 2022
40 65 01	Above Grade Fuel Tanks	August 8, 2022

5. CLARIFICATIONS & ASSUMPTIONS

The following items are clarifications and assumptions that have been used in assembling this GMP. The intent of this document is to provide additional clarification for scope of work pricing in addition to documents issued by Kimley-Horn & Associates, Swanson-Rink and PMGAA.

Contractual Clarifications & Assumptions

1. Costs for all permits have not been included in this GMP.
2. GMP pricing is based off current market conditions, pricing does not account for and is subject to change due to market fluctuation stemming from changes in law or governmental policy, tariffs or other circumstances impacting costs of construction. Cost is based on the assumption that approval will be granted December 20, 2022, and contract issued the following day to ensure we can have the vendor under contract prior to the end of December.
3. GMP pricing is based on the plans and specifications in Section 4. We exclude any costs associated with design revisions, tenant & stakeholder comments & city comments.
4. As directed by PMGAA bond costs are excluded from this proposal and we have included the full AZ TPT tax amount.

Technical Clarifications & Assumptions

The costs included in this GMP are reflective of the state of design based off the GMP contract design documents referenced in Section 4. KEAR reserves the right to reconcile any of the included work categories upon completion of design review by PMGAA for any future changes in scope stemming from design completion or other factors.

EXCLUSIONS

- Unloading or handling of any material procured in this GMP
- Installation of tanks or appurtenances is not included in this GMP
- Tank accessories not specifically listed will not be provided in this GMP
- Seismic Calculations
- Onsite Testing or Training
- Touch Up Coatings
- Tank Labeling and Identification
- Foundation anchor bolts
- Builders Risk/All Risk
- Retention

CLARIFICATIONS

- Third Party NACE Inspections to be provided under manufacturers contract
- Warranty Period to commence upon final tank delivery
- Freight FOB to jobsite is included
- Delivery assumed to be concurrent with onsite construction

6. PROJECT SCHEDULE

- December Board Approval December 20, 2022
- Issue Purchase Order to Vendor December 22, 2022
- Submittal Package sent for Engineer Review January 18, 2023
- Receive Approved Submittals February 16, 2023
- Fabricate and Deliver Tanks September 15, 2023

FUEL FARM JET A TANK EXPANSION

CONSTRUCTION MANAGER AT RISK (CMAR) CONSTRUCTION SERVICES CONTRACT #1

PROJECT NO. 1224

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Phoenix Mesa Gateway Airport Authority

Construction Manager at Risk
Construction Services
Project No.: 1224

THIS CONTRACT is made and entered into by and between the Phoenix Mesa Gateway Airport Authority, a joint powers airport authority authorized by the state of Arizona, hereinafter called "Owner" and the "Construction Manager at Risk" or "CMAR" designated below, individually, each is a "Party" and collectively, the "Parties", 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: Phoenix-Mesa Gateway Airport Authority
Project Manager: Mike Hanas
Telephone: 480-988-7636
E-mail: mhanas@gatewayairport.com

CMAR: KEAR Civil Corporation
22555 N. 20th Avenue
Phoenix, AZ 85027
Arizona ROC No.: A 231544
Federal Tax ID No.: 20-8257122
CMAR Representative: Mike Fossett
Telephone: 623-742-2310
E-mail: mike.fossett@kearcorp.com

DESIGN PROFESSIONAL: Kimley Horn Associates
Steve Reeder
602.906.1379
Steve.reeder@kimley-horn.com

PROJECT DESCRIPTION: Fuel Farm Jet A Tank Expansion

PROJECT LOCATION: PMGAA Fuel Farm, 7630 E. Velocity Way, Mesa AZ 85212

ARTICLE 2 – CONTRACT DOCUMENTS

2.1 CONTRACT DOCUMENTS

The Contract between Owner and CMAR shall consist of the following Contract Documents:

1. This Contract and all of its Exhibits, including subsequent Specifications and Plans
2. The Request for Qualifications (RFQ) requirements (2022-024-RFQ) , documents, and CMAR's submittal to such solicitation dated 04/25/2022
3. Any plans and drawings
4. Any amendments or modifications to the foregoing documents, including (a) a written amendment signed by both parties, (b) a Change Order, (c) a Change Directive, (d) Supplementary Instructions, or (e) a written order for a minor change in the work (collectively the "Contract").
5. Guaranteed Maximum Price (GMP)

2.3 PROJECT SPECIFIC CONDITIONS

If there are any additional conditions that apply to this Project, they are set forth in the attached Exhibit 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 Contract Documents. Some but not all of the major components of the Construction Services 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 shall perform the Work under this Contract using only those firms, team members and individuals designated by CMAR consistent with the Statement of Qualifications dated 04/25/2022, the GMP Proposal, or otherwise approved in writing by Owner. No other entities or individuals may be used without prior approval of the Project Manager.

4.1.5 CMAR will comply with all terms and conditions of the Contract Documents, as well as the Owner's published Rules & Regulations and Minimum Standards (Exhibit F).

4.1.6 In the event of a conflict between this Contract and 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 in accordance with Article 11 of this Contract prior to any work commencing.

Owner will obtain and pay for all permits necessary for the work.

4.3 PRE-CONSTRUCTION CONFERENCE

CMAR shall attend the Pre-Construction Conference.

4.4 PERFORMANCE OF THE WORK (INCLUDING FIELD MEASUREMENTS, SUBCONTRACTORS, AND SUPPLIERS)

Not Used.

4.5 CONTROL OF THE PROJECT SITE

Not Used.

4.6 PROJECT SAFETY

Not Used.

4.7 MATERIAL SUBSTITUTIONS

4.7.1 Requests for Substitutions. After the Contract has been executed, the Owner and Architect may consider, but shall have no obligation to consider, a formal request for the substitution of products in place of those specified under the conditions set forth herein and those set forth in the Technical Specifications. The decision in the first instance on acceptance or rejection of proposed alternate, substitute or similar materials, products, equipment or systems shall be vested in the Architect, and ultimately with the Owner, whose decision shall be final and binding.

4.7..2 Conditions for Substitutions. By making requests for substitutions, the CMAR (1) represents that the CMAR has personally investigated the proposed substitute product and determined that it is equal or superior in all respects to that specified, (2) represents that the CMAR will provide the same warranty for the substitution that the CMAR would for that specified, (3) certifies that the cost data presented is complete and includes all related costs under the Contract except the Architect's analysis and redesign costs, and waives all claims for additional costs related to the substitution which subsequently become apparent, and (4) will coordinate the installation of the accepted substitute, making such changes as may be required for the work to be complete in all respects.

4.7.3 Criteria for Acceptance or Rejection of Substitutes. Acceptance or rejection of proposed alternate, substitute, or similar materials, products, equipment or systems for use may be based on the construction, design, function, type, size, capacity, performance, strength, durability, finish, aesthetic quality, the Owner's standard for repair, replacement and maintenance or other characteristics or criteria approved by the Owner.

4.7.4 Expense for Modification. The CMAR proposing the substitution shall pay any modification to the Contract or work necessary as a result of the use of an approved alternate or substitute.

4.7.5 Rejection of Substitute. If any alternate or substitute is not approved, the CMAR shall use the specified material, product, equipment or system without adjustment to the Contract Sum or Contract Time.

4.8 PROJECT RECORD DOCUMENTS

CMAR shall maintain and make available to Owner any Project Record Documents.

4.9 WARRANTY AND CORRECTION OF DEFECTIVE WORK

4.9.1 CMAR warrants to the Owner and Architect that materials and equipment furnished under the Contract will be of first quality and new. Materials and equipment not conforming to these requirements, including substitutions not properly approved and authorized, shall be considered defective. This warranty is in addition to and not limited by the provisions of Section 12.2.

4.9.2 Assignment of Warranties. The CMAR shall assign to the Owner, before Final Payment is due, all manufacturer's warranties relating to equipment and materials used in the work.

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.

ARTICLE 6 – CONTRACT TIME

Contract Duration is 300 calendar days

6.1 CONTRACT TIME

6.1.1 The Contract Time shall start with the Notice to Proceed ("NTP") and end with Final Acceptance, as set forth in Article 6.4 below. The Notice to Proceed cannot be issued prior to the approval and acceptance by Owner of the GMP or Fixed Price.

6.1.2 CMAR agrees that it will commence performance of the Work and complete the Project through both Substantial Completion and Final Completion within the Contract Time.

6.1.3 Time is of the essence of this Contact, 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.

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 Project Schedule.

6.4 FINAL COMPLETION AND FINAL ACCEPTANCE

6.4.1 Final Completion will be obtained within the time period set forth in the Project Schedule.

6.4.2 Final Completion will be determined, and Final Acceptance will be issued, pursuant to the following:

6.4.2.1 Following the issuance of a Certificate of Substantial Completion for the work and upon completion of the work, the CMAR shall forward to the Architect a written notice that the work is ready for final inspection and acceptance and shall also forward to the Architect a final Application for Payment. Upon receipt, the Architect will promptly make such

inspection. When the Architect, upon consultation with the Owner, finds the work acceptable under the Contract and the Contract fully performed, the Architect will promptly issue a final recommendation stating that to the best of its knowledge, information and belief, and on the basis of its observations and inspections, the work has been completed in accordance with the Contract and that the remaining Contract Sum is due, including all retainage, less authorized deductions.

6.5 LIQUIDATED DAMAGES

6.5.1 **Final Completion Liquidated Damages.** For the same reason set forth in Article 6.1.3 above, Owner and CMAR further agree that if CMAR fails to achieve Final Completion of the Work within the time set forth in Article 6.4.1 above, Owner shall be entitled to retain or recover from CMAR, as liquidated damages and not as a penalty, the following per diem amounts (which the Parties agree is a reasonable approximation of any resulting damages) commencing from the actual date of Substantial Completion or the Final Completion Date as required under the Contract, whichever is later, until the actual date of Final Completion:

$710 per calendar day.

6.5.2 Owner may deduct liquidated damages described in this Article 6.5 above from any unpaid amounts then or thereafter due CMAR under this Agreement. Any liquidated damages not so deducted from any unpaid amounts due CMAR shall be payable to Owner at the demand of Owner, together with interest from the date of the demand at the highest lawful rate of interest payable by CMAR.

ARTICLE 7 – CONTRACT PRICE

7.1 CONTRACT PRICE

7.1.1 In exchange for CMAR's full, timely, and acceptable performance and construction of the Work under this Contract, and subject to all of the terms of this Contract, Owner will pay CMAR the "Contract Price" which:

The sum of the CMAR's Fee and reimbursable Cost of the Work, which the CMAR guarantees will not exceed the GMP set forth in Exhibit A, in the amount of **$1,678,587.20**. 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, taxes and any type necessary to fully, properly and timely perform and construct the Work encompassed in attached Exhibit A.

7.1.3 The contract price may only be changed as set forth in the Contract Documents.

7.1.4 Only costs specifically designated as reimbursable costs are eligible for payment by Owner or may be charged against the Contract Price. All other costs will not be paid by Owner and shall not be chargeable against the Contract Price.

7.1.5 For Contract Amendments, Change Orders, or Job Orders reimbursable costs shall be determined pursuant to MAG Specifications 109.5.

7.2 ALLOWANCES

Contractor shall include in the Contract Price all Allowances stated in the Contract Documents and agreed to in writing by Owner. Items covered by these Allowances shall be supplied for such amounts and by such persons as Owner may direct, provided Contractor will not be required to employ persons against whom Contractor makes a reasonable objection. Materials and equipment under an Allowance shall be selected by Owner in accordance with a schedule to be mutually agreed upon by Owner, Design Professional and Contractor or otherwise in reasonably sufficient time to avoid delay in the Work.

7.2.1 Unless otherwise provided in the Contract Documents:

7.2.1.1 These Allowances shall cover the cost to Contractor, less any applicable trade discount, of the Materials and equipment required by the Allowances, delivered at the Site, and all applicable taxes;

7.2.1.2 Contractor's costs for unloading and handling on the Site, labor, installation costs, overhead, profit and other expenses relating to Materials and Equipment required by the Allowance shall be included in the Contract Sum and not in the Allowance; and

7.2.1.3 Whenever the cost is more or less than the Allowance, the Contract Sum shall be adjusted accordingly by Change Order, the amount of which will recognize the difference between actual costs for an Allowance item and the amount of the Allowance item and changes, if any, in handling costs on the Site, labor, installation costs, overhead, profit and other expenses.

7.3 CONTINGENCY

An agreed to amount in the GMP that may only be used in accordance with the Contract Documents and with prior written approval by Owner.

7.4 FINAL PAYMENT

If the Contract Price is based upon a GMP, as a further condition precedent to Final Payment by Owner, Contractor must submit to the Project Manager a complete final accounting of the Actual Reimbursable Cost of the Work, including all such documentation (including, without limitation, invoices, subcontracts, subcontractor change orders, purchase orders, records of payment, etc.) as Owner may require, to establish whether the payments made to Contractor equal, exceed, or are less than the Actual Reimbursable Cost of the Work to date.

Any excess payments by Owner, as determined by the Project Manager, shall be deducted from the one-half retention payment to be made to Contractor, and any additional excess amounts paid to Contractor shall be refunded by Contractor to Owner. Disputes relating to the Final Cost of the Work shall be subject to Owner's audit rights and 7.5 below, and the dispute resolution process under Article 13 of this Contract.

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 this Article 8 and Article 7 above.

8.1 Payment for Stored Materials. Unless otherwise provided in the Contract, payments shall be made on account of materials delivered and suitably stored at the Site for subsequent incorporation in the work. Payment will not be made for materials and equipment suitably stored off the Site. Payment for materials and equipment stored on the Site shall be conditioned upon (1) compliance by the CMAR with procedures satisfactory to the Owner to establish the Owner's title to such materials and equipment or otherwise protect the Owner's interest, (2) property insurance as set forth in Article 11, and (3) transportation to the Site. The Owner will not consider requests to pay for items that are stored offsite, or off-the-shelf type materials not requiring a long lead time to order.

8.2 Lien Waivers. The CMAR warrants that title to all materials covered by an Application for Payment will pass to the Owner no later than the time of payment. The CMAR also warrants that upon submittal of an Application for Payment all materials for which payments have been received from the Owner shall be free and clear of liens, claims, security interests or encumbrances in favor of the CMAR, Subcontractors, or other persons or entities making a claim by reason of having provided materials or equipment relating to the work. All Applications for Payment shall include lien waivers executed by the CMAR and all Subcontractors providing equipment or materials for the work. If a sub-subcontractor, vendor, supplier, manufacturer, or other entity or person supplying equipment, or materials related to the work refuses to furnish a lien waiver for CMAR's Application for Payment, the CMAR shall furnish a bond satisfactory to the Owner against such possible lien prior to payment. Payment shall not be due until CMAR furnishes such bond. The CMAR shall also indemnify defend and hold harmless the indemnified parties against any lien by any sub-subcontractor, vendor, supplier, manufacturer or other entity or person supplying equipment, or materials related to the work.

8.3 Timing for Payment. The Owner shall pay the CMAR in accordance with Arizona Revised Statutes Title 34.

8.4 Recommendation Subject to Later Evaluation. The decision of the Owner to make a payment is subject to later evaluation of the materials for conformance with the Contract to results of subsequent tests and inspections, to minor deviations from the Contract correctable prior to completion and to specific qualifications expressed by the Architect or Owner.

8.5 Payment to subcontractors/suppliers. The CMAR agrees to pay each subcontractor/supplier under this prime contract for satisfactory performance of its contract.

8.6 No Obligation to Oversee Payments. Neither the Owner nor Architect shall have an obligation to pay or to see to the payment of money to a subcontractor/supplier.

8.7 Payment Not Acceptance of Work. A payment to CMAR or occupancy of the Project by the Owner shall not constitute acceptance of work not in accordance with the Contract.

8.8 Waiver of Claims. Acceptance of payment by the CMAR or Subcontractor shall constitute a waiver of claims by that payee except those previously made in writing and identified by that payee as unsettled at the time of final Application for Payment

ARTICLE 9 – CHANGES TO THE CONTRACT

A Change Order is a written order to the CMAR signed by the Owner authorizing a change in the (1) GMP, (2) Contract Sum or (3) Contract Time. Only a Change Order may change the GMP, Contract Sum or Contract Time. The CMAR shall not perform any work for which the CMAR intends to seek additional money or an extension of time unless the CMAR obtains a written Change Order or written approval by the Owner prior to performing the work. A Change Order signed by the CMAR indicates the CMAR's agreement therewith, including without limitation, any adjustment in

the Contract Sum or Contract Time. A Change Order signed by the CMAR without any indication of change in the GMP or Contract Time indicates the CMAR's agreement that there will be no change in the Contract Sum or Contract Time (collectively "Change Order").

ARTICLE 10 – SUSPENSION AND TERMINATION

This Contract may be suspended and/or terminated in accordance with MAG Specifications.

ARTICLE 11 – INSURANCE

11.1 CMAR shall provide insurance in accordance with this Article 11. 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 the following insurance:

11.2.1 Property Insurance. All-risk property insurance covering damages and/or destruction of all materials which will become part of the work until such materials are delivered to the Site.

11.3 Contractual Obligations. The stipulation of insurance coverage in this Section 11 shall not be construed to limit, qualify, or waive any liabilities or obligations of CMAR, assumed or otherwise, under this Contract.

ARTICLE 12 – INDEMNIFICATION

Not Used.

ARTICLE 13 – DISPUTE RESOLUTION

13.1 Negotiations. If a dispute arises out of or relates to this Contract or its breach, the parties to this Contract shall endeavor to settle the dispute through direct discussions as a condition precedent to mediation or binding dispute resolution.

13.2 Mediation. Should the parties to this Contract be unable to resolve their dispute through direct negotiations, the parties to this Contract, upon the written request of either, shall engage in mediation, to be administered privately by a mediator and according to rules mutually agreed upon by the parties to this Contract, or, the absence of such mutual agreement, by a mediator appointed by JAMS and administered by JAMS in accordance with its then-current mediation rules. The fees and costs of mediation shall be split equally by the parties to this Contract, but subject to reallocation following binding dispute resolution.

13.3 Binding Dispute Resolution. Should the parties to this Contract be unable to resolve their dispute through direct negotiations or mediation, either party may, within the time limitations for bringing claims under Arizona law and this Contract, commence formal dispute resolution proceedings. Both parties to this Contract consent to binding arbitration administered by JAMS according to its then current arbitration rules, provided, however, that (i) in the event both parties agree, the arbitration may be administered privately by an arbitrator and according to rules mutually agreed upon by the parties to this Contract, and (ii) in the event any party seeks relief against the other party or against a non-party which cannot fully be granted in arbitration, by reason of non-joinder or otherwise, the parties to this Contract are excused from this arbitration requirement and the parties to this Contract shall proceed in the state or federal courts of

competent jurisdiction and located in Maricopa County, Arizona. In any arbitration or litigation, the prevailing party shall be entitled to an award of its reasonable attorneys' fees and costs as determined by the arbitrator or court as applicable.

ARTICLE 14 – MISCELLANEOUS PROVISIONS

Not Used.

Executed as of the Effective Date.

CMAR
KEAR Civil Corporation, an Arizona Corporation

By: _____

Name: Mike Fossett

Title: President

Date: December 12, 2022

OWNER
PHOENIX 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: _____

EXHIBIT A – ACCEPTED GMP/PRICE PROPOSAL & PROJECT SCHEDULE

(Under Separate Cover)

All terms and conditions per the GMP assumptions and clarifications 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 SPECIFIC CONDITIONS & PROJECT PLANS AND SPECIFICATIONS

1. All specifications and plans per the GMP referenced in Exhibit A of this Contract.

EXHIBIT C – REQUIRED FORMS

NOTICE TO PROCEED

Date

CMAR Name
CMAR Address

Attn:

PROJECT NAME: FUEL FARM JET A TANK EXPANSION
Authority Project No.: 1224
Authority Solicitation No.: 2022-024-RFQ

Dear _____:

You are unconditionally authorized to proceed with the above-referenced project effective the date of this letter. The contract time is ____ calendar days. All work shall be performed strictly in accordance with the Contract Documents, including all project schedule requirements.

Your contact for this project is Mike Hanas, phone no. (480)988-7636 and all project communications should be directed to him. If the preconstruction conference has not already occurred, he will contact you shortly about scheduling it.

Remember, the Owner must approve *in writing* any and all changes in the project scope of work before you start work on the change.

Phoenix-Mesa Gateway Airport Authority looks forward to a successful project with your firm.

Sincerely,

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, a joint powers airport authority authorized by the State of Arizona

Authorized Representative

CHANGE ORDER

PROJECT: FUEL FARM JET A TANK EXPANSION

CHANGE ORDER NO: _ _

Authority Project No. 1224
Authority Solicitation No. 2022-024-rfq

TO CMAR: Name

Address

CONTRACT 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, Architect, and CMAR.

The original ***Contract Sum*** was..... $_____
Net change by previously authorized Change Orders ..... $_____
The ***Contract Sum*** prior to this Change Order was..... $_____
The ***Contract Sum*** will be **increased** [or **decreased**] by this Change Order..... $_____
The new ***Contract Sum*** including this Change Order is ..... $_____

The Contract Time will be ***unchanged*** [or ***increased/decreased by _____ calendar days***.]

The Substantial Completion date for base contract work is ***unchanged*** [or ***changed to _____, 202__***.]

[CMAR],

By_____ Date_____

It's_____

Architect Name

By_____ Date_____

It's_____

Owner

By _____ Date___

It's_____

CONDITIONAL
FULL RELEASE OF ALL CLAIMS AND WAIVER OF LIEN UPON FINAL PAYMENT (CMAR)

WHEREAS, the undersigned, _____ (CMAR) has furnished labor, materials, and services and/or equipment for the construction of the **Fuel Farm Jet A Tank Expansion**, ***Authority Project No. 1224,*** at the Phoenix-Mesa Gateway Airport, Maricopa County, State of Arizona, on the Property of the Phoenix-Mesa Gateway Airport Authority, Mesa, Arizona.

NOW, THEREFORE, the undersigned, on receipt of a check from the Owner payable to the CMAR in the sum of $ _____, said sum representing full and final payment for the above-mentioned labor, materials, services and/or equipment, does hereby waive and release any and all liens, claims of lien, and demands whatsoever that now exist or may hereafter accrue against the Owner and the Property on account of labor and materials furnished by the undersigned.

The undersigned warrants that all materials and labor placed by the undersigned in the Project are free from any claims, liens, or encumbrances and that all bills and obligations incurred for labor, taxes, withholding taxes based on payroll and payable to the United States of America or State of Arizona, premiums under a voluntary disability insurance policy, if any, carried with a private insurer, and payments to all union health, welfare, pension, apprentice training and vacation funds applicable for workmen employed on the above-described Project, in connection with the work of improvement on the Project, have been paid in full. The undersigned warrants that all subcontractors and material-men that may have delivered materials and performed work upon the Property for the Project have been fully paid or will be paid from monies received from this final payment. The undersigned shall and does hereby indemnify, save, and hold harmless the Owner and CMAR from all claims, damages, liens and losses, including all costs, professional fees, and reasonable attorney's fees, which the Owner may suffer by reason of filing of any claims, notices, liens or encumbrances, or the failure of the undersigned to obtain cancellation and discharge thereof.

DATED this _____day of _____, 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 – TITLE VI

CIVIL RIGHTS – GENERAL

The contractor agrees to comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance.

This provision binds the contractor and subtier contractors from the bid solicitation period through the completion of the contract. This provision is in addition to that required of Title VI of the Civil Rights Act of 1964.

CIVIL RIGHTS – TITLE VI ASSURANCES

TITLE VI COMPLIANCE WITH NONDISCRIMINATION REQUIREMENTS

During the performance of this contract, the CMAR, for itself, its assignees, and successors in interest (hereinafter referred to as the "contractor") agrees as follows:

Compliance with Regulations: The contractor (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.

Non-discrimination: The contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.

Solicitations for Subcontracts, Including Procurements of Materials and Equipment: In all solicitations, either by competitive bidding, or negotiation made by the contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the contractor of the contractor's obligations under this contract and the Nondiscrimination Acts And Authorities on the grounds of race, color, or national origin.

Information and Reports: The contractor will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the owner or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the contractor will so certify to the owner or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.

Sanctions for Noncompliance: In the event of a contractor's noncompliance with the Non-discrimination provisions of this contract, the owner will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:

a. Withholding payments to the contractor under the contract until the contractor complies; and/or

b. Cancelling, terminating, or suspending a contract, in whole or in part.

Incorporation of Provisions: The contractor will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. The contractor will take action with respect to any subcontract or procurement as the owner or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because

of such direction, the contractor may request the owner to enter into any litigation to protect the interests of the owner. In addition, the contractor may request the United States to enter into the litigation to protect the interests of the United States.
Title VI Clauses for Construction/Use/Access to Real Property Acquired Under the Activity, Facility or Program

TITLE VI LIST OF PERTINENT NONDISCRIMINATION ACTS AND AUTHORITIES

During the performance of this contract, the CMAR, for itself, its assignees, and successors in interest (hereinafter referred to as the "contractor") agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq*., 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR part 21 (Non-discrimination in Federally-Assisted Programs of The Department of Transportation—Effectuation of Title VI of The Civil Rights Act of 1964);
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 *et seq*.), as amended, (prohibits discrimination on the basis of disability); and 49 CFR part 27;
- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 *et seq*.), (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 CFR parts 37 and 38;
- The Federal Aviation Administration's Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures non-discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);

Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 *et seq*).

EXHIBIT F - COMPLIANCE WITH OWNER'S PUBLISHED RULES AND REGULATIONS AND MINIMUM STANDARDS, AS AMENDED FROM TIME TO TIME

1. **Rules & Regulations (link)**

   http://www.gatewayairport.com/documents/documentlibrary/board%20policies/rules%20and%20regulations_16-53.pdf?Uniqueifier=8gC0UBcOyg

2. **Minimum Standards (link)**

   http://www.gatewayairport.com/documents/documentlibrary/board%20policies/airport%20minimum%20standards.pdf?Uniqueifier=8gC0UBcOyg

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Management Information Report

To: Board of Directors
From: Chuck Odom, Chief Financial Officer
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Re: October 2022 Financials
Date: December 20, 2022

Attached is the monthly Financials Report for October 2022.

Phoenix-Mesa Gateway Airport Authority
AIRPORT - All Operations P&L
October, 2022

	Month of October 2022				Y-T-D as of October 2022			
	October FY22 Actual	October FY23 Actual	YOY Variance	B/(W)	YTD FY22 Actual	YTD FY23 Actual	Y-T-D Variance	B/(W)
Aeronautical Operating Revenues								
Aircraft Parking	20,151	22,704	2,553	13%	82,708	102,216	19,508	24%
Fuel Flowage Fees	42,882	59,915	17,033	40%	181,043	213,318	32,275	18%
Landing Fees	121,836	110,931	(10,905)	-9%	483,760	398,362	(85,398)	-18%
Lease Income Aero	254,541	233,120	(21,421)	-8%	1,099,602	1,102,347	2,745	0%
Fuel Sales	521,580	885,882	364,302	70%	1,766,668	2,748,843	982,175	56%
Services Sold - Aero	314,345	432,252	117,907	38%	1,373,502	1,519,031	145,529	11%
Sub-total Aero Operating Revenues	1,275,335	1,744,804	469,469	37%	4,987,283	6,084,117	1,096,834	22%
Non-Aeronautical Operating Revenues								
Concessions	116,729	115,179	(1,550)	-1%	329,205	385,962	56,757	17%
Lease Income Non-Aero	118,397	108,324	(10,073)	-9%	479,547	436,016	(43,531)	-9%
Parking	328,205	388,828	60,623	18%	1,486,702	1,664,284	177,582	12%
Rental Car Fees	131,861	211,819	79,958	61%	452,187	575,891	123,704	27%
Svcs Sold - Non Aero	2,052	15,781	13,729	669%	12,754	22,207	9,453	74%
Sub-total Non-Aero Operating Revenues	697,244	839,931	142,687	20%	2,760,395	3,084,360	323,965	12%
Total Operating Revenues	**1,972,579**	**2,584,735**	**612,156**	**31%**	**7,747,678**	**9,168,477**	**1,420,799**	**18%**
Operating Expenses								
Costs of Goods Sold	329,576	622,815	(293,239)	-89%	1,143,032	1,990,144	(847,112)	-74%
Personnel	631,641	844,964	(213,323)	-34%	2,867,410	3,112,926	(245,516)	-9%
Comm & Utilities	78,495	86,246	(7,751)	-10%	381,927	396,525	(14,598)	-4%
Contractual Services	436,700	562,122	(125,422)	-29%	1,784,447	1,983,692	(199,245)	-11%
Insurance	46,071	51,177	(5,106)	-11%	188,124	203,344	(15,220)	-8%
Other	12,561	23,387	(10,826)	-86%	63,168	78,471	(15,303)	-24%
Repair & Maintenance	59,930	49,309	10,621	18%	186,082	277,599	(91,517)	-49%
Supplies & Materials	115,536	104,224	11,312	10%	386,880	298,142	88,738	23%
Air Service Incentives [2,000,000]	-	-	-	0%	-	-	-	0%
Operating Contingency [2,622,382]	-	-	-	0%	-	-	-	0%
Total Operating Expenses	**1,710,510**	**2,344,244**	**(633,734)**	-37%	**7,001,070**	**8,340,843**	**(1,339,773)**	-19%
Operating Income (Loss) Before Depreciation	**262,069**	**240,491**	**(21,578)**	-8%	**746,608**	**827,634**	**81,026**	11%
	13.3%	9.3%			9.6%	9.0%		
Depreciation		1,424,747				4,300,687		

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Management Information Report

To: **Board of Directors**
From: **Chuck Odom, Chief Financial Officer**
Through: **J. Brian O'Neill, A.A.E., Executive Director/CEO**
Re: Solicitation Notification
Date: **December 20, 2022**

This report is to provide notification of the active and upcoming solicitations to help ensure compliance with the Phoenix-Mesa Gateway Airport Authority procurement transparency clause. The active activities include the following:

Active/Pending Solicitations

Type Solicitation	Number	Title	Anticipated Contract Award (Board Action)
Request for Proposals	2023-015-RFP	Janitorial Services	December 2022
Request for Proposals	2023-011-RFP	Insurance Broker Services – Property & Casualty	January 2023
Request for Proposals	2023-013-RFP	Fire Pumps	January 2023
Request for Qualifications	2023-016-RFQ	Structural Special Inspection & Fire Proofing Special Inspection Services	January 2023

Future Solicitations

Type Solicitation	Number	Title	Scheduled for Release	Anticipated Contract Award (Board Action)
Request for Proposals	2023-017-RFP	Preconditioned Air Units & Ground Power Units	December 2022	February 2023
Request for Proposals	2023-014-RFP	ARFF Services	January 2023	April 2023
Request for Proposals	2023-018-RFP	Insurance Broker Services- Health & Welfare Benefits	February 2023	May 2023
Request for Proposals	2023-006-RFP	Car Rental Concessions	March 2023	September 2023

Fiscal year totals from sales of decommissioned / nonworking equipment total $3,115.00.

If you have any questions about the solicitations or the procurement process, please feel free to contact me at 480-988-7613.